

Submission to:
The Inquiry into the prevalence of Interactive and Online Gambling
in Australia

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Community Affairs References Committee
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Dear Senators

Re: Inquiry into the prevalence of Interactive and online gambling in Australia

The Gambling and Public Health Alliance International (The Alliance) brings together people from around the world who are dedicated to reducing and eliminating gambling related harm. The group of ten members is currently supported by a committee of advisors.

The Alliance provides a forum for sharing and disseminating information internationally keeping members up-to-date with worldwide developments in legislation, policy and programmes. Through its webpage at www.gaphai.org/ and quarterly newsletters it facilitates and encourages debate and provides members with an invaluable network to acquire knowledge to utilise in the task of reducing gambling harm.

The Alliance provides support and advice to individuals and organisations that are promoting the elimination of gambling related harm.

The Alliance advocates for effective policies and regulation to minimising potential gambling harm.

Objectives of the Alliance are to develop and promote policies, programmes and strategies that are effective in reducing gambling harm internationally.

This will be achieved by activities based on and including:

- The exchange of information amongst alliance members and their associated networks relating to gambling harm, its prevention and treatment
 - To provide mutual support to members as well as individuals and other organizations promoting gambling harm reduction strategies
 - To monitor the development of products and methodologies and assess their efficacy
 - To collectively advocate for improved nationally and internationally regulatory frameworks and community understanding
 - To develop and share effective public health strategies
 - Influencing research and developments as an approach.
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Importance of a Public Health Approach

The Alliance strongly believes that any consideration of interactive and online gambling, as with all other forms of gambling, needs to be placed within the context of a public health approach. A summary of public health approach to gambling follows.

This approach more broadly addresses healthy public policy, comprehensive notions of prevention (primary, secondary and tertiary), and broad community engagement. Its strength is that it utilizes a range of scientific modalities and a diverse range of perspectives, including: epidemiology, social marketing, economics, and community development. In addition to behavioural factors, it acknowledges the importance of social determinates such as education, family functioning, socio-economic status and ethno-cultural diversities, as it relates to health, preferences, risk and expectations. Healthy public policy is guided by **preventing** or reducing harm, **promoting** balanced and informed healthy choices, and **protecting** vulnerable and at-risk populations such as seniors on fixed incomes, youth and lower socio-economic individuals. Public health ethics fosters an accountability that ensures a healthy balance between costs and benefits acceptable not only to the individual but also the range of stakeholders within the broader community (Korn & Shaffer, 1999).

Value of a public health approach

“The enduring value of a public health perspective is that it applies different ‘lenses’ for understanding gambling behaviour, analysing its benefits and costs, as well as identifying strategies for action” (Skinner, 1999, p.286).

There is considerable value in adopting a public health perspective on gambling (Korn & Shaffer, 1999; Skinner, 1999). This perspective focuses on communities and high-risk (vulnerable) populations rather than solely on individuals and their clinical needs. The approaches are characteristically

inter-disciplinary, inclusive and foster community-based transparent strategies and solutions. A public health approach is dynamic and embraces the value of research and health public policy, while also incorporating harm-reduction approaches. A public health lens recognizes that there are both costs and benefits associated with gambling. By taking into consideration the health, social and economic dimensions of gambling, public health professionals can develop strategies that minimize gambling's potential negative impacts while recognizing its potential benefits (Korn & Shaffer, 1999).

Determinants of Gambling Harms

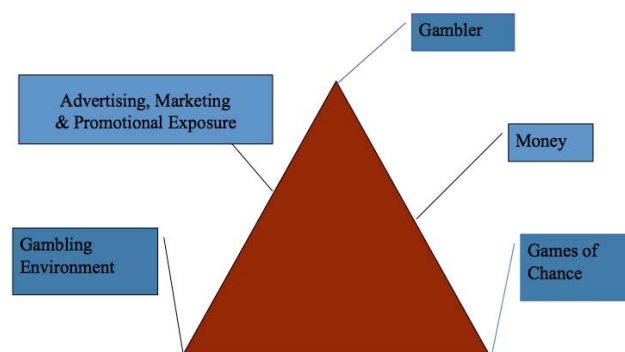


Fig 1: Adopted from: Korn, D. & Shaffer, H. (1999). Gambling and the Health of the Public: Adopting a Public Health Perspective. *Journal of Gambling Studies*, 15(4), 289-365.

This model is derived from the classic public health approach to dealing with public health interventions, initially related to communicable diseases, but now more broadly applied to other areas such as: obesity, addictions, and physical activity. The model incorporates three primary determinants of diseases and disorders generally described as the host, agent, and environment. With regard to gambling, this classical model has been applied to reflect the gambling environment (policy, cultural context, community values, gambling venue), the games of chance, and the characteristics of the individual (genetics, behaviour, psychology, and social factors). Two gambling-related vectors are illustrated to represent the power of advertising/promotion and money. Public health approaches elaborate strategies and interventions to mitigate these pathways into and out of gambling-related health problems.

A public health approach to problem gambling promotes a sociological understanding accepting the likely influences on individual behaviours from a range of social, cultural, political, institutional and environmental factors and places the problem clearly within an epidemiological framework (see Fig.1, Productivity Commission, 1999). This shift in thinking goes beyond the

traditional medical model of problem gambling with its emphasis on “treating” individual behaviour.

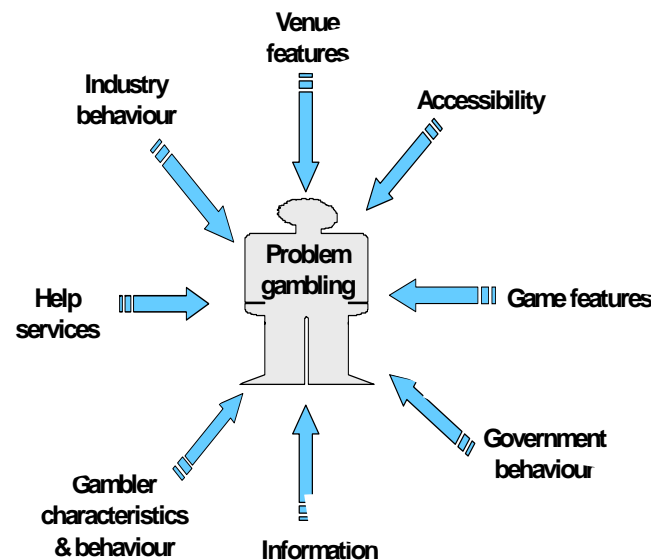


Fig 2: An Epidemiological Framework For Problem Gambling

The public health model of gambling seeks to involve multiple sectors of the community in addressing gambling issues and avoids the “victim blaming” inherent in individualistic approaches. It is an approach that holds consumer and community participation as central to responding to gambling. A key outcome of this model is a “whole of government approach” involving partnerships and collaboration across all government sectors with a role to play in primary, secondary and tertiary prevention.

Shaffer (2003) argued that the public health perspective for gambling had four guiding principles:

1. **Scientific research is the foundation of public knowledge**—A public health perspective requires that policy and action are based upon sound scientific research.
2. **Public health knowledge comes from population based observations**—A public health approach explores the distribution and determinants of gambling and gambling harm across a population.
3. **Health initiatives are proactive (for example, health promotion and prevention are primary while treatment is secondary)** - Korn and Shaffer (1999) suggested that the public health perspective protects and advances health by:

Preventing gambling related harm in individuals and groups who are most susceptible.

Promoting balanced and informed policies towards gambling and people who gamble.

Protecting vulnerable groups from gambling harm.

4. Public health is balanced and considers both the costs and benefits of gambling -The public health approach to gambling encourages the balance of many different perspectives, research methodologies and considerations and gives a broad perspective on gambling and not just a focus on the costs.

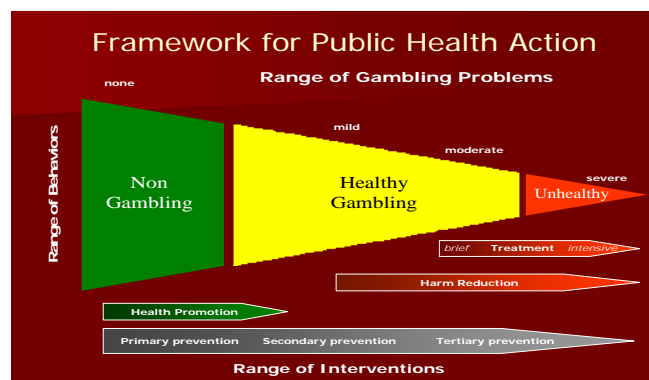


Fig .3 A Framework for Public Health Action (Korn and Shaffer)

Responding to inquiry terms of reference

The Alliance asks the Inquiry to regard our attached 'position paper' as the key part of our submission. This position paper was endorsed in July 2010 by the Alliance management group, which includes people with considerable expertise in public health approaches to gambling.

We have not included comments in this covering statement about the very high risk of harm for consumers associated with online and interactive gambling; we will take this 'as read.' However, if the Inquiry wants information about the harm associated with online gambling, the Alliance would be happy to provide some supplementary information.

Based on the experience of Alliance members, and with some reference to the attached position paper, we wish to highlight a couple of matters for the inquiry's consideration.

We wish to highlight our response to the question in term of reference (1), about the effectiveness of the Interactive Gaming Act 2001 to effectively deal with its social and economic impacts.

Our response is that the Act is inadequate, mainly because it is not based on a public health approach; that is the Interactive Gambling Act 2001 does not start with the perspective of minimising harm from a highly risky activity.

The Alliance observes that internationally gambling activities have been introduced by governments without effectively assessing the risk and consequently without legislating for harm mitigation to be in place before the new gambling activities are introduced. We note that the Singapore government, and its recent approach to the introduction of casinos in that jurisdiction, is an exception. There careful consideration was given to reducing the risk of gambling harm, at least for local citizens, prior to the casino being opened.

The public policy lesson that we would pass on to the Australian government is to not take any steps to withdraw the current ban on interactive and online gambling, without first very carefully establishing effective harm minimisation requirements and without establishing the processes for rigorous monitoring and compliance enforcement.

We would also recommend that the Interactive Gambling Act 2001 be thoroughly reviewed from the perspective of how best to minimise harm from online gambling

Recommendation 1. That the Interactive Gambling Act 2001 be scrutinised and amended from a public health perspective in order to maximise consumer protection and safeguards for these dangerous products.

We also wish to highlight that interactive and online gambling is a global activity provided by global businesses, some of which seek to avoid consumer protection obligations, in the pursuit of 'easy money'. As such they are inclined to prey on vulnerable and at-risk people.

This concern is not unique to Australia, and needs to be addressed through international cooperation.

The Alliance believes that Australia, along with New Zealand, is well placed at government level to provide leadership in seeking international policies and protocols associated with online and interactive gambling. We note that both Australia, particularly through the work of the Productivity Commission Reports, and New Zealand are highly regarded internationally for their leadership on gambling policy.

The Alliance actively encourages the Australian government, along with the New Zealand government, to explore the opportunities for international collaboration on online and interactive gambling policy cooperation, compliance and enforcement. We recognise that this is not an easy task. But we believe that there is considerable interest in gambling regulation in a number of Asian jurisdictions and suggest that here is an opportunity for

regional discussion, starting with the Asia-Pacific region, about citizen protection from the risks of under-regulated online gambling.

Recommendation 2. That the Australian government co-operate with the New Zealand government to seek international forums to develop public policy and protocols that would provide citizen protection from gambling risks, and develop appropriate international compliance and enforcement mechanisms.

We eagerly await the outcomes of the inquiry's considerations, and are happy to provide further input as would be helpful.

Yours Sincerely

Mark Henley
Alliance Chair