

FINANCIAL AND CONSUMER RIGHTS COUNCIL (INC.) (F.C.R.C.)

**SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY
INTO AUSTRALIA'S GAMBLING INDUSTRIES – NOVEMBER 1998**

Outline of Financial Counselling Services in Victoria

Financial Counselling in Victoria began as a loose network of fairly basic information provision and budgeting advice services. Since the early 1980's, however, financial counselling has developed into a highly skilled paralegal profession requiring expertise in the areas of debt collection practices, credit law, structural poverty issues and "safety net" income and concession entitlements.

Financial Counsellors, the number whom exceed ninety across the State, are generally funded by the Victorian or Federal Governments although there are a small number of services funded by the non-government community sector.

Financial Counsellors have responsibilities and roles at three levels. Initially their role is to work with individual clients and families who are experiencing money management or debt management issues to maximise the clients' access to income and concession entitlements, material aid and other forms of assistance. At the same level Financial Counsellors provide information to clients with debt management issues about their rights and responsibilities in relation to their debts. Such debts may consist of loans, credit cards, rent arrears, mortgage arrears, utilities arrears, and accumulated fines.

At a "secondary" level Financial Counsellors provide similar information to groups within the community to enable potential individual clients to act on their behalf should a crisis arise in the future.

At a "macro" level Financial Counsellors also have a responsibility to inform Government and industry providers of goods and services of negative impacts on the community in the provision of those goods and services.

Background of FCRC's Involvement In The Gambling Debate

The Financial and Consumer Rights Council of Victoria, previously the Consumer Advocates' and Financial Counsellors' Association of Victoria, has been involved in the gambling issues debate in Victoria for a number of years. Although gambling in its many forms has impacted on the client group of Financial Counsellors for a substantial period of time it has only been since the introduction of electronic gaming machines in the State that this impact has blown out to exponential proportions.

As FCRC represents one of the largest information provision networks across the State with regard to credit, debt and money management issues, trends in the increases in problem gambling appeared in financial counselling casework very early after the introduction of electronic gaming machines. Consequently, CAFCA, as it then was, sought and was granted inclusion on the Ministerial Advisory Committee to the Minister for Gaming, then the Honourable Haddon Storey, and the Victorian Casino and Gaming Authority Community Advisory Committee. FCRC regards both these forums as important mechanisms to inform government regulators and industry about the wider social and economic effects of gambling as gathered from clients across the state who are experiencing financial difficulties resulting from problem gambling.

Shortly after the initial convening of the two groups the Department of Health and Community Services convened the Problem Gambling Reference Group and CAFCA was invited to participate. FCRC maintains that the Problem Gambling Reference Group (now convened by the Department of Human Services) is vital in informing the planning of problem gambling services across the State. The Reference Group also has an important function in raising issues about problem gambling nationally.

However, the Problem Gambling Reference Group deals only with issues pertaining to what industry and government would describe as a "small proportion" of the total population, namely, those with identified problem gambling tendencies. It was, therefore, disappointing for FCRC and other community service organisations and peak bodies that the Ministerial Advisory Group and the VCGA Advisory Group were not reconvened following the last state election.

Early in 1997 FCRC was awarded a contract by the Department of Human Services to provide training for Problem Gambling Counsellors. Financial Counsellors and

Community Education and Gaming Facilities Liaison Officers (CEGFLO's) on problem gambling issues. This training contract is due to expire in June, 1999.

Queen of Hearts Project

Research conducted by the Victorian Casino and Gaming Authority (VCGA) in 1995 and early 1996 indicated a substantial increase in the number of women who gambled and the level of gambling activity performed by individual women in the state of Victoria since the introduction of electronic gaming machines. The findings of the VCGA research was supported by reports from Financial Counsellors across the state that they were seeing an increasing proportion of women who identified gambling as one of the contributing factors for their financial instability. Consequently, in October 1996 FCR received funding from the Victorian Women's Trust, the Sydney Myer Foundation and the Reichstein Trust to conduct research into the needs of Victorian women who identified as having problems with gambling. This extensive project went for a period of ten months and culminated in the launch of the 'Queen of Hearts Report' in August 1997. A copy of the final report is currently with the Commission.

The key questions addressed by the project were:

- How can Victorian women who have developed problems with gambling be characterised in terms of the extent of their activity, their socio-economic background, age, disability, ethnicity and geographical location?
- How do Victorian women who have developed problems with gambling perceive their gambling activities?
- To what extent do Victorian women who have developed problems with gambling access support and what is their experience of doing this?
- How best can the needs of Victorian women who have developed problems with gambling be met?

The outcomes of the research as outlined in the report gave rise to the recommendations, which were as follows:

1. That the ceiling of 30,000 electronic gaming machines (EGM's) across Victoria be maintained. Further, that EGM's currently located in shopping centres be removed, through relocation of EGM's away from the shopping centres or non-renewal of gaming licences to the relevant parties, whichever is earlier.
2. That the Victorian State Government, as a matter of urgency, produce a comprehensive and integrated policy on gaming and problem gambling, which is based on harm minimisation principles such as adopted with the alcohol and tobacco industries.

3. That providers of support services to women who have experienced problems with gambling be better informed about complimentary services in order to facilitate cross referral processes and that such services be collated wherever possible.
4. That the Victorian State Government commit to a sustained and integrated community education campaign which is specifically sensitive to the needs of women who gamble. Such a campaign should be designed to inform the community of the potential negative impacts of gambling and advise how assistance may be accessed.
5. That the current review of the Victorian Gaming Industry's Codes of Practice be maintained, incorporating the input of government, consumer and industry representatives, until such time as the Codes meet all bench marks of fair trading codes of conduct as proposed by the Commonwealth of Australia (October 1996) and the Independent Complaints Resolution Process meets the benchmarks for industry-based customer dispute resolution schemes (November 1996).
6. That the Victorian State Government set aside funds for a series of pilot projects to:
 - a. conduct extensive analyses of the recreational and social needs of women living in those areas with the highest per capita ratio of EGM's.
 - b. establish alternative recreational programs/services in accordance with these needs
7. That financial institutions review their lending practices with a view to increasing staff awareness and sensitivity to gambling-related issues, and minimising the incidence of inappropriate credit provision to women with gambling problems.
8. That processes for data collection and analysis of Victorian State Government-funded problem gambling support and financial counselling services, be immediately reviewed by the Department of Human Services and such data be made available annually, commencing in October 1997 to problem gambling field workers and researchers to raise their awareness and facilitate best practice in community education and research.
9. That further research be undertaken to determine definitions and the incidence of problem gambling in non-English speaking communities, and to identify and find strategies for overcoming any barriers to accessing support for problem gambling which may be experienced by women from a non-English speaking background
10. That further research be undertaken to identify the nature and extent of inducements and subsidies to gamble and other bounties used by the gaming industry, and their effect on women who gamble. Further, that strategies be developed that minimise and/or regulate their use.

A core function under taken by the FCRC Gambling Issues Working Group in 1998 has been to identify which organisation or group is best placed to lobby for implementation of the recommendations. FCRC, Break Even Victoria and the

Consumer Credit Legal Service are committed to the recommendations, some of which are being acted upon although the current progress of government and industry on recommendations 2, 5, 6, 9 and 10 is significantly less than acceptable to prevent continuation of the increasing incidence of problem gambling amongst women in Victoria.

Current Involvement

The Financial and Consumer Rights Council continues to be involved on the Department of Human Services Problem Gambling Reference Group and informs that group about case work issues and also wider trends regarding problem gambling in Victoria. FCRC maintains that the Department of Human Services Problem Gambling Reference Group is an important forum to identify issues and develop management strategies for dealing with problem gambling in the state.

FCR has also met with the Gaming Machine Industry Secretariat and participated in the review of the Gaming Codes of Practice conducted late in 1997. FCRC continues to have a Gambling Issues Working Group, which meets monthly to discuss the impact of gambling on the work undertaken by Financial Counsellors across the state and has developed a policy statement on gambling. FCRC also meets bimonthly with members of the Break-even Problem Gambling Secretariat to discuss issues of common concern and strategies for managing problem gambling client case work and community education around problem gambling issues.

FCRC is concerned, however, that the focus of the effects of gambling in Victoria have generally been limited more recently to those of problem gambling and little discussion has taken place about the wider social and economic impacts of gambling on the state. FCRC would urge the government to reconvene the Ministerial Advisory Committee on gambling issues and to commission a wide impact study on the social and economic aspects of gambling in Victoria, taking into account the social and monetary cost of family break-down, loss of assets, loss of employment, loss of savings and business collapse either directly or indirectly related to excessive gambling activity.

FCRC further calls for a standardisation of gaming and gambling taxation around the nation so that States are not pitted against each other in order to gain maximum gaming dollars and so that state governments remain visibly separate from the gambling industry. FCRC is concerned at the increase in dependence of state government revenue on gambling taxation which is, by its very nature, covert and regressive.

FCRC also maintains that the training of Problem Gambling Counsellors, Financial Counsellors and CEGFLO's must continue.

FCRC maintains that its network of Financial Counsellors across the State is well placed to most cost-effectively continue to collect case data about the increasing incidence of problem gambling and the wider social and economic impacts of gambling in Victoria. However, to do this will require a commitment from government to continue to adequately resource FCRC and financial counselling services to perform this vital work.

FCRC welcomes this opportunity to make this submission to the Commission and would welcome any approach by the Commission for further information.

FCRC Gambling Statement:

“FCRC acknowledges gambling in Victoria and will work with its membership to identify issues arising from gambling.

The Council recognises the desire of a proportion of the community to access various forms of gambling and that such activity should be informed and free of exploitation.

FCRC will liaise with government, industry and the community on the social and economic effects of gambling in order to achieve structural reform.”