



Response to the Productivity Commission Inquiry into Gambling

Draft Report October 2009

Introduction

The Council of Gambler's Help Services welcomes the opportunity to respond to the draft report of the Productivity Commission Inquiry into Gambling. The Council supports many of the Commission's recommendations, and agrees with the Commission's rationale in these instances.

This submission details the Council's position on these recommendations, and also highlights key areas of difference from the Commission's views. In some cases the Council has not made a response because some recommendations address matters on which the Council does not feel qualified to comment.

Summary

Chapter 3

- The Council supports the Commission's policy emphasis on harm minimisation, and the location of policy frameworks in public health and consumer policy contexts.
- The Council encourages the Commission to consider the scope to intervene at the community resilience and capacity building end of the spectrum as well as enhancements to early intervention approaches.
- The Council also supports the contention that policy cannot always await an evidence base.

Chapter 4

- The Commission's redirection of the emphasis from population prevalence to players and the harm experienced is strongly supported for the purposes of focussing on real world levels of impact.

Chapter 5

- Treatment services should continue to be supported, however the Commission's emphasis on alternatives to treatment, referral pathways and broader intervention strategies is consistent with known help seeking behaviour and acknowledgment that a treatment focused intervention regime is inadequate.

- The Victorian experience with communications campaigns provides valuable insights for other jurisdictions. Communications strategies should however not be relied upon as a panacea.
- Greater screening for problem gambling is strongly supported by the Council. However, equally important is identification of the means to encourage broad uptake of a screening question.
- The Council believes promotion of self help and brief treatment options has substantial merit, particularly given that the majority of impacted individuals and family members are either reluctant or do not present for assistance.
- Recruitment and retention have become significant issues for the problem gambling sector.
- The Council is concerned that a low entry requirement to this field as accepted in some jurisdictions may not be appropriate. A minimum undergraduate degree with relevant experience and preferably a post graduate qualification with relevant experience should be the target standard.
- The Council supports a stronger emphasis on service standards, and consideration of worker accreditation.
- Closer linkages between problem gambling services and other human services are supported, subject to evaluation with regard to gains in client outcomes.
- The recommendation to seek greater contributions toward support services from those gambling forms considered most harmful is appropriate. However, there is a strong need to consider the basis on which such funds are distributed.
- The Council supports the establishment of a national dataset and database as recommended subject to validation, useability and administrative considerations. These data should be publicly available.

Chapter 6

- The Council supports the provision of information to gambling venue patrons in all gambling venues. Caution is urged with respect to the expectation of significant behaviour change.
- Government mandated warnings should also be located in the context of a purposeful and considered approach to gambling venue harm minimisation.
- The Council recommends further consideration of the role of community education and other public health approaches to gambling harm prevention and minimisation.

- There is a need to respond to the information requirements of CALD communities through accessible, tailored in-language information resources and initiatives in venue
- The Council has concerns that a call for a moratorium on school based interventions will impede efforts at prevention and early intervention.
- In the context of introducing pre-commitment, new equipment should have the capacity to support player statements and dynamic warnings. Evidence based criteria and benchmarks are essential for product safety evaluation, which should precede the introduction of new machines and networks.
- The federal government is best placed to regulate gambling delivered through communications based modalities.
- The federal government as regulator of national gambling provision should also introduce product safety criteria, benchmarks and risk analysis for these forms.
- The Council supports the recommendation regarding the supply of potentially misleading information.

Chapter 7

- A single, simple, comprehensive self exclusion process is strongly supported. Capacity for motivational interviewing as part of the process is useful.
- The Council supports the Commission's self exclusion recommendations, but recommends a minimum 7 day cooling off period prior to revocation.
- Mandating a course of counselling prior to revocation has merit, but also a number of challenges that require careful consideration.
- It is not realistic to identify capacity for a self excluded patron to gamble safely.
- The Council recommends further enhancements to self exclusion programs. There is a need in to improve the effectiveness of current provisions and also make them available to other gambling consumers prior to the introduction of pre-commitment.
- The Council strongly supports the introduction of universal pre-commitment.
- The definition of safe spending and time limits for the purpose of specifying default limits is problematic.
- A substantial education process will be required to ensure widespread adoption and effective use of the system.
- The Council accepts in the first instance that players must be provided with an opportunity to opt out of pre-commitment. If uptake is poor or it becomes clear that

the policy objectives set for pre-commitment are not being achieved, the opt out provision must be reconsidered.

- The capacity for data collection, player tracking and development of related evidence based player intervention should be included in the specification of pre-commitment systems.
- Whilst understanding the merits of providing incentives to the gaming industry to facilitate introduction of pre-commitment (such as cashless gaming), the Council urges caution in so doing.
- The Council supports the Commission's recommendations regarding pre-implementation development work
- Concern exists that people with gambling problems will seek the means to use low denomination cash cards to evade pre-commitment.
- The Council strongly endorses the concept of gaming machines playing in a low intensity safe mode where pre-commitment is not used.
- The issue of determining the parameters of safe mode is likely to be challenging. The Council advocates a precautionary approach which suggests slow, de-featured machines with low loss limits and small payouts in the immediate term.
- The Commission is also encouraged to consider how gamblers opting in might be best encouraged to set realistic limits.

Chapter 8

- Mandatory Codes of Practice should be introduced on a best practice basis.
- The Council supports compliance auditing, though has some concern that regulatory bodies may lack the necessary resources to ensure a high level of ongoing compliance.
- Development of independent accredited compliance audit agencies may provide an advantages for consumers.
- With respect to penalties and sanctions, the Council favours a three strikes policy.
- The Council supports the establishment of grounds for seeking redress through a statutory cause of action.
- The Council supports enhanced gaming venue staff training, with a focus on identification of problematic player behaviour.
- Careful consideration of 'commonly agreed indicators' is required.

- Venues should be required to arrange staff training on these issues, but should not be providers of this training. A managed process for the development of uniform, high quality training is vital.
- This work must be accompanied by supporting policies and procedures, themselves located in a broad policy context of providing safer gambling environments and a culture of consumer safety and duty of care to patrons.
- Where it can be identified that an inducement clearly appeals to, and supports, problem play that inducement should be removed. Inducements targeting groups that may have particular risk factors for gambling problems should be prohibited.

Chapter 9

- The Council strongly advocates removal of ATMs from all gambling facilities.
- If a ban is not instituted, cash withdrawals should be limited to \$100 per day.
- The Council supports messaging on ATMs, and supports easier access to withdrawal limitations including a zero limit on ATMs in gambling venues.
- The Council supports a ban on credit betting, which will only greatly exacerbate gambling related harm. This applies to all gambling forms.
- Careful consideration needs to be given to the concept of a 'high roller'.
- A low ceiling before the imposition of cheque pays is supported as a positive harm reduction measure.
- Personal cheques should not be allowed for the same reason that credit betting is prohibited.

Chapter 10

- The Council supports longer breaks in play timed to impact differentially on people with gambling problems.
- This issue should be considered in the context of a range of potential machine and environmental changes that might be introduced to minimise gambling related harm.

Chapter 11

- Bet limits should be reduced to \$1, and the Council would support more stringent loss limits, whether they be imposed on a per bet, per hour or per day basis. Loss limitation should be a key consideration in the proposed low intensity gaming machines.
- This measure also has the potential to facilitate loss limitation in at risk players.

- Given that the Commission has opted to recommend a ‘credits in’ restriction rather than a ban on ATMs, the Council recommends trialling both options and conducting impact and outcome analysis.
- The top up threshold should be lowered to \$10 in credits remaining.
- The impact of differential credit and top up limits on player behaviour should also be investigated in concert with the introduction of this measure.
- With respect to both recommendation 11.1 and 11.2 and high roller or VIP rooms, consideration should be given to the means to encourage pre-commitment.
- The Council would support a Norwegian – style loss limiting regime, combining both pre-commitment limits and hard machine loss limits for all players.
- Recent Victorian government research provides encouragement for a range of potential changes to EGMs.
- The Council is uncertain that the ‘airbag’ proposal will deliver hoped-for benefits. If a safety net is to be provided, gaming machines should operate in a safe mode (requiring no pre-commitment) or a full feature mode (requiring pre-commitment).
- The Council supports the provision of information about the cost of play, but is wary of explanations that may in fact obscure the reality of player outcomes.
- The approach most likely to have impact in the longer term is combining information provision with educative processes.

Chapter 12

- Legalisation of online gaming is not supported.
- Internet gambling appears to be associated with problem gambling.
- That the current prohibition is thought to have at least some dampening effect on demand is a benefit that should be preserved.
- Governments are unlikely to be able to effectively regulate the Internet, or assist consumers to differentiate safer from more risky sites.
- Whilst a number of risks are correctly identified in the report, the Council disagrees with the analysis of mitigating factors.
- The proposed Gambling Research Australia research into online gambling safeguards has yet to occur.
- Should government be determined to legalise online gaming, the Council urges stringent measures to protect consumers, well beyond the current provisions in land based gaming environments.
- Advertising of online products, including those currently allowed such as sports betting and wagering, should be subject to advertising prohibition.

- Harm minimisation measures for online gambling are supported.

Chapter 13

- The Council recommends credit betting be phased out altogether, rather than extended.
- The Council is deeply concerned that consumer safety and harm minimisation measures are barely, if at all, applied in this environment despite the clear existence of gambling related harm.

Chapter 14

- The Council supports statutory independence of regulators, however seeks to ensure that any charter including consumer protection and harm minimisation incorporates concrete and measurable definitions, goals and objectives.
- Similar caveats apply to ministerial responsibility for harm minimisation.
- Consultative processes and consideration of the views of stakeholders are highly valuable activities in the policy development process.
- Public transparency in stakeholder consultation is important, and should be augmented by a charter for consultative processes that outlines the ways in which stakeholder views can be expected to influence outcomes.
- There is a substantial resource imbalance which disadvantages community based organisations in engaging effectively with consultation processes.
- Greater transparency in government decision making is critical to resolving uncertainty about the rationale and evidence base for new initiatives, and should be accompanied by opportunities for input about potential impacts.
- The Council concurs with the Commission's views on the importance of Regulatory Impact Analysis, including the capacity for consultation.
- The Council supports clear, consistent standards and particularly that a concrete, measurable set of standards is developed for the evaluation of potential harm with an accompanying testing regime.

Chapter 15

- The Council supports supply of consistent, transparent survey evidence, using methodology that conforms with original measurement instrument design.
- Methodological decisions that may impact on outcomes should be clearly explained so that stakeholders lacking technical expertise are made aware of the implications.
- Methodologies should effectively access CALD and indigenous groups.
- Gambling data should be publicly available, including expenditure at the individual venue level.

- The Council supports the greater independence entailed in the proposal to create a national research and evaluation centre. The Council is also concerned at the limited weighting currently given to harm minimisation, prevention and early intervention.
- The Council agrees that post implementation reviews, transparency of evidence and the standard of reviews all require attention
- Given the Commission has indicated GRA lacks capacity to effectively undertake a well focused research agenda, a new body appears warranted.
- The Council is uncertain whether locating responsibility for GRA with the federal government will address the limitations identified by the Commission.
- The Council favours a dual approach to evaluation and review. Internal reviews should be incorporated in all government initiatives. The capacity of the proposed centre for gambling policy research and evaluation to resource, review and/or undertake external evaluations would add substantially to transparency, robustness and credibility.
- The Council does not favour extensive use of consultants. The high cost and potential conflict of interest suggests such arrangements are inferior to the proposed national body.

Detailed Response to Draft Report

Chapter 3 The policy framework

DRAFT FINDING 3.1

Even under conservative assumptions, a sustained 10 per cent reduction in the costs associated with problem gambling is estimated to generate benefits to society of around \$450 million a year in 2008-09 prices, and longer-term benefits amounting to several billion dollars. This implies that even harm minimisation measures with modest efficacy may produce worthwhile net benefits so long as they do not also involve excessive costs.

CoGHS Response:

- The Council supports the Commission's policy emphasis on harm minimisation, and in particular the location of policy frameworks in public health and consumer policy contexts. Individualising gambling harm has an extensive history, largely to the exclusion of consideration of other factors. A more holistic approach to the issue of gambling harm is appropriate and most welcome. However, in developing policy frameworks of this nature it is essential to ensure diverse stakeholder perspectives are reflected, particularly those with expertise in consumer policy and public health. If not, there is a risk that the terms may become captured or at least flavoured by a particular perspective that may suit policy makers but does not accurately reflect the breadth and depth of the root frameworks.

- The Council encourages the Commission to consider in greater depth the potential implications of public health approaches to gambling, and in particular the scope to intervene at the community resilience and capacity building end of the spectrum as well as enhancements to early intervention approaches. It is not unusual to encounter public health approaches to gambling which are, in reality, narrowly conceptualised and which do not venture far from a treatment focus. As written, the draft report also risks this limited focus. Public health intervention frameworks in other fields, as well as the better ones being developed around gambling, offer a potential richness and depth of intervention which may be challenging to realise but which can substantially enhance traditional treatment focused approaches.
- The Council also supports the contention that policy cannot always await an evidence base. At times, governments need to enact policy options and collect the requisite evidence whilst the policy is live. In some cases, it would be difficult to conceive certain measures garnering an evidence base in any other way. Historically, outcome measurement has frequently been lacking when governments do implement policy initiatives, further limiting the available evidence base. Whilst in some cases evidence indicating a lack of impact may be uncomfortable for governments, the goal of reducing harm to consumers should always be accorded priority over such considerations.

Chapter 4 The prevalence of problems with gambling

DRAFT FINDING 4.1

There are many people not categorised as ‘problem’ gamblers who, nevertheless, say they are harmed by their gambling.

DRAFT FINDING 4.2

There are estimated to be between 90 000 and 170 000 Australian adults suffering significant problems from their gambling in a year (0.5 to 1.0 per cent of adults), and between 230 000 and 350 000 people with moderate risks that may make them vulnerable to problem gambling (1.4 to 2.1 per cent of adults).

DRAFT FINDING 4.3

Around 15 per cent of Australian adults gamble regularly (excluding Lotto and ‘scratchies’). While imprecise, it is estimated that around one in ten of this group would be classified as problem gamblers, with around an additional 15 per cent experiencing moderate risks.

DRAFT FINDING 4.4

About 5 per cent of adults play gaming machines weekly or more often. Around 15 per cent of this group would be classified as problem gamblers, with around an additional 15 per cent experiencing moderate risks. Altogether, around one third of regular gaming machine players face significant risks.

DRAFT FINDING 4.5

It is estimated that problem gamblers account for around 40 per cent of total gaming machine spending (the midpoint of a range of estimates as high as 60 per cent and conservatively at least 20 per cent). Moderate risk gamblers account for a further significant share.

DRAFT FINDING 4.6

While far from certain, problem gambling prevalence rates appear to have fallen somewhat. It is unclear how much this reflects natural adaptation or the impact of government policy, though both are likely to have contributed:

- *adult population prevalence rates can be misleading about the extent of problem gambling — the key concern is the proportion of regular gamblers who have problems.*

CoGHS Response:

- The Council applauds the Commission for redirecting the emphasis from population prevalence to players and the harm experienced regardless of theoretical ‘diagnosis’. Although this position may appear inconsistent with a public health approach, in reality population prevalence figures have been used to minimise perceived gambling impacts and marginalise those affected. Ironically, even on a population prevalence basis problem gambling would be considered a significant public health issue. However the rarity of problem gambling (as portrayed to the community by some stakeholders) is constantly used to argue for limited intervention on the basis of disadvantaging the ‘vast majority’ who gamble without issue. The Commission’s position correctly reflects the reality that the majority of the community do not gamble regularly on the most harmful forms of gambling, and for those who do the experience of harm is not unusual.

Chapter 5 Counselling and treatment support services

DRAFT RECOMMENDATION 5.1

Building on existing initiatives, governments should:

- ***place greater emphasis on campaigns that (i) highlight potential future financial losses associated with problem gambling and (ii) make the community aware of behaviours indicative of problem gambling, to encourage earlier help-seeking and interventions by family and friends***
- ***provide information and a one-item screening test, as part of other mental health diagnostics, for optional use by health professionals and counsellors to assist them to recognise and refer people experiencing gambling problems. Screening should be targeted at high-risk groups, particularly those presenting with anxiety, depression, high drug and alcohol use***
 - ***with subsequent evaluation of the effectiveness of this measure***
- ***promote self-help and the option for brief treatments, as such relatively low cost interventions can increase self-recovery of people experiencing problems with gambling.***

CoGHS Response:

- The Council believes that treatment services should continue to be supported, with due attention to continuous quality improvement and evidence based practice. The Commission’s emphasis on alternatives to treatment, referral pathways and broader intervention strategies is consistent with known help seeking behaviour (or lack thereof)

and growing acknowledgment that a solely treatment focused intervention regime is inadequate as a response to gambling related harm.

- Victoria has undertaken many campaigns targeting community awareness of problem gambling behaviour, encouraging help seeking and support for family and friends. There has been less emphasis on financial loss and third party intervention, though both have received attention. The Victorian experience suggests that whilst an important element of a broad problem gambling response, advertising campaign impact suffers degradation over time. As a result, renewal of messaging and target audience is essential to ongoing effectiveness. Communications strategies should also not be relied upon as a panacea. Only very limited content can be provided through media campaigns; such strategies require a robust community information and education process to support and enhance key messaging.
- Greater screening for problem gambling is strongly supported by the Council. However, equally important is identification of the means to encourage broad uptake of a screening question. Convincing health professionals that problem gambling is a significantly prevalent public health issue to warrant their attention is extremely challenging, particularly in overstretched publicly funded service systems where further screening is seen as simply more work. As is starting to occur in Victoria, government departments with a problem gambling mandate need to work at a systemic level to ensure successful embedding of problem gambling screening in other service systems.
- The Council believes promotion of self help and brief treatment options has substantial merit, particularly given that the majority of impacted individuals and family members are either reluctant or do not present for assistance. However, the comprehensiveness and level of sophistication of many current approaches merits close attention. It is likely that considerable developmental work on these approaches in a gambling context is warranted in order to extend reach and maximise positive outcomes from these forms of intervention. The Council notes the strong role played by the Victorian based helpline in the development of online and self help strategies.

DRAFT FINDING 5.1

Gambling treatment outcome studies report that, irrespective of the type of treatment provided, most clients benefit. Although cognitive behavioural therapy is the approach with the most empirical support, no one style of intervention is recommended as best practice.

DRAFT FINDING 5.2

Outcome and client follow-up data following treatment, while limited, show significant decreases in clients' involvement in gambling and their gambling related problems.

DRAFT RECOMMENDATION 5.2

Governments should work together to establish a national minimum standard of training for problem gambling counsellors.

DRAFT RECOMMENDATION 5.3

Governments should work to provide stronger formal linkages between gambling counselling services and other health and community services.

DRAFT RECOMMENDATION 5.4

Governments should ensure that, existing funding mechanisms for help services are based on greater contributions from those gambling forms found to involve the greatest social harms.

DRAFT RECOMMENDATION 5.5

A nationally consistent and publicly available dataset, including agreed outcome measures, would improve the evidence base on gambling help services. The collection of data could be coordinated by the Commission's proposed gambling policy research centre (draft recommendation 15.3) or the Australian Institute of Health and Welfare.

The Commission seeks feedback on the need for a national accreditation system for problem gambling service providers.

CoGHS Response:

- Recruitment and retention have become significant issues for the problem gambling sector, and in response some services are prepared to recruit to a lesser standard than the Council believes is appropriate. This might be acceptable practice if the efficacy of lesser qualified staff can be established. However, there is no evidence that such research has taken place in Australia. This situation indicates a need to determine the most appropriate means to effectively skill and resource the sector workforce.
- Absent this research, the Council believes that a low entry requirement to this field (e.g. diploma or certificate level) is not appropriate. Services recognise that client presentations are complex, with high levels of co-morbidity. Victoria has a set of standards with respect to minimum qualifications and experience for problem gambling counsellors that are commensurate with expectations in equivalent human service providers. Whilst exceptions might be made to these standards in certain circumstances (for example, to provide a specific in language service), in general compliance with these standards is high.
- Consistent with the Victorian standards, Gambler's Help services would expect to employ to a minimum undergraduate degree with relevant experience, but ideally to a post graduate qualification with relevant experience. Unfortunately, specific post graduate training in problem gambling counselling is limited in Australia. The Problem Gambling Research and Treatment Centre offers units as part of post graduate qualifications, however at this time a dedicated Masters or PhD qualification is lacking.
- The Council supports a consistent training standard and on the basis of the foregoing would argue that post graduate level is most appropriate.
- The Council also supports a stronger emphasis on service standards, including a consistent approach to service standards development and accreditation, as well as consideration of the introduction of worker accreditation. Further development of service standards is consistent with government and community expectations regarding accountability for the use of public funds and delivery of best quality services. Worker accreditation also offers a level of assurance to clients about service quality, provides a

benchmark for employment purposes and may contribute to career development should service systems utilise worker accreditation in decisions about seniority.

- The Victorian government has moved to ensure closer linkages between problem gambling services and other human services. Victorian services have always been auspiced by, and located with, a range of human service agencies. In more recent times, there has been a requirement for services to formally engage with service coordination processes and to work in collaboration with other service providers. Whilst this approach is supported, it is time consuming, complex and at times challenging where other service systems require convincing of the merits of closer collaboration. Given the resource intensity required to deliver better integrated service systems, any such initiatives should be evaluated with regard to gains in client outcomes.
- The Council supports the recommendation to seek greater contributions toward support services from those gambling forms considered most harmful. However, there is a strong need to consider the basis on which such funds are distributed. There is substantial variation in the mechanisms for gathering and distributing problem gambling funding, at times to the detriment of service providers and therefore people with gambling problems. In Victoria for example, the Council argued in its submission that a tender based, three year funding cycle is detrimental to stability, continuity and ultimately client outcomes.
- From a research and knowledge generation perspective, the Council supports the establishment of a national dataset and database as recommended. Included variables should be empirically validated and able to meet jurisdictional reporting requirements. It is particularly important that these data be made publicly available, in a timely and comprehensive manner.
- Due attention should be given to balancing the needs of clients and service providers to participate in effective, consistent screening, assessment and treatment processes with government data collection requirements. Current data collection processes marry the two purposes, often creating functional limitations.
- The burden on services to collect the data also merits careful consideration. Victorian services already expend substantial resources in data collection, and any national requirement should not add to this burden. In addition, should a national dataset and database carry a requirement for revised data collection arrangements, any redevelopment should be implemented in a manner that does not cause significant disruption to service operations.

Chapter 6 Gambling information and education

DRAFT RECOMMENDATION 6.1

Governments should draw on the Victorian model for gambling warnings:

- ***making them conspicuous on machines and other areas of venues***

- *using imagery that has been found to be effective*
- *highlighting the behaviours that are indicative of problem gambling and the benefits of altering these*
- *including contact details for help services.*

Warnings should be market-tested for effectiveness prior to their introduction, and their impacts assessed by monitoring help-line services before and after implementation. They should be periodically changed to maintain their effect.

CoGHS Response:

- The Council supports the provision of information to gambling venue patrons, not only in gaming facilities but in all gambling venues. Caution is urged with respect to the expectation of significant behaviour change resulting from information provision. Several factors may mitigate effectiveness, including the degree of cut through in a crowded visual and auditory environment; the impact of countervailing industry advertising; the capacity of information alone to engender informed consent or impact on behaviour; and the relevance of a single message for different audiences within a gambling environment.
- Government mandated warnings should also be located in the context of a purposeful and considered approach to gambling venue harm minimisation; it should form only one element of a comprehensive approach to responsible gambling environments.
- The Council recommends further consideration of the role of community education and other public health approaches to gambling harm prevention and minimisation. Relatively little report content relates to broader community focused initiatives, despite advocacy by the Commission for a public health approach. This limitation reflects the restricted activity in most jurisdictions outside the particular strategies highlighted in the report. Few jurisdictions have invested significantly in community focused initiatives, however models can be found that highlight the potential scope of community focused gambling interventions. The Victorian Government's policy framework, Taking action on problem gambling, serves as one example, as does the work of Victorian Gambler's Help Community Educators operating for the last 14 years in community based settings.
- There is a need to respond to the information requirements of CALD communities through accessible, tailored in-language information resources and initiatives in venue

DRAFT FINDING 6.1

Little evidence has been collected about the effect of school-based gambling education programs on students' gambling behaviour. This is concerning, as there is some risk of negative as well as positive behavioural impacts.

DRAFT RECOMMENDATION 6.2

Given the risk of adverse outcomes, governments should not extend school-based programs without first assessing the impacts of current programs.

CoGHS Response:

- Whilst the Council is a strong advocate of evidence based interventions, in the Victorian context there is a long history of education system unwillingness to adopt school based programs. The Council has concerns that a call for a moratorium will further entrench this dynamic. Impact evaluation, if it is to occur, need therefore be expedited to ensure the evaluation process is not used to further delay implementation.
- In the longer term, the Council supports the introduction of an effective, evidence based schools program that contributes to both broad community resilience through addressing risk and protective factors and specific gambling harm minimisation through targeted education with respect to gambling forms and behaviour. Exposure to increasingly sophisticated forms of gambling delivered through an expanding array of media suggests there is an enduring need to equip future generations with the skills to effectively manage their gambling behaviour.

DRAFT RECOMMENDATION 6.3

As gaming machines and networks are replaced, governments should require any new equipment to be compatible with systems that can provide player statements and dynamic warnings.

Given the potential for growth in online, mobile phone and television-based quizzes, competitions and auctions — particularly with convergence of online and broadcasting technologies — there are sound reasons for increased regulatory oversight of such gambling. However, it is not clear who should have responsibility. The Commission seeks views on this matter.

CoGHS Response:

- The Commission recommends in Chapter 7 that pre-commitment be introduced. In this context, new equipment should clearly have the capacity to support universal pre-commitment systems as well as player statements and dynamic warnings. Further, the Council considers that evidence based criteria and benchmarks are essential for product safety evaluation, which should precede the introduction of new machines and networks. Rather than focusing on a limited number of characteristics, approvals should entail a comprehensive risk analysis with the goal of producing the least harmful configurations possible in the current technological environment.
- Given the telecommunications based nature of online, mobile and television gaming and gambling technologies, the Council suggests the federal government is best placed to regulate gambling delivered through such modalities. This not only reflects the federal mandate in telecommunications, it also recognises that delivery of these

gambling forms will not be confined to state borders, rendering state based regulation at best questionable.

- The federal government as regulator of national gambling provision should also introduce product safety criteria, benchmarks and risk analysis for these forms of gambling.

DRAFT RECOMMENDATION 6.4

Governments should ensure that gambling suppliers do not provide information to consumers that creates the false impression that future winning numbers can be inferred from past results. This should apply to all gambling suppliers, including government-operated lotteries.

CoGHS Response:

- The Council supports this recommendation. Suggesting a linkage between independent gambling events encourages common erroneous beliefs, potentially contributing to harm. It is an anomaly that whilst analogous misleading information with respect to gaming machines has long been subject to legislation in many jurisdictions, the same standards have not been applied to other forms of gambling governed by chance.

Chapter 7 Pre-commitment strategies

DRAFT RECOMMENDATION 7.1

Governments should modify existing self-exclusion arrangements so that:

- ***self-exclusion applies to all venues in a jurisdiction, triggered by a single, simple application by the gambler concerned***
- ***people who have self-excluded would be placed on a state-wide database***
- ***venue staff request identification from gamblers collecting cheques for major prizes.***

As in Victoria, there should be confiscation of prizes won by persons shown to be in breach of self-exclusion orders.

CoGHS Response:

- The Council supports this recommendation. Victoria has recently experienced movement from a single self exclusion regime with many of the recommended features to a dual system. This development has created a number of challenges including increased administrative complexity, inconsistency from one area of the state to another, confusion for patrons and problem gambling services, reluctance to sign up to more than one system through inconvenience or embarrassment and so on. A single application process is critical to developing an effective self exclusion regime.
- Describing self exclusion as “an extreme form of pre-commitment” does not ascribe sufficiently positive value to the existence of an abstinence based intervention that is potentially of considerable utility for some people with gambling problems. It is particularly valuable for people who struggle with controlled gambling behaviour on any basis, and who are reluctant to seek treatment. The Council is also aware of instances in

which self exclusion has been employed early in gamblers' careers, as a preventive measure in what some patrons consider to be the prodromal stage of an emerging problem.

DRAFT RECOMMENDATION 7.2

Governments should ensure that, in any of the self-exclusion programs offered by venues, gamblers have the choice of:

- ***immediately invoking self-exclusion at the venue (without interview), or***
- ***excluding themselves at a place outside the venue, or***
- ***to the extent, practicable, being able to self-exclude through remote means.***

CoGHS Response:

- Whilst the Council generally supports this recommendation, a well – conducted interview has the capacity to enhance outcomes from the self exclusion process and encourage access to problem gambling services. The Commission is directed to the work of the Victorian enhanced self exclusion program, auspiced by Gambler's Help City (Salvation Army).

DRAFT RECOMMENDATION 7.3

Governments should ensure a more coherent approach to the diverse set of existing provisions for self-exclusion periods and revocation by requiring that:

- ***self-exclusion agreements run for a minimum of six months***
- ***people signing deeds of exclusion be able to reverse their agreement within 24 hours***
- ***agreements for periods of three years or less cannot be revoked until at least six months after their starting date, while agreements for periods of more than three years cannot be revoked until at least one year after their starting date***
- ***revocation only be permitted after evidence of attendance at a counselling service and the judgment by an appropriate professional about the capacity for the person to safely gamble***
- ***people seeking revocation should, after a successful application, face a period of up to three months before it takes effect***
- ***subject to evidence and due process, there be a capacity for family members to make applications for third party exclusions and for nominated venue staff to initiate involuntary exclusions of gamblers on welfare grounds.***

CoGHS Response:

- The Council supports these provisions, with qualifications regarding the recommendation for attendance at a counselling service for revocation and capacity to reverse the decision within 24 hours.
- Capacity to reverse decisions within 24 hours may prove counterproductive for people who in fact probably do need to self exclude but who get 'cold feet'. Capacity to reverse self exclusion within 24 hours should therefore be treated with caution. At a minimum,

7 days should elapse before revocation, and at that point an interview should be conducted as part of the process to assist the person in question to evaluate their needs and motivations. After this window, as the Commission recommends, self exclusion should be irrevocable for at least 6 months.

- Whilst mandating a course of counselling prior to revocation has merit, it risks placing revokers in the position of becoming effectively involuntary clients, with all the attendant issues that status brings. Moreover, if attendance at a counselling service amounts to attendance purely for assessment, this invites inaccuracy given no prior experience with the client and the high frequency of untruthfulness amongst people with gambling problems. The manner in which this process might work therefore requires careful consideration.
- In terms of assessment, the Council considers that it is not realistic to identify capacity for a self excluded patron to gamble safely. Rather, counsellors should be asked to detail the risk and protective factors identified for the client, with a judgement rendered about the relative strengths of each.
- The Council recommends further enhancements to self exclusion programs, including after hours availability, third party exclusion in all jurisdictions, use of technology to implement effective entry barriers and detection mechanisms, extension to all gambling forms and provision of adjunct support programs (as developed in Victoria). Whilst self exclusion through pre-commitment systems (if adopted) will ultimately supersede current gaming self exclusion processes, there is a need in the intervening years to improve the effectiveness of current provisions and also make them available to other gambling consumers.

DRAFT RECOMMENDATION 7.4

Governments should implement by 2016 a universal pre-commitment system for gaming machines that:

- ***provides a means by which players could set personally-defined precommitments and, at a minimum, a spending limit, without being subsequently able to revoke these***
- ***encourages gamblers to play within safe spending and time limits by specifying default limits***
- ***enables gamblers to opt-out, with periodic checking of their preference to do so***
- ***applies to all gaming machines in all venues in a jurisdiction***
- ***allows occasional gamblers to stake small amounts***
- ***avoids identity fraud***
- ***is not complicated for gamblers to understand and use***
- ***does not unduly affect the enjoyment of those selecting safe playing options***
- ***presents few obstacles to future innovation in the presentation and design of the system.***

CoGHS Response:

- The Council strongly supports the introduction of universal pre-commitment, having advocated for this at the original 1999 Productivity Commission inquiry and in numerous forums since that time including the current inquiry. Whilst the Council does not suggest pre-commitment is a panacea, on the balance of available evidence it offers the best prospect amongst current harm minimisation options. Whilst the Council is interested in the potential for harm reduction embedded in the new Norwegian gaming regime, it is extremely unlikely that any Australian government will take such a bold step given the revenue implications.
- The definition of safe spending and time limits for the purpose of specifying default limits is problematic. Whilst a critical issue in informed consent, there is little available to inform the concept of safe gambling. Dr David Hodgins in Canada has made a significant attempt to define when harm occurs and therefore to recommend spend and frequency limits. Work of this kind should be undertaken in Australia and has been recommended by the Council. However, to date there has been little apparent interest amongst researchers and policy makers in pursuing this issue.
- A substantial education process will be required to ensure widespread adoption and effective use of the system. As the Council noted in its submission, the rollout of second screen expenditure records in Victoria did not result in effective uptake, yet in the Nova Scotia player card trial expenditure records were highly valued and the most used responsible gambling feature. The reasons for such differences require elucidation, to ensure that the introduction of pre-commitment is as successful as possible.
- The Council accepts in the first instance that players must be provided with an opportunity to opt out of pre-commitment. However, the means to maximise opt in should be identified and pursued. If uptake is poor or it becomes clear that the policy objectives set for pre-commitment are not being achieved, the opt out provision must be reconsidered. This may also need to include the imposition of externally imposed loss limits as was the case in Norway.
- The Council believes that the capacity for data collection, player tracking and development of related evidence based player intervention should be included in the specification of pre-commitment systems. The Saskatchewan Gaming iCare system is an example of the strong potential to enhance responsible gambling that resides within this added functionality. In some respects, the capacity to identify and intervene with live sessions of adverse play may provide better outcomes for some patrons than pre-commitment, especially where pre-committed loss limits are set unrealistically high or the patron has opted out of pre-commitment but is using the system for other reasons such as accumulating loyalty points.

- Whilst understanding the merits of providing incentives to the gaming industry to facilitate introduction of pre-commitment (such as cashless gaming), the Council urges caution in so doing. Any related developments of this nature should be subject to stringent product safety evaluation prior to approval.

DRAFT RECOMMENDATION 7.5

In advance of the full implementation of the pre-commitment system, governments should:

- ***determine the exact limits and other options available in the default and opt-out modes of the system, and the design of the interfaces with gamblers***
- ***market test and trial the appropriate set of user-controlled options and ensure technical standards that would enable a common system to be deployed across Australia***
- ***give priority to the development of national standards that would permit machine manufacturers to sell machines during the transition period that would be network-compliant when the system was ‘switched on’***
- ***develop approaches to ensure probity in the system, deter tampering with cards or other pre-commitment devices, and ensure the system meets national privacy regulations***
- ***determine marketing of, and information provision about, the pre-commitment system to consumers.***

CoGHS Response:

- The Council supports this recommendation, with the caveats noted at 7.4

The Commission seeks feedback on the appropriate detailed aspects of the design of a pre-commitment systems meeting the broad criteria in recommendation 7.4, including:

- *the viability of using one-off small denomination cash cards for occasional gamblers to use on machines, with only minimal identification requirements*
- *the capacity to configure machines to play in a low-intensity ‘safe mode’ if no pre-commitment method is being used*
- *any requirements that might apply to players who opt out of pre-commitment*
- *measures to avoid identity fraud*
- *the appropriate transition to a pre-commitment system and the capacity of some jurisdictions to provide systems prior to 2016.*

CoGHS Response:

- Whilst the Council is not well placed to comment on the mechanics of using small denomination cash cards and has no in principle issue with this proposal, a concern exists that people with gambling problems will seek the means to use this facility to evade pre-commitment. Thus, for example, if a gambler has reached a limit but wishes to continue playing, they may either approach a cashier for a card, or indeed other players. They may also recruit people to buy cards on their behalf or otherwise find the

means to obtain them. This issue may also apply to pre-commitment (so-called card sharing), and both matters require a considered approach to minimisation of misuse.

- The Council strongly endorses the concept of gaming machines playing in a low intensity safe mode where pre-commitment is not used. Pre-commitment should be required in order to unlock full functionality. The Council considers that the requirement applying to players opting out of pre-commitment is therefore that they are only able to access low intensity machines. Allowing players to opt out of pre-commitment absent other safeguards ensures the status quo, which the Commission clearly considers unacceptable given the inquiry recommendations. Given that gamblers experiencing harm may well prefer to opt out of pre-commitment in order not to experience limits on their gambling, a failsafe such as low intensity operation provides a safety net.
- The issue of determining the parameters of safe mode is likely to be challenging, given the absence of concrete standards for judging the level of harm caused by gaming machine features. The Council advocates a precautionary approach which suggests slow, de-featured machines with low loss limits and small payouts in the immediate term, with a longer term process to develop evidence based criteria and benchmarks for machine functionality.
- The Commission is also encouraged to consider how gamblers opting in might be best encouraged to set realistic limits. Whilst default limits are supported as an initial strategy, other opportunities to encourage appropriate limit setting would also be beneficial.

Chapter 8 Venue activities

DRAFT RECOMMENDATION 8.1

Governments should enhance existing compliance and complaints-handling arrangements by:

- ***enabling their gambling regulators, or accredited compliance auditors, to regularly appraise gambling venues' compliance with harm minimisation measures, both mandatory and voluntary, and publicly report their findings***
- ***introducing a mechanism for gamblers and venue staff to make complaints to the relevant gambling regulator about venue conduct contributing to problem gambling. This mechanism should be promoted to gamblers within venues and to staff through their responsible gambling training.***
- ***enabling their gambling regulators to publish annually the number and nature of complaints about a venue, the action taken and, where the complaint is substantiated, the name of the venue.***

The Commission invites participants to comment on penalties or disciplines that gambling regulators could impose on venues for breaches of mandatory harm minimisation measures.

CoGHS Response:

- The Council agrees with the views expressed in the report that the combination of voluntary Codes of Practice and industry ambivalence has historically created poor consumer outcomes. The Council therefore has advocated mandatory Codes of Practice for many years. However, there is a risk in introducing mandatory codes that they may represent a lower standard than existed in previous voluntary codes. Introduction of mandatory codes should occur on a best practice basis.
- The Council supports compliance auditing, though has some concern that regulatory bodies may lack the necessary resources to ensure a high level of ongoing compliance. Whilst it would be expected in current circumstances that gaming venues will be inspected annually, a higher frequency than this may not be assured. Annual inspections will not adequately assess ongoing compliance, which requires sufficient resources to undertake regular anonymous, unannounced inspection visits.
- Development of independent accredited compliance audit agencies may provide an advantage for consumers, in that they may not only undertake statutory work but also develop services that value add to gambling providers' quality improvement processes. Encouragement of a continuous improvement culture in responsible gambling is strongly supported, and an independent agency or agencies may be best placed to facilitate this work.
- With respect to penalties and sanctions, the Council favours a three strikes policy. That is, first offence comprises a fine, rectification and further education on harm minimisation practice. Second offence should incur licence suspension for a period commensurate with the breach. Third offence should result in loss of licence. Timeframes within which these events occur should be considered, so that isolated events occurring over a long time period need not result in loss of licence.

DRAFT RECOMMENDATION 8.2

Governments need to enhance gamblers' capacity to obtain judicial redress against gambling providers that behave egregiously. This could include a new statutory cause of action to apply in circumstances where a venue-based provider has behaved in specified ways that would clearly contribute to harms.

The Commission seeks views on whether a new statutory cause of action should be established and what criteria would be appropriate.

CoGHS Response:

- Judicial redress has, as the Commission notes, been fraught for gamblers who believe providers have behaved negligently. The Council supports the establishment of grounds for seeking redress through a statutory cause of action, if for no other reason than that it will strongly incentivise providers to comply with all legislative and other requirements as well as to pursue improved patron care practices. At present, providers

have considerable comfort that any action brought by a gambler is likely to fail. This limits motivation to improve practice at best, and at worst supports a bare minimum compliance culture.

DRAFT RECOMMENDATION 8.3

Governments should enhance existing training requirements by:

- ***preparing problem gambler identification and intervention guidelines for venues, including a short list of commonly agreed indicators of problem gambling***
- ***requiring gambling venues to provide staff training on these guidelines and on the process for lodging complaints about a venue.***

CoGHS Response:

- Whilst the Council supports the broad direction of this recommendation, the description of this initiative as ‘problem gambler identification and intervention’ may be unhelpful. The gaming industry consistently maintains that venue staff are unable to ‘diagnose’ problem gambling and should not attempt to do so. The Council suggests a focus on identification of problematic player behaviour, including both patterns of gambling behaviour and signs of emotional distress. Whilst in all probability equivalent to identifying problem gambling, semantic arguments are avoided and this focus also locates the intervention process in the broader context of patron care.
- Careful consideration of ‘commonly agreed indicators’ is required, in that there may well be little agreement amongst the various stakeholders on this matter. The Council considers that the body of available evidence (for example, the recent work of Dr Paul Delfabbro) should form the basis of this initiative.
- Venues should be required to arrange staff training on these issues, but should not be providers of this training. If current practice is followed, training providers are likely to span private RTOs, responsible gambling/managed services providers and help services. The end result is that training standards, content and methods vary substantially. A managed process for the development of uniform, high quality training is vital if staff intervention is to be provided in an effective and appropriate manner.
- Above all, the Council seeks to ensure that this work is accompanied by supporting policies and procedures, themselves located in a broad policy context of providing safer gambling environments. This activity needs to be embedded in a culture of consumer safety and duty of care to patrons, otherwise many gaming providers will enact lowest common denominator strategies that offer little to patrons.

DRAFT RECOMMENDATION 8.4

Governments should prohibit venues from offering inducements that are likely to lead to problem gambling, or are likely to exacerbate existing problems, including offering free alcohol or food to a patron who is gambling.

CoGHS Response:

- This recommendation is supported. Inducements are challenging in that they hold appeal for both problem and non-problem gamblers. However, where it can be identified that an inducement clearly appeals to, and supports, problem play that inducement should be removed.
- Inducements targeting groups that may have particular risk factors for gambling problems, such as CALD or Indigenous communities, should be prohibited

Chapter 9 Access to cash and credit

DRAFT FINDING 9.1

While causality is hard to demonstrate conclusively, easy access to ATMs/EFTPOS facilities appears to increase spending by problem gamblers. Problem gamblers use these facilities far more than other gamblers and say they would prefer to see ATMs removed from venues so they can better control their spending.

DRAFT FINDING 9.2

Although a ban on ATMs from gaming venues has the potential to assist problem gamblers, it has uncertain benefits and costs, including the risk that problem gamblers seek to subvert the ban. An evaluation of the Victorian ban on ATMs should provide useful evidence.

DRAFT RECOMMENDATION 9.1

Governments should fine-tune existing regulations of ATMs/EFTPOS facilities by introducing the following changes in gaming venues:

- ***Cash withdrawals from ATMs/EFTPOS facilities should be limited to \$200 a day.***
- ***ATMs/EFTPOS facilities should be a reasonable distance from the gaming floor, visible to the public and venue staff, yet not to gamblers from the gaming floor.***
- ***Warning and help messages should be clearly visible on ATMs/EFTPOS facilities.***

CoGHS Response:

- The Council is cognisant of Australian research clearly indicating that in venue ATM facilities are primarily accessed by people with gambling problems, who as the Commission identifies, seek to have these facilities removed. In contrast with the Commission's position, the Council believes that recreational gamblers would be little affected by ATM removal, but problem gamblers may be substantially assisted to minimise financial damage. On this basis the Council strongly advocates removal of ATMs from all gambling facilities. Whilst accepting that outcomes are uncertain prior to a ban, the case for retention of venue ATMs is weak. Since most venue ATM users have gambling problems or are otherwise at risk, the benefits to recreational players (or non-players) are demonstrably limited whilst the potential harm to patrons with gambling problems is tangible.

- The Council is uncertain that people with gambling problems would ‘subvert’ a ban, though they may choose to bring larger amounts of cash to a gambling venue than is currently the case. They may also leave the venue to seek the nearest ATM when funds run out, however this action may prove beneficial in terms of a break in play and opportunity to reconsider continuing to gamble.
- If a ban is not instituted, cash withdrawals should be limited to \$100 per day, around the average gaming venue withdrawal rate cited in the report. Victorian data indicates Gambler’s Help clients spend less than \$200 per session on average, suggesting a \$200 ceiling on withdrawals is too high to be an effective harm minimisation measure. This is particularly so when taking into account the fact that many gamblers will have brought some cash with them, and that particularly for gamblers on pensions or benefits \$200 is a significant sum.
- The Council supports messaging on ATMs, and supports easier access to withdrawal limitations including a zero limit on ATMs in gambling venues. Similar initiatives have been available in other jurisdictions (for example, some U.S. casinos) for many years.

The Commission seeks views on the practicability of exempting casinos from draft recommendation 9.1 in relation to their high rollers and international visitors.

DRAFT RECOMMENDATION 9.2

Other than for online gambling, and for high rollers and international visitors in casinos, governments should prohibit the use of credit cards for gambling.

CoGHS Response:

- The Council supports a ban on credit betting, given the amount of financial harm that already occurs to people with gambling problems absent this capacity. Credit betting will only greatly exacerbate gambling related harm.
- Further, the Council believes that credit betting should be banned for all forms of gambling including online wagering and sports betting for the same reason. Only the use of debit cards and electronic funds transfer should be allowed.
- Careful consideration needs to be given to the concept of a ‘high roller’. There have been a considerable number of high profile cases in which casino high rollers have in reality been people with gambling problems who have accessed high roller facilities through gambling large amounts of illegally obtained funds. Clearly, permission of credit betting in these circumstances is undesirable.

DRAFT RECOMMENDATION 9.3

Governments should require venues to pay any gambling prize above \$250 by cheque or direct credit to the gambler’s account, except for winnings by high rollers and international visitors in casinos.

CoGHS Response:

- A low ceiling before the imposition of cheque pays is supported by the Council as a positive harm reduction measure. Current regulation providing for higher ceilings, and the practice of part cash/part cheque pays are typically reported by gambling venue staff to result in 'reinvestment' of a substantial amount of the cash component. Critics of the current Victorian \$1,000 cheque pay provision argue that players deliberately play down winnings to below this level in order to avoid a cheque pay. In this event, reducing the ceiling to \$250 would mean that such behaviour is likely to be of far less consequence in terms of losses incurred to avoid a cheque pay.

DRAFT RECOMMENDATION 9.4

Governments should impose the following cheque-cashing requirements on gambling venues, other than casinos in respect of high rollers and international visitors:

- ***winner's cheques should not be allowed to be cashed***
- ***self-drawn cheques should have the same limits as in draft recommendation 9.1.***

CoGHS Response:

- The Council supports the first but not the second component of this recommendation. Personal cheques should not be allowed for the same reason that credit betting is prohibited. Whilst technically speaking an individual must be able to cover funds presented in cheque form, in reality a cheque is not tangible money in the way that cash is. For people with gambling problems, capacity to present personal cheques also creates an opportunity for fraud, either as an intentional act or through a need to obtain money to continue gambling in the heat of the moment only to discover subsequently that funds are unavailable to cover the cheque.

Chapter 10 Accessibility of gaming machines

DRAFT FINDING 10.1

The prohibition on the casino in Canberra from operating modern gaming machines is not warranted. Permitting the casino to operate gaming machines within the existing ACT cap, subject to the application of appropriate regulatory harm minimisation measures, is not likely to increase accessibility or increase gambling harms.

DRAFT RECOMMENDATION 10.1

Drawing on the Queensland approach, governments should introduce a shutdown period for gaming machines in all hotels and clubs that commences earlier, and is of longer duration, than currently.

The Commission seeks feedback on the period of shutdown that would best target problem gambling, with least side-effects on recreational gamblers.

CoGHS Response:

- The Council supports longer breaks in play timed to impact differentially on people with gambling problems, but has no data to inform the Commission about the specifics of this potential initiative.
- The Council notes the Commission’s citation of the recent Schottler Consulting report into the potential impact of changing gaming machine characteristics, and advocates that this issue be considered in the context of a range of potential machine and environmental changes that might be introduced to minimise gambling related harm.

Chapter 11 Game features and machine design

DRAFT FINDING 11.1

Current bet limits imposed by all jurisdictions are set too high to be effective in constraining the spending of problem gamblers, given the speed and intensity of play that a modern gaming machine allows. The maximum bet needs to be low enough to constrain the spend rate of problem gamblers, but not so low as to adversely affect recreational gamblers (who typically bet at quite low levels).

DRAFT RECOMMENDATION 11.1

In all jurisdictions, the maximum bet limit on gaming machines, other than those in high roller or VIP rooms at casinos, should be set at one dollar.

CoGHS Response:

- The Council strongly supports this measure, as it does all related measures that seek to constrain loss rates. As the Commission correctly point out, current machine configuration supports high loss levels. Potential losses are in excess of community expectations, both in terms of what community members believe is likely to happen when they play machines and in terms of acceptability of outcomes for those who experience financial harm as a result of play. Even reducing loss rates to a theoretical maximum \$100 per hour still allows for the possibility of significant harm to players who gamble regularly and for long periods, particularly where they are on lower incomes. On that basis, the Council would support more stringent loss limits still, whether they be imposed on a per bet, per hour or per day basis. The degree of loss limitation should be a key consideration in the development of the proposed low intensity gaming machines.
- This measure also has the potential to facilitate loss limitation in at risk players, a frequently overlooked but significant consumer segment who often experience significant financial loss as a result of their play patterns.

DRAFT FINDING 11.2

The limits on the maximum amount of cash that can be inserted into gaming machines are set too high. A lower cash input limit would not hinder the preferred betting style of most players, but would act as a brake on high intensity play by preventing players from loading up gaming machines with multiple high denomination notes.

DRAFT RECOMMENDATION 11.2

In all jurisdictions, the maximum amount of cash that can be inserted into a gaming machine should be \$20, with no further cash able to be inserted until the maximum credit on the machine falls below \$20.

- ***This restriction should not apply to gaming machines in high roller or VIP rooms at casinos.***

CoGHS Response:

- Based on the Commission's analysis, the Council considers that a ban on bank note acceptors was a potential recommendation also supported by the evidence. Given that the Commission has opted to recommend a 'credits in' restriction rather than a ban, the Council recommends trialling both options and conducting impact and outcome analyses for both in order to achieve the clarity apparently lacking in this area.
- The Council strongly supports all measures that seek to constrain loss rates. In this case, the Council recommends that if bank note acceptors are to be retained, the top up threshold be lowered to \$10 in credits remaining. As written, when a gambler has \$0 in credits, he or she can insert \$20, play one game and (assuming a loss) immediately insert another \$20. Whilst the gambler will then need to play the credits down to less than \$20 before inserting more cash, a \$10 threshold for top ups is likely to have the effect of extending the time between top ups all other things being equal. It will also reduce the maximum credits in play from just below \$40 to just below \$30 (ignoring wins).
- The impact of differential credit and top up limits on player behaviour should also be investigated in concert with the introduction of this measure.
- With respect to both recommendation 11.1 and 11.2 and high roller or VIP rooms, consideration should be given to the means to encourage pre-commitment including the unlocking of play features or higher bet/credit limits, given several high profile criminal and civil cases involving people with gambling problems who frequent these rooms.

The Commission seeks feedback on the use of loss-limited gaming machines as an appropriate harm minimisation measure. It seeks views on the specific option outlined in chapter 11, and in particular, on design features that could make it practically implementable. It also seeks views on any other option that would have essentially the same harm minimisation benefits.

CoGHS Response:

- The Council would support a Norwegian – style loss limiting regime, combining both pre-commitment limits and hard machine loss limits for all players. Loss limitation could also readily be introduced independent of pre-commitment. Financial loss is axiomatic in problem gambling, and whilst the consequences of problem gambling are manifold, many are underpinned by financial distress. Reduction of financial loss would contribute substantially to harm minimisation efforts.
- Recent Victorian government research (Impact of Changes to Electronic Gaming Machine characteristics on play behaviour of Recreational Gamblers) provides encouragement for approaches such as loss limitation. It suggests there may be substantial scope to alter machine characteristics without compromising recreational

player enjoyment, including measures related to expenditure. The Council urges further work on this critical issue as a matter of priority. To date, argument regarding what can and cannot be done to EGMs without deterring recreational players has been fuelled as much by opinion as by evidence. It may be that considerable consumer safety advances might be adopted without substantially compromising the recreational market.

- The Council is unable to provide definitive comment on the specific proposal in chapter 11, lacking the technical knowledge to evaluate its feasibility. However, it superficially lacks appeal for two primary reasons. First, as the Commission notes, people with gambling problems may seek the means to subvert the process (for instance through card sharing), with currently unknown consequences. Second, and more importantly, this proposal does not address episodic harm. As the Commission itself notes, problem gambling and gambling related harm are not equivalent. Many people may exhibit problematic episodes of play without having a diagnosable gambling problem, and without adopting an expenditure pattern that would trigger the 'airbag' feature.
- The Council's position is that if a safety net is to be provided, gaming machines should operate in a safe mode (requiring no pre-commitment) or a full feature mode (requiring pre-commitment) as discussed in the response to Chapter 7. In this way, a range of problematic gambling behaviour may be addressed.

In view of the limited research on the effects of jackpots on gaming machine play, the Commission seeks further views and information about whether any changes are warranted and, if so, what form they should take and the likely associated costs and benefits.

DRAFT RECOMMENDATION 11.3

Governments should ensure that gaming machine players are informed about the cost of playing, through disclosure of the 'expected' hourly expenditure and the percentage cost of play.

- ***Expected hourly expenditure should be shown as a range, from the minimum based on a low intensity rate of play to the maximum permitted within the machine's parameters.***
- ***The percentage cost should be calculated as 100 minus the return to player percentage.***

CoGHS Response:

- The Council supports the provision of information about the cost of play, but is wary of explanations that may in fact obscure the reality of player outcomes. The means to ensure players clearly understand the provided information should be investigated, as should the influence of irrational beliefs on the interpretation of this information.
- Providing the percentage cost of play may prove misleading since it relies on RTP. Although the game RTP will theoretically be achieved over repeated and extended play, in any one session the actual RTP may vary substantially. Expenditure is also more readily understood when expressed in dollar terms. This accords with the Commission's views on providing a dollar cost, however, even expressing a range of anticipated costs is subject to confirmation biases in players. Hence, if a player chooses to believe the information is incorrect and has a win during a play session that confirms this belief (i.e.

the player makes a net profit during the session), the player is likely to disregard the advice as misinformation. Rather than a conditioning effect, the Council's belief is that continued exposure to cost information is likely to lead to this information being ignored as players continue to hold to their irrational beliefs. Many players already know the theoretical RTP, and are conscious of having lost considerable sums, yet cling to the belief that 'their ship will come in'.

The approach most likely to have impact in the longer term is combining information provision with educative processes, both as part of schools education programs and as a component of in venue customer service. The means to most effectively deliver education that counters irrational beliefs should be further explored, since the Council is confident that provision of information alone will not result in the desired attitude shift and behaviour change.

Chapter 12 Online gaming and the Interactive Gambling Act

DRAFT RECOMMENDATION 12.1

The Australian Government should repeal the Interactive Gambling Act, and in consultation with state and territory governments, should initiate a process for the managed liberalisation of online gaming. The regime would mandate:

- ***strict probity standards, as for online wagering and venue-based gambling***
- ***high standards of harm minimisation, including:***
 - ***prominently displayed information on account activity, as well as information on problem gambling and links to problem gambling resources***
 - ***the ability to pre-commit to a certain level of gambling expenditure, with default settings applied to new accounts, and the ability to opt-out, with periodic checking of a gambler's preference to do so***
 - ***the ability to self-exclude***
 - ***automated warnings of potentially harmful patterns of play***

The Australian Government should evaluate the effectiveness of these harm minimisation measures, as well as the regulator overseeing the national regulatory regime, on an ongoing basis.

CoGHS Response:

- Having considered the arguments led by the Commission in the draft report, this recommendation is not supported. Similar arguments were put for the legalisation of gaming within a regulated environment yet many years, if not decades, later the harms resulting from legalisation are still to be effectively addressed. The Council is not convinced that legislators will enact truly effective consumer safety and harm minimisation measures given past history, and therefore the risks to consumers are unacceptably high.
- The Council also notes the Commission's concession that at present internet gambling appears to be associated with problem gambling, whether in the act of creating

problems or through holding particular appeal to a group with a propensity to access various gambling forms.

- That the current prohibition is thought to have at least some dampening effect on demand is considered to be a benefit that should be preserved, particularly since the report suggested there were some indicators of market maturation.
- Nor is the Council convinced that government can effectively regulate the Internet, or assist consumers to differentiate safer from more risky sites. The relative prevalence of computer users downloading viruses and related code, succumbing to scam emails and even currently accessing illegal gambling sites despite all advice to the contrary suggests simply providing legal sites will not protect consumers from their own vulnerabilities.
- Whilst a number of risks are correctly identified in the report, the Council disagrees with the analysis of mitigating factors.
 - That most internet gambling occurs at home does not mean that those around the gambler are aware of the behaviour, which may occur when others are not present, late at night or otherwise at times when significant others will not detect the activity. There are also a great many gamblers who live alone.
 - Whilst credit card statements may eventually confront the gambler with their behaviour, they do not do so at the time of gambling. Yet this is the most critical point from a harm minimisation perspective. Most problem gamblers experience post hoc regret, credit card statement or not, hence the argument about credit card statements as reality checks is unconvincing. Moreover, financial problems (including 'maxed out' credit cards) are hardly novel for this group.
 - Whilst an online offer may have lower cost, it does not follow that problem gamblers will lose less. They may in fact be encouraged to gamble more due to the ease of access and low entry cost.
 - Playing at one's own pace is also problematic from a problem gambling perspective, since if anything some games may be played faster on the internet than in reality, leading to greater continuous play and faster loss rates.
 - Services already see clients with the hypothetical patron profile, who clearly are quite capable of developing a gambling problem
 - As customers already access 'disreputable' or risky sites, there is no guarantee competition from reputable providers will somehow clean out the industry. It is more likely that less reputable operators will differentiate their products through lower entry costs, promises of larger prizes and other marketing and positioning strategies. Potential Australian providers might also prefer to move their operations overseas for tax and regulatory reasons were online gambling legalised.
- The proposed Gambling Research Australia research into online gambling safeguards has yet to occur, further indicating a recommendation for legalisation is premature.

- Should government be determined to legalise online gaming, the Council urges stringent measures to protect consumers, well beyond the current provisions in land based gaming environments which have yet to effectively address problem gambling. This includes mandatory player education prior to engagement with online gaming and mandatory (not opt out) pre-commitment or alternatively hard loss limits for all players, given that this play occurs in private with little or no capacity for intervention by third parties as is (at least theoretically) the case in land based gaming.
- In addition, advertising of online products, including those currently allowed such as sports betting and wagering should be subject to advertising prohibition. This is particularly critical for play by play or real time betting that encourages relatively rapid, continuous betting practices that start to mimic some of the characteristics of gaming. The Council's view is that although many forms of gambling may be legal, consumption should not be encouraged. Jurisdictional bans on EGM advertising support the view that some gambling forms carry high potential for harm and therefore should not be promoted.

DRAFT RECOMMENDATION 12.2

The Australian Government should assess the feasibility and cost effectiveness of:

- ***Australia-wide self-exclusion and pre-commitment options for equivalent online providers***
- ***the capacity for extending self-exclusion through the payments system or through software solutions selected by problem gamblers***
- ***the scope for agreement on international standards on harm minimisation and their enforcement through self-regulatory or other arrangements.***

CoGHS Response:

- The Council supports this recommendation, subject to the caveats at 12.1.

Chapter 13 Developments in the racing and wagering industries

DRAFT FINDING 13.1

In the absence of regulation, free-riding by wagering providers would undermine the racing industry and harm consumers of wagering and racing products. The current state-based race field legislation overcomes this problem, but poses significant risks for effective competition in wagering, potentially affecting the long-term future of racing and wagering, and, more importantly, the punters who ultimately finance both of these industries.

DRAFT RECOMMENDATION 13.1

The Australian Government should work with state and territory governments to develop a national funding model for the racing industry. This model should be underpinned by national legislation and should replace state and territory based arrangements.

The key element of this model would be a single levy, universally paid on a gross revenue basis:

- ***The levy should replace all other product fees currently paid by the wagering industry, but need not affect other funding channels, such as sponsorship of race meetings.***

- ***The levy should be set and periodically reviewed by an independent national entity with the object of maximising long-term consumer interests.***
- ***In setting the levy, the entity should engage in public consultation, and the bases for its decisions should be detailed in a public document.***

DRAFT RECOMMENDATION 13.2

The Australian Government should request that the Australian Competition and Consumer Commission examine any adverse implications for competition associated with the ownership arrangements for Sky Channel.

DRAFT FINDING 13.2

There are grounds for state and territory governments to cooperate when setting taxes on wagering revenue, in order to avoid destructive tax competition. However, the increased capacity for competition from lowly-taxed offshore online suppliers will, in any case, increasingly limit the capacity to tax wagering activity.

DRAFT FINDING 13.3

Tote-odds betting should not be prohibited as there are better ways of dealing with the risks it involves.

DRAFT FINDING 13.4

Offering inducements to wager through discounted prices is not necessarily harmful, and may primarily serve to reduce switching costs between incumbent wagering operators and new entrants. The risks for problem gamblers should be assessed and, regardless of whether prohibition or managed liberalisation is the appropriate action, a nationally consistent approach would be warranted.

DRAFT FINDING 13.5

The arguments for renewing TAB retail exclusivity are not compelling.

The Commission seeks feedback on the feasibility of a direct distribution model, whereby a levy is paid by wagering operators directly to racing clubs, rather than through state racing authorities.

The Commission seeks further feedback on whether credit betting should be extended to other betting providers and, if so, whether the proposed restrictions are appropriate and what minimum credit threshold would strike the right balance.

CoGHS Response:

- The Council recommends credit betting be phased out altogether, rather than extended. Betting on credit extends the capacity for people to experience gambling related financial harm, as well as supporting problematic gambling behaviour such as chasing losses and escalating expenditure, in this case using money the gambler effectively does not have. Whilst cognisant of the arguments advanced in the report regarding established clients and minimum thresholds providing some safeguards against problem gamblers accessing these facilities, it can equally be argued that problem gamblers are more likely to present as established clients (i.e. with a consistent betting history over an extended period of time) and a propensity to bet larger sums which would exceed the threshold. Accounts established with providers that utilise funds transferred from gamblers' bank accounts represents a lower risk method of providing for a 'cashless' wagering facility.

- With respect to consideration of exclusivity arrangements and consumer protection, the Council is deeply concerned that consumer safety and harm minimisation measures are barely, if at all, applied in this environment despite the clear existence of gambling related harm. This situation is being exacerbated as new providers enter the market. Racing and wagering providers should be required to develop protections for their patrons analogous with the gaming industry.

Chapter 14 Regulatory processes and institutions

DRAFT RECOMMENDATION 14.1

Each jurisdiction should ensure that its gambling regulator has:

- ***statutory independence from government***
- ***regulatory control over all forms of gambling within that jurisdiction***
- ***a charter that emphasises the public interest, and explicitly includes consumer protection and harm minimisation.***

CoGHS Response:

- The Council supports this recommendation, however seeks to ensure that any charter including consumer protection and harm minimisation incorporates concrete and measurable definitions, goals and objectives. At present, whilst similar terms (including responsible gambling) are in use, rarely if ever are they cast in measurable terms. This renders both development of effective measures and evaluation of same highly problematic.

DRAFT RECOMMENDATION 14.2

The relevant minister for gambling should have an explicit responsibility for minimising harm from gambling.

CoGHS Response:

The Council supports this recommendation, subject to the same caveats as at 14.1.

DRAFT RECOMMENDATION 14.3

Governments should strengthen consultation processes and incorporate the views of stakeholders, including gambling providers, manufacturers and consumer representatives, into the process of policy development. Governments should clearly specify appropriate mechanisms for providing input, and set minimum consultation timeframes that reflect the importance of the issue. Details of consultations should be made publicly available.

CoGHS Response:

- Consultative processes and consideration of the views of stakeholders are highly valuable activities in the policy development process, and public access to the views of stakeholders expressed through consultations is supported.

- The Council is conscious however that consultation and influence are two very different matters. It is entirely possible to consult with stakeholders yet take none of these views into account when making a decision. Stakeholders engaging in consultative processes that take significant amounts of time to resource and that are accorded significance by government in the public arena should have confidence that their time is well spent. Public transparency in stakeholder consultation assists in this, but should be augmented by a charter for consultative processes that outlines the ways in which stakeholder views can be expected to influence outcomes.
- The Council strongly supports the view of the Commission that there is a substantial resource imbalance which disadvantages community based organisations in engaging effectively with consultation processes, and particularly when tight timeframes are enacted. Governments should be encouraged to resource less powerful, smaller sectors to allow effective engagement with consultative processes.
- Greater transparency in government decision making is critical to resolving uncertainty about the rationale and evidence base for new initiatives, and should be accompanied as the Commission recommends by opportunities for input about potential impacts

DRAFT RECOMMENDATION 14.4

Given the potentially adverse social impacts and the costs to business related to gambling policy, governments should routinely undertake regulatory impact analysis for all major regulatory proposals and make them publicly available at the time government decisions are made public.

CoGHS Response:

- The Council concurs with the Commission’s views on the importance of Regulatory Impact Analysis, including the capacity for consultation on matters included in the RIA. As the Commission correctly notes, there are notable instances of decisions with potentially major impacts apparently bypassing effective stakeholder input.

DRAFT RECOMMENDATION 14.5

Governments should reform gaming machine national standards by requiring consistency unless the costs of the variations can be justified by their likely consumer benefits:

- ***Variations should be based on legitimate concerns for harm minimisation and should take into account the costs that such differences impose on other jurisdictions, manufacturers and venues.***
- ***Governments should jointly investigate the scope to rationalise current arrangements for accreditation and testing of gaming machines, to remove any unnecessary duplication of effort and cost.***

DRAFT FINDING 14.1

There is insufficient guidance given to gaming machine manufacturers about whether or not particular gaming machine features are likely to obtain regulatory approval. While complete

certainty will not be possible, greater clarity of the expectations of jurisdictions would reduce costs for manufactures and venues.

DRAFT RECOMMENDATION 14.6

Regulators should ensure that all of their requirements for gaming machines and games are specified clearly and made available publicly:

- ***Where new developments are judged to be unacceptable, clear reasons should be given so as to provide guidance to the industry and the community.***

CoGHS Response:

- The Council supports this recommendation but seeks to ensure that a concrete, measurable set of standards is developed for the evaluation of potential harm, with an accompanying testing regime. It is by no means clear at present that such standards exist, particularly given the ongoing harm to players interacting with currently approved machines and other gambling forms.

Chapter 15 Gambling policy research and evaluation

DRAFT RECOMMENDATION 15.1

All jurisdictions should improve the usefulness and transparency of gambling survey evidence by:

- ***conducting prevalence surveys at the same time and using a common set of core questions***
- ***making de-confidentialised unit records of gambling surveys available in a public domain data archive, at no cost to users.***

CoGHS Response:

- The Council supports this recommendation, and further recommends that survey methodology conform with original measurement instrument design unless an evidence base exists to support changes to standardised instruments. Changes to validated instruments (such as scoring of the PGSI) risks biasing or invalidating survey evidence.
- Methodological decisions that may have an impact on outcomes should be clearly explained so that stakeholders lacking technical expertise are made aware of these decisions and their implications. At present, whilst methodology may be provided, without a background in experimental design many stakeholders lack the capacity to critically evaluate the impact of methodological decisions on the data presented to them.
- Governments undertaking surveys should ensure the methodologies effectively access CALD and indigenous groups through the use of targeted strategies to address cultural and language barriers to participation.

DRAFT RECOMMENDATION 15.2

Governments should publicly provide timely data on:

- *gaming machine numbers, expenditure and tax revenue by type of venue (club, hotel, casino) and related information on other forms of gaming, such as table games*
- *wagering expenditure and tax revenue by type of wagering (racing and sports)*
- *lotteries expenditure and tax revenue*
- *self-exclusion information, such as the number of self-exclusion agreements for each year that are current, have lapsed, been revoked, or breached.*

CoGHS Response:

- The Council supports this recommendation, and further recommends that expenditure data be available at the individual venue level. This information has recently become available in Victoria as a result of the gaming industry licence review process, and is extremely valuable in assessing likely local area impacts of particular gaming venues. It also assists problem gambling services in planning responses targeted to areas of high expenditure.

DRAFT RECOMMENDATION 15.3

To place gambling research on a sound footing nationally, Gambling Research Australia should be replaced with a national centre for gambling policy research and evaluation. The centre should initially be funded by the Australian Government and:

- *have a charter requiring it to oversee research of direct policy relevance*
- *have a capability to perform and initiate such research itself as well as respond to requests by the Australian Government*
- *have an advisory panel, with representation from the community, industry, other experts and all governments*
- *coordinate evaluations, surveys and reviews nationally*
- *establish guidelines, methodologies and processes for research and evaluations undertaken by state and territory governments*

The Commission invites feedback on the likely merits or drawbacks of involving New Zealand in a proposed centre for gambling policy research and evaluation.

CoGHS Response:

- The Council supports the greater independence entailed in the proposal to create a national research and evaluation centre. Whilst not denigrating the work of GRA to date, capacity to ask the difficult policy questions and pursue the most vital research issues in a timely manner is paramount. The Council is concerned at the relative lack of weighting currently given to harm minimisation, prevention and early intervention in the context of significant resources being devoted to the nature, extent and impacts of

gambling. It can be argued that these are comparatively well known and of lesser immediate importance in a research context than generating the knowledge required to address gambling related harm.

- The Commission's view that post implementation reviews, transparency of evidence and the standard of many reviews all require attention also accords with the Council's experiences.
- Given the Commission has indicated GRA lacks capacity to effectively undertake a well focused research agenda, a new body appears warranted. Ensuring this body is well supported in an independent charter on the one hand, and responsive to competing needs and interests of the state jurisdictions on the other, will be challenging.

DRAFT RECOMMENDATION 15.4

In the event that governments do not implement draft recommendation 15.3:

- ***the Australian Government's Department of Families, Housing, Community Services and Indigenous Affairs should administer the work of Gambling Research Australia***
- ***the functions of Gambling Research Australia should be made to align wherever possible with those proposed in draft recommendation 15.3***
 - ***with particular emphasis on evaluating the effectiveness of harm minimisation measures and facilitating improved evaluation by jurisdictions.***

CoGHS Response:

- The Council is unclear whether locating responsibility for GRA with the federal government will provide the capacity to address the limitations identified by the Commission. Whilst the federal government is currently seen as somewhat removed from the troubling policy challenges in gambling, this may change with gambling provision through federally regulated communications channels.

The Commission seeks feedback on the suitability of different parties for evaluating and reviewing gambling programs, regulations and legislation. In particular, views are sought on ways to balance the appropriateness of reviewers and evaluators, considering both their expertise in gambling regulation and policy, and the importance of minimising any potential for conflicts of interest.

CoGHS Response:

- Having considered the report's discussion of this issue, the Council favours a dual approach to evaluating and reviewing gambling programs, regulations and legislation. Internal reviews should be incorporated as a structural component of all new government initiatives, whether the initiatives are the responsibility of a regulator or a government agency. As the Commission points out, from an organisational learning perspective alone internal reviews are of great value. However, given the very real

concerns over conflict of interest, the capacity of the proposed centre for gambling policy research and evaluation to resource, review and/or undertake external evaluations would add substantially to transparency, robustness and credibility of review processes and outcomes. A national body could also play a strong role in applying evaluation processes in the national interest, maximising learnings for all jurisdictions.

- The Council does not favour extensive use of consultants directly engaged by government. Although engagement and delivery of outcomes can be timely, the very high costs and potential for conflict of interest in these arrangements suggests they are inferior to the proposed national body.

Conclusion

The Council of Gambler's Help Services congratulates the Productivity Commission on producing a thought provoking, useful and timely report on gambling in Australia. The Council is pleased to be able to support the bulk of the Commission's recommendations.

Whilst there has been substantial change amongst Australian gambling stakeholders with respect to knowledge about gambling related harm and potential interventions, much remains to be achieved and the Council holds some disappointment that more progress has not been made since the Commission's original report in 1999.

It is to be hoped that the current report will serve as a catalyst to speed much needed reforms in this important public policy area.



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