

From: Fisher, Bronwyn [CANB1NET/CANB1POST/bfisher]
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To: Martisius, Geraldine
Subject: FW: Re Submission to the Productivity Commission

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From: WCTU of Victoria [mailto:drugfree@net2000.com.au]
Sent: 20 August 1999 14:51
To: bfisher@pc.gov.au
Subject: Re Submission to the Productivity Commission

Submission to the Productivity Commission
Regarding its Draft Report on Australia's Gambling Industries

Presented on behalf of the Woman's Christian Temperance Union of Victoria,
Inc
By Mrs Anne Bergen (Hon. General Secretary)

The WCTU of Victoria is part of a world-wide organisation and has been working in Victoria for the past 110 years to improve the status and welfare of women and their families. Through the years the WCTU has played an important part in issues such as the obtaining of women's suffrage; the establishment of kindergartens and infant welfare centres; pressuring government to develop chemical testing to detect drunk drivers; opposing the legalisation of marijuana; and in educating young people about the dangers of the consumption of alcohol and other drugs. Gambling is one of our major concerns, particularly in view of the rapid increase in the number of women gambling, the fact that young people are over-represented among the problem gamblers, and the tragic effects of problem gambling on families.

We welcome the Productivity Commission's Draft Report into Australia's Gambling Industries with its wealth of information about the current situation regarding gambling and would support many of its recommendations.

I want to particularly focus on Chapter 15 of the Draft Report that looks at issues relating to Consumer Protection.

1. Gambling advertising.

The Report makes some very important points about gambling advertising: Advertising which points out that 'someone has to win', may reinforce conceptual errors by gamblers about winning odds. (page 15.10) Advertising, promotion and marketing expenditures by gambling providers are high and have increased significantly in the last few years (p.15.26). Its major purpose is to increase demand and alter people's preferences so that they see gambling as an exciting activity. The Report observes correctly that "if advertising and marketing did not increase demand it is hard to understand why these businesses would make these expenditures." (p.15.32) Little real information about gambling products is provided by existing advertising. It tends instead to suggest that gambling is "entertainment" and "excitement that never stops". This is far from the truth. (p.15.31)

The report refers in several places to a similarity between gambling and alcohol and tobacco in relation to the harm they do to a significant section of the community, while being accepted by many as a legitimate source of pleasure. It points out that the advertising of alcohol is restricted, while it is banned altogether for tobacco.

We believe that the great harm done by gambling, particularly by EGMS warrants the strongest possible restrictions on its advertising. The current voluntary, self-regulatory Advertising Code in Victoria has a provision that:

"advertising shall not be false or misleading and deceptive, particularly in respect to winning."

The glamorous, exciting TV advertisements for the TAB and Crown Casino are clearly not observing this code.

We would, at the very least, accept the recommendation of the Commission for legislatively based codes specific to gambling as outlined on page 15.33. Such a code should also ensure that the odds of winning are clearly disclosed. We consider that a total ban on advertising gambling on television is also warranted.

2. The use of incentives in advertising gaming venues and recruiting patrons.

We are totally opposed to the recruiting of players through the promotion of free membership cards that offer "some fantastic rewards like free snacks, free Pokie credits and free parking". (Part of a full page ad by Crown Casino in Senior Scene, Winter '99)

The Age, 14/7/97, reported that The Burvale at Nunawading has a system of points credits. "Twenty-five points will get you a loaf of bread, 30 will buy you two litres of milk." People who would be encouraged to gamble with the incentives of free milk and bread obviously can't afford to gamble.

The same Age article quotes Ms Kathleen Wing, Manager of the Forresters Arms Hotel in Oakleigh as saying that without promotions she would struggle for business. "It is a general rule of thumb that venue operators give away between 5 and 10 per cent of their net revenue in promotions every week," she said.

Venues are trying to create a market for the machines that is not naturally there.

The Commission's Report says that "many consumers use membership cards at venues when playing poker machines. The cards are used by venues to pay loyalty bonuses and encourage people to play more." (p.15.23)

The commission's recommendation that "where loyalty cards are used, consumers should be provided with a periodic record of their spending" should be a minimum requirement. We would prefer to see such incentives made illegal. If people have to be induced to gamble, there is not a great demand for it.

3. ATMs, EFTPOS and Cheque cashing.

Where these are available they are an incentive to problem gamblers to continue to lose money, while as the Report points out, the large bulk of recreational gamblers never use them.

We agree with the view of Mr. Xenophon that:

"EFTPOS and ATM facilities should be removed from gambling venues, or at

the very least their access be restricted for the payment of food and drink only." (p.15.49)

We completely agree with the Commission's recommendation that cheques should not be cashed. (p.15.50)

4. Information on the risks of problem gambling.

We agree that there are strong grounds for increasing awareness of the hazards of gambling in a similar way to what has been done regarding alcohol consumption, drugs, driving and tobacco.

A media campaign should also include information about the odds of losing and winning, the effects on families and individuals and be hard-hitting. The current advertisement on Melbourne TV with its punch line that says, "If gambling is no longer fun...walk away" will do nothing to limit gambling.

Those who are addicted cannot just walk away and the inane comments by gamblers about what they think is lucky are more likely to encourage gambling than to discourage it.

This wishy washy approach is mentioned on page 15.24. I like the Commission's suggested slogan, "If you think you can win , you're a loser."

The WCTU has for many years had a leaflet entitled, "Gambling is for Suckers".

We would support the Commission's recommendation that there is a need for government to provide clear information to the public about:

- What is problem gambling
- The fact that all gamblers are potentially vulnerable. (p.15.25)

As part of the provision of information about the price of playing poker machines we support the recommendations on page 15.17.

5. Maintaining the cap on the number of EGMs in Victoria and limiting numbers elsewhere in Australia.

The Draft Report makes it clear that there is a link between the extent of problem gambling and the accessibility of gambling. NSW and Victoria which have the highest per capita expenditure on (non-lottery) gambling have the highest rates of problem gambling while it is lowest in Tasmania and W.A. where per capita expenditure is lowest. (p. XLIII)

The sharp rise in the involvement of women in gambling also correlates with the increase access to poker machines.

Australia, with its population of just 19 million people, has 180,000 EGMs, 21 per cent of the world total, an achievement of which our Prime Minister is ashamed. We have too many already without allowing the introduction of more machines.

In the Draft Report, the Commissioners are concerned to balance the rights of recreational gamblers with the need to protect problem gamblers. They comment that maintaining caps on EGMs "would come at a significant cost to the majority of recreational gamblers." (p. XLVIV) We dispute this and consider that, rather than allowing an increase in the number of EGMs, measures should be taken to progressively reduce their numbers.

The Commission found that 75 per cent of people surveyed believed that gambling does more harm than good and 92 per cent did not want to see an increase in gaming machines. In fact, only 0.6 per cent were in favour of a large increase and 1.2 per cent were in favour of a small increase - a tiny proportion of those interviewed. (p. XXIII)

Who are pushing for more machines? Only the wealthy people who run the gambling industry. They make their money from the problem gamblers who, although only 2.3 per cent of the adult population, lose \$3 billion annually, and comprise one third of the gambling industry's market.

There is not a public demand for more gaming machines. Demand is only being stimulated through the millions of dollars spent on advertising and incentives to con the poorer members of society with false hopes of winning. The fact that profits on some EGMs in sporting clubs in Victoria are low, causing the greedy promoters to move them to more lucrative areas, is another indication that in many areas the number of people wanting to play the pokies is declining.

The commission expressed the concern that if there are caps, when demand pressures mount, there will be incentives on operators and gamblers for the more intensive use of machines, which could exacerbate problem gambling as is happening with the moving of machines in Victoria.

The sad fact is that poker machines in Victoria are concentrated in the poorest areas. Maribyrnong, the poorest local government area, has 17.3 poker machines per 1000 while the richest, Boroondara, has only 2.3 per 1000. Operators of gaming machines are cashing in on the poor and desperate who can least afford to lose their money. Local Councils who see the harm being done to their communities have almost no control over poker machine venues or numbers. The Commission's recommendation, that local communities should be consulted by an independent 'Control Commission' about license applications, is most important. (p. LXV)

We believe that local Councils and communities should not only be consulted but have the final say about the number and location of EGMs in their municipalities.

6. Internet gambling.

Internet gambling is a matter of real concern. As the Report points out, online gambling represents a quantum leap in accessibility to gambling and will also involve new groups of people. The point that increased accessibility leads to an increase in problem gambling has already been made. It poses a great temptation, particularly to mothers who are at home all day and who can gamble while the children have a nap or even sit a child on their lap while they play. In such cases the effect on the child is another problem. The interactive gaming could easily become a family activity involving children, even if credit card requirements make it difficult for minors to gamble alone on the internet. The supposed safeguards of the interruptions of normal living that might limit internet gambling in a family situation don't apply to young single people who live alone or in a group and could spend many hours at the computer.

We agree with the Commission that it is likely that (without harm minimisation measures and appropriate regulation) online gambling will pose significant new risks for problem gambling. (p.17.16) Whether such regulatory policies can be implemented is problematic. We would like interactive gambling on the internet to be banned. According to the Editorial in the Herald Sun 18/8/99, the United States Senate banned on-line gambling six

weeks ago. If the U.S. Senate believes that a ban is feasible it should be possible to outlaw it here.

7. Government involvement in promoting gambling as a source of revenue and at the same time being responsible for regulating it to reduce harm, is a matter of concern.

While the Victorian Government receives 15 per cent of its tax revenue from gambling, it is not likely to introduce harm reduction measures that will reduce its income. As the Report points out, gambling revenue is regressive, with lower income groups generally spending proportionately more on gambling - and thus shouldering more of the burden. (p. LVIII) However, reducing taxes on gaming would not help the poor who are addicted to gambling and would only put more money into the coffers of the rich promoters.

But, as governments rely more and more on gambling revenue as an alternative to the more unpopular method of increasing taxes on the community in a more equitable way, it is in their interest to promote an escalation of gambling, regardless of the social costs. This is what is happening.

The Commission's suggestions for regulating gambling as set out in Chapter 21 appear to be sensible. An independent regulatory body with structure and activities as set out in Boxes 21.6 and 21.7 is absolutely essential to help to reduce the perception that governments' handling of gambling is often motivated by self-interest and cronyism.

The Prime Minister said on ABC radio (18/8/99) that he believes it is time to wind back gambling in Australia. We heartily agree with this. Perhaps it is up to his government to put financial measures in place for the States that will enable them to become less dependent on gambling revenue and therefore more willing to take steps to reduce the opportunities for gambling, rather than promoting them.