

**Submission to the  
Productivity Commission's  
Inquiry into Australia's  
Gambling Industries**

March 2009

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We would like to thank the UnitingCare Children, Young People and Families staff who participated in consultations and made other contributions as part of the preparation of this submission.

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## **1. Introduction**

### **1.1 About UnitingCare Children, Young People and Families**

UnitingCare Children, Young People and Families is a service group of UnitingCare NSW.ACT and part of the Uniting Church of Australia. The service group includes UnitingCare Burnside (Burnside), UnitingCare Unifam Counselling and Mediation (Unifam), the Institute of Family Practice and UnitingCare Disability and Supported Living. Together these organisations form one of the largest service providers supporting children, young people and families in NSW.

UnitingCare Children, Young People and Families (UCCYPF) works to create a just and safe society by providing innovative and quality programs and advocacy for all children, young people and families.

### **1.2 About UnitingCare Unifam's Gambling Addiction and Family Service**

Unifam's Gambling Addiction and Family Service (GAFS) is based in Gosford on the Central Coast of NSW and it provides counselling services to help gamblers recover from their gambling addiction. It also works with the partners of gamblers and their families to help them address the impact of gambling addiction on their lives and relationships. The service also undertakes education and advocacy on gambling issues. The program is funded by the NSW Government's Responsible Gambling Fund (RGF).

GAFS receives funding to employ an equivalent full-time counsellor who, under the terms of the funding agreement, spends 80% of their time in face-to-face counselling with the remainder of their time spent on education and advocacy on the effects of problem gambling.

This submission draws on the experiences of GAFS.

### **1.3 Our support for the Productivity Commission's Inquiry**

UCCYPF welcomes the opportunity to make a submission to the Productivity Commission's Inquiry into Gambling. We support the Council of Australian Governments (COAG) recognition of the need to update the findings of the Productivity Commission's 1999 Inquiry into problem gambling. As the 1999 report is still widely quoted, debated and used as a benchmark for policy and discussion into gambling, we acknowledge the significance of this 2009 Inquiry and the report that will be produced.

UCCYPF recognises that since the 1999 Inquiry a number of initiatives have been introduced to minimise the harm of problem gambling in Australia, some of which are discussed in Part 3 of this submission.

These improvements are a good start. However, UCCYPF believes that there is more that can be done to minimise the effects of problem gambling on individuals, their partners and their families.

UCCYPF recognises that there will always be tension between government, gambling industry bodies, community sector and the wider community when it comes to the impact of gambling on our society. However, we should recognise that all parties agree that gambling does have negative consequences on gamblers and that a key focus for policy and regulation is the level and type of harm minimisation strategies that should be implemented.

## **2. Increasing the level of advocacy for victims of problem gambling and their families**

In the lead up to the last NSW state election, then-Opposition Leader Peter Debnam met with a group of gambling counsellors on the Central Coast of NSW, including Unifam's Gambling Addiction and Family Service. At the meeting Mr Debnam noted that there was no organisation, other than the large gambling counselling service providers, from which the Opposition could seek independent policy advice about the effects of problem gambling.

The report on Senate Standing Committee on Community Affairs' recent inquiry into the three federal gambling harm minimisation bills highlights similar concerns.

The Committee is ... concerned regarding the apparent lack of advocacy for the victims of problem gambling and their families. As the members of the Central Coast Problem Gambling Service noted, the people most adversely affected by gambling do not have significant resources to support organisations to advocate on their behalf. (Australia Parliament 2008, Section 1.93)

The Senate Standing Committee acknowledged that while any interested party has the ability to register and produce a submission for their inquiry, those most affected by gambling do not have the resources to establish a group to advocate for them. On the other hand, industry organisations are able to establish organisations, such as Gaming Technologies Association, Clubs Australia and Australian Hoteliers Association, and through membership fees and donations can develop significant resources to lobby government and engage expert researchers and consultants to help with their submissions.

### **Recommendation 1**

UCCYPS recommends that federal and state governments fund both national and state-based peak organisations to represent the interests of those most affected and disadvantaged by gambling. This will ensure that problem gamblers and their families have a stronger voice and representation in gambling policy development and research. Funding for federal and state problem gambling advocacy organisations should include sufficient resources to contract research partners to build an evidence-base on the impact of gambling (particularly the social and economic costs to families and communities). This will enable problem gamblers and their families to be represented at a similar level to other interested parties.

### 3. Strengthening harm minimisation strategies

UCCYPF acknowledges that since the Productivity Commission's 1999 report, the NSW Government has introduced a number of harm minimisation strategies. These strategies include:

- increasing public awareness of how gambling machines operate
- increasing the skills and quality of problem gambling support services
- prevalence studies
- displaying of monetary value of credits
- social impact assessment studies
- self-exclusion schemes.

In 2003 the NSW Independent Pricing and Regulatory Tribunal (IPART) reviewed the implementation of these harm minimisation strategies and made recommendations to strengthen them where necessary. IPART released their report in 2004 and the Government delivered their response in 2005.

Two key recommendations of the IPART report and the Government's response that have been implemented are:

- the introduction of a minimum qualification for all gambling counsellors
- the introduction of a minimum quality standard and accreditation process for all funded services.

UCCYPF fully supports these initiatives. However, our experience indicates that other harm minimisation strategies are not working effectively to reduce the impact of problem gambling on individuals, couples and their families.

#### 3.1 Improving education and public awareness strategies through better targeting and delivery

UCCYPF is committed to education as a key to breaking the cycle of disadvantage. We recognise that NSW has specific legal requirements for the gambling industry to produce, display and provide educational material on gambling to the general public. This information aims to help gamblers to become better informed about the way their chosen form of gambling operates. In particular, educational material aims to increase awareness of how gambling devices are designed and how to play responsibly.

However, GAFS reports that none of their clients have been able to explain how their chosen form of gambling works. Clients have limited knowledge or understanding of how Electronic Gambling Machines (EGM) work. For example a problem gambler, who had even recently attended a Responsible Conduct of Gambling course, was unsure of how EGMs operated. When asked about the Random Number Generator, the client said that they had never heard of it. The client said they had never seen **The Player Information Booklet** produced by Gaming Technologies Association (GTA) (formerly the Australasian Gaming Machine Manufacturers Association). This booklet is a key tool to enable the gambling industry to meet its obligations to increase player awareness of gambling design and operation.

## **Recommendation 2**

UCCYPF recommends that government and industry implement a funding stream to enable services, funded by the NSW Government's Responsible Gambling Fund, to employ specially trained educators who can design and deliver education strategies that will more effectively engage problem gamblers and build their awareness of how gambling machines operate and the consequences of excessive gambling.

### **3.2 Reducing large cash payouts to gamblers**

In the NSW Government's response to IPART's Recommendation 35 and 36, the Government agreed that the maximum amount of cash that can be taken for a large payout should not exceed \$1000. The NSW Government also agreed that the figure for the cash payout should be periodically reviewed to cover inflation and recommended that the review occurs during the five-yearly public review of the *Gaming Machines Regulation 2002*. This was due to occur in 2007.

The initiative to cap cash payouts was consistent with the Productivity Commission's findings in 1999 that problem gamblers are most likely to win larger prizes and that the size of the cash payouts should be limited only a daily basis.

However on 19 May 2006 the Gaming Machines Amendment (Payment of Prize Money) Bill 2006 was passed. This bill amended the 2002 regulation by increasing the cash payout from \$1,000 to \$2,000. This regulatory amendment overturned the Government's initial commitment to minimise cash payouts to gamblers.

Problem gambling clients at the GAFS have reported that they are most likely to gamble while they have access to cash. One client stated that they gambled over \$5000 in one day and much of this money was the proceeds of a large win they had received that day. When the client left the club they had lost their winnings and their pay. This example suggests that reducing large cash payouts to gamblers can reduce the overall losses inevitably experienced by problem gamblers.

## **Recommendation 3**

UCCYPF recommends that cash payments of gambling winnings are limited on a national basis to \$1000 or lower and are only increased to reflect CPI increases. This will reduce the risk of problem gamblers continuing to gamble away their cash winnings.

### **3.3 Maximising incentives for industry involvement in harm minimisation**

In testimony to the Senate Standing Committee on Community Affairs, representatives from Clubs Australia and Australian Hotels Association gave evidence of the harm minimisation strategies that they had implemented, especially in NSW. This evidence showed that these organisations had introduced a number of policies and practices to reduce the negative effects of gambling. However, neither body had done more than was required to meet the minimum standards under the legislation.

A scheme that offers incentives to the gambling industry to increase the depth and range of its harm minimisation strategies beyond the minimum legal standards would further help to reduce the effects of problem gambling. Incentives could focus on

innovation and evaluation of the effectiveness of programs aimed at reducing the incidence of problem gambling. Incentives could be developed through the use of industry tax credits. These tax credits could operate in the same way as the Community Development Support Expenditure Scheme (CDSE). Under the scheme, registered clubs and hotels should be required to work with local approved gambling counselling services to implement the strategies and review the effectiveness of the programs.

#### **Recommendation 4**

UCCYPF recommends that state and federal governments develop a scheme of industry tax credits for implementing and funding harm minimisation strategies that go above the requirements of the law.

#### 4. Increasing counselling services for family members – partners and children

UCCYPF notes that most of the debates on harm minimisation strategies focus on providing help to problem gamblers. However, very little support is available to help the partners and children of gamblers. Partners and children of gamblers are likely to experience significant financial hardship and even psychological or domestic violence as a result of the gambling addiction of an immediate family member. It is arguable that partners and children of problem gamblers are most disadvantaged as a result of problem gambling.

The experience of the Gambling Addiction and Family Service shows that many clients do not find out about the family member's gambling until it is too late and the family is left with very little resources – financial and emotional.

The NSW Government's Policy Framework 2002-2006 stated the impact of gambling on families of gamblers is similar to the impact of domestic violence victims (NSW Health 2001, p.4).

The need for increased resources for the families of problem gamblers is demonstrated in the following example.

##### **Case Study**

*A client with a gambling addiction attended the Gambling Addiction and Family Service for gambling counselling. The client attended eight sessions. Over the course of treatment the client said that they had ceased gambling and had implemented the strategies discussed with the counsellor. Because of the self-reported progress of the gambler the time between sessions were extended and a joint decision was eventually made to cease treatment.*

*However three weeks after treatment stopped the counsellor received a call from client's partner who was distraught and was seeking help from the counselling service to get the partner back into counselling. The spouse said that the client had given false reports about their gambling activity.*

*The counsellor explained that unless her spouse voluntarily agreed to return to counselling, apart from providing counselling to the spouse, the counselling service have no power to compel the spouse to attend. Counselling to the affected partner was offered and accepted.*

*However, on the day of the initial session the spouse rang to cancel the appointment saying that her partner had found out and that he was extremely angry. He had demanded that she cancel her session and have no further contact with the service. She asked the counsellor not to contact her anymore. The counsellor asked whether she had been assaulted or felt she was in danger. She said no.*

The gambling industry has also noted that there are inadequate supports for partners and family members. David Costello, Executive Director, Clubs Australia has conceded that Clubs Australia does not do anything to address the needs of people who are affected by their partners' or other family members' gambling. South Australia has a system that enables family members of gamblers to take action against the gambler. The verbal evidence given by the CEO of the Australian Hotel Association, Mr. William Healey, to the Standing Committee on Community Affairs indicates that this approach may have the support of the gambling industry bodies.

#### **Recommendation 5**

UCCYPF recommends that specialist gambling counselling services are funded to provide family-focussed counselling services. Counselling and support services should have the capacity and resources to include all family members in the counselling and recovery process. This may include, but would not be limited to, joint family counselling sessions as well as a counselling and support services for individual family members including children who have experienced distress.

### **5. Ensuring the three harm minimisation gambling bills are reintroduced into federal parliament**

As indicated earlier, three gambling harm minimisation bills were introduced into federal parliament in 2008. These bills, after having passed through the lower house of parliament, were referred to the Senate Standing Committee on Community Affairs. The Committee's report was handed down in November 2008. The Committee recommended that the three bills not be introduced into parliament until the Productivity Commission has completed its inquiry into Australia's gambling industries (Australian Parliament 2008, Section 1.96).

#### **Recommendation 6**

UCCYPF recommends that these bills, or bills of a similar nature, be reintroduced to parliament after the Productivity Commission has completed its final report. These bills should be updated to reflect any new evidence-based benchmarks in relation to harm minimisation of gambling that may be identified in the Productivity Commission's inquiry.

## References

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