



Mission Australia

**Submission to the Joint Select
Committee on Gambling Reform
*Poker Machine Harm Reduction
(\$1 Bets and Other Measures) Bill
2012***

October 2012

Mission Australia

Mission Australia is a national, not for profit organisation that has been transforming the lives of Australians in need for more than 150 years. Our vision is to see a fairer Australia by eliminating disadvantage for vulnerable Australians. We aim to do so by strengthening families, empowering youth, striving to solve homelessness and providing employment solutions.

In 2011-12 Mission Australia Community Services delivered 324 services (including our Early Learning Services), assisted 110,389 individuals and 5,732 families¹. Part of this service delivery includes the provision of gambling counselling and support in NSW and the ACT. Our gambling counselling services provide support to problem gamblers and their families in the form of individual/family or group counselling². Some of these services are integrated into the financial counselling services we offer.

Taking a person-centred approach we focus on the economic, social and physical well-being of our clients and raise concerns about products and services that have an adverse impact on clients. In doing so we acknowledge the financial support we receive through clubs via the proceeds of gambling. Because of the potential for harm, we believe that gaming venues have a responsibility to fund gambling counselling services. In NSW we also receive funding through the Responsible Gambling Fund (RGF), which receives its income from a tax levied on the Sydney Casino. The RGF is explicitly for the purpose of reducing problem gambling and promoting responsible gambling. Mission Australia has also trained and sourced clients for employment in clubs, hotels and casinos via our employment pathways.

Our response

Mission Australia is concerned about the impacts of problem gambling on individuals and the community and has, for many years, been calling on governments at all levels to take action to reduce it. We acknowledge that most adults are responsible gamblers and have a right to choose their own forms of entertainment provided these decisions don't impact on the well-being of others. However we also see first-hand the worst impacts of problem gambling. Our clients not only experience financial crisis and bankruptcy but also relationship breakdown, homelessness, depression and even suicide.

In 2011 we supported poker machine reform to address problem gambling and publicly called on State and Federal governments to implement the pre-commitment recommendations made in the Productivity Commission's Report into Gambling³. We did so as we believe the reforms will help reduce problem gambling, produce widespread individual and community benefits and have minimal impact on recreational gamblers or on the clubs sector. Mission Australia welcomed the Government's announcement that it would undertake a large scale trial of mandatory pre-commitment and expand pre-commitment technology to every poker machine across the country⁴.

Our vision for a fairer Australia mandates that we advocate for policies to address the causes of disadvantage whether they be from addictions or other economic and social factors. Our approach to problem gambling reflects this approach and as such we offer services aimed at minimising the

¹ Our 2012 Annual Report will be available for download from <http://www.missionaustralia.com.au/>

² More details of our services is available at <http://www.missionaustralia.com.au/component/content/article/99-ma-community-services/community-services-listing/586-gambling-counselling-and-support-services>

³ <http://www.pc.gov.au/projects/inquiry/gambling-2009/report>

⁴ <http://www.jennymacklin.fahcsia.gov.au/mediareleases/2012/Pages/TacklingProblemGamblinginAustralia.aspx>

risks of gambling and other addictions later in life - beginning with our children and family programs. It is our service delivery experience in gambling counselling and support, as well as our client experience within other MA services, that informs our response to the *Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012*.

Specific Feedback on elements of the Bill:

Section 3 - Object of Act

Mission Australia fully supports the *Object of Act* to reduce the harm caused by problem poker machine gambling, by limiting the rate of poker machine losses that can occur, through the regulation of the parameters of the practical operation of poker machines.

Mission Australia has previously and continues to support the broad harm minimisation strategies proposed in the Productivity Commission report specifically:

- Lowering bet limits on poker machines to one dollar per button push as well as limits on how much can be put in a machine at any one time. This is because our experience working with problem gamblers shows that 'high-intensity play' poses a significant risk for this group.
- Implementation of a pre-commitment system, but we would need to see how this would be implemented to form a view on its efficacy. If it was effective, this would have the potential to remove the need for some other measures, such as restrictions on ATMs.
- Regulated shutdowns for gaming rooms in hotels and clubs be extended because there is evidence that high-risk gamblers represent a much greater share of people playing late at night, a time when they are also often under the influence of alcohol.
- Reimbursing patrons through cheque payment or direct account crediting for wins over \$250, which is already the case in Qld, as this helps to overcome the likelihood for problem gamblers to re-invest their winnings in the hope of chasing a 'lucky streak', which is a popular myth about poker machines.
- Removing ATMs from gaming areas, which is regularly cited by problem gamblers as something which would assist them to manage their gambling as it forces them to take a time out and leave the area. This is already being put in place in some jurisdictions.

Section 7 -Dealing with poker machines

We acknowledge there is a need to allow a period for the migration of machines from the current models to models that comply with the Bill. Mission Australia is however concerned about the timeframes proposed for elements of the legislation to take effect. It is unclear why action to reduce maximum losses would be delayed beyond the date at which poker machines must be 'capable of complying with each requirement in section 8'. In our view the date at which poker machines must be *capable of complying* with these requirements should also be the date at which they do comply with the requirements. This is particularly relevant given the stated object of the *Act*, outlined above. (See also our response under Section 13).

Section 8 –Regulation of parameters of practical operation of poker machines

Mission Australia strongly supports the introduction of restrictions around the practical operation of poker machines particularly given the potential losses that can occur within a short timeframe.

For instance the Productivity Commission's Report on Gambling indicated that many poker machines currently have the potential to generate losses of \$1,200 per hour⁵.

Bank note denomination

Read in conjunction with *Entering credits* it appears that this restriction will limit the total amount of credit loaded onto a machine. The combination of s8(1)⁶ and (2)⁷ could therefore reduce the ability for 'high intensity' play and as such are potentially useful strategies.

Maximum bet

We have previously supported the lowering of bet limits on poker machines to \$1 per button push as well as limits on how much can be put in a machine at any one time. Our support is because our experience working with problem gamblers shows that 'high-intensity play' poses a significant risk for this group. Further, estimates by the Productivity Commission indicate that this measure alone could reduce potential losses from \$1,200 per hour to \$120 per hour⁸.

Jackpots and linked-jackpot arrangements

Evidence was presented to the *Parliamentary Joint Select Committee on Gambling Reform* indicating a reduction in jackpots and linked-jackpots would reduce the incentive, particularly for problem gamblers, to 'chase their losses'⁹. On that basis we would support this regulation. We would however like to see uniform regulations adopted as to how the jackpot is paid out. As outlined above, we fully support the Productivity Commission's recommendation that any win over \$250 is reimbursed via cheque.

Section 9 – Variation of parameters of practical operation of poker machines

We consider *Section 9* to be a valuable contribution to the *Bill* given it offers a mechanism by which to vary the amounts in all of sub-sections outlined in *Section 8*. This will be particularly relevant if it is determined that the proposed restrictions are not effective in restricting high intensity gambling. As the intention is to "limit the amount of money that may be lost in a given time period through a poker machine and thereby limit the amount of money lost in particular by problem gamblers¹⁰", we would propose that the monitoring functions of the national poker machine monitoring network¹¹ include monitoring the success, or otherwise, of the restrictions in *Section 8* in achieving reductions in these losses.

Section 10 – Pecuniary penalties for contravention of civil penalty provisions

We are pleased to note the inclusion of a statement that acknowledges the harm caused by poker machine misuse. Section 10(4) states 'In assessing the extent of any loss or damage, the Court may consider the harm that is caused to vulnerable people, to their families and to Australian society by the use of expensive and addictive poker machines'.

⁵ <http://www.pc.gov.au/projects/inquiry/gambling-2009/report>

⁶ The machine must not accept banknotes of a denomination greater than \$20.

⁷ The machine must not be capable of accepting additional credits from a player if the machine stands in credit to the player to the value of \$20 or more.

⁸ http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/s877_ems_10c7a31a-e51b-41bf-b259-7bea2b38e875/upload_pdf/12062em.pdf;fileType=application%2Fpdf

⁹ http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/report/index.htm

¹⁰ http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/s877_ems_10c7a31a-e51b-41bf-b259-7bea2b38e875/upload_pdf/12062em.pdf;fileType=application%2Fpdf

¹¹ The establishment of which is outlined in *Section 13 – Uniform national standards and national monitoring network*

In our view the provision does not go quite far enough. It would be more appropriate to state that the court *must consider* the harm rather than *may consider* the harm. Such a statement would truly reflect the significant personal and broader social and economic burden associated with gambling addiction.

We would also like to see the money raised through the pecuniary penalties that are then paid to the Commonwealth (as per *Section 12 – Recovery of a pecuniary penalty*) used to better understand and respond to gambling addiction. Such funding could be provided to implement some of the recommendations made by the *Parliamentary Joint Select Committee on Gambling Reform*¹² and improve our service responses for problem gamblers.

Section 13 – Uniform national standards and national monitoring network

We support uniform standards for poker machines given their emphasis on harm minimisation. It is our view that the timeframe for ‘steps to implement uniform national standards for poker machines in relation to harm minimisation, with particular reference to maximum losses, to take effect from 1 January 2015¹³’ is problematic. It is unclear why action to reduce maximum losses would be delayed for two years beyond the date at which poker machines must be ‘capable of complying with each requirement in section 8’.

We know from our service experience that every year we delay the introduction of prevention and early intervention measures is a year we prolong the impact on problem gamblers and their families. For each problem gambler this represents an impact on about five other individuals who are close to them¹⁴.

As mentioned above in Section 9, Mission Australia would like to see the national poker machine monitoring network take an active role in determining the efficacy of the regulations included in Section 8. We think there is substantial merit in that role over and above ensuring that the venues and their poker machines are compliant with the legislation. This is particularly the case if the *Object of the Act* is to be achieved.

¹² http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/report/index.htm

¹³ <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillhome%2Fs877%22>

¹⁴ <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22committees/commjnt/3b7825af-1be4-4b04-a15e-0cfd582165e5/0000%22>