

Victorian Local Governance Association



*Connecting Communities
Strengthening Democracy*

Submission to the Coalition's Policy Discussion Paper on Gambling Reform

January 2012



About the VLGA

The Victorian Local Governance Association (VLGA) is a unique peak body for councillors, community leaders and local governments working to build and strengthen their capacity to work together for progressive social change.

Our membership consists of local governments (representing over 80% of Victoria's population), community organisations and individuals.

Our Vision is for Victorian communities to be inclusive, sustainable and dynamic, characterised by strong leadership and effective local governance.

We believe that transparent, accountable and democratic governance policies and practices in all settings enable citizens to create their own sustainable futures.

The Local Government Working Group on Gambling (LGGWG) is one of the VLGA's Advisory Groups and consists of a network of over 80 local government officers and councillors, as well as community organisations concerned with gambling issues (in particular electronic gaming machines), their local impacts, their lack of product safety and consumer protection regulation and steps to minimise harm including through planning regulations.

VLGA Comment on the Discussion Paper

The VLGA relies on the strong evidence provided in the Productivity Commission's Inquiry into Gambling 2010¹ in regard to gambling reform. The seven areas where comment has been sought by the Coalition on their discussion paper are explored below.

1. Commonwealth Policy

The VLGA believes that as all levels of government are involved in contributing to the high costs associated with problem gambling, all levels of government should be involved in the reforms on gambling. Local governments incur significant costs assessing planning permits and making submissions to regulatory bodies, as well as supporting local community health and social programs. The Federal Government incurs high costs associated with problem gambling (particularly through Centrelink and Medicare) and so has a legitimate interest and role in gambling reform.

Problem gambling programs operating in states and territories can be an effective treatment method once people are accessing the programs, and the Productivity Commission's 2010 report found that most people benefit from any type of counselling service for problem gambling. However, the report also found that only 8%-17% of problem gamblers access problem gambling services, and those who do are at crisis

¹ Productivity Commission 2010, *Gambling*, Report No. 50, Canberra

point when they seek assistance. By this time, people's lives have been destroyed by financial, health and interpersonal impacts, and the costs to governments to help problem gamblers increase. Policies need to focus on primary prevention and on improving consumer safety of the product, such as the proposed reform on pre-commitment or \$1 bet limits.

2. National Voluntary Pre-commitment

The VLGA relies on evidence from the Productivity Commission and is of the position that only a national, mandatory pre-commitment system will deliver practical benefits to gamblers and that a voluntary system will not be used by a majority of gamblers.

Recent research from the Australia Institute has identified that the approximate cost of implementing mandatory pre-commitment will be \$340 million nationally, the same as the \$1 bet limit reform². However, the Federal Government announced on 21 January 2012 that all poker machines would be fitted with pre-commitment technology, ready for the outcomes of the trial on mandatory pre-commitment in 2013. Once this technology is in place, the cost to implement pre-commitment and the time to roll it out will be minor. Costs will include effective training on how to access pre-commitment and other ancillary costs.

The VLGA believes that transaction histories should be available to regular players every six months at a minimum, and available on request at all times. The VLGA believes that cost to player information should be displayed on every electronic gaming machine (EGM) during every session, so that consumers are aware of how much they are spending in any one session. This is proposed by the current Federal Government to be implemented by 2016, though the VLGA believes this should be implemented at the same time as any pre-commitment technology is fitted.

3. Counselling and Support Services

The VLGA commends the Federal Coalition on recommendations that improve counselling and support services for problem gamblers. Counselling and support services need to be more accessible, and should seek to engage people who are at risk rather than engaging people only once they have reached crisis point.

The VLGA does not agree with the Federal Coalition belief that it is better to tailor counselling to the individual, rather than "trying to change the world in which they are operating"³. Responsible gambling policies that exist at the state level are too strongly focussed on the belief that problem gamblers are solely responsible for their actions. EGMs are addictive and are relatively unsafe products from a consumer protection perspective, and this, combined with individual actions, can lead to gambling problems.

² 'Research Challenges Cost of Poker Machine Reform', <http://www.abc.net.au/news/2012-01-20/research-challenges-cost-of-setting-up-pokies-reform/3783720> (accessed 23 January 2012)

³ The Coalition's Policy Discussion Paper on Gambling Reform, November 2011, <http://www.liberal.org.au/>

Therefore, whilst the VLGA commends the Federal Coalition's actions to increase counselling, these reforms must be coupled with increased product safety in order to effectively address problem gambling in Australia.

4. Nationally Consistent Self-Exclusion Programs

A nationally consistent self-exclusion program could be effectively combined with a mandatory pre-commitment scheme when rolled out across Australia. An effective self-exclusion program would be capable of being linked across venues (so gamblers can choose to self-exclude from one or numerous venues across geographical areas from the single consultation) and should provide support and a list of local alternative options for entertainment and recreation to assist gamblers in avoiding relapse.

Restricting cash facilities at gaming venues for those on self-exclusion programs seems to us to be superfluous, as gamblers who have self-excluded from venues would not be able to access the ATMs within that venue anyway. In Victoria, the Coalition Government is committed to removing all ATMs from gaming venues in 2012. This is a more transparent and practical method of restricting cash access to problem gamblers and one that the Federal Coalition should consider.

The VLGA has some concerns over privacy and misuse of information in regard to extending self-exclusion programs to third parties. Whilst we agree that a problem gambler's actions impact on families and friends of that gambler unfairly, it is also an important part of the recovery process that the problem gambler accepts that a problem exists and that there is a need to change (through self-exclusion). There is also a possibility that a third party might abuse this right and it could impact negatively on privacy. We would recommend an alternative is developed whereby immediate family members can lodge their concerns for a family member who has a gambling problem, and support is consequently offered to that gambler.

5. The Online Gambling Environment

The VLGA agrees that online gambling laws need to be enforced at a national level in order to be effective. The Productivity Commission recommends a staged approach to a gradual liberalisation of some forms of online gambling (such as online poker) to divert consumers from unregulated overseas sites.

The VLGA believes that if online gambling regulation was to be liberalised, particular consideration would need to be given to the issue of underage gambling and the marketing of online gambling to minors. Facebook is one such social media site where online poker machine and casino advertising is prevalent and legal, as the site is not based in Australia. Facebook has also recently opened talks with gambling operators about offering money-based online gambling. Issues of underage gambling, marketing and online gambling liberalisation need to be explored by the Federal Government in full before decisions are made on how to proceed in this area.

6. Credit Facilities

The VLGA agrees with the Federal Coalition that offering credit to gamblers, which can allow them to gamble beyond their means, is irresponsible of gaming venues, gaming facilities and online providers. The VLGA supports the Federal Coalition proposal that the Commonwealth prohibits betting firms offering credit in any form to gamblers, and that this would include 'free' bets offered to gamblers who lose online. The Federal Coalition should also prohibit gaming venues and casinos from offering incentives of cash to spend on gaming machines, as this can 'lure' gamblers to spend money that they did not intend to spend and may not be able to afford.

7. Advertising of Gambling Products

Gambling, like alcohol and cigarettes, is not a benign product, which is why restrictions on ages to play are incurred. The VLGA agrees with the Federal Coalition that there should be reasonable limits on the advertising of gambling, as there are for alcohol and cigarettes.

The VLGA is concerned with the sudden rise in sports betting and promotion of live odds during sports games, as well as advertising and sponsorship. The promotion of advertising is saturating our sports and normalising gambling, which is of particular concern for the many children and young people who attend sports events.

The VLGA supports the Federal Coalition's recommendations regarding prohibition of live odds during sports events and maintaining restrictions on online gambling, and also recommends that stronger advertising laws (as per tobacco products and smoking) are applied to gambling advertising across the board, not only during live broadcasts.

Contact

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