

4<sup>th</sup> June 2008

Community Affairs Committee

Department of the Senate

Parliament House

Canberra ACT 2600

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Please accept our attached submission regarding the Family First *Poker Machine Harm Reduction Tax (Administration) Bill 2008*. The deadline for submissions to this inquiry is 16<sup>th</sup> June 2008.

As the following submission will explain, the Central Coast Problem Gambling Service applauds the initiative of the Family First Party and Senator Steve Fielding for attempting to address the issue of problem gambling in Australia at a governmental level. We feel, however, that this bill does not address the fundamental needs of gambling addicts or take into consideration their mental wellbeing if the bill were to become law. Further to this the proposed timeline is aimed more at weening clubs and governments off money raised through poker machines and not at introducing rehabilitation measures to combat the impact that denying access to poker machines could potentially have on addicts.

We have also made several recommendations which we hope will be considered both in this inquiry and in any future debate revolving around problem gambling.

Sincerely

Chris Davidson

Central Coast Problem Gambling Service

CENTRAL COAST PROBLEM GAMBLING  
SERVICE

Submission to the  
Community Affairs  
Committee of the  
Australian Senate

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Poker Machine Harm Reduction Tax  
(Administration) Bill 2008

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**30th May 2008**

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## **1. INTRODUCTION**

The Central Coast Problem Gambling Service wishes to address the proposed *Poker Machine Harm Reduction Tax (Administration) Bill 2008*, currently before the Community Affairs Committee of the Australian Senate. Our organisation, herein recognised by the acronym CCGPS, is pleased by the initiative shown by Senator Fielding and the Family First Party in crafting a bill to combat problem gambling in Australia. In theory, the introduction of a new Federal Tax which would effectively force poker machines out of family venues such as pubs and clubs has great merit. However, we believe there are significant flaws within the *Poker Machine Harm Reduction Tax (Administration) Bill* that could potentially undermine the success of such a bold initiative. Our objections to the bill are outlined in the submission below, as are our recommendations for a more practical approach to solving the issue of Problem Gambling in Australia.

## **2. BACKGROUND TO THE BILL AND FAMILY FIRST'S STATISTICS**

Family First's proposed *Poker Machine Harm Reduction Tax (Administration) Bill 2008* was conceived by the Party as a means to declare "war on poker machines" (Fielding, 2008). In the second reading of the bill in the Senate, the Leader of the Family First Party, Senator Steve Fielding described the bill as "a bold new plan that will see pokies phased out of pubs and clubs and restricted to racetracks and casinos". In an effort to convey the severity of the gambling problem in Australia currently, Senator Fielding outlined several statistics. They included;

- 293, 000 people in Australia have a gambling problem
- Of that 293, 000, 85% use Poker Machines
- 52% of problem gamblers said they had borrowed money to aid their addiction
- 42% admitted choosing their addiction over food
- 25% of addicts suffered separation or divorce as a result of their addiction
- One in eight have admitted they thought about committing suicide

The statistics presented by Senator Fielding paint a grim picture – a picture that is the result of a lack of action in addressing the gambling crises in Australia in the past. As a result, there are now generations of problem gamblers who know no better and from their viewpoint have been offered no incentive to change their behaviour.

### **3. NATIONAL FRAMEWORK ON PROBLEM GAMBLING**

The National Framework on Problem Gambling 2004-2008 identified four Key Focus Areas, Objective and Strategies which would underpin the attack on problem gambling. They were;

1. Public Awareness, Education and Training – to promote a greater understanding of the nature of the gambling product, the potential for harm and the availability of help and support.
2. Responsible Gambling Environments – to minimise the likelihood of recreational gamblers developing problem gambling behaviours.
3. Intervention, Counselling and Support Services – to enhance problem gambling support and treatment services that are effective, accessible, and culturally appropriate.
4. National Research and Data Collection – to inform the implementation and further development of the national framework and its strategies.

These Key Areas form the basis of what we believe to be a very strong national framework, which if followed would be a major step in addressing problem gambling. Unfortunately, the framework, which was laid out over four years ago, hasn't been followed as evidenced by the need for this current inquiry.

### **4. THE MENTAL WELLBEING OF GAMBLING ADDICTS**

What must come out of Senator Fielding's statistics is an understanding of the fragile state of mind of problem gamblers. If one in eight has considered suicide and almost half have at some stage chosen gambling over food, then clearly there are pressing mental health issues that need addressing. A sticker with a phone number for a problem gambling counselling service on every poker machine is simply not enough.

The mental health of problem gamblers and the rehabilitation measures required to cope with such a huge denial of Poker Machine access as proposed in the bill needs to be the overriding concern of Family First's. It is our experience that the policy of self-exclusion is extremely ineffective, as it is easily broken down and undermined by the altered mental capacity of addicts. We have had clients who have gone as far as moving to Western Australia, where access to poker machines is considerably harder. It is a known fact that there is a strong correlation between ease of access to gaming and problem gambling in the community, as 1999 Productivity Commission report *Australia's Gambling Industries* highlighted.

The *Poker Machine Harm Reduction Tax (Administration) Bill 2008* does include a contingency plan which is designed to counter any losses suffered by pubs and clubs as a result of the removal of Poker Machines from their premises. While this is no doubt a key area of concern in a bill of this nature, we believe the bill ignores the contingency plan that is needed. What measures are being put in place for gambling addicts when ready access to Poker Machines is taken away from them? Are extra funds and resources going to be put in place for gambling rehabilitation processes?

Even though the proposed timeframe for the removal of pokies from pubs and clubs is estimated to be 10 years, this time period is pointed more at governments and clubs who will need to “de-addict themselves from pokies revenue” (Fielding, in Lane, 2008). The timeframe in no real way addresses what the systematic denial of poker machines will mean for gambling addicts. It is no secret that the biggest winners from Poker Machines are governments and hotels. Senator Fielding estimated that governments receive about \$4 billion each year in both revenue and taxes from gambling. Any proposal that puts the needs of governments and clubs above the mental wellbeing of addicts is a flawed and is lacking what should be the fundamental concern of any legislation about gambling – the addicts themselves.

## **5. PERSONAL EXPERIENCES OF CCPGS**

Working on the front line of gambling addiction has shown us here at CCGPS just how consuming an addiction can be. The statistics presented by Senator Fielding fade into insignificance when you come face to face with an addict and hear their story – they become a person and not just another statistic. It is for this reason also, that we feel we must object to the *Poker Machine Harm Reduction Tax (Administration) Bill 2008*. There is simply not enough evidence in the Bill to satisfy CCPGS that there has been extensive consultation with the problem gambling counsellors of Australia. Such co-operation should be inherent in a Bill that is proposing a method to combat problem gambling. It should not be left until the call for open submissions that counsellors with experience in this area are consulted.

We estimate that only around 15% of addicts actually seek assistance. Most try to deal with their problem on their own and in some cases this can be effective. While this may actually sound like a statistic that could be used to support the removal of poker machines and thus remove temptation – it

isn't. Unfortunately, there are a lot of gamblers who will simply transfer their addiction to something else. It is best described as an addiction to addiction. Removing poker machines will only push gambling addicts on to other, potentially more dangerous, addictions. This is why, and this is the crux of our submission, there is a need for proper rehabilitative measures to be put in place to supplement the proposed removal of poker machines from pubs and clubs.

Gambling Counselling services in New South Wales operate on minimal funding and those who work in this sector are paid inferior wages to other mental health professionals such as drug and alcohol counsellors. Problem gambling is a form of mental disorder. It cannot effectively be addressed until more funding is made available to gambling counselling services and the workplace conditions of gambling counsellors are revised and improved upon.

## **6. RELEVANCE OF THE STATISTICS PRESENTED**

The relevancy of the statistics upon which much of this debate is centred also needs to be clarified. The fact that the most recent comprehensive survey of problem gambling in Australia was the Productivity Commission report *Australia's Gambling Industries*, which was conducted almost ten years ago in 1999 is troubling. Before such a monumental plan is enacted to tackle problem gambling, there needs to be a much clearer and a more updated understanding of the current state of play. A new inquiry into problem gambling itself, not a proposal to remove poker machines specifically is one possible way of getting a more accurate picture of the current situation.

## **7. CONCLUSIONS**

As our submission has detailed, we at CCPGS are delighted that the Family First Party is trying to address the issue of problem gambling at a governmental level. The *Poker Machine Harm Reduction Tax (Administration) Bill 2008* in its current state, however, is not the most effective way to do this. This bill will hopefully open a national dialogue about the need for addressing problem gambling, as well as providing a platform upon which a more effective plan can be built in the future. We have made several recommendations below that will hopefully provide the lawmakers of Australia with some guidance in effectively tackling problem gambling in our country. With an issue as complex as problem gambling where there are so many stakeholders involved, the only way for positive progress to be made is through co-operation at all levels of decision making from all involved stakeholders.

## 8. RECOMMENDATIONS

- The CCPGS recommends that a detailed contingency plan, similar to the plan already in the Act, be drawn up to address the impact that denying addicts access to Poker Machines would have on their mental wellbeing. As Senator Fielding's statistics show, gambling addicts are not in an adjusted headspace and the loss of easy access to Poker Machines, even if it was over a ten year period would no doubt cause them great distress.
- Further to the first recommendation, at a formative level, extra training and funding must be provided to gambling counselling services, such as the CCGPS to effectively manage such a dramatic change in gambling behaviour and access to gambling.
- We also recommend that a wide reaching survey of the current status of problem gambling in Australia be undertaken so as to fully understand the issue at hand before attempting to fix it. An updated inquiry by the productivity commission into gambling in Australia would certainly achieve this.
- Lastly, we recommend that any future proposal of new legislation regarding problem gambling show extensive consultation with counselling institutions such as CCPGS at a developmental stage. It shouldn't be when a bill has already been formulated and is at the public consultation stage that counselling services become involved in a constructive way. These are the organisations that should be involved in the planning of any bill related to gambling.

## 9. LIST OF SOURCES

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- Lane, S. (2008) "Family First lead tax plan to phase out pokies", 13<sup>th</sup> March 2008. Retrieved from ABC News Online, May 11, 2008, <http://www.abc.net.au/news/stories/2008/03/13/2188968.htm>
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