



Submission to the Productivity Commission Inquiry into Gambling

March 2009

Introduction

The Council of Gambler's Help Services welcomes the opportunity to provide input to the Productivity Commission Inquiry into Gambling. The Council believes the scope and timing of the inquiry are highly appropriate, given the length of time since the original inquiry and developments in the gambling industry post 1999.

This submission by the Council of Gambler's Help Services addresses questions contained in the Productivity Commission's issues paper about which the Council feels qualified to provide a response. It does not seek to speak to all questions raised, and is less concerned with the available research evidence to which the Commission already has access. Rather, this submission reflects the expertise and experience accruing to the Victorian Gambler's Help service system over 14 plus years of operation.

The submission has a somewhat Victorian focus, though addresses many issues relevant at a national level. Recommendations for further action are offered after each set of questions addressed.

Highlights

The impacts of gambling

Problem gambling prevalence is a contentious issue, with lack of agreement over the true rate amongst the Victorian community. From a problem gambling service perspective, the current impacts of gambling and the gambling industry are broadly similar to those noted in the 1999 Productivity Commission inquiry. Empirical evidence for the mitigation of social impacts through the resolution of problem gambling is lacking. As new people with gambling problems supplement those who have yet to resolve their issues, there is potential for a cumulative increase in social cost.

Victorian gaming machine operators are apparently targeting urban growth corridors and some regional areas. The establishment in newer areas of large, attractive entertainment venues containing varying configurations of gambling provision, bars, meals, and other features creates

powerful local competition. If the dominant, easily accessed form of entertainment in growth corridors is gaming focused, it is predicted that problem gambling rates will be higher than for other areas.

There is little empirical evidence on local social impact or on access restrictions that can guide decisions with respect to gaming venue applications in Victoria, hindering efforts at population level prevention.

The availability of new gambling forms is of considerable concern, since these developments largely represent rapid, continuous gambling delivered through media valued by young people that facilitate covert behaviour. This risks the further spread of problem gambling.

Consumer protection

Informed consent to gamble is still challenging, lacking a combination of well targeted materials and effective educational interventions.

The Council supports government attention to product safety issues with respect to gaming machines, and accepts the evidence of academics who have identified inherent problems with rapid, continuous forms of gambling. As a result, the Council strongly recommends the introduction of linked pre-commitment systems on all gaming machines.

Universal player registration, tracking and pre-commitment have the highest current potential to facilitate broad based harm minimisation amongst gambling consumers. That this debate was live during the previous Productivity Commission inquiry and is only now starting to advance is concerning.

The Council also seeks increased attention to consumer protection measures for other gambling forms, which have escaped due attention. This includes potential extension of pre-commitment to more gambling activities over time.

Despite improvements in gaming industry Codes of Practice, training and in-venue practices, there are insufficient incentives for gambling venues to introduce best practice consumer protection. Gambling venues tend toward lesser interventions, fearing robust measures will deter customers and harm revenue.

The evidence base

Research efforts have increased substantially, with an active and well targeted research program underway. The process of producing research, considering the outcomes, making recommendations, having these recommendations sanctioned and turned into policy direction is slow and unwieldy.

Whilst government initiatives to minimise gambling related harm have been introduced in good faith the evidence base has often been limited, compounded through limited pre and post introduction evaluation. Examination of harm minimisation initiatives across Australia yields a confusing picture, given the evident variation in ostensibly similar measures. There is some

evidence for the effectiveness of problem gambling treatment intervention, but this is unlikely to be measurable at the population level.

The Victorian service system

Funding for Victorian government problem gambling intervention has grown and diversified, with the government pursuing a public health approach to gambling. The Council supports a public health model and commends government for the broad direction of the approach taken. There are some implementation challenges, and services recommend a review of aspects of purchasing models and funding allocation.

Flattening help seeking trends in Victoria are likely to reflect demand maturity rather than prevalence changes. There is a lack of data on the characteristics of the non-help seeking population, who represent substantially the largest cohort of people with a gambling problem.

Gambler's Help service client work indicates high levels of co-morbidity, including mental health issues, disability, drug and alcohol problems and a range of life issues. There are also indicators of risk in recently arrived and more isolated CALD communities. It is likely that problem gambling risk factors are common to a range of adverse life outcomes. A critical pathway issue is what attracts vulnerable groups to become regular gamblers.

Response to Issues Paper

Availability and characteristics of gaming machines

What have been the main changes to the structure and conduct of Australia's gambling industries? What are the impacts of these changes on gamblers, businesses, and the likely social costs and benefits of gambling? What future trends are likely in the characteristics of gaming machines?

Whilst there have been changes to gambling provision in a number of areas, of particular concern to the Council of Gambler's Help Services is the development and spread of new gambling forms delivered through media including mobile phones, the internet, and interactive television.

These new types and delivery channels increase accessibility to rapid and continuous gambling forms, characteristics that have been linked to elevated rates of problem gambling amongst players of electronic gaming machines.

Emerging gambling forms are potentially likely to hold stronger appeal to young people than current gaming machines, given they are undergoing evolution to attract a new generation of players through becoming more interactive and 'game' like. Games delivered through these media are also utilising communication channels popular with younger demographics. The uptake of online poker by young men is one indicator of this phenomenon.

Secretiveness, concealment and non-disclosure amongst people with gambling problems are commonplace, if not universal. Gambling that can be conducted away from the scrutiny of others, be that at home, on a laptop utilising wireless broadband, on a mobile phone sitting in a park or in countless other scenarios that facilitate this behaviour is of major concern since it supports maladaptive behaviour.

In concert, these three factors (rapid, continuous gambling delivered through a valued medium in a form that facilitates covert behaviour) raise substantial concern regarding the potential for the further spread of problem gambling in both quantum and impacted groups.

As part of the Victorian government gambling licences review process, the Council has made submissions with respect to harnessing the potential for new licensing arrangements to improve consumer protection and avoid driving gambling related harm. These submissions are in the public domain, and elements of the content are reflected in this submission.

A core challenge for the Victorian government's selected direct ownership model is the potential for substantial compliance issues around responsible and problem gambling matters. Members of the Council have experienced marked differences in approaches to, and compliance with, voluntary codes of practice, industry responsible gambling initiatives and problem gambling service relationships at the gaming venue level. This is often despite the best efforts of major stakeholders such as government, the operators (Tatts and Tabcorp) and help services. Whilst gaming venues appear to comply reasonably well with legislative requirements, compliance with voluntary measures cannot be assured. In an environment where the operators have been removed and venues have greater independence, the Council is concerned that consumer protection, responsible gambling and problem gambling responses may suffer. It is not yet clear what steps the Victorian government will take to mitigate compliance issues other than institution of mandatory codes of practice.

Since the government has also reviewed all other gambling licences, allowing for new entrants to the market (other than casinos), similar issues might be predicted across these forms. As is noted later in this submission, other gambling forms are less advanced with respect to problem gambling and related responses, creating further potential risk to consumers.

Recommendations:

- **Careful evaluation of the likely impact of new forms**
- **Introduction of legislation and regulation to mitigate the negative consequences**
- **Consumer education around the risks associated with new forms**
- **Availability of robust consumer protection measures**
- **Victorian government to ensure compliance is strongly targeted post 2012 in the new licensing environment, with capacity for significant, escalating non-compliance penalties**
- **Close attention to problem and responsible gambling in all gambling forms**

***What have been the changes to gaming machines (numbers, location and characteristics)?
Why have these occurred and what have been the impacts?***

Victorian gaming machine operators are apparently targeting urban growth corridors and some regional areas, particularly seeking to establish new hotels on greenfield sites. There are comparatively few applications to enlarge or create gaming venues in more established metropolitan areas, even where densities are relatively low.

It would appear the gaming industry is seeking growth in new markets, typically locating in populations having SEIFA characteristics more commonly associated with gaming participation. That the gaming industry is moving into newly established urban areas with limited entertainment options and low to average SEIFA is hardly surprising. A side effect of this development in some areas is apparent competition to establish venues quickly, resulting in very high local area gaming density and provision well beyond the needs of local communities. Presumably this is an attempt to capture the current and potential future market in particular areas.

In concert with the establishment of new facilities, there appear to be increasing numbers of poly gambling venues; that is, venues containing gaming machines, a TAB, bingo hall, keno, 'free' poker nights and possibly other gambling activities.

There are efforts by the gaming industry to increase the appeal of machines through changes to jackpots, play characteristics such as second screen features, use of popular culture in game design (for example, television show themed machines) and so on.

The impact of this combination of strategies is to establish in newer areas large, attractive entertainment venues containing varying configurations of gambling provision, bars, meals, function rooms, in some cases conference facilities and accommodation and other features. This business model creates powerful local competition, with which other non-gaming providers will often struggle to compete. It also discourages other potential businesses from locating in the area, through predicted inability to compete with the gaming venue.

This scenario has the potential to create a leisure and recreation structure and participation profile in growth areas that differs from other areas. Where established suburbs may have developed diverse leisure and recreation options (for example cafes, restaurants, non-gaming hotels, social clubs etc), the early establishment of dominant gaming hotel complexes may create a very narrow and homogenous set of leisure and recreation options, most of which will have strong ties with gambling.

Whilst the Council is not in a position to delineate the long term global social impact of this structure, one logical outcome is elevated levels of problem gambling. Whilst the exact mechanisms are yet to be identified, it is accepted that high accessibility and exposure to gambling is associated with elevated levels of problem gambling. If the dominant, easily accessed form of entertainment in growth corridors is gaming focused, the outcome is predictable.

Recommendations:

- **Research into the impact of large gaming and entertainment venues on growth corridor populations**

- **Research into the impact of large gaming and entertainment venues on competitors and potential competitors**
- **Planning and approvals processes to ensure provision (supply) does not exceed demand or population levels in local areas**
- **Local area measures to mitigate likely problem gambling impacts**

Deceleration in gambling expenditure: ‘maturing’ of the market or new harm minimisation measures?

What roles have harm minimisation measures played?

It is accepted by the Council that many government initiatives to minimise gambling related harm have been introduced in good faith, in the absence of a useful evidence base to guide the most effective interventions to pursue. Unfortunately, this issue has been compounded because many of the harm minimisation measures introduced in Victoria appear to have had limited pre and post introduction evaluation, and dissection of potential impacts is rendered even more difficult by the challenge of conducting research in a moving market.

One clearly demonstrable impact on gaming participation and expenditure resulting from government intervention has been the revenue decrease following the introduction of smoking bans in Victorian gaming venues. This revenue has gradually recovered, indicating potentially only a short term impact, substitution of non-smoking gaming patrons for smoking patrons, or efforts by the industry to accommodate smokers’ needs.

Beyond the smoking bans, it would be at best difficult in this environment to disentangle any contribution made by harm minimisation measures to expenditure.

One harm minimisation measure evaluated by the Victorian government was its regional caps legislation. This evaluation revealed no significant net consumer benefit. The government decided to introduce further regional caps and a global statewide cap to be in place by 2010. Whilst the principle of capping machine densities appears sound, questions remain as to the level of local area reduction required to produce a noticeable impact on social and problem gambling impact.

The state government had one opportunity to undertake a limited case study of local area regional caps impact that it unfortunately chose not to pursue. Alone amongst all venues in Victoria, the Matthew Flinders Hotel in Chadstone was required to shed 75 of its machines, or approximately $\frac{3}{4}$ of all machines at the venue. This provided the chance to conduct a pre and post removal study of local consumer behaviour and impact. Although this was suggested to the government by the Council, the suggestion was not adopted.

It is predicted that at the individual level, harm minimisation and consumer protection interventions provided to Gambler’s Help service clients will have had an impact on post treatment gambling expenditure. This would not, however, be of an order of magnitude measurable at the population level given the number of presentations to treatment services.

It is disappointing to Council members that harm minimisation measures called for by gamblers are yet to happen in Victoria, or a number of other jurisdictions. Victorian government research has consistently shown that gamblers are seeking a suite of liquidity measures to reduce gambling related harm. These include removal of ATMs, bans on bank note acceptors and changes to machine characteristics. It is acknowledged that the Victorian government removed the capacity of bank note acceptors to take \$100 bills, and welcomes the decision to ban ATMs in gaming venues from 2010. Machine characteristics are now being researched. The Council seeks that these measures be strengthened and introduced in shorter time frames.

Looking beyond this jurisdiction, it is evident from the snapshot of harm minimisation measures that parameters for related interventions vary across states. The rationale for these variations is not immediately transparent, and whilst it might be argued that the differences reflect population characteristics or other local factors, the Council would be interested to see the snapshot expanded to include a comparative study of the evidence base behind these decisions.

Recommendations:

- **Consistent pre and post introduction evaluation**
- **Opportunities capitalised on where they arise to evaluate impacts**
- **Swifter introduction of measures called for by the Victorian community over several years**
- **Capturing of the evidence base for the introduction of measures across jurisdictions, including decisions about setting levels**

What factors explain the increased share of gaming machine expenditure in total gambling expenditure since 1999? What are likely to be the future changes in spending for different types of gambling, especially in relation to gaming machines and to new technologies (such as those involving the internet or mobile phones)?

One factor in the increased share of gaming revenue may be the expansion of gaming into growth corridor areas as noted above (i.e. new markets with demographics favoured by the gaming industry).

A second, related, factor may be the process of gaming novices in these areas becoming regular players and potentially problem gamblers. This is likely to result in concentration by these individuals on one form of gambling and therefore higher revenue gains in what is considered the most harmful form of gambling.

New technologies are likely to appeal to a new market: younger people for whom EGMs hold little appeal. This group is technologically literate and attuned, and as a result find current generation gaming uninviting and unexciting. New generation gaming machines and gambling provided through other technology platforms (i.e. mobile phones, internet and television) will hold more appeal. As many of these are private, rapid and continuous forms of gambling, harm levels are expected to be high. See also the preceding comments on this issue.

Recommendations:

- As recommended in the preceding section, research into the impact of gaming provision in growth corridors
- Research into the process of induction to gaming, through regular play to problem gambling with particular respect to the social context extant in growth corridors experiencing substantial increases in gaming provision
- Research into the impact of new high risk gambling forms and the institution of appropriate regulation and safeguards

Prevalence of problem gambling

What changes have occurred to the incidence, prevalence and profile of problem gamblers once account is taken of the potentially different thresholds used to define problem gambling?

It is difficult to be definitive with regard to the prevalence of problem gambling in Victoria. Whilst the Victorian government has suggested that the prevalence of problem gambling has significantly reduced based on a comparison of rates obtained at different points in time, these claimed reductions have been disputed by academics who have argued that the surveys do not use comparable methodologies. Given that revenue has levelled off rather than substantially decreased, and is likely to be explicable in terms of market maturity, there does not appear to be a robust evidence base to support a conclusion of reduced prevalence.

There is very limited research into the prevalence of gambling problems amongst CALD communities. One Victorian study (Yasmine and Thomas, 2000) indicated lower gambling participation rates but higher rates of problem gambling in those ethnic communities selected for examination. A related matter is the reporting by a range of cultural groups of incentives to attend gaming venues (Victorian Multicultural Gambler's Help Program, 2006; Victorian Multicultural Gambler's Help Program, 2008). Whilst common practice amongst the mainstream community, the impact of this activity on CALD communities is unknown.

Trends in Gambler's Help service data have not altered significantly other than a drift down in average age from 40 to the late 30's as a result of slightly higher presenting numbers of young people. Client presentations have levelled off and then declined slightly, however this may reflect service demand maturity rather than a change in problem gambling prevalence. Growth in client numbers followed by a levelling off has also been observed in other jurisdictions following the liberalisation of gaming and the establishment of help services (e.g. personal communications with service providers in New Zealand and Canada).

It is acknowledged within the helping professions that the majority of people with a psychological issue do not present for treatment at a counselling service. Gambling is unlikely to differ in this regard. There is a profound lack of data on people with gambling problems who do not present for assistance, so any discussion of their characteristics is purely speculative. However, there have been suggestions that many in the non-presenting population may have less severe or complex problems, and more resources to effectively manage them. It may be that problem gambling services are seeing the more severe cases with greater co-morbidity and fewer available resources to resolve their issues. In addition, CALD communities' lack of

presentation may, in part, result from barriers around language and awareness of the benefits and purposes of counselling.

The Council strongly supports the Productivity Commission contention that the pure problem gambling prevalence figure has only limited relevance. Large numbers of people are either directly or indirectly impacted by problem gambling, necessitating concerted efforts by state and federal governments to ensure that the harm associated with gambling is minimised.

Recommendations:

- **The Council supports the Victorian government in conducting a major prevalence study, but urges that the results be used with due consideration for methodological issues and comparability. Longitudinal prevalence studies are supported on the basis that methodologies remain consistent**
- **Further exploration of settlement issues and migration experiences as risk factors for problem gambling in CALD communities, as well as service access barriers**
- **Research into service access patterns and help seeking preferences appears warranted given a levelling off in demand in Victoria. This should include detailed investigation of non-treatment intervention options as part of a comprehensive approach to prevention, early intervention and treatment**
- **Comparative research into the characteristics of people with gambling problems outside the treatment population may prove highly instructive**
- **Changes in prevalence should be treated with caution, and not relied upon as evidence of harm reduction unless harm minimisation measures or community attitudes have also been evaluated as successfully impacting on gambling behaviour**

What has happened to 'at risk' groups'? Have new groups of problem gamblers emerged?

Gambler's Help services see very few 'at risk' clients, and little data is available on these communities. The Victorian government has been conducting research into risk and protective factors in problem gambling that will assist with better understanding this issue.

One consistent finding amongst services is high levels of co-morbidity, including mental health issues, disability, drug and alcohol problems and a range of life issues. Previous evaluations conducted by the state government have indicated that the majority of service clients present with 6 or more significant difficulties. Discussions with service providers suggest that this pattern has not changed in more recent years.

Through community education work undertaken by Gambler's Help services, there are indicators of risk in recently arrived and more isolated CALD communities including overseas students, and particularly those from troubled backgrounds. There appear to be multiple risk factors, including dislocation; social isolation; lack of support systems in Australia; the effect of past trauma; cultural beliefs about gambling, luck and fate; accessing leisure activities not requiring language skills; apparent government sanctioning of gambling; desire for material wealth to match Australian peers and a range of other drivers.

Whilst it is not possible to be definitive, it would appear from services' experiences that problem gambling is not associated with any one risk group. Rather, it is likely that the factors creating risk of a range of adverse outcomes for communities are common to problem gambling. The pathways that lead to problem gambling rather than another manifestation require elucidation. Services consider that as interaction with rapid and continuous gambling products on a regular basis is a risk indicator for problem gambling, at least part of the answer lies in what attracts vulnerable groups to become regular gamblers.

Recommendations:

- **The Victorian government research into risk and protective factors is supported, and further work of this type should be undertaken to gain a better understanding of the drivers of problem gambling**
- **Intervention regimes based on this research should be developed by Australian governments as the evidence becomes available**

Have problem gambler spending patterns changed?

There is a lack of hard data to provide a service level response to the question of spending patterns. Anecdotal evidence suggests long term trends amongst clients of superannuation payouts being exhausted, access to higher credit card limits facilitating greater harm, use of multiple credit cards as a problem develops, reckless lending practices, and use of mortgage offset/redraw facilities to provide gambling funds. Whilst none of these behaviours is considered new, the liberalisation of access to funds experienced over the past decade has exacerbated the propensity of people with gambling problems to use these financial avenues to sustain maladaptive gambling behaviour.

Recommendation:

- **The easing of access to funds by financial institutions should be investigated as a factor in problem gambling**

What factors are likely to have affected problem gambling prevalence?

The Commission is directed to earlier comments with respect to penetration of EGMs into growth corridors, length of player involvement with EGMs, introduction of new gambling forms and the harm minimisation strategies employed by the Victorian government.

Recommendation:

- **See preceding sections**

Gambling impacts

Have the nature and extent of impacts from gambling on the gambling industries, other industries, gamblers and the wider community changed since 1999? In what way? What factors have contributed to any changes? For example, have measures introduced by

governments to address problem gambling and those at risk of problem gambling reduced the extent of social costs of gambling?

From a problem gambling service perspective, the current impacts of gambling and the gambling industry are broadly similar to those noted in the 1999 Productivity Commission inquiry.

It is critical to identify and evaluate the long term social costs of severe gambling problems, since for some people gambling becomes either a chronic condition or a recurring episodic disorder with corresponding effects on the lives of those individuals and others around them. The social and service system costs of chronic health conditions has been recognised in a number of areas, however gambling is rarely conceptualised in these terms.

From a service perspective client numbers have levelled off and declined slightly, but this is hypothesised to be the result of service market maturity – that is, the main market for those seeking help has been effectively tapped and gains from here on will be marginal. It should be understood that this does not mean services consider there has been a corresponding reduction in social cost. The demand maturation is seen to be independent of social cost considerations.

It would be difficult to evaluate the potential contribution of government initiatives were there to be identified change in social costs, due to limited pre and post testing of these measures. This situation is improving, however there needs to be an increasing focus on measurement of social impact across a broad spectrum.

Taking gaming venue applications as an example, as noted earlier there is a trend toward gaming venue developments in growth corridor areas, particularly hotel based facilities. It appears almost inevitable that when new hotels are proposed, they are designed with a gaming room as an integral element. Applicants for gaming permits argue that these new venues are not commercially viable without gaming.

As stated previously in this submission, the long term impacts of establishing these comparatively large entertainment venues in growth corridors is unknown but potentially significant. The roll on effects to communities where new venues are established may include impacts on competing businesses such as food outlets and entertainment facilities, lack of opportunities to socialise or go out without the presence of gaming, and through a gaming venue becoming the focus on new communities potentially an escalation in problem gambling resulting from long term exposure.

Whilst subject to broad legislative and regulatory parameters set out for gaming venues, there is little in state government policy to cater specifically to this set of circumstances. Nor is there the research evidence to guide decision makers.

Given the central role of local government in the establishment and further development of gaming venues in Victoria, this sector's understanding of gambling issues is highly variable and in a number of instances arguably insufficient. Local government authorities range from highly concerned and involved through to apparently disengaged and indifferent. In some cases this

attitude is somewhat understandable, due to a relative lack of current impact. However, this is not always the case. There have also been instances of local government authorities effectively caught unawares, significant gaming developments being initiated in the absence of effective policy responses. At other times, local government has been seen to act in a manner inconsistent with its own gaming policies and the likely preferences of local communities. Local government also struggles to provide recreation and leisure options that have genuine capacity to compete with the offer from gaming venues.

Even where local government is concerned about gambling issues, there is a lack of specific, useful social impact data. Gaming venue applications in Victoria must be accompanied by social impact statements, however there is no agreed methodology, data use and interpretation varies and many variables are the subject of non-validated modelling or subjective interpretation. The Victorian Commission for Gambling Regulation is forced to make decisions about social impact based on limited empirical evidence.

Further complicating matters, in more recent times the gaming industry has used the Victorian Civil and Administrative Tribunal to overturn VCGR decisions. The evidence base used at VCAT has suffered similar limitations, and outcomes have see-sawed between victories for the gaming industry and for local government.

Gaming developments in growth corridors might also have been addressed proactively by state governments, providing an opportunity to implement harm reduction strategies in a controlled manner with pre and post testing of impact. For example, regional caps might have been set at varying levels and assessed as to impact. To the knowledge of the Council, this has not been attempted.

The long term impact of chronic and severe gambling problems and gaming in growth corridors are only two examples of social impact that would benefit from closer evaluation and potentially targeted strategies. Many others examples could be identified by stakeholders.

Recommendations:

- **Research to identify and evaluate the long term social costs of severe gambling problems, including the social and service system costs**
- **Proactive trialling of harm minimisation measures, testing variations in implementation for differences in efficacy**
- **See previous recommendations relevant to this section**

What are the regional impacts (for example, in low income areas, outside major metropolitan areas, or in remote or Indigenous communities)?

Regional impacts have largely been captured in preceding sections relating to growth corridor and regional urban areas. It is worth noting again that the Victorian government acknowledged the differentially high impacts of gaming in low income areas, leading to the introduction of regional caps. The scale of reductions required for such a policy to be effective appears to be greater than the Victorian government is able to deliver in the current regulatory and licensing environment, however.

An issue that will unquestionably be addressed in some detail through Victorian local government submissions is the net outflow of money from local communities. Three identified drivers of this outflow are revenues paid to gaming operators Tatts and Tabcorp, ownership groups such as Taverner and ALH, and the state government; the impact of competition on local businesses and the opportunity cost accompanying the establishment of gaming venues; and returns to the local community from the Community Support Fund not equalling the proportion of funds accumulated from that area.

Recommendations:

- **Research identifying the capacity of regional caps to contribute to harm minimisation, including establishment of gaming machine densities required to render regional caps effective**
- **Establishment of the scale of net outflows from local communities, the impacts of this and strategies to address the impacts**

To what extent has the resolution of problems faced by former problem gamblers mitigated the social impacts? Have the nature and extent of the costs of problem gambling on individuals, their families and the wider community changed since 1999? If so, in what way? What are the impacts of gambling on social capital, and what might this imply for the regulation and taxation of the gambling industries?

It is considered unlikely that the nature and extent of the costs of problem gambling have changed substantially since the original Productivity Commission inquiry, except where chronic issues are created leading to an additive social impact over time.

Empirical evidence for the mitigation of social impacts through the resolution of problem gambling is lacking. There is little long term outcome evaluation of treatment interventions, however the Victorian government is embarking on this exercise. Nor is much known about the trajectory of untreated problem gambling, though the work of Professor Max Abbott and others suggests natural recovery may be relatively common. It is therefore difficult to quantify the long term outcomes of problem gambling, and as a consequence the resulting social impacts.

It is predicted that although problem gamblers may resolve their issues, new problem gamblers emerge resulting in further harm. In addition, some individuals do not recover well or relapse regularly, with the attendant personal and social costs. This implies the potential for long term cumulative social cost arising from gambling consumption, with a corrosive effect upon social capital.

The ongoing nature of problem gambling impacts indicates an enduring requirement for robust regulation and high taxation rates to address the social costs.

Recommendations

- **Quantify the 'churn' of problem gamblers, both in treatment and outside the treatment system**

- **Determine the extent of chronicity and relapse**
- **Quantify the real world short and particularly long term impacts of problem gambling across population segments**
- **Design evidence based regulatory and tax regimes, gambling and broader social policy sufficient to mitigate identified harm and address the known social costs**

What kinds of consumer issues may arise from gambling and how best should policy deal with them?

Whilst many initiatives have been instigated to facilitate the development of informed consent to gamble, in the current environment the Council considers that informed consent is still challenging. This is true of all forms of gambling, but it is particularly vexing for gaming machines. Consumers tend to regard gaming machines through idiosyncratic lenses, informed as much by popular misconceptions and irrational beliefs as factual information.

Most informed consent strategies centre on written materials delivered in the absence of consumer education. It is the experience of Council members that information provision alone is insufficient to ensure informed consent. Even the generation of written materials is challenging since it is easy to over-simplify technical descriptions, potentially misleading consumers. Alternatively, technically correct materials may prove too dense and intricate for consumers to readily understand.

The availability of technically accurate materials that are consumer friendly and delivered in the context of educational interventions represents current best practice in this field. Canadian jurisdictions are perhaps closer to this model, with the widespread introduction of consumer education facilities in casinos. However, this is not necessarily matched outside the casino environment where urban gaming facilities exist.

In pure consumer protection terms, free market competition is considered a corner stone of effective models along with informed consent. However, for obvious and entirely justifiable reasons, governments heavily regulate gambling provision. This does, nevertheless, create market distortion. It might be argued that one of the reasons Australia has the current generation of electronic gaming machines is because government regulation has allowed development in this particular direction whilst prohibiting alternative gambling forms that may have competed with them. This raises the question of whether further regulation is warranted given assertions that this particular form of gambling is associated with high levels of gambling related harm.

The Council is cognisant of the later work of Professor Mark Dickerson (e.g. Dickerson 2003a; 2003b; 2004a; 2004b) and other academics indicating that forms of gambling such as electronic gaming machines may carry product safety issues. Rapid and continuous forms of gambling allowing consumers to make multiple stakes in quick succession may reduce or remove the capacity for ongoing informed consent and diminish the capacity for rational decision making to the point where unintended consequences arise.

If it is accepted that gaming machines (at least) have characteristics that mitigate informed consent and capacity for rational decision making, this suggests one of several consequences. Any form of gambling with these characteristics might be prohibited. However, this seems an unlikely policy option for government. Alternatively, the machines might be reconfigured in such a way as to prevent these problems. Finally, consumers might be provided with the means to limit their losses in order that any irrational play does not result in unintended consequences.

The Victorian government has acknowledged there are product safety issues in relation to gaming machines through a range of policy work including the formation of the Responsible Gambling Ministerial Advisory Council Product Safety Working Group. The government has also announced the introduction of pre-commitment options on gaming machines in concert with the gambling licences redevelopment process.

The Council is concerned that whilst the introduction of pre-commitment is particularly welcomed, a limited implementation as announced in Victoria carries high risk of policy failure. Pre-commitment will take several years to roll out, and so is unlikely to be front of mind for consumers. It will require a highly visible, user friendly mechanism and substantial, ongoing publicity and education processes to ensure consumer uptake. More importantly, for those consumers who would seek to rely on pre-commitment as an aid to controlled gambling the venue environment will mitigate any such efforts. If a vulnerable gambler can override limits or play on using other machines in the same gaming room, pre-commitment is effectively undermined. Dickerson's work also suggests that a pre-commitment system should provide the capacity to set limits outside the gaming room prior to play, in order to ensure the player is not in a state of impaired control when setting limits.

Beyond gaming machines, the Council holds concerns that other forms of gambling also carry consumer protection issues, yet receive very little attention. The level and extent of harm might be argued, but the existence of harm cannot be contested. More comprehensive gambling consumer protection is starting to receive attention in Victoria through government mandating Codes of Practice, however this work is developmental and standards are likely to vary across forms.

Recommendations:

- **Informed consent regimes to include educational interventions as well as effectively targeted information strategies, provided in a range of community languages**
- **Policy development with supporting legislation to directly address product safety issues with rapid and continuous forms of gambling**
- **Universal pre-commitment linked across machines and venues with: player tracking; a minimum reset delay of 24 hours; capacity to set limits remotely**
- **Further attention be directed to other forms of gambling**
- **Implementation strategies that maximise consumer uptake and protection**

Gambling taxation

What role should the Australian Government take in this area?

The Australian government is likely to experience a degree of state to federal cost shifting through additional burdens on the federal taxation and service systems resulting from problem gambling. Examples include increased support payments where there is unemployment or family breakdown as a result of gambling, Medicare rebates for psychologists treating people with gambling problems, and the cost of gambling related Centrelink fraud.

The federal government has substantial influence over state governments through the collection and disbursement of taxation revenue. There are clear opportunities to reward state governments who are proactive in reducing gambling related harm, which in itself is predicted to reduce state government taxation revenue. Were state governments confident that lost state revenue would be compensated through federal initiatives, the apparent revenue dependence on gambling might be more effectively addressed.

Recommendations:

- **The federal government investigate the extent of state – federal cost shifting likely to arise through the consequences of problem gambling**
- **The federal government investigate opportunities to assist state governments to reduce reliance on gaming taxation**

Regulation and Regulatory governance

What have been the main developments in state and territory regulations applying to gambling since 1999? What are the rationales, benefits and costs of any new regulatory measures? What have been the main changes to state and territory regulatory frameworks for gambling since 1999? How have the governance and administration of regulatory frameworks changed? What impacts have any changes had on the quality of policy and regulation-making in the jurisdictions?

Significant developments in Victoria have included the proclamation of the Gambling Regulation Act (2003) and formation of the Victorian Commission for Gambling Regulation (2004), replacing a number of disparate Acts, regulations and functions. In more recent times the major development has been the introduction of the gambling licences review process and announcement of new structures and providers for gambling, to be introduced progressively. The Productivity Commission will receive detailed submissions on these issues from other stakeholders.

In policy terms a major change has been the formation of the Office of Gaming and Racing and the introduction of Taking Action on Problem Gambling, with attendant policy and regulatory redevelopment.

The rationale for these changes has centred on more integrated and coordinated management of gambling in Victoria. These initiatives have seen an increased commitment to responsible and problem gambling, probity, effective industry competition, distribution of benefits to the community and community consultation on critical issues. In the experience of Victorian Gambler's Help services, there is no doubt that the regulatory and policy response to gambling

issues is substantially more coherent than was previously the case. In this the state government can reasonably claim considerable success.

Key legislative reforms introduced on the basis of limiting or reducing harm have included:

- Spin rate reduced to 2.14 second maximum on most machines
- Autoplay feature prohibited
- Restrictions on cheque cashing and payment of winnings in cash
- Bank Note Acceptor restrictions
- A range of player information materials and second screen displays on machines
- Pre-commitment through loyalty scheme systems
- Advertising prohibited
- Clocks on EGMs
- Lighting requirements
- Removal of 24 hour trading outside Crown Casino
- Smoking banned
- Changed planning provisions requiring planning permits for all venue proposals
- Regional gaming machine density caps
- Prohibiting play by intoxicated patrons
- Mandatory Codes of Practice

Unfortunately, despite best intentions measures introduced to minimise harm have not yielded appreciable benefits for problem gambling service clients. Nor have they addressed several long standing recommendations contained in government commissioned research referred to in this submission.

Recommendation:

- **A coordinated and integrated response such as that developed in Victoria has potential benefits for other jurisdictions**
- **Further attention to real world harm minimisation outcomes is required**

To what extent are different forms of gambling regulated differently? What impacts have any differences in regulations had? To what extent has there been greater harmonisation of regulations across the states and territories or across different gambling forms?

The Council has long recognised the lack of application of harm minimisation measures to non-gaming forms of gambling. Whilst this is now being addressed by government, requirements are being enacted differentially according to believed harm levels associated with each gambling form whether supported by research or not.

This non-uniform consumer protection and harm minimisation regime reinforces community assumptions about the relative safety of non-gaming machine gambling. Whilst some forms of gambling such as lotteries in reality do carry lower levels of harm, consumers too readily believe there is no harm at all associated with some forms of gambling. Forms of gambling with known levels of severe and chronic harm, particularly racing and sports betting, appear to have

almost escaped attention until recently, resulting in an unnecessarily high level of harm to consumers.

As noted above, the introduction of the Gambling Regulation Act (2003), and formation of the Victorian Commission for Gambling Regulation and the Office of Gaming and Racing has resulted in a more coherent policy and regulatory environment within Victoria. Recent decisions to apply harm minimisation measures across gambling forms has further harmonised Victorian responses to responsible and problem gambling. Both the volume and quality of policy work by government has noticeably improved.

With respect to the harmonisation of regulations across the states and territories, the national harm minimisation snapshot reveals there is still considerable inconsistency.

Recommendations:

- **Whilst recognising different forms of gambling may carry differential harm levels, ensure all gambling forms are subject to robust, evidence based consumer protection measures**
- **COAG to commission research into the evidence base for differing state regulations and work toward the development of a uniform national approach**

Research base for measures introduced since 1999 to address problem and at risk gambling

To what extent have these measures been supported by research, especially field trials and evaluations? What has been the quality of this research against such criteria as validity, reliability, independence, and transparency?

The Victorian government has an active gambling research agenda, and provides the secretariat for Gambling Research Australia. In more recent years, the government has been observed through consultative processes to consider the available evidence in introducing harm minimisation measures in a number of cases if not all.

It has been observed that a number of introduced measures have clearly differing benchmarks from other Australian jurisdictions (e.g. in bet size limits, ATM withdrawal limits, restrictions on Bank Note Acceptors). The rationale for these differences is not clearly articulated or located in an evidence based rationale provided by government.

Measures to be introduced have generally not been trialled, nor have comprehensive pre and post evaluation studies of all measures been conducted.

This is a vexed issue insofar as harm minimisation measures may lack an evidence base prior to introduction, and gathering the required prior evidence may be either infeasible or unacceptably time consuming. These challenges have been used as both rationales for introducing change and for denying change.

On balance, the Council believes that whilst there are often ethical imperatives that require action in the absence of a firm evidence base, as a minimum all measures should be subject to

rigorous evaluation ideally using pre and post testing to measure change in the intended target behaviour.

Recommendations:

- **All proposed harm minimisation measures be subject to due diligence with respect to available evidence, and benchmarks set for new measures should reflect the evidence base**
- **All proposed harm minimisation measures be subject to pre and post testing to evaluate change in target behaviours**

Ministerial Council on Gambling and Gambling Research Australia

How effective has the Ministerial Council on Gambling been in addressing its objectives? To what extent has the National Framework on Problem Gambling been applied by state and territory governments? What changes, if any, should be made to the various national initiatives?

It is difficult for Gambler's Help Services to see a direct outcome in Victoria from the Ministerial Council on Gambling since services' experiences are filtered through the state government, which provides little information about the Ministerial Council.

Victorian government policy would appear to be consistent with the national framework as recorded on the federal government website. The national work plan is broadly in accord with Council's views, however the Council remains cautious about the strength of measures emerging from this work.

The Council has greater exposure to the work of Gambling Research Australia, through membership of the Research Working Group of the RGMAC and through accessing published research. The opportunity to access sound Australian research on relevant gambling issues is highly valued by Council members.

Recommendation:

- **That the work of the Ministerial Council on Gambling be made more accessible to problem gambling service providers**

How effective has Gambling Research Australia been in addressing its objectives? Are its priority areas of research appropriate?

Gambling Research Australia has commissioned a range of research relevant to the priorities set for it. The Council considers the priorities are appropriate. Some of this research appears to be more effectively targeted than others.

Of greater significance, the Australian (and for that matter Victorian) research program is generally slow to produce results that can be used in designing and implementing harm minimisation measures, particularly without substantial additional research or policy work. This

laborious process, whilst understandable, delays the introduction of effective harm minimisation measures. As raised in the 'research base' section, this dynamic begs the question of the need to introduce proposed measures first and then evaluate them.

The Council does not want to see unfounded or counterproductive measures introduced, however nor does it wish to see long delays in implementing changes that will prevent further harm to the community.

Another concern relates to the standard of research work undertaken. There have been past instances of research being awarded to organisations with questionable qualifications to undertake the type of research required to effectively answer the questions posed. Whilst in some instances this may represent a mismatch between academic institutions and the type of research design required, more commonly a market research or consultancy firm is engaged to perform research that is more appropriately delivered through an academic institution. The result is a lower standard of research than is required to produce credible, reliable outcomes.

There is also a tendency to avoid what is seen as duplication of research, whereas replication is considered an essential practice in the scientific knowledge generation process. In a manner complementary to this thinking, it is not unusual for stakeholders to assume that one piece of research 'answers the question', when in fact without replication this is a misleading conclusion to make. In tandem with the limited quality of some research, concluding that a particular piece provides a definitive answer is highly risky.

Recommendation:

- **Consideration be given to the means to expedite critical research into harm minimisation measures, in order to reduce the extent of harm experienced in the intervening period between the commissioning of research and its eventual translation into legislation and policy initiatives**
- **Extreme care is exercised in the awarding of research contracts, ensuring that contractors possess the requisite skill set**
- **Replication studies be commissioned, and conclusions drawn from published research clearly reflect the availability of corroborating research**

Consumer protection and harm minimisation measures

What industry codes of practice have been introduced since 1999, or are in prospect, to address problem gambling and other consumer protection concerns? What measures do they contain? What measures have gambling venues introduced to address problem gambling and other consumer protection concerns? Are there sufficient incentives, such as the threat of litigation by gamblers, for gambling venues to introduce consumer protection measures? Should governments make industry codes of practice mandatory?

The most significant recent development in Victoria has been the decision by the Minister for Gaming to introduce mandatory Codes of Practice and Self Exclusion by June 2009. Previously, extensive work had been undertaken by a multi stakeholder government committee to develop new, comprehensive voluntary codes.

The required basic content of the mandatory codes is available from the Victorian Commission for Gambling Regulation website. The government appears to have differing expectations with respect to the sophistication of the codes depending on the gambling form concerned. This is predicated on the belief that differing forms carry varying levels of harm (lotteries for instance being comparatively more benign than horse racing).

A concern expressed by some stakeholders involved with the development of the voluntary codes is that the minimum standards for the mandatory codes are set at a lower level than would have been achieved had the voluntary codes been endorsed as planned. Whilst the provisions contained in codes proposed by industry stakeholders and approved through the VCGR may ultimately be comparable to the draft voluntary codes, the capacity for industry to submit codes of a lower level and have them approved is disappointing.

Over the ten years following the first Productivity Commission inquiry, Victoria has seen a range of initiatives from the gaming industry spanning Codes of Practice, staff training, introduction of responsible gambling managers, development of the Crown Customer Support Centre and a range of other measures. In this sense, the gaming industry can reasonably claim to have made progress on responsible gambling measures.

Conversely, other gambling sectors have done relatively little. There has been some activity in wagering, primarily through the actions of Tabcorp, albeit of a lesser nature. Some sectors have achieved little, essentially claiming that gambling related harm is either a very low level or non-existent issue for them.

Promotional activities often create barriers to harm minimisation efforts, placing staff in conflicted positions where they may receive training on responsible gambling practices yet are required to encourage consumption at the same time. The gambling industry has yet to effectively address the inherent conflict between these two activities, perhaps considering that marketing and promotional activities targeted at the broad patron level bear no relationship to problem gambling issues. The major harm minimisation response appears to be removal of self excluded patrons from mailing lists and similar promotional activities. Whilst this is appropriate, it does not substitute for a more thoughtful examination of the potential nexus between promotional activity, excess consumption and problem gambling.

In a similar vein, the linkages between alcohol consumption and gambling are poorly recognised, and both Responsible Serving of Alcohol and Responsible Serving of Gaming are enacted with varying levels of efficacy across the industry. This is particularly concerning where co-morbid gambling and alcohol problems exist, but given that alcohol consumption is known to impair decision making with respect to gaming consumption generally, the effective delivery of RSA programs is essential to effective harm minimisation efforts.

Despite the acknowledged improvement in gaming industry practices, service sector experience suggests there are not sufficient incentives for gambling venues to introduce best practice consumer protection measures. Gambling venues still tend toward minimal interventions, fearing strong consumer protection measures will drive customers away and harm revenue. This is reinforced by gaming operators who appear willing to expend money on

problem gambling initiatives until it is foreseeable that revenue will be harmed. Given that the revenue share from people with gambling problems is substantial, it is difficult to envisage how effective problem gambling interventions will be entirely revenue neutral. This creates a Catch 22 situation, in which the gaming industry might be willing to take action provided revenue is maintained, however taking action is likely to harm revenue.

It is unlikely without incentives, punitive measures or legislative reform that this situation will change. Whilst Corporate Social Responsibility is well understood within the gambling industry and practised at a level comparable with a range of other industries, like those other industries revenue streams are understandably the overriding concern.

Recommendations:

- **The limited and unreliable nature of natural imperatives for the gambling industry to enact greater Corporate Social Responsibility initiatives indicate governments should make Codes of Practice mandatory. However, mandatory codes need to avoid a lowest common denominator approach or they risk being less effective than voluntary codes**
- **Greater consideration be given to the inherent conflict between normal business practice of encouraging product consumption and efforts to implement harm minimisation practices**
- **The linkages between alcohol consumption and gambling consumption should be reflected in more consistent and effective implementation of RSA and RSG, particularly in concert with each other**

To what extent have the development of harm minimisation measures reflected regulatory best practice (such as clear objectives, evidence of likely efficacy, consultation with stakeholders, coordination with other measures, and cost effectiveness)? What changes, if any, in regulatory processes in this area are warranted? Are there inconsistencies in harm minimisation measures across jurisdictions, as well as across the different forms of gambling? What problems or distortions do any inconsistencies cause?

Victoria is improving with respect to best practice regulatory approaches, but has some history of regulation reflecting the minimum or most literal intent of legislation. For example, whilst now addressed, the original regulatory interpretation of providing a cheque for winnings over \$2,000 meant that a patron would be provided with \$2,000 cash plus a cheque for the amount over \$2,000. This could have meant a cheque for \$5, for instance.

Evidence of likely efficacy has not always been sought, and it is clear from examination of the national snapshot that standards with respect to identical measures vary across jurisdictions without a substantive rationale (for example, maximum bet size, Bank Note Acceptor limits or legality). That there are inconsistencies across jurisdictions renders it difficult to reconcile which of these measures in what quantum may be most appropriate. Whilst it might be argued that the differences reflect local population characteristics, compelling evidence of this is not readily apparent.

Non-EGM forms of gambling have tended to escape due scrutiny due to a focus on electronic gaming machines predicated on the apparent level of harm to communities. This ignores the

level of experienced harm to individuals, which should also be recognised in non-EGM gambling and effectively addressed.

Previous measures have often not been subject of widespread stakeholder consultation, though the institution of the Responsible Gambling Ministerial Advisory Council by the Victorian government has yielded improvement in these areas. The VCGR has also made efforts to improve consultative processes, most recently through the Responsible Gambling Project Reference Group which considers matters in relation to the mandatory codes.

Recommendations:

- **Continued efforts are required to ensure that regulatory processes reflect the views, wishes and aspirations of the community government is elected to serve**
- **A clear evidence base (if one exists) or rationale (in the absence of an evidence base) for the introduction of all measures should be developed, and should further be subject of pre and post implementation evaluation**
- **All forms of gambling should be subject to objective evaluation of associated harm and to commensurate harm minimisation measures**

What impact has smoking restrictions had on expenditure by gamblers? To what extent is the impact temporary? Are gambling venues able to legally reconfigure their premises to accommodate smokers?

In Victoria, there was a clear and significant initial revenue reduction following the introduction of smoking bans in gaming venues. This revenue has apparently now recovered.

The Victorian experience was of often very minimal efforts to demarcate smoking areas from gaming areas, which apparently complied with regulatory requirements but provided little in the way of actual separation from gaming rooms.

Given that smoking bans have since been extended beyond gaming areas, and that steps were taken to address the more creative interpretation of the regulations, this issue is of lesser significance in Victoria now.

Recommendation:

- **Jurisdictions implementing smoking restrictions or bans need to give careful thought to the enactment of legislation, in order that the restrictions not be circumvented and the spirit of the legislation undermined.**

Is the Commission's approach to evaluating consumer protection or harm minimisation measures still appropriate?

The sector is aware of criticisms of the Productivity Commission's methodology from some quarters; however services were satisfied with the work performed by the Commission in 1999, and supports the essential thrust of the Commission's approach.

Recommendation:

- **The work of Mark Dickerson and others (e.g. Dickerson, 2003a; Dickerson, 2003b; Dickerson, 2004a; Dickerson, 2004b; Dickerson, 2005; Horbay, 2005) on product safety that has emerged since the original inquiry should be taken into account, as should the work being undertaken in jurisdictions such as Nova Scotia into player tracking, behaviour analysis and intervention**

To what extent have industry and government actions since 1999 dealt with the inadequacies in arrangements previously identified by the Commission? What have been the impacts of harm minimisation measures that have been introduced? What have been their impacts on problem gamblers and those at risk of problem gambling? Have the measures led to a reduction in the incidence and prevalence of problem gamblers and of those at risk of problem gambling? Have the measures enhanced consumer protection more generally? Have they provided gamblers with informed choice or greater control over their gambling?

The need to ensure informed consent to gamble has been widely acknowledged, and partially addressed through a large range of information products and a lesser emphasis on educational interventions. However, many consumers still do not understand the price of their play or the nature of the product and the genesis of risk. A critical issue is the need for a strategy that combines technically accurate information with an educative approach that ensures the information is understood correctly. This suggests a collaborative approach amongst stakeholders in the design and delivery of such a strategy.

Problem gambling signs and indicators have been publicised widely, as have the means for accessing assistance. However, the degree to which these indicators have been fully articulated is open to question. It is not clear that the wider community now has a substantially more sophisticated understanding of problem gambling than was the case ten years ago. Nor can it be asserted with confidence that the community is intimately familiar with problem gambling treatment processes and considerably more likely to access such assistance. This is not to say that the Victorian government has made no efforts in this area. Rather, this is an extremely challenging undertaking, and experience from other public health issues suggests sustained long term efforts are required to improve community understanding.

Gambling related harm has been less well articulated from a risk spectrum or progression approach. Again, the Victorian government is starting to approach this issue utilising a public health framework. However, these efforts are developmental and it is unlikely that the Victorian community has yet developed the capacity to conceptualise harm across a spectrum. It is also unlikely that the gambling industry will embrace this perspective, implying as it does that all patrons may carry the potential for risk.

Advertising restrictions have largely been addressed in Victoria, although the government has been in the habit of providing exemptions for certain forms (such as signs for venues that include gaming logos). It is understood that this particular exemption will cease.

Credit bans have been addressed other than for sports betting, and the government has announced a forthcoming ban on ATMs in gaming venues.

The Victorian government has commendably taken the decision to offer pre-commitment on new gaming machines coinciding with the re-licensing process. Unfortunately, the government's announced proposal is limited since it is not a universal, linked system. It is the Council's view that this decision risks policy failure.

Since pre-commitment will not be linked across all machines, depending on it to facilitate self control will require the capacity to decide not to play on other machines once the limit has been reached on the machine currently in use. In addition, if players can reset limits during play, pre-commitment is effectively void. The Council is not confident that at risk or problem players will feel able to exercise this level of restraint. Arguably, if a patron can make these sorts of decisions they are unlikely to be experiencing harm under current conditions and therefore potentially may not require pre-commitment.

Further, a long lead time for introduction allied with a system that is easily overridden or ignored risks the initiative losing visibility within the community. After the initial publicity surrounding its introduction, the limitations of the facility may well see it sidelined and forgotten.

Finally, one major potential advantage of universal, linked pre-commitment systems is the capacity to register and track players. The inability to capture real world player behaviour has been a major impediment to advancing harm minimisation. Those facilities that have implemented player tracking and monitoring (e.g. some Canadian providers) are reporting highly valuable data that is useful at both the individual intervention level and the broader player behaviour modelling level.

To an extent, the implementation of pre-commitment at Crown Casino substantiates these concerns. The Crown system requires a Crown Club card and so is not only voluntary but effectively allows the player to continue playing once limits are reached. It is understood that uptake is not extensive, and it is difficult to conceive that loss limits will prove effective where they can be circumvented.

The introduction of second screen expenditure tracking in Victoria also provides a salutary lesson in this arena. The implementation of this technology was not particularly user friendly, not subject of extensive and ongoing publicity and education and is not regarded as having impacted significantly on gaming behaviour. Yet, in the Nova Scotia player card trial an analogous expenditure tracking system was the most widely used responsible gambling feature and the one that was cited as having the greatest impact on expenditure. This suggests implementation is critical to success in responsible gambling features.

Pre-commitment is not on the radar for other gambling forms, yet there is no sound rationale to justify this complete lack of attention.

Victorian problem gambling services have long argued that current self exclusion programs are flawed, primarily because they rely on staff detection and intervention. Not only is detection notoriously difficult in busy environments and with large numbers of excluded patrons, but requiring staff to intervene and eject excluded patrons is highly challenging. The assertion by

the gaming industry that the onus is on the patron to ensure effective self exclusion at best downplays the power of the processes driving problem gambling behaviour and the role gambling providers should play in assisting patrons experiencing harm through use of the product they supply. Services consider that the limitations inherent in self exclusion will not be completely addressed without player registration and systems that require no third party (human) detection and intervention.

The impact of consumer protection and harm minimisation measures on the general community is largely unknown. The Victorian government has argued reduced problem gambling prevalence based on differences between rates achieved across two community surveys. However, academics have disputed the validity of this conclusion since there were methodological differences and the authors of the second survey also placed caveats on the results achieved.

For service clients, whilst the changes introduced by the Victorian government are welcome, few are identified as having impacted on their circumstances. The measures introduced may perhaps best be regarded as steps in the right direction but lacking the strength services consider would ensure more robust consumer protection.

Recommendations:

- **Better informed consent regimes incorporating accurate technical information and effective educational strategies delivered across community groups including CALD communities**
- **Continued efforts to educate and inform the community about problem gambling behaviour, its implications, the nature of available assistance and de-stigmatisation of the issue, again across community groups including CALD communities**
- **Continued efforts to advance community understanding of gambling across a risk spectrum**
- **Extension of credit betting bans across all gambling forms**
- **Introduction of universally available pre-commitment in the gaming environment with player tracking, no capacity to override or circumvent pre-set limits within 24 hours and scope to set limits remote from the machine**
- **A carefully crafted implementation and support strategy to maximise visibility, uptake and continued use of pre-commitment**
- **Planning for the introduction of pre-commitment for other gambling forms**
- **Self exclusion linked to pre-commitment systems and player registration. All consumers should be required to register in order to gamble, and be able to use their registered status to implement pre-commitment and self exclusion**
- **Prevalence surveys incorporate robust, standardised methodologies providing a valid basis for longitudinal comparison**
- **Introduced measures be critically evaluated for effectiveness and revised accordingly**

Do the measures adversely affect recreational gamblers? Have there been any unintended consequences arising from the measures?

It is unknown whether any of these measures has adversely impacted recreational gamblers; however revenue figures suggest no substantive impact. Whilst revenue growth has levelled out, consumer surveys conducted by governments have not indicated consumer dissatisfaction with harm minimisation measures. If anything, Victorian community attitude surveys routinely support more stringent measures to assist people with gambling problems than the government seems able to implement. The prevailing community attitude appears to be one of 'if it will assist, do it'.

One potential unintended consequence of introducing and promoting new harm minimisation measures is the capacity to mislead consumers into believing safety is enhanced when it is not.

As governments are seen as (at least somewhat) trusted authority figures acting in the community interest, community members are likely to assume that government reforms are well informed, evidence based, thoughtful responses to identified need, targeted to produce the greatest benefit. Certainly, government reforms are always cast in this light. Hence, if government announces a measure using the rationale that it will reduce harm, the community may tend to accept this simply because it is government who said it. However if the measure is not robust, consumers will be provided with a false sense of security that is unwarranted. This may carry negative consequences arising from a reasonable assumption by the consumer that they are protected from harm, accompanied by harmful behaviour driven by mistaken beliefs about consumer safety (e.g. see Industry Canada, 2004).

Conversely, the introduction of compromised or misguided measures that fail to create behaviour change can lead to dismissal of all measures as ineffective by consumers, industry members and other stakeholders. This also results in a loss of credibility for advocates of those measures and builds resistance to introducing new measures that may be more effective. The apparent failure to create change wrought by the introduction of measures such as clocks on EGMs and mandatory provision of natural light are two examples of this scenario. These measures were well intentioned and supported by a number of stakeholders, but their seeming ineffectiveness was regularly used as a rationale by the gaming industry to resist further reforms.

Recommendations:

- **Recreational gamblers and other community members be regularly surveyed regarding their support for further harm minimisation measures and likely impact on their gambling behaviour**
- **Governments remain cognisant of the influence they carry with community members, and in particular ensuring that new consumer safety reforms are not oversold**
- **To the extent possible, reforms should be evidence based. Where evidence is unavailable but action is warranted, an evidence base be gathered in parallel with implementation**

To what extent are co-morbidities (such as depression and substance abuse) in problem gamblers and those at risk of problem gambling relevant to the effectiveness of harm minimisation measures?

Put simply, co-morbidities complicate and exacerbate problem gambling behaviour. Gambler's Help service clients have high levels of co-morbidity and are believed to be the most severely impacted group of all people who experience gambling problems. It is unknown but suspected that less complex cases may be amongst those who do not present for help; they may have more capacity to resolve issues without assistance than those seen in the treatment population. The number and severity of co-morbid conditions are inversely correlated with the likelihood of successful problem resolution.

Many harm minimisation measures are more applicable to mainstream communities, and are therefore less likely to work with co-morbid populations, those with low literacy levels, culturally and linguistically diverse communities and so on. Insufficient efforts have been made to understand the needs of, and tailor broad harm minimisation measures to, specific population groups.

Recommendations:

- **The impact of co-morbidity on treatment needs and outcomes be further researched, and appropriate interventions be developed**
- **Research is required into the characteristics and needs of non-treatment problem gambling populations**
- **Tangible, customized measures are required to address specific population groups**

What evaluation, research or trials relating to the effectiveness, or benefits and costs, of harm minimisation measures have been conducted and what do they show? What has been the adequacy of such evaluations against such criteria as validity, reliability, independence and transparency? How have such evaluations informed policy?

The Victorian government has conducted public domain research into a number of harm minimisation measures (for example, regional caps), however it has not consistently applied research or evaluation processes to all measures. Government evaluation of media campaigns and of service efficacy are not generally in the public domain. Again, not all initiatives over time have been evaluated. Public domain results can be accessed through the relevant state government websites.

The quality of public domain research has been variable, ranging from questionable through to sound. As previously described, there have been research contracts awarded to organisations without the necessary qualifications to undertake the research required to address the identified subject. In other cases, there has been a good match between research question and selected organisation.

Clearly the Council cannot comment on the quality of non-released material. In the public interest, the Council would prefer to see all research and evaluations made available. Nor is the Council able to say in many cases how such evaluations might have informed policy. There is a need to review the published research against subsequent policy decisions.

The current Victorian process is to refer published research to the RGMAC Research Working Group for consideration. Policy recommendations are referred to other Working Groups. These

deliberations are referred to the full RGMAC, which makes recommendations to the Minister, who makes a decision about their future. Whilst supporting the right of the Minister to take decisions regarding the Victorian research agenda, and commending the level of stakeholder input provided through this process, it is nevertheless an often slow and indirect procedure.

Recommendations:

- **Evaluation should be applied to all harm minimisation initiatives in a consistent and robust manner**
- **All such evaluations should be placed in the public domain**
- **Strenuous efforts should continue to be made to ensure effective matching of researchers and research questions**
- **Review the findings of research against relevant policy decisions, evaluating congruence between the two and outcomes resulting**
- **Consideration be given to potential streamlining of the research advice process**

New technologies and harm minimisation

What new technologies might enhance or support harm minimisation measures? Are there examples of such technologies being used here or overseas? Are there regulatory impediments to the adoption by the gambling industries of these new technologies? What would be the cost to the industries? What privacy issues might arise? What other impacts would these technologies have? Should the adoption of particular technologies be mandated?

Universal player 'registration', tracking and pre-commitment have the highest current potential to support and enhance broad based harm minimisation amongst gambling consumers. These concepts were in existence during the previous Productivity Commission inquiry, and it is sobering to consider the limited progress in Australia since that time.

One of the greatest impediments to the reduction of harm to consumers has been the lack of available real time data concerning player behaviour. Until relatively recently, only observational data has been captured. However, new developments in utilising casino data systems' capacity to capture individual play through loyalty card use are providing rich sources of information. Player tracking data is being used in increasingly sophisticated ways to better understand, predict and intervene in problematic play patterns.

By extension, similar processes could be established both inside and outside of a casino environment in Australia. Australian casinos have loyalty systems and player databases in place now, and it is understood that some at least use fundamentally the same system being deployed overseas to track and intervene with patrons. Introduction of a centrally monitored information system linked either to player loyalty systems or player registration for EGM users could also be developed.

The use of player data is an emerging field and the impacts are as yet difficult to quantify. Focal Research sees huge potential in understanding and intervening with player behaviour. The Commission is directed to the work of Focal Research in developing the algorithms that capture

and analyse these data, and in implementing interventions in the casino environment within some Canadian jurisdictions.

Current international trends indicate that gambling-related consumer protection has been interpreted by industry and regulators as delivering strategies that facilitate consumer informed choice under the banner of responsible gambling. Informed choice requires full disclosure of information to facilitate consumers' decisions to gamble. While the provision of thorough and accurate product information holds enormous merit, critics suggest that the current trend maintains a focus on individual players as responsible for gambling-related harm, whereas industry and regulators also have a responsibility to ensure product safety as an essential component of consumer protection.

Along with proponents of the product safety perspective, the Council believes that the capacity to maintain informed choice in a live gambling environment is limited. This is based on evidence that intrinsic product design features contribute to impaired control during normal play, leading to the conclusion that regular gamblers cannot maintain informed choice to undertake gambling responsibly.

Sampling of regular EGM players (Dickerson 2004a, 2005) indicated that 85-90% experienced impaired control at varying levels of frequency. It was concluded from this research that responsible gambling on EGMs is not possible. Conditioning, emotion and prior mood are key psychological variables. Strong emotional and physiological responses during a session of play are a natural human experience. Impaired control is for the average player part of the pleasurable experience of gambling. Allied with powerful intermittent reinforcement schedules, it cannot be expected that a player will be able to continue to make controlled, informed, rational decisions during a session of continuous play. This impaired control among regular EGM players is strongly and positively correlated with significant harmful impacts.

Other EGM characteristics that may facilitate impaired control include (Livingstone 2004; Horbay, 2005):

- Hidden odds preventing calculation of the chance of winning a large prize
- Mapping or weighting of symbols gives a false impression about the true odds and making wins seem more plausible than they are
- Apparently low stakes of each bet
- Prize structure – small and medium prizes help establish and maintain the behaviour through positive reinforcement.
- The possibility of a larger win sets up expectations of a big pay-off and encourages hope despite substantial losses
- 'Features' – types of win, perceptions of skill and choice influence decision making
- Regular appearances of a 'near miss' as part of the configuration of symbols and reels
- Payout interval/event frequency
- Familiarity characteristics
- Sound effects (music and verbal interaction)
- Light & colour effects
- Features that facilitate the suspension of judgment such as the use of tokens rather than real money

- Features that stimulate the illusion of control through personal involvement, perception of skill and familiarity with a particular machine.
- Win probability

The Council is persuaded by the available research evidence that a mechanism is required to support the informed choice and freedom of action of gamblers, whilst also providing a safety net that preserves the original informed choices made at the commencement of gambling. This is best provided through players' capacity to specify time and/or monetary limits on their gambling behaviour – in other words pre-commitment.

It is understood that voluntary pre-commitment systems would allow gamblers to set limits that result in excessive expenditure and harmful impacts to themselves and those around them. This is a challenge that will need to be addressed as jurisdictions roll out pre-commitment systems and educate consumers about the benefits. Nevertheless, there is little else available in the way of credible harm minimisation initiatives that offers the apparent potential of pre-commitment.

In terms of introducing pre-commitment options to provide for greater matching between player intent and actual behaviour, Nova Scotia is the prime example of universal pre-commitment availability. The commission is directed to the pilot study of the player card implementation and to that jurisdiction's rollout of pre-commitment across the province.

The Victorian government has stated that it believes it can introduce pre-commitment as announced without legislative amendment or regulatory impediment.

The likely cost to industry of pre-commitment systems depends a great deal on the solutions proposed. One predictable outcome is that the gambling industry is likely to site the cost and level of complexity at the upper end of the spectrum in a bid to discourage governments from requiring such solutions.

Norway has taken a different approach, introducing new machines with time, loss/spend and payout limits. Studies to date on the efficacy of changes to machine structural characteristics have shown minimal success in their potential to minimize harm (Dickerson 2005). However the changes introduced to the Norwegian gaming market are substantial, and worthy of close ongoing evaluation of their efficacy in reducing harm and applicability to other jurisdictions. This level of change may represent a viable alternative to pre-commitment systems as generally discussed in Australia, however whether an Australian government would be willing to implement such a radical change is open to question.

With respect to both player tracking and pre-commitment, player identification is a significant privacy risk, and particularly with respect to potential disclosure to third parties.

Recommendations:

- **Universal player 'registration', tracking and pre-commitment be introduced, ideally as mandatory mechanisms with voluntary limit setting in the first instance**
- **Comprehensive consumer education in a range of community languages accompany the rollout, to maximise uptake and potential patron benefit**

- The true cost and complexity of rollout for these technologies to be independently identified
- An accompanying research program to better understand player behaviour and develop appropriate education and intervention strategies
- Ongoing monitoring of the Norwegian gambling environment reconfiguration and its applicability in the Australian context
- Safeguards be developed with respect to privacy issues

Access restrictions

What key developments have there been since 1999 to regulating access to gaming machines in the states and territories? Have there been any data or studies showing what impacts regulating access to gaming machines has had on problem gambling or on the broader social impacts of gambling? Are there changes in prospect that would increase or decrease access to gaming machines (for example, increasing caps or extending the location of gaming machines)? What changes should be introduced?

Key developments by the Victorian government with respect to access restrictions include:

- Reductions in available gaming venue opening hours
- Introduction of both regional caps on local gaming machine density for highly impacted areas, and global density caps to apply from 2010
- Changes to the gaming venue approvals process, and particularly introduction of the requirement to obtain a planning permits for all proposed developments

The original round of local area regional caps were evaluated by government as not having made a significant impact on gambling related harm, despite which this model has been significantly extended. The global cap set by government for 2010 (10 machines per 1,000 adults) is outside the density range posited by Professor Max Abbott as meaningful in harm reduction terms.

The limited available evidence suggests that for the local area caps policy lever to be effective, there would need to be substantial reductions in machine numbers. This has not generally been the case with current regional caps. Only relatively small decreases have been required. Further, recently released gaming venue level expenditure data indicates that where an individual venue has lost significant numbers of machines (notably the Matthew Flinders Hotel in Melbourne's eastern suburbs), overall revenue has decreased significantly but earnings per machine have increased considerably. This suggests that policies to limit harm through machine numbers may need to take account of complex interactions between availability and demand.

It may also be the case that the removal of gambling venues from convenient locations will assist, so that a regional caps strategy would consider location as well as number of machines. Configuration may also be a relevant consideration; that is, whether an area is better served in harm minimisation terms by fewer, larger venues or many smaller venues with the same total number of machines.

The impacts of reduced opening hours and changed planning requirements on gambling related harm have not been evaluated.

Access is rarely discussed at the venue level, however a range of access restrictions such as requiring identification, mandatory dress standards, opening hours, physical design characteristics and so on may also impact gambling behaviour and should also be addressed in considering accessibility and gambling.

Recommendations:

- **Further research be conducted into regional caps strategies, particularly to determine density levels required in order to effect a reduction in gambling related harm**
- **All legislative and regulatory changes be evaluated for efficacy**
- **The issue of access is subject to current government research. This research should be carefully examined to determine any gaps and requirement for further research, including replication studies**
- **Government access legislation and regulation should reflect available evidence**

Internet and other interactive gambling

What trends are likely in relation to internet gambling and other platforms such as mobile phones and digital TV? Which community groups are affected most by internet gambling? How does internet gambling affect problem gamblers and those at risk of problem gambling? What possible consumer and commercial benefits may be derived from new gambling platforms and what do these benefits suggest for appropriate regulatory arrangements? What have been the rationales, benefits and costs of the Interactive Gambling Act and any other regulation applying to internet gambling? Is the regulation of internet gambling justified? What evidence is there of the impact of this regulation on problem gambling and those at risk of problem gambling?

Subject to regulatory considerations, a proliferation of gambling opportunities would be predicted in future given the escalation in technology platforms capable of supporting gambling activities. Where current gambling forms may lack appeal to a significant proportion of younger people, new platforms utilising technologies highly valued by this cohort (i.e. internet and mobile phones) is likely to achieve higher acceptance and uptake levels.

Gambler's Help services see very few clients impacted by internet and interactive gambling and so lack empirical data, however it is predicted that younger people and especially males are most likely to be impacted by new forms. This is evidenced somewhat by the surge in online poker participation.

Given that internet and mobile gaming represent rapid, continuous forms of gambling conducted in private, they would appear to mimic the most harmful characteristics of EGMs and potentially extend harm further through enhanced capacity for these activities to remain secret from others.

The commercial benefit of internet and interactive gambling is unknown to the Council; however potential consumer benefit includes the capacity to build in consumer education, loss limits, self exclusion and other harm minimisation measures relatively easily. This is demonstrated by online providers who have already done so. For Gambler's Help services, the main benefit in the provision of online and interactive gambling is therefore the potential reduction or limitation in problem gambling resulting from superior consumer protection measures to those currently offered by traditional gambling providers. If anything, this might deliver a marketing advantage for reputable providers.

Because internet and interactive gambling is potentially high risk, regulation is strongly supported. However, it is recognised that regulation of internet gambling is challenging. Unregulated open access would carry the potential to exacerbate problem gambling given its characteristics. Prohibition on certain forms remains an option, though it is clear that people who wish to access prohibited online gambling manage to do so.

Recommendation:

- **Research into the likely uptake of internet and interactive gambling by different segments of the community**
- **Research into the likely impacts of internet and interactive gambling**
- **Consideration of the opportunities and costs of allowing internet and interactive gambling through reputable providers with strong built in consumer protection measures**

Is the lack of reach of the Act to offshore internet gambling a concern?

The lack of reach of the Act to offshore internet gambling is of concern insofar as Australians are accessing internet gambling, without any guarantee of safeguards or recourse in the event of adverse outcomes.

Recommendation

- **Continued efforts with regard to international cooperation on internet gambling regulation**

What changes should be introduced to the regulation of internet gambling in Australia?

Under current conditions the availability of credit transactions for sports betting is of great concern to the Council, given credit betting is not generally allowed in other gambling forms and particularly in consideration of the possible consequences where an online sports betting patron develops a gambling problem.

Recommendation:

- **That credit betting not be allowed for online sports betting**

Counselling services, community education and research activities

What key developments have occurred to government programs since 1999? What changes, if any, have taken place in respect of funding the programs? What changes should occur to government programs?

As previously stated the Victorian research program has been redeveloped since the dissolution of the Gambling Research Panel and is notably active. It is informed by a working group including community representatives. This has been a highly positive development. Where the Gambling Research Panel also had a range of processes in place to assist in the development of the research agenda and governance of individual projects, the current arrangements provide for continuous involvement of the community sector in the government's research agenda.

Funding for government problem gambling intervention has grown and diversified, with the Victorian government pursuing a public health approach to gambling. The Council supports a public health model, complemented by a consumer protection framework, and commends government for the broad direction of the approach taken. A number of challenges exist in implementing such an approach, particularly given that responsibility for Victorian gambling responses sits with the Department of Justice yet public health is generally considered the domain of the Department of Human Services.

Whilst there is collaboration between these two government departments and also with the Department of Planning and Community Development, questions remain as to whether the Department of Justice is equipped to deliver on the scope and scale of intervention a public health approach to gambling entails. This is particularly challenging for prevention and early intervention activities, which are theoretically extensive and often somewhat removed from a direct focus on gambling (for instance, working on broad determinants or risk and protective factors such as social disadvantage, depression or neighbourhood renewal).

At the service level, Council members would argue some functions have effectively been reduced through the most recent redevelopment and repurchasing process, particularly local level community education that is responsive to grass roots community sentiment and need. This work is critical to prevention and early intervention efforts, and whilst the government contends that it will continue through Primary Care Partnerships and other initiatives, in effect services feel somewhat constrained by the new model. Critically, a gap has been created between social marketing and Primary Care Partnership activities wherein community action driven by local communities has no mandate unless it can be moved into, and receives sanction from, Primary Care Partnerships. Previously, Gambler's Help services had the capacity to meet this community need without recourse to third party approval.

A longstanding service level issue is that the funding allocation to regional areas is based on population and does not adequately consider travel requirements or the need for services to develop different networks, relationships and localised responses in each distinct rural community.

Recommendations:

- **Consideration be given to the best means to deliver a public health approach to gambling**
- **Capacity to respond effectively to community action needs identified by local communities be maintained**

- **Consideration be given in funding models to rural needs**

Should greater attention be given to the education of young people about gambling, particularly in relation to financial literacy? How successful would such an approach be?

The education of young people about gambling is an important element of informed consent, particularly detailed education about gaming and gambling operation. Financial literacy is also important though unlikely on its own to impact problem gambling. The Victorian Department of Justice has made concerted efforts in this area, and is to be commended for its ongoing attempts to ensure young Victorians are educated about gambling issues.

The Council considers that the education of young people, whilst essential, is only likely to be effective as part of a suite of consumer protection measures including effective pre-commitment. It should not be considered a panacea or relied on overly to prevent the development of gambling problems

Recommendation:

- **That young people receive comprehensive gambling education, as part of a suite of consumer protection measures**

What developments have there been in relation to providing counselling and support services? Has there been increased monitoring and evaluation of treatment options for problem gamblers? Have new treatment options emerged? Has the proportion of funding for counselling and support services changed? How relevant are co-morbidities to the provision of counselling and support services to problem gamblers? Have government programs relevant to gambling been evaluated? What do these evaluations show?

Since the 1999 Productivity Commission inquiry, in terms of counselling and support services the Victorian government has funded amongst other things:

- Statewide CALD and Indigenous services to offer specialist training and support to Gambler's Help services in dealing with CALD and Indigenous issues, and to CALD and Indigenous agencies in dealing with gambling issues
- A hospital based co-morbidity project, offering treatment to dual diagnosis clients
- After hours and weekend treatment service provision
- Expanded telephone support, particularly scheduled telephone counselling for clients unlikely to attend face to face services
- Online support services for clients unlikely to attend face to face services
- Portfolio services, where Gambler's Help staff are placed inside mental health, family support and drug and alcohol agencies to resource those agencies and provide treatment services to co-morbid clients
- Expanded provider education services, where Gambler's Help staff offer professional development, secondary consultation and other support to a range of non-gambling service agencies likely to see gambling clients
- Primary Care Partnerships to assist services to develop better service coordination and client management processes

This expansion reflects the government's commitment to a public health approach, colloquially referred to as a 'no wrong door' treatment policy. In other words, the government is both enhancing the Gambler's Help service offering whilst also expanding service reach through a range of initiatives in other service types and systems. Hence, the service system currently comprises the suite of services offered over the last 14 years, with a range of additions and enhancements.

Two new treatment options emerging through the Victorian service system are the peer support program and same sex work. The peer support program engages recovered clients as volunteers providing support to gamblers in recovery. Gambler's Help provides training, support and supervision to the volunteers. Same sex work has occurred throughout services' history, however more intensive efforts are being made to address the needs of this community segment. Whilst much activity has focussed on the community education function, services are attempting to be more responsive to specific treatment issues.

Co-morbidities are highly relevant to the provision of counselling and support services to problem gamblers. Co-morbidities complicate and exacerbate problem gambling behaviour. As previously noted, service clients have high levels of co-morbidity and are believed to be the most severely impacted group amongst those people with a gambling problem. This is a highly complex client group exhibiting a range of significant risk factors. Achieving substantial, lasting change requires a highly skilled workforce that is well supported, as well as easy client access to a range of other services as required.

The Victorian service model, entailing location in multi service agencies and strong linkages with other service providers facilitates positive client outcomes. One gap, not unique to problem gambling, is easy access to Crisis Assessment Teams in emergency situations. The elevated level of suicidal ideation and suicide attempts amongst this client group necessitates a swift and effective service system response. As Crisis Assessment Teams in Victoria are mandated to address mental health crises defined within a relatively narrow range, accessing these very necessary intervention services for people with gambling problems can be highly difficult.

In recognition of the diversity of client need, the government has targeted some services funding specifically toward treatment of co-morbid conditions in partnership with other specialist services, the Portfolio Services work outlined in this section.

At present, Gambler's Help services utilise their own internal monitoring and evaluation processes, which differ from service to service. The government is introducing a suite of mandatory evaluation measures across services that will better inform this issue over time.

The Victorian government has data indicating 66% of clients experienced benefits as a result of attending Gambler's Help services. Previous work completed by the University of Melbourne is now outdated, but demonstrated significant post-treatment improvement. Some qualitative client level research was undertaken by the former Gambling Research Panel, however the research design and findings were not robust.

Overall government problem gambling program funding has increased, though core services funding is generally in maintenance rather than growth. Some services have received increased funding to meet particular regional needs. Government is directing increasing funds toward alternative treatment strategies or alternative access strategies in order to extend service reach. The outcomes of this strategy will not be known for some time as they were only introduced in July 2008.

The Victorian government has also provided the capacity for services to access innovation grants, to further support and develop best practice within the service system. These grants will roll out over the next two years.

Having experienced 14 years of Community Support Fund funding, Gambler's Help services are clear that a three year funding cycle is too short for services to experience any stability and not to be preoccupied for substantial amounts of the funding round with review, tendering, implementation and evaluation issues.

Competitive tendering has also been questioned as a useful improvement strategy in human service organisations. Other state government departments (notably the Department of Human Services) have appeared to move away from this model due to its unintended consequences, both at the agency level and with respect to encouraging agencies who should be collaborators to become competitors.

Recommendations:

- **The emerging public health treatment approach in Victoria be monitored closely for outcomes achieved and possible learnings for other problem gambling service systems**
- **Access for gamblers to crisis services be facilitated through internal government processes**
- **Competitive tendering and three year funding rounds be critically evaluated for their efficacy as service improvement tools**

Conclusion

The Council of Gambler's Help Services acknowledges that stakeholders have taken significant steps to address gambling related harm since the 1999 Productivity Commission Inquiry into Australia's Gambling Industries. However, as this submission indicates, there is considerable remaining work.

There are substantive issues in the interaction between the person, the product and the greater environment that need to be addressed in order to ensure effective responses to gambling related harm.

If the Council were to identify one standout matter, limited action on the consumer protection issues clearly articulated during the original inquiry is of great concern. Universal pre-commitment with player registration and tracking appears to present the single most effective means of minimising harm in the current gaming environment, yet no Australian jurisdiction offers this level of protection more than ten years after it was identified as a solution.

There is no doubt that all stakeholders have a more sophisticated understanding of the issues and challenges in gambling harm minimisation than was the case in 1999. The Council seeks to ensure that there is sophistication in intervention commensurate with this level of understanding. This needs to be supplemented by an effectively targeted research program to further increase practically-oriented knowledge that will facilitate future harm minimisation efforts. The elements of such a response are to be found in current provisions which, with additional improvement effort, are capable of achieving this standard.

A handwritten signature in blue ink, appearing to read "Chris Freethy". The signature is fluid and cursive, with a long horizontal stroke at the bottom.

Chris Freethy
Executive Officer
Council of Gambler's Help Services

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