

# Measures to Reduce Gambling Harm 2012 - 2016

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*“From a person who never gambled before, it turned my life into a nightmare. It turned me into a cheat, a thief and emotionally unstable. Previously, I was a sane person who managed and enjoyed life very much. Once my life changed dramatically, I became unemployed, I lost all hope, my self esteem was gone and I had to cope with a family suffering.”*

## Problem gambler in counselling

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### Background

The Victorian Inter-Church Gambling Taskforce remains concerned at the harms caused by gambling in our community. The harms caused by problem gambling include:

- Suicides;
- Relationship breakdown;
- Bankruptcy;
- Lowered productivity and job loss;
- Depression and anxiety; and
- Crime (especially fraud).

The last measure of problem gambling in Victoria was in 2008, which found around 29,000 Victorian adults have a gambling problem.

While some progress has been made in reducing the level of problem gambling in Victoria, both the Victorian Government and the gambling industry remain a long way from doing everything they reasonably can to reduce problem gambling. In fact parts of the gambling industry seek to introduce new gambling products that are likely to lead to problematic gambling, such as the introduction of pokies with headphones, the use of interactive television for gambling, expansion of online gambling to all mobile devices and the promotion of gambling games online to children and minors.

In Victoria the main cause of gambling problems remains pokies, more formally known as electronic gaming machines (EGMs), and this is an area where the State Government continue to carry the main responsibility. While online gambling is a growing problem, losses on online gambling are still only a fraction of what is lost on EGMs. Further, the primary responsibility for measures to curb the harm online gambling is causing remains with the Commonwealth Government.

The Victorian Inter-Church Gambling Taskforce is seeking the following commitments from Victorian political parties, in three key areas of improving community safety, improving product safety of EGMs and improving democratic control over EGMs and gambling policy. The Taskforce believes that the Victorian Government should reduce its budget dependence on gambling revenue through the introduction of measures to minimise the losses from people engaged in harmful gambling behaviour.

### Community Safety Measures

- Reducing venue operating hours to 10 am to midnight for gaming areas. This is the case in Queensland already, although venues can apply to have their gaming area opening hours extended to 3:30 am in the morning. The Productivity Commission recommended that gaming machines in hotels and clubs (not casinos) should be shut down between 2 am and 8 am, at a minimum.
- Introduction of duty of care by gambling providers to their customers – Currently the courts have ruled in favour of a very limited duty of care by venues. A venue is allowed to keep taking the money off a gambler, even where the gambler has admitted they have a gambling problem to the venue and even where the gambler has asked the venue for assistance in controlling their problem. The Taskforce wants a law that would allow a venue to be prosecuted for not demonstrating a duty of care towards their gambling patrons to shift industry culture to one where they have to worry about the possibility of prosecution if they fail to take reasonable action to curb problem gambling. This is probably best done through legislated Codes of Conduct for gambling providers, that specify measures against which gambling providers can be held accountable to provide a duty of care. Such a measure can be applied to forms of gambling beyond EGMs.
- Staff training requirements to intervene with customers displaying problem gambling behaviour – The training to be able to intervene must also be reinforced by ensuring venues encourage and support staff to intervene. This measure could support the implementation of the required Codes of Conduct being applied to gambling providers.
- Remove EGMs from hotels – The available evidence suggests ready accessibility to EGMs helps drive the problems. The Taskforce therefore believes there is a need to significantly reduce the number of EGMs venues in Victoria. This should be done by retiring all EGMs from hotels. The Taskforce believes there is greater community benefit to allowing EGMs to only be in club venues, if communities are going to continue to have EGMs imposed on them.

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- Reduction of EGM numbers by at least 80% – Previous experience of small numbers of machines being removed (10 to 20%) in venues in Victoria and South Australia show very little impact on EGM revenue. Thus the Taskforce supports an 80% reduction in the number of machines, if this measure is to have any meaningful impact on reducing accessibility of EGMs and the losses from people with gambling problems. It recognises the danger of this measure is that the remaining machines may become dominated by those with existing gambling problems, making the EGM industry even more dependent on the losses from people with gambling problems. However, the measure would reduce the likelihood of new people developing gambling problems by reducing further the number of gamblers that use EGMs.
- Removal of linked jackpots. There is some evidence that linked jackpots between machines encourage people with gambling problems to gamble more, in pursuit of the big win. Gambling Research Australia is conducting research into the issue.
- Maintain the interim ban on EGMs with headphones – The current Minister for Gaming introduced an interim ban on EGMs with headphones in Victoria. The Taskforce seeks to have the ban made permanent, as the use of headphones is likely to mean gamblers become more absorbed in their gambling and are more likely to move into problem gambling. In addition, headphones will make it harder for venue staff to intervene when a gambler is engaging in extended gambling, with such intervention being required by the Victoria Responsible Gambling Code of Conduct.

### Product Safety Measures

- Introduction of \$1 bet limit – This is a measure that will slow the rate of loss by high spending gamblers. It is a recommendation of the Productivity Commission. Research shows it is people with gambling problems that disproportionately bet \$1 or more per button push. Queensland research from 2006-2007 found it could be up to 50% of people with gambling problems betting more than \$1 per button push, compared to 12% of recreational gamblers. Industry counter argument is that the measure will simply mean people with gambling problems will gamble for longer, but will lose the same amount. They have no research to back this claim.
- Pre-commitment – The Taskforce remains committed to a system that would allow gamblers to set themselves enforceable limits. Voluntary pre-commitment implemented by government would at least provide the necessary infrastructure for a system that would allow the setting of enforceable limits. Introducing a state wide system of voluntary pre-commitment is still a commitment of the current Victoria Government, provided the cost to the industry is not prohibitive. The Victorian Auditor General has stated the current EGM licences were undersold, meaning hotels and clubs paid billions less for the licences than what they are worth based on the profits they will generate. It is therefore impossible to argue the implementation of pre-commitment will be cost prohibitive, as the hotels and clubs have already been given a windfall through the lower amount they paid for EGM licences than they should have.

### Measures to Support Democracy

- Local Communities should have the power to approve or disallow EGM venues – Despite strong local opposition, many communities have had EGM venues imposed upon them. The Taskforce supports local democracy, and believes local government should be able to approve or disallow venues within their area. This would still be subject to appeal to the Victorian Commission on Gambling and Liquor Regulation, where a local government acted against its own policy or ignored the wishes of the local community.
- Prohibit Political Donations from the EGM Industry. The Taskforce is deeply concerned about the level of donations that the EGM industry is capable of providing to governments and is concerned the impact such donations may have on policies adopted by those political once in office.

### About the Victorian Inter-Church Gambling Taskforce

The Victorian Taskforce was established by the Victorian Heads of Churches in 1996. It currently has formal membership from the Anglican, Baptist, Catholic and Uniting Churches and the Salvation Army. However, it works with other churches in Victoria concerned about the harms gambling is causing in our community.

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### Victorian Inter-Church Gambling Taskforce

c/- 130 Little Collins Street, Melbourne, VIC 3000

Phone: (03) 9251 5271

E-mail: mark.zirnsak@victas.uca.org.au