The Salvation Army Australia Territory
Territorial headquarters

2 Brisbane Avenue, Barton ACT 2600
PO Box 4224, Kingston ACT 2604

P 02 6270 3118

The Secretary
Department of Treasury and Finance
GPO Box 147
HOBART TAS 7001

Via email: future.gaming@treasury.tas.gov.au

Future Gaming Market Project
Gaming Control Amendment (Future Gaming Market) Bill 2021

Dear Secretary

The Salvation Army thanks the Tasmanian Government for the opportunity to comment on the implementation of the *Future of Gaming in Tasmania* policy. We appreciate the steps the Tasmanian government is taking to minimise harm to the people affected by gambling issues.

The Salvation Army is an international Christian movement with a strong presence in Tasmania and throughout Australia. Our vision is to confront hardship and injustice by living, loving and fighting alongside others to transform Australia one life at a time, with the love of Jesus.

The Salvation Army is opposed to gambling. We hold the view that gambling is an exploitative practice that should not be a means of income generation or economic development, whether by government agencies, charitable organisations, churches or commercial interests.[1] Gambling often preys on the most vulnerable people. It is not merely a harmless activity but can become a compulsive dependency.[2]

We see the impact of gambling across our services including family and domestic violence, homelessness support services, emergency relief and Moneycare (The Salvation Army's financial counselling and financial literacy and capability service).

In responding to the proposed amendments and implementation of the *Future of Gaming in Tasmania* policy, this submission is informed by our experience assisting people, including their family and friends, who have experienced financial hardship and stress as a result of gambling harm. As such, this document focuses on the social impact of gambling, the experience of people affected by gambling issues, and the need for gambling to be treated as a public health matter.

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[1] The Salvation Army International Positional Statement (2012). *Gambling*. https://s3.amazonaws.com/cache.salvationarmy.org/e9ce2248-e635-4490-967e-f8b0a821c391_English+Gambling+IPS.pdf.
[2] Ibid.

Harm caused by gambling

Harm caused by gambling can be defined as "any initial or exacerbated adverse consequence due to an engagement with gambling that leads to a decrement to the health or wellbeing of an individual, family unit, community or population".[3]

The Salvation Army believes that harm caused by gambling must be treated as a public health matter. Harm from gambling is not only about financial loses. Our experience working with people affected by gambling issues confirms that the consequences and harm caused by gambling are suffered not only by them but are also extended to family, friends, workplaces and communities. Research shows that harm from gambling may include impaired family relationships, health problems, emotional or psychological distress, financial problems, issues with work or study, cultural problems, and illegal activities.[4] In Australia, it is estimated that for every person who is experiencing gambling harm another seven are affected.[5]

Research also shows that the types of harm outlined above occur across a wide spectrum, from low impact to severe and debilitating harm. Bankruptcy, homelessness, suicidal ideation, family and domestic violence, and relationship breakdown are examples from the most severe end of the spectrum, whereas low-impact harms include trouble with paying for essential household expenditure, managing time or being available for family and friends.[6] Furthermore, harms often accumulate and, at the population level, can be widespread. In severe cases, harm from gambling results in long-term legacy and intergenerational costs, such as ongoing debt, the loss of family assets and major disruption to family networks.[7]

According to the Fifth Social and Economic Impact Study of Gambling in Tasmania 2021, the most significant quantifiable cost of gambling in the state is the estimated cost of relationship breakdown followed by psychological distress of people experiencing gambling harm and their immediate family.[8] Furthermore, the total social costs of gambling in Tasmania in 2020 are estimated to be between $48.9 million and $159.6 million.[9]

A concerning trend that has been identified is the significant correlation between age and people experiencing gambling harm: individuals aged 18 to 34 are twice as likely to be at-risk gamblers compared to those aged 35 to 54, and four times as likely in comparison to those over 55 years of

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[3] Victorian Responsible Gambling Foundation (2016). *A Conceptual Framework of Gambling Harm* https://responsiblegambling.vic.gov.au/documents/165/Harm-study-Fact-sheet-1-Conceptual-framework-of-harm.pdf.
[4] Australian Gambling Research Centre (2014). *The impact of gambling problems on families.* https://aifs.gov.au/agrc/sites/default/files/publication-documents/agrc-dp1-family-impacts_0.pdf.
[5] Productivity Commission (2010). *Gambling* https://www.pc.gov.au/inquiries/completed/gambling-2010/report.
[6] Victorian Auditor-General (2021). *Reducing the Harm Caused by Gambling.* https://www.audit.vic.gov.au/sites/default/files/2021-03/20210318-Gambling-Harm-report.pdf.
[7] Ibid.
[8] The South Australian Centre for Economic Studies (2021). *Fifth Social and Economic Impact Study of Gambling in Tasmania 2021.* https://www.treasury.tas.gov.au/Documents/Fifth%20SEIS%20Volume%202%20-%20Prevalence%20Survey.PDF.
[9] Ibid.

age.[10] It is important to note that the social and economic impacts of the COVID-19 pandemic have been substantial on young people across Australia. In comparison to older age groups, this cohort have experienced high rates of psychological distress, loneliness, educational disruption, unemployment, housing stress and domestic violence.[11]

Michael's story*

Michael* is a 25-year old recent university graduate. Whilst looking for work in his chosen field, Michael's sole income has been the JobSeeker Payment. Michael attended our gambling support services, acknowledging he is a compulsive gambler. He had only been gambling for two years. He had one big win, which sucked him in but has reportedly spent about $35,000 during this time (including $5,000 that he withdrew from his superannuation) and an unspecified amount that he had stolen from his partner, Zara*.

Since commencing counselling, Michael has had a couple of relapses but had not spent a significant amount. The impact of the theft and her discovery of her partner's gambling was devastating to Zara. She engaged in counselling herself to work through her trust issues and to set some very clear boundaries for her partner, including a zero tolerance for gambling. To save the relationship, Michael agreed to some stringent practices around his financial affairs but found that this adversely affected his mental health.

This case is still ongoing. Both Michael and Zara continue to receive relationship counselling and Michael is attending our Gambling Help counselling. Michael and Zara cleared all the credit card debt by borrowing from family and by reducing their expenditure on other items. This preserved their credit rating, which was important to them in view of their longer-term desire to buy their own home. Financial Counselling has concentrated on strategies for protecting the couple's income and assets, both now and into the future. Measures include restricting Michael's access to credit cards and other borrowed money. Michael and Zara believe that as a result of the support they have received, their relationship will survive and flourish.

* Names have been changed

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[10] Ibid.
[11] Australian Institute of Health and Welfare (2021). *COVID-19 and the Impact on Young People.* https://www.aihw.gov.au/reports/children-youth/covid-19-and-young-people.

Concerns associated with the implementation of the *Gaming Control Amendment (Future Gaming Market) Bill 2021*

According to the Tasmanian Liquor and Gaming Commission, if machines are played at high intensity (typically the approach adoped by people experiencing gambling issues) Tasmanians can easily lose $1,2000 or more in an hour.[12] Our experience assisting people experiencing gambling harm shows that when the impulse to gamble is strong, there needs to be as many protections as possible to reduce the risk of significant financial harm to individuals. We see in our clients that the urge to use all available funds to the full extent can be overwhelming.

The Salvation Army notes that the harm minimisation measures that we (and other organisations) have been calling for over the last few years are not included in the proposed amendments. These are standard measures everywhere except on the eastern seaboard of Australia. For example:

- Maximum bets of $1 in the poker machines (currently $5)
- Slower spin speeds in the poker machines (calling for six seconds like in Western Australia instead of three seconds as it is currently)
- Better training and supervision in gambling venues.

Similarly, we note that the proposed amendments do not include specific consumer protection measures, despite evidence that the current mechanisms in place, based on self-exclusion, have not been effective in reducing the harm caused by gambling.

The Salvation Army's experience is that voluntary measures such as self-exclusion from gaming venues are a step in the right direction but are not sufficient. Voluntary restrictions rely on a person affected by gambling issues taking a positive action, which can be easily frustrated if systems are not supportive of the action. These voluntary restrictions also do not consider family dynamics, nor patterns of family violence and abuse.

Because gambling addiction is an impulse control disorder,[13] the design and implementation of self-exclusion programs is fundamental to their success. To be effective, programs should be designed to be easily accessible, supportive of the person's broader goals and implemented consistently.

One of the main areas of concern for The Salvation Army in relation to gambling harm is the financial impact that gambling has on the community, particularly amongst the disadvantaged and vulnerable people that we serve. Gambling harm can result in significant debt to accumulate very

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[12] Tasmanian Liquor and Gaming Commission (2016). *Submission to the Joint Select Committee on Future Gaming Markets.*
[13] Mayo Clinic (2016), *Compulsive gambling.* https://www.mayoclinic.org/diseases-conditions/compulsive-gambling/symptoms-causes/syc-20355178.

quickly. Most of the clients attending our gambling support and financial counselling services report an urge to use all available funds to the full extent.

Similarly, many of these same clients present with other mental health issues which, in addition to financial hardship, can lead to attempted suicide as a result of the despair they feel. Our staff have also identified that an increase in financial hardship can often lead to an increase in family and domestic violence.

> *"Julia* [name has been changed] *arrived at the centre distraught because she had put all of her lunch money into a poker machine… The fact that a heavily (and obviously) disabled women could walk unattended into a venue and blow every cent in her pocket is of concern.*
> *At the gambling venue there was no supervision and no way of preventing someone with mental illness or disability from being exploited."* – The Salvation Army staff

> *"Another man by the name of Martin* [name has been changed] *in our Sunday congregation. Martin has a slight handicap and a history of mental health issues and alcoholism. At one stage in his life he inherited $25K from his parents' estate and put the whole lot down the pokies. At one point he was resorting to eating out of bins to survive. He tells a story of how one day the machines were not working so the staff provided him with free sandwiches and coffee to keep him at the venue until they fixed the machines and he could keep gambling. He tells us he used to put in $50 per go and each day would get up, go straight to the pub and keep gambling."* – The Salvation Army staff

Our experience delivering gambling support services shows that when the impulse to gamble is strong, having as many protections as possible to reduce the risk of significant financial harm to individuals is imperative. We have seen examples of clients experiencing extreme financial hardship who have been exposed to cash loans, short-term credit and other predatory lending practices, after having gambled with their income and can no longer cover basic needs such as food, housing and transportation. In previous instances, we have expressed our deep concern about the impact of these practices and the impact on those who are experiencing financial disadvantage.

As part of the proposed amendments, The Salvation Army notes that the reduction of 150 machines in Tasmania represents only 4.2% out of the 3,490 gaming machines currently spread around the state.[14] Notably, the areas where the most poker machines are situated are in the Legislative Council electorates of Mersey, Murchison and Elwick, which have the highest socio-economic disadvantage in the state.[15] This means that, while pubs and clubs will now be able to operate outside the Federal Group monopoly, they will retain poker machines at high levels in the most stressed communities. With these considerations in mind, we strongly believe that further limiting the accessibility of gambling opportunities could directly support the wellbeing of Tasmanians affected by gambling issues (and those at risk of developing a gambling addiction).

Monica's story*

Monica is in her early forties and receives the Disability Support Pension. She has two adult children and a 14-year old son, who do not live with her.

Monica previously had a carer experiencing gambling harm, who, without her knowledge, used her identity to finance a poker machine addiction and take out several loans in her name: a credit card, a car loan (for a car that she cannot drive, due to her health condition), consumer leases for household items and a Centrelink debt. This has left Monica with significant debts and a fear of living on her own. She now lives with one of her adult children for part of the week for her own sense of safety.

On her first visit with Moneycare, Monica revealed that as a result of the emotional and financial abuse she had endured, her mental health had deteriorated and she had been diagnosed with post-traumatic stress disorder (PTSD) and anxiety. She also mentioned that she had been experiencing suicidal ideation. Moneycare liaised with her psychologist to document her mental health as she has problems with her memory and concentration.

Moneycare has been able to help Monica secure a debt waiver on her credit card. We are continuing to work with Monica's financier to return the secured car loan based on maladministration and without further legal liability. She has decided to continue with the consumer lease and her Centrelink debt is currently being reviewed.

* Name has been changed

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[14] Tasmanian Government, Department of Treasury and Finance (2016). *Gaming and Wagering Industry Data.* https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/gaming-and-wagering-industry-data.
[15] Ibid.

Rohan's story*

Rohan reluctantly approached Gambler's Help for support; he spoke hesitatingly on the phone, making efforts to assure the counsellor that things were not that bad, really, but when Rohan mentioned his engineering studies, the dam broke on his emotions.

Rohan had arrived in Australia six months ago, on a student visa. Arriving in Australia to study engineering was the culmination of a life's dream: to leave his homeland, to travel abroad, to gain a quality education that would be looked upon favourably back home. Most of all, Rohan wanted to bring honour to his family, who had worked for so long to afford the airfare and tuition fees. On the day Rohan found out about his acceptance to university, his parents in their excitement told everyone in their small neighbourhood. Rohan felt so proud.

Arriving in Australia, Rohan had little idea what to expect. The stories he had heard suggested that Australia was a welcoming place, filled with much opportunity. A few days after arriving, Rohan contacted a family friend who had been in Australia for some time. Rick suggested that they both visit the casino. Rohan had never thought about gambling, it was something that was frowned upon back home, but Rohan did not want to disappoint his family friend. That night Rohan lost $500 on Roulette, his entire allowance for the month.

Rohan felt depressed for days. He could not believe what had happened. Thoughts of his parents came to him repeatedly and Rohan did not even know how to phone them. Rohan went back to the casino a week later, convinced that it was the only way to get back what he had lost. Rohan was furious both with the casino and also himself, and desperately wanted to redeem himself.

This started a roller coaster ride from hell. After three months Rohan had lost not only his allowance, but also his forthcoming college fees for the next semester's tuition. Rohan knew that without the capacity to pay, he would be deported from the country, left to confront a wall of shame back home. This he could not do.

Rohan had seen the ads on television that mentioned Gambler's Help. Perhaps they might help. It was difficult at first to talk about things. Rohan felt so ashamed of himself and confiding in this person he did not know was awful. Rohan felt very emotional, but by the end of the session, he also felt relieved, at last someone else knew how low he had sunk.

The counsellor suggested he come back the following week, that with each meeting things would feel better. Rohan really hoped so. He is so desperately wanting his old life back.

* Name has been changed

Conclusion and further engagement

The most important focus for the proposed amendments and implementation of the policy must be to prevent harm from gambling. The Salvation Army strongly believe that much more can be done to reduce harm from gambling in Tasmanian communities.

While we welcome the increased funding to the Community Support Levy as part of the Tasmanian Government's efforts to reduce harm from gambling, we consider that there is still room to include further consumer protections.

It is critical that gambling harm is addressed using a holistic approach. In line with the Productivity Commission's recommendations in its inquiry into gambling, we believe that the Tasmanian Government should take a public health approach to addressing gambling harm, while continuing to provide support to individuals.[16]

A public health approach towards harm from gambling would enable key stakeholders to concentrate on building well-functioning communities (rather than focusing only on the individuals who experience harm), and to prevent harms associated with gambling from occurring (rather than focus only on treating individuals experiencing gambling harm when the harm has occurred).

Yours sincerely

Major Brad Watson
Public Relations Secretary
Tasmania
The Salvation Army Australia

9 August 2021

The Salvation Army acknowledges the Traditional Owners of the lands and waters throughout Australia. We pay our respect to Elders and acknowledge their continuing relationship to this land and the ongoing living cultures of Aboriginal and Torres Strait Islander peoples across Australia.

We also acknowledge future aspirations of all First Nations peoples. Through respectful relationships we will work for the mutual flourishing of Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

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[16] Productivity Commission (2010). *Gambling* https://www.pc.gov.au/inquiries/completed/gambling-2010/report/gambling-report-volume1.pdf.