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**A submission by Anglicare Victoria to the  
Australian Senate Community Affairs Committee on the  
Poker Machine Harm Reduction Tax (Administration) Bill 2008**

Anglicare Victoria supports the Australian Federal Government in its initiative to reduce the harm done throughout the Australian community by Poker Machines.

It is the purpose of this submission to present some stories of real people known to the Anglicare Victoria counsellors engaged in Gambler's Help and Financial Counselling programs. Through each of these stories the destructiveness of a gambling addiction is evident, and in each case, the gambling activity of choice was Poker Machines. It is hoped that through the telling of these stories further encouragement will be received by the Federal Government to work at reducing the harmful impact of Poker Machines within the Australian community.

Through the experience of counsellors working in the areas of Gambler's Help and Financial Counselling, Anglicare Victoria has a developed understanding of the pervasiveness of gambling addiction and its impact at every level of society. Common themes have emerged from these first hand accounts, and not least among these themes is the predominance of addiction to Poker Machines. Counsellors have heard how the accessibility to and clever marketing of venues with Poker Machines makes this form of gambling attractive, with little effort expended by the individual. The nature of these machines with rapid feedback to the user, providing visual and audible stimulation entice and hold the addict. The ready access to additional cash by the placement of ATMs within these venues creates the possibility for individuals to gamble well beyond their immediate and long term financial means.

On this point, the recent Victorian Government announcement that ATM machines would no longer be allowed at places with poker machines starting in 2012 in order to cut down on the amount of gambling taking place is to be commended, and is also a clear statement by a State Government regarding the perceived harm done to the community by Poker Machines.

Several Anglicare Victoria case studies illustrate the problems faced by clients as a direct result of problem gambling.

### Story 1:

A married couple approached the Anglicare Victoria Problem Gambling Service for financial counselling due to their inability to service debts. While both individuals were working, their debt had spiralled out of control to the point they no longer had the capacity to pay the debt.

The debts were as follows:

His name only	\$150,000.00
Her name only	\$110,000.00
Joint	\$120,000.00
Total	\$380,000.00

The joint debt was made up of \$80,000.00 home loan and a \$40,000.00 personal loan. The remaining debts in sole names were all credit card debts, thus attracting very high interest rates, especially if cash advances are involved.

This couple had met some 5 years ago at a local gaming venue where there were poker machines. Both enjoyed the social aspect of meeting at the gaming venue and soon formed a strong relationship and subsequently married.

Their assets at this time were:

Her name: outright ownership of her house as part of an inherited estate.

His name: recent migrant to Australia bringing with him \$100,000.00.

Over the course of the next 2 years the gaming venue became their favourite social outing and during this time period she became addicted to the pokies. He initially went along with her to keep her company, but in due course he also developed an addiction.

Both had credit cards with limits of approximately \$10,000. They received unsolicited offers to increase their credit limits which were accepted. For some time they had the capacity to service the existing credit card debts and to continue with their gambling. Eventually their money ran out and they both made new applications to other credit providers and their debt doubled.

When this occurred they decided to consolidate their debt by using the house as security and the pretence of home renovations to clear their credit card debts. They did pay off some of the credit card debt but gambled the rest away on Poker Machines.

They next approached the bank for a personal loan on a pretence of needing to purchase a car. This money was also gambled away.

By this time they were struggling to service the home loan and personal loan. To meet these payments and to continue funding their gambling via the Poker Machines they made repeated cash withdrawals from their credit cards. Subsequent credit card applications were made to new credit providers until it reached the total debt outlined previously. By this stage each person had 10 credit cards. At this point they realised that it was not sustainable and sought advice from Anglicare Victoria counsellors.

Initially she refused to accept any option that would involve the loss of the house as this held sentimental value due to it belong to her mother. It soon became evident that their only option was bankruptcy. Under the bankruptcy act debtors can be prosecuted for debt incurred due to gambling. The creditor can also request prosecution if any fraud was committed when applying for credit. In the case of these particular clients, they had failed to disclose their financial position and the true purpose for which the money was intended when the credit applications were made.

The end result is that clients lost their house and considerable savings due to gambling addiction.

### **Story 2**

A male client approached the Gambler's Help Service due to an outstanding \$25,000.00 credit card debt with a well known bank.

Approximately 10 years ago he developed what he termed as a pathological addiction to gambling, resulting in him losing his job and becoming suicidal. Fortunately he meet a new friend who became his mentor and who also arranged for new employment. The client made an arrangement with his creditors to repay the debt. At this time he owed the bank \$10,000.00 on his credit cards.

The client managed to stop gambling and to repay his debts, including what was owed to the bank. At this time he went to the bank and advised them of his condition and requested no further credit be provided. Two years ago a letter from the bank arrived advising him that a pre approved credit limit of \$10,000.00 had been made and all he needed to do was to sign acceptance of offer. By this stage the client was unemployed again but felt he had his gambling under control and accepted the offer. He immediately recommenced gambling using the credit provided to withdraw cash from an ATM at the pokies venue and also to service the debt. Three months later the bank offered a further increase to \$16,000.00 which was accepted and soon gambled away. Again the bank increased his limit to the present level of \$25,000.00

The Client did not want to declare bankruptcy preferring assistance with negotiations to set up a repayment plan. The counsellor negotiated a full and final settlement for \$8,000.00 which was successfully completed utilising Superannuation funds. The Client continues to receive ongoing counselling for their gambling addiction.

### **Story 3**

A male client whose relationship with a long time partner had broken down. He developed severe depression which affected his capacity to work and remain employed.

In an attempt to meets his financial commitments he commenced playing the pokies. He eventually fell into arrears on his rent and utilities and was subsequently evicted. At present he is living with a friend, sleeping on the couch, but has been told he must move out by the end of June.

The client has developed a severe dental disorder which has only increased his depression and capacity to return to the work force.

Financial assistance has been given to enable his dental work to be undertaken and thereby increasing his self esteem and improving his work projects. The client is continuing to receive ongoing problem gambling counselling.

#### **Story 4:**

The client is 50 years old and lives in an outer suburb of Melbourne with her husband. Her children are now all adults. She was not born in Australia and has a low education level and speaks minimal English. For many years, she worked as a factory hand, however a little 12 over months ago she was made redundant from her job. After a period of having no work, she was rehired as a casual worker at the same factory where she worked previously.

The client recently sought assistance from a Financial Counsellor who discovered she had approximately \$100,000 debt from 12 credit sources. Of the 12, 10 were credit cards. Five cards had a credit level of \$5,000, three had a credit level of \$15,000 and two had credit levels of \$20,000.

While the client has used the credit cards for everyday living expenses, the debts have mostly been incurred as a result of a gambling addiction. Her main gambling activity has been poker machines, aided by the ready access to ATM machines within the gambling venue. The client frequently made multiple cash advance withdrawals on the one day in order to service her addiction. With each successive visit to the gaming venue, the amount withdrawn from the credit cards as a cash advance quickly escalated well beyond her ability to repay the debt.

The client is now exploring the impact of going bankrupt, including the provisions of Bankruptcy Act that make it an offence to become bankrupt as a result of gambling.

The client and her husband also face the prospect of losing their house as a result of this process. This aspect of their circumstances has created high levels of stress within the relationship, and also with other members of the family. Counselling continues.

#### **Conclusion:**

The effect of gambling addiction is devastating. The destruction brought to family relationships, household security, mental and economic wellbeing is of great proportions and is experienced at every level of society.

Within the range of gambling activities available to the Australian community, one of the most popular and also one of the most habit forming activities is the patronage of Poker Machines. These machines are easily accessible to patrons due to their placement in pubs and clubs, they are manufactured to draw the user in, and they are fed by the ready access to cash by the close proximity of ATM machines. These machines are also popular to the pub and club owners, and State Governments because of the revenue they generate.

While both State and Federal Governments receive vast sums of revenue from gambling, and have come reliant on this source of income, it must be understood that this comes at a cost, both to the individual and to the community.

There remains therefore, the ability for both State and Federal Governments to do more in reducing the harm done to Australian communities by excessive gambling. It is hoped that as this Bill is considered, the Federal Government will also consider what more it can do to lessen the harm done by these addictive machines.

While regulation of the Poker Machines is one means of reducing the harm done by them, the Australian Governments have the ability to increase funding of gambling education programs and awareness campaigns aimed at creating safe gambling experiences, to increase access to financial counsellors and gambler's help programs and to provide additional services to assist people to overcome a gambling addiction. Anglicare Victoria encourages consideration also of these means at reducing the long term harm of gambling addictions.

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