

December 18, 2009

Gambling Inquiry  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

Chairman Gary Banks AO, Commissioner Robert Fitzgerald AM and Commissioner Louise Sylvan,

## **Response to the Draft Report on Gambling**

The Councils of Social Service across Australia seek to make a submission in relation to the Productivity Commission Draft Report on Gambling October 2009.

We endorse the need for a significant review of the Australian gambling industries in relation to problem gambling and the need for research into harm minimisation.

We welcome many of the Productivity Commission's recommendations including those relating to modifying self-exclusion arrangements, implementation of a universal pre-commitment system, the prohibition of gambling inducements, and limiting the maximum bet limit at one dollar.

We are, however, concerned that further safeguards are needed for individuals and the community against the negative impacts of gambling. The following submission offers practical, cost-effective recommendations for mitigating the social costs of gambling.

The Councils of Social Service (COSS) across Australia has made recommendations according to chapter headings within the Productivity Commission Draft Report on Gambling. We provide comment based on the effect the Productivity Commission's recommendations will have on our constituents and provide joint COSS recommendations that detail additional areas of need.

### ***Who we are***

The Councils of Social Service across Australia are the peak bodies at the state, territory and national level for the non-profit social service sector. Our members comprise community service providers, professional associations and advocacy organisations. We provide:

- independent and informed policy development, advice, advocacy and representation about issues facing the community services sector;
- a voice for and with Australians affected by poverty and inequality; and
- a key coordinating and leadership role for non-profit social services across the country.

We work with our members, clients and service users, the sector, governments, departments and other relevant agencies on current, emerging and ongoing social, systemic and operational issues.

This submission draws on our experience advocating on behalf of those most affected by problem gambling. Our sector works closely with individuals, families and communities

affected by problem gambling and we are at the forefront of efforts to address gambling related harm across the country. The COSS share a commitment to continued work with the gambling industry and Governments to collaboratively address issues around responsible gambling.

## **Councils of Social Service of Australia Recommendations**

### **Chapter 5 Counselling and treatment support services**

DRAFT RECOMMENDATION 5.1

***Building on existing initiatives, governments should:***

- ***place greater emphasis on campaigns that (i) highlight potential future financial losses associated with problem gambling and (ii) make the community aware of behaviours indicative of problem gambling, to encourage earlier help-seeking and interventions by family and friends***
- ***provide information and a one-item screening test, as part of other mental health diagnostics, for optional use by health professionals and counsellors to assist them to recognise and refer people experiencing gambling problems. Screening should be targeted at high-risk groups, particularly those presenting with anxiety, depression, high drug and alcohol use***
  - ***with subsequent evaluation of the effectiveness of this measure***
- ***promote self-help and the option for brief treatments, as such relatively low cost interventions can increase self-recovery of people experiencing problems with gambling.***

DRAFT RECOMMENDATION 5.2

***Governments should work together to establish a national minimum standard of training for problem gambling counsellors.***

DRAFT RECOMMENDATION 5.3

***Governments should work to provide stronger formal linkages between gambling counselling services and other health and community services.***

DRAFT RECOMMENDATION 5.4

***Governments should ensure that, existing funding mechanisms for help services are based on greater contributions from those gambling forms found to involve the greatest social harms.***

DRAFT RECOMMENDATION 5.5

***A nationally consistent and publicly available dataset, including agreed outcome measures, would improve the evidence base on gambling help services. The collection of data could be coordinated by the Commission's proposed gambling policy research centre (draft recommendation 15.3) or the Australian Institute of Health and Welfare.***

We support the Productivity Commission Recommendations 5.1 – 5.5 to build on existing gambling initiatives, enhance the quality of gambling counsellor's skills and training, improve integrated responses to gambling support services, review funding formulas, and improve data collection.

We further recommend that governments must also increase investment in prevention and early intervention strategies that target Aboriginal and Torres Strait Islander communities, young people, refugee groups, culturally and linguistically diverse (CALD) communities and other groups identified as at risk by research. Prevention and early intervention efforts for Aboriginal and Torres Strait Islander communities should build on successful models currently used in South Australia and by Cairns Lifeline.

We support the development of a national accreditation system for problem gambling service providers which is based on evidence and best practice. It is our view that such services should be based on a community development approach and be built on existing services to ensure a holistic approach that meets the needs of individual.

Furthermore, we suggest that an evaluation of the New South Wales Diploma of Problem Gambling Counselling be undertaken along with best practice research into similar accreditation processes nationally and internationally.

## **Chapter 6 Gambling information and education**

### **DRAFT RECOMMENDATION 6.1**

***Governments should draw on the Victorian model for gambling warnings:***

- *making them conspicuous on machines and other areas of venues*
- *using imagery that has been found to be effective*
- *highlighting the behaviours that are indicative of problem gambling and the benefits of altering these*
- *including contact details for help services.*

***Warnings should be market-tested for effectiveness prior to their introduction, and their impacts assessed by monitoring help-line services before and after implementation. They should be periodically changed to maintain their effect.***

We support Recommendation 6.1.

We further recommend that EGMs should be programmed to provide the Gambling Helpline phone number as part of their player information displays and that the Commission consider the installation on all new machines the ability to scroll messages to advertise the possibility of self-exclusion.

### **DRAFT RECOMMENDATION 6.2**

***Given the risk of adverse outcomes, governments should not extend school-based programs without first assessing the impacts of current programs.***

We support the independent and ongoing evaluation of school based programs as part of a long term public health based approach to gambling.

We further recommend that information and education be targeted to and accessible by emerging and existing at-risk groups (such as disengaged young people not currently in education or employment, Aboriginal and Torres Strait Islanders, people from culturally and linguistically diverse (CALD) backgrounds, chronically homeless, prison populations, and other groups identified by research).

Existing gambling and mainstream community services should be supported to become more culturally competent. Specific funding is needed in both mainstream and specialist services for community educators to work with both culturally and linguistically diverse (CALD) and Indigenous populations in order to raise awareness of problem gambling.

Responsible gambling materials should be produced in a variety of languages, in a variety of formats in a culturally sensitive manner for use by venues and Gambling Help Services. Considering Aboriginal and Torres Strait Islanders are overrepresented in problem gambling statistics, material appropriate to this group should be developed and distributed.

Additionally, problem gambling should be treated holistically from a community development approach that builds skills for budgeting and planning in remote communities.

Government should support partnerships between local community organisations and local gambling providers to improve the cultural competence of gaming industry staff.

We support the need for, at a minimum, harmonised regulation and oversight of online, mobile phone and television based quizzes, competitions and auctions. This regulatory oversight should ultimately rest with the Commonwealth.

## **Chapter 7 Pre-commitment strategies**

### **DRAFT RECOMMENDATION 7.1**

***Governments should modify existing self-exclusion arrangements so that:***

- *self-exclusion applies to all venues in a jurisdiction, triggered by a single, simple application by the gambler concerned*
- *people who have self-excluded would be placed on a state-wide database*
- *venue staff request identification from gamblers collecting cheques for major prizes.*

***As in Victoria, there should be confiscation of prizes won by persons shown to be in breach of self-exclusion orders.***

### **DRAFT RECOMMENDATION 7.2**

***Governments should ensure that, in any of the self-exclusion programs offered by venues, gamblers have the choice of:***

- *immediately invoking self-exclusion at the venue (without interview), or*
- *excluding themselves at a place outside the venue, or*
- *to the extent, practicable, being able to self-exclude through remote means.*

### **DRAFT RECOMMENDATION 7.5**

***In advance of the full implementation of the pre-commitment system, governments should:***

- *determine the exact limits and other options available in the default and opt out modes of the system, and the design of the interfaces with gamblers*
- *market test and trial the appropriate set of user-controlled options and ensure technical standards that would enable a common system to be deployed across Australia*
- *give priority to the development of national standards that would permit machine manufacturers to sell machines during the transition period that would be network-compliant when the system was 'switched on'*
- *develop approaches to ensure probity in the system, deter tampering with cards or other pre-commitment devices, and ensure the system meets national privacy regulations*
- *determine marketing of, and information provision about, the pre-commitment system to consumers.*

We support the Productivity Commission's recommendations 7.1, and 7.2, in relation to pre-commitment and self-exclusion arrangements and recommendation 7.5 that calls for strategies to be employed prior to the above recommendations being implemented.

We further recommend that self-exclusion arrangements allow players to select the type of venue to be excluded from and the area.

DRAFT RECOMMENDATION 7.3

***Governments should ensure a more coherent approach to the diverse set of existing provisions for self-exclusion periods and revocation by requiring that:***

- *self-exclusion agreements run for a minimum of six months*
- *people signing deeds of exclusion be able to reverse their agreement within 24 hours*
- *agreements for periods of three years or less cannot be revoked until at least six months after their starting date, while agreements for periods of more than three years cannot be revoked until at least one year after their starting date*
- *revocation only be permitted after evidence of attendance at a counselling service and the judgment by an appropriate professional about the capacity for the person to safely gamble*
- *people seeking revocation should, after a successful application, face a period of up to three months before it takes effect*
- *subject to evidence and due process, there be a capacity for family members to make applications for third party exclusions and for nominated venue staff to initiate involuntary exclusions of gamblers on welfare grounds.*

We generally support recommendation 7.3 with the exception of the provision that people can reverse their agreement within 24 hours. The concept of a "cooling off" period is common in a range of agreements to ensure people are not taking on financial commitments without proper consideration and that this consideration can take place away from the marketing and sales process. The effect is to allow people to opt out if they feel the agreement will increase their risk of (financial) harm. It seems incongruous, however, to have such a provision in this context where the cooling off period is for a relatively short period (24 hours) and the effect will see them "opt back in" to a situation where the risk of harm is greater.

DRAFT RECOMMENDATION 7.4

***Governments should implement by 2016 a universal pre-commitment system for gaming machines that:***

- *provides a means by which players could set personally-defined precommitments and, at a minimum, a spending limit, without being subsequently able to revoke these*
- *encourages gamblers to play within safe spending and time limits by specifying default limits*
- *enables gamblers to opt-out, with periodic checking of their preference to do so*
- *applies to all gaming machines in all venues in a jurisdiction*
- *allows occasional gamblers to stake small amounts*
- *avoids identity fraud*
- *is not complicated for gamblers to understand and use*
- *does not unduly affect the enjoyment of those selecting safe playing options*
- *presents few obstacles to future innovation in the presentation and design of the system.*

We support Recommendation 7.4 that requires compulsory pre-commitment systems applying to all gaming machines in all venues in a jurisdiction.

We also support pre-commitment systems that are not complicated for gamblers to understand and use. We take this to mean pre-commitment systems are accessible to all

players in terms of language and placement/advertising of pre-commitment information (where all forms of communication takes into consideration people from non-English speaking backgrounds).

Furthermore, we recommend that pre-commitment and self-exclusion programs need to be actively promoted and for these to be incorporated into existing and planned public health campaigns, maximising settings based outside gambling venues. Additionally EGMs should be programmed to scroll messages advertising self-exclusion.

We believe the technology is readily available now that would allow for pre-commitment systems that meet the needs of all users of gaming machines, including occasional users and that have the capacity to configure machines to play in a low intensity “safe mode” if no pre-commitment method is being used.

### **Chapter 8 Venue activities**

#### DRAFT RECOMMENDATION 8.1

***Governments should enhance existing compliance and complaints-handling arrangements by:***

- ***enabling their gambling regulators, or accredited compliance auditors, to regularly appraise gambling venues’ compliance with harm minimisation measures, both mandatory and voluntary, and publicly report their findings***
- ***introducing a mechanism for gamblers and venue staff to make complaints to the relevant gambling regulator about venue conduct contributing to problem gambling. This mechanism should be promoted to gamblers within venues and to staff through their responsible gambling training.***
- ***enabling their gambling regulators to publish annually the number and nature of complaints about a venue, the action taken and, where the complaint is substantiated, the name of the venue.***

We support Recommendation 8.1 that requires that data pertaining to the frequency and type of breaches of the Code of Practice is publicised at regular intervals and that this information is collated centrally.

Based on recorded breaches, reasonable opportunities should be taken to cancel or reclaim licences where venues fail to comply with, apply or show commitment to a National Mandatory Code of Practice.<sup>1</sup>

Venues that fail to comply with or show commitment to a National Mandatory Code of Practice should lose their licences permanently in recognition of the considerable risk to public health that they present. Owners and managers of such venues should also be penalised as individuals through banning their involvement in other licensed venues and operations.

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<sup>1</sup> Please see COSS recommendation in chapter 14 that calls for a National Mandatory Code of Practice.

Venues should face heavier fines, including the loss of their licence if they are found to be breaching duty of care by allowing intoxicated people or those with impaired decision-making ability to continue gambling.

We are not in a position to provide a firm view on whether a new statutory cause of action should be established and what criteria would be appropriate. We would note however, that legal redress for an individual will be meaningless where they lack the means to access appropriate legal advice and representation.

DRAFT RECOMMENDATION 8.2

***Governments need to enhance gamblers' capacity to obtain judicial redress against gambling providers that behave egregiously. This could include a new statutory cause of action to apply in circumstances where a venue-based provider has behaved in specified ways that would clearly contribute to harms.***

DRAFT RECOMMENDATION 8.4

***Governments should prohibit venues from offering inducements that are likely to lead to problem gambling, or are likely to exacerbate existing problems, including offering free alcohol or food to a patron who is gambling.***

We support Recommendations 8.2 and 8.4 to prohibit venues offering inducements to gamblers.

We further suggest that venues should not offer free beverages, conduct "pokies promotion" hours, prizes such as 'free spins' and allow drink orders to be placed whilst continuing play at EGMs, which all serve to prolong and extend playing.

Smoking in all gaming venues, including 'high roller' suites in casinos should be explicitly outlawed as a matter of priority. New laws prohibiting smoking inside venues has had the unintended consequence of forcing problem gamblers who are smokers, to have a break in play. However we are concerned that a number of pubs and clubs are reconfiguring their establishments to allow for smoking in gaming areas.

## **Chapter 9 Access to cash and credit**

DRAFT RECOMMENDATION 9.1

***Governments should fine-tune existing regulations of ATMs/EFTPOS facilities by introducing the following changes in gaming venues:***

- ***Cash withdrawals from ATMs/EFTPOS facilities should be limited to \$200 a day.***
- ***ATMs/EFTPOS facilities should be a reasonable distance from the gaming floor, visible to the public and venue staff, yet not to gamblers from the gaming floor.***
- ***Warning and help messages should be clearly visible on ATMs/EFTPOS facilities.***

We continue to argue for the removal of ATMs from all gaming venues by 2012 to encourage responsible gambling. In recognition of research that shows the majority of ATM users in gaming venues are problem gamblers, we urge the Government to take strong action on this issue and commit to remove ATMs from all gaming venues.

We acknowledge that there are communities across Australia where access to financial services may be limited and seek commitment from governments to ensure suitable and convenient alternatives are sought for these communities.

The Commission should recommend the removal of ATMs from all gaming venues in all jurisdictions by 2012. Alternative arrangements outside of gaming venues need to be made for those communities where access to financial services may be limited.

We do not support, nor see that it would be necessary, to exempt casinos from any limitation regarding ATMs in relation to their high rollers and international visitors.

DRAFT RECOMMENDATION 9.2

***Other than for online gambling, and for high rollers and international visitors in casinos, governments should prohibit the use of credit cards for gambling.***

We do not support, nor see that it would be necessary, to exempt casinos from any limitation regarding credit card use in relation to their high rollers and international visitors.

DRAFT RECOMMENDATION 9.3

***Governments should require venues to pay any gambling prize above \$250 by cheque or direct credit to the gambler's account, except for winnings by high rollers and international visitors in casinos.***

We do not support, nor see that it would be necessary, to exempt casinos from any limitation regarding payment of any prizes in relation to their high rollers and international visitors.

DRAFT RECOMMENDATION 9.4

***Governments should impose the following cheque-cashing requirements on gambling venues, other than casinos in respect of high rollers and international visitors:***

- ***winners' cheques should not be allowed to be cashed***
- ***self-drawn cheques should have the same limits as in draft recommendation 9.1.***

We do not support, nor see that it would be necessary, to exempt casinos from any limitation regarding cashing of cheques in relation to their high rollers and international visitors.

## **Chapter 10 Accessibility of gaming machines**

DRAFT RECOMMENDATION 10.1

***Drawing on the Queensland approach, governments should introduce a shutdown period for gaming machines in all hotels and clubs that commences earlier, and is of longer duration, than currently.***

We support Recommendation 10.1 that calls for shutdown periods for EGMs in hotels and clubs and that this period is of a longer duration than currently is the case.

We further recommend that applications for extending trading hours for gaming licences should be refused and all gaming venues should have their current hours reviewed and curtailed where independent community consultation reveals this to be in the public interest.

Additionally regional caps should be introduced and to prioritise action in those areas identified with 18 or more machines per 1000 adults. We contend this will address the high concentration of EGMs in lower socio-economic areas and other areas with 'unsafe' levels of EGMs.

## **Chapter 11 Game features and machine design**

DRAFT RECOMMENDATION 11.1

***In all jurisdictions, the maximum bet limit on gaming machines, other than those in high roller or VIP rooms at casinos, should be set at one dollar.***

DRAFT RECOMMENDATION 11.1

***In all jurisdictions, the maximum amount of cash that can be inserted into a gaming machine should be \$20, with no further cash able to be inserted until the maximum credit on the machine falls below \$20.***

- ***This restriction should not apply to gaming machines in high roller or VIP rooms at casinos.***

We support Recommendations 11.1 and 11.2 requiring the maximum bet limit should be set at one dollar, and the maximum amount of cash to be inserted into gaming machine should be \$20. We would further recommend that the \$20 limit be progressively reduced after a defined period of consistent play by an individual.

To further improve harm minimisation strategies, and in view of the Industry assertion that EGMs are for entertainment, a maximum of 6 cycles per minute to be set for EGMs is a reasonable measure to protect consumers and their families from the sudden, rapid and devastating losses currently impacting on our communities.

We further recommend that the \$20 limit be progressively reduced after a defined period of consistent play by an individual and that a maximum of 6 cycles per minute be set for gaming machines to effectively minimise harm.

## **Chapter 12 Online gaming and the Interactive Gambling Act**

### **DRAFT RECOMMENDATION 12.1**

***The Australian Government should repeal the Interactive Gambling Act, and in consultation with state and territory governments, should initiate a process for the managed liberalisation of online gaming. The regime would mandate:***

- ***strict probity standards, as for online wagering and venue-based gambling***
- ***high standards of harm minimisation, including:***
  - ***prominently displayed information on account activity, as well as information on problem gambling and links to problem gambling resources***
  - ***the ability to pre-commit to a certain level of gambling expenditure, with default settings applied to new accounts, and the ability to opt-out, with periodic checking of a gambler's preference to do so***
  - ***the ability to self-exclude***
  - ***automated warnings of potentially harmful patterns of play.***

### **DRAFT RECOMMENDATION 12.2**

***The Australian Government should evaluate the effectiveness of these harm minimisation measures, as well as the regulator overseeing the national regulatory regime, on an ongoing basis.***

***The Australian Government should assess the feasibility and cost effectiveness of:***

- ***Australia-wide self-exclusion and pre-commitment options for equivalent online providers***
- ***the capacity for extending self-exclusion through the payments system or through software solutions selected by problem gamblers***
- ***the scope for agreement on international standards on harm minimisation and their enforcement through self-regulatory or other arrangements.***

The COSS is concerned that the Productivity Commission recommends the regulated liberalisation of online gambling. In recent times, concerns from gambling help services and the broader welfare sector has been growing in relation to the introduction of new technologies that is opening up the accessibility of gambling and gambling related products and services to more and more people. Internet gambling, mobile phone gambling (also called m-gambling) and the potential gambling related services that digital television will bring is increasing the opportunity to gamble to a greater number of the population.

Online gambling is causing concern to the sector due to the ease of access that this form of gambling will have for any Australian with a high speed internet connection. People who wish to access the most popular forms of gambling such as EGMs or casino gaming have had to leave their homes in order to utilise these services. Online gambling removes this necessity with an assumed plethora (if the Productivity Commission draft report is correct in equating liberalisation with increased competition) of gambling products and services at the click of a mouse. Gamblers will no longer have to leave their homes to gamble.

The sector has identified the potential harm that the increasing capability of the 3G network with high speed data transfers will have in the near future with respect to m-gambling. Governments' need to recognise that technology is moving at such speed that the need to 'keep up' with regulation and legislation to protect consumers will be vital. As was highlighted in the COSS submissions to the Productivity Commission Review into Gambling in April

2009, m-gambling has been embraced by the industry and consumers with expectations that consumer expenditure in m-gambling will exceed US\$19.3 billion this year<sup>2</sup>

The ability for gaming consoles and portable devices that are aimed principally at children and young people are another cause for concern. These devices (Sony PSP and the Nintendo DSi, for example), have internet connectivity and there are some games that model themselves on casino and poker games. This is an emerging concern for the welfare sector as it could be a way of young people accessing gaming that either introduces them to gambling concepts or actually allows them to access gaming websites.

Again we would call for government to embark upon a detailed review of new and emerging forms of gambling and regulate the ability for people, particularly young people and problem gamblers from accessing these forms of gambling.

### **Chapter 13 Developments in the racing and wagering industries**

#### **DRAFT RECOMMENDATION 13.1**

***The Australian Government should work with state and territory governments to develop a national funding model for the racing industry. This model should be underpinned by national legislation and should replace state and territory based arrangements.***

***The key element of this model would be a single levy, universally paid on a gross revenue basis:***

- ***The levy should replace all other product fees currently paid by the wagering industry, but need not affect other funding channels, such as sponsorship of race meetings.***
- ***The levy should be set and periodically reviewed by an independent national entity with the object of maximising long-term consumer interests.***
- ***In setting the levy, the entity should engage in public consultation, and the bases for its decisions should be detailed in a public document.***

#### **DRAFT RECOMMENDATION 13.2**

***The Australian Government should request that the Australian Competition and Consumer Commission examine any adverse implications for competition associated with the ownership arrangements for Sky Channel.***

The COSS are not in a position to comment on these recommendations at this time. We would urge, however, that the principles of harm minimisation, the development of support for those groups most vulnerable to problem gambling and the need for ongoing research and program evaluation be considered and built into any national funding model.

### **Chapter 14 Regulatory processes and institutions**

#### **DRAFT RECOMMENDATION 14.1**

***Each jurisdiction should ensure that its gambling regulator has:***

- ***statutory independence from government***
- ***regulatory control over all forms of gambling within that jurisdiction***
- ***a charter that emphasises the public interest, and explicitly includes consumer***

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<sup>2</sup> Hutchinson, S, (2006), 'Pocket-size casinos bring new temptation', *IQ Inside QUT*, Issue 264, May 16-July 17th 2006.

*protection and harm minimisation.*

DRAFT RECOMMENDATION 14.2

***The relevant minister for gambling should have an explicit responsibility for minimising harm from gambling.***

We contend that Governments increasingly have a conflict of interest in regard to the provision of gaming. With gaming Governments are regulators, recipients of substantial and increasing tax revenues, sources of research funding, funders of major public awareness campaigns, and controller of gambling help services funding and contracts.

We support Recommendations 14.1 and 14.2 that each jurisdictions' gambling regulator be independent from government, have full control over all forms of gambling, adopt a charter that encourages harm minimisation with responsibility for harm minimisation resting with the Minister.

We propose a special levy as a first step towards managing current government conflict of interest.

A new levy on all gambling revenues derived by the operators to increase funding for:

- Independent research projects into gambling and associated issues,
- Public awareness campaigns (including campaigns specifically targeting CALD, Indigenous, young people and refugee groups), and
- Resourcing gambling help services.

We further recommend the Commonwealth Government consider financial incentives and compensation for states to offset and reduce their financial dependence on gambling revenue. Such moves can be justified by the money the Commonwealth stands to save in the long term by reducing the social and economic costs of the gaming industries.

DRAFT RECOMMENDATION 14.3

***Governments should strengthen consultation processes and incorporate the views of stakeholders, including gambling providers, manufacturers and consumer representatives, into the process of policy development. Governments should clearly specify appropriate mechanisms for providing input, and set minimum consultation timeframes that reflect the importance of the issue. Details of consultations should be made publicly available.***

The Councils of Social Service of Australia has experience advocating on behalf of those most affected by problem gambling. We work closely with individuals, families and communities affected by problem gambling and we are at the forefront of efforts to address gambling related harm across the country. The Councils of Social Service in Australia share a commitment to continued work with the gambling industry and government to collaboratively address issues around responsible gambling. As such we strongly support Recommendation 14.3 that encourages a fully consultative process incorporating stakeholders views in policy development.

We support a review of all Gaming Machine Acts. This legislation predates this Inquiry and Report and needs to take into account the findings and final recommendations.

Guidelines for issuance of new venue licences and increases in EGMs in existing venues should be made more stringent. Applicants should have to demonstrate a real public demand and need for more machines or new establishments before these are approved.

Population surveys consistently demonstrate that most people think poker machines do more harm than good and that their numbers should either be curbed or at least not be increased. Additionally, all applications to increase EGM numbers in areas with more than 10 EGMs per thousand adults should be denied due to EGM concentrations already associated with increased harm.

Government needs to address the high concentration of poker machines in lower socio-economic areas and other areas with 'unsafe' levels of EGMs proactively through the introduction of regional caps, and to prioritise action in those areas identified with 18 or more machines per 1000 adults<sup>3</sup>.

We support the development of a National Mandatory Code of Practice that builds on the strength of each jurisdiction's experience as a matter of priority. Such a Code would reinforce the future work of those involved in responsible gambling committees and policy direction in each jurisdiction. A universal code would protect consumers, especially young people, in the highly mobile modern society that Australia has become. It would also minimise competitive advantages between states as they would no longer have to choose between protecting consumers and losing revenue to other jurisdictions.

Venues that fail to comply with or show commitment to the code of practice should lose their licences permanently in recognition of the considerable risk to public health they present.

## **Chapter 15 Gambling policy research and evaluation**

### **DRAFT RECOMMENDATION 15.1**

***All jurisdictions should improve the usefulness and transparency of gambling survey evidence by:***

- ***conducting prevalence surveys at the same time and using a common set of core questions***
- ***making de-confidentialised unit records of gambling surveys available in a public domain data archive, at no cost to users.***

### **DRAFT RECOMMENDATION 15.2**

***Governments should publicly provide timely data on:***

- ***gaming machine numbers, expenditure and tax revenue by type of venue (club, hotel, casino) and related information on other forms of gaming, such as table games***
- ***wagering expenditure and tax revenue by type of wagering (racing and sports)***
- ***lotteries expenditure and tax revenue***

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<sup>3</sup> Based on recent Australian based research that has determined that a 'safe' ratio of poker machines to adults is 7-10 per 1000 adults. Australian Institute for Primary Care (AIPC), *The Changing Electronic Gaming Machine (EGM) Industry and Technology* (2006) La Trobe University.

- *self-exclusion information, such as the number of self-exclusion agreements for each year that are current, have lapsed, been revoked, or breached.*

DRAFT RECOMMENDATION 15.3

***To place gambling research on a sound footing nationally, Gambling Research Australia should be replaced with a national centre for gambling policy research and evaluation. The centre should initially be funded by the Australian Government and:***

- *have a charter requiring it to oversee research of direct policy relevance*
- *have a capability to perform and initiate such research itself as well as respond to requests by the Australian Government*
- *have an advisory panel, with representation from the community, industry, other experts and all governments*
- *coordinate evaluations, surveys and reviews nationally*
- *establish guidelines, methodologies and processes for research and evaluations undertaken by state and territory governments*

Emphasis should shift from the current need for opponents of gaming expansion to prove their assertions by research, to the industry and operators needing to prove that their proposal will not result in a negative public outcome.

We support Recommendation 15.3 that calls for the establishment of a national centre for gambling policy research and evaluation. The need for timely and transparent data and research findings across all jurisdictions as outlined in Recommendation 15.2 and 15.3 is welcomed.

We further recommend that the research and evaluation centre's priorities should include –

- focussed research to enhance responsible gaming policies and programs;
- specific research addressing specific groups at risk through new research, new policies and new programs;
- research to develop a consistent framework to analyse whether or not proposals to expand gaming services are, or are not, in the public interest.

We recommend the onus of proof should lie with the Gaming Industry and Government to provide substantive and independent research showing that proposals to expand gaming services are in the public interest.

We again contend that Governments have conflicts of interest in regard to the provision of gaming in being the regulator, recipient of tax revenue, source of research funding, funder of public awareness campaigns, and controller of gambling help services and their contracts. Independent research that is timely and publicly available partially addresses this conflict.

Research into the area of gambling needs to take measures to accurately reflect the occurrence of problem gamblers in Australia. Any phone survey into problem gambling needs to actively include remote Indigenous communities, young people and disadvantaged households that have less access to telephones.

Due to a variety of reasons (increased public awareness and health campaigns, and the stigmatizing of problem gambling) it is estimated that 1 in 5 or 1 in 10 people give truthful

answers in a government run gambling poll (at the time of the first Productivity Commission Inquiry in 1999 it was estimated at 1 in 3).

Research into problem gambler needs to be administered by a non-government organisation that will take special measures to provide an accurate depiction of the situation of gambling in Australia.

## **Chapter 16 Transitions**

DRAFT RECOMMENDATION 16.1

***As far as is reasonable and practical, regulatory changes should be introduced with advance warning, and implemented at the same time, to reduce costs to venues, gaming machine manufacturers and others.***

We recommend all Commonwealth, State and Territory governments' place a moratorium on the growth of EGM numbers until such time that the governments make the final decision on acceptance and implementation of the Commission's recommendations.