Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

23 – 24 February 2011

Q AET 10

Topic Gambling reform and pre-commitment

Source Written

Question I draw your attention to comments from Professor Alex Blaszczynski from the University of Sydney who is a member of the Ministerial Expert Advisory Group on Gambling. It is the Professor's contention that because of the nature of their addiction, problem gamblers can't make a rational choice about what kind of limit to set. Based on that, is it fair to say that problem gamblers may be likely to either set very high limits, or no limits at all?

Answer

Professor Blaszczynski provided expert advice to the Commission during its inquiry. He has had long clinical experience with problem gamblers. It is clear from his and a large body of other literature that problem gamblers have many problems with gambling — such as faulty cognitions about how games work and their likelihood of winning (an aspect they share with many non-problem gamblers), and significant difficulties in controlling their gambling behaviours. There are also significant co-morbidities with other mental illnesses, such as depression.

However, people with impulse control problems or other problems do not necessarily have these all the time. In our consultations, several problem gamblers described various ways in which they attempted to stop themselves from gambling (for instance, freezing their ATM card in a block of ice or wearing thongs out at night so as to fail dress rules in venues). It is also exemplified by the large number of people who seek to exclude themselves from venues, notwithstanding the effort this requires. These people realise that they will later try to gamble more than they should, but try to control their future selves. Accordingly, the presence of irrationality does not mean the continuous presence of irrationality.

In that light, a problem gambler in their irrational mode would seek to set a very high 'limit', so that it would not bind their spending. However, under the Commission's proposal, people would be able to easily lower their limit at any time, but not increase it (pages 10.34-10.35). It would require only one moment of lucidity for a problem gambler to lower their spending limit from say $10 000 a week to $150 a week for the next six months.