

**Submission  
No 2**

## **INQUIRY INTO IMPACT OF GAMBLING**

**Organisation:** Wesley Mission

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# **Wesley Mission Submission to NSW Legislative Council Select Committee Inquiry on the Impact of Gambling**

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## **About Wesley Mission**

For over 200 years Wesley Mission's commitment to its Christian faith has guided us to support and advocate for the most vulnerable members of our society.

Championing a holistic approach that creates long-term solutions, it has pioneered a diverse range of services that address the needs of the whole person, not just their current challenges.

Thanks to more than 1,900 staff, nearly 4,000 volunteers and many supporters—in addition to strong Federal and NSW Government partnerships—these services now cater to a broad spectrum of the community, from children, youth, and families, to older people and carers to anyone struggling with financial or domestic challenges, homelessness, addiction, or mental health issues.

Wesley Mission has been providing financial and gambling counselling for more than 25 years. It pioneered the establishment of Credit Line and more recently has championed a new financial literacy course, *In charge of my money*, which offers sound money management principles to help clients not only stay out of debt but plan for their financial future.

A legal advocacy service also provides vital services to those experiencing gambling-related legal issues. The service reaches across NSW and helped 125 individuals and families last year.

Wesley Mission does not support gambling but recognises that, because of legislation, there will be gambling activities in NSW. Wesley Mission works with hundreds of individuals each year for whom gambling has gone beyond recreation and has become an addiction. It also supports their families who suffer because of this addiction.

## **The design and accessibility of electronic gaming machines and new and emerging gambling products and services**

The world of technology is rapidly changing and this is particularly evident in relation to gambling technology. Electronic Gaming Machines (EGMs) in their present form are likely to change and develop into an inclusive online 'virtual reality' that can be played at home. This may include the ability to log onto the same game that is played on EGM's at clubs and hotels to allow a continuation of playing in privacy at home. This possible trend was highlighted at the 2013 Gambling Counselling Conference, which is funded by the Responsible Gambling Fund (RGF).



There may be increasing pressure upon the Government to expose the market to new forms of EGMs. Should this occur, it is important that any proposed variant of EGM be subject to rigorous scrutiny to assess the likelihood of it exacerbating problem gambling.

Wesley Mission expects that online wagering and gaming will continue to grow, with a growing variety of gambling opportunities, inducements and the like. Governments across the world are far too slow and generally ineffective in their attempts to keep pace with changes in technology and regulate these new forms of gambling. Australia is no different. It is appropriate that the Government and registered clubs reduce their dependence on gaming machines as a source of revenue.

There are four NSW bookmakers offering online bets. This compares with approximately 18 licensed bookmakers in the Northern Territory, Victoria (6), WA (2), the ACT (2) and Tasmania (1). Even Norfolk Island has issued four bookmaker licences, including the UK giant, Ladbrokes.

Rapid changes in technology and the disparate nature of regulations across Australian states and territories demands Commonwealth Government responsibility for all forms of online wagering and sports-betting regulation.

### **The regulation of the number and location of electronic and high intensity gaming machines**

The Government's cap on EGM numbers should be maintained and the transfer policy should be continued to reduce the total statewide number of EGMs. Restrictions on the transfer of EGMs to low income areas should be maintained. Gambling is regressive tax: poorer people contribute proportionally more than wealthier people to taxation revenue via gaming.

The Local Impact Assessment (LIA) process undertaken by the Independent Liquor and Gaming Authority (the Authority) is designed to assess the impact of additional gaming machines in a local government area. Each local government area is classified into Band 1, 2, or 3 based on its gaming machine density, gaming machine expenditure and Socio-Economic Indexes for Areas (SEIFA) disadvantage score.

A Band 1 LGA usually has a low gaming machine density, low gaming machine expenditure and high SEIFA score. A Band 2 LGA usually has moderate gaming machine density, moderate gaming machine expenditure and a moderate SEIFA score. A Band 3 LGA usually has high gaming machine density, high gaming machine expenditure and a low SEIFA score. In determining the classifications, the Authority ranks all LGAs in the greater Sydney metropolitan region and separately those in the country region of NSW based on each LGA's:

- density of poker machine entitlements (including hotel Liquor Act poker machine permits)
- total gaming machine expenditure per capita
- index of relative socio-economic disadvantage score (Australian Bureau of Statistics).

The effectiveness of the current Local Impact Assessment process for the transfer of gaming machine licences within and between the three bands needs independent evaluation.



## **Voluntary pre-commitment technology and operational guidelines**

Victoria is introducing voluntary pre-commitment. However, Australian research has shown a lack of consumer interest in voluntary pre-commitment. We recommend therefore that NSW should not invest resources in promoting voluntary pre-commitment unless there is evidence of some consumer benefit.

## **Access to cash and credit in and around gambling venues, and the form and delivery of cash prizes**

Counselling clients have reported to Wesley Mission staff that they have found the prohibition on withdrawals from an individual's credit account when using ATMs in gaming venues is reducing excessive gambling expenditure. Clients are less likely to amass debt at gaming venues.

*The Age* (27 January 2014) reported that the Victorian ATM ban might have only had a short-term impact on gaming machine losses in that State. Further research into the effectiveness of the removal of ATMs in Victoria is needed before concluding that there will be significant benefits to gamblers by complete removal of ATMs from gaming venues. However, removing ATM's from venues can interrupt and end play. This is a positive gambling activity intervention which was noted when the no smoking ban was first implemented in clubs.

In its 2010 Gambling Report, the Productivity Commission recommended that "Governments should prohibit venues from offering inducements that are likely to lead to problem gambling, or are likely to exacerbate existing problems, including offering free alcohol to a patron who is gambling." The Productivity Commission noted that a number of submissions to its 2010 report (section 12.6) supported a prohibition on free alcohol and free gaming credits as an inducement to gamble in a number of submissions, including Uniting Care. To reduce the incidence of problem gambling, Wesley Mission believes that the issue of gambling inducements needs to be examined more closely.

Promotional raffles such as 'badge draws' are widely used by clubs and hotels. These are permitted under the Lotteries and Art Unions Act. The effect of badge draw inducements on the incidence of problem gambling requires thorough research and analysis.

## **The role and capacity of gambling industry staff to address problems caused by gambling**

The responsibilities of gaming floor staff in NSW are generally limited to providing information about self-exclusion and counselling services. It is important to recognise that gaming venues are revenue-generating businesses and that gaming staff are required to promote gambling. A conflict can exist between the employer's obligation to maximise gambling revenue and a requirement for staff to assist someone with a gambling problem. Gaming venue staff are not trained counsellors. It is therefore appropriate that they focus upon referring patrons with gambling problems to gambling counselling services such as those provided by Wesley Mission. Such a service is able to provide professional problem gambling counselling and self-exclusion at the one location.

There is no binding legal obligation for NSW gaming venue staff to take action in response to persons who exhibit signs of problem gambling. The Responsible Conduct of Gambling course indicates that a staff member *who is approached* by a patron requesting help for a gambling problem should be able to provide information about gambling help services and



self-exclusion. Every gaming venue in the ACT is required to have a specially trained staff member known as a 'gambling contact officer' (GCO). The officer's role is to oversee the venue's compliance with the ACT's Responsible Gambling Code of Practice. In particular, the GCO is required to receive and investigate all reports about possible problem gambling in the venue, to speak with the individuals concerned and to offer them counselling and self-exclusion. Where the GCO determines that problem gambling may be harming the individual or dependants, the GCO is required to act and ban the individual from the venue. This is in strong contrast to NSW where there is no legal obligation on venues to assist problem gamblers or their families. An evaluation of the Victorian venue support program and the effectiveness of ACT gambling contact officers are needed to conclude that these specialist roles provide an evident benefit.

### **The regulation of telephone and internet gambling services in other jurisdictions in Australia and overseas**

The Productivity Commission 2010 report (at 15.6) notes that the Interactive Gambling Act 2001 prohibits the supply of online gambling services to customers in Australia but does not outlaw Australians from accessing online gambling services. There have been no prosecutions by the government regulator, the Australian Broadcasting Authority. In December 2011, the Parliamentary Joint Select Committee into Gambling Reform issued its second report into Interactive and online gambling and gambling advertising. That report makes a number of recommendations.

The Committee noted that it "...also received evidence of practices which, in its view, do not conform with responsible gambling practices, such as offering credit to online gamblers and the existence of third party commissions or finders' fees which are not adequately transparent to the consumer."

### **The regulation of gambling advertising**

Wesley Mission strongly supports the current restrictions on poker machine advertising. It advocates tougher restrictions on the advertising of all forms of high intensity gambling. There is no doubt that gambling advertising contributes to the incidence of problem gambling and can trigger a relapse in recovering problem gamblers.

Other forms of high intensity gambling are:

- Casino gambling: which can be advertised with some restrictions
- TAB: some token requirements for warnings and rules about misleading or irresponsible advertising-
- bookmaking, including sports bookmaking, is now subject to some voluntary restraint by the sports industry and increased government regulation both at a State and Federal level
- online gambling and telephone gambling: some advertising by overseas gambling providers such as online casinos on Australian hosted websites and widespread gambling advertising on overseas-hosted websites. The issue is whether regulators can control the extent of online and telephone gambling advertising when so much of it is hosted offshore.

P. Binde in *Selling dreams – causing nightmares? On gambling advertising and problem gambling* (Journal of Gambling Issues 2007 issue 20, pp. 167-192 cited in the 2010 Productivity Commission report) noted that:



- the combined effect of gambling advertising is a small to moderate increase in gambling expenditure
- a proportion of people with gambling problems (with estimates ranging from 5-20 per cent) are likely to substantially increase their gambling expenditure in response to advertising
- people who do not suffer gambling problems are less likely to increase their gambling expenditure
- children are more likely to recall advertising than adults.

### **Exemptions and exceptions to State and Federal laws and policies relating to gambling**

The Commonwealth Government should assume responsibility for the licensing and regulation of online and telephone wagering and sports betting. A levy should be imposed on online bookmakers to fund the treatment of problem gamblers in the jurisdictions where they live.

### **Gambling education including school-based programs, and measures to reduce the exposure of children and young people to gambling activity**

Wesley Mission is alarmed that children and young people are being exposed to sports betting through broadcast media and the internet. Under-age gambling and the development of gambling problems in young adults have and, will continue to develop. Wesley Mission calls for mandatory and increased restrictions on gambling advertising.

### **The adequacy and effectiveness of problem gambling help services and programs, including service standards, qualifications and funding of chaplaincy, counselling and treatment services**

The 2012 Schottler Consulting report to the Responsible Gambling Trustees, *Needs analysis of the NSW Problem Gambling Counselling and Support Services Program* concluded that: "...the NSW Problem Gambling Program offers a range of very high-quality and well-regarded services." The report suggested some refinements to the program to improve the quality of problem gambling services in NSW. We welcome the fact that the RGF is already implementing the recommendations of the Schottler Consulting report.

Wesley Mission has been providing expert counselling services for problem gamblers for more than 20 years. All Wesley Mission gambling and financial counsellors are accredited by professional organisations including the Australian Psychological Society, Counsellors' and Psychotherapists' Association of NSW and the Financial Counsellors' Association of NSW.

Wesley Mission is funded by the NSW Government through the Responsible Gambling Fund (RGF) to provide gambling counselling, gambling-specific financial counselling and a statewide legal service for NSW. Funding for gambling-specific financial counselling is also provided by the Commonwealth Government. Wesley Mission counselling services are nationally accredited. Wesley Mission offers services in Sydney City, Western Sydney, Sutherland, Central Coast, Newcastle, and across New South Wales.

Last year the service provided support and counsel to 814 problem gamblers through 3,628 sessions across NSW. Client feedback on its services indicates a high level of satisfaction with the quality and availability of Wesley Mission's counselling.



Wesley Mission's Financial Literacy Program is an industry leader and is available to recovering problem gamblers as well as other community groups. Wesley Mission's *In charge of my money* course received a Highly Commended award in the 2013 MoneySmart awards. In awarding this honour, the judges noted: "This excellent program reaches out to vulnerable people who are in real need and provides them with excellent financial literacy information and support. This direct support is essential for people who may be struggling with a range of issues such as drug and alcohol addiction. We encourage Wesley Mission to continue this vital work."

The Financial Literacy Program is both a preventive and relapse prevention program for people who previously had difficulty managing their finances. The program gives people a better understanding of money management and in the past year has held 166 financial literacy courses for 1,870 participants.

Wesley Counselling Services has also implemented Trauma Informed Care (TIC) practice into their activities. This is a cutting-edge aspect of client centred care best practice. Wesley Legal Service provides specialised expertise and support for problem gamblers, family members and gambling counsellors throughout the State.

Wesley Mission also provides a quality, self-exclusion and counselling service for registered clubs and hotels.

### **The effectiveness of public health measures to reduce risk of gambling harm, including prevention and early intervention strategies**

The prohibition on the provision of alcohol and credit for gambling have been the two most important harm minimisation measures introduced during the past 15 years.

Other strategies have been introduced during the same period, including:

- the mandatory gaming machine shutdown period
- mandatory responsible gambling signage at venue entrances, in gaming areas, on gaming machines and on ATMs
- Gambling Help contact cards on each bank of gaming machines
- mandatory provision of venue self-exclusion schemes
- links between gaming venues and counselling services
- Responsible Gambling staff training
- advertising and promotional restrictions
- display of clocks
- limits on cheque cashing
- restrictions on cash prizes
- cash dispensing machines prohibited from gaming areas
- credit prohibition on cash dispensing machines
- restrictions on player reward schemes and promotional prizes
- availability of player activity statements
- restrictions on locating gaming machine venues in retail shopping areas.

The availability and effectiveness of problem gambling counselling has continually improved. Gambling-specific financial counselling is a more recent and important measure. An integrated model of support, such as that offered by Wesley Mission, enables problem gamblers to receive immediate, professional help at one location – gambling counselling,



financial counselling, financial literacy programs, self-exclusion and legal advice. This model of integrated service provision is a paradigm, which Wesley Mission strongly advocates in securing long-term, sustainable outcomes for problem gamblers.

### **The effectiveness of strategies and models for consumer protection and responses to problem gambling in other jurisdictions in Australia and overseas**

Wesley Mission considers that the NSW model of consumer protection and response to problem gambling is the most effective in Australia. NSW has a very large number of gaming machines spread throughout the State, with many other forms of gambling widely available to consumers. In its 2010 Gambling Report, the Productivity Commission found (at 5.45) that:

“While problem gambling prevalence rates for the adult population as a whole have probably fallen, in relation to the more relevant indicators for policy, there is:

- no reliable indication of a significant decline in the rate of problem gambling among regular EGM players;
- no evidence that the share of total spending accounted for by problem gamblers has fallen.”

Arguably, a decline in the problem gambling prevalence rate corresponds with the introduction of a wide range of harm minimisation measures, and the development of a strong and effective Gambling Help network of counselling services. It is important to continue to examine the merits of additional harm minimisation measures in other jurisdictions. Further harm minimisation measures in use in other states and territories include:

- Victoria: EGM onscreen information for new machines, gaming machine voluntary pre-commitment, removal of ATMs from gaming venues, venue support workers, smoking bans
- ACT: gambling contact officers, venue operator exclusions, third party exclusions
- South Australia: third party exclusions
- Tasmania: third party exclusions, venue operator exclusions.

Wesley Mission supports the ongoing commitment of the government to funding appropriate research, particularly practical research that can direct regulatory efforts to the most effective forms of prevention and treatment of problem gambling.

### **Concluding remarks**

Wesley Mission is committed to continue to work for the good of the community in helping problem gamblers recover from their addiction, to assist and support families who have been broken apart by problem gambling, and to help better educate those who seek a better understanding of financial management. There is a community expectation that all the key institutions – government, the gambling industry and help services, will work together to build on the existing harm minimisation successes to continue to reduce the harms caused by problem gambling.

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