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## **TRANSCRIPT OF PROCEEDINGS**

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**PRODUCTIVITY COMMISSION**

**INQUIRY INTO AUSTRALIA'S GAMBLING INDUSTRIES**

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

**TRANSCRIPT OF PROCEEDINGS**

**AT PERTH ON MONDAY, 2 NOVEMBER 1998, AT 11.10 AM**

**MR BANKS:** Good morning, ladies and gentlemen. Welcome to this, the first day of the public hearings for the Productivity Commission's national inquiry into Australia's gambling industries. My name is Gary Banks. I'm chairman of the Productivity Commission and presiding commissioner on this inquiry. On my left is Robert Fitzgerald who is associate commissioner on the inquiry.

As you'll be aware the commission's inquiry started with a reference from the Commonwealth treasurer in August. We've already talked to a range of organisations and individuals and submissions have been coming into the inquiry. The purpose of these hearings is to give interested parties the opportunity to discuss their views and their submissions on the public record. This will help the Productivity Commission in its task of understanding the economic and social impacts of the gambling industries and the role of government and different regulatory approaches.

After these first hearings in Perth we will be in Brisbane and Darwin next week; Sydney from 16 November; Melbourne from 23 November; Canberra from 30 November, and then Adelaide and Hobart in December. We'll then be working towards completing a draft for public scrutiny in April and we'll have another round of hearings sometime after that when people have had time to read that report. That feedback will be taken into account in producing a final report which should go to government at the end of August next year.

Copies of the draft report and indeed the final report will be circulated to all those who have made submissions, or appeared at hearings or registered an interest in the inquiry. The hearings are conducted as informally as possible, although a transcript is made to provide a record of discussions. There is no formal oath-taking required but the Productivity Commission Act does require participants to be truthful in their remarks. Transcripts of the hearings and the submissions themselves are public documents and can be obtained at the commission's offices and I think they can be consulted here in the hearing rooms. Copies can also be purchased and order forms are available from staff here today or by contacting the commission.

I should add that participants needn't be confined to making submissions at these hearings. We'll continue to accept written submissions and participants can also make submissions in response to the submissions of others, or indeed appear at the hearings in response to or wishing to comment on comments made by others at the hearings. Indeed, we encourage that kind of cross-fertilisation in the inquiry process.

I'd like to welcome this morning the executive director of WACOSS, and also a member of the Coalition Against Pokies, Mr Shawn Boyle. Welcome to the hearings. Perhaps just to make sure that I've got that correct, you might just give your affiliations for us.

**MR BOYLE:** Shawn Boyle, I'm the executive director of the WA Council of Social Services, WACOSS, and also a member of the Coalition Against Pokies which is a coalition of groups who have come together against the introduction of poker machines in Western Australia.

**MR BANKS:** Good, thank you very much for appearing this morning. As discussed, perhaps you might like to make some introductory remarks, or overview remarks and we can proceed from there.

**MR BOYLE:** I've got some papers to give you - propaganda - and I've got two copies. Firstly, wearing my hat as the executive director of WACOSS, we're the peak body for the community services industry in Western Australia. We represent over 300 organisations, but within those organisations all the 35 subpeaks within our sector - a subpeak being a group of say financial counsellors or refuge workers, all kinds of things - so we have coverage for really about over a thousand organisations within this stage. Our involvement in the gambling issue has been very much a very recent event essentially built around the proposed or potential introduction of poker machines in Western Australia. But before I go on to that, I suppose generally in terms of the gambling issue from feedback from agencies that work on the ground, essentially financial counselling agencies, those working in poverty and emergency relief and welfare, the counselling services and also some of the advocacy and welfare rights kinds of services, the overall views are that I suppose the state of gambling in this state is fairly controllable, if not tolerable. There are people presenting with problems to agencies but it's not of the magnitude that I suppose galvanises people to request of WACOSS to take up any specific action.

We do have one or two specific members who are quite clearly against gambling of any form, such as the Salvation Army, and I think their national position is pretty well-known, or their policy position is pretty well-known. One of the forms of the gambling that is very relevant to our sector is of course our Lotteries Commission which is, I suppose, at the lower end of the scale in terms of problem gambling, but nevertheless our sector tends to benefit quite substantially from the revenue from the Lotteries Commission. In many ways there are some legislated minimum percentages of funds that go to some areas, such as 16 per cent into hospital funds, 2 per cent to an arts lotteries account, and 2 per cent to a sports lotteries account from the profits, I suppose, from the Lotteries Commission.

In addition to that the commission puts aside a substantial amount of funding towards grants to community-based organisations to help them in either capital goods, or one-off projects, or innovative projects. I haven't got the figure with me, but I gather in total there is a pool of over 100,000,000 that benefits our area per year. But we could probably get that from an annual report. Lotteries is a group that we are fairly happy with, the only issue being in recent times there has been discussion about Internet gambling and Internet products that we are closely monitoring and talking about. We have a concern on any move towards Internet gambling, especially involving the use of credit cards and involving the use of games that you could play with instantaneous sort of feedback or reward concept. In terms of perhaps just selling products on the Internet or promotion of products, we would have less of a problem. There's currently some legislation either just been through the Upper House or about to go through giving the Lotteries Commission some additional freedom to create some new products in this area, so that's one area we'll be monitoring.

In terms of services the state actually has very few counselling services for gambling. It's only in the last few years that a group has been set up in the Office of Racing and Gaming called the Gambling Support Services Committee, which has a mixture of industry reps from the casino, Turf Club and I think Lotteries and some community representation, and they recently - about 3 years ago - funded the Break Even counselling service sponsored by Centrecare, and set up last year the G-Line gambling hotline. That's really the extent of specialised gambling services. We do have an issue with that group being essentially an industry dominated group deciding about issues of funding for gambling services. Industry contributes towards it, which I think is the important thing, but there is concern if that's the only source of revenue - is industry contribution; that creates potential problems down the track.

The issue of advertising of the extent of problems in gambling I know has been a hard debated issue with that committee, and having to actually convince a committee from the industry about the need to advertise for problem gambling services, I think is highly problematic. Essentially I understand it's been a pilot sort of process being developed over the last few years by the Racing and Gaming Commission but I think in terms of raising issues of national importance the whole issue of who funds support services I think is important. The role of industry in having a say in regulating the access of funding for research into the extent of problem gambling or advertising on problem gambling is highly problematic, and that would be a strong concern for us.

In terms of any other current forms of gambling, really at this point we have no issues. In terms of the introduction of poker machines, we have been very active and we've produced a discussion paper which I've given you, and also we've been at the forefront of bringing together the Coalition Against Pokies. Amongst those sheets you can see there is interesting coalition of both community-based groups - that is the white appendix, yes - and also some industry groups, including the Council of Retail Traders Association, there is the Newsagents Council, Liquor Stores Association, Turf Club - so there are lots of groups have their own reasons for being there, but from the community sector's point of view there is overwhelming concern coming from our members in other states, especially in the financial counselling and welfare poverty area, that poker machines have caused an escalation of problems amongst their client group, especially amongst people in poverty. It's been well over and above the most problematic form of gambling in the other states. When we've looked into the issue we've looked at some of the reasons why, including the highly addictive nature of the game compared to some other games, and I suppose the widespread availability of access to those gambling machines. That's why we have got the group together and I am willing to take more questions about the coalition and what it has been doing. Essentially it's a group with no real funds but trying to monitor the situation, put some arguments to the politicians, and we have elicited from both the premier and the leader of the opposition a promise not to introduce poker machines. Most recently the state government, in a response to a poverty task force, put in writing their opposition to this matter.

One other issue which is worth highlighting is some research coming through the Centre of Drug Abuse, of all places. One of the members of the Coalition Against Pokies is the highly-disruptive nature of problem gambling in Northern Territory Aboriginal communities, and Western Australia being a very large state and a large number of remote communities in the north-west and the goldfields - they have shown this to be an extremely destructive matter when it gets introduced into what are called closed communities and their own economic framework. I would encourage the commission to perhaps look at some of these effects. That will be mainly seen more in Western Australia, Northern Territory and maybe some of the remote areas in Queensland and other states.

**MR BANKS:** Are you aware of any studies that have been done of the Northern Territory situation? So far I haven't seen any on that particular issue.

**MR BOYLE:** Yes. I was at a presentation from someone from the National Centre for Drug Abuse, so I could look into it. It's a study in hand so it's very current, and it's also a very comprehensive study, so I can check it out for you.

**MR BANKS:** Does it have a particular focus on indigenous communities?

**MR BOYLE:** Yes, it does. It actually came from a different angle but they saw relevance to our issues. I think our Public Health Association, which is also a member of the Coalition Against Pokies, is quite aware of that research too.

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

**MR BOYLE:** Essentially the other groups, besides the community groups, have got involved because there is also an economic consequence, and they're reflecting the same things by saying that their members are over east. They're extremely concerned about the economic consequences of poker machines both on small business especially, and some of the other businesses. Essentially while our community sector could perhaps stand to benefit from an increased tax return from electronic gaming machines, we believe there are significant downsides, either through reduction in other tax revenues from other forms of gambling, but also some increase in problems. Some of the reports from other states - we really haven't seen an increase in funding to community-based services. In fact, what tends to happen is a bit of a substitution effect of traditional additional program funding with some of the revenue from taxes on gambling. So our members have felt that it's no real benefit overall financially, in some of the tax returns, from poker machines.

So as a group we'll continue to be vigilant and argue that it's not needed, both economically in this state as well as socially desirable. In terms of the general gambling area we'd probably be looking at this issue of how services are funded in this state and how well we can set up a system where those that deal with the problems on the ground can actually get adequate revenue from the state government for services, rather than having to rely on industry contribution from an industry dominated group. Probably that's the extent of my introductory comments.

**MR BANKS:** Good. Thank you very much. I think you've raised a number of key issues. Clearly the Western Australian situation is quite different to the other states, and I think for this inquiry it will be useful for us to understand what the implications of that have been in terms of the economic and social impacts of gambling. So we're looking forward to talking to, for example, others who were involved in counselling and so on to see if there are different patterns emerging. Your concern about poker machines, if I hear you correctly, is it partly about poker machines as such, or is it also about accessibility of gambling?

**MR BOYLE:** I would say it would be both, which is why we're now starting to look at the issue of Internet gambling. What's coming through is that - I suppose from the psychological research, the closer the gap between putting your money in and getting a reward, in terms of winning a game, the more highly addictive it is. So in the need to recognise that some form of gambling is wanted by the community and it seems to be acceptable and tolerable, it's the moving into products that increase the addictive nature that are a concern, and poker machines do that, as well as the accessibility, widespread - be it through hotels, in clubs, anywhere else.

One other question we would have too, and I neglected to mention it, is if for whatever reason the community saw the need for poker machines or accepted it, I don't see why any one industry or sections of industry should benefit by having the licences to have poker machines. I mean, if it was that good - I can make a joke of it, but the community sector should have poker machines in all its facilities. I think that's an issue in itself. Why is the debate so narrow to say that one part of industry should benefit from really a licence to print money?

**MR BANKS:** Currently the Burswood Casino has machines but they're not the kind of poker machines that you're referring to, but in terms of the access issue what view would you have about, for example, Burswood being given permission to install poker machines?

**MR BOYLE:** We wouldn't like it, but we recognise it's a lot more controllable. They would be in one venue. We actually haven't discussed that point. I suppose we have discussed our concern about the act being up for review in 2 years' time and what potential things may change from that. I'd say we would probably rather poker machines weren't in there. It's a bit more of a controlled environment, but there are problems arising from Burswood at the moment and people presenting with problems at the agencies.

**MR BANKS:** You mentioned earlier - if it was agreed that poker machines were a good thing, that raises a question of why would you favour particular providers over others. It does raise an issue actually of some principle that when we look from one state to another the rules are quite different everywhere in relation to whether there's a cap on poker machines, how many clubs are permitted to have, how many hotels are permitted to have, and indeed how many hotels or clubs can have them. That seems to vary everywhere, but generally the argument is made that they're restricted to

licensed premises as a kind of screening device, to make sure that younger people don't get access to them. That's one point that's made. A second point that's made is that clubs in a sense have a role of ploughing the returns from gambling back into the community and therefore would justify having a greater allocation of these machines than say hotels. Would you have any comments on either of those points?

**MR BOYLE:** Yes. Some of the points that have been raised in the coalition are that firstly there is actually a danger in combining alcohol and gambling, and the research is starting to show that. I suppose alcohol is a disinhibitor and actually may impair the judgment process and allow people to maybe keep going and continue gambling longer than they normally would have. So we would have concern with that. I think one of our members also - the Public Health Association - has raised that as a serious concern with us.

The other issue of concern raised is that we have concerns at how the hotel industry regulates itself, even at the moment in terms of problem drinking. One of the key arguments brought in, in other states, is that the industry will regulate itself with problem gamblers and information will be made available, and people will be advised to take it easy. But we don't get that information or that same sort of feedback from our members over east, but also we believe that we have a problem currently with regulation of problem drinking, and that doesn't give us great confidence to believe that there will be regulation of problem gambling within that sort of environment. I think there are arguments against having it in those sort of environments for those two factors.

**MR FITZGERALD:** When you talk about the problems with problem drinking, what are you saying the lesson to be learned from that is? What are the sort of problems? Is it in the regulation of it or the enforcement or where is it, and what are the conclusions you're drawing in terms of gambling from that?

**MR BOYLE:** In terms of regulation of - the point brought up by I suppose advocates of poker machines is that it's free choice, people should have the freedom to gamble and stop when they want. The majority of people are probably responsible gamblers and I actually would accept some of those points; that a lot of people could do a bit of gambling and walk away. But in terms of the percentage of problem gamblers, while the numbers I think presenting to agencies aren't that large in itself, if you just present to a gambling agency, what we're showing is that in financial counselling agencies up to a third to 50 per cent of Victoria are saying they're presenting with financial problems, but when you dig into it it's a gambling problem.

I think for those people leaving it to themselves to check themselves, or leaving the industry to stop them from gambling and say, "Hey, you've had enough" - I think it's not enough. It probably means a higher standard of regulation. If it's accepting that in some things in our community - maybe we do have to regulate for people's behaviour. I know that seems hard to other people but we force people to wear bicycle helmets and seat belts for what might be a small number of accidents a year, but it saves a lot of hardship in the community.

**MR FITZGERALD:** Just going back to a couple of things. In terms of the casino at the present time, as Gary has indicated, they have a different form of machine. They're not as extensively the same sorts of machines as used elsewhere. What is the community sector's experience at the moment in terms of problem gambling arising, say, from the casino or the gaming machines? Have you got any collated information at this stage?

**MR BOYLE:** No, we haven't got any collated information, just anecdotal cases that people have mentioned to us over time. I suppose the Break Even counselling service would be the best source of information. Again, I think it's highly problematic that their funding comes from the body that includes the casino, so they don't exactly go out and run public seminars on this issue. I think it's a problem, but I've had people talk - give us anecdotes from the extremes of suicide cases at the casino. You get the odd highly-publicised case of a mum leaving a kid in the car - that sort of thing; that thing happens - to people presenting at financial counsellors for problems. But I suppose the extent of it doesn't appear to be very high, to cause our members to say, "Do something about it." But I know it's a problem, I know anecdotally as well there seems to be a problem with some migrant communities. There is a concern there, with that group. Most recently someone raised some concerns about young people - that border of turning 18 and being able to get in easily - because they either swap ID cards and stuff like that - into the casino. I think there are problems, but as to the extent of it we haven't got any data.

**MR BANKS:** Would you have, from your position, a feel for - I guess it was implicit in what you were saying earlier on - the situation in WA relative to the other states in terms of extent or severity of so-called problem gambling? I know there have been some surveys, formal surveys which have shown a lower incidence of problem gambling in the WA population, but is there any other information that you have or insights that you've got through your work that would reinforce that?

**MR BOYLE:** That we have a lower incidence at the moment?

**MR BANKS:** There seems to be less of a problem, if I could put it that way.

**MR BOYLE:** I suppose perhaps purely in less of a presenting problem to our member agencies. Financial counsellors here, when I rang around and spoke to them Friday and this morning, said it's a minuscule problem appearing and at a recent conference they had a speaker from Victoria - they said it's a presenting problem to 30 to 50 per cent of their clients.

**MR BANKS:** These are just general financial counsellors, not gambling specific?

**MR BOYLE:** General financial counsellors, not gambling-specific services.

**MR BANKS:** Yes, right.



**MR BOYLE:** Similarly, I spoke to our women's refuge group and they're saying, too, that there's greater numbers of people presenting at refuges resulting from domestic violence, but in the family there's a gambling problem, so it's at that level of feedback from us at the moment. We've looked at the research from some of the Victorian studies showing that within the gambling-specific services the presenting problem for pokies is - I think it's about 50 per cent. The number of people presenting with problems from pokies outweigh all the other forms of gambling. Our worry is that if we have this amount of gambling problems at the moment, we're really saying to double it in presenting to services.

**MR FITZGERALD:** The Coalition Against Pokies lists a whole range of economic concerns as well as social concerns and, as you say, you've got a number of business groups on it. Can you just explore what the concerns of the coalition are in relation to the economic difficulties?

**MR BOYLE:** Again, it seems to be an area that is not well researched, but the small business members of the coalition and the Council of Retail Associations has actually - it's a bit like WACOSS; it's a council of councils. Within it you have other groupings of small businesses and they're hearing from their fellow councils in other areas in Victoria and South Australia, that there is - I suppose the diversion of the spending dollar into gambling is leaving less spending money for other spending behaviours which impacts on their shops and businesses. They admit it's not something that you can hold up to a definitive report, but they're looking into a lot more and we're asking them to look into that sort of detail a bit more about the economic impact. It might be in the country town or in outer suburban areas - that seems to be where the concerns are coming through; that diversion of spending away from small business into areas where the machines are.

In terms of the economic impact, the positive to the state is a new tax, and I think Western Australia is in a fairly positive position. I'll be up-front, I think part of the reason the pressure is not as high here is that our state government has actually other sources of tax revenue to rely on so that we don't need a gambling tax. Even with potential declines in returns from the casino - I've just looked at the state budget projections over the next 4 years in gambling tax revenues from existing gambling and it drops down actually. They're actually projecting to lose money, yet they're also projecting to return surpluses and reduce our state deficit. So in terms of a macro-picture we can do without it, and when we consider the enormous return from lotteries direct to the community sector - because it's not privatised - at the moment really everything either goes back to the ticket winners, or back to the state in terms of programs and there's a very small administrative component.

Research from other states has shown that lotteries products also drop. There is a self-interest economic impact on charities. From South Australia our counterparts are saying that the charity fundraising through bingo, the old car in the shopping centre kind of thing, drops significantly. They gave me a figure, and I think it's mentioned in here, of almost a 50 per cent decline; enough of a decline for the charities to lobby the state government to actually fund, or put aside some money to

reimburse them. So it's an admission of a problem from even the government itself.

What might appear to be upside on the one hand in terms of revenue, there are downsides in revenue either lost directly to our sector via their own fundraising or through Lotteries Commission, and there may be impacts on other economic areas of activity in the economy. I would say that would be it. I admit there will be obviously some additional employment in the hotels and clubs, there is money there and they might build more buildings to house them. Really, if there's a diversion, and the Victorian figures are right - they've gone from one in \$75 to one in 30 or something of money diverted into gambling - you have to wonder if there's less money floating in the economy for other purposes and whether the total economic picture is a plus in the end.

**MR BANKS:** If I could just move on to this question of - I've got the acronym but I'll just make sure I get the words right - the Gambling Support Services Advisory Committee. In this area, like a lot of others there's plenty of acronyms to learn. This is the particular Western Australian model which I believe includes the TAB and the Lotteries and the casino. You were saying on the one hand it's been doing some good things, it's been funding Break Even, it has helped set up the G-Line facility and so on, but you express some concerns that being industry dominated whether there may be some constraints on its allocation of funding that may not be desirable.

**MR BOYLE:** Yes.

**MR BANKS:** Would you have any suggestions to make in terms of how that could be done better?

**MR BOYLE:** Yes, perhaps we should have a clear program commitment from government. Some of our members prefer a hypothecated tax from some of the gambling tax revenue to counselling services. If industry wants to contribute I think that should be a top-up rather than solely the source of the program revenue. Perhaps the services should be funded via the Family and Children's Services Department, one of the traditional welfare departments, because one of the concerns is that - I suppose even from a bureaucratic angle - and I'm not blaming any individual in any department, but a Racing and Gaming Authority - no department likes to fund something that says there are more problems being created by something from the department.

I think putting it at arm's length from the department that regulates controls, gaming is important, so those services having to rely on funding, if they related straight to the department that funds counselling services and other such support services, I think it would be a good thing and especially whether to commit to advertising for problem gambling. We know that in Victoria when they did fund TV ads the surge in referrals to agencies was quite astronomical - I haven't got that figure with me - as against just the odd pamphlet or poster lying around the place. Radio ads, too, are important. I know they're talking about it and working through those issues now, but I think ideally you shouldn't have to go back to a group that is

industry dominated to argue for that.

In terms of being innovative and pushing research issues which I've raised about the remote area Aboriginal communities, or even migrant communities, that would be something I suppose we would have to push up through that group to get past first base. I think there should be a better way to raise that sort of research because essentially there's a risk of a group not wanting to go looking for different problems; they're wanting to manage the situation as it is. So it's a conflict of interest issue, I suppose.

**MR FITZGERALD:** In relation to the money coming from the Lotteries Commission, you've been fairly favourable in terms of the amount of money put to the community sector. Is that fund controlled by the Lotteries Commission itself?

**MR BOYLE:** Yes, it's through the commission itself. Lotteries have set aside and created a community funding unit which runs consultations with the community sector on issues of areas of importance, that sort of thing. The commission is made up of people drawn from all around the community and their final decision is actually made by the minister, but what we've found is that their structure works well in terms of being proactive and listening to the community's needs and resourcing areas that are of importance to the not-for-profit sector. That's not just our sort of community services areas, it's also the sports and the arts and even the environment areas. They have a committee that looks at environment issues as well. Yes, we like their structure in terms of being receptive to the community's needs.

**MR FITZGERALD:** We are getting this information elsewhere, but in terms of the amount of money going to financial counselling and/or gambling-specific services in this state, there is no allocated percentage of that money going to those services, but do you have a particular view about the allocation of funding?

**MR BOYLE:** No. It's a unique Lotteries Commission in that it actually doesn't fund program services, it funds capital items like computers or desks or buildings. We've set up a situation in this state where the state departments are actually dependent on the Lotteries giving the infrastructure support to the community sector so that they can fund the service programs. It gives strong stability to our sector here knowing that you can go to the Lotteries Commission with pretty much of no arguments there. If you're a viable organisation seen as credible and providing a good service on a fairly regular basis you can go for infrastructure grants. Talking to people in other states our counterparts there are actually quite jealous of the set-up we have here, where they have to go and argue before each department each time to get that sort of component.

Essentially they fund infrastructure but they have funded some innovative things such as pilot projects to get them up and running, or research, or information kits, education kits and those sort of things, so they're valuable in that component. In the health area there is a legislated percentage which I mentioned going straight to the Health Department. That, I think, has become a - they just rely on it to balance their

budgets each year. That goes straight into their funding base.

**MR BANKS:** It's built in.

**MR BOYLE:** So that's different; that might fund salaries and stuff.

**MR FITZGERALD:** Just going back then, the committee that you were critical of in terms of its industry domination, has voluntary contributions from the industry. The Lotteries is required to make some of these contributions. Have you called for some sort of separate independent fund that brings a compulsory contribution from all of the areas of gambling or not? How have you approached this funding issue?

**MR BOYLE:** No, we haven't. It has actually only been a recent problem that has arisen and we've started to talk to our members in this area. So we will be actually seeking to make some sort of recommendation. Recognising that the Racing and Gaming Commission has acted with the best of intentions in creating a committee and moving towards setting up some services which didn't exist in the first place, the recent interest in gambling issues and also from Family and Children's Services Department, the advisory council has actually done a report on gambling. We hope to be getting some of these players together to look for a more systemic way to deal with gambling services and funding. So, no, we haven't. We've really just talked on that broader level of taxation and that the state doesn't need to rely on a new revenue base.

**MR FITZGERALD:** In terms of remote communities, particularly indigenous communities and so on, have you got any information in relation to the level of gambling that currently takes place, be it legal or illegal, the impacts on those communities and if so, where are the main problem areas?

**MR BOYLE:** No, I haven't, but I understand from the research that the reason it's a problem is because there is gambling in the remote communities. It's actually part - there is a gambling culture within Aboriginal communities, but with all its problems it actually is closed within that community. They play cards a lot, they lose money to each other. The money stays within like a closed economy and one of the concerns is that the attraction of pokies is that they shift the gambling pattern to an outlet where the money goes to someone else, or outside the community, so it's more destructive in that sense. The money is sucked out of the community and it has been lost.

The other issue is that without putting groups down if people don't understand technology, especially in remote areas, they don't understand the odds in gambling, but essentially the odds are the same - how many times you gamble - but there's a greater acceptance that their turn to win must be coming up. I suppose the addictive nature is reinforced if people are less educated about the mechanics of gambling.

On other issues the research raised - even to the point that - and I'll find it for you - people feel that the machines - well, one person said that someone put a spell on a machine because they thought they could control it. It's that lack of sophistication

or understanding of how that works. Yes, essentially there is a gambling culture within the community but it's in a closed economy and there's a danger that it sucks it out and takes money out of the community. With the Aboriginal people there is a strong sharing culture as well, that if you're down in your income someone else is going to look after you, but if the net effect is dragging everyone's economic position down in the community, that lessens the community's ability to look after itself.

**MR FITZGERALD:** I guess what you're saying is that the poker machines represent a particular problem for those communities. Is that linked, though, to the venues in which poker machines are available - ie say hotels or clubs rather than say, casinos?

**MR BOYLE:** There's a strong concern and in fact I think the research- - -

**MR FITZGERALD:** You're talking about other states now, I guess.

**MR BOYLE:** In the Territory it emanated from looking at drug abuse, as I mentioned, because of the alcohol abuse issue. It's from looking at the extent of alcohol abuse in Aboriginal communities that they saw these linkages with the gambling problem. To me that concern would be doubly there; we know there is a problem with alcohol use in remote communities and abuse to the point that some Aboriginal communities have talked to their local communities about restricting sales and being part of some fairly heavy regulation measures through their Local Authorities Act to ensure that they minimise the amount of time that their community members can access alcohol. I think the juxtaposition of those two problems is a big worry.

**MR FITZGERALD:** I guess the other point we're looking at is - do you believe under current arrangements in Western Australia that indigenous gambling has been a big issue? Given that three principal modes you've got here of the casino, of racing and the lotteries, is there any evidence for example that lotteries are a problem in indigenous communities, or racing?

**MR BOYLE:** No, I suppose anecdotally we know that there is a large percentage of the Aboriginal population that do visit the casino. I know that from working with Aboriginal organisations. It's never been presented to WACOSS as a significant problem from the Aboriginal organisations. If anything it's connected with that part of the cycle of poverty issues, but as a problem in itself, no, it hasn't been. Lotteries are very few - we had a celebrated case of one of our ex-ministers being involved in heavy lotteries gambling, but again, it's just something that doesn't come up. It's not because we rely on them for funding - the financial counsellors would say so. It's an issue where we're watching them and we're keeping an eye on them.

We recognise that the Lotteries Commission needs to create new products to keep up with the market and all that sort of thing to keep their share. Our concern is the need to create and to use the technology. One concern we have is that there doesn't seem to be any national position or regulation about issues such as the Internet

gambling. The danger that each state is going to try and compete with each other for gambling revenue could create a situation where one state might go ahead and create an Internet product. I think the Internet gambling must be a national issue and be looked at nationally. Knowing that you can actually download into the Liechtenstein Casino now if you wanted to - I gather you can just go overseas at the moment if you wanted to - but we need to look at this issue.

**MR FITZGERALD:** Have you got a particular view about the direction? You've said it should be looked at nationally, but has WACOSS or the coalition got a particular view about Internet gambling at the moment?

**MR BOYLE:** The view is that we think it's potentially harmful, both because of the use of credit cards - and I know that in South Australia one of the things the No Pokies people are pushing for is the removal of EFTPOS machines from gambling areas. We're having a situation now where the access to credit and money is far more readily available than it was say 20 years ago, or even 30 years ago, when you had pokies in New South Wales and things like that. The use of credit cards and that sort of reward stimulus response sort of thing I was telling you about, means that people can easily draw down their funds very quickly in ways not thought of before. That's why I think it's a modern problem that needs a new solution.

Have we thought of ways? No, we haven't. We understand the gambling minister's council looks at it, but again, I'm not sure - I think this inquiry is the first time the feds have got involved in a serious way. Perhaps we should have some sort of section of the federal department involved in looking at some sort of national regulations.

The other problem that has been raised is the potential of young people being sucked in to Internet gambling because of their liking of the Internet and their savviness of how to use it. There's a potential that they may be drawn into a form of gambling that has not been thought of before.

**MR FITZGERALD:** Do you have any view about the linking of lotteries and the conditioning of young people into gambling through those means leading to a more intensive activity in other forms of gambling? Your coalitions are basically saying that really you're not concerned with the current trends or directions of lottery generally.

**MR BOYLE:** No. I won't say we rely on the research, but the research is showing that if you can keep a gap between placing a bet on something and getting the reward, it's just not so addictive. The gain to be watched for, no matter where it comes from - lotteries or even now the TAB may move to use the Internet more or anyone may move, even the community sector for all I know - we would have the same concerns of anyone moving and using a form of gambling that could be far more highly addictive. That's where your problems result from. I think the majority of our members would subscribe to the view that on the whole most people are responsible and probably we could tolerate a level of gambling in our community. We don't want to outlaw gambling as such but there comes a critical point where we believe both the

social and economic impacts far outweigh any benefits, and it seems to be where it becomes more addictive and also it's sucking away the dollar from other purposes. To me that's not a productive thing to introduce into our community.

**MR BANKS:** You spoke about advertising earlier, and in particular about advertising of - I think you were saying the desirability of advertising problem gambling counselling services and so on. Do you have any views on how gambling has been advertised in WA generally?

**MR BOYLE:** Essentially there are a few pamphlets around, there is the odd poster around with minimal awareness of it. We've only just recently constructed our directory of services and created a gambling section for the first time. What we know from other states is that targeted radio advertising especially on the channels that broadcast the races and TV advertising does alert people to where they can go with problems. The other group which does exist is Gamblers Anonymous which is part of the usual Alcoholics Anonymous group, but that's a volunteer type of set-up.

I think we just know that if you advertise any social problem to people and where they can go for help, that creates a jump in the presenting area to the services. At the moment we're advertising for domestic violence services and child abuse - "if you need help ring this number" - and I know those help lines have had a jump in increase. It doesn't mean there is more domestic violence or child abuse in the community, it just means that people with those problems know where to go to get help. I would argue this is just another social problem, that we may not know the extent of it because we haven't availed people of the opportunity to deal with it.

**MR BANKS:** What about advertising by the gambling industry itself in its various forms?

**MR BOYLE:** In terms of how they advertise?

**MR BANKS:** Yes. Has it not been a big issue in WA?

**MR BOYLE:** It has not been a big issue. Essentially the image is everyone is a winner, everyone is very happy. People have just made the comment that if you go to the casino you don't see a lot of smiling faces and people jumping up in the air, like you do in the ads. No, maybe the community on the whole does have some understanding that, yes, they're trying to push a product like anyone else. We do recognise that people are more vulnerable to that form of advertising, and that's true of any advertising. But our view is, with pokies, why create another level of problems in the community that you don't need to have? If advertising got too outlandish I'm sure someone might raise something with us.

**MR BANKS:** But so far your perception is that it has been reasonable, given the nature of the product?

**MR BOYLE:** Yes, it's been reasonable.

**MR FITZGERALD:** In terms of the overall regulation of the industry, have you got any comments about the way in which the three forms of gambling are regulated in WA? Is there a particular view about whether there is need for further regulatory changes?

**MR BOYLE:** It's an issue that we definitely want to get into, especially as there's a recent debate about the casino downturn in revenues and a similar call for a reduction in their tax percentage, especially based on what's happening in Victoria and Sydney. We don't necessarily feel the logic follows that we should lessen the percentage of tax on that. I suppose it's something we want to look into on that regulation side and what we would argue, and what we've argued to the government in a range of budget submissions and other discussions, is that a lot of so-called economic areas of activity need to have a social context, and we've argued that the state government should have at least one policy committee that does look at the social impacts of any economic decision.

Our concern would be that there is no framework at the moment - be it in gaming or mining or taxation or any other areas that the social sector either has some sort of contribution to make, or some sort of involvement - which would be seen as a more economic portfolio - not just in a token way but in some sort of systemic way in looking at these issues. I think in the context of the lack of input on regulation on any state economic activity we would like to look into that a bit more and maybe have a bit more say.

**MR FITZGERALD:** Are you confident - just to explore that a bit further - in terms of the government's decision to either extend the nature of the machines say within Burswood, or extend poker machines generally throughout WA, what's your view about the processes that the government are likely to undertake in making those decisions? You're saying that generally there are no committees that look at social implications. What concerns do you have, or are you satisfied that the government has a process that can adequately deal with this issue?

**MR BOYLE:** No, we're not satisfied. We think the commitments against pokies are very much dependent on strong personalities at the moment. There is no process to involve the community in the discussion of the review of the Burswood Act at the moment, and we're very concerned about that. There are a number of permutations that may arise out of that. The fact that the lobby for pokie machines is continuing to lobby all politicians at the moment means it's a strong and a live issue. It's really almost like an individual conscience vote sort of thing, or a stance of the premier. There is no systemic way of looking at this issue. A good example would be when the current Lotteries Commission Act was going through parliament, it is something we got involved with or consulted with only while the legislation was going through parliament just to check that we might not have any concerns, or we had to be alerted by some members of parliament - "What's your view on this?" There is nothing in place to systemically address these issues. So, yes, we remain concerned.



**MR BANKS:** Just to bring out what you're saying there, you're concerned that there's not any sort of systemic regulation, impact statement type of process?

**MR BOYLE:** Yes, I think the Lotteries legislation is a good example where we argued to quite a few politicians, as it was going through the houses, that maybe we should have some sort of social impact assessment tool or standard that if any product is being put up, you can assess it in terms of how addictive it was, and maybe commission a study. We were saying we're not against introducing new products, we're not against people looking at new ways or forms of gambling, as long as the overall impact is looked at first and we make some sort of assessment - whereas the legislation was basically framed along the lines of "trust us".

**MR BANKS:** Thank you very much for that, Shawn. We have probably gone through most of the points that you made by introduction, but do you have any comments you want to make?

**MR BOYLE:** No, I have surprised myself that I have talked for so long. I'll look into that other research. I know that some of our financial counsellors have given us case studies from other states. I don't know if you're interested in that - and even a case study of a person fleeing another state to get away from the machines. We have had some of those presenting problems. I could get them sent to you if need be.

**MR BANKS:** Certainly. At this stage I guess we can't have too much information. There's quite a lot about.

**MR BOYLE:** I'm sure the Victorians will hassle you.

**MR BANKS:** I guess the problem we face is to get consistent information that we can use. Anything like that you can do for us would be welcome. Thank you very much. We'll break now for a moment before our next participant, thank you.

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**MR BANKS:** Our next participant is the Independent Gaming Corporation. Welcome to the hearings. Could I ask you please just to give your name and your position?

**MR STITT:** Yes. Jim Stitt is my name. I'm the consultant to the Independent Gaming Corporation, which is an independent organisation that has been formed by the Licensed Clubs Association of Western Australia in association with the Australian Hotels Association, with a responsibility to put the case for the introduction of electronic gaming machines into Western Australia.

**MR BANKS:** Right, thank you. I believe you wanted to make a few remarks just partly in reaction to what the previous participant had said.

**MR STITT:** Yes, basically we don't want to present arguments today other than to put on the record that there is a counterview in Western Australia to the introduction of electronic gaming machines. We certainly have been conducting a campaign over the last 2 years which has a community consultation process. We've produced documentation on the introduction of electronic gaming machines and an economic impact statement which includes tax matters and we have developed a model that certainly would present a new view, and a fresh view to the way in which the welfare agencies in this state are funded via the Lotteries Commission.

We certainly would take task with WACOSS; we certainly will be taking a lot of notice of what their community response is, because basically when you look at the club industry in Western Australia it's certainly very, very much a community-based organisation with contributions that go back into communities. We will be responding at length in relation to the way in which the Lotteries Commission currently fund welfare agencies, and the trap that welfare agencies have been lured into over the last two decades in this state in relation to funding and their responsibilities.

We have some reasonable resources at our disposal as far as making a contribution in that area. We will also respond on a national basis in relation to issues like the economic impact on smaller industries and the relationship between alcohol and gaming which was highlighted by Shawn as a major issue - when we have the TAB pushing to get into every hotel in Australia - there are a number of counterarguments and we certainly would just like it on the record that that view which was presented today will be addressed and we would have that response due as soon as possible.

**MR BANKS:** Good, thank you. You mentioned an economic statement and you had some work done.

**MR STITT:** Yes.

**MR BANKS:** Could you just specify what that work was?

**MR STITT:** The club industry and the hotel industry appointed Coopers and

Lybrand to do a major study in two parts over 2 years on what the likely impacts would be on the introduction of electronic gaming machines. It addressed issues like the tax regime, made comparisons with the other states. It also addressed issues in relation to the way in which the welfare industries are funded. We certainly want to put on the record that the introduction of electronic gaming machines may present a lot of arguments for the welfare agencies - you may or may not be aware that the minister for family and community services has already conducted a report and it was far from disparaging about the introduction of electronic gaming machines. We would certainly be happy to make that one available for you as well.

**MR BANKS:** Good, thank you, that would be quite useful.

**MR FITZGERALD:** Do you have a particular view as to the way in which the government should - or the processes the government should adopt in relation to examining the issue? You obviously don't want to discuss the actual issues, because that's subject - but the processes by which government should examine these, have you given any thought to that?

**MR STITT:** You mean the processes of the introduction of electronic gaming machines?

**MR FITZGERALD:** The processes by which the government should actually consult in the lead-up to decisions relating to the extension of EGMs beyond its current thinking. Have you got a particular process that you think should be put in place?

**MR STITT:** We certainly believe that community consultation is a very, very important part of any legislative change or a legislative process. But as you would know the difficulty is that in community consultation you're going to polarise people. We have attempted to do that. Any change that takes place in this state is going to be via political pressure. We certainly would be interested in some common ground in relation to "the industry". I think some of the things that we would be prepared to say about "the charities" as such - you know, we as an industry look at the begging bowl approach that welfare agencies have to go through now; the street lotteries, the bingo. We're examining the gaming industry but the gaming industry is a big provider of funds - gambling industry, if you like, lotteries, TAB - to the welfare agencies.

I saw the issue in South Australia as being a difficulty where welfare agencies go with this begging bowl approach to bureaucrats, and it's not on a commercial basis, it's not on a structured basis. Welfare agencies - I can remember from experience in the seventies - were presented with grants, programs and there were capital programs and there were recurrent funding programs. They've all gone by the board. I would think that what we could do is use this as a lever to get governments to rethink the way in which they fund the charities and the welfare agencies, because there's certainly a better way of doing it. If the welfare agencies were prepared to throw their books open to scrutiny as far as how money is spent and where they're getting their revenue from, there's probably a lot of assistance out there that they could be given if they

were given 3 to 5-year budgets. You would certainly take away this tension and aggravation that is through the welfare industry at the moment.

**MR FITZGERALD:** In terms of the extension of EGMs beyond the current casino, as I understand it and you might clarify it for me, the casino companies have a right of approval in relation to extensions of certain forms of gaming throughout the state. Can you just clarify the processes by which any decision would be made to extend EGMs to clubs and hotels?

**MR STITT:** As we understand the rules and regulations Burswood Casino has an exclusive arrangement, exclusive agreement over gambling forever and a day. It was legislation that was put in place I think in the seventies. The process would be - the way we would see it - as being a responsible way of bringing about change, there would certainly have to be consultation with people like Burswood and there would certainly have to be a consensus brought to the state parliament to bring about change. Burswood does hold all the cards in relation to the gaming in this state, and that's full stop.

Certainly there has to be a political process that will take place. I think Shawn Boyle mentioned the fact that he sees the debate being dominated by personalities, but I mean, most issues like this will be dominated by personalities. Certainly we are prepared to try and reach some common ground and reach a consensus with people who may or may not benefit from the introduction of electronic gaming machines. As you can see from the evidence given today - and we don't want to get into refuting too much of it - but it is still very anecdotal. The majority of the research being funded by the industry is not producing the conclusive arguments that the anti-forces want to present.

People like Jan McMillen are producing some very interesting research material that shows this is not out of control in the way it is. There are lots of other issues out there in our community at the moment that are cause for concern. There's drugs, unemployment, downturn in Asia - all of those effects do have some sort of impact. As a kid I can remember if someone was in trouble they'd appear before a magistrate - "Why are you here? Why are you in trouble?" "Because I drink too much." Now most people appear before a magistrate - "Why are you here?" "Well, I stole because I've got a gambling problem." I mean, you know, it's just anecdotal information which seems to be gathering legs.

**MR FITZGERALD:** You'll be making a submission and I was just wondering - Shawn related issues which are almost - not peculiar to but certainly one of the features of WA and Northern Territory and that is remote and indigenous communities. Will your submission deal with some of those issues?

**MR STITT:** Certainly.

**MR FITZGERALD:** Do you have a particular view about that?

**MR STITT:** We certainly will address the issue of the impact in remote localities. Keep in mind that the people who are asking for this and campaigning for it at a local level and a community level are, in a lot of cases, responsible community people, and the majority are responsible community people and in a lot of cases the opinion makers and the leaders of communities are members of bowling clubs and football clubs and they're generally not the people who are going to go out and ravage communities. Where there are indigenous people involved - and I think it's really patronising to even pick the indigenous people as being someone that we should be directing special attention to - but it certainly was not an issue that came up during our community consultation process. But we would certainly be prepared to look at it in a bit more detail.

**MR BANKS:** Thank you very much for that. We'll look forward to your submission.

**MR STITT:** Thank you.

**MR BANKS:** We'll break again just briefly before the next participant, thanks.

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**MR BANKS:** Our next participant this morning is Wendy Silver. Welcome to the hearings. Could you tell us, please, in what capacity you're here this morning, or this afternoon as it is now?

**MS SILVER:** Thank you. I'm really here as a private individual, I guess, but just to establish my interest in the field, from 1984 to 94 - a decade - I was both a member of the board of the Lotteries Commission and then its chair for 5 years, and I've also for three of those years, in the early nineties, was a member of the Gaming Commission. That was an ex officio appointment in my role as chair of the Lotteries Commission. I've also been in senior management roles through the last two and a half decades in the community service field in Western Australia. I make my comments bringing both a background in the gaming industry and a background in the community service industry.

**MR BANKS:** Good, thank you. That should give you some very useful insights, I think, from both sides of the question.

**MS SILVER:** Yes.

**MR BANKS:** Thank you, and perhaps we'll leave it to you to make what remarks you'd like and we can see where that leads us.

**MS SILVER:** Sure. I don't have a formal submission prepared yet, but I will do so if you feel that it will add anything to your deliberations.

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

**MS SILVER:** I wanted to make a comment on the structure of gaming in Western Australia, and what I really wanted to say was that I think Western Australia, by perhaps accident rather than good policy, has ended up with a structure of gaming in this state that is less pervasive and less perhaps prone to critique and criticism than in some other states. The decision to leave the monopoly on electronic gaming machines with the casino was I'm sure at the time not taken with the best interests of the whole of the community at heart. It was taken to give the casino operators a fair chance in the market and to make it a more attractive prospect for the casino developers.

But in hindsight I think that decision to limit electronic gaming machines to a single site in the casino has actually served the community well - this is a very personal observation - in comparison to the very pervasive nature of electronic gaming machines that I've observed in other parts of the state. I think, as I say, by accident - not quite by accident but by default we ended up with a structure of gaming in this state that has served this state well and I would be arguing that it shouldn't be changed.

I think it's important to note - certainly in the decade that I was involved intimately in the industry - that the industry became very much more sophisticated,

and it certainly became much more sophisticated in its marketing strategies. For example, when I joined the commission in 84, there was no marketing division in the commission. We had a product that was a monopoly and sort of sold itself and competition was the TAB, and then the casino came on board, and the commission at that time recognised that it was in an environment that was becoming more competitive and more sophisticated. So we developed a marketing arm that uses all the contemporary strategies of marketing obviously to maximise its share of the market. But whilst we were doing that so were all of the other players in the gaming field. So we had an explosion, if you like, of promotions of gaming that I think began in the early eighties and certainly through the mid-eighties when I became involved in it. I'd like to talk a little bit about advertising in gaming, if I may.

**MR BANKS:** Yes, please.

**MS SILVER:** It was always a great issue on the commission how we advertised our products. Perhaps I should take a step back and say that it was very unusual for someone with my background to find themselves on the board of a gaming industry, a gaming authority and it's a reflection of the history and the unique position of the Lotteries Commission in Western Australia in its role in funding community services, that it traditionally had on it - as well as people to manage the gaming business it traditionally also had at least one member on the board who was there because of their expertise and their knowledge of the community services field to whom the benefits of the Lotteries Commission were distributed by the board. I'm sure that the commission has put a submission to you, or the Western Australian government has put a submission to you about the benefits of the commission so I won't go into that.

But it was interesting that I found myself on this board which was managing an industry which was quite different from the industry that I had made my career in. Then I found myself chairing this amazing body as well. Because the commission has this dual role, both of raising money through gaming and distributing it to the community, it has an unusual group of people running it. It always has had, as its governing body, a board that is mixed both in terms of its business expertise, its knowledge of gaming and its commitment to the community. So perhaps we, as a board, considered issues a little differently from other gaming boards because of that unusual make-up.

In relation to advertising it was always a great issue, and I believe it still is, about how to promote a product which you want to sell and you want to maximise your market for, and your returns on, but at the same time recognising that there are some inherent dangers in the product to the community. We fought a constant battle with our advertising agencies, who always wanted to extend further the advertising. There were two examples that I can recall where there was a real clash of, I guess, values in terms of advertising values and concern for the community. One was in terms of a particular advertising campaign which was focused rather at a younger market than the commission had traditionally focused on. There was some critique in the community - in the view of the board quite rightly so - and we withdrew a whole campaign that was focused at young people.

**MR BANKS:** Was it a TV campaign?

**MS SILVER:** Yes, it was a TV campaign and it promoted "Win lotto and you can go surfing for the rest of your life" sort of thing.

**MR BANKS:** Even older people might like that.

**MS SILVER:** Indeed. There was a lot of critique that this was actually promoting a non-working lifestyle to young people, and we withdrew it from the market. The second one was an issue about reality and fantasy. We always moved our advertising away from reality and more into fantasy. We were concerned not to advertise that buying a lotto ticket was actually going to solve any of your life problems. I do recall a particular campaign where that clash of values was highlighted. The campaign was based around "win lotto and you can have the house of your dreams". They showed in the original, the first cuts of the ad, houses from around the Perth community that were houses, you know, that people could see and they were real houses. We changed that ad and we showed the Taj Mahal and Buckingham Palace and tents in the desert and all sorts of houses that were fantasy.

We were trying to move from advertising that buying a lotto ticket or winning lotto would actually solve your life's problems; this was actually a strategy to solve your problems - it's not, and it was a big issue about keeping it away from "If you're poor and you buy a lottery ticket you'll win and your life problems will be solved." So we kept it very much in terms of dreams and fantasies and cartoons and a lot of graphics and not much about real people solving real problems. I thought that was always a really important issue. I had the opportunity through involvement in international lotteries organisations to compare our advertisements with our colleagues in other parts of the world and there was a considerable difference in style. Our ads were very much in the sort of humorous, bit over the edge, bit over the top, but you would never confuse buying a lottery ticket with really solving your problems. I don't want to labour any more on that point, but there was a very interesting dynamic there in terms of advertising.

**MR BANKS:** Did you make any comparisons with other jurisdictions in Australia and their approach?

**MS SILVER:** Yes. I don't have any of that data on the top of my head, but I am sure that's available. I'd have to dig in the recesses of my mind, I'm sorry, to get it.

**MR BANKS:** It might be perhaps not so current any more.

**MS SILVER:** No, probably it's not.

**MR BANKS:** But obviously approaches do differ from one place to another, but any observations you had on reflection about that we would value as well.



**MS SILVER:** Essentially all advertising for gaming is misleading because it only shows people winning. That is not the experience of most people in gaming. So by the nature of effective advertising in gaming, it only shows one side of the equation. It only shows people winning. You're not going to advertise to buy a lotto ticket and lose. You're going to advertise to buy a lotto ticket and win. So there is a misleading element inherent in the nature of the advertising. It just was really important to keep - to be very focused on what you wanted to achieve in your advertising, but also keep it socially responsible and the make-up of the board of the commission was unusually well placed to make those considerations, in my view, at the time.

**MR BANKS:** Yes. Did you do any sort of survey work or market testing to see whether this strategy had worked in the sense that people realised it was a long shot and it was a dream?

**MS SILVER:** I don't recall any market research specifically on that issue. I do recall that market research specifically showed that people bought lottery tickets only for one reason and that was to win the first prize, because they wanted to win huge piles of money. In all of the market research there was a very high level of knowledge that the profits from the commission went to the community. Whilst the market research showed that that didn't actually motivate people to buy the tickets, they did use it as a rationale to keep buying them when they didn't win. It was like an after-the-event rationalisation of perhaps otherwise nonsensical behaviour, which was to keep on buying tickets that didn't actually produce the goal that you bought them for - which was to win first prize.

So there was a very wide knowledge of the fact that the commission's profits went to the community; a very wide support of that in the market research that we did at the time, and a very consistent finding that people did take that into account - but it didn't actually make them buy tickets. They didn't buy tickets to do good, they bought tickets to win.

**MR FITZGERALD:** In Western Australia do you think that the advertising of gambling generally acknowledges the approach that you're now saying you adopted? Is it one that acknowledges that there's an inherent danger, or do you think there's a shift, or what would you say generally in terms of advertising of gambling in Australia, and particularly this state now? Just to follow on, is there a need for a change or code of practice or something in relation to advertising?

**MS SILVER:** Let me put it this way: it's difficult for me to make a comparison. When I left the industry in 94 I have to say I haven't paid as much attention since then, in the same way that my attention was focused on it before, but I think it's interesting. We certainly had our code of practice. We thought that code of practice served us well, the products that we sold were very successful during the time that I was in the chair, and on the board. Our product didn't suffer in the marketplace; quite the contrary. Certainly our product didn't suffer from a socially responsible advertising strategy and I think that it would be possible to develop a code of practice that could serve the industry well, but protect the community a little more.

**MR BANKS:** Right.

**MS SILVER:** I mentioned about marketing and I guess that is linked with the advertising. Can I just talk a bit about the community funding role of the Lotteries Commission?

**MR BANKS:** Yes.

**MS SILVER:** I guess the commission has no greater advocate than me having sat both on the side of giving the money away and on the side of also being a recipient of the money through the number of organisations that I've been involved with. I think that it has served this community uniquely well. It's a particularly generous act in terms of its discretion - for the commission - in terms of what it can use the money for. The act talks about benevolent and charitable purposes. That's not defined any further. There is no social policy goal attached to the distribution of the money and therefore it allows flexibility for the commission of the day to respond to community needs, community interests, changing ideas, changing priorities. It's very specifically by exclusion of for-profit organisations and government, with the exception of local government - it's very specifically focused on the not-for-profit sector, community sector, and I believe that as a result of the existence of the commission and its very direct link with community organisations, Western Australia is as well served and probably better served than any other state in Australia in terms of infrastructure for the not-for-profit sector.

I just point as an example an initiative that the commission began during my time and which has continued on as a great success, was the establishment of lotteries houses which were shared community facilities for large and small not-for-profit organisations and there are now I believe close to 20 of them around the state. They range from multistorey CBD buildings to small buildings in country centres where half a dozen or 20, up to 25 or 30 community organisations get high quality accommodation, they get access to contemporary state of the art office equipment and furniture, and a managed facility. They are really a unique establishment in terms of infrastructure for the community sector. They came about only because of the very direct relationship that the commission had and continues to have with the community sector.

Can I just make a point on the argument in terms of electronic gaming machines in clubs and the more direct access that that might provide to certain community organisations in terms of funding? I think one of the real problems with that model is that it is very, very selective. Certain organisations will make links with certain clubs or pubs or wherever, and it will generally be those that are a bit more sophisticated in their dealings with community, in their dealings with the industry - one of the great benefits of the Lotteries Commission was the huge range of organisations which it benefits directly. We used to give grants ranging in size from \$250 for a set of carpet bowls for the local senior citizens centre, up to \$5,000,000 for a new blood transfusion centre, and everything in between. I would be very, very concerned as a

continuing player in the not-for-profit sector to see a distortion of that ready access, that the whole range of community organisations get to funding through a system where individual organisations have to be sophisticated enough to arrange themselves a relationship with a gaming provider.

**MR BANKS:** Could we talk just a little bit more then about how this allocation is achieved.

**MS SILVER:** Yes.

**MR BANKS:** What you're saying is broadly the sector is quite happy with the allocation decisions that are made. I mean, in some ways that's astounding, given the nature of people and organisations and generally the need for more money, but could you talk a little bit about how the allocation decisions are made and the process?

**MS SILVER:** Can I say just in relation to why the sector is happy? It's because the commission has been so successful in marketing its products, there has been a continuing increase in the resources available to the sector, and it is more likely that you will be successful than unsuccessful when you apply to the commission. In fact there was a period during the late eighties, early nineties under my chairmanship, when the commission could not give away all the money that it had. So our rate of approval was something like 95 per cent of all of the applications that ever came to us, so there was a pretty high approval rating.

**MR BANKS:** Right, I see.

**MS SILVER:** That's not the case now because the rate of growth for the products has slowed down, and I couldn't give you information on what the rate of success or approval or non-approval is now. I'm not privy to that information currently.

When I began at the commission there was no system of distribution. There was simply a pool of money and a whole lot of letters that came in and the board sat around and considered them and gave out the money as it chose, and very quickly we moved to a system of first formal assessment of the applications that came in and then over a period of a few years, to setting priorities and then to a more sophisticated process where the board and the staff involved in distribution of the community funding would set priorities, set program guidelines in very close consultation with the sector - very, very close consultation with the community - and applications would be called for and they would be processed.

One of the great benefits of the commission is that it remains flexible because it's free from restrictive clauses in terms of its mandate and it has this very wide mandate which is simply to assist organisations basically who do good - benevolent and charitable causes is a pretty wide term and one, by the way, about which there was endless legal debate; about what was charitable and benevolent. But putting that aside it enabled the commission to take a very creative approach to funding and still in Western Australia if you're running a community organisation and you have a creative

idea, one which doesn't fit into the standard contractual funding arrangements with various government departments, the Lotteries Commission is the first place that you will take it to discuss whether funds might be made available. It has retained that flexibility and retained that creative approach and that sort of sifting of the field, looking for good ideas and the willingness to take a risk with funding something that is different.

I should add that the commission never did and still doesn't fund in an ongoing way. It doesn't buy into long-term funding commitments. It funds one-off capital or it will fund programs but in a non-recurrent way, in a piloting way. For that reason, as I say, it remains the single source of funds where there is enough discretion for the community sector to really take a risk and try new ideas. In fact it's the biggest pool of discretionary money available in the government.

**MR FITZGERALD:** You mentioned a concern about the extension of EGMs with hotels and clubs because it's a very selective basis. An argument could be put that if EGMs were extended into hotels and clubs one could in effect create a larger community benefit fund where all forms of gaming, including the casino, contributed to a specific fund as exists in some other states. Could that not benefit the community even more than just this fund, or what would be the pros and cons of doing that?

**MS SILVER:** I'm sorry, I don't know what you're saying. Are you saying you join all the money together and have a bigger fund?

**MR FITZGERALD:** Yes.

**MS SILVER:** So you put the lotteries money and the gaming money and- - -

**MR FITZGERALD:** And the TAB and what have you, some of that into that.

**MS SILVER:** That was mooted at one time. I can't recall which pool of money it was mooted should join in with the Lotteries Commission - but that was mooted at some point. I don't recall the process, but obviously it never came to pass. I think that you could devise a model that would enable that to happen, but I would be very sad to see the loss of the direct link between the Lotteries Commission's gaming function and its distribution function, because I think it's a very humanising part of the way the commission runs, and it's part of what has kept it much loved and respected as a Western Australian organisation.

There are other models around the world that I'm aware of - New Zealand is one in particular where the Lotteries Commission has two boards; one board who raised the money and another separate statutory sort of board where the money is distributed. Whilst, in my view, that's better than it going into consolidated revenue because you still do retain a direct link between the gaming product and the benefit to the community, and that is of benefit both to the community - it's also, I might add, a fairly good edge to have in a market, the gaming market. My experience is that there's not quite the same flow-on from the social benefit side of the distribution, the

relationship with the community, the flow-on that can have into the management of the gaming in a slightly more social responsible way than if you separate them.

**MR BANKS:** Getting back to your point about advertising, say, for example.

**MS SILVER:** Yes. I would just feel it was a backward step, however, I wouldn't want to say that you couldn't evolve a successful model. There are certainly models that exist. The New Zealand one is one, the British lottery is another, where there are huge amounts of money going into distribution that is managed separately from the gaming side, because the gaming side is managed by a private supplier, a private corporation.

**MR FITZGERALD:** In terms of the lotteries generally your experience is very extensive. There seems to be a view that lotteries by and large are fairly benign in terms of their social impacts. Is that a view you share?

**MS SILVER:** Yes, it is a view I share for all sorts of reasons. I can only say that during 10 years on the board of the commission I'm only aware of two cases which stand out in my mind very significantly where you could say that there was evidence of a person with a major problem in relation to lotteries products. In my view both the nature of the product and the places in which they're sold, the forums in which they're available - the forums in which they're sold are very ordinary. They are newsagents and the local chemist shop and they're very ordinary places that mum, dad and the kids go into to buy a Christmas card or a birthday card or the newspaper and so on, and you buy a lottery ticket as part of your ordinary, everyday activity. You don't go to gamble and you don't spend long periods of time there and you don't drink alcohol at the same time that you're buying the lotteries products. So I think the nature of the venues in which they're sold is an important part of keeping the product benign, but I also think that the product is not likely to be addictive, because it doesn't have the features that I always understood were associated with problem gaming - that is, rapid repetition and also the chance to make up for your losses by spending more. I don't know what the technical term is, but where you double up your bet because you lost the last time, because you think you'll win the next time.

**MR FITZGERALD:** Losses, yes, catch-up.

**MS SILVER:** There's no provision for credit. There is no credit gambling associated with the lotteries, so I think that many of the aspects that are problem-creating and dependency-creating are absent from the product and the way that it's marketed.

**MR FITZGERALD:** Are there any trends in lotteries generally, either here or elsewhere that would cause you concern? We understand that with the lotteries here you have a very high spend per head of population and that may, as somebody said this morning, be because you don't have other forms of gambling or what have you, but are there any trends that you've observed in the lotteries area that should be of concern in either economic or social policy terms?

**MS SILVER:** Not in this state, no. Again, I speak from experience that ended in 94, so I do have to remind you of that. I think that in jurisdictions where the divisions between gaming products were less - access to gaming products were less clear and there was a less clear boundary between electronic forms of delivering lotteries products and electronic gaming machines, then I think that the dangers associated with electronic gaming machines became associated with lotteries products. I recall at the commission here, when we were first testing - I think during my time we actually began to test electronic methods of delivering lottery products and we did have to be very careful because of the legislative mandate of the - legislative monopoly of the casino not to step over that boundary between electronically delivering an existing product and moving into a new form of gaming which was electronic gaming machines. If I saw a danger it was where that boundary was not clear. I think the dangers that I saw in it again, this is a very personal perception, is that the electronic gaming machines were not an attractive adjunct to lotteries products. They were essentially a different product.

**MR BANKS:** What is the frequency of the lottery product here?

**MS SILVER:** What do you mean?

**MR BANKS:** How frequently are there draws and so on?

**MS SILVER:** Instant tickets are available all the time and there is now Saturday night lotto - I can't even remember. Powerball - I'm sorry, you'd have to get it from the commission.

**MR BANKS:** Because one of the points that people - - -

**MS SILVER:** I think it's three nights a week.

**MR BANKS:** Has that changed; has it become more frequent than before?

**MS SILVER:** Yes, it used to only be - when I was there it was only two nights a week. It was Saturday night and then we had something called midweek Lotto, which was the forerunner, I think, of Powerball. Not Powerball, Oz Lotto. I've lost touch with the products, I'm sorry, so don't ask me that.

**MR BANKS:** Okay, we will talk to others. In fact we'll be talking to the Lotteries Commission tomorrow.

**MS SILVER:** I'm sure they will have done an extensive search for you.

**MR BANKS:** But you wouldn't see the frequency as being such that its causing a problem, anything equivalent to the continuous play type of phenomenon that we see elsewhere.

**MS SILVER:** No, I think we were very careful not to wear the market out. I guess you get back to the argument about whether there's a limited cake that people will spend and whether if you provide more products more often you just divide up the same cake, or whether you grow the cake and that's an interesting issue.

One point that I always found interesting was that people actually wanted bigger prizes. Every time we had a very big jackpot prize they would spend another 2 or 3 or 4 million dollars that week on that product than when there was a smaller prize. I always used to muse over where that money came from. Our market research showed that it came from chocolate bars and potato chips and a hamburger. It came from very discretionary, spontaneous, unplanned purchases.

**MR FITZGERALD:** So in terms of the overall gambling situation in Western Australia therefore, where do you think the government should move in terms of gambling policy in the next decade or so?

**MS SILVER:** I think that the government has been reasonably courageous in resisting the temptation to extend gaming into licensed clubs and pubs and so on, and personally I would feel that it was good policy to continue that division. The issue of what happens with the casino is an interesting one. Jim, I don't share your recollection that the monopoly was open-ended. I always understood it had a finishing date some time after 2000, but I don't remember what the date was, but you're probably more up to date with it than I am.

**MR BANKS:** I understand that in relation to the gaming machines it was open-ended. Is that correct? But the exclusivity in relation to the casino itself was something that was going to be reviewed in 2000. I'm getting a nod, so perhaps that's right. We can confirm that.

**MS SILVER:** I personally would be arguing that the policy mix, the mix of products and responsibility for products is one that is comfortable with our community. I think there are huge issues about Internet delivery of gaming and I'm not up to date enough on those developments in the industry to be able to comment on it, except that it's going to break down and probably already is breaking down the barriers between jurisdictions.

One of the interesting things about the lotteries industry was that every jurisdiction in which there was a lottery was usually a legislative - almost always a legislative monopoly, so lotteries were not in competition with each other; lotteries were in competition with other forms of gaming. There was a lot of generosity within the industry because we were never competing with each other in terms of sharing ideas and sharing information and product developments and so on. I think that Internet delivery of lotteries products will break down by default those legislative monopolies and jurisdictional monopolies for the industry - to the detriment of the industry, in my view, but it's a bit of Luddite for you.

**MR BANKS:** Right, thank you. Did you have any other remarks?

**MS SILVER:** No, they were the comments.

**MR BANKS:** That's all been very useful. Thank you very much for appearing today.

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

**MR BANKS:** We'll break now for lunch and we're resuming at 2 o'clock.

(Luncheon adjournment)



**MR BANKS:** Our next participant today is the Lockridge Community Group. Welcome to the hearings. Could you give your name, please, and your position with the group.

**MS PAGE:** Yes. My name is Elaine Page. I am at Lockridge Community Group as a financial counsellor, and as you can imagine, being a financial counsellor we see all kinds of financial problems. I feel myself very honoured that the group gave me the opportunity to come today to speak to you, because I personally feel strongly about gambling going into hotels, the pokies particularly. But first of all I'll address seeing it in financial counselling. Naturally people don't walk through my door with a big note on them that says, "I have a gambling problem," or, "I have lost." They usually come in - - -

**MR BANKS:** Elaine, is your financial counselling general financial counselling?

**MS PAGE:** General financial counselling.

**MR BANKS:** It's not specific for gambling-related problems.

**MS PAGE:** No, there is no specific financial counselling that I'm aware of.

**MR BANKS:** Right, okay.

**MS PAGE:** I have had two cases that have come in, both have been males, and they have just looked at me and said, "I'm sorry. I've lost my wife, I've lost my home, I've lost everything," and they've stopped, and then they come and say, "I have a gambling problem, and this is what's caused this. Can you assist me?" Well, of course, naturally I can try and assist them with financial counselling, but gambling is something that usually cannot be fixed. So many of my clients are forced into bankruptcy because of this problem. Whether bankruptcy will stop them, I don't know.

**MR BANKS:** Sorry, Elaine. Did I hear you say that 30 to 40 per cent of the people you see have a gambling-related problem?

**MS PAGE:** Have a gambling-related problem.

**MR BANKS:** Yes.

**MS PAGE:** Some of it you can stop them with different ways of dealing with their creditors, but unfortunately some of them have - because we have to look at gambling. We were discussing this morning advertising. Recently there has been an advertising campaign on, "Have you a gambling problem? If so, see your GP." So I decided, because I'll be honest, I have a daughter that has a gambling problem, so not only do I see it professionally; unfortunately I see it in my family. So I went to two doctors that I knew, and both of them said, "Well, you know more than what I do, but here's some papers on it." It was from Gamblers Anonymous. So I went to another

doctor that I didn't know, and I said, "Look, I have a gambling problem. Can you help?" and he said, "No." So that advertisement seems to go a long way.

Then we were talking about funding. What funding? We have funding if you're an alcoholic; where you can go and dry out, where you can get help. If you have a drug addiction problem, there is help. I have yet to come across somewhere where you can help gambling. I feel that if we are going to have these pokies in hotels, etcetera, they're going to be accessible and people are not going to be able to control their gambling. When I say I am dealing with gambling through my family, I think people are not aware of the social impact. The gambler, as I said earlier, does not come up to you and say, "Boy, I'm gambling tonight." You know, "I only need \$50." They lie. You go to their house; an oven is missing - "Where's your oven?" "Oh, it's gone in to be repaired." "Gone in to be repaired?" "Yes." Go back 2 weeks later, "Where's the computer? Where's the kids' computer?" "Oh, they're putting it onto the Internet." "And it's been gone for 2 weeks?"

Then you find you're getting calls from schools to tell you, "Come and get your grandson. It's the fifth time he's been expelled. Keep him away from school. He's a naughty child." He is not a naughty child. He's just got his extra slip. You put him in the car and he says, "Don't tell me what to do. Me mum's not around, so you're not telling me." So you're faced then with the problem of a child that's 8 years old who has been expelled from school more days than he has attended. You have a 15-year-old who says, "I am going out to get drunk. Mum's not going to be home. You're not my mother." There is no help out there for people. The family breakdown begins. The father says, "Well, this is too much for me." Bang.

When a gambler goes to, well, at present Burswood - and this is why I say at present I can control it to a certain point because I know exactly where I can find her, and when you do find her now - you may all say I'm horrible for saying this but 3 weeks ago she was missing for a week. I had come to the point, I had no food, I had no money, I had five children that were starving; I was at my break. I found her. As soon as she saw me she ran into the toilet. I ran in after her of course, so she throws herself on the floor and she says, "I'm going to kill myself. I'm going to kill myself." I said, "For God's sake, hurry up."

Another lady walked into the toilet and she said, "What's going on?" I said, "Look, it's all right." So my daughter's saying, "Oh, I'll do it, I'll do it." I said, "Unfortunately, I don't have a knife or I'd help you." At least I knew if she'd done it that night. I know you all think this is terrible, but this is how far gambling gets you. I knew if she'd done it, for the first time in my life I could go home and I could sleep. I could hug my kids, my five grandchildren, and tell them, "Mummy has gone," and I could honestly look at them and say, "We will be a family now," and I could sleep. I will go home tonight.

When I finish my job as a financial counsellor, dealing with other people, that's that part finished. I may go home tonight, I may have the police at my door. I may go home, I may have to go over to the Burswood and pay some of her debts off. I

may finish up at 2 o'clock grabbing her out of the toilet again, but where will I get help? If anyone can tell me, please come forward, because I have walked that floor for 5 years, and there is no end, and there is no help.

**MR BANKS:** When you say that, do you mean it literally, or do you mean that in your particular case you've had a problem with the facilities that are available?

**MS PAGE:** I mean in all cases. You have Gamblers Anonymous. They're for the gambler, and who is going to say, "I have a gambling problem." I have gone into groups by private practitioners. They're not interested in that, because they ain't got no money for one thing, but for two things, I haven't the problem. I am dealing with the problem, but I haven't got the exact problem.

**MR BANKS:** So what you're saying is it's hard to help someone who doesn't want to be helped or isn't prepared to go - - -

**MS PAGE:** It's hard to help somebody who won't admit they've got a problem, but you are not dealing with one person. For instance, I am dealing (a) with an aged husband who has to deal with the problem; I am dealing with five children, and myself. If there was somewhere like for alcoholics, for drug addicts, I know because I took a hundred dollars off my daughter the other day so I could go and get some food for the kids, I know there are times when I can get her so low down that I can say, "Come on, love, we are going together for help," and if we had somewhere and I got her in that mood, I could get her some help in one of these - I don't like the word - institutions, one of these places. I'm not saying they'll come with good help, but hopefully they'd have resources to deal with the problem. It's not a problem, it is a whole problem, and this is something we are not addressing - is the whole problem of gambling.

I can see if it does go out to hotels, as I said at present tonight if I go to the casino I can say she'll be at that machine, that machine, that machine or over at this table here, but if they take that away she is even going to, on her way home, stop at the hotel because they forget about their family, forget about everything else; stop at a hotel and lose what money she may have won. This is why I'm against it, because it will be too accessible, and I guess I'm talking for myself, but people won't be able to control where they're going. As I said, there's no funding, and the advertising is just not doing anything. There is no advertising out there. You've got to see the impact of it to understand what it's like; when even headmasters are ringing you up and saying, "Your grandson is starving," or another child is being expelled or another one is so thin, and you've just got to say - if the gambling gets so bad - I have dragged her out, taken her home, and then what does she do?

I have been hit with ceramic things because she's been so angry at me, and the only thing she can hit at is me, and believe you me, it's not very nice when you've been hit with ceramic things. And there's just no help out there, and to have it so accessible is going to be - it's not only my child. I have seen it when I am going up there to rescue her. I have seen other people going through the same thing. Unfortunately

Saturday night I was called to a 22-year-old boy who had gambled. He'd hopped into his car, he'd driven down by the river in Rivervale - I still call it Rivervale. He had had a fix. By the time he went to Royal Perth Hospital he was DOA. I have to try and arrange a funeral for that boy for the parents, and he had been gambling for 3 days and he couldn't face anybody to tell them, and I think, you know, he was hoping that it would only be a cry for help, but he's gone. So not in my business but as an outsider, I see it, and just spend the night up at the casino one night, not just an hour, not 2 hours - spend 5 hours out there, and believe you me, it's not a pretty sight.

**MR BANKS:** You've obviously thought a lot about it. What sort of facilities do you think are needed, if you think the existing ones aren't sufficient because they require people really to walk through their door?

**MS PAGE:** What more for gamblers?

**MR BANKS:** Yes.

**MS PAGE:** No more, because the machines at Burswood are quite often empty. Okay, let's put it that maybe we should be looking at outer areas. Maybe if there hasn't been somewhere within a radius of around about 150 kilometres, maybe that could be looked at in a very limited - and the hours must be limited.

**MR BANKS:** I'm sorry, you might have misunderstood. I wasn't talking about gambling facilities, but rather counselling and assistance for some of these - -

**MS PAGE:** As I said earlier, they need the same services as alcoholics get and drug addicts get, eg residence, dry-outs, sessions.

**MR FITZGERALD:** So you have Break Even here in this state as a counselling service. Yes?

**MS PAGE:** Yes, and who do they help?

**MR FITZGERALD:** You tell me.

**MS PAGE:** They only help the person with the gambling problem.

**MR FITZGERALD:** Your daughter for example - you obviously feel that taking her to Break Even would not help, or is the counselling session at the wrong time? I just wondered, personalising it to your own circumstances, if there was a facility at the right time that you could take her to, you may have some chance of at least introducing her to some form of assistance.

**MS PAGE:** Yes.

**MR FITZGERALD:** But the services that are currently applied are during office hours, all that sort of stuff. Is that right?

**MS PAGE:** That's right.

**MR FITZGERALD:** And they're not available when you need it.

**MS PAGE:** They're not available when you need them and, as I said, the biggest thing is, looking at a gambler - especially when they're sort of having a good time to say, "You have a gambling problem."

**MR FITZGERALD:** Sure.

**MS PAGE:** But you have to get them so low that you say, "Come on, you're going to do this for me."

**MR FITZGERALD:** So you're basically talking about 24hour residential services. Is that the sort of thing you're talking about?

**MS PAGE:** That sort of thing, like refuges; as I said, like alcoholics or like - -

**MR FITZGERALD:** Yes, right. And, as you say, there are no facilities at all that are currently available.

**MS PAGE:** There are no facilities - that I'm aware. Somebody may come up and say, "Gee, I know of one," but I'm afraid that I've done a heck of a lot of research into it and I haven't yet- - -

**MR FITZGERALD:** You said that you'd been involved in group work. Had you taken your daughter or yourself to psychotherapy and all that sort of stuff? If so, has that not led to a more intensive level of care?

**MS PAGE:** No, because it was a private one which was costing \$40 a session up-front and they wouldn't see you unless they'd seen the money.

**MR FITZGERALD:** And to your knowledge there's no publicly available bulk-billing service that you could take your daughter to - - -

**MS PAGE:** No.

**MR FITZGERALD:** - - - in Perth?

**MS PAGE:** I could get her to one, to Gamblers Anonymous.

**MR FITZGERALD:** Yes.

**MS PAGE:** But people quite often do not like the steps that they take because it's similar to alcohol.

**MR FITZGERALD:** Sure.

**MS PAGE:** But what I'm getting at is that they will treat her, but we have a family. Now, Shawn Boyle this morning said something about children being left in cars. Well, I don't know whether he's aware - 3 years ago, yes, there used to be children left in cars but Burswood then got guards to go around and check, which meant the people had to come away from the gambling table. So now they don't have children in cars. Unfortunately they have children behind closed doors, and those kids won't even answer a phone. You have to have a system - three rings, hang up, three rings, hang up - and I have five families I'm treating like that at present that I have met at the casino through my daughter. You can't get the parents away. They're hooked.

**MR FITZGERALD:** Are there steps that you think for example the casino itself may have been able to take, or practices that it could have employed which may have minimised some of the difficulty your daughter is facing, or is it really something that now just needs some professional assistance and that's really the problem?

**MS PAGE:** Well, I do feel gambling has to come into line with drinking. As you're aware now, if the gentleman behind the bar, or woman, sorry - sexist - is giving you a glass and she thinks you've had too much alcohol and they have an accident - they can refuse you drink now, yet they do not refuse you that extra hundred dollars on the table. Even when people have been banned - and I've been through this too - banned from the casino for putting bad - now, that's another problem they have. They present bad cheques. They will ban them, but I have walked through that door with my daughter who has been there for 4 hours and they haven't even seen her, so getting banned or having somebody banned is useless. So I feel that there should be more control put on what the gambling is.

**MR FITZGERALD:** In terms of the banning, this is where they ban them rather than the person actually goes for self-exclusion?

**MS PAGE:** You can go for self-exclusion but that's even treated lighter. But you can - well, I can't say "you can" because that's a terrible way. People get banned because they have given bad cheques or acted in an irresponsible manner. They get banned, but you can just walk in there through either of those doors and nobody says yea or nay to you.

**MR BANKS:** Because they obviously have thousands of people in that particular venue each day, so partly it's just a difficulty of screening people. Would that be fair enough, a fair comment?

**MS PAGE:** That would be a fair comment, but surely they could have photos of these people, and sometimes I have gone through, particularly from the hotel entrance, and I've been the only one that's walked through. It's not as though there's been a lot of people walking through, particularly that hotel entrance. There's not a lot come through.

**MR FITZGERALD:** Has, for example, the casino staff at any stage sought to intervene to assist to take any positive or proactive steps either with your daughter and/or these other four or five people or families that you're working with?

**MS PAGE:** No. As I said, at one table I was waiting to be arrested for raising my voice because I was getting quite angry with my daughter, and a guard walked straight by me. He must have heard what I was saying which, sorry, was not very nice, but nobody said a thing to me.

**MR BANKS:** Would it also be a fair comment though to say that for someone serving someone alcohol, there are visible signs perhaps if somebody has had too much to drink and so on, but that the detention of say a problem gambler is a much more difficult task for someone who's working in a venue?

**MS PAGE:** No, because you've got the dealer or the person wheeling the thing. Now, they can see, and believe me, they keep an eye on what money's on that table, and when a person is getting down low or even losing money they sometimes - well, very often when they've got to that point, when they're problem gamblers, they say things that, well, I can even pick up. I can go there and say, "That's a problem gambler," because of their actions. I don't think you have to have much training to see it. So I do feel there's some duty of care that should be coming on them.

**MR BANKS:** Just talking about the people that you meet professionally in your role as a financial adviser, I guess what you're saying to us is that you need holistic strategies really for dealing with say problem gamblers and the impacts on their families and so on, but what are the financial strategies that you would or could try to implement for those people? Are there particular approaches that have been effective?

**MS PAGE:** Well, you can only deal direct with the creditors. You can only sort of give information on, you know, "Maybe we should bring this back into that point," if they've got a gambling problem. But, as I said, you have so few that will come in and say it is a gambling related problem. Most of them, it's only through the conversation will they say, "I've lost everything through gambling," and then you have to look at ways of how they can restart their life and hopefully you've given them the right direction, but you can only give them information. You can't say, "Do this."

**MR BANKS:** And again, on the question of information, from your own experience do you think having information in venues about signs of problem gambling for example and help line phone numbers and so on - that that can make a difference to people like this?

**MS PAGE:** Well, I haven't seen a lot of them use it. Now, on Burswood you've got them everywhere, and you've got them on the front - you know - but I've seen very few people really pick them up, and you must remember they're put in such a place that people walk by it and by the time they've lost all their money they couldn't care

whether there's help or not. They have had a rotten night and- - -

**MR BANKS:** Yes, although what we hear sometimes is that people might pick up a pamphlet and stick it in their pocket.

**MS PAGE:** They may pick up a pamphlet, yes.

**MR BANKS:** And they may not be receptive at that point, but when they get home, perhaps feeling a bit of remorse, and reach for the pamphlet, that might be the time, as you were saying earlier, when someone gets to a point where they're prepared to seek help.

**MS PAGE:** I feel if you've got them at that point you have got a chance. They may be somebody who's had a big win, you know, and then they've been able to go home and think, "That action was wrong. There's something going a bit wrong here." But then you do get that percentage who have gone past that. My daughter won 42,000. Now, wouldn't you think that would be terrific? She was bankrupt a week later. It did nothing, but she is a lot with - because you must remember they build groups too, and you may run out of money but the one next to you that's spent the same amount of time doesn't want you to go home, so she'll give you a hundred so you'll continue on, and it becomes a powerball game.

**MR FITZGERALD:** Just talk to me about the group. Most of the people we've spoken to have always indicated that most problem gamblers are very solitary in their play, even though they're in clubs and/or casinos or wherever it might be, obviously surrounded by lots of other people. You're suggesting that there's actually a network that sometimes develops around the problem gambler.

**MS PAGE:** There is a network.

**MR FITZGERALD:** Can you just explain a little bit more about that?

**MS PAGE:** Well, for instance, I've been there when there's been five women - there was a man there the other day - who seemed to know my daughter better than what I do. They have this kinship of, "You've had a bad night. I will help you out," and there's this group that are there to assist each other. Well, one of them one night said to me, "I have had a good night. Here's \$130." She said, "I didn't realise the children were hungry." "Well," I said, "who do you think's feeding them?" and I must admit I grabbed the 130 and ran, and that's it. This particular group that I am speaking of, you know, just sort of help each other so that they've got each other there. This is where the problem is - is if they can't get them away - and when it goes on for three, four - well, I've known it to go on for five nights.

**MR FITZGERALD:** Have you at any stage had reason to speak to the casino staff yourself about it and talk about strategies or anything?

**MS PAGE:** Well, as I said, one time when she was even banned there, I spoke to



them about her staying there and they just said, "Oh, we didn't see her there. What are you going to do about it now?" and I said, "Well, I'm going to take her home," but I can't keep an eye on a 38-year-old woman. What am I going to do about it? You know, it wasn't like I was taking an 18-year-old home. I was taking a married woman with children home, and I can't stay with her. I have even thought - well, I've already filled the papers out with Family Law to adopt five children, but how can you adopt when your partner is on the aged pension? Just look at that. So as I said, we get back to this big problem and while we have got it going out, you don't have control.

**MR FITZGERALD:** In terms of the counselling, just going back to Break Even and what have you, I understand that it may not be available at the most opportune time when you need it, but how would you describe the general level of counselling, the type of counselling that's been provided? If you were able to get your daughter or one of the other people you're working with to these sessions, to the counsellors, do you have a view about the nature of the counselling? Do you think it's relevant or not?

**MS PAGE:** Now, you may have to strike this too from the record. I do find that Break Even is the most helpful one out. The other ones have steps that they want you to follow, and they've got books and everything there, but they don't give you that direct help like Break Even does. Actually, I have been invited with my daughter to go to Break Even sessions and that's the first one who's said, "Would you join a session?" I've said to her, "Any night you want, love, I'll come with you."

**MR FITZGERALD:** And when you talk about these steps - just explain to me the concern about the steps. What's different between the Break Even approach and the other groups that have these steps? What are the steps that you believe inhibit people from accessing help?

**MS PAGE:** Well, the first thing that got me, particularly when I was given the book about the five steps, was if there is a problem gambler, you have it for life. Now, that's a wonderful thing to first read. Then the five steps - the only step I agreed with is you must admit you have a problem. I can't think of all of them because, as I said, I only found out on Thursday that I was coming - - -

**MR FITZGERALD:** That's fine.

**MR BANKS:** But you felt, from your particular perspective and your knowledge of these people, that that approach wasn't likely to be as helpful.

**MS PAGE:** That wasn't likely to be her - and as I said, when I rang them up, it was for her, not for me.

**MR BANKS:** Yes. Robert and I have been around talking to a range of counselling services and obviously people do use them and get help from them but, I guess, what you're saying is that there's a range of people out there with different needs and - -

**MS PAGE:** That's right.

**MR BANKS:** - - - it won't always be effective.

**MS PAGE:** Yes.

**MR BANKS:** All right. I think that has been very useful. Were there other points that you wanted to raise with us today?

**MS PAGE:** No. Well, there is the cost of health; eg, the case I said happened on the weekend and, don't forget, a lot of gamblers - if they pay private hospital cover, there is - I know of one in Perth and rather than face the problem they will go to this psychiatric hospital because there they're getting help - once again, they're getting help but they've walked out on the biggest problem of all - and that is available, once again, for them. Once again, we do have the funds that it's taking away from the hospital and, of course, you will get help in a public hospital if you start committing suicide or crying for help, but, you know, it is a strain on our health system as well.

**MR BANKS:** Yes.

**MS PAGE:** I hate to admit it but there are times when I have just cried and I've gone into the doctor and burst into tears and said, "It's her again," and come home with Valium. I've wasted a doctor's bill and a Valium but, you know, you have got to be there for kids, and that is the biggest problem; a lot of them do have children. There's nothing even for children, so therefore you get out-of-control children and I hate to think what is following that.

**MR BANKS:** Thank you very much for that. One of the things we've heard is that - I mean, problem gamblers aren't only problems individually, but they have significant others - members of their family and employers - so I think you have given us some useful insights into those problems.

**MR FITZGERALD:** Yes.

**MR BANKS:** If you are happy with that we thank you very much.

**MR FITZGERALD:** Yes, thank you.

**MR BANKS:** We shall now break for a moment before our next participant.

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**MR BANKS:** Our next participant is Theo Mackaay. Welcome to the hearings. Perhaps if you could just say who you are with, your organisation, and in what capacity you are here today, thanks.

**MR MACKAAY:** I am executive officer of the Anglican Social Responsibilities Commission of Western Australia and I am also involved in the Coalition Against Pokies.

**MR BANKS:** Thanks very much for coming up. You have been sitting in the audience for most of the day and I believe you have got some comments that you would like to give to us at this point.

**MR MACKAAY:** Yes, and thank you for the opportunity as I wasn't scheduled to speak. I wish to put on the record some concerns that I have about the Independent Gaming Corporation's approach to the issue of promoting extending pokies into hotels and clubs. The corporation speaks of having had a process of public consultation: I attended the church groups and welfare organisations consultation session which was run by a contracted consultant. At the beginning of the session the consultant indicated to us, in fact gave us a firm commitment, that within 10 days we would have his notes of the consultation session for us to comment on before he prepared his report for the corporation.

Those notes were not forthcoming, and when I contacted the consultant some time later he indicated that that was the case because of a request by the corporation, and I formed the impression that the corporation had decided that the report of the consultation was going to fit its particular agenda. I was also concerned that in the consultation process the fundamental question about whether participants thought that pokies should be introduced into clubs and hotels was a good idea, that question was never asked, and in fact in the church groups and welfare organisations consultation we forced that question on the consultant and, by show of hands, indicated that there was nobody at that consultation who wanted pokies in Western Australian hotels and clubs and, again, that has not appeared in the report of the consultation that was finally approved by the corporation, so there are some problems there.

I understand the corporation has been established in order to promote the introduction of pokies and so it simply doesn't suit them to have that data included. Another concern I have is on the matter of responsible practice in venues with EGMs. The corporation says that its aim is to have responsible venues where people who appear to have problems with gambling addiction will be either denied access or steered away. It seems to me that if the bar staff are already having difficulty denying alcohol to people who are intoxicated, much less people who actually have an alcohol addiction problem, the chances of keeping an eye on people playing 40 pokies in a venue is very slim indeed, and yet this is the much famed South Australian model that the corporation wants to follow here; the South Australian model of which the premier of South Australia in February said, "Introducing pokies into clubs and hotels in South Australia was the worst policy decision in living memory." He was of course

able to say that because it was the other side that introduced them, but the other side agrees. They are simply the concerns that I wish to raise at this stage.

**MR FITZGERALD:** Can I just ask a couple of questions? The Independent Gaming Corporation is, as I understand it, made up of obviously the industry - two or three industry bodies?

**MR MACKAAY:** Yes.

**MR FITZGERALD:** What is the process by which you think the government should be coming to decisions about the extension or otherwise of EGMs in South Australia? Is there a particular process that you think governments and particularly in this state should be following in making those sorts of decisions?

**MR MACKAAY:** I think if the government is open to the idea of shifting its current stance - and we're delighted that the West Australian government and the opposition are both firm in their opposition to this move - if that policy should shift I would hope that the government itself will carry on a consultation with the community rather than simply say, "Well, the Independent Gaming Corporation has done a consultation and here are the results and we'll accept them." As to how to do that, there is enough expertise in the private consultancy field in social policy research in Western Australia to construct a consultation. I am particularly concerned about remote areas. We have already a problem with basic community services in remote localities, and the idea of trying to provide gambling addiction services is beyond imagination but, of course, I hope the government doesn't shift its position.

**MR FITZGERALD:** In terms of a consultation process generally, one obviously hears people's views; one of the difficulties in this area is that we now have - most of Australia has now extended gambling activity and Western Australia is very different. I was just wondering, is there more that is required than just consultation? In other words, in order to examine this issue, listening to what the community's views are is important - - -

**MR MACKAAY:** Yes.

**MR FITZGERALD:** - - - but has the Coalition Against Pokies or your own church body considered the need for harder data studies, surveys? Are there gaps that you think need to be covered in some way that go beyond simply broad-based consultation?

**MR MACKAAY:** There certainly is a need for further research. It seems to me that the research that has been happening so far has either been the straight economic outcomes at an industry level, such as have been provided to the Independent Gaming Corporation by Coopers and Lybrand, or it has tended to be of a social effect, almost anecdotal nature, through agencies. Anglicare in South Australia has produced a good report on what it has discovered through its clients. There are problems. The gambling research being done in New South Wales at tertiary institution level is

funded by the industry, and I can never overcome the problem of whoever pays the piper gets the result that they want. I just don't know how you overcome that.

It's very tempting to apply to the Lotteries Commission here for funding, but again there is a sense in which there is a cleft stick there; also the Lotteries Commission here, as recently as last week, I was told by one of their staff that they don't fund social area research, they fund medical research, and we were talking about a completely different issue; it wasn't about gambling. There's almost a circle going on: one of the reasons that Lotteries doesn't fund social issues research is because there's not enough hard data that comes out of it that matches their model of, you know, research must be scientific, but why doesn't it produce data? It's because nobody is funding it to the level where you can actually produce that.

I guess there's a challenge in this also for your own inquiry to make sure that the data upon which any recommendations that you produce is factually based. It would seem that there is now enough experience in South Australia and Victoria to give some very, very hard data on what is going on.

**MR FITZGERALD:** Can I ask a question? If the data shows that the level of problem gambling, as we have heard just then, represents a tiny fraction of the population - the figure in Western Australia is 0.3 per cent or something like that - does that in any way really influence your own opinion as to the extension of gambling, or is it more, Theo, that - the fact that there are problems, whatever that level, how do you make your judgment in relation to this because it is possible the data is there's a very small percentage.

**MR MACKAAY:** I very quickly come back to the idea that if an activity is known to be harmful to a sector of the community, why introduce it? The Independent Gaming Corporation argues, "Yes, there is a very small percentage of people who will have problems as a result of introducing pokies; however we pledge \$1.5 million a year to assist," and it seems a perverse user-pays principle; that we introduce a harmful activity and we use the proceeds from that harmful activity to overcome the harm. Why start down the harmful track? I have a hunch that if we had known the link between alcohol and erratic driving at the turn of the century we would have had drink-driving laws a lot earlier. We could say the same with tobacco.

**MR FITZGERALD:** Right.

**MR MACKAAY:** Tobacco is actually an interesting issue in this regard: governments over the years have started to tax tobacco products and they have a number of goals in relation to that taxation; one, it raises further revenue, part of which can be used in the health area and, secondly, part of that taxation revenue can be used in the health promotion area and part of it can be used to encourage people to quit smoking. Strangely, in the area of gambling we have government and government agencies promoting gambling and not for the sake of harm minimisation, encouraging people to quit, or funding overcoming the problems associated with it, but exactly the reverse - to get people to do more of it, to raise more revenue.

**MR FITZGERALD:** Do you believe that if the government was not in some part reliant on gambling taxation there would be a different policy setting by which governments would make decisions about gambling?

**MR MACKAAY:** Absolutely. There is an inevitable link between revenue raised and tolerance of the activity, and I think if governments were not drawing revenue from it we would see them addressing the issue in far more of the anti-smoking tradition. Mind you, they probably wouldn't have the money to do it, but that's another issue. You know, we're at the stage where the biggest gambling addict in Australia is the Victorian government and, at the moment in Western Australia we are actually managing to hold the line against this additional form, and we hope it continues.

**MR BANKS:** All right. Thank you very much for that.

**MR FITZGERALD:** Thanks, Theo.

**MR BANKS:** We will just break again now until 4o'clock. Thank you.

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**MR BANKS:** Our next participant this afternoon is Maxinne Sclanders. Welcome to the commission's hearings.

**MS SCLANDERS:** Thanks.

**MR BANKS:** Could I ask you please perhaps to tell us the capacity in which you're here today.

**MS SCLANDERS:** Well, firstly I'm here as a private individual. I'd like to have an opportunity to talk about my views on gambling with you. But part of my history is that I am currently the chair of the Gambling Support Services Committee, a carryover from the role that I had when I worked at the Office of Racing, Gaming and Liquor in this state up until December last year. My previous boss asked me if I would carry on with this role for another year until they worked out what they wanted to do with it.

**MR BANKS:** Good. Well, thank you very much. We appreciate you taking the time to come here. I'll leave it to you to make some remarks but, as we said earlier, perhaps giving us some indication of the role of this committee and its background would be a useful way to start.

**MS SCLANDERS:** Okay. Well, I'll talk about that, and then I'd like to just run through the issues paper as well. The Gambling Support Services Committee was set up to provide services for gamblers in Western Australia, and it's a little different from the other - well, it is different from the arrangements in other states, and I think the easiest thing would be if I just go through an anecdotal thing of the history of it getting set up, and then please interrupt if you have questions.

In 1992 Mark Dickerson was brought over to Western Australia by a group, the Excessive Gamblers Association, that was trying to get some recognition of problem gambling in West Australia. I mean, we've had a casino operating here since 1985, we've had racing and so on, but there really had been no formal recognition of problem gambling. A seminar was conducted and it was attended by a number of people from industry and from our office.

Subsequent to that, or around about the same time, a number of approaches were made to our office really through the minister's office and then referred to us for investigation, and I ended up doing it with a number of agencies, again looking for ways to provide support for problem gamblers because groups such as Centrecare - which is a Catholic social service group - Holyoake, which is another agency that provides services for alcoholics and people with drug problems, and Gamblers Anonymous - made approaches to the minister to say that there are people coming in with gambling problems; you know, "We need some support to deal with them."

Out of all of that - because I ended being the person to interview and talk with a lot of these people - we got agreement to set up a working party to have a look at the

problem, and we invited - when I talk about "we", I'm talking about the Office of Racing, Gambling and Liquor - invited people from the industry, from the TAB, the casino, people from our Family and Children's Services and people from the Police Department along to a working party to just talk about what we might do, and we decided we had no idea of the size of the problem in Western Australia, so the first thing we did was to commission a piece of research to try and get some assessment of what the problem was.

That piece of research was funded by the Lotteries Commission, the Gaming Commission of WA, the Burswood Casino and the TAB on an equal basis. It cost just under \$40,000 and it was conducted by Mark Dickerson and Allen Baron of the Australian Institute for Gambling Research, and it really gave us a baseline from which to operate. They used the SOGS instrument for assessing gambling occurrence - I know people have got problems with the SOGS, but we opted to go for it because we thought, even though it had problems, at least it had been used in a previous study I think in 1991, and it had been used in New Zealand, so it would give us some kind of basis for comparison, which is really what we were looking for.

What turned out was that we had a very low incidence or a relatively low incidence, based on this information, in West Australia, and that was attributed largely to the fact we didn't have gaming machines in the community; we had gaming machines at the casino, but not out in the community. I think it worked out to .32 of a per cent of the population - a pretty small incidence - but around about 4½ thousand people estimated to have the potential to have a serious gambling problem.

Subsequent to that we decided that we would need to get some kind of a service going and we then refined the membership of the committee to - the police really dropped out and the Community Services people really dropped out - they were just an interim one - and with a revised membership of the committee - it was the Lotteries Commission, the TAB; the Bookmakers' Association came in, they gave us a small amount of money, and the casino, plus we also brought in our Healthway group. Because of Healthway's involvement in community education, we thought they might have been a group who might be able to give us some money that way.

With those representatives we then set about negotiating how we might get some funding, and a lot of backing and forthing. We got agreement from the agencies that they would provide \$35,000 each, except the bookmakers just gave us 5000, but the other major players gave us 35,000 - 30,000 maybe - and the Lotteries Commission provided administrative support towards providing services for problem gamblers, because we had decided that that was where our priority was.

One of the things that I'd done was a tour of the eastern states to see what was happening over there, and it seemed there were three parts. There were the services, there was research, and there was sort of community education, but we decided to focus on providing the services, and we put a tender out and got about 11 people interested in it, but ended up awarding the tender for the services to Centrecare, and they've been operating that service ever since, and doing it in a very professional,



competent manner. We do call it Break Even, again for consistency throughout Australia.

**MR BANKS:** Right.

**MS SCLANDERS:** So that service has been running for about - it's into its third year. The first year we gave them about \$90,000, the next year 110, and I think we're giving them about 110, 120 this year, and for that service they employ two parttime counsellors. They do training for people in country areas. They've put together some kits to help families and so on. We get quite good value for money. And we have actually just commissioned a bit of research to have a look at setting up some benchmarks whereby we can assess their performance because after 3 years we think we should probably be doing that.

So that got up and running, and then the next year - well, G-Line had sort of started in the eastern states, and I'd had a look at that a couple of times when I'd been over there, and I was really quite keen to get some kind of telephone counselling service operating in West Australia because of our distances and stuff like that, and it was far too expensive to set something up by ourselves, so we ended up going in with G-Line. That took probably 18 months to get set up, because I don't think G-Line has been a particularly well-organised organisation, and it certainly had ups and downs and problems; like when we actually got the thing up and running we were all ready to get the minister to launch it and we discovered nobody had told Telstra we were being linked into the one number, so there were a few frantic calls around Australia late in the afternoon to get that done.

**MR BANKS:** So where are the calls taken, the G-Line - - -

**MS SCLANDERS:** The calls are actually taken in Victoria.

**MR BANKS:** Right.

**MS SCLANDERS:** And we are using the Victorian number. I think New South Wales have got their own 1800 number, but I think Tasmania and us and maybe one other state - I'm not sure - use the Victorian number, and they've got a mechanism there to separate the calls and so on. We're actually not picking up a lot of people coming through, but one of the problems that we've had in this state is getting advertising for the service up and running. One of the difficulties that we've had - I mean, all of this money actually for all of these things has come from the industry, and the industry's contribution has now increased to \$60,000 from the three major players.

**MR BANKS:** Is there a kind of informal agreement that they'll put in an equal amount.

**MS SCLANDERS:** Yes. The casinos say that they'll match what anybody else does, and we had a bit of trouble getting the TAB to come in on the first place, but

they've had a change in management and their attitude has changed as well. I've tried quite hard to get the racing clubs to come in, but their attitude is, "Well, the TAB pays, why should we?" They have been cooperative about putting up information to advertise services, like they've taken posters to advertise G-Line, and they've also agreed to put advertisements about G-Line in their race books and things like that, but they won't give us any money.

So really what we've got now is an arrangement where we get about 60,000. We probably get a budget of around 185,000 a year, plus admin support from the Lotteries Commission, and we have used additional money that's not taken up from Centrecare - that's our first priority - to fund a bit of research, and we've just had research into the gambling of Asian gamblers completed, which has been done by the Australian Institute for Gambling Research. It's not released for public comment at the moment, but it's an interesting bit of research because it's qualitative and there's quite a lot of interesting ethnographic data in it, which I think might be a good way of picking up on gambling problems.

**MR BANKS:** Yes. We heard about this, possibly from Jan McMillen, but we've heard about it a couple of times before and it does look quite interesting in various ways. When is that likely to be publicly available?

**MS SCLANDERS:** Well, I've got the final draft on my e-mail at the moment, and we've got a meeting with our committee in a week or so, and then the CEOs of the funding agencies will have to okay it. Once they've okayed it, by the end of November I'd hope that it would be ready, but I'll make a note that you'd like a - -

**MR BANKS:** Yes. We'd like it as soon as possible, and we could treat it as in confidence until it's formally released externally, if you like, if you want to protect it for some interim period or something.

**MS SCLANDERS:** Okay. Well, I'll follow up on that. I'm sure that the CEOs wouldn't mind if you had it on a confidential basis.

**MR BANKS:** Good. Thank you. I get the impression that the research, though, is a kind of a residual activity if there's enough money in a particular year.

**MS SCLANDERS:** Yes. It's a really low-key approach in this state. We've been successful - this is a bit of a cynical remark, but we've been successful in keeping it out of the papers. Every now and again when there's a lot of press in the eastern states about problems with gambling, you get a bit of a flurry in the local papers, and the press will ring up wanting stuff, and we're able to say, "Well, (a) we can't find that we've got a big problem in West Australia, and (b) this is what we're doing," and it seems to be meeting whatever unmet demand has been identified, but I wouldn't be confident in saying that we've identified all unmet demand, because I think it's pretty hard to get a lot of gamblers to come out of the woodwork.

**MR BANKS:** Yes.

**MS SCLANDERS:** And that's where I think the G-Line is worthwhile because, you know, a telephone call is anonymous and I think it's a good thing to do. So we've got the counselling services up and running, we've done this bit of ethnographic research, and we've got now this bit of research that we've just tendered to look at benchmarking to try and get some way of assessing the measurement of the success of the Centrecare service. Personally I find it fairly difficult because on the one hand you've got the people from the industry who are used to tangible results and tangible outcomes, saying, "We want to measure how successful the counselling service is," and to me it's almost mutually exclusive because it's very difficult to measure your customer satisfaction and stuff like that. But anyway, it will be interesting to see how this bit of research goes, to see if we can get something sensible out of it that we can use as a yardstick.

**MR BANKS:** The only other place - I'll just mention at this point - where I'm aware that a review of the effectiveness of the counselling services is being done I think is Tasmania where I think right now they're doing a review.

**MS SCLANDERS:** Are they?

**MR BANKS:** If you wanted to get back to us later we could probably give you some contact names and you might be able to exchange information.

**MS SCLANDERS:** Yes, I'll get the - - -

**MR BANKS:** We would again be quite interested, once that was available in some form, to see that.

**MS SCLANDERS:** Yes, okay. I guess in a nutshell that's what we've been doing. Actually it's all going through a bit of hiatus at the moment because one of the things that I've been trying hard to get - it seems to have gone around and around in circles - is advertising the G-Line service. I've found there has been a lot of political nervousness about doing that, and this is me speaking as a private individual.

**MR BANKS:** Yes.

**MR FITZGERALD:** Sure.

**MS SCLANDERS:** I think that it's getting in the way of us offering a decent service because I don't see how you can introduce the new product and then not advertise it. That's basically what we've done. It was introduced a year ago. We got some money - we spent \$9000 on advertising with advertisements in the weekend press, the West Australian, for 4 weeks and on radio - about three radio stations. This is not in peak time but just a little voice-over thing in December, and that's the only advertising we've done apart from sending brochures out. Centrecare have advertised it through their networks and we now have in the page of emergency services in the Telstra or

the Telecom, whatever they are - telephone book anyway. On that front page we've now got it listed there.

I don't consider that the advertising that we've done has been sufficient and it's been quite difficult to get support from industry. Again I think the casino would do it, no problem, and the TAB, but there's a lot of nervousness on the part of the Lotteries Commission, because one of the things in this state - and I don't know whether it's unique in this state or whatever, but there's this image in this state of the Lotteries Commission being the clean version of gambling. I don't know whether that's a common view but it's certainly one that's promoted very strongly here because the money they collect goes to good works and stuff like that.

**MR BANKS:** Also I think - and we've talked a little bit about it today - generally the research is showing that problem gambling is not predominantly associated with lotteries, although obviously there is a component of it.

**MR FITZGERALD:** Why would the Lotteries Commission be nervous about advertising G-Line?

**MS SCLANDERS:** It's the way it's advertised. When I quit the public service - before I left I was handling the advertising and when I've been trying to unload jobs - you know, how one does - and the fellow from the TAB, who is on the committee, took over the advertising and he was looking at a comprehensive campaign where we brought in a multi-media campaign and we had a sample television advertisement, which I thought was quite good but made the powers that be very nervous. They thought, "No, we can't have this because it's going to heighten the awareness of gambling problems in the community and it's going to do this and it's going to do that."

I support the notion of an integrated campaign but we've got to start somewhere and what we finally agreed is that we will have a 3-month fairly low-key advertisement that will be radio - probably predominantly radio - and at least get that going so that we've got something in place to support the G-Line, because the G-Line is an expensive service, a relatively expensive service, and it seems madness to have it in place and not support it.

**MR BANKS:** Does this reflect tension in the arrangements whereby in the sense the industry, while doing a good thing and putting money forward for counselling and so on, perhaps has some sort of tension in terms of how far it's prepared to go, because ultimately it's saying that gambling is, for some people, a dangerous thing?

**MS SCLANDERS:** I think it's much more clear-cut for the casino because the casino is privately funded and I think they're quite practical about the whole thing. They know that they've got to be seen to be doing the right thing. The problem is occurring, I think, where you've got government-funded agencies who have to respond to their political masters. For example, the Lotteries Commission has got to

provide a gambling service that makes money for government. It has got to distribute the money it makes from that role and it has got to keep the minister happy.

The first two, I think, should be separated. I don't think that you should have those two roles together. The over-arching problem of ministerial involvement is difficult, particularly in this state where basically there is no policy to - it's all policy on the run, if you like, ad hoc stuff, to govern the growth of gambling. You have only got to have a look at the history in the state to see, and look at the way the casino is set up and read the legislation for the casino, to realise just how much the political role has been or the political influence has been there in this state. If you look at parliamentary debates when there are changes to racing or betting legislation, for example, and more people speak about that than they do about just anything else. Everyone hops up.

**MR BANKS:** How do you think this difficulty or dilemma could be overcome? How would you overcome this dilemma; what structure would you put in place?

**MS SCLANDERS:** I think you've got to have some kind of a policy framework where governments have really thought through what their roles with gambling will be. It comes back to a fundamental problem, I think. Times have downturned and I think the states that have been most badly affected are South Australia and Victoria in a way where they have seen dollar signs in front of their eyes as a way of getting out of an economic crisis. I think right throughout Australia, in a sense, people have leapt in - particularly the casinos and to a lesser extent gaming machines, except in New South Wales - as seeing a means of indirect taxation. I think that instead of giving some thought to the flow-on effects in terms of the social impact and the economic impact, they've just gone in there and said, "Well, here's a way of making a buck. Let's get into it."

To answer your question, I don't think there's any simple answers about how it should be structured. I've sort of answered those questions in going through your paper a bit, but I think one of the problems with gambling is that - or the way it's structured in Australia is that there is really no national presence. Often in some states you've got two ministers involved because you've got separate ministers for racing and betting and another minister for gaming. So you've got separation at state level in lots of cases; not so much here. You've also got a lack of any kind of really federal presence. I know we've got problems with state and federal rights and stuff, but at least the federal government can provide a unifying presence, negatively or positively, but at least it's a unifying presence and often provides the impetus to get some kind of a framework or some policy in place - a little more thoughtful approach, if you like.

While we've got the ministerial councils, recent attempts - or in my working life, and I don't know that anything has happened in the last year - any attempts to get policy going have really fallen in a big heap and I think, as much as anything, that's to do with the way the agencies that deal with gambling in the states are structured in that they are often - they don't have a history of research or policy development like say health or education or community services. They don't have that kind of a background, so there's not a lot of skills, or interest even, in developing policies.

You've got at the moment kind of a dearth of any kind of policy framework and I think that's where this is really good because you're asking all the questions, I think, that need to be asked, and out of this one hopes you will be able to come up with some kind of a framework where we will set some principles.

This is a very negative answer, I'm sorry, because I haven't got any simple solutions but I don't think anybody has really made a conscious decision as to whether gambling should be owned by states or not; like in the Netherlands where they've made a decision that all gambling should be owned by the state. We've got a hotchpotch of private and public. I think that you need to have some kind of a statement about whether it should be, what it should be, and whether it should be one way or the other.

**MR BANKS:** Do you have a particular view, or not really?

**MS SCLANDERS:** My background is in education and I think governments should own it. It's the sort of area where too many things could go wrong if it's in private industry and I think it doesn't matter how well you regulate, governments should own it, which doesn't answer the question- - -

**MR BANKS:** Just taking up that point a little bit: in Western Australia do you think that there are things that have gone significantly wrongly, if we can use that expression, to warrant that concern - just say in WA - or not?

**MS SCLANDERS:** No, we've only got one casino. It's very well regulated, it's well controlled and all that kind of stuff, but looking at the situation holistically I just think because of social impact, economic impacts, and stuff like that, if you've got governments running things you've got fewer vested interests that you have to worry about.

**MR BANKS:** Okay. So do you want to run through the issues?

**MS SCLANDERS:** Yes, that might be better.

**MR BANKS:** That might be helpful and we can flesh it out with- - -

**MS SCLANDERS:** Yes. On page 9 - I have just written some things down to some of your questions - "What constitutes gambling?" Well, you could take a very broad definition and include all the things like the futures market and stuff like that, but for the purposes of this exercise I think it probably should be restricted to what are regarded as traditional gambling activities in Australia and the lotteries should be included in that.

The other question, "What are the characteristics of gambling that call for community or government action that's different?" - well, the social impact of it, for one thing. The other thing about gambling, that it definitely exploits people's belief in luck. I don't think people are particularly discerning about luck and magic and stuff

like that and I think it definitely exploits that. You've certainly got the potential for criminal activity and that's always there. It doesn't matter how good you are. I think the regulation should be there, as it is for any other activity that involves any kind of speculation - you know, potential to exploit people. I do think with the regulation, that the regulation needs to be government controlled again. I don't think that you can get too much into self-regulation with gambling. I think it still needs to be fairly well controlled.

**MR BANKS:** The fund that you've been talking about is essentially a self-initiated fund.

**MS SCLANDERS:** I don't mind if they pay. I think they should pay for their regulation but I think the government should do it. Well, they're getting the benefits. They get a few bob. Under your objects of regulation, what I've written there is I think there is no underpinning philosophy for regulation and for gambling. I think that regulation - we have to include in there probably services for problem gamblers.

**MR BANKS:** In our list that we've got there, yes.

**MS SCLANDERS:** Yes. The question down the bottom there, "Do the regulations achieve their intended outcomes?" I'd say they do, except where there's political intervention, and I think there's a fair bit of political intervention one way or another.

**MR BANKS:** Can you give an example, even a generic one?

**MS SCLANDERS:** The business of how much tax the casino should pay, for example. I'll have to come back to that. I can't think of anything off the top of my head.

**MR BANKS:** Okay. Any thoughts you had on that would be good. You could even send them to us later.

**MS SCLANDERS:** Yes. I'll make a note. Over the page, the lessons for policy, I'd just say we need a consistent approach to regulation across Australia, and I think that's coming slowly with things like mutual recognition and competition policy and stuff like that. That consistent approach will probably happen anyway.

**MR BANKS:** When you say "consistent approach", do you mean to policy formulation or that the actual regulations should be uniform throughout Australia?

**MS SCLANDERS:** Yes, I think they should.

**MR BANKS:** What if you had the wrong ones?

**MS SCLANDERS:** Well, I'd hope you would have a situation in place where you review. I mean, I don't think anything is cast in stone, particularly not legislation, and I think it would be very good if we had legislation - if we got a basic philosophy of



how you're going to regulate and each state made its legislation because I can't see the federal government legislating for this - maybe it will - but each state incorporated certain principles in their legislation, and then they made regulations to suit their local needs, but the regulations would reflect the principles. But the uniformity should be there, and the philosophy and the principles by which you operate.

Coming back to tax rate, although GST might handle this, if you had a standard tax rate across, for example, you could stop the amount of time and effort that goes into playing off one against the other. There's a lot of time wasted on that kind of stuff. I don't think any government has implemented a preferred regime and, as I've said before, I think policy is generally poorly developed.

**MR BANKS:** Is there a particular reason why policy development has not been as good as it should be in this particular area?

**MS SCLANDERS:** I don't think you've got thinkers in the area. I mean the only reason I worked in racing, gaming and liquor was because I got there by redeployment. I would never have dreamt of going there because in a way there's not a lot of intellectual challenge in the area. I think there's a lot of work to be done in policy, but it's not the sort of thing that somebody would go into and make their life's work. It's the sort of thing that you might get someone to do once every 5 years or something like that, to revise it. The regulators are people who are interested in regulating, they're people who are administrators or whatever; but generally there are not thinkers there. Bluntly, I'd say that, as well, the ministerial capabilities are - I hope all this is confidential - but the ministerial capabilities - - -

**MR BANKS:** I think you know it's not.

**MS SCLANDERS:** Well, I mean, I just think that it's not given a high priority from a ministerial point of view.

**MR BANKS:** Yes.

**MS SCLANDERS:** I think that has an effect as well.

**MR BANKS:** Yes. In a way it's interesting to see because this is an activity that was basically prohibited or highly regulated in one way or another for a long time and those prohibitions and restrictive regulations have been progressively removed in various places.

**MS SCLANDERS:** Yes.

**MR BANKS:** So normally you'd think, "Well, here's a change from a fairly tight situation to a more liberal one. What's informed it? What are the principles behind it?" But I think as we've gone around from one jurisdiction to another we've got different stories but they don't necessarily add up to a systematic set of principles that have driven what's been done.

**MS SCLANDERS:** I think it's been expediency - is my summing up of the way it's been - you know, by luck some things have worked out. But as far as setting a long-term framework - and I think a good example of how it hasn't worked is with all the problems with the Internet and all the machinations that people have gone through trying to fit the current method and attitudes towards regulations to the Internet, which is essentially an anarchy, and you can't fit regulation into an anarchy. I think that people have spent a lot of time trying to do that without success.

I think it comes back to the nature of what it is, the sort of work it is, or what it has been historically. It has been a highly regulated area and certain sort of people like to work in that sort of area; people who - when I say "thinkers", I mean people who ask questions about why and how and all that kind of stuff - tend not to go into regulatory areas.

**MR BANKS:** Okay.

**MS SCLANDERS:** The advertising of gambling: I think advertising is an issue, again because I think there are different standards. We've got very strict rules about advertising cigarettes in this state, as you probably know, and I really think probably gambling should be in that category as well; that it shouldn't be advertised publicly.

**MR BANKS:** It should not be.

**MS SCLANDERS:** Should not be. I mean, we have no legislation to stop advertising at the moment. But the casino is fairly discreet about its advertising; the Lotteries Commission advertises in prime time on telly. So I think that's something - I mean, what I would like to see is really an overall code of practice in advertising that applies to - - -

**MR BANKS:** We've had it put to us that the Lotteries Commission, at least in the past, has been very careful in its advertising not to make this look like a route out of your problems that's available to everybody, but rather that there's an element of fantasy or whatever in this. Would you like to comment on the nature of their advertising, as you've seen it?

**MS SCLANDERS:** Well, I think that it's irresponsible to advertise and say, "What are you going to do when you're going to win?" I consider that irresponsible advertising.

**MR BANKS:** As though it's a high chance that you will win.

**MS SCLANDERS:** Yes. Also the number of people from West Australia who have won lotto and stuff is used for advertising. I mean, we all know how numbers work and that's just - there's no reason to assume that because it's been that way in the past it should be in the future, and I just think that's irresponsible too.

**MR BANKS:** Yes, we haven't noticed in any jurisdiction lottery advertising, emphasising the one in a million or one in 10,000,000 chance that you've got.

**MS SCLANDERS:** Nobody talks about probabilities, do they? We have a very naive public as well so - - -

**MR BANKS:** But you did say, though, that the casino's advertising has been relatively discreet. Again, we've heard that it has tended to focus not so much on just the gambling side but on the facilities, the broader facilities, that are available there.

**MS SCLANDERS:** Yes, they do, yes.

**MR BANKS:** Is that - - -

**MS SCLANDERS:** Yes, they do, and they talk about a night of excitement or something like that. They rarely - I can't really recall ever noticing that they actually talk about the gambling. They really talk about the package that you get when you go to the casino as an entertainment package. The races really talk about the racing. The TAB has been - they advertise, and they do have a full page in the press, but they're not as noticeable on television, and I'm not very good at commenting on television because I really only watch the news so I don't know whether they do at other times; but in the press - I think they're a bit more honest about it than the way I think the Lotteries Commission are.

There are a couple of issues in the administrative arrangements for regulation. I think there should be a single agency in each state to handle the regulation and not have separation of racing and gaming.

**MR BANKS:** Is that because it has worked particularly well here where they've been - - -

**MS SCLANDERS:** Well, they're all the same thing and it just seems to - I've noticed in other states that there's almost a recognition that racing betting is something else and it's not the same as gambling; somehow it's not brought into the fold. There's a lot of focus on casino gaming, for example, in Victoria where they've got racing betting as a separate entity, and also in South Australia where the racing betting is separate - well, it was; it may well have been brought together now, I don't know, but it was - and the liquor and gaming were together. I just don't think you can make good policy if you're separating things into too many compartments.

**MR BANKS:** Okay.

**MS SCLANDERS:** You can't make decent policy about outlets and stuff like that if you're separating things into too many compartments.

Disclosure of information about the gambling industry: in our state here the TAB and the Lotteries have to disclose their operations fully because they're

government agencies but the casino exercises a measure of commercial secrecy, and I'd have to ask whether that's appropriate or not. I think that's an issue that again comes back to this fundamental question about who really should own gambling. So that's one thing. But if you do have government and private industry in it then you should have similar standards, I think, in the public interest for disclosure of information about how much money they're making. Our casino doesn't publish its overall turnover or anything like that, which is substantial. It only publishes net, which is profit, whereas the TAB and the Lotteries Commission have to publish their total turnover. I don't know what the situation is in other states about that.

Taxation: is the GST going to solve the problem? We've got different taxation rates for all aspects of the industry at the moment and they're always fighting about it. They're always screaming poor, "He's paying less than I am," "They're making more money," etcetera, and you waste an awful lot of time. I think there should be some common policy about how you're going to tax, and maybe the GST will solve the problem. But if the GST comes in I think there should be a top-up tax as there is going to be for the liquor industry. The liquor industry is going to pay another 31 per cent on top of the 10 per cent GST, so I think that there should be some kind of top-up tax which would be assessed, I think, on a social impact - or something like that - social benefit kind of basis.

I think there is an argument for getting some kind of agreement around Australia about some common form of taxation. I don't know that casino tax - I mean, I don't know how it's going to sit, or gambling tax is generally going to sit in terms of the constitutional requirements for taxation either. The other thing is that the Grants Commission are now having a look at revenue - you'd be aware anyway - from taxation on gambling as well, and I can see that that particular approach could be fraught with problems because I think that revenue from gambling is pretty fickle, as people will have seen with the drop-off in gambling revenue because of the Asian crisis and stuff like that.

Taxation on the Internet, I think, is a waste of time. It comes back to what I think is - if you're having a look at tax - I don't think you've asked the question there but it's just something that I think.

**MR BANKS:** Why is it a waste of time?

**MS SCLANDERS:** Well, again I come back to equity. The only people you can tax are probably the Australian providers, and there's a heap of providers overseas, and there'll be accreditation arrangements, I'm sure, overseas to make sure you're dealing with a ridgy-didge provider. If there are no comparable taxation arrangements overseas and it's cheaper, you can get a better return on your money if you bet in some of the overseas ones, then that's what people will do. The whole issue with Internet gambling, I think you just have to look at on an international basis, and I've got some comments somewhere else that I think that it's really - the federal government does have a role in working towards getting some kind of international agreement, like they've got for copyright and things like that, which is clearly not

going to get everyone in but at least you can set some ground rules so that you will get the OECD countries to participate and stuff like that.

You may well be able to work out some reasonable arrangements, taxation arrangements there, but it really comes back to the fundamental question of why you're taxing, and you're taxing to raise money, or you're taxing to use it as a measure of social control - or why are you taxing? I think that again comes back to this basic framework that you're operating from. I've got no answers to that, but I think people have to think about it and they've got to ask the right questions.

**MR BANKS:** Yes. Hopefully, at least, we have asked the rights questions but I think the answer we're getting as we go around is that we're getting different answers to those fundamental questions about the role of taxation here. I think that's partly reflected in what you talked about as a sort of range of tax rates and it's hard always to see the logic or underpinning of the relativities and so on, even within jurisdictions let alone between jurisdictions.

**MS SCLANDERS:** It's just because it's grown up like Topsy.

**MR BANKS:** Yes. But what you're saying in relation to the Internet is that we need to think of this as a global phenomenon, and national regulation and taxation has to take that into account.

**MS SCLANDERS:** Just an aside. That's right through the industry. That is affecting the TABs. Technology has just changed gambling. Even with TABs there's a question as to whether you need six or seven TABs or whether you should only have one. It's the same with Lotteries Commissions and stuff like that. I guess that's another issue that the states are going to have to come to terms with, just in terms of the general structure of gambling as to whether it's economically viable to have a number of different TABs and whether it's just artificial competition or real competition, and the same with the lottery side of thing - because of technology. From the consumer's points of view you can still put your bet on your horse, and from the point of view of going into a bigger pool, people find that more rewarding, or they perceive the odds to be better. Whether they are or not - - -

**MR BANKS:** That's true.

**MS SCLANDERS:** With the impact of taxation on gamblers I think that like everything else if it continues I guess it's passed on to the consumer - and coming back to the GST, I think the GST would be more transparent because gambling taxation is not really all that transparent at the moment. It's there. I suppose it's more transparent with the - certainly the TAB is very transparent because they publish the commission that is taken out and stuff like that, but the others are not so good.

Earmarking revenue for gambling for particular purposes: I'm a bit ambivalent about that. I think in the other states where they've had community levies and the money has been put aside for not only problem gambling but other community

support, from what I gather from talking to people involved with that process, it has become very politicised as well with different non-government agencies competing for funds and stuff like that. It hurts me to say it but I suspect that probably the money should go into treasury and treasury maybe should have some form of just a generalised distribution of funding. I don't think that will ever happen mind you, but I do think that it is a problem the way it's happening in other states, just from what I've heard. But that's only hearsay and I've had no direct experience with that.

I do think that the distribution of funds by both the Lotteries and the TAB are problematic. I do think that the Lotteries Commission is both a provider of gambling services and a distributor of the profit, and the same with the TAB. Certainly with the TAB the racing codes are always fighting about how much percentage they should have, and again that detracts from their operational side of things. I really do think that the operational side should be separated completely from the distribution of the funds from gambling. Maybe one thing that could happen is that there could be some kind of a government agency or government group that could distribute the money from gambling.

The other thing is that I think the Lotteries Commission gets the kudos as the public benefactor and I think that's wrong as well. The Lotteries Commission is simply a government agency and it's public money that's being distributed, but the Lotteries Commission is seen as the benefactor and I think some other structure where that's not going to happen - where you see the government, at least the government as a whole, being the benefactor - would be better.

**MR BANKS:** Okay.

**MS SCLANDERS:** Research: I guess the social impact studies that have come out of Victoria have been very useful, but frankly I think that gambling is very culturally and socially sensitive and I'd like to see more targeted research aiming at particular groups in the community to find out why people are gambling. It comes back to what makes people gamble and why they gamble. There is a move in Australia, and I think probably elsewhere, to see gambling as addictive behaviour. It's not my field of expertise but I question it. I don't see gambling as an addictive behaviour in the same context as say alcohol excess. They're not drugs. They're not addictive drugs. It's more to do with maybe people's grasp on reality or their understanding of probabilities, but I guess I'd like to see more research into why.

Our ethnographic research is interesting because the woman who did it delved back into gambling patterns of the Chinese immigrants, and we had a lot of those in this state in the early days. So that was a very interesting component and that is the sort of thing which I think would be very interesting to pick up. I can't tell you what kind of tools you'd use to examine the social and economic impacts of gambling. I do think that qualitative research is going to be very useful, but it's a difficult area and I think that we have to be prepared to accept a fair amount of fiddling around to try and find out what are good tools and what aren't.

Trying to answer questions like total expenditure on gambling accounted for by people with gambling problems, at the bottom of page 15, I think that is again a very difficult question to get to, mostly because people won't talk about - people are not honest about their gambling. Those sorts of questions are probably ones that will have to be answered some years down the track when we've got a better handle on why people actually get into gambling in the first place.

**MR BANKS:** Would you agree it's an important question, though, even if we haven't perhaps got the answer now?

**MS SCLANDERS:** It's an important question if you're looking at relativities and how much of revenue from gambling should be spent on helping problem gamblers. I mean, problem gamblers argue like drinkers that they pay a lot of tax and therefore they should have the money spent on them, but then you've got people like Kerry Packer who spend an awful lot of money gambling - he never spends the lot, he says - but who knows how many problem gamblers he might account for in terms of how much he spends.

In a sense I'd put it on hold because I think the question is whether you're going to help people who have got gambling problems or not. If the society is going to do it then you allocate resources to do it, regardless of how much they actually contribute or not. It's something that other people in other areas don't take all that much notice of. I don't know whether there have been studies about how much drinkers who've got a problem cost; there have been studies on how much they cost the community, but I don't know that it's been done in terms of relativities to income or anything like that.

**MR BANKS:** It is interesting, though, because we had someone today say that in relation to the question of poker machine accessibility throughout Western Australia - which is your particular issue here - he just posed the simple question, "Why make something available that causes harm?" The response of the industry might be, "Oh, yes, but it's only a very small proportion of people who are harmed by it and that can be covered by allocating expenditure to that." But if hypothetically the people who were harmed accounted for the majority of the income of the industry then his question starts to become one that has to be addressed. I agree with you that it's probably very hard to answer, and certainly the sort of numbers that the baseline studies are producing are fairly small numbers, but it's interesting - even though small numbers sort of start to get a bit bigger when you start talking about active gamblers and so on and proportions of active gambling population.

**MS SCLANDERS:** But in a sense that question is irrelevant anyway. I mean, we've got gaming machines in Western Australia through the Internet. People can get on the Internet and they can play gaming machines. The question of not having gaming - okay, it's limited to people who have got access to the Internet at the moment, but there is a heap of people who have got access to the Internet, and more every day.

**MR BANKS:** Yes. It's just that I think the counsellors are telling us - I don't know

if you could comment on this for Western Australia - that typically problem gamblers aren't Internet users at the moment anyway.

**MS SCLANDERS:** No. They're generally, from what I can tell, people who haven't got much money either anyway. That's where I think it comes back to being more important in asking the question as to why they are doing it.

**MR BANKS:** Okay.

**MS SCLANDERS:** Other costs and individual consumer issues: I think the gamblers' understanding of the odds they face, etcetera, are very important issues because I don't think that people really understand probabilities and stuff like that. I really would like to see some kind of ongoing community education program. I hesitate to say more stuff in schools, because schools get lumbered with everything, but there must be some way of letting people know basic issues about probability and that just because you got three numbers this week doesn't mean to say it's your turn to get five numbers next week and stuff like that, and there is no such thing as "turns". I think any reasonable communications expert could probably come up with some kind of a basic community education campaign that would say to people, "Have fun by all means, but realistically this is what you should expect."

**MR FITZGERALD:** One of the problems seems to be that even if you disclose the odds, for example, on the gaming machine it's actually very confusing because, for example, in Western Australia there is a 90per cent return to the players on an EGM at the casino, but that doesn't mean every player gets 90per cent of their money back.

**MS SCLANDERS:** No.

**MR FITZGERALD:** So one of the problems here is that actually disclosing the odds can actually lead people to believe that they're going to get more, which is a very strange phenomenon, because it is so complex as to what they actually mean by that. Lotto is easier because it's one in a million.

**MR BANKS:** Yes.

**MR FITZGERALD:** But it's actually one of the areas we've encountered here; that disclosure seems to be the appropriate way but actually disclosure may in fact produce the wrong impact.

**MS SCLANDERS:** It's more, I think, about educating people about gambling. It's like bookmakers and betting. They're dropping off because bookmaker betting, to do it properly, is pretty complicated. You have to be pretty smart to understand how to do it, and most good bookmakers are pretty smart people. I think that it's an intellectual challenge that lots of people would enjoy, like they enjoy playing the stock market. It's really learning how to gamble, I think, rather than how not to do it. It's really learning. If you are going to gamble, so you want to gamble on lotto, and you might have to have a lot of different techniques for each area of gambling, but



teaching people how to gamble properly. That's got its risks as well, but overall after listening to all this sort of stuff you'll be in a position to make some kind of an educated recommendation about that sort of thing.

**MR FITZGERALD:** We'll be more confused than anyone else is.

**MS SCLANDERS:** We've all, through life- - -

**MR FITZGERALD:** So rather than telling them the odds, it's as you say, how to gamble responsibly earlier.

**MS SCLANDERS:** Yes. You might pick up a few people who'll do a bit more gambling because they say, "Oh, this might be fun," but by and large you might have the counter-effect of getting people to gamble a little more responsibly. We've done that with drinking, Drink Safe and all that kind of stuff, and it seems to work in the long run. Something like this doesn't happen quickly, and I think this is like a health promotion campaign if you like, and those things don't happen quickly. You've got to look at probably a 10-year turnaround time.

**MR FITZGERALD:** Just in your last point there, you mentioned health promotion. Does your committee see this as a public health issue to be attacked in the same manner as other public health issues?

**MS SCLANDERS:** Our committee - - -

**MR FITZGERALD:** You said before you're questioning the notion of addictive behaviour but just putting that to the side, most counsellors and others have said this is a public health issue to be treated in the same way, so in other words you have services to support those in need of assistance, but you also have preventative programs and proper advertising, etcetera.

**MS SCLANDERS:** Yes, from that point of view I'd say we do, because in our strategic plan we've put in a community education program, but I don't know whether that will go ahead, because that's one of those areas that is being seen as sensitive by the powers that be. Anything you can do, I think on the prevention side of things, is ultimately of benefit to the community because you're not - you're preventing things happening, and so I support that, yes, definitely.

Gambling to local communities, benefits and costs for local communities on page 18: I think there are short-term benefits in terms of increased turnover or increased money coming into the community, but the evidence that is coming out of Victoria, or one research says that people are not saving their money and they're putting their cash into gambling. I suppose it's putting cash back into the community and that's all right if it keeps going around and around in circles. It brings to mind the Aboriginals gambling in the north-west of this state, that the money stays in the community and it gets spread around but it still stays in the community.

**MR BANKS:** Until it gets spent on something else, yes.

**MS SCLANDERS:** Yes, if they're betting outside their community it becomes a problem, but while it's still staying in the community it's okay. I guess I'd extrapolate from that into the benefits and costs for local communities, if the money can stay within the community then it's probably okay, but I don't think that happens. I think in the short term there'd be some games, but I don't think anyone knows what the long-term effects are going to be, and I guess that's where that social impact research that's coming out of Victoria has been useful. It's a pity it's not being applied throughout Australia. On the next page the question, "Has it affected the extent of volunteering?" - I just think lots of things have affected the extent of volunteering and I don't think it's just lottery money or anything; I think it's heaps.

**MR BANKS:** Right.

**MS SCLANDERS:** Methodologies for estimating economic impacts of the gambling industry: you've asked are the methodologies meaningful, appropriate and robust. I don't think they can be robust because data collection about gambling at the base is pretty ad hoc, I think. It's good in some parts but it's not so good in other parts. I think the Tasmanian Gambling Collection does its best to set some standards and they change things every year, but it probably is an area where at some stage or another some work could be done to set some better criteria for how you want the data measured or collected.

Just on the other economic thing, too, I'll just make a comment that I think the sustainable level of gambling in a community is a moot point, particularly when you're relying on bringing in Asian gamblers at the casino side of things. You are prone to the vicissitudes of the world economy in a sense. Different hours of operation for gambling and retail trade - yes, there are inequities. In WA the casino hours that it can trade - 24 hours a day except on Good Friday and Christmas Day when it shuts for 9 hours. That's caused a lot of angst among liquor providers and all sorts, but just on the gambling side of it - -

**MR BANKS:** But has the issue of impacts on other retail outlets and so on been much of an issue in WA?

**MS SCLANDERS:** It has not been looked at. I mean, it simply hasn't been looked at. The racing industry screamed long and loud when the casino first opened about the impact on the TAB and yes, you could see some downturn in the amount of money that went on racing betting where people transferred across. But that's happened every time there's been some new form of gambling introduced, and you'd expect a certain proportion of the market to move on. But as far as the effect on retail trade, no, we've done nothing like that.

**MR BANKS:** Okay.

**MS SCLANDERS:** Just to finish off, I think for the future the international

agreements are something that we need to draft pretty hard, because ultimately that and other forms of technology are where the changes are going to take place. I think the regulation model that gets put in place has to be in a position that can deal with that sort of thing realistically. I think that they probably have to look beyond the regulatory models that are happening at the moment. I think some kind of education of the community is really important. That's me done.

**MR BANKS:** Good, thank you, that has been very useful. You've toured right through our issues paper which makes us pleased because we put it out and we put a lot of questions but we don't expect anybody to answer them all, but it's good to see that you've been able to go through and pick the eyes out of that. Thank you very much for that.

**MS SCLANDERS:** That's okay. If I can think of an example of political intervention I'll get it to you.

**MR BANKS:** Okay. Any further thoughts you have, we will be pleased to receive. I'll just ask for the record if there's anyone else who wants to appear today or here in Perth? There clearly isn't anyone and with that I therefore adjourn these hearings. We'll be resuming in Brisbane next Monday morning. Thank you very much.

AT 5.05 PM THE INQUIRY WAS ADJOURNED UNTIL  
MONDAY, 9 NOVEMBER 1998

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