

**GAMBLING INQUIRY
PRODUCTIVITY COMMISSION
MARCH 2009
CALL FOR SUBMISSIONS**

PERSONAL SUBMISSION

Productivity Commission

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Collins Street East, Melbourne VIC 3000

Australia.

27th March 2009

Dear Commissioners,

Thank you for the opportunity of making an individual citizen submission to this Productivity Commission Gambling Inquiry. As Founding Victorian Representative and National Vice President of Duty of Care Inc. (est. 2004) I have regularly mentored and advocated on behalf of problem poker machine gamblers and their family members over recent years. My own background includes a Bachelor of Education with major study areas being in Human Lifespan Development, Family and Community Health and Development, Consumer Management and Marketing. I have had 17 total years of experience in the "pokies gambling" field as a consumer and consumer advocate. My experience of the product sadly includes using a range of poker machines in a variety of settings for well in excess of 10,000 estimated consumer hours. Having experienced poker machine gambling addiction for a number of years particularly in the 1990's, I believe that I have some useful insights and suggestions to bring for discussion in this arena.

I would appreciate any future opportunity to speak with the Commissioners. My submission is in letter form. Any references to consumers refer to poker machine gambling consumers only. I have avoided an academic format or any attempt to cover the whole range of issues. As a consumer I am speaking from my heart "one to one" on aspects of concern to me, where I see viable solutions. I am also relaying concerns that have been discussed with me by other citizens.

Poker Machine Gambling Harm and the Need for Consumer Safety Reforms.

Undoubtedly there is well known evidence of significant serious economic, physical, psychological, emotional and social individual and public health harms being caused by extensive and increasing consumer over-spending on poker machines gambling (or pokies, VLT's, slot machines), in politically democratic Australia. This destructive gambling impacts directly and indirectly to injure many individuals, families and communities almost nationwide in wastefully weakening,

rather than in empowering, ethically productive ways, long term. Harm rates are increasing. Gambling consumers and others are having their lives and life chances destroyed by the presence of poker machines in our country.

That claim has usually been either denied, played down or overlooked by the gambling industry and governments. Much anecdotal and reasonable research evidence however indicates serious levels of loss and harm from poker machines.

Five years ago, The Australian public clearly expressed its widespread majority (75-95%) opposition to pokies development. It seems that in 2004 there was acute awareness that misery was occurring, that impinged upon democratic human rights, as a result of having legalized poker machines. Why would such entrenched dislike of pokies have arisen had there been no harm to Australian citizens?

The “official” depth of pokies' addiction and consumer over-spending harm levels is known to be inaccurate and under-stated, as the Australian Bureau of Statistics soundly pointed out in Household Expenditure Surveys analyses (early 2000's). Poker machine gambling addiction is also known to be viewed shamefully, so common sense would support the likelihood that consumers often under-report addiction harms. Such shame silence is being exploited by the gambling industry.

Consequently, after almost two decades, we still cannot define actual proven levels of gambling consumer harm; we cannot define and identify our “majority group” of harmed gambling consumers and we thus have made no real progress towards reforming the gambling environment to minimise or prevent consumer harm. All of this is occurring in a volatile environment of competition and conflict, where harms are seen but not investigated, “facts” are stated but not proven, so public confusion results. Gambling consumers are left vulnerable. Nothing changes.

This letter is not intended to prove the above comments, but rather to explore some insights and potentials for revisiting of the pokies issue, to improve gambling consumer safety. Serious safety issues concerning management of the “pokies problem” have arisen and should be resolved to prevent further injury to gambling consumers and their local community networks, in future. Many good and workable solutions have already been presented and highly recommended, to overcome safety deficiencies for poker machine gambling consumers across Australia.

Reforms have been either studiously ignored, challenged as being too costly or deemed to be irrelevant to the “majority market” of poker machine gambling consumers. All this has occurred with inadequate public education and seeking of majority opinion, in a powerfully controlled and dubious “social marketing”

environment. There is a spirit of purposefully contrived ignorance, confusion , incorrect information, emotive anecdote and passive aggression to delay change.

In summary, to more effectively ensure that consumers are more adequately protected from poker machines harms we must include considering the following suggestions listed.

*** However...first this message for the Commissioners...with due respect.

Decision- makers about poker machines must ALL be helped to fully know the problem first hand: By actually seeing it. All should be asked to go on a “discovery tour” to venues, at ALL times of day and night...even the wee hours. This education is required before making life – changing decisions for others... or delaying them....regarding poker machines. Is this done?

Then please ask yourselves? “Have those “do-gooders” maybe got a point after all? Should we perhaps take notice at last...that pokies DO cause huge harms? Are we proud of this gambling business? Is this the sort of industry we want to bring to our clubsand to our kids?

Before asking people to decide upon this important issue, it should be mandatory to take all politicians, public servants, judges and care sector decision-makers to gambling venues. Starting between 2am and 5am on any weekday morning, to see first hand what is happening there, when those venues are still open. There you see the real problem gamblers. The hard-core “profoundly harmed” group. Then go to any venue at 8am until 11am and you will most likely find the majority consumer group, the “at risk / over-spending” gamblers. Any week night after say 4pm you might briefly see the “True Aussie / \$10 spend” group...for an hour or so....and then it is back to the majority market....the “at risk / over-spenders”....until say 10pm or so. After that....everybody who can control themselves at all has gone home...and only the hopeless, badly addicted souls are still left...desperately trying to win a cab fare home! (Definitions of gambling groups is explained in text.)

Some suggestions for reform of gambling consumer safety measures: based upon consumer experience: for consideration:

1. Introduce a National License to Gamble on Poker Machines:

(ref. Submission 12 SJ Toneguzzo in this inquiry. I agree.)

- To ensure that all prospective gambling consumers are provided with appropriate material, for non-English, illiterate, blind, intellectually disabled(eg multi-language, braille brochures, large print, picture / graphics descriptions) to educate,

to warn, to identify consumers, to provide proof of age and permission to gamble)

- To give timely educative information before poker machines are ever used. This is essential to avoid addiction.

Licenses could be self-funded with annual fees.

2. Introduce a similar Section 161(a) of the Fair Trading Act 1999 Victoria for national consumer legislation, to apply to all states:

- To ensure that every gambling consumer is given a RECEIPT for spending that all consumers require in order to be responsible. Gambling consumers need these more rather than less. So do their families.

- To ensure that a record of spending is provided, to assist consumers at law.

3. Hold a nationwide “TV POLL” akin to the National IQ Test (2002) to ask the public for input and raise awareness. Create good reliable research.

- To educate, to allow citizens to anonymously participate and comment upon poker machines, to better understand patterns and levels of spending, levels of harms and to express their views. Citizen will must be discovered more accurately and citizen participation in gambling on poker machines must be better established.

- Such a poll would also have potential to be self-funded or at least to be very cost effective to run, being less intrusive than a referendum, but a much wider “random test” and research base than other costly yet inefficient research.

- To provide required “mass” feedback for use in better, more accurate planning

4. Develop a government-assisted national web site for therapy, education, communication and anonymous contribution:

A site like www.gamblingtherapy.org in the UK?

- A link to that world-wide, multi-lingual site itself could be considered. Why reinvent the wheel? Promotion could refer the existing site, saves resources?

- Provides an anonymous, 24/7 accessible pathway on line for use by all gambling consumers, their families and others who require information, direction, help.

5. Adjust current legislation regarding our consumer-protective Advertising laws in relation to poker machines. Stop indirect poker machine promotion.

- Ban any use of “TattsPokies” logo in media advertising and venue signage. The act intends to stop promotion of “poker machine” or “pokie” yet that logo skirts the law because logs are exempt. Problem gamblers are induced to gamble when they hear the word “pokies”. “Tatts Venue” could be used in advertising.

- Recognize that “Tabaret” to “pokies” is now like “Hoovering” was to vacuum-cleaning after almost 2 decades of promotion. The intent of advertising laws is being abused. Logo laws should be changed. “Tabcorp Venue” could replace.

- Recognize that for a decade at least, gambling consumers were encouraged in media advertisements to attend poker machine venues to “play” pokies in a “fun recreational” environment that was presented as being “harmless and safe and social”. Consumers had no early warning of gambling addiction and addiction occurred because government legalized poker machines, not knowing that they were harmful products, harmfully operated. Consumers were warned too late!

6. Legislate to reduce the opening hours of all poker machine venues:

- To reduce impacts of gambling addiction and opportunities for loss and harm.

- To allow for daily “machine-housekeeping” to occur after closing.

- Opening hours to be eg. 10am until midnight, Mon-Thurs. and Sundays; 10am – 2am Saturdays. * Venues MUST not be open so late at night.

7. Enforce responsibility on venue operators, via compulsory codes of practice, to ensure that consumers are provided with the expected attractive, safe consumer environment for which any gambling consumer pays. Poker machines should not be “processed” until after venue closing. Close earlier.

- The harmful practice of “progressive machine closing” is still occurring in 2009. It is common practice to close poker machines for daily housekeeping, hours before a venue closes, to the point where only one or two machines might eventually remain open an hour prior to closing. It is unacceptable to all gambling consumers. In terms of paid-for consumer experience, the environment has changed into a noisy machine-processing area, with finally “nothing much left open to use”. Consumer purchase value is lost. Problem gamblers are harmed. They play harder and faster. It is lucrative and might suit venues, but it is also stressful and harmful for consumers. The practice “panics” problem gamblers..

*** Comparative Example: Any restaurant diner would have reason to complain and to demand his purchase money back, if the manager served his after-dinner coffee, then started mopping the floor beneath the diner's table as he dined...to end

by pulling the cloth from the table and telling the diner to shift to another table whilst the venue still remained open. Would that consumer be rightfully upset?

- Gambling consumers deserve the same respect, having paid good money for an expected consumer experience. They do not get it later at night. Venues should close earlier if “housekeeping” must be done. No consumer should have to suffer hearing / seeing it. No problem gambler should be allowed to gamble harder. But most of all....how does a gambling consumer ever ask for HIS money back if the gambling environment is less than ideal? The gambler has no rights. He is presumed not to deserve them. Yet like the diner...he also paid for a “good night out”.

8. The Victorian Government has on the 31st March 2009 announced that important pre-commitment safety measures for consumers have now been delayed 3-5 years, from the original 2010 entry, now delayed to 2013-2015.

- The pre-commitment strategies were expected to be card-based, when first announced. That seemed to equate with “smart cards” and be a good initiative.

However as of 31st March it is now explained that the pre-commitment may only be “machine-based”. That would be ineffective if gamblers move from machine to machine. The Minister should have to explain why safety has been compromised.

- Such policy change is an-overprotection for the gambling industry, amounting to exploitation of consumers. Compared to “smart card” technology the new plan seems inferior and more costly. I view it with suspicion if it remains an alternative.

9. The Victorian Government announced on the 31st March 2009 that ATM's will now be delayed (for re-fit to limit withdrawals or to be removed) to 2012, from an original date of 2010. The delay is 2 and a half years. (VCGR 31/3)

- Rather than being the “more responsible” initiatives that were intended to be provided to protect consumers, the Victorian Gaming minister has increased opportunities for greater consumer harms by this new delay, that is inexcusable.

- Such policy change and the media release was announced on the day this inquiry has ended. The timing for such important changes was not by accident obviously. The words “brought forward” rather than “delay” were used in the release to purposefully mislead the public?

- This is an example of the 'double speak’ that occurs all the time for gambling consumers and the public. Disappointing. I am personally quite tired of hearing that venues must be given time to make such system changes, that are given such

inappropriate, long lead times while gambling consumers are unprotected.

- It should be noted that Australian citizens were given no voter choice, by election vote or at any other time, to agree or to not agree to have these products legalized.

Xenophon and Brumby have both had good election successes that exceeded expectations. Both politicians have supported poker machine consumer reform.

.to regain control ,Government must distance itself from the gambling industry .10
Stronger legislation is required to better reflect .New directions must be taken
..democratic ideals

- Despite the fact that Australian governments are often perceived to be “in bed” with the gambling industry, it is time for our democratic leaders to distance themselves from this self-serving industry, to put citizen safety and self-sustaining community development before business that carries with it so many high social losses over years. Our governments were very much caught off guard when the gambling industry “sold” their pokies plan in the early 1990's. Adequate time to realign priorities has now been given. It is now time for government to take more control to regulate an industry that extracts such wealth from Australia, when our communities are left with relatively “small pickings” and social havoc to fund and fix for decades afterwards.

- I suspect that more than one government minister has rued the day that poker machines were ever legalized in Australia and upon reflection would agree that Australia would not be in such precarious financial straights now, if pokies had not so drained citizen and community resources here and across the world. Nor would governments have had to be so inflexible and slow-moving on limiting poker machines more effectively, if our previous leaders had not tied themselves quite so willingly and closely to this poker machine gambling industry.

- There has been far too little effective Australia-wide "gambling consumer safety policy" improvement over the last decade, since the last Productivity Commission Inquiry was held. Harms and losses from poker machines are still rising obscenely. Consumer safety measures eg “smart cards”, “gambling licences” and “shorter operating hours” that are most likely to be effective harm prevention measures are inexplicably blocked and delayed. The intentions of consumer protection and fair trade laws are transgressed by the pokies' gambling industry in all states of Australia, daily. We need real brakes on levels of loss via poker machines. We need tough laws and we need to get real. Gambling consumers need support. We have to get past emotive rhetoric about the “Aussie way is to gamble”.

We must face the fact that we are not dealing with toys, in dealing with poker

machines. They are ruthlessly efficient machines...not to be “played” but “used”. Pokies are not “normal recreation” like golf. They are costly ways of escape....but way too costly for the average man to dabble in. Despite rhetorical claims...way too many people lose far too much. That is the fact.

11. Despite much research, the gambling consumer market group still remains largely unknown and undefined. More information is required. Government must undertake intensive widespread survey to discover the truth. The market must be known before action can occur to avoid harms.

- Figures of pokies' harm rates are well known to be “rubbery” and probably very under-stated as has been pointed out in this inquiry, yet “suss” statistics are forwarded as assumed “givens” when bald media statements are made. Much misinformation about poker machines thus abounds and causes public confusion and misunderstanding. Such manipulation of the “figures” has to stop. It is timely.

- In 2008 I spoke with an Australian academic who also happened to do research for the gambling industry. He had just vigorously quoted such "rubbery" harm-level figures. I challenged him and he agreed, but then said that he was on safe ground... simply because nobody could challenge the stats. He was correct. The researcher then added, “rubbery figures are better than no figures”. In some cases maybe, but when “rubbery figures” are also used to mislead and to cause people to continue to suffer harms, new figures are urgently required.

- Much needed consumer protection reform is impossible to achieve and yet is also conveniently denied, in this most manipulated environment of measurement uncertainty, possible academic mediocrity and research scoping gap.

- Promotion of such misleading data as “the majority of people is not harmed by pokies” is often irresponsibly used to dispel public objection to poker machines and to engender more public support. Government spokespeople must choke while they say those words in media interviews. The statement might be technically true, but when it is twisted into new context to support the notion that poker machines are safe, it becomes dangerously misleading. Government is well able to discern that a poker machine is not “safe” but has been forced to deny this stance. This has become required to resolve government dilemma, since it is indeed “bad form” for any government to support, profit from and expand its business-related interests that also savagely harms very many of its citizens, albeit apparently less valued ones.

12. An ugly “social marketing campaign” is occurring that is creating consumer harm. The public is getting conflicting messages. Honesty is required. “Rubbish research” is quoted and misleads. Consumer harm is

perpetuated. Irresponsible messaging should be stopped or balanced.

- It appears that the gambling industry, though with decreasing government protection hopefully, is attempting to run a giant "pro-pokies" social marketing campaign, by playing up the "fund-raising" advantages of poker machines, whilst keeping a lid on the "real level" of consumer harm issues, hoping that very latent but slowly rising public disquiet may eventually change to happy or mute acceptance, if enough one-sided media promotion of the "do-good" advantages of pokies is undertaken quickly enough.

- With due respect, the management of the whole "poker machines" issue by both Australian governments and the poker machine industry (who deceived and stroked mercifully it seems to get the product approved, if recent similar legislative / licensing efforts in eg Maryland, USA are any guide) reminds me much of the similar social marketing challenge that the British monarchy has had to face in this last decade. It is social marketing gone wrong. The gambling industry is trying to woo the Australian public with similar emotive, influential promotional hype, to race against time, to drum up support and to turn the tide of public attitudes before people wake up and demand that pokies be banned.

- In my view having used the poker machine product, I would prefer to ban poker machines right now and shut them down as Senator Xenophon suggested in August 2008. Then we might be able to enjoy our hospitality venues and our clubs could raise their own funds by working hard themselves, instead of bleeding citizen patrons dry. We may also have a thriving new homes market, where young people could better save their own home deposits. Restaurants, hairdressers may thrive and employ at better rates than the gambling industry. There are many excellent reasons to consider banning the poker machine.

- We must squarely face the truth that if a community loses \$100 million in one year to one industry, there are a lot of other businesses missing out...or if people are still spending, then they certainly are not saving! If people are spending so many hours a year playing pokies, to collectively lose so much in each year, then a lot of work is not getting done somewhere. The real cost to Australia and consumers is not just the individual losses from poker machines, it is also the hours of time lost, it is the wastage, with the belief that "Oh well.... I will get more on pay-day. I lost... but who cares!". Well...Australians need to be reminded to care! Poker machine consumers need to be reminded upon how to value money, hard work and savings. Via pokies, a most unhealthy way of viewing the world is being endorsed. Even our clubs don't work any more! Handouts everywhere!

- Before we screw Australian industry completely, because other small-town businesses and trades wither, swallowed by their inability to compete with the

local pokies-waving Bowls Club, we should bring in real gambling consumer reforms. This issue of obscene consumer losses on poker machines must be better checked. Maybe then other more responsible businesses may develop, as was suggested could occur by Professor Linda Hancock in 2006, before her research unit was rudely “shut down”? Maybe all states in Australia may then enjoy solidarity and real growth like in Western Australia, where pokies hardly exist? Any reforms of the poker machine industry should be uniform across Australia as far as possible. None of these ideas is new. The government has to take the helm.

- It is time for the Australian government to run its own social marketing program. The gambling industry is playing for time and has cleverly linked itself with public figures, AFL sports teams, RSL's and other worthy clubs to supposedly defend the rights of the "True Aussie" who just wants to have a quick \$10 gamble whilst having a well-earned beer". Meanwhile a “warm and fuzzy” picture of clubs, pubs and casinos is sent to the public. I would argue that this “True Aussie / \$10 spend” group is not the core poker machine consumer market and is a small minority group at best, yet its minority rights are often upheld as being the “true picture of pokies”, whilst the majority rights to safety of most gambling consumers via accessible, effective protections from pokies' harm, is denied.

13. WHO is the “majority group” of harmed gambling consumers?

It is NOT the 2% of “profoundly harmed gamblers”.

It is the “at risk / over-spending” group. Maybe 10% of adult pop.?

- Clever, deflective social marketing has allowed the likely “majority face” of gambling consumers to remain largely unknown and unseen. They are the hidden “in between” ones who are still suffering silently, “at risk / over-spending” but not yet in support groups. Their harm levels are unknown. They are the consumers who dip into and deplete mortgage equity, max their credit cards, lose savings, use pawn-brokers, skip work, neglect the kids, cancel family social plans, stop seeing friends and may not know that they have an addiction problem at all. The “at risk / over-spending” problem gamblers are those parents whose children regularly skip classes, with no school lunch or willing Mum to take them to school. These parents might be fighting but are still together. Their children are a big and costly problem in schools, being tired, distressed and needful. Homework is undone. Future careers are at stake. Good kids lose direction. These un-noticed, unseen gamblers are the ones who still makes silly excuses for missing rent and mortgage payments, while yet another heirloom is quietly pawned. They still have something to sell so they go nowhere near the counsellors. Their families shore them up silently. Assets are lost but nobody may find out yet. Old age pensions are still years away. Too soon to reveal that superannuation has been quietly cashed or not contributed at all. Careers have been just “changed” here, rather than wrecked.

- With still some pride remaining, these “at risk / over-spending” gamblers deny their addiction and hide their lack of ability to control their gambling on poker machines. - They claim they “do put a few bucks in, sure, but they know when to stop”. Sure they do. They often stop just short of “losing all the housekeeping” and may suddenly love “opp shops, Aldi’s and NQR”. Subtle, mostly hidden changes are applied to family menus, bills payment arrangements are made, dental braces schedules, car servicing and tyres, ballet lessons all get put “on hold”, while wives explain how they “love being out with the girls”. Many wives have much to lose. Single women may lose more, with fewer people but children to answer to right now. Young people of this group buy hours of pokies’ use, instead of new houses.

- Very many problem gambling consumers from the “at risk / over-spending” group lose \$4-800 a week before it is noticed as gone. For average consumers that amount is large. For the gambling industry it is “harmless, recreational spending”. I argue that there is a significant harm occurring for this unseen consumer group.

14. The “at risk / over-spending” gambling group causes most harms to families. This group must be identified. It is MUCH more than 2% of people!

- This is the main gambling consumer market. This is the major source of our most serious social problems of harm from pokies, in terms of larger population numbers and future generational harms. From a consumer viewpoint, routine “over-spending” is a consumer safety risk in itself. We must not presume that over-spending upon poker machines is OK but most of all we must not deny that it happens...much more than the gambling industry is willing to say.

- Now could we please have that National TV Poll by any chance...or an anonymous online survey? So that we know where we actually are? Then we can fix things! A License to Gamble and “Smart Cards” would be a great start!

Thank you Commissioners for allowing me to place my submission.