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**TRANSCRIPT  
OF PROCEEDINGS**

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**PRODUCTIVITY COMMISSION**

**PUBLIC HEARING ON THE DRAFT REPORT ON AUSTRALIA'S  
GAMBLING INDUSTRIES**

**MR G.R. BANKS, Chairman  
MR R. FITZGERALD, Associate Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

**AT MELBOURNE ON WEDNESDAY, 25 AUGUST 1999, AT 9.10 AM**

**Continued from 20/8/99 in Canberra**

**MR BANKS:** Welcome to the first day of the Melbourne hearings following the release of the Productivity Commission's draft report into Australia's gambling industries. My name is Gary Banks. I'm the chairman of the Productivity Commission. On my left is Robert Fitzgerald, who is the associate commissioner for this inquiry.

The purpose of these hearings is to facilitate public scrutiny of the commission's work and, in particular, to get comment and feedback on the draft report. It provides us with an opportunity to discuss people's submissions, but many people or organisations will continue to make submissions without seeking to discuss them in a public hearing. All submissions need to be in by the end of September to give the commission time to digest them and take them on board in preparing its final report, which is due to be presented to the government at the end of November.

On the first page of our report we have a schedule of where the hearings are going to be. We had hearings in Canberra last week; we have Melbourne this week, Hobart next week, followed by Adelaide, Sydney, Perth, and finally Brisbane at the end of September. Following this public discussion and listening phase we will take that and the other continuing research input on board in preparing our final report which, as I indicated, is due at the end of November.

The hearings are conducted as informally as possible, although a transcript is made to provide a record of discussions. There's no formal oath-taking required, but the Productivity Commission Act does require participants to be truthful in their remarks. The transcripts of the hearings and the submissions themselves are public documents and can be purchased or accessed through the Productivity Commission's Web site and details are in circulars, or by phoning the Productivity Commission.

Perhaps I should add that participants are welcome to comment on the remarks of other participants in these hearings or indeed to respond to the submissions of other participants and that kind of interaction was I think a particularly valuable part of the process leading up to the draft report. We have actually designed the process to give people enough time to do that within the time-frame that we are faced with.

With those preliminaries out of the way, I'd now like to welcome BreakEven to be the first representatives at the Melbourne hearings. Could you please give me your names and your positions.

**MS NELSON:** My name is Julie Nelson. I work at Banyule Community Health Service, which services the northern metropolitan region, and I'm the convener of the secretariat.

**MR FREETHY:** My name is Chris Freethy. I work for Bentleigh Bayside Community Health Service, and I'm the manager of the program that covers the southern suburbs of Melbourne.

**MS RYAN:** My name is Kathy Ryan. I'm a problem gambling counsellor with Bethany Family Support in Geelong, which provides service to the Geelong and Surf Coast and Bellarine peninsula as far as counselling goes and community education through to the South Australian border.

**MR BANKS:** Thank you very much for presenting today. We've benefited from BreakEven's participation actually all around the country, in its various guises, but particularly here in Victoria where we had a number of submissions in the first round. You've given an outline of the points you want to make, which we've read, but perhaps we'll let you make those points or elaborate on them, and, as we indicated earlier, we could perhaps stop from time to time if we have questions or discussion.

**MS NELSON:** Okay. By way of introduction, BreakEven's services were established in 1995 in Victoria, in each Department of Human Services region. They're funded through the Community Support Fund which, as most people know, is derived from a percentage of gaming in hotels. It's interesting that Victoria noted the potential need for services in 1992 with its initial legislation for a temporary casino, and actually legislated that funds be set aside through the Community Support Fund for problem gambling services.

The services focus primarily on counselling for problem gamblers. That also extends to members of their family and others affected by gambling. Over the period that we have been operating community education has become an increasingly important part of our world. DHS requires specific data on all the clients that we see, and we think this is a very useful tool for research and for this inquiry. The data is analysed by Melbourne University and is publicly available. The last year that was analysed was that ending June 1998. The services across Victoria at that period saw more than 3000 clients in the year, through a total of more than 15,000 counselling sessions. So we think we have a bit of expertise in this area.

The secretariat is comprised voluntarily of the service representatives and perhaps if I give you our mission statement you'll know why we do it. BreakEven Secretariat represents and advances the interests, experience and expertise of BreakEven problem gambling services and their workers in the state of Victoria. It aims to promote the continuous development of high-quality innovative service delivery. Out of that perhaps the goals include - of relevance here today - to minimise the risk and incidence of problem gambling, to promote awareness of the social, economic and personal impacts of gambling and to develop strategies to reduce the harmful impacts of gambling. It's in that regard that we speak to you today: our interest is primarily in the harm minimisation section of the commission's report.

**MS RYAN:** I would like to acknowledge and applaud the Productivity Commission for its draft report, acknowledging the breadth and depth and the process of the inquiry which has been very thorough. The language I find very understandable, and I think even though I'm immersed in this language, I think lots of people in the community would find it very understandable, and would be able to debate with

themselves what's being said. I think the thorny issues are well researched, such as

the use of what kind of assessment tool, and why is it or is it not applicable in Australia. I think those have been really well researched.

Recently I was lucky enough to be at a conference in New Zealand where Ralph Lattimore gave - I don't know if it was the very first, but a very early public speech about the report, and it was extremely well received, and there were people there from America and other places, I think they also would have found it really groundbreaking stuff, and also the press has reported many good things about it. The important thing is that focus has been not just on the money side of things but on what is problem gambling and how is it going to be impacting on people, how is it impacting on people, and how may it impact on people - not just the person who has the excessive gambling behaviour, but also those around them.

It is a well-established fact, and it was also alluded to many times in the report, that the family members and significant others of people who gamble excessively are very much affected by the problematic gambling when it reaches a certain stage. We see it also as a continuum, problem gambling, so that in the way we do our work we see that there are those who are just getting into it and are a little bit worried about their very first major blow-out of perhaps not paying rent or something, through to what can that lead to, through to those who have already lost everything. So that's something that was very well pointed out in the report. So my role here is just at this point to acknowledge and support what you have done.

**MR FREETHY:** I would just like to pick up and expand on some of the things that Kathy said and relate them to particularly the ASAL submissions which have been produced for various members of the gaming industry. They seek to comment on the costs associated with problem gambling and the provision of publicly funded problem gambling services, and the BreakEven network of services in Victoria is actually quite concerned that these submissions significantly distort the issues that they actually purport to clarify, and our feeling is that, through the application of an ideological filter, it seeks to eliminate anything other than economic considerations of gambling activity.

The rationale that is being used is that only economic models can accurately and objectively capture the costs and benefits associated with gambling and all other information is subjective, so it must be excluded from consideration. There were comments, as you would be aware, throughout the submissions, that problem gambling is not objectively defined; cause and effect and other associated events have not been demonstrated; the measurement tools are flawed and may well be misapplied - they were originally designed to be diagnostic tools and have been used for population screening. There are many references to, variously, insanity, mental disorders, addiction, personality types, and a range of other categorisations, in what we see as quite a wide-ranging attack on the basis of problem gambling and the need to provide publicly funded support services.

Not surprisingly, we disagree with those views. It's our belief that had the gaming industry and the consultants conducted a wider-ranging and more thorough

analysis of the voluminous literature on psychological disorders they would understand that all are ultimately social constructions; that there is no hard reality about any kind of psychological or social problem, they are really drawn from what our culture believes to be the nature of, if you like, normality or typical behaviour. But we believe that doesn't prevent meaningful discussion about problem gambling or any other psychological problem, it's simply a matter of understanding the variables involved and realising that human emotional life is an ambiguous state. Again, I think the commission's report has really reflected that very well.

So, if you look at it, there's broad agreement across the helping professions in the community about many psychological problems, even if there are no absolutes, and problem gambling is no different from any of the other psychological problems people may face. There is widespread agreement that it actually does exist, it's not something that's made up. And although we would agree that diagnostic methods and schemas are in need of improvement, these things are being developed, and as a network of programs, even though we are quite diverse in our treatment approach, we are quite able to have intelligent conversations about what's going on for our clients and the best ways of assisting them. Also, as Julie was saying, we are quite able to cooperate and work well together on harm minimisation approaches, because we do believe there are some very clear things you can do to minimise the harm that's associated with gambling.

Again, we don't dispute that an economic cost does need to be established as a basis for government policy decisions about gambling regulation and human services provision, but a purely economic view of psychological problems is a gross distortion of what it means to be a human being living in a society, and that's where we think the gaming industry's submissions have actually gone wrong. In particular, the rational addiction model that the industry has suggested and the idea that private costs of gambling to the individual are fully taken into account by players we believe to be incorrect. Experience with our clients - and I'm sure Kathy would back this up - suggests exactly the opposite. It's an extremely common if not a ubiquitous experience for our clients to finish a gambling session with a belated and shocked recognition of what they've just done. It's not at all a rational behaviour.

Clients are constantly berating themselves in a fashion that they regret, which the ASAL submission didn't actually acknowledge, and they express a great deal of distress that they felt out of control, that they didn't precommit a rational amount of money or, if they did, that they just weren't able to stick to it, they got carried away chasing losses even when rationality would have told them that it wasn't going to work. They gamble because they are unhappy and not thinking straight. There's a litany of irrational behaviours that our clients talk about, which simply don't accord with taking the costs into account or a rational model of addiction.

Other impacts mentioned by the ASAL submission such as divorce, health effects, employment difficulties and so on, are typically completely disregarded by people with gambling problems until they reach crisis point, and it's often not until they reach crisis point that people will actually start to think about them. We believe

that this is not rational or fully accounted for as the rational addiction model and the market forces model would suggest. Basically we feel that people with gambling difficulties are not anywhere near as cold and calculating as the rational addiction model seems to imply.

Interestingly, if you look at Tattersall's individual submission to the commission, they actually acknowledge that all gambling is irrational behaviour, whether it's problem gambling or not, and that's realistic because who amongst us would rationally risk money on an uncertain event when we could invest it with greater surety in a bank, an institution, real estate, and expect that we would get a better rate of return than we would from gambling? I mean, I don't go in for Tattslotto because I really expect to win. It's not a rational behaviour. It's a dream. It's a hope. It's a whole lot of things. But it's not rational.

**MR BANKS:** But isn't it rational to have a dream, or to enjoy the anticipation?

**MR FREETHY:** It's a positive thing to have a dream. Whether the dream is rational - I don't actually expect that I'm going to win a million dollars in Tattslotto. It would be nice, but I don't think that's a rational expectation, it's just a nice hope.

**MR BANKS:** But do you dispute, though, the point we make in there that people do get enjoyment from gambling - - -

**MR FREETHY:** Not at all.

**MR BANKS:** - - - and it is a source of - - -

**MR FREETHY:** Not at all, no. A great many people enjoy gambling for long periods of time, perhaps forever, without running into difficulties. I guess that's the risk for us, and it's certainly been pointed out again through submissions that we sound very negative, but I guess that's what our stock-in-trade is; we deal with the difficulties and we don't get to deal with the good stuff. People don't come to us if they're happy. So, yes, it does end up sounding very negative and, yes, we don't deny that there are a great deal of positives in the industry at all.

And, again, we will come back to it but the idea that all gambling is irrational draws attention to the focus of our presentation, which is regarding harm minimisation and prevention, and again Kathy mentioned our belief about a continuum of behaviour. We don't see problem gambling as being somehow qualitatively different. In fact, if you look at all gambling screens, all diagnostic tools, they're predicated on the idea that you need to have a certain number of signs - you have to reach a threshold - in order to be classified as having a problem, but there are many people who are classified as non-problematic in that they have one sign, two signs, three signs, so they're not what would be diagnosed clinically as a problem gambler but they're probably doing one or two things which are not in their best interests.

Whether that will deteriorate or not probably depends on a whole range of

things but, to us, that means in fact everyone needs to know what the risks are, everyone needs to know about prevention, everyone needs to know about harm minimisation, because most people, if they gamble regularly, will sooner or later show one or two signs, and we believe - again trying to be positive - that if we can give prevention and harm minimisation messages perhaps those people will never develop a problem, which would be much better than seeing them end up in our waiting rooms.

I won't go on for too much longer, but just to look at the idea that the free market is the best protection for consumers and that individual contracts between suppliers and consumers will redress most of the negative impacts associated with gambling - unfortunately, the history of most industries - and the gambling industry is no different - is that customer protection is generally pretty poorly served and it usually takes legislative sanction to ensure adequate protection, unfortunately. We have been working with the gaming industry now for four years and probably would have liked to have seen more progress than we have in terms of customer protection measures and, we will talk about some specific ideas we have coming out of your report.

The idea the gaming industry put forward that government-funded problem gambling services represent a merit good we think doesn't even withstand superficial scrutiny. If you look at our history we were established with, initially, quite minimal publicity. There wasn't a media campaign for a substantial amount of time after we were established and in fact the media campaign that was initially rolled out didn't advertise the existence of BreakEven services. It advertised the G-Line telephone help line but it certainly didn't advertise us and in fact no mass media campaign has ever advertised the existence of BreakEven services. Despite that, as Julie said, we have had considerable increases in numbers.

The other thing that was a surprise to us was that we thought we would largely get family members presenting whereas in fact from day one it has been almost exclusively people with the problem themselves that have presented for help, which is not to say family members don't need the assistance but we were quite surprised, given agencies' histories before specialist services that they saw a handful of people who were largely family. All of a sudden when you have a specialist service on the scene all these people came out of the woodwork.

**MR BANKS:** So there weren't people who had, in a sense, come out of other forms of counselling into gambling counselling?

**MR FREETHY:** No.

**MR BANKS:** Did you have a way of tracking that? Do you ask people whether they have been - - -

**MR FREETHY:** Where they have been before?

**MR BANKS:** - - - receiving general counselling or something?

**MS NELSON:** Within the community health centre framework we would have certainly seen had there been an overlap of clients for other counselling services and, for my service, that certainly wasn't the case. We almost run exclusive files, I think, with very few overlaps between problem gambling and general counselling.

**MS RYAN:** I think every individual agency would have its own but there wouldn't be any way of tracking that on a statewide basis.

**MR FREETHY:** Yes, but the impression again from our agency - and I was a counsellor myself prior to managing the BreakEven program - very, very small numbers and largely people who had been convicted and it was a condition of their conviction that they seek treatment, so largely involuntary as well. As I said, you would get the occasional distressed family members turning up but people voluntarily presenting for help prior to the BreakEven services, I can't think of one - not at all - so we would suggest that that's not a merit good, that's a genuine - in their terms - market failure. It wasn't we who created a demand, the demand was there - as simple as that.

**MR BANKS:** Yes.

**MR FREETHY:** And it has grown every year across all of the services and so it is not, as we see it, a service that is being promoted by those few who think gamblers don't know what is good for them, as was suggested. We are actually playing catch-up with the needs that were already there, and so again the related idea that governments shouldn't nurture what we would term disappointed individuals, particularly since this might encourage further problem behaviour, again highlights to us a misunderstanding of the nature of psychological problems and their treatment.

I actually think it is highly pejorative to suggest problem gambling is really about basically what amounts to losers and disappointed people. It is not about that at all and evidence about the effectiveness of psychological treatment generally is that it is highly effective. It doesn't generally make problems worse, so again we would suggest that we are not going to make the disappointed gamblers worse if they come to see us. We actually expect to improve most of them. So we feel it is fairly disappointing that with our history of working collaboratively with the gaming industry that in fact we have only achieved fairly limited gains, and I guess clearly now they seem to feel very much under pressure because, since the report has come out, rather than approaching us for further input on effective customer protection, if anything they have chosen to withdraw from us, which we find a bit puzzling.

**MR BANKS:** Which sections of the industry are you referring to here? Which of the sections which you have had most to do with in the past?

**MR FREETHY:** Principally the gaming industry in total. We have had less to do with the wagering sector.

**MR BANKS:** So including the casino and the hotels and the clubs?

**MR FREETHY:** Yes. We have had less to do with the wagering industry as a group of programs. Our focus has been more on the gaming industry but my particular program has had a little bit of involvement in the last seven or eight months and similarly since the report came out there is greater distance between us than there was.

**MR BANKS:** Thank you.

**MS NELSON:** Kathy would like to talk about breaks in play.

**MS RYAN:** Yes. Certainly we have all spoken about our harm minimisation approach and we don't believe we need to be doing this just with our current clients or their family members but with the community as a whole because we acknowledge that a very small proportion of our client group - I mean all of our client group - represents a very small proportion of the community. As Chris has mentioned, we have from the very beginning, which goes back almost five years, worked with the gaming industry on committees, on task forces, with the Department of Human Services and, yes, we certainly feel that there have been great opportunities to work together.

The model of service delivery that has been developed, as I said before, indicates an understanding that for most people it is not a problem but many factors make gambling for an increasing number a potentially risky activity and minimising the risks must be the goal of all the players in this field. We have a good track record. Last year we received additional funding for creating community awareness campaigns and we have developed tips for responsible gambling and our efforts continue to be bolstered by development of a number of strategies which are described in the report.

One of the aspects of the knowledge base that we have achieved has been around the accessibility of venues and of machines. It is the number of venues, number of machines, number of different gambling opportunities, times of play, ease of play, ease of laying hands on money, and this accessibility to these opportunities is a huge multidimensional issue. The data on the BreakEven service covers only three years to date and yet there is a whole new group of gamblers - women - who are experiencing electronic gaming machines as local, open most hours of the day and night, easy to use as entertainment for some but, for others, used for stress release and anaesthetising.

The number of times we hear in our sessions about the going there to get away from problems, to create a numbness so that there is a certain way there of being totally not aware of time or other responsibilities until perhaps time runs out or money runs out or something else occurs, so the accessibility on a wide range of issues and a wide range of points is a very big issue, as you have raised many times.

**MR BANKS:** Yes. What did these women do before they had that outlet for their frustration or problems?

**MS RYAN:** It could have been any number of things and one of the things that we do when we work with people and look at that issue is we always look at what happened before. It could be that they were involved with friends or family to a much greater extent. They may have had part-time jobs which, for one reason or another - there have been life changes, there have been transitions which meant for many people that they may be out of their normal or their past areas of living or work. They may have had other recreational activities that they have simply dropped. So part of our work is to revisit those activities and those ways of being that they had.

**MR BANKS:** Yes.

**MS RYAN:** Certainly, Mr Banks, if I had a dollar for every time a client said to me, "Gee, we used to love to go on the bus trips" - from Geelong there used to be a great industry going up towards the Murray River and they would love that. People would budget for that. It would be a once or twice a year activity. Then they say they're sorry they ever came down here, and they describe them as "just around the corner". They can't get away from them. They are so accessible. Certainly in the past they may have had some pleasure out of those trips they made up to the river and which, as I say, were budgeted for, but the key word there is "budget".

Most people do not budget for their gambling and so as they then get sucked into the anticipation and the pleasure that gambling has given them at the start then they spend more and more money. They don't want to go in with 10 or 20 dollars. They won't go, they won't bother to go in unless they take 50 or 100 into the gaming venues, so then they have less money for other things which they may have enjoyed in the past. I think what has happened is that people have taken up going to the venues as something that was perhaps enjoyable but has now become a comfort zone and something where, when there is some sort of distress, they might go to because they know they can get away from things when they go there.

**MR BANKS:** Thank you.

**MS RYAN:** So it is the continuous nature of play, too, that we have learned, coupled with the warm and friendly environment that often leads people to gamble with more money, as I have just said, and for longer periods than they might have intended at the start of a session. Time and time again, as I have alluded to before, they have increased the amount of money they are spending and they can't go in with just a little bit of money and they say they would like to get back to that point. "I would like to be able to. I don't want to give it up. I just want to be able to get back to that point," but for some people "that point" is lost. They won't be able to.

**MR BANKS:** So a lot of them are saying they were at that point once.

**MS RYAN:** Yes, almost all of them were - the women for whom I'm speaking, and

also a lot of the men, who may have also had other types of gambling in their past, such as betting and so on - but pokies are a whole other way of gambling. It is hoped that recommendations for implementing breaks in play be part of the final report of the Productivity Commission's inquiries and should include the following - and there will be further expansion on this from Chris and Julie - on-screen displays and/or use of smart cards prompting players to regularly have an opportunity to make a number of choices and to review their length of play and their amount of money; thinking for a minute there, "Gosh, I should be doing something else. It's time to leave," and a moratorium, I believe, on further increases in the availability and the accessibility of gambling opportunities, pending what's acknowledged still needs to be a wide-ranging research program.

These increases could include caps. You know this is not a BreakEven agreed philosophy necessarily, but could include caps on machines, caps on venues, regulating opening times and preventing 24-hour gambling, which is the ultimate in continuous play.

**MR BANKS:** Just on the smart cards and - - -

**MS RYAN:** Chris is going to be speaking more about that. I am just alluding to that because it's additional harm minimisation strategies strongly recommended, including removal of any possible credit gambling - I do believe it still occurs if you know the publican well - making EFTPOS and ATM machines less easily accessible and issuing cheque payouts for wins over 250. So those are just some of the things which will be then developed further by us.

**MR BANKS:** Good, thank you.

**MR FREETHY:** Can we talk about the smart cards for a minute. We are in favour, as Kathy said, of the introduction of smart cards linked to enhance technology for all gambling consumers, not just those with a problem, but it's probably particularly important for those who participate in the more continuous forms of gambling, such as electronic gaming machines. It's our belief that all players should be required to consciously choose to participate in gambling activities through your smart card and be able to receive a number of harm minimisation and consumer protection measures by this means. So we're agreeing with the gambling industry that gambling participation should be a free choice, but - unlike the industry, I guess - we believe that at present gambling participation is not a sufficiently informed choice and does lack adequate consumer protection measures.

Again, it's our belief that the obligation to obtain a personal smart card in order to gamble is not going to be a great disincentive for people who are not problem consumers. It's principally going to be a one-off requirement which is in line with procedures, consumers, already required to undergo across a range of activities and services, in order to gain access to them, bankcards, driving licences, whatever. I mean, it's a fact of life. If I were to open my wallet, I've got a mass of different cards. I've got a card to get 24-hour roadside assistance for my car. There are cards for

everything nowadays, I don't think it's a particularly novel idea. Again, many gaming patrons already have loyalty cards or they've used card based EGMs such as those that Tabcorp introduced when gaming was legalised in Victoria, so the precedent is even there within the gambling industry.

There's no doubt the gambling industry would protest the cost of introducing the required technology, but of course they're free to charge an establishment fee for the card if they want to recoup those costs; it's up to them. Technology has become increasingly sophisticated across the gambling industry and we believe that that will more readily allow for the inclusion of player protection provisions, and that relates not only to gaming machines, but also to table game player tracking systems, TAB facilities and so on. As we noted before, elements of the required technology already exist and are in place in elements of the gaming industry particularly. We believe the requirement for a smart card with a PIN number and allied changes to EGMs and possibly for non-EGM play, provision of card readers could allow a number of benefits for all consumers.

The first one would be that player transactions could be tracked, which would allow customers to check their expenditure and their win-loss data and this would provide a concrete reality check for both problem and non-problem players, encouraging them to reflect on the advisability of continuing to play. One of the difficulties our clients report - I think Kathy alluded to this - was that clients lose track of the time and lose track of the money that they've spent and only realise after the fact what they've actually done. The system could equally be programmed to even provide regular expenditure updates and this kind of overlaps with machine characteristics, which Julie is going to talk about. It could be done either way, but certainly a card could be programmed to provide that and perhaps even current versus previous spending trends, much like utility bills that people get now, "You used this much gas this time a year ago, you've used this much this time."

You could do a similar thing with the spending. It might be quite helpful in fact. Predictions of likely playing time available for the amount tendered could also be provided. The second benefit we see is that players would be able to precommit, setting a budget that could not be exceeded at the time. So rather than as commonly happens now, a player going in and saying, "I'll spend \$30," and running out and saying, "I'll just grab another 30," and, "I'll just grab another 30" - and our clients quite frequently do this. The initial intent is spend a certain amount of money, but they keep going back and getting more and more out and spending it. If you had a precommitted smart card, this would not happen. They wouldn't be able to do it.

**MR BANKS:** Do you think they would take advantage of that?

**MR FREETHY:** I believe they would. I believe so.

**MR BANKS:** I suppose at the moment, the alternative is pretty stark. There's self-exclusion, so it's all on or all off, and what you're saying is there could be something in the middle where they could specify the degree to which they would get

involved.

**MR FREETHY:** That's right.

**MS RYAN:** Because it's the loss of control that gets to people, so this would help them to maintain some control.

**MR FREETHY:** Again, there is research around - for instance, John O'Connor has done some research into chasing losses and non-problem players will chase their losses as well at times, so again, it could be a prevention strategy for people who would not have a diagnosed gambling problem. It also reinforces player decisions to gamble within an affordable limit, and so for people who are problem players, they may play in a less deleterious way and, as Kathy said, actually maybe help them to get back to that point they were talking about where they do gamble in a more controlled way. You could possibly even have the facility to precommit permanently, much like you have a credit card limit. You could say, "Well, I won't just precommit for the next three weeks or three months, I'll make a decision that if I'm going to gamble at all, I will just stick to a permanent limit."

Equally, perhaps the cards could allow, particularly EGMs, to play temporarily or permanently to their particular requirements. It's a variation on precommitment, but again, perhaps being able to tailor machine play might be helpful; things such as tailoring time limits, line limits, maximum bet exclusions, these kinds of things. Again, it might be helpful for particular individuals. The cards could equally be used as a self-exclusion procedure for periods of time. You could ask that the card not function and, again, it would allow for a very simple non-identifying exclusion process that doesn't require any gambling industry monitoring or sanction, so it actually would be easier for them as well. Of course, players can obtain another card, get around it by borrowing someone else's and so on, but the same sort of difficulties apply to exclusion.

People will simply go to a venue they're not excluded from if they want to get around it. Some people will go into places like Crown in disguise to get around exclusion, so exclusion is never going to be the be-all and end-all. But if you have a smart card, it offers a very simple way of doing it and, again, one of the difficulties particularly in rural regions, can be delays in actually getting the self-exclusion processed, so someone may go cold on it before it actually happens. Particularly for people with gambling problems, that's quite typical. Again, with seeking treatment they often go cold if there's even a short delay between when they make the call and when they actually present for help. So the ability to actually exclude on the spot could be quite useful for a number of people.

The other thing that we think would be useful, assuming the info could be stored somehow and separated from identifiers, is it would be a fantastic source of data for research and policy development initiatives, we believe. Now, Julie, I think you're going to talk about machine characteristics.

**MR BANKS:** Just to clarify a couple of things on that, this would be a nationally applicable card or by state or by venue? How broad?

**MR FREETHY:** I think that would end up being a pragmatic decision on how much agreement there could be. In an ideal world, yes, national would be excellent, but whether that's realistically going to be achievable - I think it would require a level of agreement across all the different players that would probably be difficult to achieve.

**MR BANKS:** But you weren't just thinking of it as being for a particular venue?

**MR FREETHY:** No. Certainly at least across networks, I would have thought. At least, for instance in Victoria, a Tattersall network or a Tabcorp network, but preferably at least statewide I would have thought.

**MR BANKS:** Okay. Then the other point is you mentioned loyalty cards. Now, loyalty cards generate data at the moment, but that data is mainly used by the venue, rather than the consumer. Would you see the smart card data necessarily being available to the venue?

**MR FREETHY:** It's something that we thought about a little bit, but not a great deal. In principle, I guess we would probably think why should a venue not have access to some of the information. I don't know if they necessarily need all of it, but as I say, they collect data on players who have a loyalty card already. It may be possible to combine the two functions.

**MS NELSON:** Given that they have that data, it seems only fair that the consumer has access to it fairly readily too.

**MR BANKS:** It could also provide quid pro quo for establishing or agreeing to such a system.

**MR FREETHY:** Yes, exactly. Yes, it could be an incentive.

**MR BANKS:** Thanks.

**MS NELSON:** I'm going to talk a bit about machine modifications and if we seem to be emphasising controls on electronic gaming machines, it's because more than 80 per cent of our clients have difficulties with electronic gaming machines and if there would be one single area where we could make a difference, that would be it. Continuous play and the dissociation of dollars from credits. The ability to continue playing from winnings without conscious decision are problems for many gamblers, not just problem gamblers. Modifications to the machines that separate winnings from the stake, displays of actual money staked and interruptions to provide a status report on money spent, are being recommended. A number of studies have emphasised the importance of breaks in play.

Recently Prof Mark Dickerson was talking about some studies undertaken in Nova Scotia and some of the characteristics that stood out about problem gamblers were really the duration of play and the duration for problem gamblers was 189 minutes on average, compared with 85 for the frequent players and 55 for the recreational players. Clearly, there's a difficulty with that uninterrupted play, it's exacerbated for our clients. They commonly report, as we've said, that they lose track of time and that they've entered into an almost trance-like state in front of the machine. From a counselling perspective it's crucial that players regain the ability to limit the session in order to achieve control. We're not a service that looks for total abstinence from our clients. What we're trying to do is help them achieve the goals that they set and control is much better in our view than abstinence. It's people being able to control their own behaviour, in fact.

**MR FREETHY:** The other thing I'd say about that, too, is that longer-term research suggests that abstinence models don't work terribly well. After a couple of years, you're down to about 15 per cent success for total abstinence, so realistically, control is a better option.

**MS NELSON:** Looking for some ideas around this, we've looked at a report from the Jelenic Consultancy in Amsterdam 1997 to the Knabels Committee on the Economic and Social Impacts of Gambling in Europe. There are a number of issues that stand out here. Every game should be started consciously, was their first recommendation, and the suggestion that we've had about smart cards certainly would assist that to occur. The group of Break Even services on the discussion would really strongly favour a win bank; that is credits being stored separately from the stake so that people actually can't access their winnings accidentally. They can't just say, "God, you know, I had 200 there last time I looked and I'm down to nothing." The suggestion that was made in this report was that in fact there would be an automatic payout at a set limit and we'd suggest \$200, \$250, something like that that pays out.

It accumulates in a win bank, it pays out. You have to actually decide to put your money back in if that's what you want to do. It doesn't just continuously roll over. The rolling over of credits is also a huge issue and it's not recognised as money. Ideally, we'd like to see the displays on machines in dollars and cents, not in credits. Credit is play money, it is part of the game, we recognise that, but it's a game that has very serious consequences for many people and we think in fairness to consumer information, that that ought to be the way that their stake is portrayed. The smart cards could of course give us regular information about money staked, won or lost, and we'd like to see a break in play every half hour, one that blanks the screen and actually tells you, "You've been here half an hour, you've won this much or lost this much. Do you wish to continue?"

Smart card can do that easily, but again it brings the person back to a conscious state, so that they can make a decision about what they intend to do. We don't think that that would be a major deterrent to recreational players at all, it's consumer information, it's what one would expect in many industries. We'd also recommend

that there be a break of the same duration after a win, and the numbers of times that

people come and tell us that they've actually lost, restate fairly quickly that amount. We think that the cheque payouts are a good idea, as Kathy has eluded to. While there were many other recommendations to the Knabels Committee, they're the ones that we feel are most relevant. It's about associating money to the credits, again so that people realise that's what they are doing, and having some breaks where people have to make conscious decisions about playing or not playing, but most of all, separating the winnings from it, so that that is a conscious decision, it just doesn't roll over in the machine.

**MR BANKS:** Thank you.

**MR FREETHY:** Just in summary, the Victorian Break Even network would like to see further research conducted into harm minimisation and we'd like to see that research conducted by a truly independent body. The ideal model would be one in which everyone has a stake, so that the gambling industry would be involved in it, help services, government. I think if it was a body that somehow we could all have ownership of but was nevertheless independent in its findings, that would be tremendously helpful.

As it stands at the moment I'm sure you're very much aware that you hear a vast amount of conflicting information, some of it more research based, some of it more opinion based, and it's actually tremendously difficult to sit through that and get to what we might consider to be the truth. So we certainly advocate further research, and we would be more than happy to stand by whatever independent research happens to say. If it proves us wrong, well, so be it; that's fine. But let's actually try and get to the truth of the matter in terms of problem gambling and in terms of harm minimisation, rather than it degenerating into some kind of ideological debate or wish list.

We also would like to endorse our premier's suggestion that the appropriateness of current advertising be investigated, and particularly so in light of the current lack of a suitable advertising complaints mechanism, and also that the availability of ATMs and EFTPOS facilities in gambling venues be reviewed, as he suggested recently.

We'd like to again restate that the BreakEven services are not trying to empire build. We're not attempting to maintain jobs for ourselves because we wouldn't be able to find work anywhere else. We actually believe we're reasonably competent and skilled people and have had other lives apart from the gambling field, despite some assumptions to the contrary. The simple fact is that demand for our services is continuing to expand as more and more people realise we exist. We're not driving that demand. People are coming to us. As Julie noted in her introduction, over 3000 clients were recorded for the most recently released data analysis, and I think that speaks for itself.

In conclusion, we do understand there are many many positives from gambling. It's not a denial of that at all. It's simply that, as I said before, it's not our business -

unfortunately - to deal with the positives; we get to deal only with the negatives. So

on behalf of the Victorian BreakEven network I'd like to thank you for your time today and listening to us.

**MR BANKS:** Good, thank you. As you know we had a chapter on problem gambling counselling, where we documented what you were doing, the profiles of clients you had and so on. You talked obliquely about some of those things. Were there any things in that chapter that bothered you, or you thought we got wrong? There are two things in particular I wouldn't mind your reaction to. One was where we talked about the need for more tracking of outcomes and the need for commensurate funding to achieve that, and we talked about follow-ups occurring some period down the track to get a better handle perhaps on what is effective and what happens to these people after they leave your services or the services of others and, indeed, maybe clinical research about different methodologies or approaches. We'd welcome any views about that.

**MS RYAN:** Couldn't agree more.

**MS NELSON:** Currently there is some work being undertaken by Melbourne University on contract to the Department of Human Services, which is a random sampling of our clients.

**MR FREETHY:** And it does all of what you've just said.

**MS NELSON:** We would certainly encourage that, and we'd like to see more of it. It's not at a point where it's about to be published, I believe, but it would be worth asking the department about the status of that.

**MR FREETHY:** Yes, they are in fact doing all of those things, and we support that. Some of the programs also do independent follow-ups, although that can be difficult to get returns of surveys and so on.

**MR FITZGERALD:** Just going back to where you talked about significant others that are affected, do your statistics - and I'm sure we have some of those statistics already - actually pick up the number of significant others affected in relation to each gambling client, or not?

**MR FREETHY:** Not as such, no. It's not one of the questions we're asked to record.

**MS NELSON:** The data that we keep is decided by the department as being the data that it required. You could always modify that base. We don't know how many. We do record how many of them are in families. That isn't largely analysed or published, as I understand.

**MR FREETHY:** There is oblique information, I guess, in that we do ask for information on whether people have relationship problems, employment problems, etcetera, so in that sense you can get a very global estimate, and the reality is that

most people will say they do have most of those things, but it doesn't actually specify quantity.

**MR FITZGERALD:** That's okay. We're picking that up somewhere else. Going back again to a comment that Gary raised with you at the beginning about the fact that in fact all of your clients you are saying haven't accessed other services, they've come directly to you, where did they go previously? In other words, notwithstanding there's been a substantial rise in problem gambling linked with EGMs, where would they have accessed help before in Victoria? Or would they not have accessed it?

**MR FREETHY:** They generally didn't, is our experience. Again, it depends; we're talking in generalities now.

**MR FITZGERALD:** Yes, just general comment.

**MR FREETHY:** For instance, if you look at TAB punters, who are largely men, men are notoriously bad at seeking help for anything anyway. Speaking as a man I can say these things. They generally have not been good at seeking help. So in fact most of the TAB patrons, for instance, who were in difficulty probably just wouldn't have gone anywhere. For the women that Kathy was talking about, again prior to the EGMs they would have said, "Don't have a gambling problem," and in fact generally would have said, "Don't gamble," so they weren't accessing services.

**MS RYAN:** As a matter of fact, coming to counselling is often something that people really don't want to do. They've really had to push themselves to get there and they're feeling really guilty and ashamed and they don't want to be there, and they say that. So it leads you to believe that they haven't talked with anybody much about the sort of issues that have arisen for them.

**MS NELSON:** And the presentation is always one at the crisis end, and the crisis may be an emotional crisis or a financial crisis. But certainly we see more people at that end of it; not people saying, "I think I've got a bit of a problem here." It's people who have really run off the rails in many regards. It's for that reason that we favour harm minimisation. We'd like to see people earlier. There's very little you can do; you can't restore somebody's financial status, particularly those people in the latter stages of their lives who have lost a retirement package or something. We might be able to help them understand how they got there, but we're not going to be able to reinstitute their financial status.

People may be able to come to terms with disagreements and problems in their relationship, the difficulties are often about how do you re-establish trust once it's been broken; those sorts of things. We're not miracle workers, and seeing people at that hard end of the market isn't easy.

**MR FITZGERALD:** You made a comment earlier that you had worked well with industry over a period of time. It's also true that at the very last Melbourne hearing we had prior to the draft report some industry officials, although not all, indicated

that

they were still not convinced that problem gambling actually existed. One in fact made the comment that it was only people with problems that gambled. You may or may not wish to comment. I was wondering why you believe, after three or four years of working with industry, that view would still prevail; that there is a question mark not only about the extent of problem gambling, but whether problem gambling actually exists.

**MR FREETHY:** There are many many possible reasons for that. One of the difficulties which certainly large businesses face anywhere is that once you move into management - I guess I'm talking more about the management levels now; I'm not really talking about people who are on gaming room floors - you're very much divorced from the shopfloor activities of whatever business you happen to be in. I think that's part of it. Certainly part of our role is that we provide training where gaming venues want it for their staff, and the attitude is quite different there. You would not find gaming floor staff saying, "There's no problem gambling."

**MS NELSON:** No. In fact we do actually have amongst our clients people who work in gaming venues and want to talk because they're distressed at what they see. They're not looking for help in terms of an individual basis, but some of them will be asking, "Is there something we should be doing?"

**MR FREETHY:** Beyond that there's a whole lot of other reasons. I'm talking very much at an individual level. I've met some people whose mental model of all problems is that you take responsibility for yourself and if you have an issue you deal with it yourself, and I guess they are not particularly psychologically-minded in their approach to life so would not see problem gambling as being something realistic, as they would see a lot of other psychological problems as not being a realistic thing. It's just a signal of some discomfort that the person needs to take responsibility for.

**MS NELSON:** Individual weakness.

**MR FREETHY:** Yes, that's right. Other reasons, if you take your figures to be accurate - which we suggest they would be - I guess it's also a considerable threat to business, if a third or so of their income is coming from problem gambling, to admit that has serious business implications. There's a whole range of reasons. I guess, too, we would say that although we have an ongoing relationship with the gambling industry, it tends to be restricted to a few individuals. We certainly don't get access to the vast majority, and we certainly don't get access to the top levels. We have no opportunity to do any education for the majority of the industry.

**MR FITZGERALD:** Many of the issues you've canvassed - and I don't want to go much further because we're aware of many of these and you've articulated them quite well - the smart cards and machine modifications, etcetera - and some of the suggestions you've made are in fact new to the list that we've put into the draft report. Do you have a view as to whether this needs to be regulated, or are you satisfied that a period of self-regulation incorporating some of these activities would be an acceptable strategy? Do you have a view about regulation versus codes or

self-regulation? Again, you may prefer not to make a comment on that.

**MS NELSON:** For the secretariat as a whole, we wouldn't have a view on that. We probably have some reservations about self-regulation by an industry, although certainly the industry in Victoria attempts to deal with some of the issues that we raise with them. Advertising hasn't been a wonderful example of self-regulation. We still think much of it is misleading.

**MR FITZGERALD:** Can we just deal with advertising. My last point is, one of the issues as we travelled around Australia was the relative lack of community awareness of advertising, not just in relation to the counselling services available but actually in relation to the risks of gambling. I was wondering whether you might articulate a little bit further on what would be the key elements of such a campaign in your mind. What would it be stressing, and how far would it go?

**MS NELSON:** I think the early advertisements in Victoria which were about crises in people's lives, and the research that followed that advertising, suggested that people felt you had to be in crisis and had to have enormous difficulties before you sought help. As I was saying a minute ago, we'd like an earlier intervention. So I think the messages are about how problem gambling can occur across the social spectrum, across the economic spectrum, and they occur when people are going through often a vulnerable period in their lives, and that if any sort of behaviour is getting beyond your own control you ought to be seeking some assistance at that point; when you do feel that you can't control the behaviour any more, not when the house is about to be repossessed. It's a bit late.

**MS RYAN:** I'd like to suggest that it should go a little bit further than, "If it's no longer fun, walk away," because that's sort of at one end. People might be saying, "I'm not going to do that because I don't like it so much any more." I'd like there to be a few more little checkpoints such as if you're starting to want to gamble on your own, if you're spending more than you really can afford; just a few little ticks that could be very easily done in a colourful quick way on telly.

**MS NELSON:** Some people think they'll pick a problem gambler, that you know what they'll look like; that they look like someone other than you. Well, they don't. In our waiting rooms there are lots of people who look like people in this room. There are people who clearly have had successful lives. There are people who clearly have had lonely and not very happy lives, too. But it's a very broad spectrum and we cover a fair slice of Melbourne between our services and they don't come from any particular areas.

**MR BANKS:** Do you have any further comments?

**MR FITZGERALD:** Just one question. Are you going to make a further submission in relation to Internet gambling or any of the new forms of gambling at this stage? I notice your report doesn't deal with that, but it's a contentious issue and we're seeking comment and feedback in relation to that specifically, so we'd welcome

any thoughts you may have about that.

**MS NELSON:** We'd be happy to convene a meeting or discuss that at the next meeting. As I said, there are diverse services across Victoria, and at the moment we're going through a tendering period where our contracts actually expire at the end of next week and most of us expect to hear some news soon about what problem gambling services there will be in Victoria. So as soon as that's settled, we will be convening a meeting of all of our members, new and old, and we'd certainly be happy to put that on the agenda and get some comments to you.

**MR FITZGERALD:** Thank you.

**MR BANKS:** Thank you very much for participating. We'll break now for a brief moment, please, before our next participants.

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**MR BANKS:** We will resume now, ladies and gentlemen. Our next participant this morning is the Interchurch Gambling Task Force. Welcome to the commission's hearings. Could I ask you, please, to give your names and your positions.

**MR DALZIEL:** John Dalziel, communications director, Salvation Army.

**MS WEBSTER:** I'm Marilyn Webster, research director, Catholic Social Services.

**MR CHAPMAN:** My name is Edward Chapman. I am the social researcher employed by the task force.

**MR BANKS:** Thank you.

**MR DALZIEL:** If I might have the opportunity to mention the other members of the Interchurch Gambling Task Force, which is the Roman Catholic Church, the Anglicans, the Baptists, the Uniting Church and the Church of Christ.

**MR BANKS:** Good, thank you. Thank you very much for participating here today. The Interchurch Gambling Task Force has made a number of submissions that we have benefited from, so we welcome your feedback on our draft report and, as indicated, give you the opportunity to make whatever remarks you'd like to make.

**MR DALZIEL:** Okay. All we're doing with this paper is doing our quick off-the-cuff comments and we will send you a fuller report. We were very, very impressed by your report that you've already issued and it told us far far more than we thought it was going to, and in consequence it is taking an awful lot more time to assess all the ramifications of it. We thought we knew an awful lot about it until we read that and discovered there was so much more we should be taking into consideration. We would like to just address six points with you this morning. We have just detailed those on the sheet there, the overall issue to the culture society and the community, the issues surrounding electronic gaming machines and their placement, problem gambling, the economics of gambling, especially Internet gambling, and the issues for the future of gambling and gambling control.

If I could just start off and say that the thing that really comes shrieking out of your report is the overall impact that gambling is making to the society in all levels. We think that that is a very important contribution that is being made there, and it is high time that we as a community recognised that this is not just an issue that concerns a few people. This is an issue that concerns the very fabric of our society. I was talking in the tea break about the importance of recognising the importance of our capitalist free enterprise system and the way it operates, and the way in which - especially in this gambling issue it is important for us all to have social responsibility for the victims of that very free enterprise system. It is that juxtaposition of those two, sometimes conflicting issues that is causing in our mind the greatest angst.

We would like to see a recognition of the fact that so much of the gambling revenue comes from the few people who have at the worst addictive gambling

behaviour and, at the best, excessive use of gambling outlets as a form of entertainment, and whether they can afford to lose the money or not, they are losing an enormous amount of money to the gambling system. We have this vexed question of how do you protect people from themselves, how do you act responsibly as a community to make sure people are firstly, giving an informed consent to take part in something voluntarily - do they really know what they're letting themselves in for - and then when they are involved will their psychology allow them to stop when any normal rational human being would stop when they've lost so much.

It is working out those methods of encouragement within the freedom of choice that is so important to us as Australians, that we see as the key issues for us as an Interchurch Gambling Task Force and, I presume, are similar for yourselves. We have been particularly concerned that electronic gaming machines have been placed in suburbs where they are the most profitable for the people concerned, and the reason they are is they are encouraging people who can't afford to lose, and I'm talking about western suburbs, suburbs where there is a high proportion of people who don't have English as their first language, and we don't know of any research that has proved that these people are aware of the terrible odds they are facing when they especially use electronic gaming machines. We see those as the primary problem.

We would like to see advertising both at a point of sale - if I could call it that - level; that is on the machines in the venues that makes those factors clear. But just as there are enormous advertising expenditures by the industry offering the most incredible promises of instant wealth for apparently no risk, there should be advertising that does that more responsibly in the community. Here in Victoria the government will argue that they have spent more on advertising than has been spent elsewhere throughout the Commonwealth. But we would argue that the advertising is not addressing the key issues that I have just spoken about, and the previous people were talking about that from a point of view of problem gambling, and I endorse the comments that they made. Now, Robert would like to talk about electronic gaming machines and their placement.

**MR CHAPMAN:** Thank you. I will just run through quite a lot of the issues as presented in the paper. As John said, it's fairly much an interim report; it was sort of written on the run. There are a lot of issues that need to be further refined and supported and looked into and that will be done in the near future. One of the primary issues of the task force's concern that came out of the report was the obvious impacts of EGMs, poker machines, throughout the nation as being the worst, most dangerous form of gambling, and the danger they pose in terms of both gambling abuse and problem gambling. A combination of high profitability, the ease of access and the loaded misperceptions that tend to surround gaming machines both in terms of advertising in the form of machines themselves and even cultural understanding lead to a situation where they have the potential to withdraw massive amounts of money from a large proportion of the population more so than any other form of gambling. That came through quite clearly in the report.

The discussions surrounding the improvement of the machines and the venue

environment is supported - that came out in the report. I believe that to be very satisfactory and very comprehensive but there are some other issues that need to be looked into. One that the task force has had particular experience with is the issue of the cap, especially in Victoria with the issue of a statewide cap. We did a report into this in November last year, and we also came to the conclusion that it is not by any means an effective tool in controlling the extent of problem gambling. However, that does not provide justification in removing it. The dangers in removing the statewide cap would be far more devastating than those that have been posed by the cap at the present time. We've been warned from other states about the danger of allowing EGMs into every single venue, which is something that is often promoted by the industry, for the ability for clubs and hotels to have access to machines if they so desire. But the effects this can have on problem gambling is severe as problem gamblers will no longer be able to go out without being faced by the temptation to gamble.

Therefore, instead of replacing or eliminating the statewide cap, as seeing it as a useless tool, drawn out of the report were the other ideas of caps that were presented, that I believe weren't combined, and which could present a much better approach to the limitation of numbers and the more egalitarian spread of poker machines. So combining the concept of the statewide cap with the regional caps, which is being promoted heavily by the Local Government Association and by a number of other bodies to avoid that oversaturation in poorer communities. Also the concept of venue caps so we can avoid the New South Wales model with the introduction of super clubs that almost eclipse the size of casinos in numbers of machines, and that also avoids some of those complications involved with lower duty of care that they can result in and the mutuality concept that was discussed in the report, and also an overall corruption in the aims of non-profit clubs and organisations.

Also with that the concept of a price cap was a worthwhile contribution from the report, not so much for limiting the access to problem gambling but simply limiting the extent to which problem gambling can occur and the effects that it will have. While it may not stop people from becoming compulsive gamblers, it at least reduces the amount to which they can harm themselves.

Specifically in Victoria the situation of the duopoly was raised with Tattersalls and Tabcorp. That is another tool of regulation which is by no means an effective or fair one overall, specially in terms of smaller clubs and hotels who have stated their dissatisfaction with that arrangement, and also with the apparent focusing on lower socioeconomic areas because of the arrangements of that duopoly. However, we have often stated this as being the lesser of two evils. We have been warned again by organisations in South Australia, in our discussions with them, not to remove that system. While it does not work terribly well at the present time, to remove it would simply, in their opinion, result in the two major providers being replaced by large chains of hotels - ostensibly the two official providers would therefore be replaced by some number of large unofficial providers which would be harder to regulate and would result in the same negative effects anyway.



In the destruction of the duopoly I cannot see how it would lead to a reduction in poker machines in the poorer areas. Possibly it would lead to an increase in the short term and it would just lead to a wider EGM spread overall. It's far more preferable to attempt to further regulate and improve the present system that we have through the use of regional caps and venue caps to try and further control that. Introducing further providers is not, in our opinion, recommended because further competition in the case of gambling can often result in lower consumer protection, and we need to be extremely wary of that.

**MR BANKS:** Just pausing on that for a moment, why do you think there would be a higher concentration in lower income areas if you didn't have the duopoly issue?

**MR CHAPMAN:** Let's say the duopoly was destroyed and the clubs were allowed to own their own machines, therefore most likely assuming the statewide cap would probably have to go up to allow that as well, then basically they're saying that the machines will not spread out of the lower socioeconomic areas into the higher socioeconomic areas until lower socioeconomic is totally saturated. At the moment they're approaching saturation but they're not there. So to lift the cap and remove the duopoly - simply lifting the cap will result in an increase in that area but also removing the duopoly sort of goes hand in hand in the removal of the statewide cap in many opinions, so either of those would result in that area being saturated before we start to see the spread of the machines into the eastern suburbs. The profitability will be milked totally before it can spread to areas where profit may not be as high.

**MR BANKS:** Would you accept though, that in principle, ownership and access could be differentiated, that you could have venue or regional or other caps coexisting with a more diffuse ownership?

**MR CHAPMAN:** It's true. I mean ownership itself doesn't necessarily result in that increase, but we don't believe that the individual ownership of machines necessarily results in a better result than the duopoly system that presently exists, and it would be further harder to regulate. There may be an increased demand for an increase in the cap than there already is.

**MS WEBSTER:** We have always put the position that in fact the duopoly has really contributed to the relatively clean gambling industry in Victoria, and that's because of, we believe, the ease of regulation.

**MR BANKS:** I suppose the other point I'd just make is - I mean you made a comparison with South Australia which is interesting. Another one might be with New South Wales which has a diffuse ownership-type model in venue caps, at least in relation to hotels, if not clubs. What the survey data is showing is there's not a huge difference in the incidence of problem gambling between New South Wales and Victoria. When you look behind that you'll see the intensity of machine use in Victoria is much greater, generating comparable revenue from a third of the machines or something that exist in New South Wales. Would you like to react to that?

**MR CHAPMAN:** It's difficult to summarise all the factors that could go into that. I mean it is disturbing especially when we consider the difference in time that poker machines have been in the two states. No doubt the situation with duopoly has contributed to that with the focusing in poorer areas, because that has been a conscious decision by the industry to do that. If at the beginning of regulation they had decided for clubs to own their machines, as in the New South Wales model, things may have turned out differently. It's hard to determine exactly what would have happened.

**MR DALZIEL:** Can I just come in here. I've also wrestled with that incredible anomaly. I think the reason the New South Wales system has operated that enormous number of EGMs that they have there without having a greater number of problem gamblers and virtually the same amount of expenditure on gambling in New South Wales per head of population that we have in Victoria is because it hasn't been marketed as aggressively and as effectively as it has here in Victoria. You might say that that argues against the duopoly from our point of view, but what we're seeing is that the machines have been put into clubs for the clubs' benefit, whereas here in this state they're being used in their most economic form for the overall state suppliers.

We would argue in this paper that the time has come to put restrictions on those state suppliers because of the luxury of a duopoly that they have. You couldn't do that in New South Wales but we can do that in Victoria. It hasn't been done and it should have been done, and we believe there is information gathered that makes it possible to show why it should be done now. In effect we're saying not only should the cap have been maintained, but where possible it should be reduced, so we have local caps to protect local communities, but you don't then make those machines available elsewhere unless there is a very good case for a growing population. I mean, we have to be flexible on the thing to that extent.

But also the thing is these suppliers will not want to see them put elsewhere because they've got this very high profit margin that they expect from their machines. So they take them out of Toorak where they're not profitable and they put them into Sunshine where they are profitable. Similarly, if they're told they have to take them out of Sunshine again they're not going to put them back into Toorak where they make a loss.

**MR BANKS:** Yes, there is no doubt there is competing considerations there. What one observes in New South Wales is that you have some sleepy little clubs that will have a couple of machines in the corner for the benefit of their members.

**MR DALZIEL:** Yes.

**MR BANKS:** And they have the option to do that. What we heard in Victoria was a sleepy little club can't keep its machines for very long.

**MR DALZIEL:** They're taken out very quickly.

**MR BANKS:** That's right, so there are incentives, much more focused incentives, I think, to optimise or maximise the intensive use - - -

**MR DALZIEL:** I can assure you we have wrestled with this long and hard and it goes against our grain to be saying it, but we think when it's all boiled down, it is better to have the devil the know than the one you don't.

**MR BANKS:** Quite an apt analogy in this context.

**MS WEBSTER:** The other option that I know has been put to you is the issue of the contractual arrangements and the extent to which the contractual arrangements themselves might be regulated to allow for a greater role for the smaller clubs, and we're aware of that debate and we think that it should run its course.

**MR CHAPMAN:** We believe that would be - when combined with a better system of broader and more comprehensive caps the duopoly system can work better in the sense that a smaller club in Boroondara or one of the richer suburbs will be more able to get one or two machines in the corner because they'll have to be removed from the more saturated areas in Maribyrnong and Dandenong and such. So there will be more pool of machines to actually go around.

Going back to the differences between New South Wales and Victoria, clearly the biggest difference has been the speed of the introduction. With New South Wales it has been a long-term process and that has perhaps allowed it to work more effectively with club ownership, with the promotion of the industry in Victoria - and whether that's the fault of the duopoly or some other body, without necessary regulation and caps and the controls on that, that has the potential to be devastating if a club based system of distribution was allowed. Especially now that we're already sort of riding the wave, so to speak, it would be very difficult to go to a club ownership or hotel ownership basis, because the momentum is already there and the spread could be quite significant.

I might just go on to discuss a bit further about clubs, which was a primary issue coming out of the report, especially in terms of mutuality, and there's a concern in Victoria as we were just speaking, about smaller clubs wanting to gain access to a few machines. Clearly with the increased promotion and spread of gambling and the revenue that's coming with it, the pressure on clubs to grab hold of this is increasingly apparent. As many clubs go under the revenue source is very tempting and on first appearance seems to be fairly harmless: the idea of a few machines can't be hurting anybody. However, what was noted in the report as well was one of the major reasons behind the increase in gambling, especially EGM gambling, has been the lack of other entertainment and social opportunities within the community.

With the spread of gambling in clubs and hotels especially in Victoria, but also in other states, unfortunately we're seeing the increasingly continued erosion of those opportunities. A football club that may have provided those opportunities takes on poker machines and with the present incentives given by the two providers that

before

long becomes a major part of their revenue and becomes a major task of their promotion, so as they do that you can imagine the other opportunities being sacrificed. The club's aim therefore becomes more so to get people in to use the machines rather than the other opportunities that they're providing. I'm not saying that they're not providing other activities, but their focus has changed and smaller clubs that may have just preferred to steer clear of the gambling paradox and would rather just provide the same activities that they've been providing for decades will be unable to find their support as people no longer come to use their facilities, to use their sporting clubs and are spending more time in larger clubs with more machines.

Due to this the increased focus of many clubs into EGM gambling, especially in New South Wales with the introduction of the super clubs, it is difficult to find that preferential treatment for clubs that was discussed in the section on mutuality. What the task force would like to see and is going to look into further is the potential - where there are presently clubs that are complaining of the inability to gain machines, inability to gain revenue and their imminent closure, there is an opportunity there for these clubs to set about correcting the imbalance in society about the lack of recreational opportunities.

Clearly, with the increased EGM gambling there is a desire for increased social opportunities, leisure opportunities, recreation. Other clubs that do not have machines or do not have many, have the opportunity to set about trying to redress this balance and we believe it's something still in the early stages but it's something that can be looked into and examined further to see what opportunities non-gambling venues, non-gambling clubs and hotels, for that matter, have. In the report we examined such issues as the decline in the live music trade, and we've seen other things related to that. These are the sorts of areas that could perhaps be resurrected and examined further as a way of bringing about change in those clubs that cannot get machines, but are going under, and can use that to redress a greater societal imbalance.

Just briefly, a few points on problem gambling which came out of the report. Firstly, is the need to examine the balance between what I've called harm minimisation and the need to discourage gambling activities in the first place. The report has a lot of emphasis on harm minimisation, which is excellent, but there is also a need for looking at the discouraging of taking up gambling in the first place. This can be seen as the difference between late intervention in the case of problem gamblers and those who have spent too much, and early intervention in making people aware of the consequences of gambling, the addictiveness of the product, the true odds that are there, the unlikeliness of winning and so on. So we need to have a balance between those. We can't simply focus on harm minimisation or else it will simply be a matter of treatment rather than prevention. There needs to be a redress of the balance.

Again, there is the role of the caps in controlling problem gambling. While caps clearly do not do much to prevent existing problem gamblers from gambling, it might make it harder for them, and it has been discussed in the report that that may

make things worse for problem gamblers. There is still a role for the cap in controlling

especially new problem gambling, but also in the case of existing problem gamblers. They do have the ability to make gamblers more aware of their problem. As they find it harder to gamble - the (indistinct) report has suggested that they would be gambling more in the shorter time they have available. While that may result in more negative effects it may also result in the effect of making them more aware of their gambling behaviour sooner.

**MR BANKS:** What about the point we make that if you're looking for measures that can address problem gambling with the least disadvantage to others who don't have a problem, that caps are a fairly blunt tool in that respect, particularly if it does involve the kind of congestion that will impact on problem gamblers? By definition that's impacting on everybody else as well.

**MR CHAPMAN:** Yes, it is a blunt tool, and there are far better measures of doing it, but we believe there is a role for it. Simply because it's blunt doesn't mean it's unnecessary.

**MR DALZIEL:** If I could just come in, there is the other factor that the community is saying, "We already have enough gambling opportunities and we don't need any more gambling opportunities." That's entirely separate to the problem gambling issue and in a way I think it should be the key one here. We have to find a way of responsibly reducing the opportunities to gamble. That's why this later point we're going to come to about Internet gambling is so ludicrous - that we should be even considering having yet another form of gambling introduced.

With EGMs we've seen this huge proliferation in states like Victoria and South Australia produce this huge increase in expenditure and people are saying, "That's enough. It's gone too far." We have to find a way of reducing the opportunities. The cap is one way of doing that.

**MR CHAPMAN:** In terms of the cap one thing we've examined and come to an assumption about is that the demand for gambling is unlike demand for normal products in the community. As we've seen there is general community feeling that gambling, especially EGM gambling is a bad thing and there is a desire for those numbers to be decreased. Meanwhile, at the same time, the industry is crying out for more and more machines and increased opportunities. There is, as discussed in the report, that ambivalence between the two concepts. The task force sees this generally that the audience for gambling products tends not to be client-driven but tends to be industry-driven: create the opportunities for people to use and they will use it. You do not see people protesting outside a hotel saying, "We want some poker machines here. We can't gamble." However, you do see the opposite thing. However, when poker machines were introduced suddenly people started using them, so there are clearly some other issues there and we'll be looking into that in the later report.

Also, in terms of congestion, in our discussions with industry they have suggested the concepts of congestion and how that is a negative thing. However, we accept congestion in many other products, leisure and entertainment products. One

we looked at earlier was that no-one would go into a hotel on a Saturday night and expect to walk up to a pool table and have it unused. It's clear you're going to wait a while. That concept should be no different - between a recreation such as a game of pool and a recreation such as a poker machine. Simply having to wait half an hour doesn't necessarily mean that there is too much congestion. We shouldn't be able to just walk straight in and use a machine. No-one would ever assume having enough pool tables that you could just walk in and use one; we'd have pubs the size of football fields.

**MR BANKS:** I don't want to get into the semantics of it, but you could argue that in a sense there's a market test there as to the optimum amount of congestion that the proprietor feels is appropriate in terms of still investing in those pool tables.

**MR CHAPMAN:** Yes, there is definitely some further research that has to be looked into.

**MR DALZIEL:** I agree with that, but it comes back to what we started off with, where you have a free enterprise system then you have social responsibility. It's where you draw that line that is, I believe, what we're all talking about.

**MR CHAPMAN:** Just moving on, another point in the concept of problem gambling was also the point discussed in the duration of gambling problems - that's a relevant issue - however, it's still going to take a while to look into as gambling is still relatively young, especially the expansion of EGM gambling in Victoria and other states. Due to the fact that this is still an emerging industry, even after all these many years and we're still seeing gambling problems emerging - and I would say we haven't reached the peak of what we're going to see yet - it is hard to justify an expansion of the industry especially an expansion of EGMs. Also that poses questions over the introduction of Internet gambling until we can fully observe what impacts this has had on Australian people, problem gamblers and society as a whole.

Also with problem gambling is the role of misconceptions - and the task force will look into that further - but just to discuss it now, misconceptions are one of the key issues in the development and continuation of gambling abuse. In the report it was mentioned that most people with tertiary education who seemed to have understanding of the concept of odds and the concept of chance tended not to gamble. The number of people with tertiary education who gambled was significantly lower, and there's obviously some justification behind that, so clearly the role that misconception has played, in terms of the promotion of the industry, in advertising, in the design of games and machines and also the general cultural approach to what gambling is, needs to be examined further and used to create some better criteria in regulation.

Our fourth point was just a brief discussion of the economics of gambling. We haven't looked into this fully yet, but there were some primary issues that were of concern. One that came up was the discussion around the robust demand for gambling, despite the changes in price that existed. It was believed in the report to

assume that consumers place a high value on their ability to gamble. The task force will be looking into other issues surrounding this robust demand. We believe there are more than just standard market forces at work here and we'll be examining those factors to try and come to the understanding that a robust demand does not immediately result in meaning that consumers place a higher demand on that product. We'll look into issues such as the promotion of the industry, the misconceptions that have been construed, and the accessibility of the product.

Related to this was the concept that a change in price or a change in the odds of a game significantly alter expenditure. This needs to be examined further in this light of gambling misperceptions. If a gambler does not have an understanding of what odds mean, then it's unlikely that a change in price is going to make much difference to their gambling patterns, especially when payoffs are few and far between, don't often make a lot of sense, and the design of the machines doesn't assist in that presently. So the concept of change in price altering expenditure needs some further examination.

**MR BANKS:** Could I just clarify there. We had Prof Richard Blandy and Dr Hawke appear in Canberra. I think they said to me that the work they were doing for the Hon Nick Xenophon from South Australia was in some way linked to work the Interchurch Gambling Task Force was doing. Are you aware of that?

**MS WEBSTER:** We are aware of their work.

**MR BANKS:** Because actually a point that they're making in differing with some of the assumptions that we've made is that the demand for gambling is quite price-elastic. I have some sympathy with the view you've put here that there are a number of reasons why it may be relatively inelastic, to use the jargon, but it is an issue that came up and it was one of the main planks of their taking issue with us on the net costs and benefits. So they'll be doing more work, presumably, on that.

**MR CHAPMAN:** For us it comes down to the issue of these misperceptions that surround the gambling concept of odds. If it's possible to disarm all the misperceptions around the gambling industry, it would be much easier to determine the true price elasticity of the product, but unfortunately people don't know in a sense what they're paying. I'm sure if you asked a lot of gamblers, "What does this game cost you?" it would be very hard for them to determine how much that costs, how much that costs, especially since there are beliefs that, "Oh, this machine pays off more than that machine" simply because it's blue or something like that. Those things have to be examined and disarmed before price elasticity can be examined fully.

Just finally, in terms of economics, we'd like to look further into the impacts of gambling on business. Given that we believe gambling is not a substitute product for other entertainment forms, while it is promoted as an entertainment industry, clearly it has significant differences in terms of the nature of the product, the price of the product, the addictiveness, and the access, so those issues are going to be looked into

a bit further to examine how gambling as a product differs from other recreational  
and

entertainment products, to examine how this can affect business subsequently.

The second-last point, just briefly - the concept of Internet gambling is clearly an issue of major concern for the task force. We've been doing some work on this in the last couple of months with submissions to the Senate committee. Clearly the potential for negative consequences the Internet poses can't be ignored. This is in a number of aspects. Clearly the first one is in terms of accessibility. It's almost pointless for us to be thinking about caps on poker machines when we'll be introducing legislation that allows poker machines in every home in the state - or the nation, for that matter. Already people have access but if this legislation came through, this would basically allow everyone to gamble from home, and the concept basically goes out the window.

The concept that came out of this was work the task force had recently been doing with an organisation that was putting a program together to prevent gamblers from entering gambling venues. They had technological means which prevented gamblers from entering particular venues, so if they had a problem they wouldn't be able to enter a venue at all, or gamble. With the introduction of Internet gambling this whole program basically becomes defunct, as they no longer need to leave home and there are no means by which you can stop a person from entering their own house or entering an Internet cafe and using the machines there.

**MR BANKS:** But couldn't you say, though in some ways it's harder to stop someone getting into a real venue, it comes down to the choice of the person. Both things require the person themselves to take a stand and say, "I want to be barred from that venue" or, "I want to have controls on my gambling." We were talking to BreakEven about these sorts of things before. One advantage we found with the Internet domain is that you can build in a lot of those self-protections. It still does require the person to acknowledge the problem and take action commensurate with that, but there seemed to be actually greater ease of achieving that than there is with other forms of gambling.

**MS WEBSTER:** We were very disappointed that the Victorian legislation did not reflect the provision of the Queensland Internet gambling legislation whereby third parties were able to apply for restriction from entry to the gambling sites. We believe that this was perhaps the single-most measure that would provide an element of protection for families where a large majority of income and resources were at risk.

**MR BANKS:** Could you explain? I wasn't aware of that provision. A third party could apply for a restriction on the principal person?

**MS WEBSTER:** Yes, on the entry of a particular person who had previously registered for online gaming. It's a regulatory provision in the Queensland legislation that's obviously yet to be proclaimed, but we're extremely disappointed that the Victorian government wouldn't countenance deliberations around that issue.

**MR DALZIEL:** Just on Internet gambling, we believe that if it were possible to

stop Internet gambling completely, that would be a good thing to do. In discussion with banks it is possible to stop the credit card payment to the suppliers of Internet gambling anywhere in the world, as long as they are covered by federal legislation and are given regular updates, presumably by the Federal Police, of the suppliers of those Internet gambling resources. It is really only the political will to implement the legislation that is stopping that occurring. We believe it is intrusive into the home, and the community has already made it clear there are ample opportunities for gambling, that to put this restriction on liberty is a justifiable restriction.

**MR BANKS:** As you know, we've wrestled with this and the chapter reflects that.

**MR DALZIEL:** Yes.

**MR BANKS:** It is very complex and we do see the two sides to it, and I think one of your earlier submissions talks about the two sides as well - - -

**MR DALZIEL:** Yes.

**MR BANKS:** - - - and comes down on the preferred approach that you've just described. One of the issues is how people respond to bans on activity and the extent to which they accept the ban I suppose depends on whether they think it's a fair thing. I would be interested in your response to this. Whether people would think it would be a fair thing to ban the same sort of gambling activity by one mode of delivery when other modes of delivery are available would be one issue, and the extent to which people will search out options despite the ban and therefore render it ineffective.

**MR DALZIEL:** Quite obviously our view is that the gambling industry has just a plethora of opportunities to reach its target market in Australia and this one is the most intrusive and potentially most damaging to those who suffer from problem gambling behaviour, and of all the forms this is the one where protection should be given. We would be very surprised if it did not carry the majority of Australians' votes that this was the right way to go.

**MS WEBSTER:** And one of our major concerns is the extent to which the potential impact of Internet gambling is underestimated by those in conversation about it, and the likely rapid deployment of interactive television over the forthcoming years is really the vehicle by which that massive entry to Australian households will happen. It won't be the currently connected Internet mechanism, it will be the interactive television. I think that has been largely ignored in the debate.

**MR BANKS:** I think Senator Chapman from South Australia had a very colourful illustration of that relating to Australian cricket and Warne coming in to bowl and then it's freeze-framed and then you bet on the outcome and so on. It was quite arresting. Perhaps in your subsequent more detailed submission we'd appreciate you commenting on the particular points we make in terms of the pluses and minuses in this area and the balances, as we've seen them. We'd be quite grateful for that,

because, as I say, there are a number of technological protections which we thought

were useful and indeed should be spread to other forms of gambling, relating to giving people information and control.

The other issue is in relation to problem gambling itself. We'll be talking more to experts in the area, but one of the issues with problem gambling often is that the problem gambler tries to keep it secret from the family and therefore the extent to which that person would engage in long bouts of gambling in a family context is another issue that would be worth thinking about. There are experts probably assessing those sorts of issues, but we'll need to draw a bit more on that as well.

**MR CHAPMAN:** Talking about the idea of problem gambling and the ability to hide it from the family and such things as that, unfortunately Internet gambling is not an isolated issue. I mean, people who gamble on the Internet will still be able to go down to the local venue, so when they need to hide it from the family they can go out of the house, and that doesn't even necessarily mean to a poker machine venue, but Internet cafes and those sorts of things, and then when they have the opportunity they can gamble at home. There are difficulties in terms of the technology that allows people to restrict themselves and place greater control over their own gambling, especially with the legislative frameworks we have.

While the tools are good, especially in the Queensland legislation with the third party exclusion, the problem is that at present Internet gambling is available through overseas sites, but the level of gambling is still relatively low as it's still somewhat new and people are a bit nervous about the concepts. Once the industry begins and expands and people become used to the concepts, become used to gambling on the Internet, become familiar with how it works, if they develop a problem and say in Queensland a third party excludes them from gambling, and even if they're excluded from gambling in all Australian sites, they will still have the opportunity to gamble overseas. And since that pattern of gambling behaviour on the Internet has already been initiated and reinforced, it's much easier for them to make that move to overseas Internet gambling than it is presently for them to move from physical forms of gambling to that. So the controls, while well meaning, unfortunately I think need some further reinforcement, especially in terms of the relation to overseas sites entering Australia.

I will comment about the effect on children because clearly the Internet is one that children are quickly taking to. Most of them know how to use it better than people twice their age. We've mentioned in our previous submission about the possibility of children observing the gambling behaviour in the home and the ability to sit there over the dinner table and watch mum gamble the housekeeping away. The concept of children not gambling simply because they are unable to collect their winnings we don't believe eliminates the risk. There are many opportunities for people to gamble without registering and without paying money, if you just gamble for fun and you don't have to spend anything. While that's harmless, so it would seem, financially, it helps to develop the gambling behaviours that can be perpetrated later on.

You talked about that in terms of the intergenerational effects on children that gambling already has, and that's something we have to look into further, and also the difficulty in preventing minors from accessing Internet sites needs to be looked into further. Simple concepts such as credit card numbers or driver's licence IDs we don't believe is adequate enough. Any child accesses their parent's wallet; it's not that hard. There need to be certain tools to further restrict that and to further ensure that who is gambling is actually who they say they are and is legal to do that.

In terms of young people we also are aware of the point that was raised in the report that most problem gamblers are of a young age. This poses direct threats to the potential for Internet gambling, as clearly the people who are most familiar with the Internet are those of a younger age, so the potential that this has for an explosion in problem gambling is quite significant.

**MR BANKS:** I'm not sure that we said that most problem gamblers are younger but that younger age groups are disproportionately represented.

**MR CHAPMAN:** Yes.

**MR BANKS:** I think that that's right.

**MR CHAPMAN:** Just briefly, the last few points are relating to the future of gambling and gambling control. Clearly the role of advertising needs to be looked into further, especially the misconceptions that we mentioned earlier, especially in Victoria, as we've stated. Some of the gambling ads that exist here have resulted in encouraging people to go gambling rather than discouraging the activity in the first place, and there is the subsequent need for relative and effective anti-gambling advertising to match the severe promotion of the industry that not only informs people about gambling but also can disarm these misconceptions.

Talking about clubs, we need to look further into the greater society need for non-gambling centres and social opportunities. This may seem a more far-fetched approach, further off to the side, not directly related to gambling, but it's something that we believe should be taken into consideration in trying to promote healthy gambling activities. There should be the opportunities for people to go and socialise without sitting in front of a poker machine.

Briefly, the concept on non-alcohol venues was raised and we would like to look further into that. We believe it is a worthwhile idea, seeing the disturbing trends when we link alcohol and gambling expenditure. However, the regulation of that would need to be carefully constructed, as we do not want to see a flood of alcohol-free venues popping up all over the place. There would need to be restrictions, control of minors and such, with that.

Just briefly, the final point about redirection of gambling revenue, both in terms of redirecting our government revenue to the municipalities most affected - in Victoria that often relates to the Community Support Fund; redirecting that to

municipalities

that have lost the most money to it rather than sending it to large projects in wealthier municipalities, as has tended to be the trend so far - and also the increased flow of gambling revenue into health promotion, advertising, marketing, and promotion of healthy alternatives and early intervention.

**MS WEBSTER:** There are a number of additional points that we will be commenting on that I should perhaps allude to before we conclude. The first one relates to the proposal around regulation of gambling. I think it's fair to say that the task force endorses the three-way split that you have constructed around the role of the executive, the Control Commission and some policing authority. I think we do have some issues in relation to emphasis and where relative responsibilities might lie.

An example of that is the recent development of regulations around Internet gambling in Victoria, where primary responsibility has actually been held by the Victorian Casino and Gaming Authority. Quite clearly the Interchurch Gambling Task Force sees that the primary responsibility for development of those regulations should lie with the ministerial and public service arm of government and involve extensive consultation with the community groups affected, over and above a regulatory impact statement process.

The second major point that we'll be commenting on will perhaps be applicable to all states, given the development of competitive tendering as an approach to funding of community based services. I know that's probably been mentioned earlier by the BreakEven presentation, but in Victoria on 30 July we did expect an announcement in relation to a competitive tendering process around the future of gambling counselling services in each of the regions. That hasn't occurred, despite assurances to us yesterday from the minister and the bureaucracy that it had.

We now are in a situation where there is a real risk of discontinuity of service at the end of next week, particularly in those areas where the successful tenderers in the latest round were not those services already providing gambling counselling services, and to our knowledge there are at least three of those. We believe that not only does this reflect poorly on the funding processes, the competitive tendering processes, as conducted in this particular case but it does raise broader questions around issues of both client continuity and staff continuity in competitive tendering more broadly. That might be a view that's perhaps not happily embraced by the Productivity Commission but we would like to make that point.

Finally, we want to emphasise the role of local government planning processes in the location of gaming machines, over and above the issues of perhaps the legislatively enforced caps. We do believe that there should be a strong role for local government around application of planning processes, and we did mention that in our last presentation to you. I think that's all I have to say.

**MR BANKS:** Yes. Actually, that is another area that we wrestled with, I think, in terms of just how that would operate. Clearly there's a logic there about local impacts needing to be taken into account, so again, if you were able to look at what

we've said

there and provide views about how that could be progressed, that would be useful. I think I've asked most of my questions.

**MR FITZGERALD:** Just going back a little bit, you talked about your concerns around a harm minimisation strategy and indicated that one should be discouraging gambling activities. I notice there's another submission either today or tomorrow which actually indicates that the commission should have adopted a harm prevention strategy as distinct from harm minimisation. I need to understand more fully what the difference is as you might see it, although you don't actually use the term "harm prevention". Where do you think the commission's report is weak in this area, or insufficient?

**MR CHAPMAN:** I will state first that we believe the role of harm minimisation is vital. We don't believe that one - harm minimisation, discouraging gambling activities, or harm prevention - is better than the other. They're both required to treat different portions of the audience: the existing problem gamblers or the potential problem gamblers. How we see I guess what you'd call harm prevention, the best way of summarising it would be, for example, tools in terms of access and easy access to an opportunity; that is one of the tools under harm prevention. By controlling the access an individual has and the distribution of poker machines throughout the state, that is one means of harm prevention. It means that someone walking through a shopping centre isn't confronted with the risk to gamble on machines. So that's about preventing people from gambling in the first place. Also, in terms of education, the misconceptions of gambling, about the odds, is also about that informed choice to gamble which is part of the harm prevention model.

In terms of harm minimisation we see a lot more of the tools - sticking with EGMs again - around the design of the machines, around relevant advertising on the machine about the odds, about warnings of problem gambling behaviour, questions such as "Have you been on here for too long?" and making people aware of how much they're spending. Those sorts of issues are how we see harm minimisation as being. So that's primarily how we see the difference.

**MR FITZGERALD:** Going back to Internet gambling, as Gary has indicated we have struggled with this chapter, as everyone is struggling with Internet gambling throughout the world at the moment. You're right that one of the issues that's cropped up is the notion that on the one hand we have been concerned about accessibility to gambling generally and on the other hand, in the Internet chapter, potentially one has a massive explosion of accessibility, but I just want to flesh it out a little bit further. As Gary indicated, the balance one has tried to strike here is that notwithstanding that it becomes more accessible, the control features that are associated with it and the harm minimisation and all those sorts of things mitigate against the downside of greater accessibility. That's an issue that's obviously in contention at the moment.

The fact also is that we already do have Internet licences now being granted in a number of states and more seem to be on the way. Do you believe that the

increased

accessibility or the disadvantages or dangers associated with that as you see it can be significantly moderated by some of the suggestions that have been put forward in that chapter? Accessibility of itself is an issue, but it's actually the way in which the games are operated that seems to be just as great an issue as the accessibility.

**MR CHAPMAN:** In that section of the report there were definitely some excellent suggestions on harm minimisation and controlling the negative consequences. We believe that if it did get introduced we'd have to look severely into what measures would be needed, and in our submission on Internet gambling previously we suggested a large range of measures that could be introduced that could minimise and prevent minors from gaining access and those sorts of issues. The difficulty is simply that, by its nature, Internet gambling just has that increased accessibility and that can't be ignored. By its nature, Internet gambling is visible to children and they will be able to observe those gambling behaviours. By its nature, Internet access is difficult to control for problem gamblers, who really need to gamble; they will still be able to. So by its nature there are things in Internet gambling that cannot be controlled.

There are definitely measures we can take to minimise it but, in overall control, it's very difficult to stop those negative consequences. A ban on Internet gambling is impossible to enforce a hundred per cent. We have acknowledged that and the report acknowledges that as well, but we believe that in setting out the ban of this legislation, it would prevent the majority of gamblers who have a risk of developing problems and have the negative consequences associated with that. While if someone is determined to gamble on the Internet there is little that anyone can do to stop them, especially at this point in time, there is at least a degree of control by which we can make it more difficult, through use of credit card facilities, Internet service providers. How they may come online I don't know, but there are definitely means to limit that so that at least it becomes harder to gamble. Many people may just decide, "Look, don't bother with this, I'll just go down to the local hotel," where there are already regulations set in place and they will just gamble there instead, where it's safer, more legal and you know you're going to get your money back.

**MR BANKS:** I guess it is the trade-offs that we talked about earlier, but people will say to us, "On what basis should you ban something with which 98 per cent of the population has no problem?" So that question of targeting, I guess, is a key for us in thinking this issue through.

**MR DALZIEL:** We would argue that it will be different with Internet gambling. 98 per cent will not be the figure that have no problem with Internet gambling, and one of the problems with the Internet is that it is all so new and explosive that if we don't act now, we're not going to be able to act later. There's enough anecdotal evidence, we would suggest, to justify trying to make it as difficult as possible for people to gamble on the Internet.

**MS WEBSTER:** We do know from the history of the industry as a whole that each new gambling element brings with it an explosion in problem gambling. We saw that particularly with electronic gaming machines in Victoria. It was sort of like a

crucible,

a social experiment, and that concerns us very much. So our primary position is that we would be seeking to prevent the expansion of gambling opportunities in Australia to Internet gambling, but given that some governments have already moved to regulate, despite our pleas that they desist from that at least until the Productivity Commission had reported, we do have some position that would perhaps ameliorate to a very small extent what we see to be potentially a massive problem.

**MR BANKS:** I guess the other point that we make in relation to Internet gambling is that it's hard to adopt a graduated approach to it. Even one site is potentially accessible to the whole population. That's also, in a pragmatic sense, a problem that you have to deal with, given that some jurisdictions have already moved.

**MR CHAPMAN:** Another point in relation to the unique possibilities of Internet gambling: in the report you touched briefly on the potential of the concept of the cashless society and issues such as smart cards and how that can effect gambling behaviour. We have to link that directly with the concept of Internet gambling because clearly no-one is going to be putting dollar coins into their computer, so the idea of how much money actually has been expended becomes simply a number on the screen. As we all know, it is much harder to comprehend the reality of that in many instances, and that's another reason for - if it was to be legislated - the need for those controls so that people are fully aware of exactly how much money was being debited from their account, or however it was going to work.

**MR BANKS:** Thanks very much for that. We look forward to your subsequent submission. We'll break for a moment now, please.

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**MR BANKS:** We will resume now. Our next participant this morning is Gabriela Byrne. Welcome to the hearings.

**MS BYRNE:** Good morning.

**MR BANKS:** We talked to you in the lead-up to the draft report. Why don't I allow you to simply make the main points you want to make in response to the draft. Just give your name again and your position or your status, and we'll go from there.

**MS BYRNE:** My name is Gabriela Byrne, and I formulated the submission following the release of the draft report of the Productivity Commission in July 99. I'm here and I'm concerned because as a person I have been affected directly by problem gambling. I used to be addicted to poker machine gambling for four years and struggled immensely to free myself, and I developed in the process a program called the Free Yourself Program, and since two and a half years ago I've been counselling a little bit over 200 people that have the same problem that I had. I'd like to congratulate the commission on this report. I was really pleased about the amount of research and thought you put into it. A lot of suggestions that have been made by other groups, I endorse them. So I thought I'd just keep it very simple and focus on two major issues that were of concern to me and the group that I'm heading, and that is health and education.

Education: given gambling has become pervasive really suddenly, I believe that we have to have an ongoing education campaign, and I refer to it in my submission as something like the "Slip, slap, slop" campaign where people with a very brief slogan sort of identify that you don't just go and gamble. It's like "Be prepared," you know, "and then play," or whatever. I think with something like that we would do our future generations a great benefit because they're already overexposed to electronic stimuli. We talked about Internet gambling, but there's Nintendo and computer games, and they become more and more realistic. So I think a thorough education campaign of schools and young people would be something that's necessary.

I talked about education material and, looking at the way young people learn, it's quite different to how we learn, so I was thinking if there's funding going into doing some entertainment education at schools, exposing some of the traps that people could fall into and, you know, looking like a drama or entertaining material, it would be something that I think young people would really benefit from. When I read your report and I looked at the people affected - I mean the number is 330,000 that you came up with who are harmfully affected - what struck me was that 190,000 of these are just considered as heavy gamblers, not as problem gamblers. I think if we could address these 190,000 in a format that they would be able to come to a fence before they fall over the cliff, that would be a way of reducing the whole problem in our country.

I'm working at the moment on a tape because, looking back at my times as a gambler, I was always on the lookout for something that I could pick up that wouldn't

give away that I had a problem with gambling or that I may be on the way to having a

problem, but which would give me some strategies on positively regaining control. Looking at your report, there is a majority out there who may be able to go back to normal gambling, so I think some material like a tape which is placed in venues and everywhere, where it says, "Positive gaming strategies" - that's what I probably will call mine - is maybe a way to reduce the harm before we have to act as an ambulance down at the bottom. I quoted the keynote address from Prof David Hawks when we had the Gambling Away Our Community Conference, and he also states that there is a link - do you mind if I read it?

**MR BANKS:** Please do.

**MS BYRNE:**

There is I think one more parallel with alcohol which can be drawn, which I suspect however will be less popular with this audience, many of whose members are understandably involved in the treatment of problem gamblers. It is the assertion that while of course the provision of treatment is a moral requirement of any civilised society, to attempt to provide treatment, which in this case is both costly and difficult, in the absence of any attempt to prevent the occurrence of dependence, is nonsense. It represents a strategically inappropriate response. And yet it is the response that the gaming industry and government are only too happy to encourage. It is nonsense because the prevalence of dependence on, or problems associated with, these activities is such that treatment, however lavishly provided will never be a sufficient response to these problems.

So even though of course I'm working as an ambulance myself, I think if we don't put major funding into prevention or the first step of minimisation which is addressing the 190,000 that might be able to be saved, is nonsense, as Prof Hawks is saying. In summary of this topic, I would recommend that if we could concentrate on this harm prevention approach - and I call it entertaining education - over the highly promoted harm minimisation, it would actually in the long term prevent problem gambling from occurring. That was my thoughts to this topic.

**MR BANKS:** Could you perhaps reflect on your own experience as to how effective this is likely to be, because some people will say, "People don't respond to this kind of advertising or information," and they often draw parallels with young people smoking despite the fact that anti-smoking education has been at a high point, I suppose, in the past decade.

**MS BYRNE:** I think you have to meet the people at a level where they're at. Like young people in schools are highly overstimulated, they only react and learn if it gets presented in the same way as they experience learning in their own way, so it would have to be with lots of lights flickering and music, like heavy metal stuff. I think it has to be in a way that they can relate to. That's my opinion. With the education material you see on the counters of gaming venues, for example, I think if it is presented in a non-intrusive way, in a way where if I pick this up - "Do you want to

learn positive

gaming strategies?" or whatever - people will look at me and say, "Yeah, that's something I would like to buy, too." Everybody wants to learn something positive. If it says, "Hey, are you a problem gambler? Take this tape," nobody will go to the counter. So it depends on how it is marketed and promoted.

In my tape I share my story. I don't know if you remember my book, Strategies of How to Control the Internal War. I think that's a major key thing - simple - and a lot of my clients benefit immensely from it.

**MR BANKS:** Thank you.

**MS BYRNE:** The next bit would be health. In my submission I state, and I honestly believe, that gambling addiction is a drug addiction as well as a behavioural problem. Seeing that you flood your brain with endorphins and adrenalin is pumping, there has to be a chemical dependency eventually on this mix, this cocktail that you produce inside your brain. I was a bit disappointed that there was no research done or even approached into this topic, because I think if we would look at this and come up with what actually happens inside of the brain when people get dependent on it, what is the chemical make-up of addicted gamblers, we would have the start of a different therapy approach as well.

From my own experience, if you feel good physically, you are able to work with mental strategies better, and I think this is a very holistic way of looking at it, but if we don't do it, we're only addressing one bit of the person that is affected. I would look also - and that's something I put out here - at the ergonomics of the gaming venues. I used to be a personal assistant of a German general manager and, as such, I was advised by WorkCover about how long you are allowed to work on the screen and how many breaks you're supposed to take. Now, nowhere would you find a warning in a gaming venue that if you sit there for 10 hours it could affect your eyesight in some ways and that you should take a rest every 10 minutes.

I know this is a WorkCover requirement but we're all interested in the health of all of the people and eventually that will cost the state money. There's something like Office Wise from WorkCover, and there's an Australian standard, and in both books they refer to visual rest of the eyes. My suggestion is - and that's in general - to interrupt patterns, that people were advised to take a break for their own health reasons, and if you look at a problem gambler it would give them time to recover or to consciously maybe make the decision to leave.

**MR BANKS:** So you've actually found a reason why that could be beneficial to recreational gamblers as well.

**MS BYRNE:** Yes. I think there's a lot to it. The screen is identical with a PC screen. There's also the ergonomics of the way the seats are. If you're a very short person, sitting in different venues and chairs is not very good for your back either.

Air: so many people talk about smoking in the venues, and I have to pick this

up because I don't know who's checking the quality of the air, but there are so many big venues, new venues, and I wonder about the airconditioning that's used. Very often I sometimes think it's deliberate that the combination of cigarette smoke and spilt alcohol is something that eventually becomes like the mothballs in your grandma's house. You know, it's something that's familiar, and because you love your grandma, you take the smell. It is something that becomes positive and it distracts the sense. We've only got five, and this is another one that goes.

Free tea and coffee: this is in the venue operators' own interests, I guess. They're providing free tea and coffee. Nobody provides free water, which would basically help to detoxify, and coffee and tea push up arousal chemicals, which we all know - it's a stimulant - so the already imbalanced brain will become even more sensitive to the excitement chemicals. So I think that should be something that could be looked at. I think that will be all that I came up with as a summary.

**MR BANKS:** Thanks very much. You make the point about - I mean, you express disappointment that there was nothing in the report looking at the link - the chemical imbalance issue. You say that there are many studies done in America but it is a bit unclear as to whether that is in relation to this chemical imbalance point in gambling or whether it is on the broader issue of nutritional therapy in other areas.

**MS BYRNE:** Yes. The majority of study has been done in relation to alcohol and nutritional therapy but there are some studies done in relation to gambling and nutrition and, if you like, I can find out the back pages and email them to you.

**MR BANKS:** Yes, if you could that would be useful.

**MS BYRNE:** See, for me the ideal solution would be that gaming could be purchased like you purchase cigarettes with a warning sign on them and you purchase them by the time; you know, you have two-hour access and after these two hours you have to change the venue if you want to continue gambling, which also would interrupt the pattern.

**MR BANKS:** What do you say then to the people who say that that would be in excessive restriction on the liberty of people who were just there to have a good time?

**MS BYRNE:** If they think two hours of a good time of gambling is not enough then they are free to go somewhere else, but we're looking at an increasing number of people who are in danger of being affected, so appealing to their social conscience may be one way to go. I don't know.

**MR FITZGERALD:** The approach you take - which is a holistic approach - to dealing with this issue and, in many senses, is a general wellbeing model of trying to improve the nutritional - and the lifestyle of the people and so on is very important. The commission obviously has not evaluated the different types of counselling treatment, therapy, whatever you wish to call them, programs and what have you.

But in some senses you're trying to indicate very clearly that the preventative

strategies which we have put forward in the report don't go far enough. You actually use this term "harm". You talk about prevention itself and saying the harm minimisation approach doesn't go.

We raised that query with the last participants. I was just wondering whether you could explain where you think the report may be weak or deficient in terms of going far enough. If you believe it should be a harm prevention strategy rather than a harm minimisation strategy, where do you think the report is deficient or insufficient?

**MS BYRNE:** Looking at the education side of it, is prevention and in the report - I must admit I haven't read all thousand pages - - -

**MR FITZGERALD:** Sure. Very few have.

**MS BYRNE:** - - - but I did go through the major chapters that I thought would be relevant. The money that is spent at the moment on gambling as a whole is put into the minimisation category but you don't talk, as far as I know, a lot about changing advertising in the form of - like what I submitted here - TSA ads. Am I wrong in that? But I can't remember reading it in there, no. I think also looking at campaigns for the general public is something that would be, as I said, ideal.

**MR FITZGERALD:** Gabriela, in the 200 people you indicate that you have supported or counselled during that time, is your approach one that they should abstain from gambling or is your approach to get them back to a position where they can control their gambling?

**MS BYRNE:** When they first come to me I ask them the question in short, "What is it you want? Where do you see yourself on the scale?" because I think it is a process. It's a process though that goes very quick and far down, like once you get over the edge it's - and I honestly help people to fulfil what they want to do. My own experience is that I changed in a way that gambling as an entertainment is not me any more and that's what I try to do. I try to help people to understand that they have other choices as well.

**MR FITZGERALD:** In the report we have listed a large number of possible options - call them "preventional minimisation approaches". The key one you have mentioned apart from the general environment, the health or unhealthy environment in which exists the pattern interrupt, why are you convinced that pattern interruption would actually make a difference to a person who is on that continuum to problem gambling? Why would a machine that closes down for X period of time make a difference? Some would say they would simply go to another machine. They would simply restart. Why do you believe, given your experience, that pattern interruption is a key element in this?

**MS BYRNE:** From my own experience as a gambler, when I had to get up and change money I had a chance because my senses were - at least for a short period of time my sense of sight was mine, my hearing was mine, and I had for a short period

of

time the possibility to choose to leave the venue at that time, and very often when I spent a lot of money and I thought I would go and do another 20 on my way to the cashier - at that time you didn't have the little machines next to it where you feed it, I had to actually walk - very often that was the time when I actually choose to go. So I know from my own experience that you have - if you can interrupt the continued play you have a chance and it would be even better if this person was able - or had to go outside, because the environment contributes to sense distraction completely. That's just from my experience.

**MR FITZGERALD:** All right.

**MR BANKS:** I don't know whether you were there earlier when participants were talking about the use of smart cards to give gamblers more control so they could program into the card spending limits and so on which couldn't be overridden on a given night or whatever. Do you have any views about how effective they might be from your own experience and those of who you have been talking to?

**MS BYRNE:** I think everything that would enable the consumer to protect themselves from themselves is good, yes, and if a card gives a person a set limit of time or money, in an earlier stage I think it probably would be effective. I wasn't here when they were talking about it but, in general, I think all measurements that you can provide people to protect themselves, once they feel they need protection, is a great way - like the gentleman that talked to the task force about this device that you put around your ankle or your arm that they use in other states for home detention would be a way of contributing to preventing the person to enter the venue. I mean, it sounds weird, but I guess just knowing you have a device on your arm like that would probably make a big difference.

**MR FITZGERALD:** You mentioned you have a new booklet out which you are going to provide to us?

**MS BYRNE:** Yes.

**MR BANKS:** Thank you very much.

**MR FITZGERALD:** Just one question before you do move. Your submissions, both now and in the past, have concentrated obviously on the EGMs. Correct me if I am wrong but you have not made any comments in relation to other forms of gambling?

**MS BYRNE:** No.

**MR FITZGERALD:** And in particular Internet gambling. Do you have any particular views on that or not really?

**MS BYRNE:** I endorse the view of the task force in Internet gambling issues because I think it is a big danger of people - especially young generations. They are

so used to computers anyway.

**MR FITZGERALD:** Yes.

**MS BYRNE:** But I haven't made any comments to other forms of gambling because I had no problems with any other form of gambling, so I am just an expert on both sides of the gaming machines.

**MR FITZGERALD:** Thanks, Gabriela.

**MR BANKS:** Thanks very much. Let's break for a moment, please.

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**MR BANKS:** We will continue, ladies and gentlemen. Our next participant has offered to come forward, just having been here at the proceedings today, and I welcome her and her friend, but maybe just get you to give your first names and just in what capacity you are here today.

**KELLY:** My name is Kelly and I am just here to talk about the impact gambling has on the family.

**MR BANKS:** Thank you.

**DONNA:** My name is Donna and I am basically here in a support capacity. I am an advocate for women in prison.

**MR BANKS:** Thank you. Kelly, you are 16 years old?

**KELLY:** Yes.

**MR BANKS:** As we discussed, why don't you go ahead and give us the information that you wanted to provide.

**KELLY:** Okay. First of all I would like to read a letter that I wrote to Jeff Kennett.

**MR BANKS:** You might just want to speak up a little bit.

**KELLY:** Yes, sure.

**MR BANKS:** This is a letter you wrote to the premier?

**KELLY:** Yes. To Jeff Kennett:

My name is Kelly. I was recently on the front page of the Herald Sun and A Current Affair. I did a story on the effects gambling has on the families in our society. My main concern is that not enough is being done to solve the problem. You have said, and I quote, "We are also looking at banning any promotion of activity through gambling that wins money. We wouldn't allow them to promote, for instance, 'Come in and win a car.'" This is a good start but saying it and accomplishing this are two very different things. With all due respect, Mr Kennett, you are the premier of Victoria; you have the power to do something about the gambling crisis.

As you have probably already noticed it is destroying lives and families and mostly those families who were very happy until they were severely addicted by gambling. You and the rest of the government must accept that this is an addiction and our society needs help in overcoming this addiction. There have been a lot of people turning to crime to support their addiction. I have lost my mother for three years because of her addiction. She had no criminal record prior to this offence. Now she is paying for that crime but, in the meantime, is

not receiving any counselling, and it makes me wonder will she commit another crime when released from prison to play the pokies.

I have spoken to some of the women in prison for a crime such as this and, from what I have gathered, they will not talk to a psychologist with no personal experience. Their views are that psychologists work from books and don't understand what it is like to be addicted and, I must say, I agree with them totally. This is where we need help not only from you but from our society. I will fight long and hard to make sure this problem is rectified as soon as possible and I will do whatever it takes to make sure the government understands and makes a change.

I would like to request a meeting with you to discuss how I can help this very serious problem our society has. I, as a teenager and plenty of first-hand experience, must have my say and make a difference. The gambling crisis must be dealt with immediately because I don't wish this to happen to anyone else. Please reply to me as soon as possible. I'm available at any time so please do not hesitate to contact me.

**MR BANKS:** Thank you. Did you want to go on with what happened subsequent to that?

**KELLY:** I received a letter back from him but, as he is very busy with the foreseeable future, I was getting contacted by the minister of youth and community services but I haven't received any reply from him, so I have decided to write another letter to Jeff Kennett and see what happens then. The main problem is that the government has to accept this as an addiction just like drugs or alcohol and get some help into the prisons for the women.

**MR BANKS:** You have had a look at some of our report. I can see some little blue flags there and it looks like page 762 or something. One of the points we make in the report is that problem gamblers through their problem can have an effect on their families and on significant other people with relationships to them.

**KELLY:** Yes.

**MR BANKS:** Some people have doubted the extent to which that is an issue. Would you like to comment on that - from a family point of view how it can have an effect?

**KELLY:** It has got a very, very big effect. It just depends on the family and how they take it. My father has gone back to alcohol. It's a struggle for us to survive because mum left us with all these debts and we have to pay them off.

I left school because I was getting tormented by the kids, but that's it, and our other family have disowned us because it's shameful for them, and we haven't done anything wrong.

**MR BANKS:** The other point you made was in relation to - I think you said lack of counselling in prison. It wasn't clear to me whether it was a lack of the possibility of counselling or rather that you felt that it was the wrong kind and that therefore people in prison - it wasn't the sort of counselling that they would benefit from.

**KELLY:** Well, at the moment, they've got no counselling in the prisons. Break Even, they make appointments and then cancel or they just don't turn up. But talking to a psychologist who has degrees and works from books, I don't think they fully understand what an addiction is, so they can't really help, but with Gabriela Byrne, she has previous experience; I think that could help.

**MR BANKS:** One of the points we make in our report, I guess, is that there are a lot of different approaches to this and what works for some may not work for others and so on, and certainly there are some counsellors we've talked to who have come through the school of hard knocks, I suppose you could say, and therefore have that kind of background. Others seem to be quite successful who don't have that kind of background.

**MR FITZGERALD:** Just if you can, Kelly, how long ago did the gambling actually start to impact on the family?

**KELLY:** We only found out - mum's been in prison for a year and a half now. We only found out when she got charged, so she was gambling before that for about two years, so we didn't know anything.

**MR FITZGERALD:** When you say you weren't aware of it, what was happening in the family preceding that?

**KELLY:** Well, she'd change. Her personality would change. She would have two lives, multiple personalities. She would change from day to day. She'd drop us off at school and then go to gamble, but we didn't know about it and then when she was charged, we found out about it and she just changed again.

**MR FITZGERALD:** How many were in the family, Kelly?

**KELLY:** There are four kids and then dad.

**MR FITZGERALD:** And you said that that impacted on your father. You've indicated that he's resorted to alcohol and what have you. Did that occur during that time or only after the charge was laid?

**KELLY:** After the charge.

**MR FITZGERALD:** What help or support was there for your mother once she was charged, before she went into gaol?

**KELLY:** There was none. She rang Break Even and Gambling Anonymous, but there's a wait for over a month, so there was nothing she could do. There was no help from our family, they disowned us, so it was just us.

**MR FITZGERALD:** Right. And at that stage, your mother sought that assistance, that help, what happened between the time she was charged and went to gaol? Did she cease gambling during that period?

**KELLY:** No, she didn't. She went to see a psychologist, but still - today, she still wants to go back.

**MR FITZGERALD:** To gamble?

**KELLY:** Yes.

**MR BANKS:** It was gaming machines, was it?

**KELLY:** Poker machines, yes.

**MR BANKS:** Yes.

**MR FITZGERALD:** Do you know whether she moved from place to place or did she simply go back to the same place to gamble?

**KELLY:** No, she went to the same place.

**MR FITZGERALD:** What type of place was that, without actually naming it?

**KELLY:** It's a family place, it's next to shops, so lots of people can get there. It's a hotel kind of thing.

**MR FITZGERALD:** You've had a chance to talk to your mum about the gambling, did she give any explanation as to why she became so heavily involved in gambling?

**KELLY:** No, not really. Like I'm not addicted to gambling, so I can't really understand where she's coming from, but if - she tried to explain it, but I don't really understand it. You have to be addicted to understand it.

**MR FITZGERALD:** How did the other children respond to all of this? You've obviously taken a very strong approach to try to have the problem dealt with. How did the rest of the family cope?

**KELLY:** They're all right, but they're more - if you forget about it, it will go away. I'm more the public speaker in the family.

**MR FITZGERALD:** And very good at that, too.

**MR BANKS:** Are you the oldest?

**KELLY:** No.

**MR FITZGERALD:** Why have you decided to speak out so publicly?

**KELLY:** Because I don't want anyone to go through what I had to go through, losing their mother and the rest of the family. I think the government just worries more about money than families and family life.

**MR FITZGERALD:** I know it's hard, because you're not the person that was gambling, but do you think there was anything that would have prevented your mother from actually being so actively involved in gambling, in hindsight? If you look back a little bit, does she acknowledge any particular thing that would have made a difference?

**KELLY:** I don't know. Maybe if we had more publicity about it and more help out there, instead of - like I see ads on TV for counselling, but they're 1900 numbers. I mean, who's got money to call them? \$4 a minute or whatever. It's all about money, that's all it is.

**MR FITZGERALD:** Donna, if I can just ask you, you indicated that you're a worker with women in prison.

**DONNA:** Yes.

**MR FITZGERALD:** I know you don't want to talk too much because it's really Kelly, but I'm just wondering whether you can give us any insight into the services that are available for women once they enter prison, and are we seeing an increase in trend of women particularly with gambling difficulties?

**DONNA:** I've been working in Victorian prisons for the past two years and there has certainly been an increase over that period of time of the number of women coming in with gambling-related offences. As far as counselling goes, at Metropolitan Women's Correctional Centre there are a couple of groups going in there. One of those was Break Even; I think Gamblers Anonymous were going in at one stage. Women aren't able to easily access services like us here on the outside and when there are group sessions inside prison, a lot of women tend not to attend them because they value their privacy. In prison, there is a lot of suspicion, especially if there are other officers present as well or other women, they don't really want to disclose too much about their personal lives in front of other women or the officers, so it sort of stops some of them from attending sessions.

I also go to the regional prison at Tarrengower and there is no counselling there whatsoever, because people can't simply make it up to the distance that Tarrengower is. It's an hour and a half, two hours' drive. There was someone from Bendigo going

up there and doing counselling sessions, but because of the lack of funding - I mean, she was spread so thin, having to go to all these other regional centres to offer counselling, that the women in prison were basically the bottom of the list of priorities. So it's very difficult for women trying to address their gambling inside when there are no services for them to access.

**MR FITZGERALD:** Just pursuing that a little bit, one of the things that seems to have happened is that up until very recently, gambling wasn't acknowledged as a major contributor to crime and very few records were ever kept by correctional institutions or the judiciary generally. That seems to be changing. Is gambling acknowledged within the correctional services as being an issue that has to be dealt with or is there still a view that gambling somehow or other is really not the problem, it was something else? Is there any change in the acknowledgment of gambling as a major contributor to what ultimately led to the charges and conviction?

**DONNA:** It varies from prison to prison, I'd have to say. The attitude of officers and governors varies. I mean, certainly the campaigns that the government is running or that are coming out now, you know, "If it's no longer fun, just walk away," seems to indicate that, you know, it's that easy, but it's not for a lot of women. The women that I speak to say that they can't understand how they got into this routine, that it just came to the point where they've borrowed money or stolen money, but they were going to win it back and pay it back and no-one would ever know and then the cycle just continued and they got deeper and deeper into debt until finally - for a lot of them, the only time that they admit to their families what they've been doing is when they've actually been apprehended and charged. For a lot of them it's denial, they speak about feeling as though they were a different person, so it's even hard for them themselves to understand.

**MR FITZGERALD:** In terms, therefore, of the lack of counselling that takes place within the gaol or correctional services, Kelly, you mentioned that your mum still thinks - would like to go back to it. So even though there has been not only a major break from gambling, but there have been horrendous consequences including imprisonment, that for some women and some people, isn't enough to actually make that break. With your mum, you were saying that's her view at the moment.

**KELLY:** Yes.

**MR FITZGERALD:** What about others, Donna? Is it likely that most of these women will end up back into gambling, do you think, without some positive intervention, or are such significant circumstances enough to make that break - again, acknowledging you haven't done a study of that?

**DONNA:** It depends on when they get out what options are open to them as well. A lot of them use - gambling became a social thing, going to the Tabaret with friends. It was a social outing, especially if they lived in areas where there wasn't much to do after 9 o'clock at night, there was a 24-hour Tabaret down the road, so it was easy to go out and socialise with friends. So it depends what circles they're mixing in. For

some of them, the shock of imprisonment and being separated from their families is enough, but for a lot of women there is that fear they're going to get out there and like, "I've just got to go back and see if I can, you know, have a bet and then stop and see if I win," but then there's that fear that they're going to be drawn in again, so I don't know.

**MR FITZGERALD:** In terms of the exiting of correctional service facilities, is there any sort of plan to deal with it at that point, that exiting, or is the exiting of people from prisons problematic in terms of those sorts of issues?

**DONNA:** Certainly if they're in there for a gambling-related crime the first thing that we try to do, anyway, is arrange counselling for them on the outside or hook them up with someone prior to their release. We find that a lot of the welfare officers at some of the correctional centres are quite good in that respect as well, but it's just a matter of the availability of the services, that the services actually have the staff or the ability to provide the services to the women when they've got so many other people. I just don't think there is enough emphasis or enough funding going into it, which seems to be a recurring thing that people are saying today.

**MR FITZGERALD:** Kelly, when you spoke to your mum, did she indicate why she actually took up gambling at all? Why did she actually start gambling? Did she ever reveal that to you yet?

**KELLY:** No, she didn't really tell me why. I don't think she even knows herself. She was that addicted, it changes the whole person, you don't know what you're doing.

**MR FITZGERALD:** And she'd never gambled previously to a couple of years ago?

**KELLY:** No.

**MR FITZGERALD:** Had there been any other gambling in the family, by your father or other relatives?

**KELLY:** No, nothing.

**MR FITZGERALD:** Nothing, so it came as a completely new activity to her. In terms of support for you and your brothers and sisters, what sort of support are you able to access to deal with these issues?

**KELLY:** Well, we have support from Tim Costello and some of his friends that are helping us, but they're not our family, they're just friends. It's funny how our family doesn't care any more and total strangers want to help us.

**MR FITZGERALD:** You put that down, basically, to there's a shame associated with both gambling and what has happened to your mum?



**KELLY:** Yes.

**MR FITZGERALD:** Yet obviously our report helps to understand that there are a lot of people affected by that.

**KELLY:** That's right, yes.

**MR FITZGERALD:** If the report is accurate, then there are hundreds of thousands of people potentially affected in some way, in a harmful way.

**KELLY:** Yes.

**MR FITZGERALD:** So hopefully the report illustrates that it's a much more common problem or difficulty than just for a few.

**MR BANKS:** I think it's good of you to come forward like this, spontaneously, and talk to us. It looks a bit fierce sometimes, this kind of process, but thank you, Kelly, for that and Donna.

**KELLY:** Thank you.

**MR BANKS:** We will break now for lunch.

(Luncheon adjournment)

**MR BANKS:** Welcome back everybody. Our first participant this afternoon is Jesuit Social Services. Welcome to the commission's hearings. Can I ask you please, to give your names and positions.

**FATHER NORDEN:** Peter Norden; I'm the director of Jesuit Social Services.

**MR BANKS:** Thank you.

**MS TRAN:** Diana Tran, project worker for Jesuit Social Services.

**MR BANKS:** Good, thank you. Thank you very much for coming along and for the submission which we have only received fairly recently, ie late this morning, but we have had a chance to skim and we have a couple of questions. But we will give you the opportunity to present it to us.

**FATHER NORDEN:** Thank you. Commissioners, Jesuit Social Services has a research arm called the Ignatius Centre and one of the projects that we've been working on is trying to identify the significance of the impact of gambling on the Vietnamese community. We have a number of programs in terms of direct service provision to the Vietnamese community; one based in Flemington at the base of a high-rise flat building. We have some other workers who are involved with young offenders who are Vietnamese, but this research project that Diana Tran is the project worker for is one that has been independently funded.

When the commission's report was released in general terms we responded by saying that we thought hundreds of thousands of Australian families were being significantly influenced by the impact and the extension of the gaming industry in Australia. While the impact of that on any family is of concern, it is of particular concern to us with families who may be still in the process of settling into this country, sometimes after fairly traumatic or difficult experiences before arriving in the country. So we believe that this problem is one that does affect the Vietnamese community. Particularly it's a sensitive issue in terms of identification for fear of further stigmatisation and we're very conscious of that.

But we do think that there is a hidden problem, probably more hidden within the Vietnamese community than in many other parts of the Australian community. So this research project has attempted to try to dig a little bit below the surface because as the researcher will present, there are not too many opportunities where the problem is actually identified as a gambling problem. It takes other forms, and therefore in many ways I think the gist of the submission that Diana will make to the commission this afternoon is that it's a problem that remains beneath the surface, but in fact has significant impact not only on that community but on the wider Australian community in turn. There is an updated version of the submission. I think the one you have is the one that we sent yesterday rather than today. But the researcher will speak to that submission and will be available for discussion or response to your questions.

**MR BANKS:** Thank you.

**MS TRAN:** First I want to talk briefly about how the project came about, and the rationale for this research came about from the lack of knowledge available in terms of literature and research on the impact of gambling on the Vietnamese community, particularly the links between violence that is gambling-related, and the difficulty in getting accurate data on the impacts of gambling is compounded by the lack of attendance at formal gambling support services. Issues such as the unfamiliarity with the concept of counselling, denial, the shame and stigma of having a gambling-related issue and the lack of time and priorities placed on psychological and personal issues in the Asian communities.

The goals of the project are listed on the second page. Initially we want to find out generally what are the broad issues relating to gambling and family violence, and the pathways to which families access services, and how families approach seeking help in the community. From those findings we were able to come to some model of appropriate support services combining the available resources in the community for the Vietnamese community. Prevention and harm minimisation was a particular issue as well in terms of how to prevent rather than deal with the consequences of problem gambling.

The most important thing that came out of consultations with workers and focus groups was the Vietnamese community as a migrant community, settlement issues as well as the challenges they face as refugees and migrants in Australia. So we see gambling, violence and substance abuse in that context rather than in isolation from these issues. Unemployment, which is stated to be up to 40 per cent in many areas of Victoria - many are in low paid jobs doing factory work or outwork at home. Many have limited English proficiency, low social support networks, unresolved past traumas from war and refugee experience, as well as the family differences in intergenerational differences in the family between parents and children.

In addition to these issues there is a fragmentation happening in families due to the migration experience. So there are many sole parents with young children, many step families, many young people without families and who have become homeless due to family problems at home. I would like to say that it's important to look at the social issues in terms of problem gambling in a Vietnamese community because often media tends to stir it up - Asians are the ones who are the gamblers, but if you look at the social issues holistically then you see that that's just a stereotype.

**MR BANKS:** It's true. As you say, it's often said that Asian people, Vietnamese people have a pro-gambling culture and have sort of brought that to Australia and therefore by implication there is no problem in Australia that wouldn't exist in their homeland. But you're disputing that.

**MS TRAN:** In Vietnam gambling is illegal. Because Vietnamese people are quite collective they tend to go with what government rules as what is moral and what is right and what is wrong. In Victoria it is completely different. The government approves of gambling, it's legal, and they see that it's an acceptable legal thing to do,

so they tend to be involved - - -

**MR BANKS:** In Vietnam would there be a lot of informal gambling, if I can use that word?

**MS TRAN:** There is informal gambling but the extent of devastation is nowhere to the extent it is now. You lose much more money in places like the casino. You tend not to want to lose so much money to your friend - I mean, you don't mind if you win \$20 from a friend but if it's a thousand you tend to control it within the community. Whereas the casino is completely privatised and it's not there, you know, for recreation. I mean, like the community aspect of it is taken away.

**MR BANKS:** That's interesting. So it's more impersonal. Is that what you're saying?

**MS TRAN:** It's impersonal. It's between friends and you don't want to take a lot of money from friends. Money might be involved but not to the extent to what's happening now with the casino. Can I continue?

**MR BANKS:** Sure.

**MS TRAN:** We found that because there's a lack of recreational activities for the Vietnamese community in terms of a venue for relaxation in a sense of community connectedness, the only place that they find appropriate now is the casino. As one worker says, it's safe and it's where you meet other Vietnamese people, and they like the sense of intermingling with other people in the community.

**MR BANKS:** More so than the hotels?

**MS TRAN:** Pubs you mean?

**MR BANKS:** Yes.

**MS TRAN:** It's moving towards hotels but, in the past few years it has been the casino, and it's a night life for them that they can't find anywhere else. Pubs are traditionally very Anglo and male-dominated, not family-orientated. So families find that they can go to the casino with friends and find that they feel comfortable and they don't stick out. But the downside of that form of entertainment is the negative impact of problem gambling which many support services that serve Vietnamese families have experienced. We found that they're not attending the formal gambling support services but rather they're attending the welfare services or going to services where they are aware that the worker there is a Vietnamese person and has worked with them on other settlement issues.

So there is a profile built up by these welfare services in the community through providing services such as group recreational activities, organising traditional festivals and so on. The sense of culture and tradition is entrenched in

these welfare agencies,

so people find that they're accessible, they're comfortable, they're very much culturally appropriate for the Vietnamese people, rather than going to a formal gambling service which means they might need to identify themselves as having a problem with gambling, and that means they have to make an appointment. They can't just rock up like they do in these agencies. There are other barriers such as what does counselling do for you? Can talking help much when you've got \$20,000 debts? What's the use of counselling? So the efficacy of counselling is one of the main reasons they don't attend.

**MR BANKS:** We've heard previously that Vietnamese people don't see counselling of that kind outside the community or the family - it's not really part of the culture to go to something that is disconnected in that way. Is that right? Is that your perception?

**MS TRAN:** Well, they'll try to deal with issues first within the family until all the resources are exhausted. They might go for emergency accommodation, financial assistance, apply for the sole parent pension because of family breakdown due to problem gambling. So the crisis situations tend to crop up most, particularly if these families don't have much of a social support network in terms of family and relatives and friends - yes, it doesn't take very long for them to turn up at these welfare agencies.

Most of the welfare agencies and Vietnamese social workers and welfare workers have said that the demand for problem gambling-related assistance from families has not abated, it remains at a steady high level, and at the same rate as in previous years, so it means the situation is still there; it hasn't decreased. I have mentioned it in the report that a welfare centre in Springvale has seen 1200 family conflict cases but 70 per cent of those were identified as gambling-related, which is huge compared to the numbers attending Break Even services. One of the Vietnamese gambling counsellors in Springvale said she has only seen 10 cases in six months of working there, so there's that big gap.

**MR BANKS:** Which was the Springvale agency? Is this the one you mention here?

**MS TRAN:** SICMAA - yes.

**MR BANKS:** The Springvale Indo-Chinese Mutual Assistance Association.

**MS TRAN:** Yes. They provide generic services to Vietnamese communities in the City of Greater Dandenong. Sometimes a Break Even service will refer a client back to a Vietnamese worker because of the cultural and language issues. So there is that cultural barrier as well in the mainstream services which do not provide the appropriate services to Vietnamese clients in that they have to be referred back to a generic worker who might not have the expertise, but have to deal with the issues anyway because there's nothing appropriate at the moment.

Next, I want to talk about the client profile, attending services and the issues

they bring relating to gambling and family violence. Women and children suffer the consequences of a partner's gambling more acutely because they are often the most economically and socially disadvantaged in the community. The Vietnamese Welfare Resource Centre's annual report for 97-98 specified that 50 per cent are from sponsored migration marriages, meaning they've been sponsored over from Vietnam by a spouse, coming here without any relatives, without English language proficiency; low education and recently arrived. That group particularly are very vulnerable. 25 per cent of that group have suffered gambling-related problems due to gambling of a partner. So in addition to those settlement issues, they are dealing with poverty and financial burdens, of mental health issues regarding the gambling and family violence in their situation.

With family violence, from consultations with workers who deal specifically with women's issues, 50 to 60 per cent was the quoted figure of family violence occurring in families who have gambling partners, so that includes financial, emotional, psychological and physical violence.

**MR BANKS:** Could you just explain that 50 to 60 per cent again. What does it relate to?

**MS TRAN:** To family violence that's gambling related.

**MR BANKS:** Out of a group of people with gambling-related problems, 50 to 60 per cent involve family violence?

**MS TRAN:** Yes. The women attending these services are served by social workers, welfare workers, who work specifically with women's issues. Most of these workers have estimated that one in two or more have gambling-related violence in terms of the ways that I've listed, page 8 - violence directly relating to a partner's gambling. So they hear stories or women talk about their partners becoming violent after a night of gambling and demanding money; it exacerbates the violence that happens to the women.

Gambling causes other forms of domestic violence. The women become poverty stricken. They have no money to buy basics such as food and clothing and there's emotional anxiety and shame that their partners spent the family assets on gambling. That's what the social workers have spoken about. Others have spoken about gambling as part of the violence experienced; that it exacerbates the other forms of violence that the woman experiences. He might be violent to her in ways such as physical violence and maybe gambling as well, so it's financial violence on top of the other forms of violence that she experiences. Another one says gambling is a way to avoid dealing with the man's violent behaviour.

In other scenarios, women have turned to gambling as a form of control and escape from the violent situations in their home. This woman ended up going to the casino often to avoid a violent husband and she ended up becoming very much in debt and had to sell her whole house, and the result was terrible because her children

were

often neglected and had experience of violence from both sides; from both parents.

Gambling and impact on the children: there's been a lot of stories of parents leaving their children in the hands of other caretakers to go gambling and Child Protection is sometimes called in, so the impact on children is enormous. They are the innocent victims of this problem. Gambling is a form of self-abuse for some families. A worker says that the young people abusing drugs is a form of self-abuse, while the older people gamble, and that's a form of self-abuse for the older generation. But all this needs to be looked at in the context of social problems, like the settlement issues as I mentioned previously.

Just some final points at the end: violence occurring to family through debtors who have been owed money - some women have been left with the partner's debt, and he's left the home while she has had to deal with the debtors following her, calling her up or just not leaving her alone, so the women end up having the responsibility to pay off a partner's debts.

**MR BANKS:** To what extent is this debt from community resources - community bank - how do you pronounce this?

**MS TRAN:** Hoi.

**MR BANKS:** Hoi, yes.

**MS TRAN:** It's a system where you join up with about 10 people whom you know and each person may put in a thousand dollars so each month a person gets that \$10,000. So each month one person puts in \$10,000. You do it for 10 months; 10 people do it for 10 months and each person gets a go. But if someone has a gambling problem he might take the whole lot and not come back and put in his share. There's a whole bunch of people left without their money and the plans they had for that money, like to buy a house or to build up the business, so there are a lot of angry people.

**MR BANKS:** If you could just elaborate a little bit on how that Hoi system works, you've got people contributing but some other people taking the money out. What's the normal repayment mechanism? Over what period and so on would this occur? Presumably people are taking out significantly large sums of money to buy major assets like a house or something.

**MS TRAN:** Yes.

**MR BANKS:** Do you know enough about it to know over what period normally people would be expected to put it back in?

**MS TRAN:** About a year. If there's 12 people it would be a year because the first person would have it in the first month; the second person would have it the next month and then the 12th person has it the 12th month. The order to which you get

the money depends on the interest you put in. So if you take 12,000 first, you have to pay a hundred dollars interest extra on top of that, and the interest decreases until the 12th person, who doesn't have to pay any interest because he doesn't need to have the money. He has to wait until the end to receive that money, so he collects interest on top of the \$12,000. Businesses in particular are using tens of thousands of dollars, so the impact is greater on businesses, although we don't see it in this research because they're not attending support services, of course.

**MR BANKS:** Just coming back to that, the question of violence in relation to unpaid debts quite often is through this community system. Okay, thank you.

**MS TRAN:** Young people are subjected to violence because some may be dealing with drugs; selling drugs on behalf of a supplier and have some thousands of dollars in their hand that day. They might decide to double it, but they end up losing it. So there's the money owed to these drug suppliers that they can't meet their financial obligations to, and they end up being very vulnerable to violence as well. Anecdotally there's been a lot of violence due to money being lost at the casino. Isn't the age limit about 18 at the casino?

**MR BANKS:** Yes.

**MS TRAN:** Some workers have said young people as young as 16 have been allowed in with thousands of dollars and have been able to continue playing without being picked up. That's another point. Have you got the recommendations?

**MR BANKS:** Yes, we have. Would you like to briefly summarise those.

**MS TRAN:** The first recommendation is to help bridge the gaps between the welfare services and the formal gambling counselling services, so while the community agencies and workers have the networks and have the access to the community, the formal services have expertise and resources relating to dealing with gambling issues. We propose an outreach model where a worker with expertise in gambling may be able to outreach to agencies in the community to provide resources such as the cultural exchange and the gambling training and the community development projects so there can be a collaboration of skills and the community networks.

The second recommendation is for prevention. We've recommended that prevention should be promoted as not focused specifically on problem gambling in the community but focused holistically on families and how families can maintain healthy families in the face of difficulties and focus on general difficulties faced in settlement and post-settlement; personal issues; family and relationship issues rather than gambling. It's more general and people don't feel too confronted. Another prevention strategy should be aimed at strengthening families and their resilience in dealing with various challenges, so providing family relationship mediation and promoting healthy recreational activities as a way of relationship building in the family and as a way for families to deal with stress productively.



**FATHER NORDEN:** Can I give one example of that. I think one of our agencies tomorrow is having an "elderly day" where they have a celebration of Vietnamese life, but over the last few years the Vietnamese community have been targeted with invitations to come in groups to the casino in order to find a forum for celebration of community culture. The contrast is extreme. At the celebration tomorrow morning there will be a focus on the Vietnamese community itself, their strength, their identity and their cultural traditions. It will be on a home turf situation. But the invitation to come to the casino with a free lunch or with tokens for \$5 to initiate you in the gambling is actually enticing people into a situation where there's potential for destruction and damage. The positives of promoting healthy recreational activities which Diana has outlined there are standing in contrast to the marketing exercise which is actually trying to entice people into a different sort of environment when they've got very few alternatives.

**MR BANKS:** Thank you.

**MS TRAN:** Briefly, the two part-time community educators are funded at BreakEven and one has already completed his six-month contract, so very little has been achieved in that time. His time-frame is too small. There need to be more ongoing resources and more ongoing contracts for community education to be effective; ongoing programs to be promoted through community agencies and other promotions on how a family can protect their assets against a family member's gambling; how to deal with a partner's debt; legally how to deal with gambling-related violence as a victim and where to go for assistance.

For those who have problems with gambling there needs to be more information on what are the odds of winning at gambling; how can you pick up you're having problems controlling your gambling; and what are the strategies you can use for yourself and how to cut back if you're having problems with your gambling, and there needs to be more promotion of how negative the impact of gambling can be on families down the line for those who are beginning to see signs of a problem.

And - this is important - the community support fund must acknowledge the limits of therapy and counselling as the only means of assisting the gambling-related issues. We recommend that they widen their criteria to resource alternative recreational venues as a positive way for Vietnamese families to recreate. A worker at the centre Peter Norden was talking about organises a karaoke night every Friday night for Vietnamese families in that area, and someone said to him, "If this was here at the start, I wouldn't be at the casino. This is what I look for, to be with the community" - so more of those venues and more opportunities for community centres to organise outings and trips for young people, for women and elderly people to promote that sense of connectedness in the community that's absent at the moment, and so allow them to build up informal social supports so that they can start to build again the informal means of getting assistance for their problems.

**MR BANKS:** Is this by implication something that the community itself can't do? What sort of support are you looking for? Is it funding, is it organisational support?

Why can't the community itself do this?

**MS TRAN:** Because the workers are so tied up dealing with the crisis, day-to-day issues, that they can't broaden their service criteria to facilitate these sort of projects, but there needs to be, yes, more funding, more opportunities, more structures to actually have more of these options.

**FATHER NORDEN:** Can I add that perhaps in the fifties or sixties the Italian community, the Greek community, had greater resources to build up their social clubs, that they were working at a time of high employment and economic growth. I mean, this is a community that's arrived in Australia at a time of significant economic difficulty. Some of course are doing exceptionally well, but many members of the community are struggling to actually meet the basic needs, so the capacity to establish natural community centres in the same way that for instance the Italian or the Greek communities did during the fifties and sixties is very very different. The community is more fragile, not because of the nature of the community but compounded partly by some of the prior experiences, but also the circumstances within Australia at this particular time.

We approach the Vietnamese community with great respect, as being very hard-working and very ambitious and very community-minded, but there are some really serious external factors that are affecting how they're able to cope and develop normal what we might have seen as traditional recreational facilities within in ethnic culture.

**MR BANKS:** Yes.

**MS TRAN:** Briefly, we found that because gambling-related violence is very common there needs to be more research or exploration into this area on the impact on women and children in the Vietnamese community, and men often don't attend services so there needs to be more research also into their needs and how they can be assisted in the most appropriate ways. The majority of cases tend to be men who are gambling. Although women are seen to have problems with gambling, men are the main group gambling in the Vietnamese community.

**MR BANKS:** Thank you.

**FATHER NORDEN:** Can I just draw one conclusion. We recognise that the commission's attempt to measure the gambling industry or the gaming industry in Australia and its impact is a difficult one, but underlying the essence of our submission is the premise that you cannot measure the impact by looking at the gaming industry alone because, as Diana has outlined, there are so many related problems that are a concern. In Victoria, mention a name like Daniel Valerio and everyone knows how serious an issue we regard child neglect, and how expensive it can be to inquire over a particular case like that, and how much public sympathy there is. But if a Daniel Valerio happened to live and survive, that person then is going to have extreme needs which will need to be dealt with by the community and

paid for by the community

over a period of time, perhaps 10 or 20 years.

There's extraordinary concern in the community about violence, about drug addiction and about mental illness, and in Victoria particularly the importance of trying to find an appropriate response to depression is being highlighted currently by the premier, and I think that's to be applauded. But the problems that come out of gambling also are related to these problems, they are not disconnected, so I guess we'd be wanting to say that in trying to measure the gaming industry and the impact on the Australian community, it can't be done in an isolated way because these problems compound one another and they relate.

While there may not be as heightened a concern within our community about gambling itself, there is very strong concern about the other problems that I mentioned, and we're saying that these problems in many situations are actually connected, so the impact both economically and in terms of community confidence and cohesion and safety is very clear. It's difficult to measure, for the reasons that Diana has outlined, in a quantitative way some of the impact of gaming on the Vietnamese community but the consistent story that we're getting from our own workers and those the researcher has surveyed is indicating that these problems are not disconnected; they are vitally connected.

**MR FITZGERALD:** One of the issues here is that most of the Vietnamese gaming takes places within the casino, from what you've said and from what we've had in previous submissions. Much of the inquiry's attention has been drawn to harm minimisation strategies in relation to poker machines, which is an issue in all communities. Many of these are about preventive strategies in terms of awareness campaigns and what have you, but are there particular measures that the casinos themselves could or should adopt which would make a significant impact on the level of problem gambling for the Vietnamese community? As I say, most of the attention is on the 70 or 80 per cent of problem gamblers that are associated with poker machines, but the Vietnamese and other Asian communities are much more closely associated with the casino. So have you been able to identify from the gamblers themselves those things that would make a real difference to reducing the likelihood of them ever developing problems?

**FATHER NORDEN:** I think the marketing mechanisms that are currently and have been used for a number of years by the casino - they're within the marketing department, the promotional department, I'm not sure how it's defined - there are a number of people employed whose ethnic origin is Asian and, as I referred to a couple of examples before - let me be more specific. Two of our programs operate in the high-rise estates of Melbourne, Flemington and Richmond. Certainly in previous years at the time of the Chinese New Year, thousands of flats in these estates were letterboxed with an invitation to come to the casino, using a traditional Chinese tradition of yellow money, which is meant to be a sign of good fortune and luck, but in fact it wasn't a kind of a present or a wishing of good luck, it was actually an invitation to come and trade that at the casino.

On the basis that most people lose at the casino, on average - I mean, it's not exactly an encouraging invitation. They're just examples of the marketing. A lot of work goes in to letterboxing. I've worked as a community organiser in a high-rise estate. I know how difficult it is to spread the word, but very sophisticated methods are being used to target people whose income and whose social circumstances - because they're residents of a public housing estate - are particularly fragile. We believe, rather than seeing this as a gambling problem and increasing gambling services, as Diana has said, that there's a need for some fairly clear and stronger regulatory practices to be imposed on the industry because of the social impact that it's having on some of the most vulnerable members of that community. I say that as someone who is the son of an SP bookmaker who's grown up with gambling within my own culture, but out of concern for protecting and enhancing the cohesion of our community this matter needs more attention in terms of some regulation and control.

**MR FITZGERALD:** In terms of the Vietnamese gamblers who attend the casino, once they're actually at the casino are there measures at that point? Much of the comment we've heard around the casino has been about the marketing strategies you've rightly pointed out, community awareness and those things, but because this is related basically to the table games themselves - ignoring the poker machines for a moment - are there things that need to happen within the casino itself that would moderate or minimise the harm, or has that not come through?

**FATHER NORDEN:** I'm not sure whether it's come through in the research but through our own work the ready availability of ATMs within the place of gambling is a serious problem. Many people who might be regular gamblers know they'll place a limit on how much they'll take to the course, whether it be \$20 or \$200. When there's ready availability of ATMs within a gaming venue, then you can't make that limit, you don't have to go home or go to the bank, it's readily available and access is there. So I think that's one of the factors that's been identified by our community workers certainly. I'm not sure whether it's come up in the research itself.

**MS TRAN:** Workers have tended to mention promoting the odds of winning at the tables because it appears to a lot of workers that there's a misconception and irrational beliefs about winning, that the odds are actually fifty-fifty rather than what they really are, which is much lower. So there's a lack of understanding of the chances of winning, so perhaps some education around how likely you are to win at these tables. More money is spent on the tables because there's the illusion of control compared to pokie machines.

**MR BANKS:** Just to make it clear, basically the Vietnamese community is more oriented towards the table games than the machines - is that right - within the casino?

**MS TRAN:** No, they are playing on the pokie machines as well. A lot of them, if they're with friends, like to be with their friends and play on tables rather than sit in isolation to each other.

**FATHER NORDEN:** Observation would indicate, whilst it's not exclusive, that the

tables are the place at the casino where there's a greater concentration of people of Asian origin, and that's largely reflected in Diana's explanation that it's a group activity rather than a solitary activity, which again reflects the expectations and desires of the cultural background.

**MR FITZGERALD:** One of the things we have not been able to do is to identify the level of problem gambling within specific ethnic communities. Our surveys simply don't pick that up, not to any satisfactory extent, and therefore it's hard to know whether or not problem gambling would be greater within the Vietnamese or Indochinese communities generally. But in one of the submissions that was put here in Melbourne by a group that was involved with, I think Vietnamese women in particular, they indicated that there may be greater risk-taking with the Indochinese; there's a greater propensity to gambling. Now, there's no way to verify that but I was just wondering whether you believe that to be the case or not. If you don't know, it's okay. It was just an interesting observation.

**MS TRAN:** I think they mean risk-taking in that they've had a history of struggle and war and trauma and escape from Vietnam and perilous boat journeys, that sort of thing, but that would be insignificant to the social issues that I talked about in my paper, I think.

**MR BANKS:** But I think what comes from what Robert said, though, is that our survey information is biased in the sense that we're not picking up adequately some of the ethnic communities. I think it's in the nature of the surveys that they would have that bias and so we are quite keen therefore to get as much information as we can from other work that's done, and that's why your work is valuable. It's being published in full when?

**MS TRAN:** Towards the end of September, early October, so there will be a more comprehensive report that I will pass to you.

**MR BANKS:** You can make that available to us then?

**MS TRAN:** Yes, sure.

**MR BANKS:** If it's possible to make it available to us sooner rather than later, even if you had it at the point where it's about to go off to the printer, we'd certainly respect any confidentiality in the meantime. The earlier we get it the more we can draw on it in our own report, which won't be made publicly available until December so you would have that protection. The other thing is, as I said earlier, if you're conscious of any other work that has been done, when doing your own research, that is survey based or empirically based, that would be helpful too. We are conscious of some other surveys and we'll be doing our best to get the information, but if you had some knowledge of that, if you could make that available to us that would be good.

**MR FITZGERALD:** Just a point of clarification, on page 7 of this document you refer to "50 to 60 per cent of gambling-related cases involve family violence". I just

need to understand the word "violence" in this context. You then go on to say, "This includes financial, emotional, psychological and physical violence." Do the words "involve family violence" actual mean violence, or are we talking about abuse? The words in brackets confuse me as to whether we're talking about abuse or violence.

**MS TRAN:** Yes, family violence I defined as those ones in the brackets. What do you mean?

**MR FITZGERALD:** I just need to clarify it in case we quote from this document. When you talk about "this includes financial, emotional, psychological and physical violence" - emotional, financial and psychological abuse would normally be the case, whereas "violence" would traditionally have been defined only in terms of physical. Maybe you could clarify it for me, whether that is actual violence or abuse.

**MS TRAN:** Family violence does include all those violences.

**FATHER NORDEN:** So you are including the broader definition.

**MS TRAN:** Yes, the broader definition is now seen as family violence, which includes the others.

**MR FITZGERALD:** Yes. In the final submission we need to clarify that, because for the community at large that broader definition of violence is not yet accepted. We just need to be careful about what we actually say.

**MS TRAN:** It's not accepted, that is the general - - -

**MR FITZGERALD:** In the broader community it hasn't yet been accepted.

**MR BANKS:** It's not understood.

**MS TRAN:** It's not understood? That will be clarified or extended.

**MR FITZGERALD:** Thanks.

**MR BANKS:** I guess it's also implicit in your submission that there is a great scarcity of skilled counsellors within the Asian communities or within the Vietnamese community in particular. We had one counsellor talk to us in the first round of hearings and he was obviously very good, but he was one person in a broader agency, but is there scope for training? Is this what you're saying here? There is more scope for training general counsellors in the gambling - - -

**MS TRAN:** Yes, there needs to be more.

**MR BANKS:** - - - dimension and making use of people who have established trust and links.

**MS TRAN:** Yes, combining that model - expertise - but not taking them away from their day-to-day work.

**MR BANKS:** Right. So in a sense it's making their life harder because you're adding more tasks to them.

**MS TRAN:** It is.

**MR BANKS:** Yes, okay.

**MR FITZGERALD:** In your experience is the leadership within the Vietnamese community more open and accepting of the issue of problem gambling within their communities, or are we still at a point where there is some denial of the extent of the problem within their own communities?

**MS TRAN:** The incumbent president of the Vietnamese community and the committee has just changed hands recently and the previous incumbents were actually in denial in terms of their attitude towards drugs and gambling, but the new committee are more vocal in speaking up about social problems.

**FATHER NORDEN:** I think they have a responsibility as leaders of the community to ensure particularly that the popular press doesn't misinterpret and misrepresent the nature of their community and they are very conscious of how this information can be manipulated. So I think in acting in a way which might appear to be denial, they are at the same time exercising a very positive leadership role, protecting the interests of their community. We do know how easy it is to stigmatise people who have difficulties. I think there is a growing consciousness within the community leaders, but it is an area fraught with difficulty because of the manipulation that's possible and the further stigmatisation.

**MR FITZGERALD:** Yes, absolutely.

**MR BANKS:** Thank you very much again. We will just break for a moment now before our next participants.

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**MR BANKS:** We will resume now. The next participant is the Springvale Legal Service. Welcome to the hearing. Could I please get you to give your name and your position.

**MR EVANS:** Adrian Evans, coordinator.

**MR BANKS:** Thank you. You may have a colleague turning up at some stage.

**MR EVANS:** Yes, she may.

**MR BANKS:** Thank you for the submission. Your service provided an earlier submission in the lead-up to the draft report, which was valuable. You've got a number of points that you want to make here. I'll just let you go ahead and raise them.

**MR EVANS:** Thank you, Gary. Our understanding of the issue since we submitted that first submission at the end of last year was or has become slightly harder and more definite. At that time we were, I think, fairly gently suggesting that the consumer protection aspects of gambling had come to the fore as a result of the notion of problem gambling and that there needed to be some political identification of the correct process of monitoring consumer protection issues. Just as in other industries in the past, in banking, in insurance, in credit; almost all sort of financial services - I'd hate to see gambling called a financial service, but in one way it is because it involves wheeling and dealing in cash - we've had a recognition after a while that there needed to be a clawback of control of the whole process. So also we think this industry as a whole now needs that focus as well.

I'm aware that's not a unique view, but what I think is important is that we start to identify some of the obstacles to that process going ahead. I can only talk about Victoria at this point. I really don't know how this is managed in other states. Initially the VCGA was set up to look at monitoring this industry in Victoria, as you know. This really had a prudential focus and has always had a prudential focus, and perhaps with hindsight understandable that it didn't have as part of its brief the issues of consumer protection when it was set up.

Now I think it's crucial that that organisation be given an opportunity - and I say that, I hope, sincerely - to take on that role if it is able to do so in any way. We will attempt to talk with that organisation in those terms ourselves. Yet my sense of the political realities in this state at the moment is that that sort of discussion will go so far but no further unless it's also clear that a political top-down direction of this nature emerges from the state government level. My suspicion is that's only likely to emerge if there's some considerable pressure applied as a result of your final report; through the Prime Minister in fact, or perhaps the treasurer.

We continue to see, like everyone else I'm sure who has appeared before you, this sort of groundswell of issues emerging from our client base at Springvale. We

are

the largest community legal centre in Victoria - about three and a half to four thousand matters annually at the moment - and we're probably one of the two largest in the country, alongside Redfern in Sydney. The number of matters that we continue to see which don't present as gambling relating problems because of the taboo on disclosure - these come out from the woodwork once you get to know what the client is really facing - still continues to be a strong underlying factor in our case profile.

In the last six months I don't believe there's been any great increase in the numbers for us because we're already probably the second most infiltrated local government community facing the gambling industry in this state. We're in the City of Greater Dandenong, which is just after Maribyrnong as the biggest municipality for machines per head of population. In that six months I think we continue to see the same sorts of levels of underlying gambling problem behind the crime, the family breakdown, civil disputes, and perhaps even disputes arising from estates in succession even, where cash that was going to be left to kids has been gambled away and the kids are getting angry about no inheritance. I don't believe that's a significant statistic, the last one. I've just noticed that in the last few weeks coming up a little bit.

The culture of the VCGA is what we'd like to try and suggest as an issue, as an obstacle, as a stumbling block. I don't think the VCGA itself was set up with this notion of consumer protection, as I said before, so in a sense it's not fair to blame it for the fact that it isn't an active protector of consumer interests at this point. But my hope is that it can be put on notice by your report that it needs to consider adopting that role, if it is going to retain community legitimacy. Really the issues for financial probity, whilst they can never be neglected, have been overserved, whereas the issues of consumer protection have been serviced not at all.

I know that the VCGA has a research function, but in reality that research doesn't see serious light of day, it's never publicised to the extent it ought to be, and my guess would be - I'd be interested to see what the VCGA would say to you on this - that it does not feel able to make public statements critical of state government gambling policy. If it's going to be a regulator of consumer issues, it has to be in a true sense independent of the state government. Its act doesn't allow it to be independent in any meaningful political sense at the moment, and how can it regulate without that independence is my question.

It seems to me that the VCGA must be aware of that cultural shift that's starting to occur in the community. If you thought I was wrong, I'd be interested to hear that at some point, but at this stage I'm sure that they are aware that the clock's ticking, perhaps even on their future existence even, as it is an authority constituted under the present act. My sense of it is that they would know, if they addressed their mind to this issue, that they might have a six to nine-month, perhaps a 12-month window of opportunity in which to address the issues of consumer protection seriously, and that means standing up and saying so in the public arena, and beyond that time it's potentially doubtful as to whether they're going to be entrusted with that role at all.



I'd be hoping to persuade you to in some way ask the VCGA to respond to that sort of charge and, whilst I and others can ask, a public hearing of this nature does have a certain ability that we lack to put questions of that nature in a public framework and see what the responses are and to encourage, perhaps challenge, the VCGA to take on that role within this period, and if that challenge were declined, for whatever reason, really to suggest in your final report that that role of consumer protection should be moved to the federal sphere.

There's horse trading and politicking and all the rest of it that would have to go on before that could happen, not the least of it being the constitution, but it seems to me all these things are negotiable if the will is there, and if your primary thesis is accepted - namely, that gambling is a major public health problem - it doesn't seem to me that it's too long a bow to draw to suggest that, as a public health problem at a national level, it should be dealt with at a national level as well. But I think in fairness to the VCGA they ought to be given the opportunity to really take on that role in a serious way and perhaps provide some leadership where none has been in the past. That's my basic suggestion to you.

**MR BANKS:** Thank you. Do I take it it's implicit in what you said that you endorse the regulatory model that we've put in our report in the concluding chapter where we talk about an independent control commission and the characteristics of independence that we think - - -

**MR EVANS:** Independence is what it's all about - yes, definitely.

**MR FITZGERALD:** Let's just explore that a little bit, if we can. We take it that we are talking here predominantly about Victoria. As you say, you're not familiar with how it works in the other states. Where do you draw the line between policy and control or regulation? One of the things that's been put to us - and it's reflected in the commission's report - is that we've made a distinction between three levels. One is about policy which we've maintained is the province of government - that is, the minister and the department - one is in relation to control, which is the issuing of licence and so on and so forth, and then there's a third issue broadly called enforcement. Where do you think the VCGA particularly lacks this independence? Where do you think the greater dilemma is, or do you think there's a problem in Victoria in relation to those three components?

**MR EVANS:** I think the progression is a natural one, as you describe it - policy to control and then enforcement - and it's at the policy level in Victoria that this issue is not dealt with, and that is because really the government as a government, as a ministerial group, sets the policy. I'm talking about consumer protection issue especially. It is not moved over with any real authority to the VCGA, and until the policy is managed at that level I'm not sure that the control or the enforcement processes become significant.

You could take the ACCC model of where the policy is effectively the act plus the case law that's been determined around it. But you have to have a political will to

set out a pretty strong focus in the act to start with before that control can lie within the legislation and the case law surrounding it. There's no sign of that occurring in this state at the moment. I don't know that there is likely to be unless, as I say, the political process is brought to bear.

**MR BANKS:** I think as you indicated earlier in a sense the VCGA will do what it's constituted to do. I guess what you're saying is that at the moment it doesn't have the kind of legislative authority to take decisions in a range of areas.

**MR EVANS:** No, it doesn't, and the premier constantly states that this is an independent authority, don't forget. He uses that term to describe the VCGA. I would have thought that an authority that really wanted to buy into that agenda of consumer protection at a serious level would be prepared to make public speeches along the lines saying that it needs that authority if its going to do its job. We don't hear that.

**MR FITZGERALD:** Is there a reason why you think that may be the case? Why do you think consumer protection has in fact not been a core issue either of government policy or VCGA policy to date, given that consumer protection is something that is valued in most other areas?

**MR EVANS:** It starts off with this cultural perception that you can't have an addicted person in the area of gaming and gambling; that old style of perception that you can understand drug addicts, you can understand alcoholics, you can understand any number of almost commonplace perversions, but the notion that a gambler couldn't stop I think is still a relatively new concept in some areas of society. We constantly at Springvale speak to police - especially police - who cannot get it into their head that the notion of a gambler being unable to stop is a reasonable one, maybe just because of the culture of the police force which doesn't particularly regard any sort of addiction as something that's reasonable.

I don't want to be unfair to the cops on that one. I think it's a wider thing than them. It starts with that, and I think particularly with governments composed of people who have had fairly good backgrounds in life, fairly nurtured environments, the notion of addiction also is particularly foreign. It tends not to be the experience of many people who are in government, personal experience, and a lot of our politicians need to see something personally face up before they actually think it is real. So I think it starts with that sort of thing.

To approach it in a slightly more sophisticated way, it's possible I guess that the original configuration for Crown Casino was not recognised at that stage to be the drawcard that it became when the act was set up, when the initial construct was developed for the way gambling would be regulated in this state. I think they thought we were going to make money from it, but I'm not sure that the rest of us thought it was going to be this much, or that there'd be this much of a problem. I don't know that anyone is particularly to blame for that, but that doesn't matter much. The problem is here now. It is pervasive and it's white-anting the social fabric of the

country as far as I'm concerned.

**MR FITZGERALD:** In terms of the legal work done at Springvale Legal Service, what trending are we seeing in terms of the caseload that you're looking after being related to gambling? It probably was in the first submission, but what sort of pattern are we now starting to see?

**MR EVANS:** The most significant effects are in the ramifications of debt becoming pervasive, in the family's income sources reducing steadily as someone's addiction becomes more and more uncontrollable, leading typically to problems with the kids at school because their concentration is lacking because they're not eating well enough, problems with more conventional family law issues such as frustration of partners, especially frustration of partners with being unable to, in the slightest way, interdict the process. They are either leaving or attempting to throw out a gambler. This is usually the females having a go at males, but not always; there are examples in the other direction as well. That leads to the whole range of family law problems which would be commonplace.

At another level with the children who don't have enough support financially, they are getting into minor crime, and by "minor" I'd say probably some degree of relatively undiscovered domestic burglaries, but not too much of that, it's much more shop stealing, more the daylight sort of stuff, and thieving from friends' lockers at school. All those sorts of scenarios tend to become fairly commonplace. I think the number of people who are actually engaging in the large-scale fraud that one sees in the papers commonly now and who are up before the superior courts for substantial gaol sentences are just the tip of an iceberg and not what I'd call the serious dimension of the problem because these lower level things affect pervasively on a sort of multiplier level so many more aspects of life.

**MR FITZGERALD:** One of the things we heard when we were talking to some magistrates and what have you that you have just reflected in terms of your comments in relation to the police was that there is a view that gambling is often used as an excuse but it's really not a cause for the problems. Do you think there is evidence that that attitude is now changing? Or is that attitude as entrenched as it was some time ago?

**MR EVANS:** I actually think your first report had a very positive effect on that. Some senior police I've spoken to at the divisional level in Dandenong think that it's had a positive effect, but prior to that I'd have to say not much change. Perhaps once the current notoriety of the issue recedes, when your final report is down, we may still revert to lower levels of acceptance that there's a real issue. That's why I'm trying to focus on the VCGA getting up there and standing up where you are currently - in a political sense, I'm saying.

**MR BANKS:** I guess that's why we had as our last chapter a sense of setting up structures for the long term to get better decision-making in the future and so on. As you know the commission is not set up to make recommendations, formal

recommendations to particular jurisdictions and therefore I suppose the main power we see we've got is through argument and information and setting up proposals that we think different jurisdictions can draw on.

**MR EVANS:** Yes, but at the moment you've got the moral authority - to put it like that - to say things that won't be said elsewhere at a national level. That's a persuasive authority that's quite powerful. The fact that you might not be able to recommend in a formal jurisdictional sense I don't think you should see as a limiting factor one iota. I think you should be strong about persuasive comments in the report even if you head them up by saying, "We may not be able to recommend this, but this is what we want to recommend."

**MR FITZGERALD:** It would be unusual for the commission to be strong, wouldn't it?

**MR BANKS:** You're asking us to be controversial.

**MR EVANS:** This thing is going to die a death if you don't.

**MR BANKS:** Your point is well taken, but you could argue in another sense that I suppose in a report we are showing why this is an important issue, we are showing what needs to be done to properly regulate and make good policy decisions in this area. I mean, that's a start and I think - - -

**MR EVANS:** It's a good start.

**MR BANKS:** - - - what we've already seen in a way is different jurisdictions coming back and making comments about what they will do in response to that. So there's still a little bit of time before we're preparing our final report to see where that's going. Certainly, clearly the best approach would be that different jurisdictions draw some conclusions from that about how they set up their institutions. You've said there as one of your dot points that they could well then reconstitute their legislation and the institutions that underpin them.

**MR EVANS:** Yes. There is an authority in Victoria that could be adapted and there are two levels: one is the legislative push from the top and one is the cultural shift from below. Both have to happen at the same time.

**MR FITZGERALD:** I presume inherent in this is not only the VCGA actually taking a more proactive consumer protection role, but where do you stand in relation to regulation versus self-regulation and the codes of ethics and what have you which the industry does have?

**MR EVANS:** I think the industry is an amorphous group and I think there are some parts of the industry that have a self-regulatory approach that is better than others, but at the end of the day self-regulation has to be monitored by someone who is fairly fearless. It's the old adage that you can't delegate without supervising the delegation.

It has to be a supervised self-regulatory process if it's to mean anything in the medium term. I think the self-regulatory discussion is, to some extent, a furphy in that sense - okay, you can have self-regulation until the cows come home, but you've got to have someone there prepared to be a whip cracker.

Let's not forget that in the wider consumer protection environment with the ACCC around there are any number of self-regulatory schemes right throughout the financial sector now, and it's actually ASIC who is watching over them, but they don't have the slightest hesitation in cracking any whip that they want to crack if they perceive that a particular code or self-regulatory process is acquiring aspects of window-dressing. I don't see why it should be any different here. This is, if anything, a more lucrative industry in some ways than many of these conventional financial service industries.

**MR FITZGERALD:** Are there particular aspects of the consumer protection theme that you're pushing which you believe require urgent attention? You've been generic and obviously our report deals with harm minimisation and consumer protection issues in different ways, but from your own experience are there particular urgent areas in consumer protection that you think would make a fundamental difference?

**MR EVANS:** Yes. In any venue whatsoever it seems to me that we ought to be using technology far more efficiently to identify people who are in the problem gambling category and actively go through an exclusion process that's not voluntary but involuntary. One of the traditional objections to even the voluntary exclusion process from venues has been that you can't monitor the process efficiently in geographically diverse venues and that you can only do it in one place at a time. I don't think that's accurate. I think it might have been accurate in the days when good modem links were not affordable, in the days before you had recognition technology in place that would allow individuals to be identified as they walked through a door, etcetera, etcetera.

Now all that is there. It's just a question of whether the industry thinks it's under enough pressure to implement that and therefore to bear the cost of it. But because it is a major health problem, to quote yourselves, I think we could move at some level beyond the notion of voluntary exclusion and move into involuntary exclusion. Just as we put seat belts in cars compulsorily all those years ago and everyone was yelling, "My freedom to travel and get killed is my freedom," so also I think we could say for a particular category of gambler - and I'm not talking about everyone, but a category of gamblers, and these people are known to the venues because it only takes a few months before these people are identifiable - ought to be put through some extra hoops if they're going to continue to gamble.

They may be compulsorily referred to counselling, it might mean involving their whole family - because many of the gamblers are hiding their addiction from their family in a verbal way, and it's only when it's the sheriff is at the door or the police are serving a summons on one of the kids or something like that that these things start to unravel. If it were possible to bring these particular individuals into a

semi-public

scrutiny process - I don't mean to embarrass or to victimise but simply to get them some assistance - then I think we'd have the beginnings of a really positive approach to reducing the problem gambling issue. I know that your brief is wider and you're not just talking about problem gambling, but from the point of view of a legal service such as ours, that's the agenda.

**MR BANKS:** Yes. Would you concede, though, the industry's point that it can be quite difficult to detect a problem gambler and then to impose penalties like that, like choosing people who then couldn't come into your venue regardless of what they thought about it and - - -

**MR EVANS:** No, I don't concede that point at all. I just disagree.

**MR BANKS:** I guess the philosophy behind a lot of what we say is to give information and control to people, at least for moments when they can exercise that control and use the information. You're saying to go much further and take away people's options independently of what they think about that. I mean, you don't think that seems draconian or possibly arbitrary or - - -

**MR EVANS:** It's a question of what you measure it against. If you sit in front of clients and their families and you can see that particular family unit turning to dust it doesn't seem quite as important as you say it is.

**MR BANKS:** What would be the trigger for that, the kind of evidence that would be required? Would it be, say, the spouse or a partner coming forward?

**MR EVANS:** We would usually only see, indirectly, someone else to begin with, either the partner or a teacher of the children at school or a relative who has noticed something and is unhappy and wants to talk about the options, things like that. Yes, that would be a trigger.

**MR BANKS:** A trigger for an exclusion?

**MR EVANS:** For a referral for counselling of that family as a whole. I could stop at that point at the moment. I don't think you could say I'm being draconian.

**MR BANKS:** No, I just wanted to tease out what you saw as the mechanisms through which that - - -

**MR EVANS:** Yes. Well, I think that's the mechanism.

**MR BANKS:** Yes.

**MR EVANS:** It's going to take a long time before the taboo nature of this addiction is removed. This is not an AA situation, where people are almost happy to talk about it. Unless you have some proactive means of bringing it into the spotlight, it's going to stay an underground issue and all of the destructive agendas of which I know

gambling isn't the only one - but this is a significant one at the moment - are going to continue.

**MR FITZGERALD:** One issue that is not in your submission, but I just wonder whether you have given any thought to it, is in our report we've taken the approach of a proactive consumer protection harm minimisation - to use the word carefully - "regime" or approach. One other approach that is available is to actually move down this duty of care route, where the common law over time establishes a duty of care by venue providers or service providers to their clients. You may not have given much thought to it, but I was just wondering whether you did have any view about those two approaches?

**MR EVANS:** I saw that, but I don't have that much faith in the common law, with all due respect. Common law is a very slow process. We're talking about a generational - - -

**MR FITZGERALD:** I did say "over time", yes.

**MR EVANS:** Generational, and okay, maybe it makes fewer mistakes because it is cautious and slow. The pace of change is faster than the common law. I think this is legislative issue rather than a common law issue, in my view.

**MR FITZGERALD:** That's fine. I was just trying to get a key, given that you are in the business of the legal area.

**MR EVANS:** I don't think it's viable for that reason.

**MR BANKS:** The only other area where I thought you might be able to help us a bit more, either now or later, is just in terms of what we set out as the criteria for independence, how the control function should be structured and so on, if you had any thoughts about what we got right or, more particularly, what we got wrong there, things that might be missing. We'd be grateful.

**MR EVANS:** Actually, I thought the general framework you were setting up would be similar to what I'd want to see. I thought it was sensible. What I'm interested in trying to do is to politicise that now, rather than later, and move it into a very local environment if possible, but if not, to move it nationally.

**MR BANKS:** Thank you very much.

**MR FITZGERALD:** Thanks, Adrian.

**MR BANKS:** We will just pause now before our next participant.

**MR BANKS:** Our next participant today is the Victorian Women's Trust. Welcome to the hearings. Can I ask you, please, to give your names and the capacity in which you're here today.

**MS CROOKS:** I'm Mary Crooks. I'm the executive director of the Victorian Women's Trust. I also have Klara Blazevic with me, who has been a project worker on the Purple Sage Project, which is a partnership project involving the Women's Trust. Our third party is a woman whose pseudonym today is "Anna", who is a volunteer with the Women's Trust.

**MR BANKS:** Good, thank you. Thank you all very much for coming along. I'll hand over to you to make whatever remarks you want.

**MS CROOKS:** Thank you. First of all, thank you formally for the opportunity to participate. We would like to heartily commend the effort so far by the Productivity Commission into the draft report. We think it is an excellent and powerful - even in draft form, a powerful analysis of the issue and we commend the work that has gone into it. The Women's Trust has a direct interest in the issue of gambling in Victoria, in particular recent expansions to the gambling industry, especially as it has affected women, and we were among the first organisations in Victoria to commission a study into the impact of gambling on women called the Queen of Hearts Study, which I know you have had at your disposal. It was an important first exploratory piece of research.

We have also, over the last year, been involved closely in running the Purple Sage Project, which is an unprecedented exercise in community dialogue across the state. In the last 12 months we have had close dialogue with some 4 to 5 thousand men and women around the state. We have identified the issues that have come up through that dialogue and of the seven or so recurring themes in that dialogue, gambling has been one of them and we're now subjecting that to microscopic detail in terms of how citizens around the state in the next several years might start to address the issue of gambling within their own terms. I should also say that I speak as a local citizen in the city of Darebin, where I can walk into the Westgarth railway station and see a Met-sponsored directory of how to go to the local poker machines within eight kilometres of the railway station.

So it's an interesting local example of Met-sponsored advertising of poker machines. I should also say, as a parent of young children, that within my residential house, within my location, in the space of the last five years there are now something like eight poker machine venues within six kilometres. The point I wanted to make is that we have faced choices all the way in Victoria about gambling. The decision of the previous government to issue the casino licence did not necessarily mean that it would then become something of several city blocks. The decision to introduce electronic gaming machines didn't mean to say that we had to have a complete opening of the floodgates in terms of numbers. We still face choices all the way and I think it would be a pity if we got to a position of thinking that a lot of the aspects of the gambling industry of late represented fixed positions and cannot be changed.

There are two aspects in your excellent report, however, which we believe need further consideration and detailing in your final report. One I think is around the role of government in an expanded gaming industry - to the extent now that the gaming receipts in terms of taxation represent such a big source of state budget - that there is now a dilemma for state government as to its role as either regulator and/or promoter. I think whatever government of the day, whatever political party is in government, that we now have an invidious position I think where government is in fact addicted itself to gambling as a source of revenue, and I think that there are some very important questions about what is the role and the function of a government when it is in fact implicitly promoting an industry which causes social harm.

So we would like to see a closer canvassing of the issues about government itself, the responsibility and role of government in a society where the expanded gaming industry potentially compromises that role greatly. Jonathan Rolston Saul has said in fact - I'm paraphrasing, but when a state does come to depend on gambling to the extent that it has in several US states and here in Victoria, that it's in a state of unacknowledged crisis. The other issue that we wanted more attention to be paid to in your run to the line in the final report is to acknowledge, not simply the possible 300,000 problem gamblers and the further 140,000 that you spoke of who might not be as big a problem, but they're there, is to introduce the notion of the directly-affected party. If there are 300,000 problem gamblers in Australia - and my hunch is that that probably is an under-reporting, not through any fault of your own, but because people are loath to disclose, even in a survey, whether they have a problem with gambling and they will certainly not disclose the amount of money that they've lost.

But if there are 300,000 problem gamblers identified in your study, you could reasonably assume that there are probably 300,000 affected parties - directly affected, meaning the spouse, the partner, the girlfriend, the boyfriend - and one of the things that we have found through recent experience is that there is just not the same community support or services available when these affected parties, who are not gambling themselves, but are actually pushed to crisis point and experience a range of emotional and perhaps physical traumas through problem gambling. Having said that in terms of general comments, I'd like to hand over to Klara Blazevic, who will address the issues as they emerge through the Purple Sage Project.

**MR BANKS:** Thank you.

**MS BLAZEVIC:** The Purple Sage Project began in April 1998 with extensive community discussions both in the metro and rural areas, and to date over 4000 participants have been involved and, of those participants, 80 per cent have expressed varying degrees of concern about the state of gambling in Victoria. Now, in the year-long life of this project, a question people kept coming back to this project with was is it appropriate in a democracy for governments to promote gambling as a legitimate form of recreation? As the Productivity Commission's report rightly highlights, both rural and metropolitan communities have been similarly impacted

upon by the presence of gambling. Comments to this project indicate that there has been little scope for community consultation on the issue.

Furthermore, any discussion has been difficult to undertake given the fragmented and often anecdotal information that is existing. Purple Sage also received a number of comments expressing concern at the overtly aggressive marketing tactics employed to promote the casino and the pokies and the seemingly unregulated way in which gambling was being promoted in Victoria. For example, gambling appeared to be targeting low-income and/or migrant families with the lure of cheap foods, drinks and entertainment. Advertising of the gambling scene intimated that people could change their lives through gambling and one respondent simply encapsulated the frustration felt by community groups about this situation with the single word of a call to action.

Underlying this proposal are two ideas which need to be unpacked, and that is many community groups feel concerned that they do not have a voice on this issue and that in reality, gambling does have a huge impact upon the community's wellbeing. The second idea is this, that there is an underlying concern that government has lost touch with the community's interests and needs, as it is seen to be encouraging a gambling based economic recovery. Consequently, the strategies or solutions being proposed by Purple Sage participants when we asked them about their opinions on this, was the repeated call for information.

For example, the notion of the need for education, that's wanting information; a royal commission into gambling, seeking and clarifying of information; control on gambling, the notion of controlling the current situation until more research could be undertaken and accurate information was gathered; or restricting access to gambling, and that is looking at using existing information to warn of gambling's negative influence if it goes unchecked.

I have three more points to make. Other important comments the project received, referred to the lack of public accountability and the lack of transparency regarding how the funds were being distributed by the Community Support Fund. The second was government's seeming dependency on taxes from gambling activities and the issue of cronyism. Finally, the lack of resources to help community groups deal with gambling impacts in their local communities.

The community's right in questioning who is being served and at what social cost. I would like to end with this comment that citizens should be able to look to government to protect their rights, not to promote negative behaviour and false promises. Thank you.

**MR BANKS:** Thank you.

**MS CROOKS:** If I could now introduce Anna which is a pseudonym. Anna has a personal story to tell. She has a copy to leave with you, but we've asked her to crystallise her experience into a number of points.

**MR BANKS:** Thank you very much.

**ANNA:** I'm aware that this hearing is public so I am using a pseudonym. By doing so I can protect my children and my ex-husband because I didn't seek their permission to actually undertake this and write this story, and I would like our privacy and dignity respected, please, so I appreciate no cameras. I would like to extend my appreciation to the Productivity Commission too for a reader-friendly report that's open, thoughtful and consultative, even to citizens such as myself. I found it very readable.

**MR BANKS:** That's nice to hear. We weren't sure whether it was readable enough. It's certainly a long one.

**ANNA:** It was long. I'd like to give particular thanks to the Women's Trust, to Mary Crooks and to Klara for supporting me at this time and enabling me to be here as a representative from a silent group of people who have had a lived experience of being part of a family with a problem gambler.

I have been prompted to attend this hearing in the hope that some good will come out of the exposure of this story and that more appropriate support programs and services will be developed to assist people in similar situations, for after all it's not what happens to you in life that counts, it's what you do with what happens to you that makes the difference, I think. I also want to say that I don't support a ban on gambling but feel that if society allows freedom of choice in this area, then it must also be prepared to deal with the consequence of that freedom and accept its responsibility for the part it plays in condoning such choices.

My story highlights the fragmented and limited availability of appropriate support to me as the key carer in trying deal with progressive disempowerment of myself through this experience and the devastating decimation and deconstruction of us as a family experiencing life with a problem gambler. The main point I wish to make today is that a significant focus has been maintained around support services for the problem gambler which is a one-dimensional approach that can have substantial limitations in the effect of harm minimisation. I'm proposing a two-dimensional or a two-pronged approach to encompass the significant others, as Mary talked about, in the equation for support. There is an acknowledgment that between five to 10 others are impacted upon by the actions of the gambler.

I feel very privileged to be here today. When you're going through this experience you are far too vulnerable to be able to speak up or speak out, and it is only now that I feel that I can say anything. It has sadly been a progressively disempowering experience for me. I have outlined some enabling and empowering strategies at the end of my story to facilitate discussions between the key stakeholders, and I'll leave three copies here for you to have.

**MR BANKS:** Thank you.

**ANNA:** I have lost my community and communities, and a support service like HomeStart that would have helped maintain my sense of community would have been invaluable in terms of providing emotional, social and physical support. I have lost my job and not having to be torn between having to deal with the trauma at home on my own at the same time as attending to my work responsibilities, would have possibly prevented this situation occurring. The available services concentrated their efforts on trying to assist me to get help for my husband. This was an important initial strategy but was not effective support for me in anyway whatsoever. To this day my ex-husband denies that he has ever had a gambling problem.

I have roughly outlined the number and types of services I have utilised in seeking appropriate support for my children and myself and my husband, so that you can see how extensive the needs are and what sorts of professionals might come in contact with people in my situation, and they're nearly all generic services. This story was written prior to me reading your report, and it has struck me, how many services the family of a problem gambler uses that are the same as the problem gambler; how much in fact the problem gambler projects onto the family. It's nearly everything.

I'd just like to say thank you for this opportunity. It has been a significant part of my healing process and I would be willing to be consulted further if required as long as my children and my ex-husband are protected through the process. Thank you.

**MR BANKS:** Thank you very much.

**ANNA:** I won't go into the story because I think it's written.

**MR BANKS:** All right, good.

**MR FITZGERALD:** If I could just take one of your last points there. You were saying that most of the services were generic services and you made a comment that the problem with the problem gambler almost overtakes - well, in fact, it imprints on you and the family and what have you. Just explain that a little bit further to me in terms of the services. Just explore that a little bit further for me, if you can.

**ANNA:** The services that I required have indeed been similar services to what the gambler needs. For example, financial services, counselling services, medical services, school support services in terms of what the children's needs are, marriage guidance services, police services.

**MR FITZGERALD:** So they're similar services. Are you saying that the same services that provide support to the problem gambler are or are not appropriate for also supporting the significantly affected other?

**ANNA:** When I actually went and became minimally involved with services that were directly related to problem gambling, their focus was on getting me to help my

husband. So they were not helpful to me at all, no. For example, one of the strategies I suggest is that I think it would be very helpful to get a needs assessment tool for families at risk. It would have been very helpful for me to have even been able to have that framed for me at the time. I come from a background where I knew nothing about this; I had never been exposed to any of these services before other than in my professional capacity. But at a personal level in a crisis I was involved in trying to get help from the mental health services as well. That was the first time I ever needed that as a citizen. I was actually on a huge learning curve - I have written that in the story - of all the interfaces I had with these services, trying to get to know what they offered me, for starters, which was generic, and then trying to identify what the specifics were that would help me, and they were not forthcoming.

**MR FITZGERALD:** Were they not forthcoming because the services didn't understand your needs - - -

**ANNA:** Yes.

**MR FITZGERALD:** - - - or they weren't designed to meet your needs or both?

**ANNA:** Both.

**MR FITZGERALD:** So given your experiences - and obviously we'll read this with great interest - where do you think the entry point for support and assistance is for the affected spouse and/or children?

**ANNA:** What I've proposed here is that - it can be in several points, unfortunately. It could be that you go to the doctor feeling sick. It could be that your child actually ends up at school needing counselling because there's something happening and they've got to try and extrapolate what happened. In fact it was through counselling of my youngest child that it was identified there was a gambling problem in the family. That person said to me, "There is something terribly wrong happening in your family" and within a four-week period I went back and discovered what it was and, as far as I am aware, it had been in existence in our family for about four months. But having gone to Gambling Anonymous and, I suppose, other gambling-related groups, people talk about up to eight years before they discover there is any gambling problem. There is that degree of deviousness and desperation. There is that degree of lying. People forge signatures on titles of houses and all sorts of things to actually get money because they're desperate. So you don't discover it, you trip over it. As a carer you trip over it.

I have worked in other areas where it's logical to help the key person who is trying to keep the whole kit and caboodle together. It's logical to do that because that's an empowering model in itself. It means that you will actually keep that household together. But in the end I've had to seek individual help for each of the individuals in our house and then try and bring it together. They have been three teenagers and you can imagine their search for independence in this - it has been a huge challenge. It would have been easier if we had been able to actually go to one

point, a contact point, and make it for example - what have I called it here - a gambling support centre, GSC or something, that has a 24-hour phone call availability, that has a sort of a centre of expertise if you like, that encompasses helping the family and develop the needs assessment tool. They can then generate that knowledge out into generic services. They can actually be an education force as well, if you like. Does that make sense?

**MR FITZGERALD:** Yes. But I just need to clarify - do you see this gambling support centre that you refer to as a support centre for the person with the problem gambling or is it a - - -

**ANNA:** Both.

**MR FITZGERALD:** So it is both.

**ANNA:** Both.

**MR FITZGERALD:** You don't see a conflict or difficulty in having the service providing support to all of those affected - - -

**ANNA:** Well, I think - - -

**MR FITZGERALD:** - - - but rather - can I just clarify. What is therefore missing in the current services - Break Even we had this morning and so on? What do you think is the primary missing - any of the three of you - that's missing from the current range of services that couldn't meet your needs and the needs of others affected?

**ANNA:** Can I just say that I am aware - this has happened over a four-year period for me, and I am unaware still of what is current. I'm unaware. I do know that I actually used the services that were available at the time and I was referred eventually back out to a community health centre, which all they did was concentrate on my husband, and there was nothing else they could offer me. They were busy developing a tool to identify what a problem gambler was.

**MS CROOKS:** I think that is probably the main point in all of this, and maybe it's a function of recency in the sense that the problem gambling problem is fairly recent in this state, anyhow, so we might have to be playing some catch-up policy and community support in this regard. But I think the issue is with the focus mainly on problem gambling and developing supports for problem gamblers, that we are at risk of ignoring the fact that for every problem gambler there is probably a spouse and a family which is in fact being torn apart by his or her gambling. So the question is how do you actually support those people through the crisis which is not of their making? That's the key question.

**ANNA:** You see, there's an expectation I think that the community will support you. But I've lost my community. I lost my home, I lost my job, I've had to move away from my faith community, my neighbourhood community, my work community and I

have to move again in November simply because of the rental situation. That's the third move since I had to move out because of a need to maintain some safety for my children.

**MS CROOKS:** What I find is one of the fatuous claims by proponents of the gaming industry is that gambling is simply one component of the spectrum of recreational or leisure choice entertainment and why it is fatuous is you have to ask yourself how many marriages and families get torn apart if you go to the theatre?

**MR BANKS:** It would have to be a very bad movie.

**MS CROOKS:** It would have to be a really bad movie. How many people steal in order to finance cinema-going or going to the football? It is a really fatuous argument and I guess what Anna is saying here - and I have read her story when she came out of desperation to us some months ago - is that what is terrifying about her story - and I don't believe it is unique - is the destruction, the social destruction, of individuals, kids, spouses, and it is a terrifying experience. It is not nice.

**ANNA:** There is a total loss of integrity.

**MR FITZGERALD:** In the moves that you have had to make were they largely moves - when you say for the safety of your children, just explore that for me a little bit further. In terms of the physical safety was it safety because of stigma or other issues? When you use that term what do you actually mean, Anna?

**ANNA:** What I mean is that it reached a point where it was very emotionally and physically unhealthy for any of us to be near the gambler. I have written it in the story that my youngest is still seeking counselling and has difficulty differentiating between borrowing, lending, giving, stealing, etcetera, and I have to be very vigilant in teaching her the differences so she can understand what is acceptable and what isn't. What is stealing and what isn't. There's a lot of ambiguity and a lot of loss of boundaries that go on and that is only in one small area. I mean, the loss of money is one issue only in the experience. There is the stealing, the lying, the cheating, the prostitution of themselves or the seeking of prostitutes, so there is the unfaithfulness. There's a regression in terms of being able to negotiate or discuss anything and it becomes very unhealthy to be near and then it did become a physical issue, yes, so it was for safety; for physical and emotional reasons.

**MR FITZGERALD:** Yes, right.

**MR BANKS:** One of the points that some proponents of the industry have tried to look at is the extent to which gambling is a rational addiction and you may have seen that in some of the submissions, and also talked about the extent to which the family in a sense should be able to internalise these problems and resolve them and anticipate them even, and so on. I mean, it is very hard to deal with that through the story of one person but I would be quite interested in your remarks as to why it took so long for you to discover there was a problem there; whether there were any signs,

looking

back, that could have warned you about that; whether there was a history of gambling earlier on in your relationship, or something. Just if you wouldn't mind talking a little bit about that.

**ANNA:** As I say, I wrote my story before I had read the report. There is a history of gambling with my ex-husband's father, so I have concerns about my children because it is inter-generational. I was married for 17 years and we were very comfortable financially; typical middle class family. No, I did not see what I see now. Absolutely no.

**MR BANKS:** Was there an escalation in his gambling activity or a change in mode of gambling or something like that?

**ANNA:** Yes. He gambled at the casino and it was 24-hour availability and he worked near there. I was at home caring for the children, knowing where he was. I felt so trapped. I felt so trapped.

**MR BANKS:** So it obviously had a very big impact - I mean, we talked about five to 10 significant others being affected. Some people have challenged that and indeed made a mockery of those kinds of numbers but, clearly, within your family it has impacted on the whole family unit. Are there others who you are aware of who have also been affected outside your immediate family?

**ANNA:** There are several people who have helped my ex-husband financially and I don't think they have been repaid, but I can't categorically say that. He has, I think, become very distorted in his view of the world and what the world owes him and it wasn't there before. We now live with the situation where I have to skill my children up and they are more or less the adults in the relationship. I have a 14, 16 and 18-year-old, and the 14-year-old is still very much at risk but the other two are learning how to manage it. There is my ex-husband's brother and his wife, who have I think been significantly impacted upon as well. My family have been. They haven't know how to deal with it. It's a topic that everybody skirts around and there is a lot of shame attached to this.

**MR BANKS:** Yes.

**MS CROOKS:** So there's at least three families.

**MR BANKS:** That's right, and it affected your employment.

**ANNA:** Yes, absolutely.

**MR BANKS:** What about your husband's employment?

**ANNA:** He was retrenched January 12 months ago through a restructuring.

**MR BANKS:** So not as a direct consequence of his gambling?

**ANNA:** No, because when he was stealing from his workplace he was rescued by me, but it would have been a matter of time before he got caught.

**MS CROOKS:** The other anecdotal evidence I have over the last few years is that the deceit born of desperation and the cleverness with which people can fashion a cover for their behaviour is a theme. I know of a fellow who, for example, has a business, advising small business on how to salvage and avoid crisis in their small business and what he has found over the last couple of years is the number of cases where in his experience the male in the business clearly has a significant gambling problem. It is showing up. It's why the business is going to the wall. So there is a retrieval plan set in place and what his tactic has been is that when he has got the parties together at conference - the woman, the husband, the wife - and they have looked at the retrieval plan he has then simply turned around to the male and said, "And now I think it's time you told your wife about the gambling problem," so the point about wondering how it could be that Anna could not know I think also gets caught up in the trust relationships of, in this case, a marriage. You tend not to assume that your husband or your wife is cheating on you or is resorting to behaviour that is beyond the boundaries and I think if there are hints of that you tend to actually deny that it is occurring and I think it really reaches a particular point of crisis when the whole thing spills.

**MR FITZGERALD:** Just more broadly, the Purple Sage program, where does that take you to? Where does it take us to in terms of the approach that the commission should be taking to these issues, given that there is a high level of concern and you have specifically targeted about the role - or the inappropriate roles - of government in the way that gaming may be promoted or regulated? Where do you think that work will lead? What would be some of the recommendations that will come out of that work?

**ANNA:** I think the important feature of the Purple Sage Project is that it is a break with traditional ways in which there has been research and dialogue and the formation of recommendations even, in that we're not preparing a report for example that goes to government for eyes to then glaze over or whatever. We're in fact preparing a public document now as a result of the 12 months which goes back to every participant and it is in effect their social Melways for community action for the next several years, so on the issue of gambling you will find in our draft document thus far that instead of saying, "The government ought to do this" and, "You ought to do that" and, "The Productivity Commission ought to do this," we are saying things like, "It would only take three or four of you to take a delegation to your local council to have them undertake an audit of poker machine venues.

It would only take a phone call from you to ring the community support fund and find out which funds are being disbursed to your region, so we are in fact trying to facilitate a more - I know it is a jargon word - "empowered" community to start addressing the gambling issue and not waiting or expecting it to be only resolved by what the Productivity Commission says or what the state government might or might

not do. The flexing of the muscles of the communities around the state is a very, very important part of the equation; not the only part however.

**MR FITZGERALD:** If that were to occur - using your terminology, which I think is still appropriate, empowering people to actually deal with the issue themselves - what would you hope would be the end result of all that? How would the nature of gambling or gaming in this state change as a consequence of that, or do you not have a particular view as to that?

**ANNA:** I have a view which is informed by sensing where all the Purple Sage material is going to and I think - I mean, the premier maintains we are a mature society. I agree with that, but I think we would show our maturity on gambling in this state by further regulation and not less, by a ban on the particular range of inducements: the bounties, for example, that gold clubs and other groups are paid if they can bus people into the casino. I think a code of harm minimisation at an institutional level.

I would like to see the key stakeholders having more of a sense of responsibility for their industry and its impacts. I think local government is shaping up to be a significant player into the long term on this issue in terms of ultimately planing control and looking to the wellbeing of communities within their jurisdiction, but I think also it is about a much more informed and - communities around the state being prepared to take responsibility for it within their own communities, but they need information about that and there has not been a lot about and I think it is shaping up that greater transparency of the community support fund has to come.

**MR FITZGERALD:** Can I just explore that if I might for a moment? We have heard in the original round of submissions in Victoria concerns about the lack of transparency with that fund and the lack of independence to some degree. Just explore to me your major concern with that fund. Just crystallise, if you can, your concern around the way that fund is used.

**ANNA:** As your report makes very clear, the relationship between geography and low income and saturation point of machines, for example - I think there is a case that the funds that go into the community support fund need to have a more equitable range of criteria that are fulfilled; that will actually have funds going back into the most affected communities, so you don't expect a skewing of those funds. I think, from what I have been able to gather, there are a number of projects which have been funded that you would really have to wonder about the contribution which they would make to the broader Victorian community. I know projects that have not been successful, such as low-interest or no-interest schemes for low income people, have been knocked off, so I think it probably needs a good shake-up and review, frankly. I don't know whether it is right but if it is that the premier is the only signatory required to send the cheques off then I don't think that is adequate either but, again, I am not sure if that is correct information.

**MR BANKS:** Thank you.

**MR FITZGERALD:** Anna, when it was finally revealed after a period of time that your husband had been in fact gambling excessively - we have had submissions previously that there should have been powers by which the spouse could have acted to protect the property or what have you. Was there anything that could have happened after that time of acknowledgment, apart from counselling and support and that - that there were practical ways that would have been able to lessen the ultimate financial devastation?

**ANNA:** That was a very significant one. We owned our home outright and, as I said in my story, each time he stole money I did a deal. I got the title of the house so that the banks would have to ask me for it. You know, I sort of - I suppose I was a bit clever - - -

**MR FITZGERALD:** You traded it.

**ANNA:** - - - or manipulative or whatever you'd like to call it but, yes, I think that I would have really liked some guidance around that. As I say, I had never been through this before in my life and everything was new - being involved with the Family Court. Everything was new. I was advised not to say anything about the gambling issue when we came to a property settlement and I didn't and I would have liked to have been able to do that. I think that should have been taken into account in a property settlement so that we could make sure that the children had access to what they needed properly.

I would have liked an invitation from gambling counsellors to have been extended to the whole family - to come from them - to be willing to come to my home and to come from them so that I didn't have to be the intermediary and, of course, being the mother of three teenagers I was a big bad wolf. That made life enormously difficult and it was only by luck or by sheer desperation that the children did get involved in the end with their own counselling and I use the Centre for Adolescent Health to help me with that.

I would have just liked one phone number to ring to say, "These are the range of issues I have. How can I be helped? What is there available and can I have it in my local municipality as much as possible?" because I then would have been able to maintain work. At that time the counselling services that were related to gambling were in the city or the western suburbs and I was working in the east. I either was at work or I was mothering the children, so it was really catch-22 for me. I would have liked some financial support. I received \$5 by default because I forgot to pay.

The rest I've paid for myself because services have asked what my income is and it's not based on my ability to pay and they incorporated my husband's income at the time. But most of all I would have really liked some basic practical support and this is what that Home Start program is where, because I had to move out of my community, I would have liked to have known that there was a caring community somewhere, a caring society and, to have had someone come in who would have been

willing to just do a couple of practical things for me; as a volunteer it would have said heaps. It would have resounded heaps to me about a caring society and possibly would have helped me not get so drained.

**MR BANKS:** I appreciate that and I think your willingness to come and tell your story and to provide this information on a confidential basis will help because it's really only through the real experiences of people that you get some of these insights about the bigger picture. So thank you for that. I only had a couple of other questions. It really got back to the two issues that were raised at the outset about things that we could do better or spend a bit more time on.

The second of them, going backwards: the notion of the directly affected party. We did have information in there about that. What are you suggesting there that we should do more about?

**MS CROOKS:** You do have information in there but I guess it's making some of it more pronounced in the sense that you have a very good diagram of impacts. It's an octopus-looking diagram of impacts but there is a suggestion, if we're not careful, that the impacts are sort of equally weighted, whereas what we are saying I think is that the impacts that are on the closely-affected party will be qualitatively different from say what might be on local retail trade or - - -

**MR BANKS:** Yes.

**MS CROOKS:** So it's really to just bring out in greater relief the fact that there are impacts, and there are impacts rather than putting them all in together. The impacts on the closely affected party, which is our term, is not to deny the significance of other impacts but the relational, the social, cultural, emotional, psychological. All of the dimensions in that relationship between the problem gambler and that person - between Anna and her husband and then her family - are a whole different bag of impacts from the way others might be affected by problem gambling. It was really just to have that dissected a bit more within that sort of family and human dimension.

**MR BANKS:** That's good, and indeed some - looking at it from the other perspective - have questioned these impacts anyway and then probably rightly criticised us again from a different point of view that we have implicitly not differentiated enough. So that's something we will look at.

The other point you made was the bigger picture issue of the role of government and the broader theme about government's role in relation to activities that can impose social costs. I suppose in a sense a view about that role informed our last chapter which had to do about the separation of functions and policy-making separate from control and other functions. Do I take it, that in doing that, our message hasn't got through?

**MS CROOKS:** No, I don't think it has. I mean there are some quite brutal questions to be asked in all of that, like when is enough enough in terms of using

gambling taxes as a major source of your state receipts? Is there a point at which you can say - and there might not be - "Look, it's getting awfully risky for a state government to be dependent on gambling taxes to the extent of, you know, is it 23 per cent, is it 34 per cent, is it 10 per cent?" I'm not suggesting that it will be possible to get a threshold figure but it would seem to me that a state or a government or society is on a slippery slope if there is not some sense of where that threshold is and have we reached it and should we in fact pull back from it.

I actually believe that the current figure of the state budget now - I think we have in fact exceeded what a government reasonably should expect in terms of gambling receipts. The unpalatable reality is that in 1992 what we were receiving in terms of dividends from public utilities roughly equated with gambling taxes then. The irony is that the dividend stream from public utilities has been closed off but the percentage of state receipts from gambling has in fact grown from something like 6 per cent to 16, 17 per cent. My hunch is that is too great a rate and it's too much to be coming into government coffers. I think it potentially compromises a government seriously and it makes a government very ambiguous in its role - very uncertain I think as to whether it - I mean, is the government really likely to become a heavy-handed regulator and to insist on a code of harm minimisation if its receipts from gambling are going to dip and they're finding that they're going to have to raise taxes or boost the coffers in some other way? So I think there are some deep-seated questions about the conduct of government itself within an expanded gaming industry.

**MR BANKS:** We were conscious of those issue and others have raised them and we will think again about how we present them.

**MS CROOKS:** A day or so after the release of your report I heard the premier on the Terry Laidler program. Terry Laidler asked him, "What is your response to the Productivity Commission report?" and the premier's response was, "Look, Terry, it's not the role of government to intervene in the marketplace." Now, Terry didn't happen to follow that up so it went through to the keeper and I thought, well, it would have made an interesting public discussion that, if it's not the role of government to intervene in the gambling marketplace, then what is the role of government on the issue of gambling especially when I think the potential for not simply benefits but for negative consequences on people I think is demonstrable and staring at us.

**MR BANKS:** Thank you very much for that. We appreciate all three of you coming and presenting today. There is no other submission that you will be making to underpin your other remarks, so we have this confidential submission. We've got the earlier one relating to the Queen of Hearts study.

**MS CROOKS:** We have the summary of issues for the Purple Sage.

**MR BANKS:** Okay, good. Thank you very much.

**MR BANKS:** We have some final participants today who have just come forward. I just ask you to give your names, please, and the capacity in which you're here today.

**MS RUTHERFORD:** My name is Sonja Rutherford and I am the assistant secretary of the Broadmeadows Progress Association, which is a residents' group of some 28 years' standing. I am representing the Progress Association members and they have participated in this issue for the last three years.

**MR BANKS:** Thank you.

**MR RUTHERFORD:** I'm John Rutherford, Sonja's husband. I am the secretary of the Broadmeadows Progress Association, but Sonja has had some specific responsibilities from the association to coordinate the concerns that we have had with gambling and the specific issues that we need to raise this afternoon.

**MR BANKS:** Thank you.

**MS RUTHERFORD:** I would like to relate to you an issue and the results from it, with the main point being that we are concerned that residents such as ourselves had no real say - and residents still don't - in determining if they want a gaming venue in their city or not. There are no mechanisms to assure that and there's a lack of protection from the regulatory bodies to protect our interests. They're our main areas of concern which we wish to illustrate by the particular matter.

The matter relates to the intention of a football club, North Melbourne Football Club, to use our town hall, which is still called the Broadmeadows Town Hall, as a 105 poker machine gaming venue, to be open 24 hours a day and, of course, to be licensed. It's anticipated by the contract that there will be some eight to 10 million dollars per year taken out as profit from the venture and there's a lease, up to 30 years, for the town hall to be used in this way.

**MR BANKS:** This has already happened, has it?

**MS RUTHERFORD:** Yes, that's correct. There is a contract signed between our council, or really the commissioners who were then the councillors, subject to the leases being granted, and the elected councillors that came subsequently are split 4:4, mainly on the basis that once a contract is signed you can't overthrow it, and the mayor's casting vote has worked in favour of the council. The residents have never been consulted in any part of this issue, from its instigation about five to six years ago till today. The council by the way are getting - well, their contract stipulates a \$300,000 rent and a small percentage of the takings, and it is a small percentage, so they have a pecuniary interest in the process now. So we have had no help, of course, from our council. In fact they're our opponents rather than our representatives of residents.

We have had this battle. We have gone through a series of processes which I

will explain briefly, over the past three years, and the final appeal to the Supreme Court which was made by two individual residents went through the process and failed about two months ago. Since that time, and still now, there's nothing happened in our town hall. It still stands there. The gardens around, of course, have been neglected because they will go. There's been no construction commenced at all.

Our opposition to the whole project is not really a question so much of gaming, though we have a great concern, but it's the position of this gaming venue that we are opposing. If the proposal was in other areas away from our district centre I doubt that the opposition would have been the same. So it's the actual positioning that our concerns are about.

**MR BANKS:** You appealed to the Supreme Court.

**MS RUTHERFORD:** Yes. That was a final appeal by individuals, because that costs money. We did it all ourselves. We didn't have the money.

**MR BANKS:** Right.

**MS RUTHERFORD:** It was all on legal arguments and it failed. I'll explain about how that occurred all the way through.

**MR BANKS:** Okay.

**MS RUTHERFORD:** What we found in the process was, of course, that first of all there's no requirement for local councils to consult residents about gaming venues. There's no protection at the local council level to ensure that there can be an appeal, because once a local council resolves a decision there is no appeal against that except via your council laws. In our time of course it was commissioners. We found no support from the state regulatory bodies, and in fact we found that their regulations were used against us to annul our arguments that we were raising.

The main thing we wish to see is that this process is remedied so that it won't happen, as it happened in our city, elsewhere. Further - which I'll speak to later - we're asking for support for a moratorium on this construction in view of the draft findings of this commission, but I'll explain that later.

I just need to explain some background otherwise, unfortunately, it won't make a great deal of sense. The city of Hume is very large. I don't know if you're aware of it. It spreads from a country town, Sunbury, across to Craigieburn, down the Hume Highway, across to Tullamarine Airport and down across in a sort of a rectangle. It's a very massive area. It has a population of 130,000 people. The town hall is the only one we have in the area. It is the only large venue that our such large and diverse city can meet. We have no library, we have only a mobile library and two regional libraries up in the country areas, so we have a need for our town hall. So what we need to establish first of all is that the town hall is not an obsolete building, it is in actual fact a need.

I also need to briefly explain to you where it's situated and I've done a diagram which really is very poor, and I hope to follow this up with something written, but perhaps you could just have a look. If you look at it from where you are now - - -

**MR FITZGERALD:** Gary and I are good town-planners, so it's all right!

**MR BANKS:** It's right opposite the police station.

**MS RUTHERFORD:** Yes, but unfortunately the police support it because they're North Melbourne Football Club people, and he indicated that he would find it very pleasing to be able to go over there into the town hall and make available the use of their meeting rooms and meals during their duties, so we didn't have any support there I might add.

You can see that - Social Security I called it, but it's Centrelink now I think - is just behind the town hall. It shares the common boundary. The health/hospital complex is close by. The secondary school is 500 metres from the town hall. The primary school is just next to the secondary school. The basketball court is less than 500 metres, as you can see; a netball court; leisure centre; youth centre. We have a museum and the city park, which is not to scale but it gives you the area where it is. We have the TAFE College; it's a very large college. We have a cinema. The whole area is a transport interchange between the buses and the trains. We have 1000 students pass through that centre going to and from school onto the various forms of transport or to the schools every day. The rail station is of course a popular one, and the large shopping centre is just being expanded. It's a very large shopping centre.

I've got a map here. It's a slightly obsolete map but it gives you an idea. It's a massive town hall. It's a big building. It's one of the seventh largest town halls in Victoria, we have been told. It has three storeys. The bottom storey is very large. In fact, basketball was played there for quite some time. It's a supper room, very large. Up the top there's an extremely large hall with a large stage and it seats about 2000 people. Above that there is a third floor which mainly comprises the balcony overlooking the main floor and stage, and then there are small buildings to the back of that. So it's a three-storey, very large building. That needs to be appreciated.

What we are concerned about is the positioning of this venue. Besides the loss of our town hall and that amenity, which is a separate issue, it's been positioned right in our district centre, which has been developed over many years. We are a low-income area in the city of Hume, and especially in Broadmeadows, around that area. We have high unemployment - and I don't have the figures to show this - and we have a high number of different ethnic groups. I think we have about 40 per cent of non-English-speaking background in our area; many Vietnamese and Turkish; a large number of young people. We also have quite a considerable pocket of older people who come from the surrounding Moreland area to shop, older women who are very vulnerable to these types of machines.

What we object to is that people are coming to this district centre not to gamble but to carry out their daily activities. They're going there with money in their pockets, because that's where you pay your bills, that's where the bank is. All our banks are closed around the area, so they come to the shopping centre. They go there to pay bills, to purchase goods, to purchase food, and therefore you go there with money in your pocket. You also are going there to go to the leisure centre, to go to the TAFE College, to the hospital or to the other centres that are there.

We have a vulnerable area, which is pointed out by what I read of your summary, and we have an area where people are going to have made available to them gaming machines which they didn't necessarily particularly wish to visit. When we counted this 18 months ago, we had 700 gaming machines within four kilometres of the town hall, but when they go there they do so with the deliberate intention to gamble, which is itself another issue. One of the school buses stops outside the town hall, so that will probably be moved a little, but you park your cars in front of it, so people pass in front of it. To go to that area, you will be enticed. That is in actual fact what was indicated: that it is a good marketing area for gaming. It makes available the machines to people who are vulnerable and people who have money that normally they would not take with them.

Evidence was given by a particular group of people. It's called the older unemployed people. They deal with the problems of alcohol, gaming, etcetera, and they will go to a venue, and they're educating people to go with a set amount in their pocket so that they never overspend or overdo it. But now, when they go to the shopping centre, they go there with money for other purposes and they pass this venue which will entice and become a problem.

We are also concerned that alcohol compounds gaming. I mention this because, as I read later in one of the findings, that was pooh-poohed by the regulatory body. This was the evidence we presented before your findings: that alcohol makes people less able to make decisions and more easily become problem gamblers.

We'd like to point out, too, that besides the finding of people having a problem gambling, if there is to be - every million that is taken out of our city, there has to be a hundred million put through those machines - now, I know it's not exactly that amount, and some is recycled, but it also redistributes the moneys within our community. A certain group of people - 200 - goes in with money in their pockets but only 50 might come out with money in their pockets, and those 50 might not all spend it in the local area or might spend it elsewhere. So there's basically an overall economic effect that resounds throughout the community, besides the problems of problem gambling which you are well aware of.

I would just like to very quickly do a very brief history of how this all came about; in an extremely quick way. In about the 1990s there was a need for a change in our town hall and discussions and consultants were engaged. In 1993 North Melbourne Football Club said that they would like to take it over for this venture, because gambling machines had become legal. At that point we heard no more, ever



without any exaggeration - about negotiations between the North Melbourne proposal and our councillors. All discussions were held in camera. No discussions were held in the public gallery of the council chambers.

On the last days of council, before the commissioners took over in December of 1994, the very last act of councillors was to have a committee meeting with North Melbourne - a design, as it came out in the minutes and recorded in the minutes - that a letter of intent was signed and negotiations would proceed. Commissioners then took over. The commissioners then indicated - which we found out later, that they took the letter of intent as begin a firm direction and would not alter it. So then when we were raising later on arguments, which we would have raised with our council had they been in position, that we didn't want this venture; that we wanted to debate it - did we actually want it? Come out and discuss it.

That process never took place; never took place. The commissioners came in in 1995. At the end of 1995 they decided on a contract with North Melbourne and put it to public viewing in the February of 1996. That was the first time that the public had any concept of what was entailed or any idea of the details of the contract. We had till March to put in submissions. 17-odd organisations and individual presented a submission to the commissioners one evening; took three hours. The commissioners never once commented or made any contribution or indicated any direction of hearing. There was no discussion. We made our submissions; handed up our submissions and there was no further discussion. As commissioners, of course, are different to councillors and as there were no council meetings as such, they were very brief council meetings. 15 minutes was the longest one we ever went to. All things were done in camera - that included the Lord's Prayer. There was no discussion.

By July of that year the commissioners had decided that they would sign the contract, but in between times there were 4000 individually signed pro forma letters enveloped and sent to the commissioners requesting that they not grant this process. But they persisted, as we met with them around about the same time to try and lobby them; that they saw their position to get the best contract, not change the direction, and therefore all the arguments we were presenting in March that year of why we didn't want it they saw as being outside their parameters. So never did anyone take any notice of our arguments on social and economic issues.

Then the question of the planning permit came next and the planning permit was heard in a formal way, but as the decision was stated, on the finding of the commissioners the officers that report to commissioners - "We oppose the planning permit", but the report to council on that particular matter came that in view of the fact that the gaming component does not require planning approval - that's because it was less than 25 per cent of the floor area. Now, it's very easy to have something less than 25 per cent of the floor area in a three-storey building the size of this one.

As that was not so they didn't require a permit, and as the Administrative Appeals Tribunal's view - which was another case that had previously been heard - on

social and economic considerations with respect to gaming venues - the AAT point  
of

view in the Carlton case what had gone previous said that the social economic considerations were not part of their criteria. It was a parliamentary decision. So our council officers then said that in view of this tribunal's hearing regarding social economic conditions with respect to gaming, "the objections relating to social economic effects are not reason enough to refuse the granting of a planning permit". Then they went on further:

Although consideration was given to the various issues raised by objectors, particularly on the social economic effects that proposal may have on the community, the fact is that the planning approval is only required for buildings and works to be undertaken in extending the part of the building.

In other words, they said, "We're only there to consider the buildings" and no-one to this date has heard or recognised that social economic problems even existed. After that particular granting of the planning permit we continued the battle and we appealed to the - well, we couldn't appeal to the Appeals Board because they said they would not hear economic arguments and social arguments, so we appealed to the planning minister, Mr Maclellan that there was nobody to hear us. He said if we requested he called in he would hear a panel hearing and we would be able to put these arguments, so we requested it. He then decided there would be no panel; that he would make that individual decision. From Freedom of Information we got a document which clearly said he did not consider social economic effects; he considered only the planning as presented by council.

So now North Melbourne Football Club had two permit. They had local council agreement and they had a planning permit. This gives them authority, and yet nowhere in that has the question of social economic values been recognised as being valid. The liquor licence was then applied for and we appealed. We did it on our own. We had about six organisations and many people represented. We had schools write in and object. We had quite a deal of evidence presenting. It took 15 days, which is the longest hearing the Liquor Licence had ever had. What was raised was that the Liquor Licence are required to place weight on a council permit, so they said the council permit is there and they would not listen to our arguments that there had been no resident input into that permit. They said that is outside their jurisdiction and therefore not their business. The permit was there; it had as much validity as one that had residents' approval.

The planning permit, of course, that Mr Maclellan had agreed to was also a requirement of the liquor licence. It was all above board and therefore they had these two pieces of credibilities. It then stated at the Liquor Licence hearing - which I have here very quickly - the commissioner who heard the arguments then stated that the social economic arguments we raised were not relevant. He said here:

The representers made submissions that the introduction of another gaming venue into the area was not in community interests for that area. This may or may not be the case but it is not a liquor licence-related issue and following my decision in Carlton -

which was a previous decision -

I consider I am not permitted by the Liquor Licence Act to take those issues into account in deciding this application.

Further - and this is a separate issue - we raised arguments of the social economic effects of gaming but they were set aside as being prejudiced, speculative and not concrete; that there were no actual figures presented. A social worker who did try to present some figures from overseas - because that was only where the concrete figures were given - was very much ridiculed, and this is relating to that fact:

Further, the evidence relating to gaming abuse suffered from some kind of inadequacies mentioned above made no efforts to balance the good with the adverse impact and in particular Ms Hanus -

who was a social worker -

attempted to rely on reference to an American work on the adverse effects of gaming when she had only made notes of a radio interview.

The reason that was done was because she didn't have the book but she was raising the arguments that there was in actual fact, but it was set aside.

She had no expertise of such a matter and had not read or produced the texts and it was irresponsible.

So our arguments were not to be raised.

Further, in the evidence in this case -

this is the chairperson speaking again in his decision -

as the relationship between liquor and gaming or as to the potential of alcohol-related problems arising out of this application if this application is granted, is slim -

because we had no concrete evidence - there was nothing to be said - they said they saw no relationship there to be taken.

This is a suggestion from some of the witnesses of their examples of persons who have gambled more because they have drunk more -

so we gave individual cases, but it wasn't a scientific document and therefore it was set aside. He concluded:

The representers' arguments rely more on the fear of another outlet providing a

temptation to drink and gamble in a low socioeconomic area.

So we got no good results out of here, and in fact they were using the regulations to prevent us having our arguments heard. We appealed the decision of this commissioner and then a three-person appeal, again, took a long time and the arguments were put. This time the chairperson agreed with our position but the main argument that was being put was one of legality as to whether or not this person had erred in law.

The arguments presented by North Melbourne, which held sway with the other two unfortunately, was that you can't change the ground rules; that the ground rules have always been that if there is no - certain regulations and there were no arguments to be asked. Therefore, we were asking that the ground rules be changed in light of this new situation, and the chairperson could see that. She was more enlightened. She was more flexible, but the other two held, so we lost the appeal. The gaming licence, of course, you don't have any input into. All you can appeal against is the probity of the persons, so that was the end of that.

In summary, the community have never had the opportunity to express an opinion. Whenever we have raised social economic issues they had been side-stepped or ignored and each step of our battle, when we lost, was used as support for the next step so when we lost the council commissioners' argument, they planning minister said, "Well, you had the commission agreement, therefore I will grant the planning." When the council and the planning were granted, the Liquor Licence says, "We have these two. This is good evidence that it should proceed." When the liquor licence was granted, the Gaming says, "It's automatic." So we went through a process, yes, that's right.

It was with great delight that we read the draft report. In actual fact, we finally have at this stage some concrete evidence that we can refer to that raises the questions, and I'm talking particularly here that:

the prevalence of problems-associated gambling is directly related to the degree of accessibility -

which is our main argument - I haven't got the reference points where they come in.

**MR BANKS:** We can become familiar with them.

**MS RUTHERFORD:** That in Victoria -

gaming was more densely located in low income areas, which compounds the social/economic issue -

which we raised and the chairperson of the Liquor Licence said there was no concrete evidence and ridiculed us for raising it -

that ATMs should be removed from gaming venues.

If you look there, the ATMs are on the outside wall of a shopping centre which is just across the road, about a one-and-a-half minute walk from the town hall. We raised this, that:

The current regulating environment is deficient in many respects and there is an absence of any state control body with the principal operating criteria of consumer protection and public interest.

So we feel that we wish to address this problem, particularly in the area of protection and the right of people to have a say in these gaming venues, besides the pecuniary interest bodies that are involved, and we also feel that if in fact we had commenced our battle now we would have got a different result. We feel that first of all even our counsellors would have been more aware of what were the problems of gaming, that it isn't just a question of getting a bit of income, though that's a great deal of pressure put on that way.

We feel that perhaps the liquor licence might have been a little bit more flexible, that the planning - even the minister, though I doubt it - may have had more of an ear towards the questions that are being raised. So we feel that besides raising that something should be done throughout this process of addressing the matters that we have raised that we would like to ask for some support for a moratorium to our town hall issue until the final draft is brought out, because if, in actual fact, you were a body that found that a certain item in food was poisonous but you hadn't concluded it yet, then surely you would say, "Don't sell those goods until we determine whether or not that is a valid fact."

So there's nothing been done to our town hall. Even though the contract is signed, it is subject to licences. We have written a letter - in fact we are in the middle of formulating getting community support - to both the premier and the Prime Minister, the minister concerned with this body and now to yourselves that we feel that it's no good telling us that these things are there and proving it's there. Here we've got an example of every thing that you're putting out is where it should not be, even if they put some game there, but not there, so how can you put teeth - how can you support us so that we don't have this particular problem, at least until your draft report is finalised and we can draw public attention and the minister's changed points of view to our particular issue. Thank you very much.

**MR BANKS:** Good, thank you. That was an excellent overview, I think, of the problems you've had and the development of them, which should be quite useful to us, I think, in thinking about process. Could I ask you to think about - whether you want to respond now or not - what you would see as a desirable regulatory model. Maybe have a look at what we've said in our last chapter. This question of local community input I think is a vexed one and a difficult one, but any thoughts you have on the basis of your now rather extensive experience at the local level of what the critical elements were for you in terms of getting a hearing, of having economic and

social issues being

considered, and so on. We've made reference there to, for example, the control authority or control commission taking into account both the circumstances and economic and social consideration, so that would be the gaming licence part of it.

**MS RUTHERFORD:** Yes.

**MR BANKS:** But you've also addressed the other issue of council permit and planning control and so on, so any views you had on how all that could be improved - I'm sure you've got plenty of them - would be helpful, and you might like to either respond now quickly or write to us.

**MS RUTHERFORD:** No, I prefer to write because we'd like to discuss it with the community organisations and formulate some suggestions, and also to read the last chapter of your document, which we have not yet done.

**MR BANKS:** Good, yes. Okay.

**MR FITZGERALD:** Just to take that point further, you'll see in that last chapter that we've not come to a definitive conclusion about the role of local communities and local governments, other than to acknowledge that the involvement of local communities in decisions about gambling seems to us to have very substantial weight. The issue there is how do you do that. Some local councils have indicated that they should have a determining role in deciding these issues and that's maybe an appropriate one, if they have the ability to do social and economic impacts and they can be taken into account in planning laws. Others have gone further to suggest local communities should have to be consulted by way of referenda, if there are substantial issues and so on.

We've canvassed a number of issues, and your practical input would be helpful in this, because how do you actually consult local communities, what is the mechanism by which that has meaning, particularly in the regulatory environment that you've just described.

**MS RUTHERFORD:** And also the peculiar interest environment, because our council now is the same as the state government; it's making up for its loss of income by a gaming mechanism, and when they present the arguments they say, "Do you want a library? Then we've got to have gaming." So there is also the question of the changed role of councils which now are more businesslike than they were before, so they don't just represent us and our interests. Compulsory competitive tendering - I don't know if you're familiar with it - - -

**MR FITZGERALD:** Yes.

**MS RUTHERFORD:** - - - has changed the whole character of many of our council officers' roles and our councillors' roles, so we'd like to give some more thought to it.

**MR FITZGERALD:** Give it some thought and then come back to us, because it is

actually a very interesting part of the report, and we'll be hearing next week from local councils directly. It's a particularly substantial issue here in Victoria, and I suspect it's about to be a very substantial issue in other states.

**MS RUTHERFORD:** Yes.

**MR RUTHERFORD:** I see you're hearing from the Victorian Local Governments Association as well.

**MR FITZGERALD:** Yes. That will be deferred until next week.

**MR RUTHERFORD:** That will be interesting.

**MS RUTHERFORD:** Thank you very much.

**MR BANKS:** Thank you very much for taking the time to do that, and we look forward to hearing from you later with a further submission. That concludes today's proceedings, thank you.

AT 5.55 PM THE INQUIRY WAS ADJOURNED UNTIL  
THURSDAY, 26 AUGUST 1999

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