

# IMPACT NEWS

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## CHARITY SICK OF CLUBS SCAREMONGERING

Kate Roberts chairperson of the Gambling Impact Society (NSW) says she's "well and truly over the scaremongering tactics of the Club industry" as they gear up to fight the gambling reforms in the lead into the NSW State election. As a problem gambling counsellor with over 30 years experience as a social worker, Kate states it is time the community voice was heard on this issue, "for too long the gambling industry has been sucking communities dry with a business model mainly dependent on the addictions of others".

"Right now the latest tactic is to claim the NRL will disappear if these reforms go ahead and yet there is considerable evidence that many clubs make a profit from their NRL teams –they don't subsidise them. It's just another furphy to scare people".

Extensive research conducted by the Productivity Commission in both 1999 and 2009 found that between 40-60% of club gambling profits come from 15% of their gambling customers –those with poker machine addictions. As Ms Roberts says "this is not just unethical, it's bad business practice, leading to community breakdown and massive health issues for both the person gambling problematically and their families".

"Clubs need to get real if they are truly concerned about their community's well being. They need to get behind these reforms and stop chasing the dollar at the cost of the very people they purport (as not for profit entities) to serve".

Ms Roberts is a member of the Federal government's expert advisory group who are currently examining the detail of the proposed reforms which will include a universal pre-commitment scheme whereby every poker machine gambler will have to set limits before they gamble. This was recommended by the Productivity Commission (2010) who found that Electronic Gaming Machines (pokies) were the main contributors to gambling harm. Strategies under review include both networked and non-networked schemes with consumers able to securely hold their own data. In Ms Robert's view the Clubs have been jumping the gun and misleading the community on how this scheme will work.

"It's outrageous that costs in the region of \$2 billion have been suggested by the industry when they know there are mechanisms which can cost as little as \$2 per week per machine. This is a small price to pay when every pokie makes on average \$56,000 per annum in profit. That's money coming out of the community. But it's not facts that we're hearing is it?"

Ms Roberts is also conducting PhD research into the field of public health and gambling. Her research indicates that contrary to the amount of community donations clubs claim they provide "they actually put back less than 1% of their gambling profits once State tax rebates are taken into consideration. In addition the community loses \$500 million in foregone State taxes and up to \$600 million in

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## SOCIETY NEWS

A few weeks ago the people of NSW said to the labour government, "We have had enough." They voted with their feet and with their pencils for, what they hope will be, a government to serve the people of NSW- not the reverse!

However, we now know, that "The Barry O'Farrell government will oppose any interference from Canberra that would cut state revenue from poker machines", (SMH March 27<sup>th</sup>)

Clubs Australia boss, Peter Newell, in the same article, cries "Millions of registered club members and hotel patrons are being held to ransom by the sanctimonious crusade of a lone federal MP". He means, of course, Tasmanian Independent, Andrew Wilkie. This ludicrous statement is based on supposition and fear, not fact. It also clearly highlights his unwillingness to co-operate, at a national level, to help curb problem gambling, particularly in NSW. How surprising this statement is, when, at each Senate Inquiry, we have heard the club industry spokesman say, when questioned, "I agree. One problem gambler is too many"!

However, Mr Newell seems to be unsure as to who is holding who to ransom.

In opposing our original submissions to senate inquiries, the GIS, along with other similar group contributors, were labelled 'wowers', and then, at the ministerial Select Committee Inquiry on February 4<sup>th</sup> 2011, he referred to us as 'charities'. Would Mr Newell apply these same labels to the men and women, including health professionals, who are dedicated to drug & alcohol reform? Senator Wilkie's voice encapsulates the collective voices of the thousands of families, across Australia, but particularly of those in NSW, whose lives have been fractured by the impact of problem gambling.

Therefore, it is an insult to refer to Senator Wilkie's resolve as a "sanctimonious crusade".

Mr Newell's uncertainty and irrational labelling clearly indicates a feeling of insecurity. What other reason would he have to accept John Singleton's offer of \$20,000.000 to set up a campaign to fight the Federal Government reform. The interesting fact is, that the industry is now crying out that it will suffer because of job losses – "staff will not be

able to get work" and "there are mortgages to pay". Yet, throughout all the senate inquiries, this same consideration has never been accorded to the problem gambler, or to his/her family, by a club industry spokesman, except to say that poker machines are designed "for entertainment". Tell that to the families who have lost their homes and those where the cupboards are bare!

What price is greed? It is the ultimate destruction of human dignity and spirit.

Does this move you to add your name to our petition to support the Prime Minister's reform on problem gambling? Let your voice be heard. "Enough is Enough" (*see petition details page 8*)

D. Webb.

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### **CLUB SCAREMONGERING**

foregone federal tax, from this so called not for profit industry every year (Con Walker, 2010) and in response we're supposed to be happy with T-shirts for the local football club".

"Meanwhile 10 % of NSW families (NSW Population Health Report 2007) suffer the devastating impact of problem gambling which includes suicide, depression, anxiety, family breakdown, child health problems and poverty".

"The club industry has said they will spend \$10 million this year and the same next year fighting these public health and consumer protection reforms. That's our community's money, taken from those who can least afford it".

"These reforms are about helping people stay in control when gambling, they're about honoring consumer choice and giving everyone, not just those who have developed a problem, the technology to set their own limits and stay within them. It's prevention rather than cure and that makes sound economic and community sense to me".

**Phone**  
**Gambling Help NSW for information on your local Problem Gambling Service**  
**1800 858 858**

## WHY THIS YEAR'S GIS PUBLIC SEMINAR IS A MUST FOR ALL MEMBERS !

2011 is a watershed year in the ongoing debt over 'what to do about Problem Gambling'? As I am sure you are aware, in order to secure the support of independent MP Andrew Wilkie, PM Julia Gillard committed the Federal Government to reforming gambling regulations. The most notable being:

- a universal pre-commitment system for poker machines
- limits on ATM withdrawals at gambling venues
- dynamic warning and 'cost of play' displays on machines

However, there are a number of very powerful stakeholders involved in the gambling industry who are vehemently opposed to any meaningful changes to the current regulations. There is a lot of misleading and ill informed information being pumped into the public arena that has lead to unfounded concerns about the affect of the proposed reforms on both the consumer and the gambling industry itself.

Kate Roberts, Chairperson of the GIS and a representative on the twenty two member Federal Ministerial Expert Advisory Group,

**Phone  
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1800 858 858**



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described the campaign waged by the Club industry against these reforms as nothing short of "scaremongering".

So, if you want to know the **facts** about the proposed gambling reforms, and in particular mandatory pre-commitment and what it really means, make sure you come to this year's GIS Public Forum at the University of Wollongong.

We have an impressive array of speakers that include two members of the Joint Select Committee on Gambling Reform – Senator Nick Xenophon and MP Stephen Jones .

**We may never get an opportunity like this again to press for meaningful changes to poker machine regulations in this country.**

As a GIS member you are obviously concerned about the effects of Problem Gambling on the community and I urge you to come along to the seminar so that you are able to make an informed decision about the true worth of the proposed reforms.

I look forward to seeing you there. (See inserted flier for further details). Ed

NB: all registered guests will receive a copy of our newly released resource book designed to help family members adversely affected by problem gambling. (see article below)

### PROBLEM GAMBLING - A SELF HELP GUIDE FOR FAMILIES

At the GIS we are very excited about the launch of our new self help guide for family members affected by Problem Gambling. We recognised that there was a lack of suitable resources available in this area and have produced a beautifully presented and comprehensive book which will provide answers to family members seeking information about how to cope with their loved one's Problem Gambling.

We are inviting you to come and celebrate the launch of this self help guide with us at our RGAW Seminar on Wednesday 18<sup>th</sup> May 2011 at Wollongong University. (see flier)

All registered guests at the seminar will receive this resource book as a gift free of charge.

# TIME TO TAKE A GAMBLE ON LIMITS

*Sydney Morning Herald, March 12, 2011*

## Family Member or Friend Have a Gambling Addiction? Get Help Now.

Publicans are not allowed to serve drunks. But when it comes to another potentially harmful product, poker machines, no one is obliged in NSW to stop a compulsive gambler from self-destruction.

Drunks do not provide the pub industry with most of its revenue; ordinary, recreational drinkers do. But serious problem gamblers contribute an estimated 40 per cent of the club industry revenue, according to the Productivity Commission.

So it is to be expected that the club industry will fight tooth and claw against the federal government's proposals to curb problem gambling.

Another fear campaign is coming our way - this time a \$20 million advertising blitz over two years, headed by John Singleton, to defend the right of clubs to continue to fleece problem gamblers unhindered.

It is a campaign that should be resisted. The proposals to introduce a smart card and a requirement for gamblers to pre-commit to a spending limit on gaming machines have merit. It is time to get the ball rolling on problem gambling.

Unlike drunks, problem gamblers rarely vomit or throw their fists about, and are unlikely to be noisy. Serious problem gamblers inflict a quieter kind of misery on themselves and their families as they blow an average \$21,000 a year. Depression, broken marriages and bankruptcy are the common end product. As gamblers chase their losses, they borrow money, lie, and withdraw from their families. Their addiction hurts five to 10 others, the Productivity Commission reports.

Opportunities to gamble are omnipresent in Australia and are becoming more so every day. But poker machines are still at the core of problem gambling. An extraordinary 600,000 use a gaming machine each week and about 30 per cent of regular users, the commission says, are moderate to severe problem gamblers. If any other consumer product inflicted damage on such a high proportion of its users, there would be an outcry. But in NSW, especially, the clubs industry has inveigled its way into the heart of communities. It has persuaded people it is not really a big business that uses the techniques of big business to milk every last dollar, but instead is a beneficent supporter of charities.

The economist Betty Con Walker in her 2009 book on NSW clubs provided a forensic examination that should have dispelled that fallacy. She revealed the industry's claimed \$811 million contribution to charity and sport in 2007 was a chimera; it made a cash contribution of only \$30 million, petty in light of the tax breaks that clubs get. She pointed out that if clubs were taxed like hotels there would be an extra \$600 million in the state coffers.

But the message does not get through that it is the state and the losses of gamblers that help subsidise club patrons' cheap alcohol and schnitzels, using money that could have been spent, say, on schools or sporting clubs.

So the Singleton campaign is bound to cause the government grief, given the public's fondness for their local club. As well, the campaign is reported to play on recreational gamblers' fears that governments will be able to keep a tab on them through the use of the smart card. But Australians are used to presenting a card to access all manner of places, from buses to their own offices, and some even submit to fingerprinting to get into their favourite watering hole.

No system is immune to the wiles of a gambler on a bender. But a requirement on everyone to use a smart card to access machines, combined with state-wide coverage and a default limit set at, say, \$100 a session that users would have to adjust upward if they chose to, would help gamblers who want to help themselves. Such a measure would force people to make a rational decision about their expenditure and help those with moderate problems who still retain insight and are struggling for control.

A resolute problem gambler perversely may choose a limit higher than he or she might otherwise have spent, some research has indicated. But even the addicted have moments of lucidity.

The industry's claim that adjusting machines will cost them \$1.55 billion must be taken with a lump of salt and is predicated on a Rolls-Royce model. The cost is unknown at this point and will depend on the system selected. But it is going to cost the industry, no doubt - perhaps \$400 million according to some independent estimates.

Experts have different views on the impact of the reforms. Dr Charles Livingstone, from Monash University, told me if the cost of problem gambling - estimated at \$4.7 billion a year - was halved the nation would reap a \$2.5 billion dividend by his reckoning.

No one believes this is the silver bullet. Lowering prize money might be even more effective. But it is a necessary part of a package that would also include a limit on withdrawals from ATMs at venues.

Badly implemented, pre-commitment can go the ways of warning signs and clocks in gambling venues, measures that never delivered the promised benefits. Getting the right system in place - one that leaves no room to opt out - is crucial and will take time.

A fight with the clubs industry is not something the federal government would have chosen. But its deal with the independent MP Andrew Wilkie means it has no option if it wants to retain power. Action is overdue. Certainly we cannot rely on the state government to confront the power of the clubs industry and the scourge of problem gambling that is its bread and butter.

## SACOSS Factsheet (South Australian Council of Social Service)

### GAMBLING REFORM: A UNIVERSAL AND MANDATORY PRE-COMMITMENT SCHEME

#### POKER MACHINES, PUBLIC HEALTH AND A PRECOMMITMENT SCHEME

Gambling is a major money-spinner in Australia. The major Productivity Commission Report on Gambling (2010) found that turnover from gambling in 2008-09 was over \$19 billion, with 55% of that being spent in clubs and hotels on Electronic Gaming Machines (EGMs or “pokies”).

While many Australians gamble as a form of recreation, there are social, emotional, psychological and financial impacts of gambling for individuals, families and communities. For individuals, uncontrolled or unbudgeted gambling losses can lead to major financial stress, reckless behaviour, low self-esteem contributing to substance abuse, and in worst case scenarios, domestic violence and relationship breakdown, loss of employment and criminal activity. For communities, gambling takes time and resources from other activities which could potentially build social capital, while gambling on pokies particularly can erode communities by isolating individuals while they engage in gambling. Pokies are also often concentrated in disadvantaged areas where communities are least able to afford the social and economic costs of problem gambling.

Around 600,000 Australians play poker machines at least weekly. A recent report by the Centre for Gambling Research at the ANU *Survey of the Nature and Extent of Gambling in the ACT* (2010) found that 55% of those who played gaming machines weekly were experiencing some symptoms of problem gambling, and 8.9% were problem gamblers.

Against this background, the Productivity Commission found that public health and consumer protection frameworks provide the best basis for coherent and effective gambling policies. These approaches focus on *prevention of problem gambling behaviour* and *minimizing gambling harm*, rather than simply clinically ‘treating’ the worst case problem gamblers. Pre-commitment is an important part of a broader public health strategy around gambling.

Pre-commitment schemes involve gamblers deciding in advance how much money they wish to spend in a session and/or over a period of time. This can be done by using a gambling swipe card or other device to plug into an EGM rather than playing with coins/cash. The device can then track a gambler’s time and spending patterns, providing information to the gambler, and issuing a warning or preventing play once the pre-

commitment level has been reached. Gamblers retain the “sovereignty” of consumer choice, but the choice is exercised in advance rather than in the heat of a gambling event.

By providing information on the cost/expenditure of gambling, pre-commitment schemes provide valuable consumer protection functions. The change in gambling environment to a pre-commitment system also has great educative value, while giving gamblers the tools to set limits and gamble responsibly can assist in harm prevention and good public health outcomes.

#### Elements of a Public Health-based Pre-commitment Scheme

The consumer protection and public health approach has implications for the design of any pre-commitment scheme. **A pre-commitment scheme would need to be universal and mandatory**, that is, it would need to apply to all machines and all players (rather than being a system that gamblers could opt into and out of).

#### It would also contain the following features:

- Have strong default settings
- Provide useful, accessible consumer information on money and time spent gambling, with monthly statements and in-built prompts to the gambler
- Have flexibility and teeth programmed in favour of harm minimisation, preventing gamblers going back on their pre-commitments.
- Have no-limits as an option, but with regular (at least weekly) queries about resetting the value.
- Have small value pre-paid cards which allow low-intensity play for occasional gamblers.
- Include standard identification measures to avoid identity fraud, and ensure only one card is issued per gambler.
- Ensure player’s privacy.
- Be simple to use and understand.
- Incorporate measures for gamblers to exclude themselves from gambling for a period or in particular venues (including, in particular circumstances, third party exclusions).

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## **Answers to arguments against a universal, mandatory pre-commitment scheme**

### **It won't help problem gamblers:**

A universal and mandatory pre-commitment scheme may assist some problem gamblers, but its main aims are consumer protection (provision of timely information to consumers) and public health (*prevention* of problem behaviour and *harm minimization*, rather than a 'treatment' for problem gamblers').

### **It will be hugely expensive to implement:**

Installing the hardware and software on machines will be an expense, but it is a one-off expense and is only a small proportion of takings from each machine in one year. The initial cost may also be offset by cost savings of running "cashless gambling" and any costs need to be considered against the social costs of gambling, estimated at \$4-8b each year.

### **It will interfere with gamblers' enjoyment & decrease revenue to local pubs & clubs**

There will be initial changes, but gamblers will adjust (as cyclists did to the public health requirement to wear helmets). If revenue to pubs and clubs decreases, this suggests that a significant proportion of current gambling revenue comes from people losing control and overspending. A decrease in this revenue may be a public benefit.

### **It is an intrusion on people's civil liberties:**

There are genuine privacy concerns about the identification and data collection associated with pre-commitment. A compulsory scheme should require only basic photo id and should have safeguards preventing information identifying individuals being available to regulators, venues and others.

**For further information regarding this fact sheet**

Contact SACOSS on 8305 4222 or email [sacoss@sacoss.org.au](mailto:sacoss@sacoss.org.au)

[www.sacoss.org.au](http://www.sacoss.org.au)

## **THE GREAT PRE-COMMITMENT DEBATE: Mandatory or Voluntary?**

*Kate Roberts –Chairperson GIS.*

As the only consumer representative on the Ministerial Expert Advisory Group considering the detail of the proposed Federal gambling reforms I can say it is a very interesting and at times challenging experience. Here you have 22 people, about a third from the gambling industry, a third academics and the other third drawn from the community sector, including problem gambling treatment providers, social services and myself as the Gambling Impact Society (NSW) member.

We have met monthly since November to try to nut out some of the more vexing questions about the model and implementation required for the proposed universal pre-commitment system and harm minimisation strategies recommended by the Productivity Commission Report 2010 and agreed to by our government. It has been a challenging process not least because some sectors of this group have effectively been from my point of view "white anting" the process at every opportunity in the media. This includes on occasion leaking what are supposed to be confidential discussions to the press. So without joining them in such tactics I need to respect my colleagues and provide an overview of discussions to date rather than exact content.

Suffice to say that there are strong supporters of mandatory commitment and others who will fight for its death – it makes for an interesting meeting. At the core of these debates is pre-commitment and the significant issue of is this to be a mandatory or voluntary system?

A mandatory system would ensure that EVERY GAMBLER in EVERY VENUE on EVERY MACHINE and on EVERY OCCASSION would be required to use a device to establish and then have honoured his/her gambling limits (these could be set once and then left or be changed perhaps weekly, monthly or other depending on what the consumer wanted). This system would see every regular gambler registering for a card which would then enable them to set their own limit (or indeed none) and then have those preferences honoured. How this will be done is still to be decided but most likely it would mean by shutting down the machine for the rest of the "gambling day" once that limit had been reached and no other machine

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## THE GREAT PRE-COMMITMENT DEBATE: Mandatory or Voluntary?

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could be accessed in the venue or potentially the jurisdiction e.g. State. The consumer could set their own limits, although it is likely there would be a default limit which the consumer would need to alter or indeed have no limit if that was their choice. There is research evidence that suggests that even this process of thinking about your limit and changing a default setting has some protective measures – as it is creating a conscious decision making process before gambling.

The gambling industry is currently promulgating a “big brother” type fear campaign suggesting that extensive gambling data will be held on all participants via this card based system. In reality, the Ministerial Expert Advisory Group on gambling reforms is very sensitive to the privacy issues and protecting consumers if any data is to be held at all. The final decision on how data will be collected, processed and held is yet to be made. However, there is the potential that the system would enable consumers to hold their own data and no one else would have access to it other than basic information that a gambler has registered for a card in order to play the pokies. This would be basic ID similar to what one may provide to register to hire a DVD for instance.

However if the card system proposed is incorporated into existing Club loyalty schemes, the main concern from the community sector is that data would be held by the venue. This could then be used by venues for targeted marketing- perhaps encouraging those who gamble regularly to gamble more. Consumer reports indicate that some clubs have already abused existing player tracking systems by providing gambling details to third parties. This is why from a GIS point of view we prefer a system whereby individual gamblers hold their own data.

The federal government, community sector and those working in the field of problem gambling, along with ourselves (those affected by problem gambling and consumer voices) support these measures. We firmly believe they will assist those who may have developed gambling problems or be “at risk” of gambling problematically to set and stick to limits. Most importantly pre-commitment is a protective measure to honour consumer choices and prevent people getting into problems with poker machines which can take over \$1,200 an hour from you.

As you can imagine an industry which relies heavily on those gambling problematically (15% of their regular gambling customers) to provide between 40 – 60% of its revenue (Productivity Commission Report 2010) is reluctant to support any measure which will reduce this revenue stream. However it would be public suicide to suggest that this is their main concern. Therefore the industry tends to talk about the “recreational gambler” as their worry, suggesting that such regulations will mean droves of recreational gamblers heading to internet gambling sites and with them their money. However, there is no evidence to suggest this to be the case. In fact it sounds like ample justification for more regulation of internet gambling to me rather than an argument for not further regulating the monster that has already jumped out of the pokie box? 80% of those in treatment for gambling problems have difficulties with the pokies. The NSW Population Health report 2007 found that 10.4% of NSW residents had experienced problem gambling in the family. This is a greater prevalence than diabetes (7%) or Cancer (3%).

Still, if there is some consensus evolving, as it appears the gambling industry supports the concept of pre-commitment for “every gambler, every venue, and every machine” as a reasonable idea - but only if it’s a voluntary system. Such a system would mean that there would be the option for anyone to use the pre-commitment technology but it would be by choice rather than a necessary part of the poker machine gambling process. It would of course cost more or less the same to change over the machines to enable this to happen, although there is some suggestion that this may be easier to accommodate if a time lag of normal attrition occurred as one machine gets replaced by a new machine with this harm reduction technology. This is the industry’s preferred option. The downside of this for the community is that it could take over 14 years to implement and provide a system which would have little impact on reducing problem gambling. The cynic in me says we didn’t take long to introduce the pokies across the NSW landscape in 1956 - why then the delay to make them safer?

**The main concern with a voluntary system is that there would be similar costs to implement it for the industry and it would FAIL the community.**

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## THE GREAT PRE-COMMITMENT DEBATE: Mandatory or Voluntary?

Indications from States where a voluntary system is already in place (Queensland and SA trials) is that take up rates are very slow. Indeed even the industry notes that existing loyalty card based schemes have minimal participation rates by general gambling customers. A voluntary pre-commitment system will potentially have an even lower rate of take up by those who are at risk of developing problems or indeed already dealing with the impacts of problem gambling. Therefore it would fail to reach those at risk, it would fail to help those with developing problems and it would fail to protect the community. As recently stated by Federal Families Minister Jenny Macklin at the recent Problem Gambling Church Task Force launch:

**"A voluntary system would be like having seat belts in cars but making wearing them up to the individual." She went on to say a mandatory scheme will provide "stronger protections".**

The 2010 report into the PlaySmart trial in South Australia – described as one of the largest trials of pre-commitment conducted in Australia – demonstrated that pre-commitment can be effective in reducing the amount problem gamblers spend on poker machines. The study also found that pre-commitment is an effective way to encourage better money management and more informed spending decisions, particularly by problem gamblers. The study, involving 268 people, found that net turnover on poker machines by problem gamblers using the pre-commitment system decreased by 56 per cent. Pre-commitment technology did not appear to significantly impact on the spending behaviours of recreational gamblers, where turnover decreased by only five per cent. The study also found that pre-commitment is an effective way to encourage better money management and more informed spending decisions, particularly by problem gamblers.

**Sixty-two per cent of participants agreed that using pre-commitment encouraged them to think about how much they could afford to spend on poker machines and problem gamblers found it most effective in informing their spending.**

On Wednesday 23rd March the Gambling indu-

stry launched a \$20 million dollar campaign to fight the proposed gambling reforms. CLUBS NSW in particular has stated "mandatory commitment will not happen" and they intend to use all their political might to make this a reality. This "fighting fund" has come from your community - every poker machine in NSW takes on average \$52,000 every year from the community (Productivity Commission 2010) and we have over 97,000 of them in our NSW state. Most of that money comes from those least able to afford it and as a result communities, families and individuals suffer - this costs our community \$4.7 billion a year.

**If you support mandatory pre-commitment and the gambling reforms sign up to our online petition and get your voice heard—see below:**

### ARE YOU CONCERNED ABOUT PROBLEM GAMBLING IN THE COMMUNITY?

If so... well this is a chance for you to voice your opinion. The proposed gambling reforms aim to prevent people getting into difficulties with poker machine gambling and assist those who may be developing problems. Based on the findings of extensive research by the Productivity Commission in 2009 our Prime Minister has promised to change the technology of pokies to make them safer by introducing a universal pre-commitment system which will allow every person who gambles on the pokies to set personal limits on the amount of money they are prepared to lose BEFORE they start to gamble.

This is a big move to prevent problem gambling in our Country and we know the Gambling Industry isn't happy about it - they depend on between 40 - 60% of their profits from those gambling problematically. They are concerned about losing money, not people, and are prepared to spend \$20 million on a campaign to resist the changes. We need to get a community voice heard. If YOU think that pre-commitment is a good idea than please sign our petition and...

H A V E Y O U R S A Y !  
<http://www.petitionbuzz.com/petitions/gis>

## FEEDING THE HUNGRY BEAST

Sydney Morning Herald ,February 26 2011

**There is a growing evidence that our addiction to gambling, particularly on poker machines, is no accident, reports Colin Kruger.**

POKER machines have long been portrayed as a social problem; part of an industry preying on the vulnerable and mathematically challenged. And Australia has 200,000-odd such problems.

But recent testimony before the Joint Senate Select committee on Gambling Reform has given credence to a growing body of opinion that the humble pokie really is the "crack cocaine of gambling".

There is increasing recognition that the addiction is real, and it is challenging the understanding of problem gambling worldwide.

The fifth revision of the American Psychiatric Association's highly influential *Diagnostic and Statistical Manual* has recommended that pathological gambling be recognised as a behavioural addiction rather than an "impulse control disorder".

It is the first time this category of addiction would be recognised, and there is a push to have it reclassified in Australia as well.

Malcolm Battersby, a professor of psychiatry at Flinders University in Adelaide and an internationally recognised expert in problem gambling, told the inquiry that traditionally, gamblers were thought to be disadvantaged people who were simply vulnerable to problems such as addiction.

"But what really was not understood was that the machine design specifically facilitates people becoming addicted to the machine – and you can say this about other forms of gambling – in exactly the way that a person becomes addicted to heroin or alcohol," he says.

There is now a lot of biological evidence from brain scans, PET scans, genetic studies and so forth that show that pathological gamblers have similar profiles to other addictions in their brain chemistry, brain reactivity and so forth."

By some measures, about 15 per cent of people who play poker machines regularly are problem gamblers and account for 40 per cent of the \$12 billion Australians lost in the machines in 2009 alone.

A study involving workers at Crown Casino in Melbourne described problem gamblers – those who had been playing for more than 24 hours – in graphic detail.

"Hence, the urination on stools: it is a very common thing in casinos," says the study leader, Associate Professor Linda Hancock.

Machines are designed around conditioning – simple as that," says Battersby. "They are designed to increase a behaviour – in this case, putting money in a machine."

Decades of research has shown that response to the conditioning will be that much stronger if you don't know when you will be rewarded and by how much.

Battersby describes the feeling of excitement when people first start using poker machines and win.

"The sympathetic nervous system is activated, your heart rate goes up, your breathing gets a little bit faster and maybe there is a little bit of sweat".

But after a while it becomes a very negative experience from which people get only temporary relief by playing further.

"What they do not realise is that it actually reinforces the urge for the next time they might have a gambling trigger. That is the oldest bit of psychology research in the world," Battersby says.

The state of arousal the gambler feels has been described by other experts as the most important reinforcer in frequent gambling behaviour.

For the modern poker machine industry it's pure gold and the industry has well-developed methods for mining this seam.

Seminal research by a Canadian problem gambling expert, Professor Kevin Harrigan, identifies nine different attributes that make poker machines more addictive through conditioning by reinforcement. They include the so-called "near-miss" and "losses disguised as wins".

Losses disguised as wins, or fake wins, refer to a situation where a gambler – playing multiple lines of bets in a single game – wins some of them, but loses money overall.

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## FEEDING THE HUNGRY BEAST

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The parliamentary inquiry was told "fake win" features were severely restricted in Queensland, Tasmania and the Northern Territory but not in NSW and Victoria, which account for the vast majority of Australia's poker machines.

A near miss is where a "play" on the machine comes up just short of a win – usually with one symbol out of place.

Harrigan found players get little arousal from small wins and losses disguised as wins, but get a "huge arousal" from near misses. It even influences their perception of whether they are on a winning or losing streak

The modern poker machine enhances the arousal with all the multimedia tools in its kit.

"The idea is to create a sense of winning by pulsing all the human senses with sounds and animated symbols and paylines flashing," says a US manufacturer in another influential study on poker machine design.

The impact in Australia is magnified by the potency of the machines available in virtually every corner pub, which feature high bet limits as well as high, and volatile, payouts.

"Australian machines are all high-impact machines in social venues, which is almost unique in the world," says Dr Charles Livingstone of Monash University in Melbourne.

British regulators were so concerned that they limited the entire country to just 1000 "high-impact" machines. NSW has close to 100,000 such machines – half Australia's total.

Speed is cited as another toxic factor. The inquiry heard the modern pokie is capable of 350 bets in half an hour, potentially overwhelming a player's decision-making process.

Once again, it appears this is no accident.

This speed, and potential lack of cognitive engagement appears to be a key factor in what makes poker machines so dangerous for problem gamblers compared to other forms of electronic gaming.

Another key distinction applying to pokies over other forms of gambling is that it is the only "game" where players do not really understand the rules, as they would with blackjack, for example.

While poker machines are designed to pay out 88 cents in every dollar gambled, the lengths to which this statistic can be manipulated by the machine's coding can make this rule almost meaningless.

"The players have no idea that the 88 cents applies to a thousand machines in over a year. They think it is for that machine for them that day," Battersby says.

Some in the sector argue the abuse of this so-called "leisure pursuit" is no more the fault of the gambling industry than obesity is the fault of the fast food industry.

"The product is safe, but some people have addictions, be they to fast food, drugs or a whole variety of other things," David Curry, an executive with the Woolworths pub and poker machine subsidiary ALH, told the inquiry.

"Are we saying a hamburger is safe? Hamburgers are safe if they are consumed in moderation, but they are not safe if you eat four or five a week and do not have a balanced diet," he said.

The South Australian Labor MP Nick Champion noted one crucial difference.

A hamburger does not cost you your house, normally."

### UPCOMING EVENTS

#### **18<sup>th</sup> May 2011 Wollongong**

GIS Public Seminar – Problem Gambling: Prevention, Protection & Pre-Commitment

#### **23 – 29 May 2011 NSW**

Responsible Gambling Awareness Week

#### **31<sup>st</sup> May – 1<sup>st</sup> June 2011 Melbourne**

Clubs and Hotels Expo

#### **2 – 3 June 2011 Hong Kong**

3<sup>rd</sup> Asian Pacific Problem Gambling Addictions Conference

#### **5- 9 June 2011 Helsinki**

Northern Light – EL Congress 2011

#### **13 – 15 June 2011 Reykjavik**

8<sup>th</sup> Nordic Conference on Prevalence, Prevention Treatment And Responsible Gambling

#### **21-23 August 2011 Sydney**

Australian Gaming Expo 2011

## USEFUL RESOURCES

*Don't Leave It to Chance*: A guide for families of problem gamblers—Edward Federman, Charles Drebing & Christopher Krebs (self-help book)

*Adolescent gambling*—Mark Griffiths

*Teenage Gambling*—Carol Silverman Saunders

*Losing Your Shirt*—Mary Heineman (self-help book)

*Behind The 8-Ball*—A Guide for families of Gamblers—Linda Berman & Mary –Ellen Siegel (self-help book)

*Overcoming Compulsive Gambling: A Self-Help Guide* - Prof. Alex Blaszczynski

*Stop Gambling*—A Self-Help Manual For Giving Up Gambling - Simon Milton

*Wanna Bet*—Winners And Losers In Gambling's Luck myth - Tim Costello & Royce Miller

*Stop Gambling Start Living* - Laraine Rasmussen.

*House of Cards*: Hope for gamblers and their families - Tom Raabe.

*The Addictive Personality*—Craig Nakken

*Creating Self Esteem*—Lynda Field

*Practical Financial Strategies Booklet*: A Self Help Guide for Problem Gamblers By Gerri Coleman (Contact Central Coast Problem Gambling Service, 02 4344 7992).

*Free Yourself*—Self-help Guide and Audio Tape kit - cost \$49.95 (Contact Gabriela Byrne, 0414 844 387)

*My Passionate Affair with Poker Machines* (video) - \$49.95 (Contact Gabriela Byrne, 0414 844 387)

*Free Yourself* (video) - \$49.95 (Contact Gabriela Byrne, 0414 844 387)

*You Figure It Out*—Resource Kit (including video, CD and training notes for Community Education with High School Students— Know The Odds, Tel: 0417107440)

*Overcoming Compulsive Gambling* - desensitisation/relaxation audio tapes (Contact Prof. Alex Blaszczynski, - Westmead Hospital, Sydney)

*Illawarra Health Gambling Recovery Program* - group treatment manual for counsellors - (Contact Responsible Gambling Fund Unit, Dept. Gaming & Racing for info. on reprints)

*Women & Gambling Information Kit*—Karen Richardson & Kate Roberts- contact GISW(NSW) 02 4421 5077

*Less than Even: The Hidden Cost of Gambling*—video. Contact GISW(NSW) 02 4421 5077

*Against the Odds*—Youth & Gambling—Discussion CD. Contact GISW(NSW) 02 44215 077

*No More Bets Please* - video. Contact monkeysee@monkeysee.com.au or sales@livingsolutionsbookshop.com.au



## General Interest Websites

[www.socialwork.unimelb.edu.au](http://www.socialwork.unimelb.edu.au)

[www.nags.org.au](http://www.nags.org.au)

[www.unsw.edu.au](http://www.unsw.edu.au)

[www.afm.mb.ca](http://www.afm.mb.ca)

[www.knowodds.org](http://www.knowodds.org)

[www.societystudygambling.co.uk](http://www.societystudygambling.co.uk)

[www.camh.net](http://www.camh.net)

[www.pgfnz.co.nz](http://www.pgfnz.co.nz)

**Do you know any interesting websites relating to problem gambling?**

***Let us know and we'll include them in our next edition***

**Email: [info@gisnsw.org.au](mailto:info@gisnsw.org.au)**

### Resources from NEW ZEALAND

P G COUNSELLING  
MANUAL

P G EDUCATION

IN HIGH SCHOOLS -  
MANUAL AND VIDEO

POW POKIES  
T-SHIRTS

FACTS SHEETS  
ON GAMBLING

CONTACT:

[www.pgfnz.org.nz](http://www.pgfnz.org.nz)

### Shoalhaven Gambling Resource Library— GIS

(NSW) has developed a community library with reports, books, self-help literature & videos for loan to GIS (NSW) groups and others in the Shoalhaven locality.

We can supply a resource list and are always looking for ideas for additions.

Contact: GIS (NSW)  
02 44215077

***Do you have any other suggestions?***

***Please send them to us so we can share your ideas with others.***

### Self-Help Websites

[www.gisnsw.org.au](http://www.gisnsw.org.au)

[www.nrgs.org.au](http://www.nrgs.org.au)

[www.gamblinghelp.nsw.gov.au](http://www.gamblinghelp.nsw.gov.au)

[wwwsvh.stvincents.com.au/](http://wwwsvh.stvincents.com.au/)

[www.education.mcgill.ca](http://www.education.mcgill.ca)

[www.gamblersanonymous.org.au](http://www.gamblersanonymous.org.au)

[www.miph.org/gambling/](http://www.miph.org/gambling/)

[www.freeyourself.com.au](http://www.freeyourself.com.au)

[www.responsiblegambling.org](http://www.responsiblegambling.org)

[www.responsiblegambling.qld.gov.au](http://www.responsiblegambling.qld.gov.au)

[www.gamblingproblem.co.nz](http://www.gamblingproblem.co.nz)

[www.femalegamblers.org/suggestedreading.htm](http://www.femalegamblers.org/suggestedreading.htm)

***Do you know any interesting self-help websites relating to problem gambling?***

**Let us know by email  
[info@gis.nsw.org.au](mailto:info@gis.nsw.org.au)**



RETURN ADDRESS

Nowra Neighbourhood Centre  
134 Kinghorne Street  
Nowra NSW 2541



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Fax 02 4421 6872  
Email info@gisnsw.org.au

**Print Post Approved:**  
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## WHY NOT JOIN & RECEIVE THIS NEWSLETTER QUARTERLY?

The Gambling Impact Society (NSW) Inc. looks forward to providing you with regular information and education on gambling and related subjects. The Society aims to increase public awareness through the newsletter, and provide a forum for support and information for those directly affected by problem gambling, community service providers and the gambling industry. We welcome your contributions to this newsletter and in joining we hope to provide you with an outlet for discussion, support & information. Your membership will contribute to the ongoing work in this field and help us achieve our goals.

Your membership fee will go to resource the publication of this newsletter and the further development of the society, which is a non-profit organization developed and run by volunteers. Membership to 30 June 2011 is as follows:

- Organisations \$50
- Individuals \$25
- Concessions/Students \$10
- Additional donations welcome.

Name.....

Organization.....

Address.....

.....

.....

Telephone:

Fax:

E-mail:

**Please circle:**

Organisations \$50

Individuals \$25

Concessions/Students \$10

Cheques payable to: Gambling Impact Society (NSW) Inc

Mail to: Gambling Impact Society (NSW) Inc.

c/o Nowra Neighbourhood Centre

134 Kinghorne St, Nowra

NSW 2541