CORRECTED

REPORT OF PROCEEDINGS BEFORE

SELECT COMMITTEE ON THE IMPACT OF GAMBLING

INQUIRY INTO THE IMPACT OF GAMBLING ON INDIVIDUALS AND FAMILIES IN NEW SOUTH WALES

———

At Sydney on Thursday 10 April 2014

———

The Committee met at 9.30 a.m.

———

PRESENT

The Hon. S. Mitchell (Acting-Chair)

Dr J. Kaye
The Hon. C. J. S. Lynn
The Hon. M. R. Mason-Cox
The Hon. M. Veitch
The Hon. E. K. C. Wong

ACTING-CHAIR: Welcome to the first hearing of the Select Committee into the Impact of Gambling. This inquiry will examine the impact of gambling on individuals and families in New South Wales. Before commencing I acknowledge the Gadigal people, the traditional custodians of this land, and I pay respect to elders past and present of the Eora nation and extend that respect to other Aboriginals present. Four hearings are planned for this inquiry. Today we will hear from the NSW Office of Liquor, Gaming and Racing, Gambling Treatment Clinic, University of Sydney, Royal Australian and New Zealand College of Psychiatrists, Gambling Impact Society of New South Wales, Australian Wagering Council and St Vincent's Hospital Sydney, Gambling Treatment Program.

Before we commence, I make some brief comments about procedural matters. The Chair will be absent from today's hearing for medical reasons. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, you must take responsibility for what you publish or the interpretation you place on anything that is said before the Committee. It is important to remember that parliamentary privilege does not apply to what a witness may say outside of his or her evidence at this hearing. I urge witnesses to be careful about any comments they may make to the media or to others after completing their evidence as such comments will not be protected by parliamentary privilege if another person decides to take an action for defamation. The *Guidelines for the Broadcast of Proceedings* are available from the secretariat. Questions may be asked that a witness could only answer if they had more time or with certain documents to hand, in those circumstances witnesses are advised that they can take such questions on notice and provide answers within 21 days. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff.

PAUL NEWSON, Executive Director, NSW Office of Liquor, Gaming and Racing, and

BRENDAN STONE, Assistant Director, Policy and Strategy, NSW Office of Liquor, Gaming and Racing, affirmed and examined:

ACTING-CHAIR: Would either of you like to make a brief opening statement?

Mr NEWSON: No, thank you. We will rely on the submission provided by the New South Wales Government.

The Hon. MICK VEITCH: At the bottom of page 7 and on page 8 of the Government's submission it states that the Government is considering expanding the voluntary self-exclusion system to include third-party-initiated exclusions for problem gamblers. What research do you have to support such a scheme? Is there a timetable for its potential implementation? How do you envisage that working?

Mr NEWSON: I would suggest that it is premature to give you any real informed or cogent position on that question. As yet we don't have research that could inform a position. I guess it is early days. There is a commitment to better understand and support an evidence-based approach but it would be premature to give advice on that at this stage.

The Hon. MICK VEITCH: From where have you drawn the statements that appear in the submission?

Mr NEWSON: The statements in the submission really go to a want to understand whether there may be benefits and my advice is that there is not an informed position on that at this stage. There is not a cogent body of evidence that could inform an appropriate position at this stage.

The Hon. MICK VEITCH: I am a little perplexed because that takes up almost one page of your submission to this inquiry. Why would you include such a statement if you have not got any detail about it? I find that a little strange.

Mr NEWSON: I would suggest that the scheme or that mechanism is available in other environments such as the casino. I would suggest that the submission is really telegraphing the fact that while there are merits in the casino environment it is being further considered. Once there is an appropriate body of research, that will allow informed decisions to be made.

The Hon. MATTHEW MASON-COX: What do you mean by third-party exclusions? Are you talking about someone who says, "You are a problem gambler, you are affecting me and my family. You are my husband; I want you excluded." Is that what you are saying?

Mr NEWSON: Sure but I would suggest that the particulars of any scheme that maybe contemplated have not been mapped out—

The Hon. MATTHEW MASON-COX: What do you mean by third-party exclusions?

Mr NEWSON: In the casino environment it may be that the Independent Liquor and Gaming Authority will form a view that an individual should be excluded from that environment; that would be an example of third-party exclusion.

The Hon. ERNEST WONG: So there is no guideline as to who are third parties? Would it be up to the casino or to someone, as was suggested, such as family members or friends? Who is actually the authority?

Mr NEWSON: The nature of the third parties that would be available to would certainly be something that would be contemplated but clearly—and I think you are alive to those issues yourselves—there are complexities should that third party be enlarged to be any number of individuals. There is obviously a concern around potential vexatious complaints or vexatious applications. Those issues have not been explored sufficiently and would need to be further considered.

Dr JOHN KAYE: But they are currently law. Currently if my partner develops a gambling problem I can apply to have a compulsory exclusion order on her. Is that correct? That is what your submission says—have you read the submission?

Mr NEWSON: If you are referring to the casino environment—

Dr JOHN KAYE: You say here that section 79.1 allows the casino operator or other person identified—

Mr NEWSON: What we seem to be doing is melding two of the issues. What I am talking about is outside of the casino environment there is not a firm policy position on the merits of the approach; inside the casino environment the current availability is quite different.

The Hon. MICK VEITCH: You say there is currently no research. Are you engaging anyone to undertake some research into third-party exclusions? You can take the question on notice if you want to go away and check.

Mr NEWSON: I will take that question on notice for a more comprehensive answer but my understanding at this stage is that there is no live contract for research in that space.

The Hon. MICK VEITCH: At some stage in the future is it planned to engage some research into that?

Mr NEWSON: I will take that question on notice.

The Hon. MICK VEITCH: The third paragraph on page 2 of your submission talks about how you are aware of emerging internet-based gambling products. The last sentence reads:

> The NSW Government, as well as other jurisdictions, supports a national approach to ensure tighter controls on online gambling through changes to this Act, and its enforcement.

What advocacy has your department made, firstly, to the Minister and, secondly, via the Minister to the Federal Government?

Mr NEWSON: The New South Wales Government put a submission to the Select Committee on Gambling Reform which stated its position and the opposition to the relaxation of the environment.

The Hon. MICK VEITCH: So that is the advocacy position taken by your department? Have you done anything else?

Mr NEWSON: That is the position that has been articulated. It really comes under the Interactive Gambling Act and is really a Commonwealth Government issue, so the New South Wales Government's position has been articulated.

The Hon. MICK VEITCH: I would like to know how you have articulated advocacy on behalf of the people of New South Wales in your department and via the Minister to the federal level? You can take the question on notice?

Mr STONE: If I may, the Select Council on Gambling Reform that ran from late 2010 through to early 2011 following an agreement between former Prime Minister Gillard and Independent Andrew Wilkie considered this issue. The New South Wales Government put the issue of online gambling on the agenda and it was through that forum that the New South Wales Minister raised the issue and called for stronger enforcement of the Interactive Gambling Act on the basis that no prosecutions had been conducted under the Act to date and general concerns around an unregulated environment like the overseas internet casinos being accessed by Australians.

The Hon. MICK VEITCH: What would your department like to see happen? Prosecutions?

Mr STONE: That was the stated position of the Government and it was also through Commonwealth Government inquiries—there are at least two New South Wales submissions on point calling for tighter enforcement. Prosecution is one outcome but really restricting access to Australians to those unregulated sites.

The Hon. MICK VEITCH: Your submission states that Gambling Research Australia is currently researching the relationship between young people and sports betting advertising. I am a dad with teenagers and kids in their early 20s. First, I would like to know when this research is due to be completed; and, secondly, when it will be made public.

Mr STONE: The research is due to be completed in May 2015 and its publication will be a matter for Gambling Research Australia, not the New South Wales Government.

The Hon. ERNEST WONG: I have a follow on question relating to the self-exclusion program. Does your office keep a record of the number of people who have applied for self-exclusion programs per year or per venue?

Mr NEWSON: The Office of Liquor, Gaming and Racing does not maintain records of the numbers of individuals that have opted in to a self-exclusion program, if I understood the question correctly.

The Hon. ERNEST WONG: Yes. How then do you watch other programs? If you do not keep records and research relating to venues how do you know whether it is effective, whether it is working or whether it is able to achieve all that you want it to achieve?

Mr NEWSON: My answer did not go to the extent of any research around that; it was really only that we do not keep records on the number of individuals that may opt in to a scheme. I would suggest that the prevalent studies in regard to the percentage of population of New South Wales that is classed as at-risk or problem gamblers gives a strong indication of the success of the arrangements the New South Wales Government has in place.

The Hon. ERNEST WONG: You are saying that the program is there but we do not know whether it has been effective?

Mr NEWSON: No, I think my point goes to the prevalence studies which indicate 0.8 per cent which has remained largely static, or there has not been a departure of any statistical significance, which indicates to me that the harm minimisation measures that are in place are effective.

The Hon. ERNEST WONG: Your submission states that Gambling Research Australia is currently researching how people access and use interactive gambling technology on behalf of the State and Commonwealth governments. When will that research be completed and made public? Will the research include statistics to establish whether under-age or young people have access to it?

Mr NEWSON: I would need to take the second part of your question on notice and refer to the terms of reference for the research piece itself. I will locate when that research is due. Once again, the publication of that research is a matter for Gambling Research Australia.

The Hon. ERNEST WONG: When do you think the first part of it will be completed and made public?

Mr STONE: Can you repeat the nature of the research?

The Hon. ERNEST WONG: When will the research be completed and made public?

Mr STONE: Which research is that?

The Hon. ERNEST WONG: It relates to how people access online or interactive gambling technologies. It is referred to on page 16 of your submission.

Mr NEWSON: If we can take on notice the date on which research is due to be completed. I emphasise that the decision around timing for publication would be a matter for Gambling Research Australia.

The Hon. MICK VEITCH: On page 8 of your submission you talk about voluntary self-exclusion. How many people in New South Wales currently are on voluntary self-exclusion programs?

Mr NEWSON: In its 2010 report the Productivity Commission estimated a reasonably broad range of between 2,500 to 6,500 individuals who had opted in to self-exclusion.

Dr JOHN KAYE: Across Australia?

The Hon. MICK VEITCH: Across Australia or within New South Wales?

Mr NEWSON: I would suggest New South Wales, but I would prefer to take that question on notice as a point of clarification for certainty.

The Hon. MICK VEITCH: Does a casino have to remove a self-excluded person from the venue?

Mr NEWSON: That is correct.

The Hon. MICK VEITCH: But at hotels and clubs in New South Wales a self-excluded person does not have to be removed from venues. Is that correct?

Mr NEWSON: That is correct. It is not currently a requirement outside the casino for the venue to remove a person from either part of the venue or the entire venue.

The Hon. MICK VEITCH: Have you had any feedback as to whether or not having to remove self-excluded people poses problems for the staff of hotel or club operators? How do they know whether or not they are still accessing gaming machines?

Mr NEWSON: A number of different arrangements are in place depending on the venue itself. We have not had any representations to us specifically on that issue.

The Hon. MICK VEITCH: What are some examples of the mechanisms that have been put in place by hoteliers or licensed clubs to assist self-excluded persons?

Mr NEWSON: When you say "assist" obviously there is the self-exclusion scheme. There is the requirement for staff to have responsible conduct of gambling competency. Now that competency positions an individual to recognise what may be potential indicators of problem gambling or what indicators may demonstrate problem gambling. It encourages intervention and referral to some of the support services that are available.

The Hon. MICK VEITCH: Is it working?

Mr NEWSON: I refer the Committee again to the details in the submission regarding the prevalence rate from a problem gambling perspective for New South Wales. It has remained largely static at 0.8 per cent and compared to other jurisdictions in Australia is the lowest. I suggest on that metric alone it demonstrates that the suite of measures is effective.

The Hon. MICK VEITCH: What would be the one thing for which your department would ask to enhance that process?

Mr NEWSON: Currently I am not aware of any additional measures that we have identified or that research has identified for which we would be advocating at this stage. We rely on Gambling Research Australia to provide a foundation for what ultimately is our policy advice to government. I am not currently aware of any particular additional intervention over and above what is currently in place that we would be advocating would be more effective.

The Hon. MICK VEITCH: Are you happy with the current suite of measures?

Mr NEWSON: We are certainly satisfied with the data that suggests the problem gambling prevalence rate remains low, and it remains lower than other Australian jurisdictions.

The Hon. MICK VEITCH: Are you confident the data collection process provides a true or accurate reflection of gambling in New South Wales?

Mr NEWSON: I do not think it is our place to question the data integrity of the research pieces that are undertaken.

The Hon. MICK VEITCH: Does it provide you with confidence and inform your decisions and actions?

Mr NEWSON: The research pieces that are undertaken provide the foundation for the policy advice that we provide. So I would suggest that we do have confidence in the research that is provided.

Dr JOHN KAYE: From recollection the electronic gaming machine cap in New South Wales was first imposed in 2001 and it has been reduced on at least one occasion, if not more often. Has there been any time in the history of New South Wales when that cap has been binding, that is, the number of electronic gaming machine entitlements has been equal to or greater than the capped amount?

Mr NEWSON: The position in regard to the electronic gaming machine threshold and the trading scheme is really a matter for the Independent Liquor and Gaming Authority.

Dr JOHN KAYE: I am sorry, that is not what I was asking. I was asking about the cap that is specifically referred to in your submission. Do you keep data on the number of gaming machines in New South Wales? Page 3 of your excellent submission refers to a cap in 2001 on gaming machines and it states that that was reduced to 99,000 gaming machine entitlements in January 2009. Could you tell me whether at any stage that cap has been binding, that is to say, have there been more poker machines in New South Wales than the cap would allow?

Mr NEWSON: I reiterate my point that data is certainly kept in regard to the cap. The Independent Liquor and Gaming Authority monitors this piece of work. We do not have any information to suggest that there has been a breach, if that is what you are suggesting.

Dr JOHN KAYE: No, I am not suggesting that. I am asking whether, in the 13-year history of that cap, there has ever been a reduction in the number of poker machine entitlements in New South Wales as a result of that cap. It is a policy question.

Mr NEWSON: The fundamental principle of the scheme is to cause a gradual reduction in gaming machines in New South Wales.

Dr JOHN KAYE: Has it done so?

Mr NEWSON: It has done so, yes.

Dr JOHN KAYE: How has it done so if it has never been binding?

Mr NEWSON: I am sorry; I do not quite understand your reference to the word "binding"?

Dr JOHN KAYE: I will repeat my question. Has there ever been a situation in New South Wales when the number of poker machines has been equal to or greater than the cap?

Mr STONE: The current cap came in as a result of the statutory review of the Gaming Machines Act in 2007. Our understanding is that since the current cap of 99,000 was introduced in 2007 following a statutory review of the Act the number of machines has not exceeded the cap.

Dr JOHN KAYE: Has it ever come close to the cap?

Mr STONE: Your question was whether it had ever exceeded the cap.

Dr JOHN KAYE: I am changing the question. Has it ever come close to the cap?

Mr STONE: We will have to get back to you on that. I will take that question on notice. In regard to reducing the number of gaming machines in New South Wales, sitting under the cap is the entitlement trading scheme. There is an ongoing reduction of the number of entitlements under the entitlement trading scheme.

Once they are bought or sold between venues the threshold for that venue decreases. At the moment that is sitting at around 96,000.

Dr JOHN KAYE: So it is currently 3,000 below the current cap?

Mr STONE: Yes.

Dr JOHN KAYE: Will you provide on notice a plot of the number of electronic gaming machine entitlements and the cap from 2001 to 2014. It will be instructive for me, and I suspect it also will be instructive for you, to see how close the number of entitlements came to the cap. You spoke earlier about the transfer scheme. If I am a club operating in Sydney's east where my poker machines are not making a lot of money for me and I buy a club in Sydney's south-west and amalgamate them as one club and I then transfer the poker machines from my club in the east into my club in Sydney's south-west is it true that I do not have to surrender any poker machines? Is that correct?

Mr NEWSON: Yes, there are arrangements for clubs that are amalgamated that get relief from the reduction through the trading scheme.

Dr JOHN KAYE: The answer to my question is yes, is that correct?

Mr NEWSON: Yes, if there is an amalgamated club they are able to—

Dr JOHN KAYE: Do you know how many clubs have amalgamated in that fashion? Can you provide the Committee with figures for the number of clubs that have amalgamated since that provision was included in the Act?

Mr NEWSON: I do not have that information on hand.

Dr JOHN KAYE: Will you take that question on notice?

Mr NEWSON: Yes.

Dr JOHN KAYE: Have any concerns been raised with respect to clubs being able to aggregate poker machines into lower socio-economic areas with a higher prevalence of problem gambling?

Mr NEWSON: There have not been concerns raised to our office in regard to what is a fairly narrow exemption for registered clubs that may have an amalgamation. As we have already acknowledged, we will take that question on notice to provide advice on the number.

Dr JOHN KAYE: Are you aware of debate in public about this issue and concerns in the public debate?

Mr NEWSON: Not specific to the line of inquiry in regards to an amalgamated club or the scenario that you have specifically pointed out.

Dr JOHN KAYE: Let me ask you another question then. Are you aware of any research which suggests that larger venue sizes create more problem gambling?

Mr NEWSON: Not that I could make an informed statement on at this time.

Dr JOHN KAYE: Has the office done any of its own research or commissioned any research to look into the impacts of venue sizes on problem gambling? By venue size I am referring to the number of poker machines per venue.

Mr NEWSON: I understand that.

Mr STONE: There is the Band system in place, as you would be aware. The Band system recognises two factors: gaming machine density in a certain local government area and also what is known as the SEIFA index, the Socio-Economic Indexes for Areas—the socio-economic profile of the area. I am not aware of any research specifically on venue size, but I would suggest that there are other factors at play.

Dr JOHN KAYE: So the Office of Liquor, Gaming and Racing is not aware of research on the impacts of venue size on problem gambling?

Mr NEWSON: We are certainly not looking at it in a contemporary sense. Gambling Research Australia, the priorities for its five-year project do not contemplate that specifically.

Dr JOHN KAYE: Am I correct in saying that there was a period within which no venue could have more than 500 gaming machine entitlements?

Mr NEWSON: I will have to take that on notice.

Dr JOHN KAYE: Could you also take on notice when that 500 cap was lifted and why it was lifted?

Mr NEWSON: Yes.

Dr JOHN KAYE: In its submission the Gaming Impact Society suggests quite strongly that there are specific features of electronic gaming machines, which encourage problem gambling. If you go to the first page of their submission the society says:

> Research has indicated the design of the machines have some inherent features which are particularly problematic—

and they refer to Dixon et al 2010 and the work of Livingstone and Woolley 2007—

> these include "losses disguised as wins", speed of gambling, multiple lines of gambling, free spins, linked jackpots the algorithms which underpin these features. We believe these design features are significant contributors to consumer harm and should be required under regulation to be assessed as product safety within the norms of consumer protection.

Are you aware of the research of Dixon et al 2010 and Livingstone and Woolley 2007, and the features referred to?

Mr NEWSON: I cannot speak to that piece of research but I am aware that Gambling Research Australia has work underway to examine that issue itself, which we understand will be completed at the end of 2014. The intent, clearly, of that work is to support an informed view on the characteristics or the features of gaming machines that would support policy advice going forward.

Dr JOHN KAYE: Is there anything in the Gaming Machines Prohibited Features Register, maintained by the authority—and I understand you are the office, not the authority but you would be aware of the list maintained by the authority—which would mitigate against losses disguised as wins, speed of gambling, multiple lines of gambling, free spins, linked jackpots and the algorithms which underpin these features?

Mr NEWSON: As you appreciate, the authority does maintain a list of prohibited features, prohibited characteristics. I cannot speak to that list in any informed manner here.

Dr JOHN KAYE: But you are aware of that list?

Mr NEWSON: Yes, I am

Dr JOHN KAYE: And you enforce that list?

Mr NEWSON: When you say we enforce that list, the authority manages the applications process for the introduction of whether it is new gaming machines or new functionality on gaming machines, so there is a stringent gateway at that entry point. If you are suggesting do we have a supervisory role for gaming machines, should in that extraordinary circumstance one of these features be in the environment then yes we would have a role.

Dr JOHN KAYE: You would therefore have to be aware of that list

Mr NEWSON: Yes, our office is certainly aware of the list that the authority maintains.

Dr JOHN KAYE: My question I think was a good one then: Does that list exclude any of those features or mitigate against any of those features?

Mr NEWSON: It is not, to my mind, a list about mitigating as much as it is around identifying features or characteristics of gaming machines or particular games that present an undue risk of harm and prohibiting those features.

Dr JOHN KAYE: Losses disguised as wins, is that in any way referred to in that list?

Mr NEWSON: As you will appreciate, the authority maintains that list. I am happy to take that question on notice. I cannot speak for that list in an informed way here.

Dr JOHN KAYE: Can we talk a little bit about the issue of exclusion, voluntary self-exclusion? It has been raised in submissions to our inquiry, I think again by the Gambling Impact Society, that people are being let back into venues even though they are voluntarily excluded and then people have called the office and asked the office, "What is going on here? Why is my husband, my wife or my son or my daughter being let back into this venue once they have been excluded?" and the office has been saying, "We cannot do anything about it; it is not our business". Is that correct, is that what is happening here?

Mr NEWSON: No, I would not accept that as an accurate statement. The Office of Liquor, Gaming and Racing has a risk-based compliance supervision approach; it is also complemented by a responsive approach when there are complaints—whether that be from the community or other channels. I am certainly aware generally that there have been a limited number of complaints in regard to the operation of self-exclusion schemes and there have been inquiries around those.

Dr JOHN KAYE: What does the office do when somebody calls up? I call up and say, "My brother has been self-excluded and he went back there and they let him back in". How do you handle that sort of issue?

Mr NEWSON: I do not think there is one answer that is going to cover or contemplate all the potential variations in those circumstances.

Dr JOHN KAYE: I just gave you a single scenario to deal with.

Mr NEWSON: Sure. It has a number of complexities, I would suggest. When a complaint comes into the office in this circumstance around a self-exclusion scheme, the office would have an assessment of that complaint; the office would, most likely, engage with the venue; the office would, most likely, interview the complainant and understand what is alleged to have occurred, and I guess what I would emphasise is that a complaint in any regulatory environment is simply that: it is an allegation of conduct. We do not accept at face value, obviously, that that allegation is made out; inquiries must be undertaken. In a circumstance around the operation of a self-exclusion scheme, it is often appropriate to get a better understanding of what is alleged to have occurred, to engage with the venue, to understand the existing rigour of their scheme, to understand whether there may be recommendations around good practice that should be made.

Dr JOHN KAYE: That is a long answer. I was wrong; it was St Vincent's Hospital's evidence. St Vincent's Hospital says:

> … the responses have been similar to those given to our clients, namely, that the responsibility of self-exclusion lies solely with the individual requesting self-exclusion.

According to the evidence presented by St Vincent's Hospital, OLGR has been telling people that it is your problem—that is, the self-exclusion problem is yours only.

Mr NEWSON: I would not accept that that would be an accurate representation of the inquiries and the guidance that the Office of Liquor, Gaming and Racing would provide. If there are concerns around the operation of the self-exclusion scheme at a particular venue we would make inquiries in regard to those concerns. Depending on the seriousness of those concerns and the compliance history of a venue, that could inform any number of inquiries.

The Hon. MICK VEITCH: How do you determine the seriousness? What are the criteria to determine the seriousness?

Mr NEWSON: It would really turn on what the allegations are. The allegations may contemplate that a venue knowingly allowed a person to access. There is a range of conduct here. The best of systems will remain imperfect and a self-exclusion scheme, I think by its very nature, does rely on a person to self-identify and opt in to the scheme. All schemes will be imperfect. If the allegations suggested that a venue or a staff member was complicit or was encouraging or incentivising or otherwise turning a blind eye, then that, to my mind, would increase the seriousness of the allegation.

Dr JOHN KAYE: So you are saying to me that what St Vincent's says here is not true, the St Vincent' submission is wrong when it says that when clients at St Vincent's gambling clinic "attempted to address the failure of self-exclusion with either venue staff or via OLGR, they have been told that the responsibility lies entirely with the individual requesting the self-exclusion, and that the venue staff cannot be held accountable for their failure to enforce the self-exclusion". You are saying that is incorrect?

Mr NEWSON: What I am saying is that we would have to look at the circumstances and that OLGR invariably would attend the venue in question and see firstly that they have a self-exclusion scheme and then understand the effectiveness of the implementation of that scheme. So it does require some inquiry. If there was an ineffective or an inadequate implementation of the scheme then that would not be an appropriate advice to say that the onus is on the individual. But clearly, by its nature, there is an onus on an individual to self-identify and to opt in to a self-exclusion scheme.

Dr JOHN KAYE: Could I take you somewhere else? Under the Gaming Machines Act, OLGR has certain functions delegated to them by the director general, is that correct? That is the legal situation?

Mr NEWSON: Certainly by the secretary, yes.

Dr JOHN KAYE: That would mean that the objects of the Act are important for you in the way you operate?

Mr NEWSON: I think as a general answer: The objects of all of our legislation are important.

Dr JOHN KAYE: So the objects of the Act on the one hand have you minimising harm—this is section 3 (1): "(a) to minimise harm associated with the misuse and abuse of gambling activities, (b) to foster responsible conduct in relation to gambling", but the section goes on to say: "(c) to facilitate the balanced development, in the public interest, of the gaming industry". Can you explain to us how you balance those two seemingly competing objectives?

Mr NEWSON: Firstly, I would suggest that that is not an extraordinary arrangement; it is common throughout other parts of legislation that we administer, and the Liquor Act is probably a prime example of that. We certainly recognise that on its face there is a tension there, but it is balancing—it must balance a recognition that the majority of, whether it is Australians or New South Wales, participants enjoy responsible gambling, and a recognition, whether it is in this context or another regulatory environment such as liquor, that there are enormous contributions to the community—whether that be economic, whether that be recreational—with harm minimisation and a need to ameliorate that risk of harm.

Dr JOHN KAYE: So you see it as a trade-off? You accept a certain number of people will be harmed by the industry? It is a kind of utilitarian thing: you accept that a certain number of people will be harmed by the industry in return for what you claim to be social and also economic returns from the industry?

Mr NEWSON: I would suggest that it is a balance of a natural tension between a recognition that with this industry, like others, the majority of participants enjoy it responsibly and a recognition that a minority of individuals do encounter, in this circumstance, problem gambling. It is a balance of employing rigorous harm minimisation approaches and not unduly interfering with the majority of the population that enjoys the recreation responsibly.

Dr JOHN KAYE: You are saying the majority of people in New South Wales enjoy gaming machines?

Mr NEWSON: No, I am suggesting that the majority of individuals that participate—

Dr JOHN KAYE: Within the participants, okay.

The Hon. MATTHEW MASON-COX: Mr Newson and Mr Stone, on page 12 of your submission you state, "To guard against minors being socialised to gambling, the Government has put in place tough laws in venues to prevent minors being exposed to gaming machines." That is all well and good. In relation to other forms of gambling, for example, sports betting and online gambling, what are we doing about advertising on television to prevent our children being socialised to gambling and it being a big part of their lives, particularly with sports gambling being so prevalent?

Mr NEWSON: First, as you would appreciate, the regulation of television broadcasting and advertising is a Commonwealth Government responsibility. There is certainly some provision and some restriction to gambling advertising in New South Wales. The Office of Liquor, Gaming and Racing has an ongoing investigation into a number of advertisements where there is a suspicion that they may offend the existing regulation. That regulation is in regard to offering some form of inducement voucher or award to participate or to participate frequently in a gambling activity. My comments stand. The regulation of television broadcasting and advertising is a Commonwealth matter. There are some provisions in New South Wales that regulate this space. The Office of Liquor, Gaming and Racing has a live investigation which is looking at a number of forms of advertisements from licensed to wagering operators in the New South Wales jurisdiction and other State jurisdictions that may—inquiries are ongoing—offend the existing regulation.

The Hon. MATTHEW MASON-COX: Can you expand on that? What is the nature of those inquiries and which areas are being contemplated?

Mr NEWSON: The Racing Administration Regulation has a clause which deals with prohibition in regard to advertising and there are a number of limbs to that: if advertising encourages a breach of the law; depicts children gambling; or suggests that winning will be a definite outcome. The one we are looking at is in regard to offering a credit voucher or reward as an inducement for somebody to participate in gambling. It is premature to give a view on where that investigation may land but inquiries are looking at whether some of the advertisements that are currently in the marketplace may offend that provision.

The Hon. MATTHEW MASON-COX: What about private companies providing scratch-and-win type options? Have you thought about the impact of a child's view of the world, particularly gambling, given that lottery tickets is a major form of gambling?

Mr NEWSON: To clarify, is that in regard to trade promotions that a business—

The Hon. MATTHEW MASON-COX: Trade promotions. I will not name companies, but some companies use a scratch-and-win type approach for product enhancement. Have you thought about socialising children to that type of marketing approach?

Mr NEWSON: To our understanding, there is not a body of evidence that speaks to that particular issue that identifies causation between—whether it is the trade promotions you are talking about—the normalisation or the socialisation of gambling to minors or children. That said, the trade promotion applications or the permanent applications that the office processes go through a risk assessment process. Should it be identified that they present an increased risk or an unacceptable risk they would not be allowed. There is existing regulation that governs the nature of applications or the nature of permits that can be issued.

The Hon. MATTHEW MASON-COX: Is any research being contemplated in this area in relation to socialising children to gambling when watching television advertising, going to venues, all those things? Is that a continuing research brief for the industry? You can take that on notice if you like.

Mr NEWSON: We will take that one on notice.

The Hon. MATTHEW MASON-COX: Can you give me an idea in billions of dollars of what the total gambling market is in New South Wales?

Mr NEWSON: I think we might have to take that on notice.

The Hon. MATTHEW MASON-COX: Could you break it down for us by type in respect of horseracing, gambling machines, casino, online, offline, venue-based, that would be useful. I am sure you collect statistics on these things. You can also take that on notice.

Mr NEWSON: We have some figures available here.

The Hon. MATTHEW MASON-COX: It will be fine to take it on notice. I would also like to know whether you have statistics on online gambling nationally and State-based versus international casinos, things of that nature. Do you collect that information?

Mr NEWSON: We will take it on notice. I suggest the answer would be no. Certainly out of jurisdiction would be no.

The Hon. MATTHEW MASON-COX: In respect of the information that you have, can you provide the past five years so we can understand the growth profile of each type of gambling and its pathway?

The Hon. MICK VEITCH: Are you after trends?

The Hon. MATTHEW MASON-COX: Yes, trends, and things of that nature, where the growth is, where it is static. That would be useful. I am interested in self-exclusion. Do you have statistics on how often people apply to exclude themselves from venues?

Mr NEWSON: No. Venues are not required to report to our office in regard to the operation of the self-exclusion schemes.

The Hon. MATTHEW MASON-COX: Who do they report to?

Mr NEWSON: There is not a reporting requirement in regard to the operation of the self-exclusion schemes.

The Hon. MATTHEW MASON-COX: Why not?

Mr NEWSON: We do not have that information. A reporting regime across a self-exclusion scheme that is run at a venue would not inform us any further than our current understanding or our current benchmark. I again point to the prevalence study, which is really our benchmark for informing where the rates of gambling harm are at. It has maintained at the 0.8 per cent and is lower than other Australian jurisdictions.

The Hon. MATTHEW MASON-COX: We have a self-exclusion regime at various venues but no-one has to report the effectiveness of that in respect of people putting their hand up and saying, "I want to be excluded", when they might come back or if there are any breaches. You are saying there is no process in place?

Mr NEWSON: It is does not extend as to whether there are any breaches of that. Should there be breaches, the Office of Liquor, Gaming and Racing has a role in understanding the nature of that alleged breach.

The Hon. MATTHEW MASON-COX: Is it reported to you?

Mr NEWSON: It may or may not be, like any suspected breach.

The Hon. MATTHEW MASON-COX: You have got no idea what is going on in that scenario? You do not know who is voluntarily excluding themselves and you do not know whether there may be a breach because there is not a mandatory reporting requirement to you? Is that right; yes or no?

Mr NEWSON: It is not a mandatory reporting requirement. The Productivity Commission Report in 2010 estimated the range of individuals that had self-excluded to be between 2,500 and 6,500, so it is a fairly wide range, but there is not a more precise—

The Hon. MATTHEW MASON-COX: So no-one knows?

Mr NEWSON: There are no precise figures around the operation of the scheme.

The Hon. MATTHEW MASON-COX: The venue would know, would it not, because the venue would have the information?

Mr NEWSON: The venue would have the information.

The Hon. CHARLIE LYNN: I am interested in the statement you made in regard to internet gambling. Clearly there is a Federal responsibility but do you have any idea of the extent of internet gambling in New South Wales?

Mr NEWSON: We do not have a real understanding of the extent of participation. We certainly have a view that it presents significant opportunity for exponential growth. The Interactive Gambling Act, whether it is the supervision or the enforcement of it, and controlling the access to offshore sites is the stated position of the New South Wales Government.

The Hon. CHARLIE LYNN: Sorry?

Mr NEWSON: More rigorous or more effort around the supervision or the enforcement of the Interactive Gambling Act is the stated position of the New South Wales Government. We do not have data on participation, other than knowing or having a view that it presents as an area for exponential growth.

The Hon. CHARLIE LYNN: How closely do you work with a Federal Government agency in gathering information on internet gambling and what sort of research, if any, has been done in New South Wales?

Mr STONE: There has been quite a body of research. Dr Sally Gainsbury's is prominent in this area. In that research there have been estimations of participation in illegal internet gaming. I do not have those figures in front of mind, but that research is there. In terms of engagement with the Federal Government, they have recently reviewed their Interactive Gambling Act. There was a call for public submissions and the New South Wales Government contributed to that process. A response to the final report is awaited from the Federal Government.

The Hon. CHARLIE LYNN: I understand that numerous gambling dens exist in the suburbs and they are probably a police matter. What liaison do you have in regard to monitoring their operation?

Mr NEWSON: As you have appreciated, the Office of Liquor, Gaming and Racing does not have a direct role. It comes under the Unlawful Gambling Act and it really is a police matter. Our understanding is that a range of other criminal activity is often associated with a gambling den and it really is a policing matter. There have been occasions previously where we have had advice of the operation of unlawful gambling machines that may not fit that characteristic of a gaming den, but otherwise we are not in a regulated environment. The Office of Liquor, Gaming and Racing has had activity in that space, but in regard to gambling dens, it really is a police matter and as much as we have a close liaison with the police, we are not active in that space.

The Hon. CHARLIE LYNN: Because they are not regulated, if you like, they are numerous and, as you said, they are associated with additional criminal activity such as loan sharks and everything else that goes in hand with that. I am interested in how close your liaison is with the police to identify and do something about their operation.

Mr NEWSON: We do not have any information to suggest that the gaming dens or environments of that nature are numerous. It is not a constant dialogue we have with police. We are aware or we have a view that where they do arise, they are most likely associated with other criminal activity and that is not a place for the Office of Liquor, Gaming and Racing inspectors to be involved. We really concentrate on the fringe of that activity where there may be games and they may be prohibited. We may have a view that they may be attractive to minors and there may be a view that they may support the socialisation or normalisation of gaming. In environments where we have seen those styles of machines, which are prohibited, we certainly have an active role.

The Hon. CHARLIE LYNN: I have been made aware of homes, for example, that operate as mini-casinos, where people go specifically to gamble. It may be that that will lead to other social problems in regard to loan sharking, drug running and so on. It may not be high on the police priority list in regard to just gambling, but it does exist and, as I said, there is a lot of it.

Mr NEWSON: I would suggest that the supervision and enforcement around that space is covered by several other agencies. The State Crime Commission, the Australian Crime Commission, the Australian

Transaction Reports and Analysis Centre and the various policing agencies have a sophistication, a monitoring network and an intelligence network. They obviously have an enforcement function that is quite removed from our role. They really target and attack those issues that border on or are involved with serious criminality.

ACTING-CHAIR: In the minute or two that remains for this segment, I want to touch on the issue of the problem gambling help services that are offered in New South Wales, to which you refer on page 13 of your submission. Some of the examples you mention are face-to-face counselling and telephone services. Do you have data that you can provide to the Committee—and I am happy for the question to be taken on notice—in terms of the numbers of people in New South Wales who are accessing your gambling help services?

Mr NEWSON: Yes, and we can provide that to the Committee. I will take that on notice.

ACTING-CHAIR: If in doing so you could provide it over the five-year period, similar to the question asked by the Hon. Matthew Mason-Cox, so that we can compare the trends in terms of where gambling use is occurring and what help services are being asked for by the community, that would be good. With that you also mention that the Responsible Gambling Fund undertakes client satisfaction surveys and follows up with clients. Are you able to provide some information in terms of the satisfaction rates of people who are accessing those services? I know that obviously some of the information will be confidential, but even an overview of generally whether people are happy with the services provided would be good.

Mr NEWSON: Yes, I can probably speak to that briefly now. As much as it was in 2008, the University of Sydney undertook a piece of work around this area. There is that requirement for the gambling counselling services to follow up with the clients. The University of Sydney assessed 120 clients six months after that treatment concluded. The research found that the majority had significant improvements in their quality of life as a result of the treatment and 40 per cent had ceased gambling altogether. There is also another metric around the average money lost per week out of that target pool of 120: For those who were still participating in gambling, that had reduced from approximately $1,100 to around $150.

ACTING-CHAIR: The issue of gambling as an addiction has been raised in some of the other submissions. Basically it is suggested that it should be transferred to the Health portfolio. Do you have a view on that, or does your office have a view on the issue of gambling addiction being looked after by a different organisation?

Mr NEWSON: It is not something that has been brought to our attention or that we have turned our minds to. Clearly, ultimately that would be a matter for government. I would just add to my previous statement that data also from 2012-13 indicates that more than 85 per cent of clients are able to better manage their gambling as a result of the gambling help services.

Dr JOHN KAYE: Is that 85 per cent of people who have problem gambling, or 85 per cent of people who access the services?

Mr NEWSON: It is clients. It is those who actually access the services. It is informed by that requirement for the six-month follow-up.

Dr JOHN KAYE: But that is 85 per cent of the 10 per cent who actually get to those services.

Mr NEWSON: Yes. It is 85 per cent of the clients, who are the people who actually access those services. We have taken on notice the figures around that and we can provide a five-year trend on the access to the service.

ACTING-CHAIR: Thank you very much. Our time has expired. Obviously, you have taken a few questions on notice and Committee members may have more that they would like to put you on notice. The secretariat will contact you in relation to those questions. If you could provide the answers to those questions to the Committee within 21 days, that would be appreciated.

Mr NEWSON: Certainly.

(The witnesses withdrew)

(Short adjournment)

KIRSTEN SHANNON, Clinic Manager, Gambling Treatment Clinic, University of Sydney, and

ALEXANDER BLASZCZYNSKI, Professor of Psychology and Director, Gambling Treatment Clinic, University of Sydney, affirmed and examined:

ACTING-CHAIR: I resume the hearing and welcome our next witnesses from the Gambling Treatment Clinic at the University of Sydney. Would either of you like to make a short opening statement?

Professor BLASZCZYNSKI: No. I guess in part that we have not put in a formal submission to the Committee on the basis that in fact there have been quite a number of other Senate committee hearings at the Federal level and many of those particular issues already are covered by the terms of reference for this Committee. I would assume that much of my comments already would be on the public record.

ACTING-CHAIR: We will move on to questions. Just for your information, the time for questions will be divided equally between the crossbench, the Government and the Opposition members.

Dr JOHN KAYE: Thank you both for coming here today. I will begin with the issue of the venue size and the number of poker machines per venue. Do you have any evidence, or are you aware of any evidence, or in your practice do you see any evidence emerging, of larger venues creating more problem gamblers than smaller venues?

Professor BLASZCZYNSKI: I think that is an important question as to whether in fact you have one large venue with multiple machines or multiple venues with small numbers of machines. Part of the issue basically is the distribution of gaming machines within the community. Many of them are located in the lower socioeconomic areas and target people who in fact are more prone to developing problems as a consequence of being unable to afford the level of gambling that they have. More important are the questions of where those particular machines are located, whether they are in for-profit organisations, which may in fact be less motivated to apply responsible gambling practices, versus clubs and others that are non-profit organisations and have a greater motivation to provide responsible gambling for their patrons. Those are the sorts of key issues that need to be addressed.

Dr JOHN KAYE: I will go to the issue of the for-profit clubs versus the cooperative clubs. I think what you are saying is that some clubs are run as cooperatives for the membership and some are run for profit. What I take from your statement—and correct if I am wrong—is that the for-profit clubs will produce the same club design, the same machines, the same venue density and the same location, and the for-profit clubs will produce more problem gambling than the not-for-profit clubs.

Professor BLASZCZYNSKI: Studies conducted back in 2001, I think, indicated that there was higher prevalence of problem gambling amongst hotel patrons compared to club patrons. They are different demographics. If we look at the history of it, poker machines were in club locations in the sort of cooperative venues since 1956 until the eighties and, again, during that particular period of time the primary form of problem gambling related to horse racing. Then in the eighties, for some reason, which I presume was more politically driven, Bob Carr allowed the expansion of poker machines into hotels. I think it then flooded into the community, permeated multiple venues, increased accessibility of gambling and targeted a different population.

Ms SHANNON: It is a simple fact that increased accessibility will increase problem gambling.

Dr JOHN KAYE: Are you saying that if you have more machines, regardless of venue size, more people will use them and you will capture more problem gamblers?

Ms SHANNON: I am simply just saying the more accessible gambling machines are in the wider community, not necessarily whether there are more machines in one venue. I would say that the more accessible they are to people across the community, the more likely we are to have problem gambling as an issue in the community.

Professor BLASZCZYNSKI: If I may say, the question really arises to what we are talking about in terms of number of machines within a particular jurisdiction. I do not think there has been sufficient evidence to indicate that a reduction of X proportion of machines will lead to an X per cent reduction in problem gambling. In my view, there must be some threshold that reducing the number of gaming machines in a jurisdiction is not

going to have a major impact because sufficient machines remain to allow people to play. Then if you get down to a certain low level, you may in fact be targeting more of the ardent gambler, and recreational gamblers will fall aside and not participate. You are going to get more of a hard-core group of people playing those machines. These are questions that I think are important but have not been adequately investigated, in my view.

Dr JOHN KAYE: A lot of evidence presented to us is that there are features of poker machines, electronic gaming machines, that specifically create problem gambling. Has that been your observation?

Professor BLASZCZYNSKI: No. Basically, my view is that this is an interaction between a machine and a human. If you use analogies in other jurisdictions, driving a v8 car does not cause an individual to speed. It provides an opportunity, but many of the factors are related to person-centric type issues.

Dr JOHN KAYE: To take your analogy a step further, is it not true that if somebody had within them the urge to speed but you gave them only a Mazda 323, for example, the car I drive, they would not do so much speeding and we would have safer roads, whereas if there were plenty of cheaply available v8s on the market we would have more speeding?

Professor BLASZCZYNSKI: I do not think so. I am not sure of the number of Mazda 323s booked for excessive speeding. Basically, my view is that people will speed irrespective of the vehicle they are driving. Of course, part of the difficulty is that people have old cars and continue to exceed the speed limit. The other issue is that if you want to really get into speed, you will hot up your car and break the law and modify vehicles and so forth. If you modify a gaming machine such that nobody plays it, there is the risk that they then will go on to Internet gambling, horse racing or other forms of gambling or spend time in venues drinking. If you look at the nature of the gaming machine since Charles Frey developed it in 1895, it has been popular and that is prior to the sort of electronic sophistication that we have currently.

Throughout history poker machines, for some reason, intrinsically are popular and part of that is the unpredictability of wins. They are variable ratio reinforcement: you cannot predict when they are going to win and that leads people to develop ideas, erroneous ideas, that sort of contribute to their persistence in gambling. Modifying reel spins, modifying bill acceptors and so forth are tinkering around the edges. I think that if you are looking at the overall prize, level of prize motivates people to gamble. We see that in lotteries. If there is a $60 million win, there is a significant increase in purchases of lottery tickets. If it is down to $1 million, people habituate to that and sales drop.

Ms SHANNON: There is also less of a problem with problem gambling with fruit machines in Britain because they actually have a lower maximum prize value. I think high prize values do encourage people to gamble, more especially if they have been chasing losses. They have a higher propensity to spend more to recoup their losses if they think they can get a higher prize.

Dr JOHN KAYE: You would favour bringing down the payouts and making them more frequent and that would reduce problem gambling or bringing down the payouts and not making them more frequent, which, of course, if you did that, would make gaming machines more profitable for clubs?

Ms SHANNON: I do not know about the frequency, but I certainly know that a higher prize value is encouraging people who are in debt to think there is a possibility of getting out of debt by the potential of winning a large prize even though the likelihood of getting that prize is very low.

Dr JOHN KAYE: Is lowering the expectation of a big win an important component in design?

Ms SHANNON: Yes.

Dr JOHN KAYE: Do people respond at all to the frequency of wins?

Professor BLASZCZYNSKI: Yes. If you look at the principles of psychology, what we do know is that the more frequent the win the more likely the person is going to continue gambling or persisting in that particular behaviour because they are being reinforced in a more frequent level. On the other hand, if you reduce the frequency of winnings, then people may persist for longer trying to get that win because they believe that if there is a series of losses, a win is due to come. The difficulty I have, basically, is that there have been very few studies looking at the impact of return-to-player percentages—whether it is 85, 91 or 95 per cent—in terms of

what impact that has on problem gamblers. The Government sets those particular parameters by legislation, as I understand it.

Dr JOHN KAYE: That is correct.

Professor BLASZCZYNSKI: But as I understand it the Government has not conducted this sort of evaluation as to what the impact is on problem gambling.

Dr JOHN KAYE: You think we should explore that parameter?

Professor BLASZCZYNSKI: I think the Government ought to start monitoring the responsible gambling initiatives it has implemented over the last 10 years or so. My criticism, both of the industry and Government, is that it has implemented a range of responsible gambling measures but have failed to monitor it and determine which ones are effective and which ones are simply knee-jerk reactions to ideology and philosophical positions and give the impression they are being effective but in fact they are not effective.

I point out the clocks on venues and putting credit points versus dollar amounts on machines: I have yet to see any validation of the effectiveness of clocks on machines but it is still one of the major approaches. We know that the majority of people ignore signage because there are so many signs and it is not pertinent to them. For those that are pertinent then they access those particular signs. The question is how do we target those people most at risk and vulnerable and how do we respond to those that do experience particular problems.

Dr JOHN KAYE: The Productivity Commission answers that question by saying there should be mandatory precommitment. It was extremely positive about the idea of mandatory precommitment.

Professor BLASZCZYNSKI: I understand they recommended a trial of mandatory commitment.

Dr JOHN KAYE: Yes, that was a key recommendation. It turned into a political nightmare.

Professor BLASZCZYNSKI: It was a trial, it was not to indicate mandatory precommitment should be implemented.

Dr JOHN KAYE: It was certainly a trial. Do you support the idea of a trial?

Professor BLASZCZYNSKI: The devil is in the detail of how you define mandatory precommitment. I think that machines ought to have the capacity for precommitment and I think it is up to the individual to utilise the precommitment facilities as they see fit. I think that the difficulty with precommitment, as I have argued previously, is there is a fundamental flaw when a gambler is setting their own limit. If there is no capacity to monitor what your limit is then problem gamblers are going to set much higher limits, and there is evidence to support that. The difficulty then is if you set the limit that everybody gambles $100, and that is the maximum you can gamble over a 24-hour period, you are impinging on people's capacity to set their own levels.

Dr JOHN KAYE: There is not a mid path, a way of assessing someone's gambling behaviour and recognising they are in trouble and bringing in tougher limits?

Professor BLASZCZYNSKI: That becomes difficult in regard to gaming machines. It is certainly much easier with online facilities but my view is that the voluntary precommitment will assist a proportion of people who may use it as a budgetary management tool and may delay them developing a problem. The problem gambler is not going to use those particular facilities and the evidence is that there are very low take-up rates of precommitment. The risk is that people set higher limits and then gamble to those particular limits.

Dr JOHN KAYE: Is some limit better than no limit at all? Is forcing someone to have a view before they begin gambling of how much they are going to spend likely to reduce the amount that they lose compare to going in with no preconception of what that limit should be?

Professor BLASZCZYNSKI: Are you going to set the same limit for all patrons? Is there going to be an option for people to increase their limits? If there is an option for a person to increase the limit who is going to determine whether that person can afford the particular increase in limit?

Dr JOHN KAYE: Do you have the same criticism of the $1 bet limits?

Professor BLASZCZYNSKI: No, I think the $1 bet limit, subject to how it is going to be implemented, could be useful in reducing problem gambling.

Dr JOHN KAYE: Why do you think that will work? Is it not subject to the same criticisms you made of the mandatory precommitment?

Professor BLASZCZYNSKI: In what way?

Dr JOHN KAYE: It is a one size fits all.

Professor BLASZCZYNSKI: That is correct. The real question that we ought to be addressing is that much of the responsible gambling initiatives range somewhere between complete libertarian approaches, where the idea is essentially that the individual is free to gamble as much as they like, all the way through to complete prohibition that gambling is not acceptable and should be banned. Between the two extremes is the question of to what extent do you impose constraints on individuals?

What we do know is that four to six standard drinks per day are the National Health and Medical Research Council safe drinking limits. Let us apply precommitment to reducing the significant impact of alcohol-related accidents, injuries, harm and violence by having a precommitment system where everybody can only purchase four standard drinks per day. Using that analogy we see the breakdown in terms of civil liberties, people's expectation and setting out a balance between what is reasonable for the majority of individuals and how do we best target problem gamblers.

Dr JOHN KAYE: The difference there is that people can buy alcohol and store it at home, whereas you cannot buy electronic gaming, other than online gambling, and store it at home.

Professor BLASZCZYNSKI: No, but you can go to other forms of gambling.

Dr JOHN KAYE: Precisely. Can I go to the issue of gambling treatment services? Treatment services for people with problem gambling. One of the criticisms levelled against the current model is it is more or less run by the Office of Liquor, Gaming and Racing and not by the Department of Health. The argument is that gambling addiction and problematic gambling should be treated as a health problem and not a regulatory problem. Do you agree with that analysis?

Professor BLASZCZYNSKI: This was something that emerged some years ago, from memory, in terms of attempting to subsume problem gambling treatment within the health service. The main concern would be that the specialist services for gambling would be diluted and subsumed within other particular services and less attention would be given to identifying problem gambling as a key issue within the community.

Dr JOHN KAYE: That is your concern of what would happen if it went ahead. Do you have concerns about the Office of Liquor, Gaming and Racing as a regulator also being the manager of services?

Professor BLASZCZYNSKI: No. The current Responsible Gambling Fund [RGF] is focusing on providing councillors with training support, with additional resources and looking at improving the efficiency and effectiveness of treatment programs for problem gambling. They have a particular focus on supporting councillors in this particular paradigm. I doubt whether the Department of Health would allocate so many resources to direct that as well.

Ms SHANNON: There is a danger that it will get lost in the mix. I have worked in the sector for 10 years now and certainly the Responsible Gambling Fund [RGF] has worked pretty consistently to improve the standards and practices of all the services around the State. They have implemented quality assurance standards, minimum qualifications and a centralised database system—a lot of things that were not there when they originally started. They have been working towards improving the quality of services around the State. The Responsible Gambling Fund is part of the folder of the Office of Liquor, Gaming and Racing.

Dr JOHN KAYE: Ms Shannon, the evidence presented by the Gambling Impact Society, based on the client data set report of the Office of Liquor, Gaming and Racing from 2013, states that approximately 10 per cent of those people affected by problem gambling reach an existing gambling treatment service. Therefore,

90 per cent cannot reach a problem gambling service. People experiencing gambling issues are unable to get access to—

Ms SHANNON: You are saying that of those people that want to attend a service 90 per cent are unable to?

Dr JOHN KAYE: I will read what it says: "The program reach of existing gambling treatment services is approximately 10 per cent of those affected by problem gambling." Does that not indicate that there is some degree of problem?

Ms SHANNON: The number of people that seek treatment tends to stay stable no matter what is done in regard to gambling awareness. There is an assumption that people who have a gambling problem will attend treatment and we do not know that is true. A person has to have insight that they have a problem and then make a decision that they are going to attend a service. It does not necessarily mean that the services are not available, there may be several different reasons why people do not seek treatment.

Professor BLASZCZYNSKI: Let me make it quite clear that what you are referring to is the percentage of people that meet criteria as measured by the South Oaks Gambling Screen or by the Problem Gambling Severity Index Screen for a diagnosis of pathological gambling, now called gambling disorder. The question then arises, is that particular instrument accurate and valid or is it over inflating the number of people that experience problem gambling sufficient that intervention is required? The Productivity Commission data identified that 50 per cent of the 1 per cent who meet criteria for pathological gambling do not consider that they have a problem or deny they have a problem.

At any one point in time between 8 per cent to 15 per cent of problem gamblers are in treatment. The question is: are we trying to generate a much larger, wider network of people that may experience some problems but do not necessarily need treatment versus those provisions of service and are we in fact targeting the reach? We have had campaigns such as the Responsible Gambling Awareness Week and the Wilkie-Xenophon issue with precommitment that highlight the attention of issues related to problem gambling but that did not necessarily lead to a significant vast increase in reach.

Ms SHANNON: Previously awareness campaigns have focused on stigmatising problem gambling and talk about harms to gamblers and family members. That is absolutely true but there is a lot of research to indicate that negative scare campaigns don't work and that when you have a campaign that focuses on guilt and shame it increases the guilt and shame and decreases the likelihood that the gambler will seek treatment. The Responsible Gambling Fund are working towards a new awareness campaign that focuses on the strength and courage that it takes to seek treatment and encourages people to seek treatment.

We need to increase people's confidence that counselling services can help them. There are three big barriers preventing people attending a service: First, they do not know that they have a problem; secondly, they do not want to think that there is something wrong with them and they consider counselling to be a weakness; and thirdly, they are not sure that counselling will help. Hopefully awareness campaigns that focus on a positive message might improve the likelihood of people attending services.

Dr JOHN KAYE: What percentage of your funding comes from the Responsible Gambling Fund?

Professor BLASZCZYNSKI: All of it, except me. I am university based.

Dr JOHN KAYE: Ms Shannon, all of your funding is from the Responsible Gambling Fund?

Ms SHANNON: Yes.

The Hon. ERNEST WONG: Being of Chinese background I am quite aware that gambling is a serious issue affecting the ethnic Chinese and Korean communities. Do you have a rough percentage of how many people from those ethnic communities have sought consultation or treatment? Is it a big or small percentage? I am quite aware that most of the ethnic communities do not want to admit that they have a problem with gambling, so most of the time they will withdraw from seeking help.

Professor BLASZCZYNSKI: That is correct. There is multicultural gambling treatment that specifically targets multilingual and various ethnic communities. I guess the question, in terms of background, is

that we need to look at acculturation as well. A lot of Chinese people have been here for many years and are third and fourth generation. They have a different cultural aspect to those who have come out recently. By and large there are certain communities that do have high rates of problem gambling. From memory some of the prevalent studies with the Chinese community indicate the rate of gambling amongst the mainstream Chinese community is less than the mainstream but there are higher rates of problem gambling within those particular communities.

We are focusing essentially on English-speaking communities and some of those would include English-speaking Chinese; for those with less English they would then go to the multicultural centres or to the Arabic counsellor or other specific counsellors. The only figures I have are some years old—roughly about 4 per cent of the clientele coming in were from Chinese background but our studies in 1998, which are now outdated, would indicate that the rates of problem gambling amongst the Indochinese community were roughly about 2.9 per cent, which was 2 to 3 times higher than the mainstream population.

The Hon. ERNEST WONG: What do you think would be the best approach? I am not only talking about ethnic communities but most communities in which people do not want to admit to having a gambling problem? How can we approach those people besides advertising or sending out campaign-type information?

Professor BLASZCZYNSKI: I think part of that would be to look towards more culturally appropriate type interventions, perhaps using other resources such as key elders within the community, people who are respected within the community, educating them about easy access to culturally appropriate services and trying to reduce some of the stigma associated with gambling, in particular counselling. What we are looking at is trying to identify the relevant barriers: Are the treatment services being offered culturally appropriate? Are they going to be asking questions about finances and other elements that people from certain backgrounds may not be keen to talk about? Are there going to be interpreters from the same community that may identify a particular person within the community? We do know that some people from certain cultural backgrounds prefer to go outside their particular community to keep the problem hidden. So face-saving and so forth are important considerations within these particular groups.

The Hon. ERNEST WONG: Do most of the clients who have treatment come because they self-identify they are having problems with gambling or because they are forced by their families or are referred by a third party?

Professor BLASZCZYNSKI: There are multiple reasons as to why they come. Generally in some crisis they have identified that they are having serious problems and are feeling depressed, anxious and stressed so they self-identify and self-refer. Others are referred by psychiatrists or they come in for depression or other problems and gambling is identified as a potential causative factor. Others are persuaded to attend treatment by family members and others, employers who are concerned. There is a whole range of pathways into referral.

The Hon. ERNEST WONG: What is the percentage? I want to know how many problem gamblers are able to self-identify that they have a problem. When the problem manifests they are under a lot of stress, they usually have huge family problems and need help when they are under that pressure. When they first started gambling they probably overspent their budget and did not identify as having a problem. If we were able to treat them at that stage it would stop them from getting into serious gambling problems. How can we tap in at that stage or how do you say we should approach it?

Professor BLASZCZYNSKI: I think early intervention approaches are really quite important. They provide a whole range of measures, including staff training in particular venues and particular tracking of gambling behaviour in online accounts with online gambling. Early identification and early intervention in a responsible way is one particular way of doing it. The difficulty with a problem gambler is that in the early stages of his or her career they do not necessarily recognise that they have a gambling problem.

They start to attempt to deal with the consequences of their gambling behaviour, which leads them to increase their gambling in order to try and win back the money they have lost. They get to a particular point where they realise that they cannot recoup the money unless they continue gambling and then there is an attempt to conceal the gambling in the hope that they will have a large win to cover it all up. By that stage they are in the desperation phase and that is where they start to identify either themselves—they sort of give up and say, "This is too much for me, I need help."—or somebody else comes in and persuades them to come in for treatment.

Ms SHANNON: There is a lot of evidence which shows that it can take up to seven or nine years before people actually seek treatment. So it is a long time. They are actually aware that there is a problem but it is a long time. There is so much behavioural evidence and so many things have gone wrong and they are so far into crisis that they decide to come in.

The Hon. ERNEST WONG: What is the success rate like? Is treatment successful or do they go back to gambling after treatment?

Professor BLASZCZYNSKI: The outcome is dependent essentially on how you define successful outcomes. It will range if you adopt the Gamblers Anonymous position of complete abstinence—that is, you never gamble again—and the evidence would be that about 7 per cent of people remain abstinent at two years. Of course that does not belie the fact that a proportion of those people may attend only one or two meetings, gain benefit and never gamble again. So that is probably the lowest end of the spectrum. If you look at the cognitive behaviour, if you look at marked improvement in gambling, gambling within affordable means, controlled gambling, you are looking at roughly about 75 per cent to 85 per cent success rates.

Ms SHANNON: Ours is a structured cognitive therapy program. We follow people up at two years and the vast majority have significantly reduced their gambling in two years. Over 50 per cent are abstinent but we don't actually have an abstinence goal, so of those other 50 per cent some of them are only gambling once every year—maybe on the lottery or they might gamble on the Melbourne Cup—but there has been a significant reduction in gambling. I think it is important that counselling services around the State are actually using evidence-based treatments. I know that is something that universities tend to bleat on about but it is actually very important.

Dr JOHN KAYE: Would you give us those headline figures again?

Ms SHANNON: We follow up our clients at two years. A significant proportion of those have significantly reduced their gambling and over 50 per cent will be abstinent from gambling—so they are not gambling at all. I actually do not know the exact figures but a number of those other 50 per cent are simply gambling at non-problematic levels.

Professor BLASZCZYNSKI: The other important thing to bear in mind is that evidence would indicate that 70 per cent of people who meet the criteria for problem gambling cease gambling of their own volition—that is, without formal professional interventions.

The Hon. MICK VEITCH: A number of the submissions talk about gambling socialisation. I am keen to garner your views around the acceptance and impact of gambling on youth and younger people particularly at home, so internet-based gambling and some of the electronic games that imitate gambling. The Hon. Matthew Mason-Cox spoke earlier about these private companies with Scratchies-type arrangements that get people in. What is the impact on youth of those programs and does it generate an acceptance that gambling is okay? Does it develop into problems later on?

Professor BLASZCZYNSKI: I think what you have touched upon is a change in the dynamic gambling environment currently. Many of those questions are only beginning to be addressed so we do not really have a definitive answer. What we do know essentially is, as reflected by an increase in the number of people coming in with sports betting type problems—young males—that the proliferation and the aggressive nature of sports betting advertising and the integration of odds within sort of sporting commentary has shifted the focus away from sort of family entertainment focusing on skills to a sort of gambling environment.

There is also some degree of passive advertising through sponsorship with Centrebet and Keno and some of the jerseys having the sponsorship. I think again that is passive advertising that normalises gambling amongst the youth. So I think that does essentially have an impact. My personal view essentially is that there is no place to have odds being given. It is not a bookmaking TAB in terms of the Saturday afternoon or Friday night sports betting. I think if they want to advertise gambling then it ought to be done in commercials rather than integrating it within sports.

In terms of the social media, what we are looking at basically is a cohort of people who are sort of shifting from traditional forms of gambling into utilising modern technology—smart phones and IPads accessibility. Certainly it is more convenient and accessible in terms of opening up accounts and then gambling on your laptop predominantly on the smart phones. In terms of the social media, we have these particular games

that mimic gambling-type games but the evidence to date would indicate that there is only a small overlap between the people who gamble on those particular games and then migrate onto real gambling sites. I think that is something that will need to be monitored over a period of time to see what the real impact of it is.

At the moment part of the difficulty is with the types of games where you are playing say a slot machine, what you are doing in essence is purchasing further games to play; it is no different from someone having a car racing game where they need to buy an additional life or an additional car in order to get to the next level. The question is do they really fit the criteria for gambling and how do you demarcate those sort of social gambling-type games from other forms of social gaming-type games? It is a complicated area. I think that we are still in the learning phase in terms of understanding the impact there.

The Hon. MICK VEITCH: Has there been much research commenced in relation to this?

Professor BLASZCZYNSKI: We have started. Just last week we released the gambling research Australia report on characteristics of internet gambling. We are currently looking at social media and its impact, and it is starting to move towards that. International Gambling Studies have recently published articles looking at the taxonomy or the terminology used to define each of these particular forms of gambling. When you are looking at the online gambling it becomes important to distinguish the sort of interactive-type Texas Hold'em games from standalone machines, from interactive- versus standalone-type games. So when you are talking about online gambling I think we need to be cognisant of the different forms of gambling that that actually covers.

The Hon. MICK VEITCH: Earlier the Committee heard evidence from representatives of the NSW Office of Liquor, Gaming and Racing and there were some attempts at extensive questioning around voluntary self-exclusion schemes. Do they work in your view?

Professor BLASZCZYNSKI: They work for those who utilise it and gain benefit from it. I think in reality what we essentially are dealing with is not one form of intervention that is going to target everybody. I think what we are really looking at is a smogorsboard of options that people can have access to. A number of people do take up self-exclusion, about 30 per cent of those do not breach and some do breach on occasion and then end-up basically gaining benefit from it. There is a whole range of questions regarding self-exclusion but it certainly is effective for a proportion of individuals.

I think it is basically a matter of making access to self-exclusion easier, looking at self-exclusion for multiple sites—I think ClubsNSW is looking at a multisite self-exclusion program, which is online and integrates it with counsellors so it becomes much easier for counsellors to actually provide that online self-exclusion. All of those things basically add up and then you have got voluntary precommitment as another option. You have got linkages to counselling services, you have got staff identification. All of those are important and integral in terms of identifying problem gamblers and then acting fairly quickly to provide a window of opportunity for them to access treatment easily.

Ms SHANNON: I think self-exclusion in rural areas is much more helpful because often in places there is only one club and if somebody self-excludes from that club they do not have access. Like we said, accessibility tends to increase problem gambling. It does get difficult when you are in small inner city areas where gambling is so accessible in clubs and hotels and other places but, as Alex said, if it is part of a suite of things for some clients just the simple fact that you have self-excluded from a venue can be helpful.

The Hon. MICK VEITCH: Does the role of hotelier or club licence holder need strengthening in the self-exclusion schemes? Do they have a greater role? I am from the country and I appreciate a single venue town but Young has multiple venues.

Professor BLASZCZYNSKI: I think there is scope for improved staff training. Part of the difficulty basically is that staff are not counsellors and are not trained to intervene in a particular way. The question is: What is the structure in which you identify someone who might be well trained in approaching an identified problem gambler without causing concern and being intrusive and without scaring that person away to another venue because that obviously would be a concern? I think that there is a layer in which you have staff members identify a problem gambler and go to a key person. That key person then approaches them in a trained and sensible way. Again, I think a good example is the chaplaincy program of clubs where they have someone who deals not only with problem gamblers but also identifies as a support person for any type of problem and people are more likely to talk to that person. They are seen as being slightly independent of the club but being part of

the club infrastructure. I think those sorts of things promote a degree of comfort in someone coming along and being able to talk to someone because they know that person has that sort of chaplaincy background or pastoral care background.

ACTING-CHAIR: Earlier Ms Shannon mentioned the figures for people who ask for help is about 10 per cent and that tends to remain the same regardless of whatever campaigns are being run. Why? Is the treatment not effective or do people not ask for help? I find it quite perplexing that it does not seem to change.

Ms SHANNON: I think there is a range of reasons why people do not. There is still a stigma to problem gambling. I know in the past nearly all the campaigns have been very much about the harmful consequences of gambling. For example, a little girl on the corner with a dark shadow over her face saying, "Daddy isn't coming home because he is gambling." I do not think any of those awareness campaigns are helpful. That was traditionally what happened up until this point where it has been very much focusing on the negative consequences of gambling. I think insight into your own problems is part of that. I think there is a range of different reasons why people do not seek treatment.

I think perhaps the fact that we are moving to a model where people can access treatment in different ways now hopefully will assist with that. There is an explosion of smartphone technology and people wanting to go online. I think that is where treatment is moving now. You see that in all other areas of health services with depression and anxiety and all sorts of mental health issues. People are actually seeking treatment online. I think that is going to be very important moving forward that we start to embrace online technology and start to increase accessibility for help, not necessarily just people coming in for face-to-face counselling. I think if we do not do that as a sector we are going to get left behind.

Professor BLASZCZYNSKI: That is pertinent for the rural and remote individuals where there is a stigma attached to going to the local service and being identified. But here you can develop self-help modules online, assuming they still can afford to have a computer and the internet connection. There are these facilities and you can utilise mobile apps to provide assistance in helping people to maintain budgets, monitoring and providing positive messages.

Ms SHANNON: There is a lot of evidence that it is really effective; that there is a lot of online treatment. They have done RCTs. They have looked at online treatment versus face to face and found that it matches up really well. So if we can have cost-effective treatments that are online—

Dr JOHN KAYE: What are RCTs?

Ms SHANNON: Randomised control trials.

Professor BLASZCZYNSKI: They are the gold standard of treatment.

ACTING-CHAIR: I also am from a regional area and I think the accessibility of treatment online and in a more anonymous setting than in a country town like Gunnedah, for example, is the way to go.

Ms SHANNON: There are so many different levels. Some people may just want to have a chat with somebody online. Some people would like to get some self-help information online and other people would be prepared to do an online module. I think we should be looking towards finding structured evidence-based treatments that work. We do have a lot of structured programs that work for gambling which would lend themselves really well to being transferred online, which I think would be really helpful. Perhaps we might end up with more of a hybrid model where people do some gambling treatment online and they might have support with a gambling counsellor to get through that. I think it is about making it accessible and useful for anyone, depending on where they are coming from. I think certainly we are going to see a change over the next few years in how people are accessing help.

ACTING-CHAIR: I refer to face-to-face counselling and the services that are offered in your clinic. I apologise for my ignorance but if I were to walk into one of your clinics and say, "I have a problem with poker machines and I spend more money than I can afford and I need help", what is the process? What do you do for individuals? Is it counselling? Are they assigned to a specific person? How do you operate on a day-to-basis?

Ms SHANNON: First of all, anybody that identifies that they have a problem can come in and receive free treatment so it really does not matter at what level they are at as long as they identify that they have an issue

with their gambling. No matter how mild or how severe it is they can come in and see somebody. So we do face-to-face treatment at the moment. If somebody calls up, they come in and they get assigned to one of our counsellors. We have six to eight treatment session programs. It is eight sessions usually and it is a very structured evidence-based program that has been shown to work. One of the beauties of having a structured program is that it decreases no-shows and increases treatment completion.

So there are a lot of good programs out there that I think lend themselves well to being put online. I think one of the things that has been missing in the sector so far is a focus on training and evidence-based treatments that are specifically for problem gambling that have been shown to work with problem gambling. I think hopefully moving forward we will see more of that training in the sector where people not only are being trained in evidence-based treatment specifically for problem gambling but also are getting ongoing support and supervision. Research indicates that if you train counsellors in a sector and you take them through a few days of training most of that information gets lost. If 80 per cent to 90 per cent of the information does not get transferred there are skills that are not being transferred to the counselling room.

I think moving forward what would be great is to have evidence-based treatments that also have ongoing follow-up training and supervision. Last year we had a program at the university that was specifically for that and we had ongoing training and Skype supervision and face-to-face supervision. People learned the therapy inside and out really well and those skills could be transferred.

ACTING-CHAIR: You mentioned before that sometimes clients are referred to you by, say, a psychologist because they have depression and gambling is a part of that. Does it work the other way around as well? If you have somebody who comes in who has an issue with gambling but it is part of a bigger problem, do you then also refer to other services?

Professor BLASZCZYNSKI: The staff we have are clinical psychologists so they are trained to deal with a range of issues. Part of the assessment basically is to look at the relationship between other co-morbid psychological problems and the gambling behaviour and then target those where necessary. If it is severe and so forth and out of their area of competency they refer on to additional services.

The Hon. ERNEST WONG: Do you provide programs to their family members to help them along?

Ms SHANNON: Absolutely.

ACTING-CHAIR: Earlier the Hon. Ernest Wong asked about the Chinese and Korean communities. I am interested in the impacts on Aboriginal communities. I know the submission from the Office of Liquor, Gaming and Racing referred to research by the Aboriginal Health and Medical Research Council on the impacts specifically on Aboriginal people with gambling addictions. They talked about the shame that comes with it which probably ties in to what you said earlier. Do you find within the Aboriginal community that you need to address the problem differently due to cultural differences?

Ms SHANNON: We have been struggling for many years to tap into and to engage with the community. We are aware that it is a big problem in those communities. I am not sure whether you will speak to Ashley Gordon, an experienced counsellor who has been working with Aboriginal communities for a long time. Three of our services are in areas with a high proportion of Aboriginal counsellors. We have found it quite a challenge. One of the things that is required is that our counsellors go into the communities and start a conversation. We need to build up a level of trust. One counsellor at one of our services goes to an Aboriginal men's group every week to try to engage. He is starting to make some headway in the Aboriginal community with that group.

Referring to treatment, anything that has a narrative approach that is about your gambling and how it started puts it into context and would be a much more effective treatment for Aboriginal groups. We are conducting a forum with Ashley and we will start to put together a program that we think would be appropriate for that community. We will be engaging with him and getting advice from him about how we can go about making our treatment program, which is quite narrative, suitable for that treatment group. At the moment we are finding that quite a challenge.

The Hon. MATTHEW MASON-COX: From where do you get your funding?

Professor BLASZCZYNSKI: We get our funding from gambling operators, the New South Wales Government and the Victorian and Queensland governments. We have done consultancy work. We have got money from industry and overseas sources such as the Ontario Problem Gambling Research Group. I am on record as saying that I will take money from anybody for gambling research.

The Hon. MATTHEW MASON-COX: How much do you get every year? What is your budget?

Professor BLASZCZYNSKI: For research?

Dr JOHN KAYE: Can you clarify whether you are talking about your organisation?

The Hon. MATTHEW MASON-COX: I am talking about your organisation, the Gambling Treatment Clinic.

Ms SHANNON: The Gambling Treatment Clinic is from the Responsible Gambling Fund.

Professor BLASZCZYNSKI: That is 100 per cent. We have three centres and I think the last budget was roughly $4 million for four years.

The Hon. MATTHEW MASON-COX: So $1 million a year?

Professor BLASZCZYNSKI: That is correct.

The Hon. MATTHEW MASON-COX: That is the gambling and research fund?

Professor BLASZCZYNSKI: No, that is the Gambling Treatment Clinic from the Responsible Gambling Fund which originates from the 2 per cent casino levy. My research is independent of that.

The Hon. MATTHEW MASON-COX: But you rely on the clinic empirically for results? Is that how you use the clinic?

Professor BLASZCZYNSKI: I collaborate with international people on research projects and with Southern Cross. We do collaborative work with Nerillee Hing and Sally Gainsbury. We have done work with Lia Nower in Rutgers University. We are collaborating now with Henrietta Bowden-Jones from the National Problem Gambling Treatment Clinic in England, and so forth.

The Hon. MATTHEW MASON-COX: I want to focus on the clinic for a moment. How many people would you see a week at the clinic?

Ms SHANNON: I could not give you the figures for a week but over the past year we saw more than 330 clients over five locations.

The Hon. MATTHEW MASON-COX: How many people work at the clinic?

Ms SHANNON: We have 2.4 full-time equivalents at our Darlington location. We have two full-time equivalents at Lidcombe-Parramatta. We have 1.2 full-time equivalents at Campbelltown. A lot of people in the sector tend to work part time.

The Hon. MATTHEW MASON-COX: Is there any reason you chose those locations for your clinics?

Ms SHANNON: That is an historical question. Our previous director applied for funding in particular areas. Obviously we are a Sydney University based clinic so Darlington was part of the Camperdown location. It is close to the city so it kind of made sense to have that location as part of coastal Sydney. In regard to Campbelltown and Lidcombe-Parramatta, when the funding tender was put out there were certain areas that were highlighted as needing gambling counselling coverage, so we applied for gambling centres in those areas.

The Hon. MATTHEW MASON-COX: You mentioned that your treatment is focused on counselling and that counselling might mean eight sessions for one person?

Ms SHANNON: Yes.

The Hon. MATTHEW MASON-COX: What is the cost per person to go through the standing gambling counselling program?

Ms SHANNON: I have had a look at this before. We are somewhere in the middle in regard to the RGF. I think it is $500 a session but some programs are up to $2,000 and some are less. I think they are around that mark which is about the mid-point of the services in the sector in terms of cost.

The Hon. MATTHEW MASON-COX: Are you stretched at all in providing that service or do you have an incapacity or do you have to turn people away?

Ms SHANNON: Sometimes, but we always refer them to other services. We have a policy of not having a waiting list because we do not like people to wait. If they need treatment we refer them on to other services. It really depends. There are different times of the year too we cyclically find that sometimes we have peak periods and other times we do not where we are more quiet.

The Hon. MATTHEW MASON-COX: Do you find that as a referral agency you use the industry of dealing with people with problems with gambling and is there an unmet need there, to your knowledge?

Ms SHANNON: Sorry?

The Hon. MATTHEW MASON-COX: Is there an unmet need in terms of people approaching organisations like yours for assistance?

Dr JOHN KAYE: Is there a capacity problem?

Ms SHANNON: A capacity problem? I do not think so, no, not that I am aware of.

The Hon. MATTHEW MASON-COX: Do you do any outreach programs to try and educate people about whether they might have a problem or not?

Ms SHANNON: We do offer some outreach treatment. For instance, at Campbelltown we have an outreach location in Tahmoor just to give more coverage. At Lidcombe our outreach location is actually Parramatta, just to make sure that people can access the service.

Professor BLASZCZYNSKI: I took over directorship after Michael Walker, the previous director passed away. So I have been involved since 2010. Over that period of time we have been looking at reviewing and revising the programs. One of the issues was to look at service promotion and outreach services and we revamped that in the last 12 months or so to look at an increase in referrals as being the performance indicator. That resulted in a 24 per cent increase in referral rates by targeting specific groups and improving the service promotion and outreach.

Ms SHANNON: I think we had a 30 per cent increase at Darlington and 24 per cent in all the services overall, so it was quite effective.

The Hon. MATTHEW MASON-COX: A lot of research has been done into gambling. There are certain predispositions, both ethnic and otherwise, arguably. Do you actively target those areas or those groups that may be predisposed to—

Professor BLASZCZYNSKI: We target those for whom our services will be appropriate. With the Aboriginal we are attempting to break into that particular area. With the Chinese, we do not have Chinese-speaking people here so we target the English-speaking ones, et cetera.

The Hon. MATTHEW MASON-COX: Have you considered having Chinese-speaking counsellors and things of that nature, for example?

Professor BLASZCZYNSKI: If you were to give us more money, yes.

The Hon. MATTHEW MASON-COX: I am just asking the question: Should we be more targeted in relation to—

Professor BLASZCZYNSKI: We are targeted. The Responsible Gambling Fund [RGF] does target specific cultural groups and the multicultural centre—I forget how many languages they have—they have multiple languages that they deal with and they are geared towards dealing with those. So it is logical not to duplicate services and allocate people to those particular areas.

The Hon. MATTHEW MASON-COX: What about schools? Should we be going to schools more often?

Ms SHANNON: We looked into that a few years ago. It is really, really difficult to do. The evidence is that a crucial aspect of developing a problem with gambling is actually an early win. So it would make sense that going into schools and teaching students about probabilities, about independence of outcomes, about the negative expected return for a gambler in the long run you would think would be very helpful in mitigating the effects of an early win for young people thinking that they can make money from gambling. It would be great if we could get into schools and do some education programs like that, but it seems to be quite difficult to get on the curriculum since there are so many other issues that come up that kind of take precedence.

The Hon. MATTHEW MASON-COX: The language of gambling I find interesting. "Responsible gambling"—some of my colleagues might consider that an oxymoron. I find also the "promotion of responsible gambling", which organisations do exceedingly well, particularly using television advertising, interesting. Do you have any comments about the comfort language we use in this area?

Professor BLASZCZYNSKI: We are writing a paper on this currently with colleagues: Peter Collins from South Africa, Bob Ladouceur from Canada, Hermano Tavares from South America, Jean-Luc Vénisse from France and Davis Fong from Macau. We are looking at the concepts of responsible gambling. It has certain different nuances depending whether you are the industry, whether you are community or welfare. The term "responsible gambling" itself is not well defined. The fundamental principle overall is that you are attempting to instigate interventions, promotions, strategies, that enable people to gamble within affordable levels.

The concept of responsible gambling as an oxymoron applies to prohibitionists; it does not apply to libertarians, who would say if you want to gamble, gamble responsibly; we will have consumer protection in there but an individual has the right to gamble. That is more the UK model where the government there tends to be less intrusive. As I mentioned before, the question basically is if you are a prohibitionist or leading towards that end of the spectrum you are going to tolerate gambling and what you are going to say is let's minimise it, let's regulate it, let's try to contain it as much as possible. If you are more towards the acceptance or civil libertarian perspective you are going to say let's make sure there is consumer protection but then it is up to individuals to ensure that they gamble responsibly.

The question I think from a government policy point of view is which position are you going to adopt and from that, which responsible gambling initiatives are you going to adopt? Is it going to be complete prohibition or is it going to be more towards the sort of open slather?

The Hon. MATTHEW MASON-COX: I do not think complete prohibition is coming any time soon, but it is an interesting debate nonetheless.

Professor BLASZCZYNSKI: It is a debate but I think we have to be aware that the government is the legislator, it sets the gambling environment and it sets the parameters for the gambling context. The industry has commercial benefits to work within that to make profits. The government is also the regulator to ensure compliance and monitoring, to make sure that what it does is effective and, thirdly, the government is the recipient of taxation benefits, which is part of the gambling industry and an integral part—if not the defining part—of the gaming industry. As I understand it, you get 13 per cent of your revenue from gambling.

The Hon. MATTHEW MASON-COX: We regulate the responsible gambling, but I suppose the question is: What is responsible gambling? I would be interested in your view on whether or not we have appropriate standards in place to regulate that responsibly.

Professor BLASZCZYNSKI: I think that there is appropriate infrastructure to do it. I think that what is missing, basically, is the capacity to monitor the effectiveness of the strategies that have been implemented.

I think that is the key missing issue. There is a range of shotgun approaches towards implementing various strategies but no-one has sat back and said, "What is effective? Where is the cost benefit involved and how do we actually do it?" Some interventions are not very costly, so why not do them; they are not going to produce any harms? In other cases the interventions are going to be fairly costly and may, in fact, affect the majority of recreational and other gamblers, and do you want to be that intrusive? These are the particular questions that I think need to be addressed.

ACTING-CHAIR: Unfortunately, we are at the end of our time. Thank you very much for appearing before the Committee today. Committee members may have some more questions that they would like to put to you on notice and if that is the case the secretariat will be in contact with you. We ask that those answers are returned within 21 days. Thank you very much.

(The witnesses withdrew)

CLIVE ALLCOCK, Senior Psychiatrist, the Royal Australian and New Zealand College of Psychiatrists, and

LISA JUCKES, Addiction Psychiatrist, the Royal Australian and New Zealand College of Psychiatrists, affirmed and examined:

ACTING-CHAIR: I welcome our witnesses from the Royal Australian and New Zealand College of Psychiatrists. Could each witness please indicate their occupation or the capacity in which they are appearing before the Committee today?

Dr JUCKES: I am an addiction psychiatrist and I am here as I am the New South Wales representative on the bi-national committee of the section of addiction psychiatry, which is a section of the Royal Australian and New Zealand College of Psychiatrists.

Dr ALLCOCK: I am a senior working psychiatrist these days. I retired from clinical work just under a year ago but I still do occasional work for the Mental Health Review Tribunal. I have a 35-year history of working with problem gamblers and to that end, if the Committee wishes, I am quite happy to answer any questions about my experience with gamblers and how that might relate. I make the point that perhaps that will not always necessarily be official college policy, if you like, and I will try and separate the two. For my sins, I have also been a regular at the racetrack for about 50 years; I have raced horses and written a column for a racing magazine. So I have been privileged, in a way, to see gambling from both sides, and that is also part of the experience that I can draw on.

ACTING-CHAIR: Would either of you like to make a short opening statement?

Dr ALLCOCK: Firstly, thank you very much for the invitation to appear before you. We are delighted to have this opportunity. The college very clearly is not anti-gambling but we are very concerned about problem gambling, what to do to minimise it and how to make a good impact to help the families and friends, who are quite often the slightly forgotten partners in the background to the whole problem. We are happy to speak to our submission and answer any questions. I will not add anymore than that at this stage.

ACTING-CHAIR: We will now move to questions. For your information, we will divide the time equally between the Opposition, the crossbench and Government members. We will begin with questions from the Opposition.

The Hon. MICK VEITCH: Thank you for coming and joining us. Page 2 of your submission says:

> Problem gamblers have been found to have worse health outcomes than the general population, being nearly four times more likely to smoke and five times more likely to partake in hazardous drinking patterns.

That is obviously in a public setting such as in a hotel or a club. Is that likely to be the same situation for those who sit at home in their own little room gambling on the internet?

Dr ALLCOCK: My view about that would be yes, because we tend to see this—particularly gambling at home on the internet—as part of a personality constellation in which there is an increased intake of alcohol, increased behaviours such as smoking, those sorts of risky behaviours. That would be a pattern that would not just be necessarily restricted to the gambling arena. I do not know if my colleague has any further comments to add.

Dr JUCKES: I think also where we get that evidence from, particularly as psychiatrists we see people who have got those comorbidities—mental health problems but also other addictions, particularly problems with alcohol misuse and when we talk about smoking we are talking about addictive levels of tobacco use. So the studies that have looked at that comorbidity, I am not aware that they have separated it out into do you just smoke when you are out in a public venue or out somewhere else or do you just drink there but not at home? I think it is looking across the board at those samples.

The Hon. MICK VEITCH: Is there any research about that type of behaviour? I am interested about the impact of online gambling—people sitting at home in a room on their own, not socialising with anyone other than the screen of the computer, drinking a glass of red wine and having a fag.

Dr ALLCOCK: There is no research that I am aware of, but certainly our anecdotal experience is that that is very much the pathway. Obviously, the more you are drinking the more you are going to play, the more you are going to push those buttons and away it all goes. Some of the more serious problems I have seen have been people at home—they are a small number but they really get a big problem—drinking and the next thing they know all their salary has gone.

Dr JUCKES: We have had patients who have lost their houses and things from that kind of gambling behaviour associated with drinking, and quite often smoking as well. So they are three or four times the population average of how many people are smoking and drinking. There is a significant comorbidity, but I think, as Clive was saying—your question was specifically about online gambling at home, and there are a number of different forms of that, I guess—we really do not know. I am not aware of any studies that have looked specifically just at that form of gambling. We know that that is a huge growing area; it is difficult for us to track that and we do not have great epidemiological studies.

The Hon. MICK VEITCH: I have mates who will sit in a pub in a corner and they will gamble on their phone rather than interact socially with the people at the table.

Dr JUCKES: I have had patients in hospital who are there for alcohol withdrawal who have gone to get their phone in between sessions and they have been putting on bets.

Dr ALLCOCK: For the past two days I have been attending a conference for all of the Responsible Gambling Fund counsellors. Sally Gainsbury delivered a very good paper. I do not know whether you are catching up with her but she is the internet expert. This is a growing field. What intrigued me is that even at this conference—it is leaving me behind, I am getting a bit old for those sorts of things—but if people did not want to grab the microphone they were asking their questions of the speakers via short message service. This is a whole cultural change. People have been talking about this as being one of the coming ways in which people will gamble. Of course that is one of your terms of reference, looking at the question of internet gambling and what you do about it.

The Hon. MICK VEITCH: Yes. In larger social environments such as a pub or club people behind the bar or counter may be partially trained and will be able to observe patterns and identify gamblers. If you are at home, often the door is shut and no-one sees—other than family. How do we identify problem gamblers online? Is it too late?

Dr ALLCOCK: I do not think it is if we regulate it. I have been through the whole debate about whether it should be unregulated, regulated or restricted. At the moment within Australia it is restricted to gaming and wagering, horseracing and sports bets. I have come to the view that the better thing is to say that it is happening. We know people are going offshore. We know people are betting with illegal casinos. Why not accept that and look at ways of regulating it within Australia so we can monitor it. One of the speakers at the conference was from Sportsbet and he was talking about how they monitor the accounts. They raise queries about why so and so is betting so much, why they have suddenly started to increase their betting. They look at it. If it is regulated and we can keep an eye on it, maybe we can step in and make contact with people. Maybe even the people can be aware that because it is being regulated, they have to be careful; their accounts will be monitored. Whereas if they are gambling overseas in the Caribbean, wherever, who knows.

Dr JUCKES: Maybe even having things in place so that within a time frame a message will pop up, "Are you experiencing problems? Are you experiencing this or that? Help is available"—those kinds of things. That has been talked about through advertising on television and in sporting venues, but that could be adapted for the internet. You see lots of ads for all sorts of things when you are online.

The Hon. MATTHEW MASON-COX: Did Sportsbet suggest that was something it would look at?

Dr ALLCOCK: They have indicated that and they are aware of the accounts and those sorts of things. How closely they monitor it is another question. They certainly have the opportunity to do so and that can be incorporated, to some degree, in regulation. If you suddenly find somebody is increasing their betting over a certain level—we do not want to go down the pathway of some of the Scandinavian countries such as Norway where the accounts that are used on their EGMs are very closely monitored and restricted, but you can put in some guidelines that will enable the agency or require the agency to ask a few questions.

Dr JOHN KAYE: Why do we not want to go that way?

Dr ALLCOCK: That comes back to my colleague who was talking about the question of libertarian versus philosophy.

Dr JOHN KAYE: This is a philosophical statement not a psychiatric statement?

Dr ALLCOCK: I guess it is a philosophical statement. I take that point. I was going to add that what happened in Norway is quite relevant. They tightened up enormously. You are probably aware of that, the EGMs and the access to them, but it did not seem to decrease the prevalence of problem gambling because people started going on the internet and into horseracing. There seems to be a core of people who will always have some degree of problem. You have to be careful that if you close one door or reduce the impact of one door, you do not leave it too far open for the next. That was an interesting experience in Norway.

The Hon. MICK VEITCH: Your submission also suggests that when odds are being rolled out on television during football or cricket matches that there should be some words across the bottom of the screen. I specifically want to know about your views on the impact of children who may well be watching that sporting event with their mum or dad and learning about gambling at a very young age. It is gambling socialisation, essentially. I know the Hon. Matthew Mason-Cox asked a question earlier about some of the private companies—without mentioning names—that provide the scratchie arrangement where you can win X amount of stuff. What is the impact on our children and do those scenarios lead to an increase in problem gambling?

Dr JUCKES: We are concerned that particularly children and adolescents are vulnerable groups. Their vulnerability comes from what they see when watching television, but it is also in a social context. There is some data that suggests that kids growing up in a family where their mother, father or both are gambling will increase their likelihood of having a problem gambling. Some kids will grow up in that environment and that will not be the case, but there is a significant number where that will be an influence. We also know that adolescence seems to be a vulnerable period of time for a number of addictions. It is not your exposure to a win, as somebody said previously, even if that is educational because it tells you about the perils of gambling, but to have a young person win is quite detrimental, particularly an early win. It does not matter then if you—

The Hon. MICK VEITCH: What age are you talking about? Adolescents or those aged under seven?

Dr JUCKES: Children of preschool, primary school age and then from 12 or 13 to adolescence. Interestingly, in health we are talking more about youth because we know that adolescence probably extends from early to mid-twenties. Adolescence was the term that was used when this was put together.

The Hon. MICK VEITCH: Some of us did not grow up until we were 25.

ACTING-CHAIR: I am still not there.

Dr JUCKES: There are social influences within the family but also outside the family, so whatever is happening in school but also what you are seeing on television. Particularly in Australia, we have a culture that is driven by our sporting heroes, the cult of popularity or celebrities. In fact, that is why we have celebrities on television because they are popular and what they say carries more weight than perhaps mum or dad or the teacher. Whatever is delivered is quite powerful, either for something that can be quite helpful or something that might potentially be harmful. Having your favourite hero calling out the odds and getting excited about why you should put a bet on here or there because you have a chance of winning sends a message that gaming is normalised. It is part of the whole sporting culture. Therefore, it is not harmful. A child or a teenager or indeed many adults do not have any idea about what the mathematical probability really means.

Dr ALLCOCK: To follow up on Lisa's comment, we know from the last survey conducted by the Office of Liquor, Gaming and Racing that the prevalence of problem gambling in the 18 to 24-year-old age group is the highest then it goes down a little bit on 24 to 34, and so on. In rough terms, if you take a 100 people who have met the sometimes arguable criteria for problem gambling, you will find 40 will be in the 18 to 24 age group and about six will be over 60, then everybody else goes down. What that means is there is an element of natural recovery or natural change, whatever term you want to give it, that most people kind of wise up and get out of it. The tragedy of course is that not all do.

I was privileged to take part in the Gambling Hangover campaign, which was trying to target the 18 to 24 age group. The prevalence will be hard to reduce, but you want to try. You want to minimise the duration of

any problem and you want to minimise the impact of any problem. That was one of the targets of the Gambling Hangover campaign. As my colleague said, that is an age range where people are vulnerable to experimentation of a lot of things. Fortunately, most will come out of it without too much of a hassle, but some will not.

The Hon. ERNEST WONG: On page 3 you mention that advertising of betting services during a sports event opens the opportunity for someone to get into a gambling habit. I see that there is a conflict of roles where there is a gambling market and the Government has to promote it or help to promote it and on the other hand there is a public health issue that the Government has to take care of. How do you think this Government is dealing with this conflict and do you think they have been doing enough? How can we get the Government to do the right thing?

Dr ALLCOCK: There have been some changes in the past couple of years which has seen a reduction in those, which is good, but certainly the view we had when we were talking about drawing some of these things up is, for example, there may be some odds at the beginning of a football match, maybe some odds at half-time, but nothing during the course of the game. Take a tennis match. There might be some odds in the first set or between the set breaks, but nothing in between times.

The Hon. MICK VEITCH: So delete the exotic betting?

Dr ALLCOCK: You are deleting that sort of in-the-running, if you like, but it is not totally out because you can still do it at half-time. As you correctly said, it is a bit of a conflict between letting industry do their thing and letting industry and Government gain some benefit from that versus trying to protect those for whom it is harmful. I get concerned when it is constantly changing. At one stage people would say, "Souths are now into a $1.50. Maybe that has made the Eels $3.20. That is a really good bet." Fortunately that seems to have died down. It is worrying that that has come in because that will stimulate the problem gamblers, particularly if they are losing.

One of the biggest issues with people who have got a problem with gambling is chasing losses. If you have too many opportunities to come in and bet again on the event you have already started—suppose you had backed the Eels to win and suddenly Souths look as if they are all over, what will you do? Will you put another 100, another 200 to try to get your first lot back and then maybe the score changes again. It encourages that impulsive on-the-spot, heat-of-the-moment type betting. There is a need to do things that will make it more considered and somewhat slower.

Dr JUCKES: The college's position in that, which we have already touched on, is that it is not about saying have none of that ever, but perhaps have a balance so those messages such as "This could be harmful for some people" and some advice about what to look at, where you can get help or contact, some of that would perhaps moderate that. That is something the college would like to see.

Dr JOHN KAYE: I go back to your answers that you gave to the Hon. Mick Veitch with respect to comorbidities. Comorbidity with mental health and problem gambling, do you know which is cart and which is horse? Does the research tell us what is cause and what is effect, or are they both symptoms of something else?

Dr ALLCOCK: It is a question of what is meant by comorbidity. If for example you take depression, the evidence would suggest—depending on which paper you read—somewhere between 50 to 65 per cent of people who walk through the door to talk about their gambling problem will also meet the criteria for depression. However, most of those are depressed secondarily to the consequences of their gambling. Some will not be. One of the clinical issues is to tease that out. If you find that someone is clearly depressed and that has led them to gambling, you might want to think about things such as antidepressants, pharmacological treatments as well as some cognitive behavioural therapy.

Nevertheless, the comorbidity that is frequently seen, we have talked a wee bit about alcohol. Depending on what you read, again it is 20 to 40 per cent of people with a gambling problem also have an alcohol problem, and almost vice versa. Those with an alcohol problem, maybe 20 per cent will also have a gambling problem. With drugs, it may be 7 to 15 per cent. There is that degree of comorbidity. One area I think until recent times has been slightly played down in the mental health side is the question of personality issues. Nobody really likes the term addictive personality but there is increasing evidence that people who have a problem versus those who do not—you still come back to the basics why do some people develop a problem when everybody can gamble?

There may be personality variables which require counselling and support. More commonly with gamblers, you may see an increased degree of extroversion. You may see a lower degree of what is called conscientiousness or increased impulsivity. You may see a greater degree of anxiety, which may not necessarily be secondary to the gambling. It may be a restless character that wants to get involved in things. Those areas are beginning to be explored and can be helpfully explored with people who have a problem so they learn to recognise themselves and change.

Dr JOHN KAYE: Dr Allcock, are you saying these are personality types or personality pathologies?

Dr ALLCOCK: Personality traits. I think pathology is too strong a term. I have been criticised in the past that people have interpreted that as a pathology. I do not in any way want to be critical. I am trying to point to traits that may lead to the individual becoming more involved, particularly in their younger days when they may perhaps be more impulsive. As they get older they learn to handle those things better.

Dr JOHN KAYE: If there are certain personality traits, as you put it, that would lead more vulnerable people to becoming problem gamblers, is there not an argument for education in schools to help people identify themselves—I speak as somebody who has an enormously addictive personality.

Dr ALLCOCK: I am sure you do not.

The Hon. MICK VEITCH: I would say obsessive.

Dr JOHN KAYE: I take that interjection. Do you think there is a role in schools to help young people develop self-awareness of those threats or those risks within themselves?

Dr ALLCOCK: We are running on two things that are parallel. One is the question of the intervention of psychology into the school room. I am a little cautious about making that a widespread mandatory thing, unless you later think that teachers could recognise some issues. If somebody is overly extrovert, they might want to suggest some supportive counselling versus the education about gambling. Given that personalities are forming and there may be varying changes, I would be a little reluctant to get too enthusiastic about personality assessments and schooling and then reaching conclusions from that. Despite the Productivity Commission, rather to the chagrin of some people, not being overly enthused about education—I am just saying it is uncertain—I think there is a role for education about gambling. Perhaps as part of that, people may recognise certain tendencies within themselves in the sort of 16-, 17-, 18-year-old age category that might be able to be explored, if the individual wanted to. But I would hesitate. I would sound a note of caution about getting too carried away with psychological interventions at schools.

Dr JUCKES: Because I think the other thing—and this is not just specific to problem gambling or to even other addictions—is that in fact some of those that personality vulnerabilities are the things that predispose you to some of the sort of addictions. We have got evidence for that. I guess the concern about whatever you do in schools is that it is important that you are not actually just targeting those kids that the teachers or somebody else have identified as possibly having those kind of personality traits and take them off to the side of the class and say, "Well, you guys are going to have this because you have got something wrong with your personality, so we are going to give you this intervention." I guess it would be important that any kind of school education is much more universally delivered and is actually looking at what the vulnerabilities might be but also being strength-based and what you can do about it and how you build resilience.

Dr JOHN KAYE: Excellent.

Dr JUCKES: There are actually moves within schools for a number of personal health and development programs. I am aware; I have teenagers.

Dr JOHN KAYE: Such as health and physical education [HPE].

Dr JUCKES: Somewhere there are actually some things that have been built into the curriculum.

Dr JOHN KAYE: I will take you to the bottom of page one of your submission where you say there is strong evidence of the relationship between advertising products that can lead to gambling and subsequent problem gambling behaviour. Perhaps on notice, can you provide us with some of that evidence, or references to

that evidence? Can you speak very briefly to the nature of that evidence? Is the nature of it studies that have been done? Does it relate to specific kinds of advertising, or is it generally across all advertising?

Dr ALLCOCK: Yes. I am not aware of that part or what the sources were for that. We know from friends in the drug and alcohol area that there is research done. I am not specifically aware of anything that has been focused on gambling, other than anecdotally, unless you have some comments on that.

Dr JUCKES: No.

Dr JOHN KAYE: Perhaps you could take that on notice.

Dr ALLCOCK: We will certainly take it back to the college that you request it.

Dr JUCKES: Yes.

Dr ALLCOCK: We will see whether we can get more specific references for you relating to gambling. Certainly with the promotion of alcohol, for argument's sake, I believe there is reasonably strong evidence, although this is more Lisa's field than mine.

Dr JUCKES: There is, actually. I have brought a couple of the references there, but I have not got all of them. I wanted to go through them because I think there was a document that was put together through the psychological society relating to the psychology of gambling. I think the reference is in there.

Dr ALLCOCK: I think you are right, yes.

Dr JOHN KAYE: I am totally happy to take that on notice.

Dr ALLCOCK: Yes.

Dr JUCKES: They are talking about young people as well as there having been more advertising on television and other areas and there seeming to be an increase in that kind of take-up of gambling.

Dr JOHN KAYE: Your submission refers to advertising being restricted to a set number of times per hour and that twice would be appropriate. So you are saying that where there is advertising, it should be limited to twice an hour.

Dr ALLCOCK: That was a figure that we came up with as we sort of work trying to think of a way to give the general impression of restricting it.

Dr JOHN KAYE: Sure.

Dr ALLCOCK: But we would not even stand by that solidly in the sense that the message we are trying to get across—

Dr JOHN KAYE: I am not trying to tie you down to two. I am trying to tie you down to the idea that you would restrict the number rather than ban it entirely.

Dr ALLCOCK: That is exactly right. That is what I alluded to earlier. You have got to get this balance between the realities of business being allowed to do its thing and what services to offer.

Dr JOHN KAYE: But that is a philosophical statement, is it not? Purely from the psychiatric and psychological evidence that you would have at hand, and leaving aside the sensitivities about to libertarianism and all the other things, and purely from a public health perspective, is there an argument for banning advertising of gambling entirely?

Dr ALLCOCK: Again, I could not cite you references letter and verse, but I think the argument would be, no, not really because there are limitations. Most people will take this on board and not get a problem with that, but you might slightly increase the problem by pushing the advertising with examples that I gave about the odds coming through for an impulsive person. However, that is a relatively small section of the community and

you may be would not want to bring a restriction in just on the strength of protecting that particular group totally.

Dr JOHN KAYE: You also talk about the cult of personality in the sense of a high-profile person being seen to be enunciating odds or being seen to be in the gambling sphere adding weight to it. Would you see it being appropriate to ban such people being involved in gambling advertising or gambling promotion?

Dr ALLCOCK: Certainly at the time we were formulating that part, the college's intention would be to say yes. We just do not want to see people promoting odds and encouraging gambling in that sense. The sort of thing we had in mind would be that there is a very clear advertisement: Here is Sportsbet, for argument's sake.

Dr JOHN KAYE: Yes.

Dr ALLCOCK: At this point in time, at half-time, these odds are available. It is just bland; those are the odds. Underneath there is the helpline number, and that is it.

Dr JOHN KAYE: I recall we went through a phase with tobacco advertising where it was not banned but it was very heavily restricted. I think I would have been about seven years old at the time, so I do not have a strong grip on it. Is that the sort of thing you have in mind?

Dr ALLCOCK: Absolutely.

Dr JOHN KAYE: All advertising and mentions of odds is within a restricted parameter.

Dr ALLCOCK: Within a restrictive code, yes.

Dr JOHN KAYE: You think that the mental health research literature gives us a guide as to what that should be? There is a strong evidence base for saying, "This is what it should look like."

Dr ALLCOCK: My view would be that we do not have the evidence totally in gaming—maybe in that report—but I think from the evidence with alcohol and tobacco, that would tend to support that. We are looking at sort of similar patterns where people get caught up in substance and behavioural addictions.

Dr JOHN KAYE: So are both of you saying—I know, Dr Juckes, you are an alcohol expert, as a understand it.

Dr JUCKES: All. I see lots of people with alcohol dependence and actually I work in two public area health services and also in some private practice. I guess, as a psychiatrist—I think it is fair to say, isn't it Clive—it perhaps is a bit different from Alex and the other team who were here. We tend to see people who have come in with a range of problems. It is unusual for somebody to come in—certainly they would not come into a hospital service with just a gambling disorder. They are actually coming in from something else

Dr JOHN KAYE: There is a quite well-developed literature on alcohol.

Dr JUCKES: Yes.

Dr JOHN KAYE: I am aware of it from things that have happened in State politics over the last four years. There seems to be slightly less well-developed literature on gambling.

Dr ALLCOCK: Absolutely.

Dr JUCKES: Much less.

Dr JOHN KAYE: Do you think that the research on alcohol, because alcohol has rewards, addictions and all those things, shows that there is a way of translating what we know about regulating alcohol across to gambling?

Dr ALLCOCK: I believe that there is partly because of comorbidity and partly because we are now beginning to look at neurological studies, if you like, such as functional magnetic resonance imaging [FMRI], in which people are shown pictures of gambling and they watch which parts of the brain start firing. We are

finding, increasingly, similarities in the pathways between gambling, alcohol and drugs. That suggests that, although there is not an outside substance being taken on board with gambling, it is generating the same pathways in terms of dopamine, which is one of the neurotransmitters. This suggests very much that the increasing thoughts about the parallels between these three addictions we are talking about today—drugs, alcohol and gambling—are very strong. Therefore I think we can.

Yes, we would like to do more research, even though people do not always necessary like that phrase, but I think we can certainly start off by saying it is a very good idea to transpose some of those things that we have learned from drugs and alcohol, particularly alcohol which has the higher comorbidity, over into gambling. It is a good starting point with a strong likelihood that they will help.

Dr JOHN KAYE: If Reverend the Hon. Fred Nile were here—and he is not, so far be it from me to channel his thoughts—I suspect he might ask: Is there a pharmacological treatment, therefore? We know there are pharmacological treatments for some addictions?

Dr ALLCOCK: Oh dear, how long have we got?

Dr JUCKES: Yes. Which one will we start on?

Dr JOHN KAYE: Because it is Reverend the Hon. Fred Nile's question, not mine, I would like a short answer.

Dr ALLCOCK: That is right and I will endeavour to get you one.

Dr JOHN KAYE: I have other things I wish to ask.

Dr ALLCOCK: The short answer is really no, not at this stage, but there is one drug called naltrexone, which has been used in the drug and alcohol field and which pops up in the gambling literature.

Dr JOHN KAYE: Yes. We know about naltrexone.

Dr ALLCOCK: There is one source of studies around it. I think the studies have a lot of question marks—I will not bore you with the details—so the usual response I give to that question is no, not at this stage. But I think there may be a subgroup of gamblers who may benefit from that sort of treatment, particular those who have an alcohol history themselves or who have a family history of alcohol. They may gain some benefit, but there is certainly no one drug for all.

Dr JOHN KAYE: Thank you.

Dr JUCKES: I think also what we have seen, particularly with naltrexone, which is one of the pharmacotherapies that is licensed for use in Australia and has some evidence—

Dr ALLCOCK: But not for gambling.

Dr JUCKES: No, solely for alcohol.

Dr ALLCOCK: Only for alcohol.

Dr JUCKES: It is licensed for use for alcohol dependence. It only seems to work in a small subset of alcohol-dependent persons. It might be that for those people it works the reason it may—and again we do not have a lot of evidence—work for some gamblers might be because of that crossover. It is thought that it is indirectly related to the dopamine release that Clive was talking about previously. We know that there are a lot of other drivers and other factors. You cannot just give somebody a medication like naltrexone that should switch off their reward response that they get from gambling, drinking or using heroin, whatever. Clearly, it is much more complicated than that because, you know, that drug is not helpful for the majority of patients.

The Hon. MATTHEW MASON-COX: Thank you very much for your submission as well. There are some interesting points you make. I want to ask you in particular about the experience in New Zealand, which you mention. Perhaps they have something that is useful to us in terms of some of the regulations that have been brought in. Can you expand on that, perhaps?

Dr ALLCOCK: Yes. We did provide a summary, foreshadowing just such question, and I just need to find the page. What they have got—and some of it we have here, but we do not necessarily always follow through—is that they can approach any player whom they have reasonable grounds to believe is likely to be experiencing difficulties with gambling. This is one of those things that sounds good compared to what they actually do in practice. Some years ago I authored a paper, with input from Alex and others, sort of complaining how difficult it is to actually recognise a problem gambler in the arena, but that does not mean that you give up. One of the important clues that I sometimes find—and I am pleased to have the opportunity to briefly comment on it—is the question of duration of play.

If there is any robust finding around trying to recognise a problem gambler just from their behaviour, length of time is a factor. If you are playing a machine for longer than six hours, there is a greater likelihood that you have a problem. One worst-case example I had was a gentleman who had gambled for 12 hours and not once was approached by a person from the venue. He went home for three or four hours to get some sleep and some more money. He went back to gamble around another eight hours. He managed to lose approximately $8,000 over that time. At no stage was he approached by a member of the particular venue where he was.

The Hon. MATTHEW MASON-COX: It is like responsible service of alcohol.

Dr ALLCOCK: It is responsible service of gambling, which cannot be more strongly or heavily underlined.

The Hon. MATTHEW MASON-COX: We have a lot of conversations about responsible gambling, but there is really nothing with teeth in relation to aspects like that.

Dr ALLCOCK: That is where the responsibility perhaps needs to be moved more towards the clubs. They should be encouraging and training their people to go around. If they are seeing somebody there—and they must know; they do know, who has got a particular machine for a long period of time—they must be able to go up and say, "Gosh, been here a little while. Would you like a cup of tea? How are things going?" That is the sort of approach. It is there; but, again, how do you put it into practice.

The Hon. MATTHEW MASON-COX: It is very English, is it not—cup of tea?

Dr ALLCOCK: "Cup of tea?" Very civilised, but it is better than a glass of beer, which may make the problem worse.

Dr JUCKES: I printed off some information from internal affairs in New Zealand from what they have on their website about teaching people to look out for problem gamblers. They actually say that two hours or more is well above average.

Dr ALLCOCK: Yes.

The Hon. MATTHEW MASON-COX: Is that a licensing requirement for the venue in New Zealand?

Dr JUCKES: That they have trained staff above a certain level, such as duty managers and so on.

The Hon. MATTHEW MASON-COX: That they have trained staff.

Dr JUCKES: Yes.

The Hon. MATTHEW MASON-COX: But also that they have to monitor gamblers and intervene after a certain period of time.

Dr ALLCOCK: That is the have-to issue. Although we have trained staff here—they get certification before they go and work in gambling venues—but do they actually go out and speak to the gamblers? My experience from the gamblers side is no, they do not. There may be a way of getting some teeth into that and requiring clubs to actually go out and keep an eye on people and make the sort of approach—an informal approach, I would suggest—to get things started.

The Hon. MATTHEW MASON-COX: I am sure the owner of that establishment would find that counterintuitive.

Dr ALLCOCK: Yes, because there is a very good customer.

The Hon. MATTHEW MASON-COX: What else do they do in New Zealand that seems to work?

Dr ALLCOCK: They provide information, which we do as well, about the olds. They can remind players that they have the power to ban a person for two years, or up to two years. It might be a shorter period.

The Hon. MATTHEW MASON-COX: Who is "they"?

Dr ALLCOCK: They, being the venue, and the person can ban themselves. We have self-exclusion but we do not have a great deal about excluding people being done by the venue. That is something that could be looked at a wee bit more. I was intrigued again with the Sportsbet presentation yesterday that said, "If somebody says that they are problem gambler, we take that on board, we exclude them, and we never allow them back with our company." Other companies may have a different view. Indeed there are a couple of famous cases where people have been allowed to gamble after periods of time away.

The Hon. MATTHEW MASON-COX: That is their policy.

Dr ALLCOCK: That is Sportsbet's policy. They regard them as too much of a risk and a problem customer.

The Hon. MATTHEW MASON-COX: Just on that point about Sportsbet, did they say they would consider the idea, if you like, when somebody is betting increased above a certain limit and reaches a certain point, of sending them an electronic message saying, "Hey, is everything okay?", similar to regulations at a venue where someone has been there for more than six hours and they are asked, "Hey, is everything okay?" Is that the sort of thing that they are realistic contemplating?

Dr ALLCOCK: No. We do not know whether they are or whether they are not because that was not specifically discussed. But certainly if you have regulation, there is the potential to bring that in as part of the regulation.

The Hon. MATTHEW MASON-COX: Would you be supportive of that, would you?

Dr ALLCOCK: Absolutely. Gaming machines in New Zealand are required to inform customers every 30 minutes of how much money they have spent, what the odds are of winning and the average winnings paid out—a player's percentage.

The Hon. MATTHEW MASON-COX: It flashes up?

Dr ALLCOCK: It just flashes up every 30 minutes. I do not know of any research to support that, but it is one of those things that intuitively feels to be quite a good idea. Certainly, it might remind people particularly how much they are losing because people do lose track of how much they are losing. On that point, it is not published policy but based on my experience working with gamblers, particularly since the idea of pre-commitment came out, which I do not think would be necessarily overly helpful, asking them what do they feel if the maximum jackpot was only $500, overwhelmingly I found the majority of gamblers would not be interested—would not have got involved.

If we are looking at requirements on machines, one thing to really throw into the melting pot on the basis of my experience is the question of lowering jackpots. I will bet—if I am allowed to use that phrase—that probably will not happen because you can hear the opposition not only from the industry but also I think from the public, who like the idea. It was intriguing how many people would say, "I would not lose $800 or $1,000 a night if the maximum prize was $500." Even though you obviously would win $500 more often, it really was a turn-off. In Britain, where the maximum prize for the fruit machines, as they call them, is £50—

The Hon. MATTHEW MASON-COX: The fruit machines?

Dr ALLCOCK: Fruit machines are poker machines.

The Hon. MATTHEW MASON-COX: Yes.

Dr ALLCOCK: They just have a different name. Fruit machines are not seen in the top five causes of gambling in Britain. We have that experience also in Norway. In my view, one of the serious factors to be considered, if it is at all humanly possible, is to lower the prizes of the jackpots. You have to be careful, à la the Norwegian experience, that people do not go in the other direction.

The Hon. MATTHEW MASON-COX: Somewhere else?

Dr ALLCOCK: That is right, and some will. That certainly is an issue. As I said, that is a personal statement, not the college view, based on my experience with gamblers.

Dr JUCKES: I think they did do that in New Zealand, did they not?

Dr ALLCOCK: I am not sure whether they lowered it or whether they have actually done it.

Dr JUCKES: They talked about it. I do not know if they actually did, but they certainly talked about it.

ACTING-CHAIR: This question probably is more anecdotal, but have you found the number of those coming to you and your colleagues needing help with gambling addictions over the last five, 10 or 15 years has increased, stayed about the same or decreased? How do you see the trends?

Dr ALLCOCK: The interesting thing is that if you look at the work of Professor Howard Schaffer at Harvard, he has argued that perhaps apart from the early 2000s the prevalence of problem gambling has remained remarkably the same. It goes up and down within a very small range. Certainly, when I started out working with gamblers horse racing was de rigueur: 60 per cent or more who walked through the door talked about their problems with horse racing. Then in the mid-nineties there was always a bit of a trend going, but once the machines went out into the pubs it spun around in the space of a year. My feeling is that the prevalence is probably about the same.

Dr JOHN KAYE: Prevalence as a percentage of the total community?

Dr ALLCOCK: That is right, who have a problem. The forms of gambling clearly have changed and I think we are seeing a change now somewhat away from poker machines, maybe back to horse racing and other things via the internet, but I think it is pretty much the same. Of course, what have increased are the services. That is a big thing because when I started out there was virtually myself, Alex and Gamblers Anonymous. I think the prevalence is pretty much the same. The problem is that it will oscillate between 0.4, 0.6 and 0.5 and people will take those figures and say, "Gosh, it's gone from 0.4 to 0.6. That's a 50 per cent increase" but, in fact, that is not statistical. It is going to be a difference in a very small sample. It seems to have remained fairly constant around that time. Could I take 30 seconds to make just one comment?

ACTING-CHAIR: Certainly.

Dr ALLCOCK: In the years I have been working with hospitals I have been trying to push gambling as something that is asked for. I have seen some horrible things that have happened with people. I have not bothered asking about gambling. I have asked them about drugs and alcohol when people go to a hospital or to a community health centre for admission. Sometimes there are major problems to do with gambling but they just get ignored because nobody asks for it. I would like to see the health department be required to ask about gambling—to take a DAG history. I try to train doctors and psychiatrists to do that.

Dr JOHN KAYE: Take what history?

Dr ALLCOCK: A DAG history: drug, alcohol and gambling. All you need to do is ask, "Have you got any issues with gambling?" It is as simple as that. I would like to see that brought in through the health department so that we can get wider contact with people. As we have said in our submission, sometimes people will present for health issues and you do not ask about gambling as part of the presentation. Most times it will not be, but when it is there, you have a jackpot, so to speak, and you can start working with it.

The Hon. ERNEST WONG: Are you saying that because it is not identified as a public health issue?

Dr ALLCOCK: I think it is part that. Even though it was totally ignored when I started out pretty much and now there is much wider community recognition, it is still lagging. It still needs to be recognised as being out there. Yes it is a small percentage, but it affects the family and others, and we have to keep looking for it and asking about it.

Dr JUCKES: It does go on to other comorbidities and the cost then is huge, and I know that is another whole area. For example, at the private hospital I work if somebody's primary problem actually is a gambling disorder, you cannot admit them. Their admission will not be covered under their private health insurance because it is not recognised. So they will come in and be able to be admitted and treated and stabilised as an inpatient if they are also alcohol-dependent or using some other substance because that is what you are admitting them for and you are trying to do something about their gambling at the same time.

But you cannot actually get all those others who have not perhaps manifested alcohol dependence or heroin dependence or whatever to access a private hospital admission. Again, if people presented to Concord Hospital and Royal North Shore Hospital and wanted to come into withdrawal management services, they would not be admitted on the basis of a gambling disorder, no matter what kind of harm that was causing, unless they had another chemical dependency that needed treatment.

Dr ALLCOCK: I used to artificially stick people into programs I was involved with, but you should not have to do that.

ACTING-CHAIR: Thank you for attending today, your time has been worthwhile but, unfortunately, it has come to an end. I believe you took one question on notice, but Committee members may wish to put further questions to you in which case the secretariat will contact you. We ask that the answers to those questions be returned within 21 days.

Dr ALLCOCK: Thank you.

Dr JUCKES: Thank you.

(The witnesses withdrew)

(Luncheon adjournment)

RALPH BRISTOW, Deputy Chair, Gambling Impact Society (NSW) Inc., and

DOROTHY WEBB, Public Officer, Gambling Impact Society (NSW) Inc., sworn and examined:

KATE ROBERTS, Executive Officer, Gambling Impact Society (NSW) Inc., affirmed and examined:

ACTING-CHAIR: I would like to welcome the witnesses from the Gambling Impact Society (NSW) Inc. Would you like to make a short opening?

Ms ROBERTS: Yes, as a short introduction and a key summary of our main points. Thank you for the opportunity to come along today. You have noticed that we have been reasonably prolific in other hearings and we hope that you have had an opportunity to look at some of that information. We are happy to come along today. The Gambling Impact Society is primarily run by people who have been affected by problem gambling and health and welfare professionals in the field. We have until recently been a totally voluntary organisation, mainly because there is no funding in New South Wales for the kind of health promotion and early intervention work we do. We are grateful to the Commonwealth Government to have some reasonable funding in the last two years to do specific projects, which no doubt we will be happy to talk about.

I will summarise our key thrust in terms of our general discussions around this issue. We believe that there is a lack of comprehensive public health approach to gambling and this creates barriers for those affected and limits the development and delivery of the breadth of interventions to prevent and address gambling harms at a population health level. Structural reform is required to address this and that includes depoliticising the issue, developing health outcomes for gambling and engaging the health department and services in models to address problem gambling through both existing and new programs. This should include active engagement with consumers and programs that embrace the development of health promotion services and capacity building through a range of organisations including government, non-government and the work of organisations such as ourselves.

Consumer protection should be a fundamental component of gambling product offerings and this should be enhanced through technical design and a change in technical standards. Responsible gambling messaging and the term itself have created barriers to help-seeking and contributed to victim-blaming. We believe that a public health approach would seek to address these issues but also address the environmental and supply issues, which are beyond the individual vulnerability. Communities should be consulted with regard to the level of exposure that they would like to receive with regard to gambling products and local government should be active in this role.

There needs to be an Ombudsman to address consumer concerns with regard to gamble as at present there is no form of redress for consumers and the increase in mobile offerings means that we need to learn from our mistakes in effectively allowing the horse to bolt before the safeguards are in place. Economic incentives cannot remain the only drivers and the power of vested interests must be restrained by social responsibility and community expectations for significant and meaningful reform.

Those of us affected by problem gambling, including families who often remain the unidentified carers, are tired of having many of our needs ignored, our knowledge dismissed and generally being depicted as some irresponsible, pathological, marginalised and minimised group in the community. We are effectively one of your last taboos. Governments and the gamble industry do not want to acknowledge the extent of the problem which also contributes to the stigma, shame and marginalisation—we need this to stop.

We need our governments and its agencies to develop a comprehensive and inclusive strategy at both the national and State level, one which recognises our needs in the context of a population health issue and responds with the breadth of service, research, education and regulatory control that we have come to expect in other areas of legalised but dangerous products of consumption, such as tobacco and alcohol. To expect us to settle for anything less is tantamount to community exploitation and community health neglect. We are here today to contribute our ideas, encourage you to develop a whole of Government public health strategy for gambling in New South Wales and press for the development of a national action plan on gambling and harm reduction within national health outcome goals. Thank you for the opportunity.

Dr JOHN KAYE: Thank you for your evidence and your initial statement, Ms Roberts. Can I go to the issue of electronic gaming machine design? In your document you say specifically that research has indicated that some of the machines have inherent design features that are particularly problematic. You refer to work by Dickerson, Livingstone and Woolly. The design features include, losses disguised as wins, speed of gambling, multiple lines of gambling, free spins, linked jackpots and the algorithms that underpin these features. That has been dismissed by earlier evidence. Will you take the Committee through why we should be worried about the design of electronic gaming machines?

Ms ROBERTS: As long ago as 2001 Dickerson was researching the impact of gaming machines in the population and responsible gambling policy. He came out clearly with the fact that almost 50 per cent of regular users, that is people who are gambling on gaming machines once a week or more, basically experienced some level of problem. The research has gone on further from that. This is not a field of my research but I relate to the research. It has indicated that there are specific features—as I have discussed—such as speed of play and losses disguised as wins. losses disguised as wins is basically where you may put in $1 and get a credit of 80¢ and it celebrates, with the bells and whistles, that you have won 80¢ when you have lost 20¢.

Dr JOHN KAYE: It is providing rewards at the point at which you lose?

Ms ROBERTS: Yes. Whilst Professor Blaszczynski was talking about the nature of the context of the gambling within the human psyche, it is the combination of the features, designs, algorithms and speed of play that are contributing to the habitual behaviour. That has been clearly evidenced through a number of studies. There is ongoing work in Canada and through the University of Wollongong that is looking at this issue.

Dr JOHN KAYE: What you say is relevant to the machines that are being approved by Independent Liquor and Gaming Authority here in New South Wales? You are saying that machines that are being used in New South Wales suffer from those features?

Ms ROBERTS: Yes. I have just spent two days at the problem gambling treatment providers' conference. Members of the industry present were present and Aristocrat gave a presentation on gaming machines. They are doing some interesting work around features of machines that could be made to reduce some of those issues but not necessarily around those particular features. I guess it is about how can we use the technology to create consumer protection and reduce the features that we know categorically are causing a contribution to significant harm within 50 per cent of people playing regularly.

Dr JOHN KAYE: Can you take on notice my request to provide the research and evidence that backs up that statement?

Ms ROBERTS: Sure. I have referenced it there, so I can bring that that to your attention.

Dr JOHN KAYE: In your submission and introductory remarks you are arguing for a substantial change in the paradigm by which we treat the issues of gambling. You are asking for a public health approach rather than the promotion of responsible gambling. One of the arguments that was put earlier this morning about that was that it would involve transferring the treatment services to the Department of Health and that it will then become another issue that will get lost as there are so many other things in the Department of Health, from cancer treatment through to oral hygiene. Do you want to respond to that?

Ms ROBERTS: I have worked for a Responsible Gambling Fund funded service. It is mainly only the provision of treatment services in New South Wales. There is little bit of research and community education compared to some of the other jurisdictions in Australia. We are talking about $13 million and about 20 per cent of that is taken for the administration of the branch. There is not a lot of funding for the over 40-odd treatment services across the area and they are usually to salaries of staff that probably are not in the same breadth of skill base that health services accomplish—that is not to negate the excellent work that they are doing.

There is a concern amongst some of those non-government organisations that they may get lost in the bigger picture of health. My bias is I have worked for health for a considerable length of time as a health social worker, promotion officer and a carer coordinator. One of the issues from a consumer perspective is the fact that it is marginalised into distinct treatment services that are not that numerous across the State and that contributes to the stigmatization. People have to go to a particular type of service, they cannot walk into a community health service, put up their hand and say, "Look, I think gambling might be an issue in my life."

The reach of those programs, as I have already stated, is relatively small. I know that is because often people are in denial about the problem. Effectively, if every health service provider who is working in the field of tobacco, alcohol, mental health and drugs is already trained and accommodating gambling into their work practices—and it is actually put on as a health outcome in terms of a health promotion goal as we already have in terms of mental health, obesity issues and other healthy lifestyle provisions—it gets normalised into the health services. We are not asking for a distinct treatment service. We are saying that those treatment services would be then integrated. That is not to say that the existing treatment services could not be included in that strategy because we already have drug and alcohol services provided for a number of non-government organisations funded under the health model.

Dr JOHN KAYE: There would be no risk of a diffusion and loss of expertise?

Ms ROBERTS: No, I think that expertise would in fact have been enhanced. One of the reasons for that is currently as a trainer for many of those counsellors over the years what I have come to understand is that they are increasingly being put under pressure to develop better community engagement practices, which is excellent in terms of marketing a service but that is not necessarily how you engage people in actually responding in coming forward to a service. The models of public health and health promotion, early intervention and research, community education that we have developed already in terms of tobacco issues and alcohol and drug issues, it really sits outside all those models. The skill base has not really developed nor has the organisational culture because, as I said in our submission, you are dealing with organisations whose primary responsibility is a regulatory one. I would have to say that I saw evidence of that quite clearly this morning in terms of the responses—I think you could be expecting some alternate responses if you were talking to health practitioners.

Dr JOHN KAYE: In your submission you state, "The program reach of existing gambling treatment services is approximately 10% of those affected by problem gambling …" This morning we had a bit of a debate, which you may have heard, about whether it was a lack of self-awareness or people being ashamed to present themselves to a treatment service or a sense that it would not do anything if they were to present themselves to a treatment service. Ten per cent is a tiny fraction of those who are affected. How many of the remaining 90 per cent are not affected because there is not capacity of availability for the service and how many are not affected for the reasons advanced this morning?

Ms ROBERTS: It is really stabbing in the dark because we actually have not really looked at that in any great depth and there is certainly no research other than what we know from current barriers to help seeking and what is coming out—for instance, ANU's recent research into that field was quite clearly that the messaging around responsible gambling is getting in the way of people seeking help; the identification of problem gambling, even if you are a gambler yourself there is a sense of needing to distance yourself; and the fact that family members are often out there struggling alone without actually many resources or abilities to be able to know where to go for assistance—for instance, some of my research in the field of working with carers is that people are attending other forms of caring support because they do not feel included in some of the treatment services.

Although we know those treatment services are there for them, they are not coming forward. So there is certainly the issue around denial, there is certainly the lack of information in the community, and the business of stigma, embarrassment and shame, which is another reason why normalising it within a health issue means it is a lot easier to put your hand up. What I did not mention earlier is that I am the partner of someone who has struggled with a gambling problem for about 26 years and as a very well educated, articulated and quite assertive woman, as you can probably understand, it probably took me seven years before I was able to find a service or be recognised that this was a disorder that was going on.

Dr JOHN KAYE: Whereas if you could access the public health system—and that was your point of access—that would automatically get you either to a specialist or general treatment?

Ms ROBERTS: And one of the issues that has not been really brought up in today's discussion is that for every person with a gambling problem you have at least 10 other people who are being directly impacted. So we see gambling as a family issue. Very few treatment services offer family therapy type of services and people are presenting at other services without disclosing and those services in the community welfare sector are not trained and do not know how to respond. So they do not ask the basic sort of questions, they do not send messages because it is kind of kept under the carpet still. From our point of view if it was seen as a core business of health then that helps the intersectorial approach to it as well.

Dr JOHN KAYE: Can you comment on the preventative aspects of treatment rather than treatment once someone has become addicted or has displayed addictive behaviours? Can you comment on how a transition to a public health model would help us prevent some of those problems?

Ms ROBERTS: Sure. A public health model embraces basically looking at all services as being potentially entry points for people who have any kind of health issue. It looks beyond just the absence of disease but actually into creating healthy opportunities. So you are actually building the bridge at the top of the cliff instead of waiting and pulling people out of the river below. So it is working to enhance the capacity of other agencies to actually develop strategies and provide self-help information. At that very far end it is looking at the drivers for people to develop gambling problems in the first place and in that intermediate area it is really helping to identify risk factors and looking at safety issues around gambling. We are not actually prohibitionists in terms of gambling but we are about saying that people need a lot more information. Not only that, we cannot be focusing only on the individual and the individual's vulnerabilities.

There are certainly people who have raised the specific target groups. We are looking at product supply and the boundaries around that and the way in which these offerings are made. A public health approach looks at the individual, the environment in which the product is supplied and the actual product itself—a three-pronged attack in terms of developing a range of strategies. We have done this, and know a lot about this, for many, many years in health. It is part of the World Health Organisation's charter since 1982. It has always astonished me as a practitioner in this field that we seem to be tinkering around the edges and developing ad hoc arrangements when we really need some very clear frameworks. This is not just a recommendation from us; this is a recommendation from the 1999 Productivity Commission report and for 2010.

There were illustrations this morning from New Zealand. New Zealand has for quite some time adopted a public health framework and the way they have succeeded in doing that is also by splitting the portfolio between the regulatory body and the health department and basically therefore embracing a range of services. Unfortunately, in New South Wales we have predominately made it an individual issue, and the messages about responsible gambling that were originally developed for the responsible provision of gambling have now become very much about landing it right on the individual and the individual alone is never going to be able to respond to this fully.

Dr JOHN KAYE: Can we briefly talk about the responsible provision of gambling. This morning the Committee heard evidence that suggested that it mattered whether the venue was being operated by a for-profit company or by a not-for-profit collective or cooperative. Do you think that venue for venue, same size, same number of poker machines, same design, same community and same location would make any difference?

Ms ROBERTS: In terms of my own PhD research at the moment, where I am particularly looking at the development of EGMs in New South Wales, the main issue has been about the shift, particularly in the 1990s, in significant expansions across the whole sector. So it really did not matter about whether it was a not-for-profit club or a hotel. In fact hotels have a quite stringent limit of 30 machines; we are dealing with places like Penrith Panthers where they have had a thousand of them. So I really do not think that the drivers are necessarily around whether they are not-for-profit or not but I think that is the kind of industry discussion that goes on. It is really about access. I think the work of people like Martin Young and others who have looked at the size of venues, the numbers of machines and the draw from which they are taking in the population and the evidence of harm is worth certainly looking at.

For instance, Victoria has a cap of 30,000 across the State but it actually has significant expenditure. In New South Wales we have 98,000 of them—they are on every street corner—and the demographics around where they are placed. I guess the idea that venues are not a homogenous group—you have got small and huge clubs—and we have got a range of behaviours within all of that. What I am concerned about is in fact the myth of social contribution and that social contribution is not in fact audited at a level that is made public—the disguising of what is effectively a casino in every community almost without any discussion with the community about what are the levels of gambling that we wish to accept.

Dr JOHN KAYE: Can you expand on the issue of the myth of social contribution?

Ms ROBERTS: Electronic gaming machines—and that is not negating the fact that we are in for a new wave of products via mobile internet gambling—currently the largest level of harm, 80 per cent of people who do come to treatment are coming with poker machine addictions. Therefore we know that the proliferation of

EGMs across regions, particularly in areas with low socio-demographics, is a significant contribution to harm. Basically I guess what we are saying is that there are no caps on venues in regions—there used to be a cap of 450 per venue—and within regions machines can be moved. Even the criterion by which the machines can be moved often does not really look at problem gambling or look at what that community is actually wanting in that area. I am sorry what was your original question?

Dr JOHN KAYE: The myth of social contribution.

Ms ROBERTS: Since 1956 basically electronic gaming machines were legalised from the point of view of having people being able to support their little clubs and the membership—it was membership bound. Now you have got huge clubs where the membership is spread across the State. The concept of it being a small membership group is actually a furphy, yet you will have seen the last campaign that there was a lot of focus on small little clubs when in fact most of the profits and most of the revenue is coming out of these major conglomerations—often they are amalgamated clubs as well. There is a big difference.

The social contribution needs to be challenged because really how can you be supporting your community and at the same time creating such levels of harm, which the Productivity Commission has put at $4.7 billion every, single year. My analysis of the data—and this is borne out by the research done by Betty Con Walker, who was from Treasury NSW—that less than 2 per cent of profits is going back into the community as cash and what other claims are made of that money are basically not made public so you cannot really estimate it. But when you have Penrith Panthers taking $92 million out of its community and spending $5 million on its own advertising and putting back maybe $2 million into the community, you have got to ask if those balances are basically social contributions.

Dr JOHN KAYE: One of the arguments raised in your submission is that very big clubs are getting very wealthy and are spending their money on getting even bigger—they are on a kind of treadmill of getting bigger. Have you seen evidence of that and evidence of the harm that it does?

Ms ROBERTS: Even without looking at problem gambling, there is evidence around that it is becoming a regressive tax on the poor and it is in the areas where there are significantly poor people. So it does not create a level playing field for other cafes and restaurants. Because of the not-for-profit status effectively corporations disguised as not-for-profit cannot put their money into shares or dividends, they can only pay their staff more and build bigger and bigger facilities and those facilities ultimately are about feeding into the gambling. The revenue in many of these clubs is something like 6 or 7 per cent from alcohol sales, 3 per cent from the restaurant and up to 95 per cent in some areas from poker machine gambling. I do not think that was what was anticipated when we said in 1956, "Let's fund our local clubs to have a bit more money." That was not what we were anticipating.

The Hon. ERNEST WONG: On the second page of your submission you compare the gambling product with other consumer products. You argue that the gambling product should come under consumer production legislation. Can you elaborate on how we can get that legislation applied and what are the criteria for putting those products under scrutiny?

Ms ROBERTS: I would like Ralph and Dorothy to feel that they are able to respond to these questions as well. From my point of view I guess in the standards that we have, as I understand it, there are some prohibitive and obvious features in terms of fairness of play. There are certainly technical standards to ensure that these machines are not going to electrocute you, but in terms of health and safety and harm and in terms of what community expectations are I am certain that we do not meet that test. I think there is significant research that has gone on into particular features. I am not a technical expert but I believe that there is enough research there to suggest that we need to change the technical standards to reflect what we are finding in that research. We were certainly supporters of the comprehensive pre-commitment suggestions from the Productivity Commission report because people who we spoke to felt quite strongly that there needed to be technical changes to protect people from spending huge amounts of money, including the locations of ATMs, which are usually just around the corner from their machines.

I think the $1 bet was perhaps more palatable for some and easier to understand even for many, and I still believe that that should be on the table. For instance there is a considerable amount of data that we know is collected through gaming machines if you use a loyalty card. While some people are not interested in having a loyalty card what we do know is that the data gives the amount of time, for instance, and the amount of money that you put into a machine is available then to be used and clearly that is used to market to best customers. We

would like to see some of that in reverse in that it is usually an indicator that there are problems, as you heard this morning.

There are already standards in place in other jurisdictions where the venues have to be a lot more proactive. At the moment in New South Wales they are only mandated to respond if someone asks them for help. There is nothing in their training, other than the recently revised RCG training to include a few more flaggers for problem gambling but they are still not mandated in New South Wales to have to respond or intervene in any way. From my point of view that is still after the horse has bolted. You are still looking at responding to people once they are developing a problem and I would like to see that we put measures in place to be able to prevent that.

The Hon. ERNEST WONG: This morning a lower price incentive for gamblers was suggested. Do you think that will work?

Ms ROBERTS: I know Clive has recommended the lowering of jackpots. Yes, we certainly support that and the comparison with electronic gaming machines or what we call fruit machines in the United Kingdom which are not as prolific. The amount that you can load up is £20 or something like that and the outputs are really quite small compared to New South Wales where in any one session you can load up $10,000. My argument with industry is always that if this is a recreational product what other recreational product do we have where you can do that so easily on every street corner? It is about bringing the volatility of the machine down into less harmful operations, and that is a clear recommendation that came out of the work of Livingstone and Woolley. Charles Livingstone looked at the losses that you can incur within an hour being $1,500 to $1,600 as opposed to $120.

Mr BRISTOW: I am a typical problem gambler, and poker machines brought me undone. If I win it is not enough. If I lose I have to chase it or try to win it back. My psyche was the bigger the bet the more I am going to win. I have not gambled for six years. I have been in recovery for 13 and I relapsed several times, but for the past six years I have not gambled. I try to put myself back to when I was gambling. More than likely the lower the bet it probably would have had an effect. I also gambled on horses and greyhounds, all forms of gambling over my life. I would gamble on the horses from around lunchtime and up to tea time. I would stay at the club or pub. I would be a bit tired and exhausted by the end of the day trying to work out the form and so forth and all the different systems I had going through my brain. I would then fall back on a seat in the poker machine room and I would be there until closing time. I think if it were a lower bet and lower prize money it probably would not have attracted me as much. That is my personal experience.

The Hon. MATTHEW MASON-COX: It is good to hear that personal experience.

The Hon. MICK VEITCH: I really appreciate the personal experience that you shared with the Committee. The Committee has heard about the impact of exposure to gambling on the younger generation. In your experience what do you believe triggered your life of gambling?

Mr BRISTOW: The time that I was here I heard Clive particularly and Alex. I started gambling when I was eight years old. I am 74 now and that was 1948 when there were no poker machines. My mum and dad were not big gamblers. When my mum later in life got stuck into poker machines she was a big gambler. My dad was pretty moderate, was not a heavy drinker but was a heavy smoker. The rest of my family, my two uncles, one was a licensed bookmaker and the other an SP bookmaker. I used to run the bets for my grandmother down at the SP shop or house and that is how I got involved in the races and greyhounds.

My first bet was when I was eight and it was on a greyhound. She gave me the money to back it for running the bets for her, and the damn thing won. I do not think I had a bet for—I just forget now. I had bets later on when I became a teenager, SP bookmaker bets. I am a sports fanatic and that comes from the influence of my father and my uncles who were all into sport. I love horses and I spent a lot of my early days at the racetrack all over New South Wales. Later in life I graduated to pokies which were my downfall.

The Hon. MICK VEITCH: My middle son is in his early twenties and he and his mates will sit around watching the rugby league on a Friday night. They see the odds on the television and with their smartphones they do not even have to leave their chair to place a bet. They can place a bet with their phone. The analogy is you running down to the SP bookie, but they are not even leaving the chair now—they are watching it on the television.

Mr BRISTOW: That is right. To me gambling was just a normal thing in life. All my mates and some of my brothers, just about everybody I knocked around with still gamble. I played rugby league until I was into my thirties where I was influenced with fundraising activities just after poker machines came in. There is the odd time I will go to the races for a reunion and they all still gamble. I do not try to talk them out of it but it is normal and that is how I was. I was in denial for a long time and it was just pressure from my partner. I was working in the country and when I would come home she knew I was gambling big time. But all my gear would be on the lawn. That triggered me to do something about it. I then made a phone call to the helpline. I had seen the signs in the TAB room. To me who would want to go to counselling? I was that desperate and depressed one Sunday morning I rang that line. I found it in the phone book. That was the best phone call I have made in my life. I think I have covered a few things there.

The Hon. MICK VEITCH: The Committee has heard that for the younger generation coming through it is not so much poker machines but it is more the online gambling when they are stuck in their room and doing that as opposed to socialising.

Ms ROBERTS: It is actually both. There is still a right of passage particularly for young men aged 17 to 24. When they turn 18 they go to the pub and they can play the pokies. That starts the exploration into other online opportunities in sports betting and stuff. The Committee heard from Clive and Alex that yesterday we were all at this seminar. One of the advantages around the online is that they have a lot of data that they have got clearly accessible. What they were talking about is how they can also flag. There is a whole concept about flags for problem gambling. A huge international piece of research has gone on. I provided the web link to it in my submission whereby they have devised very clear signs of problem gambling for staff training.

I spent quite a bit of time talking to the man from Sportsbet and he said, "If you can tell me what best practice is in our community we will try to accommodate that." What they were saying is that they have the tools to be able to do a lot of that in personal messaging and in looking at limits. They do take quite a harsh application of the voluntary self-exclusion, so if somebody self-excludes they ban them for life basically. What they were talking about was they have been having discussions about how they can have multisystem listings and collaboration around that. But, yes, I guess that is what I am saying. We really need to learn the lessons. The biggest harm at the moment is still electronic gaming machines and we need to address that problem. We really have to prepare for the next wave that is going on.

The Hon. MICK VEITCH: I refer to the dollars that are available for research and how research should be funded. Everyone needs more money for research but do you have a view about how additional research into gambling can be funded, particularly looking pre-emptively to the next wave of gambling?

Ms ROBERTS: My view on that is we need to have independent research. Currently we have researchers who are certainly compromised in some of their research and that is because the funding is not available for them. They basically have to rely on industry funds a lot of the time. I believe that needs to stop. We already have models in health whereby people do not take money from the alcohol industry to do alcohol research. So therefore we need our governments to step up. I do believe that those who are contributing to the problem should also be putting in money towards solving the problem, and that that needs to be cleansed basically.

The Hon. MICK VEITCH: Essentially a levy into a single fund, and that fund be administered at arm's length?

Ms ROBERTS: Absolutely. I would also suggest that that needs to happen in regard to community contributions under the ClubGRANTS program. Minimal amounts of money are going back to the community but massive profits are coming out. That is the process. I have been involved in it even to the point where up until now we lurch from $2,000 a year to $9,000 a year in little bits of money coming through that program. There is no recommendation to address problem gambling at all, yet it is coming from the money that the 40 per cent to 60 per cent of problem gamblers are contributing. It needs to be at arm's length too because too many close relationships are going on with the distribution of ClubGRANTS. I believe that should be at State level.

The Hon. MICK VEITCH: This morning the Committee heard evidence about gambling addiction coexisting with other indicators such as alcoholism or tobacco use at addictive levels. Is that your experience?

Mr BRISTOW: Yes. I like a drink. What happened to me particularly with the poker machines, I would be down the pub or the club as I said from lunchtime. My consumption of alcohol increased and it was

starting to affect my health so these days I do not drink as much; I do not care. It was going hand in hand, yes. It was just comfortable. I do not smoke but when you could smoke in the clubs you could see people there smoking and drinking at the same time as pressing the button or pulling the handle.

The Hon. MICK VEITCH: They coexist.

Mr BRISTOW: They go hand in hand, yes.

Ms ROBERTS: Only about 30 per cent of people who have gambling problems have either got problems with alcohol or drugs, and with smoking it is up to around 70 per cent.

The Hon. MICK VEITCH: How much?

Ms ROBERTS: In some studies it is up to 70 per cent in smoking, tobacco use. There are opportunities: if we are working with people with smoking habits we could also be looking at the gambling.

The Hon. MICK VEITCH: Mr Bristow, thank you very much for your personal story. It is quite valuable.

The Hon. MATTHEW MASON-COX: I wanted to ask you about your services in particular. You note in your submission that you have got a range of early intervention services. I would like to understand exactly what they are.

Ms ROBERTS: I can give an overview and then Dorothy and Ralph might add in.

The Hon. MATTHEW MASON-COX: And their effectiveness, in your experience.

Ms ROBERTS: As I say, we generally run on the smell of an oily rag, so that means there are limitations to what we do.

The Hon. MATTHEW MASON-COX: Just on that point, your budget—

Ms ROBERTS: Our budget normally is around $8,000 or $9,000.

The Hon. MATTHEW MASON-COX: A year?

Ms ROBERTS: A year. Right now we had a grant of $183,000 from the Commonwealth Government this last financial year and prior to that we had $50,000.

The Hon. MATTHEW MASON-COX: You are rolling in it then.

Ms ROBERTS: We are making hay. Unfortunately, in July we have got no idea. We have had snippets from the RGF around things like converting videos, our big year before that was 2004 when we had some money from the Department of Women, and in the days when the RGF was the Casino Community Benefit Fund and its categorisation for funding was much broader we had some money to develop a generic awareness-raising video.

The Hon. MATTHEW MASON-COX: Can I just understand why you cannot get funding from the RGF?

Ms ROBERTS: There is no stream in RGF and no policy and no strategic plan that provides money to any other organisation for health promotion and early intervention strategies. Everything is basically branded gambling help, and that includes all community engagement, all treatment services and the little bit of community education they put out there. So there is no stream of funding, and I guess the pressure on the funding they have is going into primary treatment. So what we do is we beg, borrow and steal money, and I have had my little snippets of money and we have definitely had money from the Clubs Grant until we say things they do not like and then it suddenly disappears.

One of the major things we have done is developing this resource for family members and, basically, this did get picked up by RGF and they printed off 17,000 copies of it and it went out like hot cakes. They are

no longer going to print that off because they prefer their own little booklet of 17 pages for gambling help, which is fine; we will get the Commonwealth doing that this year. We are developing a guide for helping professionals—that is all those generic community health and welfare services—and a guide for financial counsellors. We have got a website with self-help information. We were the first people to run anything in Responsible Awareness Week in New South Wales in 2004 and we have run a seminar, which is on the front of your newsletter, every year since that time for the generic population, but we attract mainly community welfare staff trying to raise the issue with them.

We obviously write a lot of submissions and we publish a quarterly newsletter, which goes out through online copies and in our own area we send that to about 300 community and welfare agencies across the area, and we have a small membership base of about 40 people who regularly subscribe to us—many of those are the treatment services. Then in Responsible Gambling Awareness Week we do up a whole lot of information packages and usually send out about 1,000 of those to regional centre libraries, TAFE libraries—gate openers, if you like, for services.

What we are doing and have been wanting to do for a long time, which has been an incredibly successful program and we were very lucky to get funding under the Commonwealth—again, not a round but a request—is run what we call a consumer voices project, which is similar to that established in South Australia, where we train up people who have been directly affected by problem gambling to go out as community educators into the community. We asked for funding for 60 sessions in the first year and 70 this year. A thousand people have gone through that program, and if you think that one person tells 10 others, then 10,000 people, hopefully, have been informed by that program. That has been incredibly successful, according to the evaluative feedback from the people that we have targeted. We have targeted mainly mental health teams, community welfare teams, students within colleges. We have presented to RCG courses and to Star City Casino—

Dr JOHN KAYE: RCG?

Ms ROBERTS: Responsible conduct of gambling courses—and generally anyone who will have us, including service groups, Rotary and Probus—

The Hon. MATTHEW MASON-COX: Schools?

Ms ROBERTS: I have done work in schools as a gambling counsellor. We have not targeted schools in this program. It is about a one-hour presentation which we have refined, which basically places gambling within the context of the provision of gambling, the issue around problem gambling through a sort of icebreaker that is a kind of a quiz and helps people relax; then we have a person talk about their personal experiences and use the personal narrative, and we invite the RGF treatment services to come with us, because we have some of those members on our committee. They come to put that in the context of treatment services—they promote their service and we let people know a bit about what we do.

That has been tremendously successful and we hope it will continue, but again we would not do it without funding because we set up the whole gig and train people and we put people through to treatment and the feedback both from the recipients who have participated in that has been just profound and for the people who have gone out and been trained to develop that story and be part of that community education they have just gone on to do remarkable things. The aim of the program is to increase awareness, reduce stigma, reduce stereotyping, contextualise gambling and help people know where to get support.

The Hon. ERNEST WONG: Have there been things conducted in communities in different languages?

Ms ROBERTS: We have some ethnic language groups. We have someone who has come to us through the Chinese community who delivers that program. We have currently been delivering programs into the Burmese community in Wollongong and the Macedonian community. What we are finding with some of those communities is that we have not had back-up resources from RGF at the moment. I have raised that with them because they only have a certain number of language groups. The multicultural health services we have been working with through Health to access their community groups and they have asked us for repeat visits. What we are also finding in those sessions is that many people within those sessions have either had a direct experience themselves or a family member or somebody that they know, so they either disclose that in the

session or they have come up to talk to us afterwards over a coffee or whatever. It has been a real breaking down the barriers and trying to enhance capacities to respond.

The Hon. MATTHEW MASON-COX: Can I just ask you about your training? You mentioned that there are a couple of programs you are involved with, in particular the two local clubs where you are helping to develop training.

Ms ROBERTS: Clubs locally have tried to get 20 gaming machines, in essence. We have a policy with our local government that there has been a position of neutrality, which their own community development services wanted to get changed and I went in and backed that up. That resulted in about 100 club staff coming out to object to that in the gallery when I came to do a proposal.

The Hon. MATTHEW MASON-COX: This is Shoalhaven council?

Ms ROBERTS: Yes. The result of that was that the manager of that particular club and another club that we think quite highly of in terms of their responses to things came to me and a counsellor to say, "We would like to meet with you", presumably because they do not want to be doing a lot of that all the time. We have been having some frank discussions about where we can agree and disagree on certain things, but trying to work with them, as we have always tried to do, to strengthen their responsible gambling strategies, and we are currently looking at developing some training, which at this stage is probably pretty minimal. But the CatholicCare group has been developing some training and we would like to introduce them a bit more to that. They are genuinely interested, I think, in doing it better, but they have got limitations.

The Hon. MATTHEW MASON-COX: I suppose the question is what is best practice? Who defines that? That is the first step and I would like to get your thoughts on that. What is best practice in relation to intervention and ensuring responsible gambling?

Ms ROBERTS: From my experience as a problem gambling counsellor and from talking to many consumers over 15-odd years and the research that I am currently doing for my own PhD is that it is not successful to sit back and wait for someone to come to you. When a family member comes and says, "I am really worried that my husband is spending too much time down here. Our mortgage is overdrawn", basically to be told, "There is nothing we can do" is not really very effective. Also, as I was told the other day by a security guard of a well-known facility in our region, they have a clear customer care for their preferred customers. If there are any concerns he may have he is not allowed to speak directly to that person as he would to any other customer; that person is sat next to, given drinks and various other things to assist them to maintain and continue their gambling. I suggest that that is an indication of where customer service needs to be reconsidered. There is enough international evidence there, and we already have it. The ACT has a proactive program; they are trained to intervene, as they are in other areas.

The Hon. MATTHEW MASON-COX: But do they?

Ms ROBERTS: Yes, absolutely.

The Hon. MATTHEW MASON-COX: Are there statistics on that?

Ms ROBERTS: They regularly meet with their gambling treatment counsellors because they are mandated that they have to respond, and there are other jurisdictions in Australia, including Victoria, where they have set up responsible gambling personnel to be the link between the venue and treatment services.

The Hon. MATTHEW MASON-COX: So between that and New Zealand perhaps there are a few—

Ms ROBERTS: There are a lot of things we can learn, yes.

The Hon. MATTHEW MASON-COX: Best practices that are emerging.

Ms ROBERTS: It would be really good in New South Wales when we are already being claimed as the second in the world with the highest density of EGMs if we took some pretty clear, broader stances beyond counselling and checking boxes.

The Hon. MATTHEW MASON-COX: Who is first? Macau?

Ms ROBERTS: Nevada. They have got one for every 11 residents; we have one for every 55. But Las Vegas is a destination.

ACTING-CHAIR: Ms Roberts, in your submission you talk about the lobby groups and you mentioned Clubs NSW by name and you say that they often promote ineffective harm minimisation measures. What are some of the examples of that?

Ms ROBERTS: Part of the Solution as a paper has got some very good ideas; they have also made some claims on things that basically they have to do as opposed to come forward voluntarily to do, and education is obviously one of those. Developing third party exclusions we would certainly support and anything that strengthens responses and proactive responses I think would be really good. However, what it fails to talk about is anything to do with the design of the machines, anything to do with some of those other systems that are things that we would like to see reduced, like what is the balance between effective loyalty schemes and ones that are overtly encouraging people to maintain continous gambling? The data that is being collected on those best customers, could we be using that more proactively to flag the fact that someone has a gambling problem and seeing that we need to intervene earlier and not let them sort of slide further down the slippery slope.

The focus on education, whilst we supply education as well, we also know that education is only just one part of the story, so we really do need to look at supply numbers and changes to a product that the venue has become highly dependent upon and I am suggesting that they need to change their business model as, indeed, many hotels are now having to do. Not to do so is really a focus on soft options that, again, are highly focused on helping the individual change rather than changing the supply or the nature of how that product is supplied and provided in the venue.

ACTING-CHAIR: Your submission also talks about essentially an inequity between the amount of revenue raised from gambling and the amount that is spent on treating problem gambling addictions. It is interesting hearing your story, Mr Bristow, and mentioning that it was only until something reached the point in your personal life that you made that decision even though you had seen the gambling numbers multiple times, I would imagine, in the pubs and clubs. Do you think it is an issue of funding? Will there ever be enough money to address the issue or is it more in a personal sense that people have to make that conscious decision to ask for help? I would welcome comments from all three of you.

The Hon. MICK VEITCH: Or is there is a cataclysmic moment that makes you seek out assistance?

Mr BRISTOW: Probably. I have had two marriages and gambling had a big impact on those breakdowns. I have been with my partner for nearly 15 or 16 years, but it was only her putting pressure on me and after a period of thinking about it that I started to realise I had a problem. It was just normal to gamble. It is a hard one to answer.

Ms ROBERTS: One of the issues is about reframing the normalisation of gambling. What does safe gambling look like? The concept of responsible gambling seems to be something we cannot measure. The other part of that is we should not be waiting for people to fall into the river. We need to be building the bridges. We need to be building the fence at the top of the hill. Often the person who first recognises the problem is not necessarily the person who has the problem. It is the people around them. Again, there is not much information for people to understand when it really looks like a problem. Is it safe and okay for me to talk about this here?

The statistics that also get bandied around suggest if 99 per cent of the population are doing this okay, you must be completely deviant. In fact, what that does not reflect is that 30 per cent of the people who are actually using products are in difficulty. If 30 per cent of your restaurant customers were having difficulties you would be surely asked to lift your game. There are a number of issues and it is not just about treatment. We tend to get focused on treatment and that is not to deny the need for it but it is only one part of the picture and that is why we need to have a public health approach which looks more broadly at the issue and addresses harm and a range of strategies. Dorothy, do you have something you would like to add?

Ms WEBB: I am very sorry; I did not hear the initial question properly.

ACTING-CHAIR: To paraphrase, in respect of treating people with a gambling addiction, is it an issue of not having enough money in resources or is it about the individual saying, "I need help", and "I need to go there"? Money spent on other services is not always the solution if the individual is not asking for help.

Ms WEBB: If money is directed into the health factor of the gambling issues, without a doubt it would be very well spent because the Government would be safeguarding its people in that way. If this does not happen they fall by the wayside for the rest of their life. I have personal experience of this with our son and other people's sons. As soon as the cry for help goes out, that is when the medical team should come in. They need to take on board that particular family because when one member is affected by problem gambling, five to 10 people are immediately affected. The impact is enormous.

Ms ROBERTS: Can I refer you to another statistic that often does not get heard. The one and only time that we asked questions in our annual health study around families and gambling we elicited a figure of 10.4 per cent of New South Wales families were identifying someone in the family with a problem. We know that people do not put up their hand very easily in prevalence studies and the methodologies often rely on telephones, for instance, which is the first thing to go when you have a problem. If 10.4 per cent of people are saying, "I have someone in the family", which is a high prevalence rate compared to cancer or diabetes, we have a significant problem in this State and it behoves us to start addressing it properly.

ACTING-CHAIR: Thank you. Unfortunately we are out of time. On behalf of the Committee, thank you very much for appearing this afternoon. We may have some further questions on notice that the secretariat will send to you. If that is the case, we ask that they be returned within 21 days.

Ms ROBERTS: Sure. Thank you very much.

(The witnesses withdrew)

BEN SLEEP, Director of the Australian Wagering Council, and

CHRIS DOWNY, Chief Executive Officer of the Australian Wagering Council, sworn and examined:

ACTING-CHAIR: I welcome witnesses from the Australian Wagering Council. Would either of you like to make a short opening statement?

Mr DOWNY: Yes, thanks very much. First of all we thank the Committee for the opportunity to appear today. Our submission includes some key statistics and it is not intended to go over these again. The submission also highlights a number of key structural shifts that have had an impact on the wagering industry. I would like to expand on those, if I can. First, it is important that the distinction between online wagering and gaming be made. Wagering refers to racing and sport only, which is legal as long as the operator is licensed and regulated in Australia. Online gaming covers all other online gambling activities, which the Interactive Gambling Act makes illegal to be offered to Australians. Most of the literature and studies refer only to online gambling and often do not differentiate between the two activities.

Online wagering requires a different regulatory model to land-based gambling because in the online environment, prohibition or overly onerous regulations will not work. It is a global environment and a competitive global environment at that. There has been a change in consumer preferences from betting using traditional offline betting channels such as retail or TAB outlets on-course bookmakers and with bookmakers over the phone to online channels such as the internet, mobile tablet, et cetera. There has also been the growth of sports wagering in contrast to racing wagering which has enabled consumers to take their discretionary entertainment spend and wagering dollar to where they can gain the best prices value and service. This change in consumer preference in wagering is similar to what has taken place in other sectors. For example, a significant percentage of music is now purchased online through iTunes, Pandora, Spotify and the like instead of in a music store and there are far less job advertisements in newspapers than there are on *seek.com.au*.

Secondly, the global nature of the internet means that if an online wagering service or product becomes unviable in Australia, Australians are still able to—and do—easily switch to unregulated offshore or illegal starting price operators in search of competitive prices and available betting markets. Some figures that are readily available demonstrate this. The leakage of gambling revenue offshore is already significant. The Productivity Commission reported that $2 out of every $3 was spent offshore as Australians can, and do, switch to unregulated offshore operators in search of competitive prices and available betting markets as well as other online gambling activities. It is estimated that 14 per cent of online wagering revenue goes offshore. That is around $900 million of turnover. The major impacts of offshore spend are risks to consumers from reduced harm minimisation standards of offshore sites and a significant threat to the integrity of sport.

The recently released Gambling Research Australia report on interactive gambling revealed that interactive gamblers preferred to use domestically regulated sites but this consideration did not influence choice of site for approximately 33 per cent of interactive gamblers. In the case of online wagering, we strongly advocate a nationally consistent approach to harm minimisation and consumer protection with the States and Territories adopting a set of agreed minimum standards. In this regard, the Australian Wagering Council supports the development of a national set of harm minimisation and consumer protection measures applicable to all licensed interactive gambling providers across all States and Territories. These national standards should be based on a number of fundamental principles to ensure their effectiveness in protecting all Australians who wager on racing and sport. They should be evidence-based; they should not limit the ability of licensed wagering operators to be able to compete with illegal offshore wagering providers; and they should be reasonably achievable from an operational and technical perspective.

Currently the Interactive Gambling Act forces Australian consumers who wish to bet online in-play on sport to do so through unregulated offshore websites which do not pay taxes in Australia, do not contribute anything to Australian sport and do not have integrity agreements with the major sporting bodies to report any suspicious betting activities. These offshore websites typically have far weaker harm minimisation and consumer protection measures in place in comparison to licensed Australian-based wagering companies, which significantly increases the risk of problem gambling. Therefore, maintaining a competitive and well-regulated online wagering market that encourages Australians to bet with reputable and licensed Australian-based online operators is one of the most effective ways of ensuring that Australian sport is free of corruption and match-fixing.

Since our submission was provided to the Committee, Gambling Research Australia has released a report on interactive gambling, which I have referred to. Interestingly, this report provides an insight into the complex issues involved in exploring the harm minimisation issues involved in interactive gambling by Australians. Among its findings, the report concludes that interactive gambling should not be considered a distinct form of gambling, simply a mode of access. Eighty-one per cent of people who use online services also engage in land-based offerings. Consumers tend to choose online services based on convenience, ease of access and availability of more competitive product offerings, but many also have concerns about the security and integrity of interactive sites. When I refer to this report I stress this is about gambling not just wagering and sports betting. While most interactive gamblers prefer domestically regulated sites, at least one-third are not concerned about using offshore providers.

The report also maintains that there is insufficient evidence to conclude that interactive gambling is causing higher levels of problems. Interactive gambling problems account for a small proportion of gamblers presenting to health services. Nonetheless, participation in interactive gambling is increasing and it is possible that related problems might increase over time. To conclude, I provide a snapshot of the many responsible gambling measures that our members have in place. They include: the provision of activity statements to enable customers to review betting activity and history and to track spending 24/7; voluntary pre-commitment; deposit and loss financial limits; self-exclusion; responsible gambling; training of customer service staff; and provision of access to the problem gambling awareness tools, support services, responsible gambling messages, online and telephone self-help, and making available contact details for counselling services. We also have formulated an integrated package of legislative and non-legislative reforms that we believe will yield substantial benefits in terms of consumer protection and the ongoing strength and success of Australian sport, and minimise the damage that results from the practices of unregulated offshore wagering and gambling services, which operate in contravention of Australian law.

This package is being finalised for further discussion with various regulators. The key elements of the package include, among other measures, the introduction of global best practice harm minimisation and consumer protection measures, enhanced education, awareness and research measures, introduction of an industry code to provide clear standards for deferred settlement facilities by wagering operators, strengthening deterrence and enforcement powers for the Australian Communications and Media Authority, a clearly defined and platform-neutral approach to In-Play sports wagering such that these products can be offered only with the sanction of State and Territory regulators and national sports controlling bodies, and a total prohibition on micro-betting. Thank you very much again for inviting us here today. We are happy to take questions.

The Hon. MICK VEITCH: Good afternoon, and thank you for coming here this afternoon. We hear a lot the term "responsible gambling".

Mr DOWNY: Yes.

The Hon. MICK VEITCH: What is the definition that you use for "responsible"?

Mr DOWNY: Mr Sleep will answer this and I will chime in afterwards.

Mr SLEEP: It is not something that we have a definition around.

The Hon. MICK VEITCH: Okay, so what do you mean by "responsible"?

Mr SLEEP: I think it is offering our services in a way where we do everything that is reasonable to make sure that the small percentage of people who are at risk of developing problems have the tools and mechanisms they need to either prevent that happening—things like the ability to self-exclude or set deposit limits—or, indeed, if a problem develops, we have links to counselling services and training of our team members. For us it is about trying to do all the things that are evidence-based and are achievable. The Northern Territory bookmakers sit on a working party, which involves government, ourselves and self-help and responsible gambling [RG] help groups. The working party meets a couple of times a year to talk about what is best practice and what should we have on our websites, and how should it be displayed.

The Hon. MICK VEITCH: I believe you have a responsible gaming strategy.

Mr SLEEP: A code of conduct, yes.

The Hon. MICK VEITCH: Is that the type of definition we would expect that you would use for "responsible" in that context?

Mr SLEEP: As I said, there is not a glossary.

The Hon. MICK VEITCH: I am just trying to get a feel for it because everyone says it with a different interpretation or as a different proposition.

Mr SLEEP: As I said, it is kind of a suite of things we do to make sure that our products are offered responsibly and, for those at risk, they have mechanisms in place to help them, or indeed to help them stop, if that is their intention.

Mr DOWNY: I suppose one way to put it would be to say that, really, if you are talking about responsible gambling, it is to ensure—like everything—that people can gamble within their means. The terms "safety" and "harm minimisation" are used a lot these days. This is just a personal view but I would think that if you are talking about responsible gambling, you are talking about ensuring that a person is gambling within their means and it is not going to lead to a situation where they find themselves in financial trouble and other trouble as well. By the way, if I remember correctly, there is a national definition of "responsible gambling" that took about three years to develop about five years ago. The Committee might want to check that out. I am being quite serious here. There is an actual national definition.

The Hon. MICK VEITCH: There have been many working parties, I believe.

Mr DOWNY: Yes. I have been to a few of them over the years, yes.

The Hon. MICK VEITCH: Do you by any chance have a profile of the average online user of your services, such as an average age and gender?

Mr SLEEP: Broadly speaking?

The Hon. MICK VEITCH: Yes.

Mr SLEEP: It would be middle class and between 18 and 55. That is kind of the broad category. But it is typically—

Dr JOHN KAYE: That is about 70 per cent of the population.

Mr SLEEP: Not necessarily.

The Hon. MATTHEW MASON-COX: No, it is not.

Dr JOHN KAYE: Well, 30 per cent.

Mr SLEEP: It is middle class, more highly educated and more finishing school kind of tertiary-educated people, more skewed to professional jobs and so forth.

The Hon. ERNEST WONG: That is based on the information provided by the player—the one who is playing—right?

Mr SLEEP: Yes.

The Hon. ERNEST WONG: You do not have any system of monitoring exactly what age they are when they put on the bet.

Mr SLEEP: Yes, we do. Because we are account-based, we age verify every customer. It is the same as if you were to open a bank account. You need to have 100 points of identification [ID], and that is what we do as well. That is one of the key mechanisms. Actually being online has a number of benefits, such as information that is available to customers in terms of how much they are spending and help services as well as youth and age. If you open an account with us and do not age verify, you can never withdraw, and if a certain period of time passes, the account is closed. On the odd occasion where we find—and it is only one or two times

a year—that a youth has tried to do it and has stolen mum and dad's information, we contact the parents and leave it to them to sort it out. In fact, Sportsbet within a number of hours verifies the age of 83 per cent of its new customers using online mechanisms.

Mr DOWNY: I will refer you to the Australian Gambling Research Centre report at page xxii in the executive summary. It has a set of characteristics of interactive gamblers. Again, it does not differentiate between the legal activities and the illegal activities because, as I am sure you are aware, online casinos, poker, et cetera, are all illegal under the Interactive Gambling Act. Interestingly enough, the report makes the point that the mean age of interactive gamblers is 37 years on the telephone and 41 years on the online survey. They did two surveys, one by telephone and one online, and both surveys indicated that interactive gamblers were more likely to work full time with household incomes between $90,000 and $119,000, and that interactive gamblers in the telephone survey were less likely to be married than land-based gamblers, but those findings were not replicated in the online survey. It also states:

> Australian-born and English-speaking respondents were significantly more likely to be interactive gamblers than those born overseas or not speaking English as a first language at home.

The information is there. That report has a great deal of information in it that is worth looking at.

The Hon. MICK VEITCH: What are the flags you have in place for someone who may well be moving into the realms of problem gambling, like overcommitting themselves? Are there any flags that you have? Do you not know?

Mr SLEEP: No. We do not behaviourally profile people in real time. We have many hundreds of thousands of active customers. The difficulty is: How do you define what is a problem? Is it a thousand $1 bets, or one $1,000 bet? Is it 20 bets in one day, or one bet? I am not a research expert although I believe you have had some here today, but the theme seems to be that ultimately it is up to the person to admit that they have a problem and to seek help.

The Hon. MICK VEITCH: It usually means that it is too late when they do that. That is what we have discovered. When they put their hand up, they have already lost the house and the marriage.

Mr SLEEP: We do not profile betting activities, as such., but what we do, as Chris mentioned, is that members of the Australian Wagering Council train their customer service staff. We have 20-odd trigger words. If you ring up customer service and talk about chasing losses, or talk about having regret or being depressed, your account is suspended and you are referred to counselling. When we do have that human interaction and you can get more of a sense of what someone is going through, then we do take those steps.

The Hon. MICK VEITCH: When they are referred to counselling, which counselling service do you use?

Mr SLEEP: I think there are three references on the website. I would have to come back to you on that—Gamblers Anonymous and two others, I think.

The Hon. MICK VEITCH: Mr Downy, in your opening address you used to the term "platform neutral". What does that mean?

Mr DOWNY: We are talking about the online In-Play. Online In-Play betting is not permissible currently under the Interactive Gambling Act, but it is permissible to bet In-Play over the telephone or by visiting a land-based operator. "Platform neutral" means that it should be permissible over all platforms, including online. We suspect that 14 per cent figure I quoted—and we make it quite clear that we do not necessarily have any substantial proof—we believe that a fair bit of that turnover that is going offshore regarding betting is to do with online In-Play because overseas operators can and do offer other services.

The Hon. MICK VEITCH: That you are not allowed to do.

Mr DOWNY: If we had a slide screen, Ben has some great slides.

Mr SLEEP: I would be happy to pass some screen shots around of overseas operators.

ACTING-CHAIR: Could you table that?

Mr DOWNY: Yes.

Mr SLEEP: I will be happy to table that as well.

Document tabled.

The Hon. MICK VEITCH: It is like six minutes into the game, you can place a bet.

Mr DOWNY: Yes.

Mr SLEEP: It is my folder copy so it is a little bit ear tagged.

The Hon. MICK VEITCH: Say the Bulldogs and the Rabbitohs are playing and six minutes in, I want to put a bet on.

Mr DOWNY: You want to put a bet on who is going to score the next try, or whatever it might be.

Mr SLEEP: But it is not only that. Yes, rugby international sport, soccer international sport and the Australian Football League [AFL], which is a solely domestic sporting competition, are being offered out of Gibraltar. That is not because Collingwood supporters live on Gibraltar.

Dr JOHN KAYE: I wish they would.

Mr SLEEP: It is because it is offering to Australians. There is an example in there of the Canale Cup, which I believe is a metropolitan knock-out soccer competition in Brisbane. There are overseas wagering companies offering markets on that. The concept of overseas online companies offering markets on Australian sports is real.

Mr DOWNY: On a particular point, can I say that because all our members—and not just our members but obviously the TAB and Tatts—have product of integrity agreements with Football Federation Australia. It is Football Federation Australia that determines the bet types and on what competitions. Operators can offer bets. On that particular low-grade competition, the Football Federation would prohibit us from offering bets, but it is still possible to bet on those competitions offshore.

Mr SLEEP: There is an example in their of a cricket game where there is a market being offered in the number of runs in the next over's time. Cricket Australia does not allow us to offer that market, so we do not. I would direct you to page 20 of our submission which has a quote from James Sutherland, who is the head of Cricket Australia, where he talks about this issue.

The Hon. ERNEST WONG: You have cited in your submission that 78 per cent of problem gamblers are from poker machines or gaming machines, but since you are peak body do you have any figures on the percentage of problem gamblers in wagering? Has your industry done or will your industry do anything to address that issue?

Mr SLEEP: I can talk to some Sportsbet figures. We offer self-exclusion, as I mentioned, and we offer deposit limits. Approximately between 0.2 and 0.3 per cent of our active customer base self-exclude, and about 1 per cent set a deposit limit, which is a limit on how much you can deposit in a week or a month or a day, I think.

The Hon. MATTHEW MASON-COX: If they self-exclude, you do not have anything to do with them.

Mr SLEEP: They are gone forever.

The Hon. MATTHEW MASON-COX: That is it?

Mr SLEEP: That is it, yes. I make another point—and Chris did mention it—that a national approach really is needed here because we might have a customer who, through their own volition or through counselling, decide that they want to self-exclude. On Thursday afternoon that they self-exclude from us, and that is it—they

will never bet with us again, nor will anyone from their address who shares their name at any time. On any shared data, it is up as a fraud alert. But they might change their mind on Saturday morning and go and join SportingBet. Sportsbet, and before that the Australian Wagering Council, has been calling for a national self-exclusion database since 2011. We would be happy to screen against that at 6.00 a.m. every day, and screen every application for a new account in real time. We think that is the effective way to really help people to self-exclude. In fact, probably in an unrealistic but ideal world, cash-based wagering organisations and cash-based gambling organisations should be made to screen against it as well.

The Hon. ERNEST WONG: Do industries put advertisements into those places so that if the customer stops for a while, then you chase them up and say, "What happened?"

Mr SLEEP: I am sorry, do we what?

The Hon. ERNEST WONG: "Why did you stop your gambling?", type of stuff—advertising.

Mr SLEEP: We have various offers to our customers.

Dr JOHN KAYE: Mr Wong's question was this: Suppose I am one of your customers and I suddenly go dark and you do not hear from me for two months. Do you send me an email or a text message?

Mr SLEEP: Yes. We have reactivation.

Dr JOHN KAYE: You have reactivation marketing?

Mr SLEEP: Yes.

Dr JOHN KAYE: While I am on my feet, so to speak, I might continue. I apologise for my ignorance, but can you distinguish between In-Play betting and live odds betting?

Mr SLEEP: Live odds is a form of advertising.

Dr JOHN KAYE: But I cannot bet on live odds in Australia legally.

Mr SLEEP: Yes. They are kind of one and the same thing. Live odds is the price that we are offering for live betting. It is just the price of the product we are offering, being betting live during the sporting event.

Dr JOHN KAYE: But I cannot gamble on it. I cannot put a wager on it.

Mr SLEEP: Odds are just the price of our product, and the product that it refers to is betting live, if you know what I mean.

Dr JOHN KAYE: No, I do not know what you mean.

Mr DOWNY: I think I know where Dr Kaye is coming from. The live odds advertising was the advertising that has now been stopped under the broadcaster's codes whereby at half time, be it whatever football code—

The Hon. MATTHEW MASON-COX: Robbie Waterhouse came on.

Mr SLEEP: Tom Waterhouse.

Mr DOWNY: We will not go there. All I am trying to say is that it was the odds that are available on that particular game at half time. That is different to online In-Play.

Dr JOHN KAYE: I thought you were not allowed to gamble on that game at half time?

Mr SLEEP: You are allowed to do it in retail TABs and on the phone.

Mr DOWNY: Yes. But you cannot do it online.

Dr JOHN KAYE: Your members were not doing that because they would not be allowed to gamble with you? They would not be able to put a wager on with you?

Mr DOWNY: We have a phone operation.

Mr SLEEP: Yes.

Mr DOWNY: Most of our members have phone operations and that is what we were saying: you can pick up your phone but you cannot gamble online.

Dr JOHN KAYE: I understand. I am with you. I cannot do it online?

Mr DOWNY: Yes.

Dr JOHN KAYE: Your submission implies that there is advantage with online betting because as an operator you can monitor people's gambling habits and intervene. Mr Sleep, does your company have any triggers that say, "Gosh, this guy's been gambling a lot. We might actually have a chat with him"?

Mr SLEEP: Not as a business-as-usual operation, no. In certain extreme situations we may do so, but I am not going to sit here and purport that we monitor our customers' betting activity for the purpose of intervening and preventing harm.

Dr JOHN KAYE: Mr Downy, do any of your other members have any interventions that would be triggered by monitoring?

Mr SLEEP: I am not aware, no. I can take that on notice and find out for you. The advantage of account-based wagering is that we know the betting patterns, we know who you are, your last bet et cetera. That is all to do mostly with the sports integrity issue.

Dr JOHN KAYE: So it is a post-hoc thing; not with identifying that I am a problem gambler?

Mr SLEEP: No, it is an integrity measure. For every market we have a set of defined limits about what we think would be normal and acceptable. When bets try to be placed outside of that, it comes up on what we call an intercept and we look at each of those bets. But as I said, it is primarily under our agreement with the sports and monitoring for integrity that we do that. I will go back to what I said before: Defining what is a problem and what constitutes dangerous behaviour is incredibly problematic over hundreds of thousands of active customers.

Dr JOHN KAYE: In theory, it would be possible to write an expert system that identified problem gambling behaviours that were typical and then have a human intervention to have a chat with them?

Mr SLEEP: I would challenge being able to define typical problem behaviour. It might be that a guy gets paid monthly and he gets $100 a month and he bets it all in the one hour after. Knowing kind of source and frequency in funds and how much people have is incredibly difficult. What I would say is this: we need to be careful because we operate in a global market. If we start intervening in customers and questioning their behaviour in a particularly erroneous manner, they will just go offshore. We are for putting in place harm minimisation, but we are very conscious that if we make our website unusable and the experience poor for the vast majority of people who do not have a problem, they will all disappear offshore.

Dr JOHN KAYE: I refer now to voluntary pre-commitment. Your submission states that people can lower their amounts instantly?

Mr SLEEP: Yes.

Dr JOHN KAYE: Can they raise their amounts?

Mr SLEEP: It has a 60-day cooling off period to be able to deposit more than your limit says. You apply for it.

Dr JOHN KAYE: You set a limit and then I have to say, "In 60 days' time I want to deposit more"?

Mr SLEEP: Yes. You have set $100 a month and you want to make that $150. We take your application, but it is a 60-day cooling off period and then we check in with you at the end of the 60 days to make sure you are still comfortable.

Dr JOHN KAYE: Mr Downy, is that typical of the industry?

Mr DOWNY: It is, yes.

Mr SLEEP: It is a gambling industry.

Dr JOHN KAYE: Do we know what percentage of people are on voluntary pre-commitment?

Mr SLEEP: I said before that we have about 1 per cent of active customers each month.

Dr JOHN KAYE: So 99 per cent are not on voluntary pre-commitment?

Mr SLEEP: But I point out that for Sportsbet's business our medium bet is $5, our average frequency of betting is 40-odd times a month and average spend per customer per year is a few hundred dollars.

Dr JOHN KAYE: Your frequency is 40 times a month?

Mr SLEEP: Yes.

Dr JOHN KAYE: That is a bit over once a day?

Mr SLEEP: That is skewed by different people. We have 60,000 or 70,000 customers who bet once a year on Tuesday in November and some people bet once a weekend and some people indeed bet many times on a Saturday, but I say that none of that behaviour necessarily constitutes an issue.

Dr JOHN KAYE: You say you are developing a deferred settlements facilities protocol, is that correct Mr Downy?

Mr DOWNY: That is right.

Dr JOHN KAYE: Is that at the point of completion now?

Mr DOWNY: Almost. There are just a couple of issues to resolve; minor issues.

Dr JOHN KAYE: Is that being negotiated with your six members?

Mr DOWNY: That is correct. I would not even say it is negotiated. We are all in agreement. It is just more about some of the protocols, I suppose.

Mr SLEEP: And workability as well.

Dr JOHN KAYE: Will it become a publicly available document?

Mr DOWNY: It will.

Dr JOHN KAYE: Has it been negotiated with the Federal Government or State Government at all?

Mr DOWNY: No, not at this stage.

Mr SLEEP: No.

Dr JOHN KAYE: Is it your intention to do so?

Mr SLEEP: The existing arrangements we have for offering the facilities are as agreed to by our regulator in the Northern Territory. What we are talking about and what we will be asking them to do is improve

the minimum standards. At Sportsbet we decline 40 per cent of applications for these facilities because we use an external party called Veda. We give them data on a customer's behaviour and spending patterns and deposit patterns and they would run decisioning analysis based on that information and the credit score of that customer from the Credit Reference Association. So 40 per cent are knocked back. Ninety per cent of our facilities are less than $1,000 and 80 per cent of them are less than $200. Basically, this is the prime mechanism for people to avoid paying cash advance fees on their credit cards. I mentioned the 60-day cooling off period for deposit limits. We would suggest that everybody needs to have cooling-off periods when you want to increase or get a new credit facility. You might have a three or four day cooling-off period to make sure people do not, for instance, on a Saturday wake up with a $200 limit and go to bed with a $1,000 limit. We do not want that kind of behaviour.

Dr JOHN KAYE: You say that your advertising does not target children. What do you mean by "not target children"?

Mr DOWNY: It does not target children. It is not intended to appeal to children in any way.

Dr JOHN KAYE: Does it use celebrities?

Mr DOWNY: Occasionally.

Dr JOHN KAYE: Does it use celebrities who are sports stars?

Mr DOWNY: In one particular case it does, yes.

Mr SLEEP: Yes.

Dr JOHN KAYE: How does that not target children?

Mr DOWNY: Because there are prohibitions on when those advertisements can appear as well.

Mr SLEEP: They are not in G-rated times.

Mr DOWNY: I think in our submission we actually detail the codes and regulations we have to abide by.

Mr SLEEP: They are prohibited in G-rated times: six till eight in the morning and from four till seven in the evening.

Dr JOHN KAYE: After 7.00 p.m. you can run an advertisement that has a sports star in it advocating for an online betting service?

Mr SLEEP: Yes.

Mr DOWNY: That is correct.

Dr JOHN KAYE: You claim that that does not target children? Let us omit the word "target". Do you think that would have an impact on children?

Mr DOWNY: We would not have thought so.

Mr SLEEP: No.

Dr JOHN KAYE: Do you not think children are influenced at all by endorsements from sports stars?

Mr DOWNY: Do you have any evidence that they are?

Dr JOHN KAYE: Sorry, Mr Downy, I asked you the question.

Mr DOWNY: I am just asking you a rhetorical question.

Dr JOHN KAYE: I asked you the question.

Mr DOWNY: I am not aware that there have been any studies done to show that is the case. I am just simply saying, if you had evidence or you know of studies that do demonstrate that, we would be more than happy to have a look.

Mr SLEEP: I can add to that. This comes up a lot and we abide by both Federal and State, in fact, every State and Territory's advertising requirements. We were proactive in the live odds banning last year. Advertising bans for corporate bookmakers were lifted in 2008. There was also reference before Tom Waterhouse and the furore around that in 2013-13. The proportion of spend that is coming from 18- and 19-year-olds in Sportsbet's business has not changed. In fact, from 2007 to today it has gone backwards marginally. To me, that is a prime indicator. The 15- and 16-year-olds who were seeing those ads are now 18 and 19 and there is no discerning difference to what was being spent in 2007 by that age group before we were allowed to advertise.

Dr JOHN KAYE: I understand what you are saying but, as you know, correlation is not causation and many other things happened in the gambling market through that period.

Mr SLEEP: Yes.

Dr JOHN KAYE: When you say your advertising does not target children, what tests do you use to say that an advertisement does or does not target a child?

Mr SLEEP: I struggle with the question a little. At the end of the day, I am not an advertising guy, but I have never had a conversation about how to target children with advertising. So I would not even know what mechanisms you would use. Sportsbet's ads are targeted at adults. They are mainstream, irreverent ads and nothing at all in them is specifically targeting children.

Dr JOHN KAYE: There are no specific things you say you cannot do in that advertising code to stay away from accidentally targeting children?

Mr SLEEP: We cannot show them in G ratings.

Dr JOHN KAYE: Sure.

Mr SLEEP: We cannot make out that you have a higher chance of winning than you do in actual fact. There is a whole series of codes set out both nationally and within the States. The same applies to alcohol. These boards of experts set what is appropriate advertising to ensure that children are not being targeted and we abide by those.

Dr JOHN KAYE: Are your advertisements checked by anybody?

Mr SLEEP: Yes.

Mr DOWNY: Absolutely.

Dr JOHN KAYE: By whom?

Mr DOWNY: By CAD.

Dr JOHN KAYE: What does CAD stand for?

Mr DOWNY: I cannot remember offhand. It is the organisation within Free TV Australia that vets all advertising that goes on free-to-air TV.

Mr SLEEP: Indeed, if there are problems with our advertising, people can complain through the normal process. We participate in those processes.

ACTING-CHAIR: Your submission talks in detail about the advertising regulations you must follow. Other submissions to the Committee state that there should be further controls. Do you think that is necessary or do you believe the current level is adequate?

Mr SLEEP: From my perspective I think they are adequate. Sportsbet is on the record saying that the live odds issue got out of control, the level of integration with commentary teams got out of control. We worked proactively to be part of the solution for that. We volunteered to sign up to those. You need to understand that we compete globally and one of the only core advantages of being onshore is having the right to advertise. Our offshore competitors do not pay taxes. They do not abide by the same laws and have the same mechanisms we do. We want to be onshore and we want to do those things, but we need to be able to advertise what is a legal product that we administer fairly and responsibly.

ACTING-CHAIR: That leads to my next question. Page 11 of your submission states that further restrictions might have an adverse effect and unintended consequences with overseas gambling sites that cannot be regulated at all in Australia.

Mr SLEEP: Yes.

Mr DOWNY: Yes, that is correct.

Mr SLEEP: That is right. It is a competitive world.

The Hon. MATTHEW MASON-COX: Have you estimated what sort of revenue you, governments and, indeed, sporting bodies have forgone with people betting offshore?

Mr DOWNY: As I said before, we think that a lot of the 14 per cent, which is around $900 million in turnover, is going offshore online In-Play. When you have a look at the figures—I cannot remember, quite frankly, but we put them in our submission; they might be in the Sportsbet submission as well—in the last five years, the amount of turnover going offshore has decreased from something like 38 per cent down to 14 per cent. A lot of that is to do with the fact, and, obviously, it is no coincidence, getting back to the advertising issue, that our members are allowed to advertise. We cannot put a figure on a lot of that 14 per cent; it is very hard to estimate but we would think that a lot of that is online In-Play that is going offshore. That really is the only reason for a punter to go offshore.

The Hon. MATTHEW MASON-COX: But they can pick up their telephone and do it onshore?

Mr SLEEP: Sure.

Mr DOWNY: That is correct.

The Hon. MATTHEW MASON-COX: That is just online?

Mr SLEEP: Yes, that is right.

The Hon. MATTHEW MASON-COX: I will ask you about the Victorian kid bet campaign, which was deemed by the Advertising Standards Bureau to be inappropriately showing children wagering. Can you expand on that?

Mr DOWNY: It was an advertising campaign that was launched last year by the Victorian Responsible Gambling Foundation and it was supposed to be a semi-humorous campaign where they had these kids imitating adults betting online with, I think, an iPad or whatever. A number of complaints were received by the Advertising Standards Bureau who deemed that the advertising campaign was inappropriate because it associated kids with gambling. I had forgotten about that when Dr Kaye was in the room. None of our industry members run those types of campaigns. This was a semi-government organisation running a campaign associating kids with gambling which, of course, a big no-no.

The Hon. MATTHEW MASON-COX: Do you have some online material that is offered to people for educational purposes in relation to problem gambling?

Mr SLEEP: Do we?

The Hon. MATTHEW MASON-COX: Yes.

Mr SLEEP: Yes. We have a variety of information. We have a Gamblers Anonymous questionnaire that is 10 or 12 questions and if you answer "yes" to three or four of those it is a high indicator that you may have a problem. That is a self-assessment. It also says if you are seeing these things in your life then you may have a problem and this is who you should contact.

The Hon. MATTHEW MASON-COX: Is it something that a person has to fill in when they open an account?

Mr SLEEP: No, it is on our website. On every page there is responsible gambling and within someone's account if they click on that they have the information.

The Hon. MATTHEW MASON-COX: We probably need to have a look at your website and take a tour.

Mr SLEEP: Yes. As an aside, we take many stakeholders through our offices for a tour to make it real for people in terms of these things we talk about; that is an open invitation.

Mr DOWNY: We have invited the Committee to visit Sportingbet in Park Street and I understand that is happening on 5 June.

ACTING-CHAIR: Yes.

Mr DOWNY: If you want to visit other operators then let us know and we will be happy to organise it.

Mr SLEEP: To demonstrate Sportbets' and our members' seriousness we have engaged an independent academic, an expert in this field: First, to come in and review the things we do and measure them against best practice; and secondly, measure our adherence to those and how well we are executing that; such is our desire to get this right and to create a sustainable long-term industry.

The Hon. MATTHEW MASON-COX: Is that something that you produce a report from?

Mr SLEEP: Yes, the report is in draft, it hasn't got to me as yet. I understand the report is quite good but I haven't seen it.

The Hon. MATTHEW MASON-COX: Would you be prepared to give that to the Committee?

Mr SLEEP: I will have to take that question on notice.

ACTING-CHAIR: You mentioned before, Mr Sleep, that your staff on the telephones are trained to look out for certain words that a customer might use?

Mr SLEEP: Yes.

ACTING-CHAIR: But there is not a legislative requirement for wagering staff to have the responsible gaming training that is required of those that work at clubs and pubs?

Mr SLEEP: It is in our responsible gambling code of conduct that is the document that lives and breathes around that committee that we sit on in the Northern Territory. It is part of our licence.

Mr DOWNY: The Northern Territory regulator regulates most of our members. Betfair is regulated by the Tasmanian Government and Ladbrokes is regulated by the Norfolk Island authority. The Northern Territory has a responsible gambling code of practice that all Northern Territory licensed online bookmakers must subscribe to and they have just written to the Australian Wagering Council to say that they are reviewing that code.

The Hon. MICK VEITCH: Mr Downy, at the beginning you gave a prepared opening statement?

Mr DOWNY: Yes.

The Hon. MICK VEITCH: Are you able to table that for us?

Mr DOWNY: Yes, I have a copy here. I had one for the greyhound inquiry so I came prepared.

ACTING-CHAIR: That concludes our time. There have been questions taken on notice and Committee members may have more questions on notice that they will send to you through the secretariat. If you could you return those within 21 days.

(The witnesses withdrew)

(Short adjournment)

ABIGAIL KAZAL, Senior Clinical Psychologist, Service Coordinator, St Vincent's Hospital Sydney, Gambling Treatment Program, and

CAMERON MCINTOSH, Clinical Psychology Registrar, St Vincent's Hospital Sydney, Gambling Treatment Program, sworn and examined:

ACTING-CHAIR: I welcome the witnesses from the St Vincent's Hospital Sydney, Gambling Treatment Program. Would either of you like to make an opening statement?

Ms KAZAL: I have prepared something which I will read. Thank you for the invitation to appear here today. I am the senior clinical psychologist and service coordinator of the St Vincent's Hospital Gambling Treatment Program, a role I have been in for the past 12 years. In this role I have treated numerous individuals experiencing problems with their gambling, as well as managing staff doing the same. The St Vincent's Hospital Sydney Gambling Treatment Program is a free service for problem gamblers and those affected by problem gambling. Treatment consists of a structured individually tailored program utilising cognitive behavioural approaches based on the latest research evidence of treatment effectiveness. Approximately 12 weekly sessions are offered as part of treatment followed by less frequent sessions for up to two years.

The program opened in 1999 and over the subsequent 15 years has provided help to over 2,000 people affected by problem gambling. We employ five clinical psychologists working the equivalent of four full-time positions. We all come from diverse backgrounds. I have a background in drug and alcohol addictions and I also work in private practice. Cameron McIntosh, who is appearing here with me today, is one of the clinical psychologists at the program and is currently writing his doctoral thesis in clinical psychology and is organising the research we are conducting at the service. Mr McIntosh's background includes qualifications and roles in commerce, business, administration and law.

I will give you a brief outline in terms of my submission today. In my submission I focused on the two key important areas in harm minimisation: Voluntary self-exclusion as offered by gaming venues and restricting access to funds. Both these strategies play a significant role in helping people overcome their gambling problem. Aside from that, given our experience in treating problem gamblers, we are able to provide further comments on the other terms of reference of this inquiry.

Dr JOHN KAYE: Can I take you to your submission where you talk about the issue of voluntary self-exclusion. You make the observation in your submission that when a client has attempted to address a failure of voluntary self-exclusion they have gone to the Office of Liquor, Gaming and Racing [OLGR] and OLGR has said the responsibility lies entirely with the individual requesting the self-exclusion. How frequently does that event occur?

Ms KAZAL: It has happened a number of times over the past 12 years. In terms of frequency, it is hard to say, but it is not an uncommon feedback from clients in terms of they have approached the Office of Liquor, Gaming and Racing—usually by telephone—and more or less that is the response they are given: That the responsibility lies with the problem gambler to not enter the premises.

Dr JOHN KAYE: We had evidence this morning from the Office of Liquor, Gaming and Racing and I put that proposition to them and they vehemently denied it. They said that was not true and where a complaint was made it would be investigated, they would contact the venue, talk to the venue and assess the situation—they would not say that. You are saying that a number of clients have said this to you?

Ms KAZAL: Yes. On a couple of occasions I and another staff member have actually contacted OLGR ourselves and asked about what sort of complaints procedures are in place. We were more or less told that there is nothing official there, that it is directed back at the people doing the actual self-exclusion—so whether it is AHA or ClubsNSW—and that they should be following that up with them and they will contact the venues and reinforce the self-exclusion.

Dr JOHN KAYE: I am a bit confused by your answer. You are saying that the NSW Office of Liquor, Gaming and Racing said it would go back to Australian Hotels Association or to ClubsNSW and pursue it that way?

Ms KAZAL: That is correct.

Dr JOHN KAYE: That is different to what you said in your submission—namely, that the responsibility lies entirely with the individual requesting self-exclusion?

Ms KAZAL: There were told that and they were also told that part of that is that they should recontact those organisations arranging the self-exclusion to follow-up those issues.

Dr JOHN KAYE: Sorry, they are asking the individual to contact the organisations?

Ms KAZAL: Yes.

Dr JOHN KAYE: Do you see that as inappropriate?

Ms KAZAL: I think it could be done much better. It wouldn't take much to introduce extra legislation around possible penalties for venues that do not follow through with their self-exclusion.

Dr JOHN KAYE: So you are arguing for a change to the Act so that self-exclusion has the power of law?

Ms KAZAL: Yes, to make it more effective. I think it is a good thing to have in place but it could be made more effective.

Dr JOHN KAYE: I turn now to the issue of cognitive behaviour therapy. Your service is a cognitive behaviour therapy service?

Ms KAZAL: Yes.

Dr JOHN KAYE: People often say that cognitive behaviour therapy is very effective but it is also very expensive. Is that correct?

Ms KAZAL: In what way?

Dr JOHN KAYE: It is one of the therapies that require more clinical hours than others.

Ms KAZAL: I am not quite sure about that. As far as I am aware I have not heard that it is actually more expensive. I do not know if I can comment, perhaps Cameron can add to that?

Mr McINTOSH: The latest meta analyses done out of Monash University in 2011 talks about CBT being the most effective and efficacious treatment for problem gambling. There was certainly no mention so far as I am aware in that report of the cost of delivering but in terms of focusing on effective treatment the evidence does support CBT treatment as the preferred mode.

Dr JOHN KAYE: So if I presented to your clinic with a gambling problem how many sessions would I have?

Mr McINTOSH: As Abigail said, it is around 10 to 12. But I guess one of the advantages of coming to our treatment clinic is that we are all clinical psychologists so we work off a formulation basis, which actually means that we look at each individual client. We were talking about this before we came down, but over the last few years using the diagnostic statistics manual that gives criteria out of 10—10 being the most disordered person—we see people in the range between seven and eight. So we tend to see the more severely disordered people. As a consequence of having those formulation skills to look at people and because of the complexities of comorbidity and the complexities of what is actually going on in a particular person—whether there are mood disorders or personality disorders involved—that is why we certainly offer the program as we do, with that flexibility to tailor it to the individual who is presenting before us but using a cognitive behavioural framework to deliver the treatment.

Dr JOHN KAYE: Who pays for the service? Does the client pay or is it a publically funded service?

Ms KAZAL: It is a publically funded service. We are funded through the Responsible Gambling Fund.

Dr JOHN KAYE: How many clients do you see a year?

Ms KAZAL: We see roughly about 100 new people each year, a bit over a hundred. That is new people, so in effect we are seeing more than that per year.

Mr McINTOSH: Approximately 50 per cent of them in the last analysis I did were follow-up clients—re-presenting clients, people requiring booster sessions to keep them safe, people who were midway through the program at the cut-off of the reporting period—so around 45 to 50 per cent of the sessions that were conducted were for follow-up.

Dr JOHN KAYE: What is your two-year success rate?

Mr McINTOSH: That is a very difficult question to answer purely because I think we are one of the better clinics in terms of follow-up and getting follow-up data. We are currently running a program of research where we are hoping to go properly for the two years but we do not reach a number of people reporting data at the two-year point that would validate the results. We certainly know that at the post-treatment point—so immediately after treatment—we are looking at a success rate of in excess of 90 per cent of people who remain in treatment at that time but there is approximately 50 per cent or so of people who make the call to us to ask if they can come in for an appointment who drop-out before they get to the post-treatment point.

They are not ready or a number of them we believe—and certainly there are the papers that support this—after three, four, five sessions they have stopped gambling and they do not want to invest the time in completing the program. So it is a very difficult issue to understand exactly what the success rates are but we know—we have got long-term data suggesting at post treatment and we get pretty good data at three months and at six months. For all of those people who stay in treatment for that period of time we are looking at success rates at around the 90 per cent mark.

Ms KAZAL: And we do make an effort to contact every single person, including the yearly follow-ups and two years post treatment as well.

Dr JOHN KAYE: I briefly turn to the issue of the provision of credit services. The Australian Wagering Council gave evidence to the Committee before you. They were talking about the provision of credit for online gambling, which means that people can actually gamble in debt online. Do you have concerns about that?

Ms KAZAL: Yes, we generally recommend to people not to gamble credit. One of the first things we do when they first come to our service is to actually assess what is happening with their finances, whether they are using credit to gamble with, including credit cards and withdrawing cash from credit cards. We suggest right at the start to cancel cash withdrawals and using credit. So it is a concern.

Dr JOHN KAYE: Do you think there is a safe way of providing credit? Do you think it would be safe by limiting the amount of credit or limiting the draw down on credit?

Ms KAZAL: For gambling?

Dr JOHN KAYE: Yes.

Ms KAZAL: One would have to wonder why a person has to actually use credit to gamble. I am not quite sure what the reason would be. If they do not have adequate funds to be gambling then why are they gambling? It is just problematic I think from the start.

Dr JOHN KAYE: Is it true that once someone gambles in credit and loses then the impulse to gamble their way out of trouble is greater than if you have just lost a certain amount of money but you walk away square?

Ms KAZAL: Yes, definitely.

Dr JOHN KAYE: Is that something that research backs up?

Ms KAZAL: In terms of our clinical experience that is definitely what I have heard from my clients—the desire to chase losses. I am pretty sure research probably would back that up. Have you come across anything recently?

Mr McINTOSH: The phenomenon of chasing losses absolutely is established in nearly all of the models that seek to explain problem gambling, but whether there is a greater effect of chasing when you have lost money on credit I am not aware of any research that says that. Really once you are in the chasing phase of the cycle there is a loss of control. I do not know that you could ever really quantify the extent of that loss of control because usually it is whatever you can get your hands on.

Dr JOHN KAYE: Going back to the issue of comorbidity, I put the question to a psychiatrist this morning: Which is horse and which is cart? For example, if a client presents to you with both depression and a gambling problem do you have a sense of whether the depression caused the gambling or the gambling caused the depression?

Ms KAZAL: I suppose that is always an important question and our clients often ask that right from the start because often people are experiencing low mood distress, high levels of anxiety when they first come. But for a proportion of those it kind of clears away after their gambling is brought under control whereas for another proportion it is not and that is where you suspect that there was some sort of pre-condition of depression or anxiety before their gambling started. But it is often very hard to tease those two apart.

Mr McINTOSH: In the research we are conducting at the moment we are attempting to look at that question by taking measurements at more regular periods throughout the treatment to see which measures move first which may give us a bit of an indication as to the directionality. I think one of the key things that that question really brings out for me is the heterogeneous nature of problem gamblers. A lot of the research just does not get enough participants to be able to break them into their heterogeneous groups and even agree on what those heterogeneous groups are so that you can analyse that sort of thing properly.

I know one of the earlier witnesses Professor Blaszcynski has developed a model which has been reasonably well theoretically accepted in the area about three different pathways leading to problem gambling. I suspect his model would say that in at least one of those pathways the depression would be caused by the gambling. These are people who are just exposed to gambling whether it be through their social networks, family networks et cetera, had the big win early on and then they are behaviourally conditioned to it whereas the other two usually that is a form of escape. Certainly one of them, the psychologically distressed area would say that that is what is causing the gambling as a mechanism to try to manage the distress caused by the mood disturbance.

The Hon. ERNEST WONG: Clinically how do you define "problem gamblers"? Many gamblers over-use their funds and the family has problems. If a gambler knows themselves they have a problem, they do not want to gamble but then they cannot stop themselves, is that the stage where they identify that they have a problem? How do you treat those clients?

Ms KAZAL: I am not quite sure of the question.

The Hon. ERNEST WONG: A lot of your clients have self-identified as a problem gambler because of pressure from their family but they cannot stop themselves from gambling because of psychological or emotional needs. Is that when it is identified as a problem?

Ms KAZAL: Are you asking whether it needs to be self-identified?

The Hon. ERNEST WONG: Yes.

Ms KAZAL: Most of the time it is the case that people come because they actually do feel they have a problem with gambling. We do require that the person seeking treatment actually contact us. We do not take referrals from family members in terms for that person with a problem gambling. Having said that, often people do come because their family or partner feels they have a problem and they are not 100 per cent sure. They are a bit ambivalent and that is a common occurrence in any addiction work so we take that into our work and we go through the sort of approach that will help to clarify whether they do actually have a problem. Usually motivational interviewing strategies are part of that process.

The Hon. ERNEST WONG: You help them to identify whether they have a problem?

Ms KAZAL: Yes.

The Hon. ERNEST WONG: How do you find the problem?

Ms KAZAL: It is usually exploring the consequences of their gambling, the level of extent of spending, how much control they feel they actually have and looking at the evidence in terms of spending, debt, the feedback from family members and friends. We look at that bigger picture and usually it becomes pretty clear whether they have a problem. On rare occasions it might be that they actually do not have a problem, it is just something that has become an issue maybe in a relationship.

The Hon. ERNEST WONG: You have to go through a process of having to solve their physical problems, displeasure with the family or whatever it is? I am trying to say it is not a psychological issue that they need to look at rather than family pressure they need to sort out?

Ms KAZAL: I am not quite sure whether it is possible to differentiate it to that extent and is often part of their family or society so in terms of a psychological problem it often does involve other people. I am not quite sure I understand the question.

The Hon. ERNEST WONG: Do you have any percentage of those self-identified problem gamblers among people who have gambling problems? For example, people seek treatment because they have self-identified as having a problem. But probably there are a lot of gamblers who do not have that awareness of having a problem or they do not want to immediately deal with their problem. What is the percentage of those who can identify themselves among those people who do actually have problems but do not identify themselves?

Ms KAZAL: I must admit, I do not know off the top of my head what that percentage would be. Generally almost 100 per cent of the people we do see at our program feel they have a problem.

The Hon. ERNEST WONG: I am not saying you have to provide me with those figures. If you can direct me to any kind of research figures or reports I am happy.

Mr McINTOSH: One figure which may help answer the question is that it is reasonably well accepted in the literature that problem gamblers take between five and seven years to present for treatment after they have developed a problem. I wonder if that figure might help answer your question because a number of the people to whom you are referring may, in fact, be in that five to seven year period where they think they have a problem but they are still thinking they may be able to get around it themselves. They have not reached the point of wanting to reach out and get professional help.

As I mentioned, we also use the Diagnostic and Statistics Manual which does have criteria in it now for a gambling disorder. So those questions we go through with the clients. It is not the be-all and end-all by any stretch but we do it as part of the clinical process to help tease out some of the issues that are going on for them. Based on those nine criteria that are in there now we can say if they have more than four then they meet criteria for gambling disorder which are behavioural characteristics. We often expect that by the end of treatment, if it has been successful, that that Diagnostic and Statistics Manual score will be significantly lower.

The Hon. ERNEST WONG: Is it possible to provide the Committee with a copy of those questions?

Mr McINTOSH: From the Diagnostic and Statistics Manual?

The Hon. ERNEST WONG: Yes.

Mr McINTOSH: Yes, sure.

The Hon. ERNEST WONG: Do you have a statistics on all of your clients you have treated on their ethnicity, age, gender and work?

Ms KAZAL: Yes, we collect that information.

The Hon. ERNEST WONG: Can you provide the Committee with that?

Ms KAZAL: Yes, sure in terms of our clientele.

The Hon. MICK VEITCH: What is the profile of an average on-line problem gambler? Are they dominantly male, mid-20s?

Ms KAZAL: Yes, I would probably say younger with sports bettering. We are probably seeing more of that particular clientele in our service in the past couple of years.

The Hon. MICK VEITCH: It is growing?

Ms KAZAL: Yes, it is a minor increase. I know Cameron was looking at that recently.

Mr McINTOSH: Yes, it is an increase off a small base but in the past two years we have seen sports betting, which we did not differentiate as on-line but most of it would be on-line.

The Hon. MICK VEITCH: On-line wagering as opposed to on-line casinos?

Mr McINTOSH: Yes, that type of thing was starting to approach the horses and dogs racing in terms of people presenting with that problem. Clearly the electronic gaming machines still occupy about 70 per cent but the sports betting seems to be approaching that level for horses and dogs certainly over the past two years. As I said, it is off a small base so it looks like a big percentage increase but it seems to be on the rise.

The Hon. MICK VEITCH: The Committee heard this morning that often people who finally identify as having a gambling problem also present with other issues such as alcoholism or other addictions. Is that a fair statement? What is the propensity towards illicit drugs and alcohol for instance?

Ms KAZAL: Definitely there are people often that come with that problem with alcohol use, alcohol dependence. Given the environment too that we are looking at playing the electronic gaming machines in clubs and hotels where alcohol is around so often it goes hand in hand with gambling. It does often occur at the same time but not always in terms of problematic amounts but definitely there is a significant portion who do have a problem.

The Hon. MICK VEITCH: What about on-line gamblers sitting at home with a bottle of wine?

Ms KAZAL: It is probably something I have not come across that often. Maybe it does happen but I do not hear of that happening much, actually at all. I cannot think of any off the top of my head.

Mr McINTOSH: My clinical impression is that a lot of the sports betting comes from almost an ego-driven type of perspective. But my clinical opinion is the prevalence of methamphetamine users who are gambling has increased in terms of the people who are presenting to us which is quite interesting because we do know that adult ADHD is also another type of condition that tends to sit co-morbid with gambling problems. Methamphetamine being a stimulant is often an attempt to try to manage some of those symptoms, or can be. That is one thing that I have certainly noticed over the past 12 months or so that there are more people presenting with that type of usage.

The Hon. MICK VEITCH: If you were given the opportunity to re-write the legislation around self-exclusion both for the individual and for the facility proprietors, what would you include? This is an opportunity to get something into a report, by the way.

Ms KAZAL: I suppose when preparing the submission I had a look at the different Acts according to alcohol and currently the one in place for the machines Act. From memory I noticed that specific penalties were in place for serving alcohol to people who are already deemed intoxicated. This could be quite difficult in practice but I wonder whether something could be done around that for gaming machines. For example, if people were observed to have already put through large amounts of money, and they are deemed to look like they are in distress, maybe out of control, that there could be a specific policy in place in terms of how those consumers, if you like, are actually dealt with. How are they protected from further harm around the gaming machines and whether that involves some sort of penalty being imposed on the venue if they do not comply with that. I am not quite sure but that seems to be the case for alcohol so would it be possible to do that?

The Hon. MICK VEITCH: A more stringent regime around the proprietor?

Ms KAZAL: Yes, in terms of actually playing the machines. I suppose the other side in terms of self-exclusion, if a person is repeatedly let into the same venue, and they have actually been excluded, and they keep approaching the same venue, they are not stopped, they are allowed to lose large amounts of money, that there be some sort of procedure in place where that can be followed up and the venue is questioned and maybe if they are deemed to have not followed the policies in place that there is some sort of consequences. At the moment there is basically nothing in place. So what is there that actually motivates them to comply with a self-exclusion policy?

The Hon. MICK VEITCH: Mr McIntosh, this is your opportunity to write the legislation for the Committee, what do you say?

Mr McINTOSH: It is a big question. I am not sure that I can answer it completely. One of the resources that we have become aware of is 20-years' worth of research in the Las Vegas gambling industry by Natasha Schull, the author of a book "Addiction by Design". A number of the principles that she sets out were more around the techniques that were used in normal business practices et cetera for trying to get people onto the machines, like relationship managers, inducements and those sorts of thing. I think that it is a bit too simple to use an argument like guns do not kill people, people kill people. I think that is too extreme. I think that it probably is a matter of the interaction between these machines and the people and that just something that could give people a bit of an opportunity to have a break, whether it is gaming staff being able to interrupt people or some breaks on the machine, or something like that that will just interrupt the loss of control so they could regain some perspective, I think that would be very beneficial.

It is very difficult to regulate, I understand, and I know in other parts of the world they have tried to do that and if the interruption is programmed to happen at 27 minutes, people play up to the 26th minute and then jump on the machine next to it. So people will get around it, but I think that just talks to how difficult an issue this is and the loss of control that these people when they are problem gamblers, which of course is not everybody, experience when they are in the zone in playing these machines.

ACTING-CHAIR: I want to go back to an issue that was raised by Dr Kaye in terms of how people are referred to your clinic. Can they just walk in? Do they come via other avenues? Can you talk me through that a little bit more?

Ms KAZAL: The referral pathways?

ACTING-CHAIR: Yes.

Ms KAZAL: In terms of our latest annual report at the end of June last year, 2013, the majority of our referrals come via our website, the Gambling Treatment Program St Vincent's Hospital website. That is almost 30 per cent of the people contacting us found us online through our website. That has changed; it used to be the main helpline—the gambling helpline was the main referral source but that has dropped and there has been an increase in terms of online access. The second largest referral source is other health professionals and agencies, including Probation and Parole, GPs, other health services, and then I think after that would come the gambling helpline and maybe family members, partners.

ACTING-CHAIR: With the gambling helpline, if someone rings up and wants help you would be one of the organisations that they might be referred to through that mechanism?

Ms KAZAL: Yes.

ACTING-CHAIR: Mr McIntosh, you said that most of your clients on the DSM level are seven to eight. That is just what you find throughout the treatment of those?

Mr McINTOSH: During the first couple of sessions we do an assessment, which is a normal process that a clinical psychologist would do with any client that presents to them. Obviously we focus on the gambling primarily but try to tease out any other issues, and part of that assessment is to work out a diagnosis against the gambling disorder criteria. So nine out of nine would be the most severe diagnosis; if you score four or above

you meet the criteria for gambling disorder. It just changed last year and looking at the data previously where it was out of 10 instead of 9, we work for them in the range of between seven and eight—that was our mean.

ACTING-CHAIR: So once people come to you it is fair to say they have a significant problem in terms of the diagnosis?

Mr McINTOSH: That seems to be the case. Certainly with our basis as clinical psychologists and also our attachment to St Vincent's and also the longevity of the clinic being around for so long with good treatment outcomes, I think there probably is a bit of an understanding that severe people can be treated well at our place.

Ms KAZAL: But there has been an increase in the levels of severity over the last few years.

ACTING-CHAIR: I will come back to your attachment to St Vincent's in a minute, but in terms of what you have seen—and I know, Ms Kazal, you said you have been working for 12 years in the field—have you seen an increase in the demand for the service? We had evidence earlier today saying that no matter what is on offer only about 10 per cent of people who have a problem seek support. Do you think that figure is about right and have you seen increases or changes in the types of services that you need to offer over your time at the program?

Ms KAZAL: As I mentioned, the difference that I have noticed is the increase in severity of the problem, and that could be a function of the fact that problem gambling has probably been around for longer and people develop more severe consequences in their lives from it. As to the question of the 10 per cent, that tends to come up regularly, and I think it is a problem: why are more people not accessing the help that is out there? I think that it comes back again to raising awareness and the promotion of awareness of problem gambling and that it is a problem and is to be taken seriously, and that there is good help out there.

As the field stands now I do not think there is enough appropriate promotion of that. The large mass television campaign on problem gambling occurred in 2002. There has not been anything similar since. There have been isolated, smaller advertising campaigns on radio and online, like the gambling hangover, which is all very positive and effective but nothing like the big television campaigns back in 2002, which is when I started working in the field and I saw a big spike in referrals following that campaign, and just general awareness. I think that is a major factor in maybe the lower percentage of people seeking help that are out there.

ACTING-CHAIR: We heard earlier today from representatives from the Gambling Treatment Clinic at the University of Sydney. Kirsten Shannon was talking about the different campaigns—and I am paraphrasing a little here—and she talked about how the shame-type campaigns do not often work as well because they are people who are struggling enough as it is and might be embarrassed that they are going through this, and that there is a new push on to perhaps say that it takes strength to come out and admit that you have a problem. Do you think that would be a fair assessment as well in terms of what is effective in advertising for problem gambling?

Ms KAZAL: Yes, definitely.

Mr McINTOSH: I think also, just to back Kirsten up, we know that the literature is quite strong around shame and links to mood disorders. So if there is already a high prevalence of mood disorders in this population, regardless of whether it is caused by the gambling or predating the gambling, shame-based approaches are probably likely to create more difficulty with dealing with depression, which might lead to more difficulty accessing the services. So I think that is probably quite a good observation.

ACTING-CHAIR: Mr McIntosh, I think you said in response to a question from Mr Wong that people take five to seven years to seek help, on average. Is that correct?

Mr McINTOSH: Yes, that is certainly the standard that has been promoted in the literature; there are findings that support that that is the average length of time that problem gamblers take to seek help.

ACTING-CHAIR: Do you think there are any measures that could be taken? Some other witnesses have talked about the inequity in terms of gambling as a revenue raiser in proportion to how much money is spent on treating problem gambling addictions. I raised the question with an earlier witness in terms of is there ever enough money to spend or is it up to the individual to have that light bulb moment to come and say, "I need help"? One of the earlier witnesses today spoke about his issues with problem gambling and he said that he had

seen the gambling helpline number many times in his local club and pub but that it was only when there was an issue with his partner that he realised that he needed to do something about it and he looked up the number in the phonebook. I wonder in cases like that even if you spent a lot more money on the treatment, a lot more money on advertising, if the individuals do not ask for help can you ever really address the problem until that step is taken by an individual? It is something that I struggle with as we are doing this inquiry.

Ms KAZAL: I wonder though whether that is relevant to what we were talking about earlier about public health promotion, education, in terms of the actual help that is out there, that it is a problem; it is not just something that maybe the person thinks, "Maybe I have a financial problem, I cannot budget properly". If there is more education, more awareness, that this is a problem—there is a recent campaign on lung health, which is the sort of thing we do not normally think about, but it is great that the specific message is out there just to raise people's awareness of issues and their own health and wellbeing. So why not have a similar thing with something like gambling disorder?

Mr McINTOSH: This is a hugely stigmatised area, so any sort of public health campaign that attacks the stigma around this I think will open the way for people to access treatment, because there are a lot of people who, certainly across different cultures and things, find it very difficult to take that step because of the stigma. It is not only because they do not think it is a problem—they definitely know they have got a problem—but they think "the consequences of me seeking treatment are that I am going to be embarrassed or ashamed. It is all going to be out. I am going to have to give my name. Everybody in the hospital is going to know about it", et cetera, et cetera.

ACTING-CHAIR: I am from a regional area and the University of Sydney witnesses talked about having more online access to services as well, because often people are using those more and more often than face-to-face counselling and often that is because they can do it in a private sense, particularly if it is a small country town or an area where you might be embarrassed to go and speak to someone you know about having a problem. Have you found that any online services have made an impact that you are aware of in terms of offering help?

Ms KAZAL: We were at a conference yesterday and there was a great presentation on the impact of online services. I think that is a really important area and it is a growing area, but I think there is always the critical need for face-to-face counselling and treatment. I think it is quite a different thing to sitting with someone in a room and being able to talk through your issues and get their help—you can see them and build up a therapeutic relationship as opposed to talking to someone online, which, again, can be very, very effective and helpful, but it is a different thing.

ACTING-CHAIR: I guess having a range of options might be a way forward to try and increase that 10 per cent of people seeking treatment.

Mr McINTOSH: I was just going to build on what Abigail was saying in the earlier question. The heterogeneous nature of this sample means that if you say does any particular type of treatment work, it has to be stratified into the different areas and I think online treatments may be effective for the behaviourally conditioned people who do not have comorbidities, et cetera, but, as Abigail is saying, these people who are quite severely disordered on their gambling and are comorbid, that is a very, very difficult thing to do not face-to-face, and that is certainly the population that we are working with primarily.

ACTING-CHAIR: Other witnesses and other submissions have talked about perhaps transferring the government responsibility for the treatment of problem gambling into Health rather than it being run by the Office of Liquor, Gaming and Racing—seeing it and recognising it as a health issue and funding it and running it through that department. Do you have a view on that?

Ms KAZAL: It is interesting that has come up a number of times, certainly since I have been working in the field. I have heard different arguments. I am not quite sure if I have a stance on it, but I have heard different arguments for and against. I have heard people say that if it goes under Health there is a bigger risk that the money will just kind of disappear and it will be watered down and become less of a focused issue, whereas now at least it is something that there is a fund specifically for gambling treatment and it is quarantined, if you like, and is able to be used for that specific problem. In terms of the other arguments, they do say that maybe it would be more appropriate to come from the health angle of things and looking at health promotion as a health promotion thing and whether there are problems with having the same body responsible for managing the income as well as providing the treatment.

ACTING-CHAIR: One of the points that was made today by the Royal College of Psychiatrists was that even in terms of paying for treatment, if it was seen as a medical issue then potentially people could use their health insurance to be able to access those treatments that they cannot at the moment because it is not identified, which I thought was an interesting suggestion.

Mr McINTOSH: Our service is free so it is a bit different.

Ms KAZAL: The fact is though that the Responsible Gambling Fund funds a lot of different treatment services in New South Wales, so that is still a great thing we are able to offer problem gamblers, and if that were changed and it went under the general health setting I do not know if the same amount of help would be available for people.

Mr McINTOSH: Just one final thing I would build on that is about the scientific evidence base supporting the treatments that are offered. Being trained as we are as scientist practitioners interpreting the research and applying it on a day-to-day basis, that is what I personally would advocate for, and lesser amounts or different types of treatments that do not have that scientific base is probably money not well spent, I would suggest.

ACTING-CHAIR: That concludes our time with you today. Committee members might have some questions on notice that they want to put to you, in which case the secretariat will contact you. If you could provide a response within 21 days that would be appreciated. Thank you very much.

(The witnesses withdrew)

(The Committee adjourned at 4.15 p.m.)