

To Josh McDonnell

City of Charles Sturt

By email: jmcdonnell@charlessturt.sa.gov.au

Dear Josh



Re: SAJC Social Effect Inquiry

Uniting Communities is deeply concerned about the proposed relocation of the “Lucky Horseshoe” gambling venue, believing that it will increase gambling harm for the communities located near the proposed venue

This is the focus of the following brief comments from Uniting Communities. Uniting Communities, as Adelaide Central Mission, was the first organisation to provide gambling specific counselling services in South Australia, a service that grew out of our Lifeline service. We are an organisation that sees the impacts of gambling on individuals, families and communities, through many of the services that we provide across South Australia, though we are no longer funded through the Office for Problem Gambling to provide gambling specific services. We have also been at the forefront of gambling policy development and debate in South Australia and nationally for about 25 years. This involvement has included membership of the SA Gaming Machine Review Group, chaired by Hon Graham Ingerson and more recently the SA Government’s Responsible Gambling Working Party. We were also members of the Commonwealth Government’s gambling reference group, 2011/12 and have been active members of the SA and Australian Churches Gambling Taskforces.

Social Effect Enquiry

The principles for a Social Effect test for a venue seeking changing its gaming machine activity were given in: 1366 THE SOUTH AUSTRALIAN GOVERNMENT GAZETTE, 12 May 2011

The principles are:

PART 3—SOCIAL EFFECT PRINCIPLES

10. Decision making principles

(1) Subject to sub-clause (2), the grant, or variation, of a gaming machine licence should not give rise to a level of gambling activity which is not sustainable having regard to its likely positive and negative impacts on the applicant community stakeholders as identified—

(a) by a social effect inquiry; or

(b) in evidence taken in the course of the proceeding before the Liquor and Gambling Commissioner.

(2) In applying sub-clause (1), the following must be taken into account—

(a) the adequacy of the relevant social effect inquiry;

(b) the extent to which the applicant has engaged with local community stakeholders in respect of the proposal;

(c) the extent to which the risks identified by the applicant (including those so identified in the social effect inquiry) and by applicant community stakeholders can be managed;

(d) the extent to which the net beneficial impacts likely to accrue to applicant community stakeholders other than local community stakeholders offset the net detrimental impacts likely to be experienced by local community stakeholders;

(e) the extent to which the level of gaming activity in the local community area, by reference either to net gambling revenue or to the numbers of local machines, would be disproportionate to the level of gaming activity for the State;

(f) the extent of support for the proposal among local community stakeholders;

(g) the extent to which conditions can be specified in the licence to—

(i) ameliorate the social effect of the grant, or variation, of the licence; and

(ii) reflect undertakings given by the applicant to applicant community stakeholders; and

(h) concerning any undertakings given by the applicant to applicant community stakeholders to be bound by ongoing special licence conditions upon the grant or variation of a gaming machine licence—

(i) the relevance of the undertakings; and

(ii) the desirability of enforcing the undertakings by the specification of licence conditions.

We regard these principles as requiring the gambling venue proponent to demonstrate that there is net positive benefit, to a community, from an increased level of poker machine gambling in a community.

In considering the social impacts of gambling as a basis for evaluating the SAJC proposed new premises on the corner of Cheltenham parade and St Clair Ave, we provide two pieces of information, from the extensive literature regarding gambling and associated gambling harm.

The Australian Productivity Commission¹ released their second major study regarding gambling in 2010. Some of their summary findings were:

Overview. *It is common to report prevalence as a proportion of the adult population, but this can be misleading for policy purposes, given that most people do not gamble regularly or on gambling forms that present significant difficulties.*

¹ Productivity Commission, Inquiry Report, Gambling :Volume 1; No. 50, 26 February 2010

Chapter 4 A broad perspective on gambling problems

There is strong evidence that gambling can have adverse health, emotional and financial impacts on many more people than those categorised as 'problem gamblers'. As is the case in policies addressing harm from alcohol consumption, policy also needs to address these wider impacts.

People playing gaming machines face much greater risks than people who gamble on other forms, particularly lotteries, scratchies and bingo.

Chapter 5 The prevalence of problem gambling

The Commission estimates that there are between 80 000 and 160 000 Australian adults suffering severe problems from their gambling (0.5 to 1.0 per cent of adults). In addition, there are between 230 000 and 350 000 people at moderate risk, who experience lower levels of harm, and who may progress to problem gambling (1.4 to 2.1 per cent of adults).

About 4 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.

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

A second piece of evidence is a survey that Uniting Communities conducted in 2011 finding that 81% of South Australians supported the notion that poker machine gamblers should have the opportunity to set limits (a budget) for their gambling spending. These people also wanted to see less poker machines in South Australia. Indeed, it is current SA government policy that the number of poker machines be reduced to 12,000. This was passed by the SA Parliament in December 2004. There are currently 12,495 poker machines in this state, 495 more than Parliament has determined.

So in considering the SAJC proposal, it is reasonable to expect that:

- A relatively small proportion of the population of the City of Charles Sturt would play poker machines at the proposed venue
- Poker machine gambling is a very risky activity and one of the most risky forms of gambling
- About 15% of regular (weekly) poker machine players at the proposed venue would have a major problem with poker machine addiction and about another 15-20% would also face high levels of risk of problem gambling
- At least 40% of revenue taken by the proposed venue would come from people with a gambling problem, almost all would be, if playing rationally unable to afford to gamble the amounts that they spend. The business model for the venue assumes an increase in revenue from the previous racecourse based venue, 40% or more of this would come from local residents, with a gambling problem, unable to afford their gambling. This in turn will have detrimental social and economic impacts on communities in the vicinity.

Other research has demonstrated that for every person with a gambling problem, at least 7 other people are adversely affected, and at least one of these people will be a child. So the adverse social impact of poker machine gambling is significantly greater than the impacts on individuals who experience gambling related harm and addictions.

For the City of Charles Sturt, the reality is that poker machine gambling is more likely to lead to more harm for residents, than any other legal activity, except tobacco use. The consumer protection responsibilities are therefore significant. The proposed venue, consequently fails the Social Effect test

We have no doubt that the proposed venue, if approved for poker machine gambling, would have a negative net social impact on the communities. The City of Charles Sturt should therefore oppose gambling activity as being a part of the proposed venue.

Other Gambling Policy Matters.

Uniting Communities recognises that there are a number of existing gambling venues in the City of Charles Sturt and urges Council to work towards reducing gambling harm in the community by implementing both \$1.00 per spin bet limits and the phasing in of individual budget setting, 'pre-commitment' for all poker machine venues in the Council's district.

The Productivity Commission also described strategies to reduce the adverse impact of existing poker machine venues: They said:

A more coherent and effective policy approach is needed, with targeted policies that can effectively address the high rate of problems experienced by those playing gaming machines regularly.

_ Recreational gamblers typically play at low intensity. But if machines are played at high intensity, it is easy to lose \$1500 or more in an hour.

_ The amount of cash that players can feed into machines at any one time should be limited to \$20 (currently up to \$10 000).

There are strong grounds to lower the bet limit to around \$1 per 'button push', instead of the current \$5–10. Accounting for adjustment costs and technology, this can be fully implemented within six years.

_ Shutdown periods for gaming in hotels and clubs are too brief and mostly occur at the wrong times. They should commence earlier and be of longer duration.

There should be a progressive move over the next six years to full 'pre-commitment' systems that allow players to set binding limits on their losses.

_ Under a full system, there would be 'safe' default settings, with players able to choose other limits (including no limit).

_ In the interim, a partial system with non-binding limits would still yield benefits, and provide lessons for implementing full pre-commitment.

Relocating ATMs away from gaming floors and imposing a \$250 daily cash withdrawal limit in gaming venues would help some

These practical measures can be applied to gambling venues in SA and will make a difference in reducing gambling harm, with minimal impact on recreational poker machine gamblers.

The survey conducted in 2011 for Uniting Communities, by McGregor Tan, found that 81% of South Australians supported poker machine players having the opportunity to set a dollar limit for their gambling, as summarised in the table below.

Opportunity to set dollar limit by gender

	Male	Female	Total
Yes	78%	84%	81%
No	14%	9%	11%
Not sure	8%	7%	7%
All	100%	100%	100%

We note that the SA Government hosted Responsible Gambling Working Party (RGWP) considered the question of implementation of ‘pre-commitment’ in considerable detail, producing 5 progress reports with a final report produced in June 2012. This working party included representation of both Clubs SA (of which we understand that SAJC is an affiliate) and the Australian Hotels Assoc, SA branch, with the final report being accepted by all members. Appendix 1 of this short submission includes a RGWP Pre-commitment Specification: Minimum Requirement. This provides a useful guide for approaches to progressively introduce player budgeting as a useful consumer protection and gambling harm reduction measure that is in line with the major recommendation from the Productivity Commission.

Uniting Communities will attend the public meeting on the 19th of January and is keen to work with Council and local community groups in considering both the immediate question of the proposed new “Lucky Horseshoe” gambling venue and the implementation of current good proactive gambling consumer protection measures.

Please contact Mark Henley, 0404 067 011, email MarkH@unitingcommunitis.org with regard to matters raised in this brief, time pressured submission.

Simon Schrapel

Chief Executive

Uniting Communities

Appendix 1

Reproduction of Appendix 4 from

Supporting Customer Commitment

Implementation of pre-commitment

Fifth Progress Report to

the Minister for Business Services and Consumers

by the Responsible Gambling Working Party

June 2012

Appendix 4 – RGWP Pre-commitment Specification: Minimum Requirement

(1) Before Play

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
Informed decision making		
3.1	<p>Community Education</p> <p><i>Pre-commitment choice needs to be available to all gaming machine customers, accompanied by community education and the promotion of its being a tool for all customers.</i></p>	<ul style="list-style-type: none"> • Promotion of pre-commitment as a tool for all gaming machine customers. • Consideration of cultural appropriateness for a range of communities. • Community education campaign using appropriate language, aimed at the wider community. • Community sector worker training about pre-commitment and beneficial language.
	<p>In-venue materials and promotion</p> <p><i>Increasing customers' understanding of pre-</i></p>	<ul style="list-style-type: none"> • User friendly and easily accessible information containing pre-commitment language that is

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
	<i>commitment and gaming machines, and that pre-commitment is a tool for all customers.</i>	<p>consistent across venues.</p> <ul style="list-style-type: none"> • Identification of privacy protections. • Venue staff training in appropriate language for promoting/discussing pre-commitment with customers, which language is consistent across venues. • Culturally appropriate materials relevant to venues demographic.
Money Management		
3.2	<p>Personal budget setting</p> <p><i>Assisting customers to identify a personally meaningful limit.</i></p>	<ul style="list-style-type: none"> • User friendly and easily accessible information, using language that is consistent across venues, about: <ul style="list-style-type: none"> ○ The cost of EGM play. ○ Gambling as a component of entertainment spending, which the customer needs to include in their regular budgeting. • On site information about choosing a personal limit (typical expenditure versus safety net), using language that is consistent across venues. • Venue staff training about how to respond to customers’ questions about what limit they should set, with the content of the training to be consistent across venues, including appropriate language. • Community sector worker training about limit setting – typical expenditure versus safety net – with the content of the training to be consistent across agencies, including appropriate language.
Registration		

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
3.3	<p>Registration</p> <p><i>The ability for a customer to register and set pre-commitment limits at the gaming venue.</i></p>	<ul style="list-style-type: none"> • Simple and easy process, for example via: <ul style="list-style-type: none"> ○ a simple form; ○ an interview with venue staff; and/or ○ an automated kiosk. • Customers to be provided with information about system consequences and the process of limit variations. • Customers to confirm acceptance of the terms and conditions.
Limit Specification		
3.4	<p>Limit Types</p> <p><i>The limits that are offered to all customers seeking to set a limit.</i></p>	<ul style="list-style-type: none"> • Expenditure limit <p>Optional features:</p> <ul style="list-style-type: none"> • Time limit • Break-in-play • No-play period
	<p>Limit Periods</p> <p><i>The period over which the limit relates that is offered to all customers seeking to set a limit.</i></p>	<ul style="list-style-type: none"> • Daily • Weekly <p>Optional features:</p> <ul style="list-style-type: none"> • Fortnightly • Monthly • Annual
	<p>Limit reminder message</p>	<ul style="list-style-type: none"> • A gaming machine customer should be able to set a customised limit reminder message to be

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
	<p><i>Consequences will apply to registered customers who exceed a pre-commitment limit. One consequence will be a message displayed at the machine.</i></p>	<p>displayed at the gaming machine when they reach a limit.</p> <ul style="list-style-type: none"> • A prescribed message will be displayed for a customer who has not set a customised message.
	<p>Limit variation before play</p> <p><i>Limitations that apply to all requests for changes to pre-commitment limits after registration but before a customer first plays an EGM after registering.</i></p>	<ul style="list-style-type: none"> • Limit variations after registration, but before a customer first plays a gaming machine after registering, should be applied as soon as they are requested.

(2) During Play

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – During Play
Informed decision making		
4.1	<p>In-venue materials and promotion</p> <p><i>Increasing customers' understanding of pre-commitment and gaming machines, and that pre-commitment is a tool for all customers.</i></p>	<ul style="list-style-type: none"> • User friendly and easily accessible information containing pre-commitment language that is consistent across venues. • Venue staff training in appropriate language for promoting/discussing pre-commitment with customers, which language is consistent across all venues. • Culturally appropriate materials relevant to a venues' demographic. • Identification of privacy protections.
Limit Coverage		
4.2	<p>Wide Area Operation</p> <p><i>System providers must allow the customer to set a limit that applies across all venues.</i></p>	<ul style="list-style-type: none"> • The pre-commitment limits should apply across all gaming machines and all venues in South Australia. • Protection of system providers' and venues' confidential data in a multi system environment.
Limit Variation		
4.3	<p>Mechanisms for varying limits</p> <p><i>The ability for a customer to change their limit</i></p>	<ul style="list-style-type: none"> • Simple and easy process.

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – During Play
	<i>once they have played an EGM after registering for pre-commitment.</i>	<ul style="list-style-type: none"> • On site (for example via simple form / interview with venue staff / automated kiosk). • Off site by remote means (for example, internet).
	<p>Cooling Off</p> <p><i>Limitations that apply to all requests for changes to pre-commitment limits once a customer has played an EGM after registering for pre-commitment.</i></p>	<ul style="list-style-type: none"> • If a limit is decreased then it applies as soon as practicable. • If a limit is increased then the customer must confirm the limit variation after 24 hours to enable activation. • Subsequent requests for variations rescind all others.
Default Limits		
4.4.	<p>Unregistered customers</p> <p><i>Customers not registered for pre-commitment should receive responsible gambling messaging.</i></p>	<ul style="list-style-type: none"> • Messages set by the responsible Minister are generated at expenditure thresholds defined by the responsible Minister. • Messaging will not be so frequent as to be a deterrent to play, but at minimum will occur at three expenditure thresholds. • Messages will be accompanied by an audible sound (eg. beep) at the machine. • Customers can not turn messaging off unless they register and set a limit, including no limit. • Expenditure thresholds relate to gaming session per machine.
Consequence		
4.5	<p>Customised message - registered customers with limits</p> <p><i>The customer should be able to set a customised message to be applied as the consequence to exceeding a limit.</i></p>	<ul style="list-style-type: none"> • A gaming machine customer must be able to set a customised message to be displayed at the gaming machine. • If a customised message is not set, then a prescribed message will be displayed.

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – During Play
	<p>Registered customers with limits</p> <p><i>Consequences that apply to registered customers who have a pre-commitment limit.</i></p>	<ul style="list-style-type: none"> • Progress messages are generated at points leading up to the limit being reached (for example, when expenditure reaches 50% of limit, 75% of limit and 90% of limit). • At the limit, the customised limit reminder message or a prescribed reminder message will be displayed to notify a customer that he or she has reached a contracted limit. • Messages will be accompanied by an audible sound (eg. beep) at the machine. • A further message, reminding a customer that he or she has already reached a contracted limit, must be displayed at 110%, 120% and 150% of limit until the limit resets. • When a limit is reached the pre-commitment system will notify the gaming/venue staff to undertake a subtle human intervention. • Customer notification features should be discrete and should not identify to other customers that the customer has reached a limit. <p>Optional features:</p> <ul style="list-style-type: none"> • The pre-commitment system can ask the gaming machine customer that has reached a limit to confirm if he or she wishes to continue playing. • The pre-commitment system can send an electronic message to the customer or a third party selected by the customer.

(3) After Play

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – After Play
Limit Specification		
5.1	<p>Limit Confirmation</p> <p><i>A registered customer must confirm his or her limit periodically to remind the customer of pre-set limits.</i></p>	<ul style="list-style-type: none"> • A customer must be asked every six months to confirm or change his or her limit. • The process for six monthly limit confirmation or change must be simple.
Customer Communication		
5.2	<p>Notification Method</p> <p><i>Method by which the system provider can communicate with the registered customer.</i></p>	<ul style="list-style-type: none"> • A customer must be able to select his or her preferred method of communication – mail, email, in venue. • A customer should be able to select a preferred language for communication from a list of languages consistent with the Responsible Gambling Code of Practice. This selected language will be used for all communication including system messaging and activity statements.
Activity Statements		
5.3.	<p>Periodic Statements</p> <p><i>The service provider will provide all registered customers with periodic statements of activity.</i></p>	<ul style="list-style-type: none"> • Where there is activity in a preceding period, an activity statement is to be provided by the notification method every six months. • A customer must be able to access an activity statement from the venue/gaming staff, an automated kiosk in the venue, and website.

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – After Play
	<p>On-Demand Statements</p> <p><i>The service provider will provide registered customers with an activity statement when requested.</i></p>	<ul style="list-style-type: none"> • The customer must be able to obtain an activity statement from the venue/gaming staff, an automated kiosk in the venue and website, for the current session of play and previous month, unless otherwise specified by the responsible Minister.
	<p>Statement Contents</p> <p><i>The information that should be included on a statement to the registered customer.</i></p>	<ul style="list-style-type: none"> • The statement must specify: <ul style="list-style-type: none"> ○ the period of the statement; ○ total amount spent; ○ amounts won and lost; ○ net amount won or lost; ○ current limit(s); and ○ number of times exceeded limit.

