PUBLIC AFFAIRS COMMISSION

The functions of the Public Affairs Commission are:

- to examine social, economic and political questions which impact on life in Australia and on Australia's relations with the wider world and make recommendations on such matters to influence the life of the Church; and
- to assist people to engage with public affairs and respond, within its capacity, to aspects of public affairs which may be referred to the Commission or initiated by the Commission.

The Commission observes the Protocol for Making Public Statements which was developed by the Standing Committee in 2011.

The members of the Commission are:

- The Hon. Reverend Dr Lynn Arnold, AO, Adelaide, Chair
- The Reverend Dr Andrew Cameron, Sydney
- The Very Reverend Dr Peter Catt, Brisbane
- Ms Kasy Chambers, Anglicare Australia
- Brad Chapman, Adelaide
- Dr Beth Heyde, Canberra and Goulburn
- The Reverend Evan Pederick, Perth [from March 2016]
- Dr Carolyn Tan, Perth

Dr Beth Heyde retired as Chair in February 2015 after more than three years of distinguished service in the role. Members who have resigned since the last General Synod are the Right Reverend Peter Stuart, Right Reverend Tom Wilmott, Reverend Peter Sandeman.

The Commission has monitored a range of issues and responded from time to time, within its capacity. Issues of interest and concern have been:

- Paper distributed to dioceses in the follow up to General Synod 2014 "Action on Climate Change – The role of Divestment from Fossil Fuels" (December 2014)
- Aboriginal and Torres Strait Islanders: the Constitutional Recognition campaign, native title and heritage reform. Including a letter written to the Prime Minister regarding funding of remote Aboriginal communities (March 2015)
- Refugees and Asylum: Monitoring is facilitated by having a member who chairs the Churches Refugee Taskforce of the National Council of Churches
- Environment/climate change and population issues: PAC sent a letter to Diocesan bishops re People's Climate Change marches in November 2015. The chair participated in an international multifaith process leading to a statement

presented in Marrakesh on the occasion of the November 2016 UN Conference on Climate Change.

Since General Synod in 2014 the Commission has provided comments, submissions or responses on a number of public issues:

 Re General Synod Resolution 64/4 [GS16] dealing with gambling – The response is attached to this report [May 2017]

The Commission responded to requests from the Primate for advice, briefing or action on a number of issues:

- Religious Freedom: responded to Australian Human Rights Commission Enquiry into Religious Freedom (Sept 2015); the chair and Dr Carolyn Tan represented the Anglican Church of Australia at a Religious Freedom Round Table convened by Tim Wilson of the AHRC [November 2015]
- Participated in an interfaith deputation to the CEO and senior management of the ABC regarding Religion coverage. [November 2016]
- Submission to Parliamentary Inquiry into Freedom of Speech in Australia.
 [December 2016]

The Commission responded to requests from the Standing Committee for advice, briefing or action on a number of issues:

 Constitutional Recognition – including consultation and liaison with NATSIAC. In particular reports were submitted to the November 2016 and May 2017 meetings of Standing Committee.

At a PAC workshop held in Canberra in February 2016, it was resolved 'to develop a network with diocesan SRCs and other relevant organisations in other denominations. Work is proceeding on this.

A number of motions will be put to the 2017 General Synod, consistent with the concerns of the Commission.

Attached:

Report to General Synod from the Public Affairs Commission on Gambling and Associated Problems in response to General Synod Resolution 64/14

PUBLIC AFFAIRS COMMISSION

on

Gambling and Associated Problems

in response to General Synod Resolution 64/14

The following resolution was made by General Synod in 2014 (64/14, 3 July 2014, the Rev'd Canon Sandy Grant moved, the Rev'd Shane Rogerson seconded):

This Synod notes the Federal Parliament's inactivity in terms of responding effectively to the Productivity Commission's recommendations in its 2010 report into gambling. Synod grieves for the hundreds of thousands of Australians damaged by pervasive problem gambling throughout our community.

Therefore Synod again urges Federal, State and Territory parliaments to enact effective measures – as recommended by experts independent of the gambling industry – to reduce the impact and incidence of problem gambling, especially via poker machines, but also in the rapidly growing area of online gambling.

In addition, Synod calls on all levels of government to take long-term steps to reduce their reliance on revenue raised by taxation on gambling.

Synod also refers the issue of gambling and associated problems to the Public Affairs Commission for its careful consideration and requests a report in response by the next General Synod.

1. BACKGROUND

In the follow-up from the last General Synod the two central parts of this resolution were conveyed to governments.

With respect to the final part of the resolution the Public Affairs Commission, which does not have particular expertise in gambling issues, offers a response by:

- presenting a brief summary of the present status of government action, with the aim of assisting identification of where best to address expressions of concern by the church in the near future, and
- referring to the work done and submissions made by respected groups in churches and the wider community, noting their observations of problems caused by gambling and their experience in trying to assist those who suffer as a consequence, but without major repetition of their observations and experience in this report.

2. LIST OF GOVERNMENT BUSINESS RELATING TO GAMBLING REFORM SINCE 2000

- The Interactive Gambling Act 2001 was directed at controlling the provision of online gambling services to Australians.
- The *Productivity Commission Inquiry into Gambling* delivered a wide-ranging report in 2010.
- The National Gambling Reform Act 2012 responded to the Productivity Commission Report.
- The Social Services and Other Legislation Amendment Bill 2013 repealed many of the measures in the National Gambling Reform Act 2012.
- A **Review of Illegal Offshore Wagering** was conducted for the Government in 2015 by the Hon. Barry O'Farrell (the O'Farrell Review).
- The Interactive Gambling Amendment (Sports betting Reform) Bill 2015 was initiated by Senator Xenophon (SA) and a Senate Inquiry into this bill, which reported in March 2017, recommended that it not proceed. Senator Xenophon made a dissenting report.
- The *Interactive Gambling Amendment Bill 2016*, initiated by the Government as the first phase of a response to the O'Farrell Review, passed through the Senate after amendment (in response to Senator Xenophon) in March 2017. At April 2017, this Bill was still under consideration in the House of Representatives.

Key changes that have arisen in this sequence will be outlined, following a listing of useful resources that reflect on the developments and present views of concerned groups.

3. SOME KEY RESOURCES

- The Australian Gambling Research Centre presents a compilation of references to reports on gambling which is accessible at https:aifs.gov.au/agrc/resources/keygambling-reports.
- The Productivity Commission Report of its Inquiry into Gambling 2010 (and an issues paper in 2009) is wide ranging and accessible at (www.pc.gov.au/inquiries/completed/gambling-2009/report). Submissions were made during this inquiry by a number of church groups, including the InterChurch Gambling Taskforce (www.melbourneanglican.org,au/ServingCommunity/src/Documents).
 - Some agencies of the Anglican Church in Australia have sustained action in this
 arena for more than two decades, and continue to be active in addressing the
 issues with governments. Resources developed by them are accessible via the
 internet, notably:

Anglicare, especially in Tasmania (https://www.anglicare-tas.org.au/research-library/gambling) and

The Social Responsibilities Commission of the Anglican Church in Southern Queensland (http://anglicanchurchsq.org.au/poker-machine-gambling).

- 'Losing Streak: How Tasmania was gamed by the gambling industry' written by James Boyce was published by Redback, 2017, 248pp.
- The National Council of Churches in Australia produced specific resources on gambling and its impact, with encouragement to use them to raise awareness and redirect attention to the sacredness of daily life (www. ncca.org.au/alldocuments/196-social-justice-matters-gambling-and-it-s-impact-in-australia/file).
- Submissions and tabled documents for the Senate Environment and Communications Legislation Committee report on the Interactive Gambling Amendment (Sports Betting reform) Bill 2015, completed on 29 March 2017, provide recent views from concerned groups and are accessible at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/SportsBetting/Report

4. OPINION AND DATA ON GAMBLING AND ASSOCIATED PROBLEMS

Public opinion on gambling has been researched by the Australian National Institute for Public Policy (ANUPoll July 2011). Some key points are quoted:

'The public generally believes there are adverse consequences from gambling, is supportive of some degree of government regulation, but does not support banning gambling altogether. There was considerable support, even among people who gamble frequently, for the idea that people should be limited to spending an amount they nominate before they start gambling. Less than half the respondents thought gambling activities are advertised responsibly and only a third thought that gambling regulations are properly enforced.'

Points from the Productivity Commission Inquiry Report on Gambling (2010) include (underlining added):

- The Productivity Commission estimated that there were <u>between 80,000 and 160,000 Australian adults suffering severe problem gambling</u>, and in addition there were between 230,000 and 350,000 people at moderate risk.
- The significant <u>social cost of gambling was estimated to be at least \$4.7 billion per annum</u> and the Commission found that even policy measures with modest efficacy in reducing harm would often be worthwhile.
- The risks of problem gambling are low for people who only play lotteries and scratchies, but rise steeply with the frequency of gambling on table games, wagering and, especially, gaming machines. The Commission estimated that problem gamblers account for around 40% of electronic gaming machine (EGM, poker machine) expenditure, showing that a small number of gamblers account for a large percentage of losses.
- Recreational gamblers typically play at low intensity but if machines are played at high intensity, it is easy to lose \$1500 or more in one hour.

- The Commission found that pre-commitment is the most effective way to target problem gamblers and at-risk gamblers without impacting on the wider gambling community. They said there were strong grounds to lower the bet limit to around \$1 per 'button push', and that 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.
- The Commission also highlighted the gambling sector as an important industry with gambling expenditure exceeding \$19 billion per annum and the industry has been estimated to support the employment of more than 145,000 people. They noted that effective harm minimisation measures for gaming machines would inevitably reduce industry revenue, since problem gamblers lose so much. 'However, this would not occur overnight and the reductions may be offset by other market developments.'
- The Commission said there was <u>need for enhanced training and better service</u> coordination for problem gambling counseling services, and that
- Online gambling by Australians appears to have grown rapidly 'despite the illegality of domestic supply', exposing gamblers to additional risks and harms from offshore sites that could be avoided under carefully regulated domestic provision.

5. BRIEF SUMMARY OF LEGISLATIVE DEVELOPMENTS

In its response to the 2010 Productivity Commission Report the Commonwealth Government of the day initially signaled (Statement by Minister Nick Sherry, 23 June 2010) that:

- It supported the use of pre-commitment technology to tackle problem gambling and committed to working with State and Territory governments, and industry, in implementing this technology.
- It did not support the liberalization of on-line gambling, and would work with other countries to investigate the possibility of a more effective multilateral regime to address this form of gambling.
- It accepted that more could be done to improve harm minimisation measures for electronic gaming machines (EGMs).
- It noted that <u>most recommendations in the Report are directed at areas of State Government responsibility, but recognized that national leadership was required and committed to a process through the COAG Select Council on Gambling Reform, consulting widely.</u>

There was strong support from numerous church groups for implementation of precommitment systems, widely seen as the most effective step that might be taken to help problem gamblers and their families. The independent member for the federal (Hobart) electorate of Denison, Andrew Wilkie, in the State arguably most affected by problem gambling (Tasmania), attempted to forge a deal for mandatory pre-commitment and a \$1 'button push' limit when he entered parliament in 2010 and held an influential balance of power position in relation to passage of the Government's business in general. It appeared for a time that these negotiations, which also had support from the Greens and Senator Xenophon (SA), were successful; but the Australian Government then withdrew its full support.

A summary by Amanda Biggs outlines the response to the Productivity Commission report in The National Gambling Reform Act 2012 (http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2013/November/Gambling_reforms_to_be_wound_back). This Act established a national regulatory regime for EGMs which required that (from 31 December 2014) new EGMs would be capable of supporting an approved pre-commitment system; by 31 December 2018 EGMs installed in venues would be linked together as part of a State or territory pre-commitment system and display warning messages; and from February 2014 ATMs located in gaming venues would have a \$250 daily withdrawal limit; levies were to be imposed to fund administration and national gambling regulator costs.

However, a raft of provisions from the 2012 Act were repealed after the change of Commonwealth Government in 2013, through the *Social Services and Other Legislation Amendment Bill 2013*. Continuing to draw on Biggs, as above, these included all provisions relating to pre-commitment systems, including abolishing requirements on manufacturers and venues to ensure EGMs were pre-commitment enabled; repealing provisions limiting ATM withdrawals and requiring warning messages; and abolishing the national gambling regulator. The Bill proposed provisions that expressed the Abbott Government's promise to reduce bureaucracy and the duplication of functions between the Commonwealth and the States/Territories (the latter level being largely responsible for gambling regulation).

The amendments disappointed those who supported the original gambling reform bill. New research (accessible via the Biggs reference) suggests that putting the onus on gamblers to 'gamble responsibly' can add to stigma and prevent them from seeking help, and also gamblers have little information on what constitutes risky gambling – so 'encouraging responsible gambling' also prompts criticism. The repeal of the ATM withdrawal limits, and removal of warnings to players, attracted criticism because evidence suggests these are both effective strategies to help problem gamblers modify risky behaviour.

It was clearly appropriate for General Synod in 2014 to make Resolution 64/14 as it did. Looking forward, Biggs notes that there were indications in the 2013 Bill that there would be continued efforts from the Commonwealth, States and advocates to work towards the implementation of a national pre-commitment scheme.

Some actions have been taken at State level: for example, Victoria introduced legislation to mandate voluntary pre-commitment on EGMs in Victorian venues from December 2015. Western Australia has shown bipartisan support for a responsible regulatory package that has confined gaming machines to the casino at Burwood in Perth and banned high-intensity machines altogether (Amanda Lohrey, writing on James Boyce's book 'Losing Streak', The Monthly, March 2017, pp 48 – 51).

5.1 A greater legislative focus on interactive gambling (sports betting)

In the period up to 2014 the concerns being addressed in legislation appeared to focus more on EGMs (poker machines), at least publicly, but recently there has been much more emphasis on interactive and online gambling - mostly sports or 'in-play' betting. As defined in legislation, a gambling service is an '*in-play betting service*' to the extent to which:

- (a) the service relates to betting on the outcome of a sporting event, where the bets are placed, made, received or accepted after the beginning of the event; or
- (b) the service relates to betting on a contingency that may or may not happen in the course of a sporting event, where the bets are placed, made, received or accepted after the beginning of the event.

These forms of gambling appear potentially even more damaging and have increased very rapidly, though gambling losses may still at this stage be well below the losses on poker machines (Charles Livingstone, *The Conversation*, 29 April 2016). Links to offshore gambling industry were of particular concern.

In 2015 a review of illegal offshore wagering was initiated by the Government, to investigate methods to strengthen enforcement of the Interactive Gambling Act 2001. It was undertaken by the Hon. Barry O'Farrell (the O'Farrell Review).

The Interactive Gambling Amendment Bill 2016 aimed to implement the first stage of the Government's response to the O'Farrell Review. There may well be some confusion for the non-professional observer between what is referred to as the Interactive Gambling Amendment Bill 2016 (initiated by the Government, which is currently active - being considered by the House of Representatives) and the Interactive Gambling Amendment (Sports Betting Reform) Bill 2015, initiated by Senator Xenophon (which will not be legislated, following a Senate Committee review which recommended against it).

The activities associated with Senator Xenophon's Bill (the *Interactive Gambling Amendment (Sports betting Reform) Bill 2015*) are informative for considering future action. Senator Xenophon entered politics having been a solicitor dealing with families devastated by poker machine addiction. He has sustained a strong voice for reform. His Bill in addition to addressing the growing concerns about interactive gambling attempted again, after the repeals in 2013, to achieve action on protective and regulatory policy recommended by the Productivity Commission in 2010. His Bill was referred to the Senate Environment and Communications Legislation Committee.

- Representatives of secular bodies that support reform provided submissions and/or tabled statements for this committee, including the Australian Psychological Society, the Royal Australian and New Zealand College of Psychiatrists, the Australian Institute of Family Studies and Australian Gambling Research Centre, and Financial Counselling Australia.
- Mission Australia and Uniting Communities also provided submissions.

- These informative documents are accessible through the web site for the Senate Committee.

On 29 March 2017 the Senate Committee tabled its report. The outcome was a recommendation by the Government and Labor members of the Committee that the Senate not pass the Bill.

- Labor Senators' additional comments were that several recent developments render the bill unnecessary – including agreement between Australian, State and Territory governments to establish a National Consumer Protection Framework for online wagering (which the Labor Senators wanted to be completed without delay); and that industry should be afforded time and flexibility needed to alter practices to address community concerns about gambling advertising.
- Senator Xenophon issued a dissenting report, reiterating the need for stronger harm minimization provisions and a stronger regulatory framework, reflecting concerns expressed by eg Financial Counselling Australia, Uniting Communities, the Australian Psychological Society, Responsible Gambling Australia, and the Gambling Impact Society.

5.2 Present state of legislative action: the Interactive Gambling Amendment Bill 2016

Returning now to the current legislative action point - the *Interactive Gambling Amendment Bill 2016* (initiated by the Government) - this is to be the first of a three-stage response to the O'Farrell Review. It takes up just two of that Review's 19 recommendations, viz.:

- (Recommendation 3) Until the proposed national framework is established and operating, consideration of additional in-play betting products should be deferred and legislative steps taken to respect the original intent of the Interactive Gambling Act 2001. (The steps taken in the Bill are outlined in the Explanatory Memorandum for the Bill, at https://www.legislation.gov.au/Details/C2016B00186/Explanatory%20Memorandum/Text)
- (Recommendation 17) The Act should be amended to improve and simplify the definition of prohibited activities; extend the ambit of enforcement to affiliates, agents and the like;and (summarizing) extend the role of the Australian Communications and Media Authority in relation to all aspects of enforcement and compliance with the Act.

The Bill has passed the Senate with amendments to prevent advertising of unlicensed, unregulated gambling services (still leaving scope for advertising of other gambling), and to prevent restricted wagering services from offering credit to use the service (but apparently not preventing gamblers' use of their own credit cards). The Bill has yet to pass in the House of Representatives.

The O'Farrell Review acknowledged that gambling policies and strategies in the States and Territories and across foreign jurisdictions are evolving, and subject to a number of current and parallel reviews and consultative processes. Progress seems slow in such a complex environment. But importantly, more of the Review's 19 recommendations are expected to be addressed in legislation as parts two and three of responses to the Review. Some of these recommendations would have strong support in churches, and they can provide pressure points for use with governments, now and in future, including:

- The need for reliable and consistent research information on the Australian gambling market and the prevalence and magnitude of the harms associated with all forms of gambling
- The value of a consistent regulatory framework that applies across all jurisdictions in Australia, and
- The importance of robust consumer protection and harm minimization measures across all regulatory regimes in Australia to adequately protect the community from the harms associated with gambling, including;
 - A national self-exclusion register
 - Requirement that all operators permit customers to set limits on their wagering activity
 - Credit or deferred settlement should be subject to standard consumer protections laws
 - Activity statements should be available to all consumers on demand or on a regular basis
 - All operators should train their staff in responsible conduct of gambling through an accredited provider and be required to deliver a standardized message on responsible gambling across all of their consumer facing platforms
 - Advertising of gambling should be the subject of a consistent and enforceable regulation across all Australian jurisdictions.

All of the above recommendations warrant support.

6. WHAT MIGHT WE DO NOW?

6.1 Legislation

Commonwealth, State and Territory Governments all need to be addressed.

The above actions flowing from the O'Farrell Review need to be completed without delay. Labor Senators advocated this in their additional comments for the Senate Committee. Pressure can be applied for prompt action at the different levels of government, but especially at Commonwealth level.

6.2 Benefits to government and the community

As summarized in the recent Senate Committee report (p. 3):

'Gambling is an established part of Australian society. The gambling industry provides some benefits to the community, by investing in sport, entertainment and tourism sectors, and the significant taxation revenue it generates for governments. However, gambling also causes harm to individuals, families and communities in the form of financial losses, mental health problems and associated social problems, such as relationship breakdown.'

With regard to the benefits to governments - it would be appropriate to seek:

- Recognition that the losses of problem gamblers (300,000 to 500,000 people at severe to moderate risk) provide substantial funds to governments at great cost to the welfare of those individuals and their families; and that governments should therefore reduce their dependence on such funds
- Transparent reporting of tax returns to governments from gambling
- Public reporting of all political donations
- Avoidance of licensing monopolies in the provision of gambling services (see James Boyce in 'Losing Streak' for the example of Tasmania, which has such a monopoly).
- Reliable and consistent research information on the Australian gambling market and the prevalence and magnitude of the harms associated with all forms of gambling (reinforcing a recommendation of the O'Farrell Review)
- Very effective regulation and restraints for the gambling industry, recognizing that
 this is consistent with public opinion and is warranted because of the harm
 caused. The recommendations of the O'Farrell Review, at least, should be
 vigorously and promptly implemented.

With regard to community benefits it would be appropriate to seek:

- Transparent reporting by gambling service providers on their donations to the community not-for-profit sector, both as absolute amounts and as a percentage of their profits
- Reporting on actions taken by gambling service providers to have their staff identify and refer problem gamblers to support networks
- Community organisations that may be interested to benefit from funds derived from gambling may be encouraged to seek support from alternative sources. The Anglican Church in Southern Queensland has produced a brochure with information to assist (http://anglicanchurchsq.org.au/wp-content/uploads/2015/01/Gambling_brochure_alt_sources_of_funds.pdf)

6.3 Harm to individuals, families and communities

Many of the changes sought by churches and other organisations that provide support for people suffering from gambling are, slowly, being faced.

6.3.1 Prevention:

The Australian Gambling Research Centre submission to the Interactive Gambling Amendment (Sports Betting Reform) Bill 2015 reports that it is possible for workers in land-based venues to identify people with gambling problems through quick, simple and easily taught behavioural observation techniques, but they need to be in a supportive environment where such identification is expected. And once such a gambler has been identified, support could be offered in finding assistance if desired; but again this would only be possible if staff were trained and in a supportive work environment. Some checks will not transfer to an online environment, where eg signs of distress cannot be observed; but algorithms can be developed to identify risky patterns of play and flag these to staff. Appropriate actions include:

- Advocating for staff training in identification of problem gamblers, and expectations of gambling service providers for this work and for referring problem gamblers to support services. The O'Farrell Review recommended training, but much more emphasis is needed on making effective the intention to help problem gamblers.
- A national self-exclusion register is on the list of OFarrell Review recommendations and needs to be strongly supported.

6.3.2 Support for individuals and families at risk from gambling:

A number of secular organisations and professionals provide evidence of suffering and provide support (eg Australian Psychological Society, the Royal Australian and New Zealand College of Psychiatrists, the Australian Institute of Family Studies, the Australian Gambling Research Centre, Financial Counseling Australia) and have made submissions on gambling issues.

Churches support people in need in various ways, including those who suffer from harm due to gambling, and have reflected on that experience in submissions. It was his experience as CEO at Anglicare Tasmania that led James Boyce to write his book 'Losing Streak'. Anglicare agencies no doubt also help many who need support because of gambling without knowing that this is the fundamental cause of their distress. There may be additional scope for our church agencies:

- to offer to be contacts for staff of gambling services who are in a position to refer clients they identify as at risk, and
- to seek urgent action from governments to address the staff training actions required from the gambling industry.

'Gambling and its impact in Australia – Is nothing sacred?', a document prepared in several sections by the National Council of Churches in Australia, observes that not all people caught in the gambling net are wealthy or greedy (though greed may be a motivation for some who gamble). 'Many are poorer

people who look for distractions from the difficulties of daily life in the hope that gambling will lift their mood as well as their finances.' The question is how can we as a society respond to the suffering of individuals and families whose lives have been destroyed by gambling, and help to restore and protect the dignity of those most vulnerable to its effects, who are also sacred. Noting with concern the evident influence of political donations from the gambling industry on government policy, Mark Zirnsak (of Justice and International Mission of the Vic-Tas Uniting Church Synod) sees the Christian community having an important role to play in challenging the dominance of market values in places they do not belong and in minimizing the harm gambling causes in our society.

We may respond by speaking frankly to governments in policy terms – but we also have the privilege of offering practical support and the Christian message of reconciliation and hope directly to those who are prepared to be open to it.

7. CONCLUSION

Progress on protection for people who suffer from gambling is beset by conflicts of interest, complicated by the involvement of multiple jurisdictions, and much too slow. It is timely for the Anglican Church to:

- address governments on the need for urgent action particularly in areas identified by the O'Farrell Review which fit with views expressed by church and other organisations that endeavor to help gambling victims, and
- consider ways in which practical support might more widely be directed to sufferers from gambling, along with the Christian message of hope and reconciliation.

Public Affairs Commission May 2017