

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the Victorian Auditor-General's Reports no. 99: Follow up of Regulating Gambling and Liquor (2019) and no. 213: Reducing the Harm Caused by Gambling (2021)

Melbourne – Tuesday 25 July 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O'Brien

Ellen Sandell

WITNESSES

Ms Carol Bennett, Chief Executive Officer,

Mr Tim Costello, Chief Advocate, and

Ms Rose O’Leary, Policy and Advocacy Lead, Alliance for Gambling Reform.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee, and I ask that mobile telephones now be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, and we pay our respects to them, their elders past, present and emerging, as well as elders from other communities who may be here with us today.

On behalf of the Parliament, the committee is conducting this follow-up inquiry into the Victorian Auditor-General’s reports on regulation of gambling and liquor and the reduction of gambling harm in Victoria.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts that you have will be placed on the committee’s website.

I welcome Carol Bennett, CEO; Reverend Tim Costello, Chief Advocate; and Rose O’Leary, Policy and Advocacy Lead from the Alliance for Gambling Reform. You are very welcome here this afternoon. I invite you to make an opening statement or presentation of no more than 5 minutes, and this will be followed by questions from the committee. Thank you.

Carol BENNETT: Thank you for that welcome. I would like to start by acknowledging the traditional owners of the lands on which we are meeting today, the Wurundjeri people of the Kulin nation, and pay my respects to their elders past, present and emerging.

The Alliance for Gambling Reform is the only independent national peak body that represents more than 60 organisations with a shared concern about harm related to gambling and its normalisation in Australian life. We welcome this opportunity to provide evidence today. The review provides a really important accountability and transparency check in Victoria’s public administration of the regulation of gambling and reducing the harm caused by gambling. The public are increasingly aware of the impact of gambling on our children and on our culture. The public are ahead of our leaders on this.

There is now a growing understanding that Australia leads the world when it comes to gambling losses per capita. We are the highest gambling nation in the world. Singapore is second to us, and we are 40 per cent ahead of them. It is one area that Australians really do not want to be leaders in. We have seen increasing calls for stronger and more robust regulation of the gambling industry. We know that Victorians lost more than \$3 billion in the last financial year. That is a staggering figure – that is just poker machines alone.

Gambling harm is much like tobacco harm in so many ways, with a powerful industry that seeks to normalise and downplay the significant health, mental health, economic and social problems that go hand in hand with a culture of gambling that is omnipresent. We welcome the shift in focus that has been facilitated by legislative changes that have led to the establishment of the Victorian Gambling and Casino Control Commission with the sole focus of regulating gambling. We are of the view that there was more focus on a thriving industry than protecting the community from the harms associated with gambling under the previous regulator, the Victorian Commission for Gambling and Liquor Regulation. The failings of this model were outlined by the Royal Commission into the Casino Operator and Licence report and were clearly also identified by the Victorian government with the replacement of the VCGLR by the VGCCC, which also removed alcohol from its remit.

We have seen calls to strengthen the body charged with reducing harm from gambling, the inappropriately named Victorian Responsible Gambling Foundation, and we supported the requirement put forward by VAGO that the foundation implement critical changes and provide evidence-based outcomes-focused research,

awareness raising and service delivery. We are yet to see the full results of these more recent changes to the focus of the VRGF, and it is difficult in the absence of this data to assess the impact that this work has had on reducing harm to Victorians.

We acknowledge that many tangible changes outlined in the VAGO audit are yet to be achieved in order to reduce gambling harm in Victoria. Further steps are required to effectively regulate gambling, develop effective gambling prevention and treatment programs and reduce gambling harm in Victoria, including from online gambling. We contend that this is consistent with the historical focus of gambling regulation and its capacity to reduce harm in Australia, which has been largely ineffective. There has been a strong focus on individual responsibility – a flourishing industry – and there has been a lack of diverse measures in place to effectively support people who are experiencing gambling harm. Fundamentally, gambling harm and its regulation must be recognised through a public health lens if harm is to be reduced. Ideally, this should be administered through the Victorian health department, consistent with other products harmful to Victorians' health. This is slowly shifting; however, there is still so much that must be done to ensure a system that works for communities and supports the public interest rather than the industry.

Our submission has outlined 16 recommendations and important measures to improve harm reduction approaches: necessary data to inform effective decision-making, best practice performance measurement reporting, gambling regulation and licensing processes to ensure best practice and the impact and effectiveness of the national consumer protection framework for online wagering in regulating gambling and reducing harm. While we acknowledge there have been improvements to both the VRGF and the VGCCC in line with the VAGO recommendations since the reports, we note that not all recommendations have been fully implemented and there is scope for more to be done to prevent and reduce gambling harm in Victoria.

Harms from gambling in the Victorian community continue to grow, in part because more gambling products are being introduced and marketed in the community. We believe that the announcement made by the Victorian government recently – including on mandatory venue closures for every pub and club gambling area from 4 am to 10 am; the introduction of carded play, with set loss limits and no more than \$100 loaded at a time; and reducing to 3 seconds the spin rates on new machines – among other reforms to education, training and counselling services represent meaningful and significant reform to reduce gambling harm. More needs to be done, and we look forward to working with the Victorian government in these efforts. Thank you.

The CHAIR: Thank you, Ms Bennett. I am going to go straight to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Thank you for coming in this afternoon. You mentioned the performance of VGCCC; you welcome that it is more focused on problem gambling than its predecessor. What is the evidence on that, or what have you seen that you like about it better?

Carol BENNETT: Well, we have seen a change in leadership at the VGCCC. Certainly we have seen some hard evidence, particularly in areas like more active responses to reform. Just one example would be the recent position statement that they put out that identifies gambling harm as being one of their key objectives. I mean, that is a big change in focus – it is not about industry viability, it is about reducing harm. We have seen record fines that we have never seen before. All of these are very practical indicators of a change in focus at the VGCCC. Tim, did you want to –

Tim COSTELLO: Yes. Look, I would endorse that. I think we actually now have a regulator. I think we had regulatory capture before the VGCCC. That capture was not just the regulator, it was sometimes both sides of politics. Over 25 years of meeting state gambling ministers, I was always quite amazed – when I talked about harm, you just knew their minds went to 'harm to the bottom line for Treasury' and 'harm to the industry', not harm to the people I was talking about. The VGCCC has the advantage of a royal commission into Crown, which was stunning – the worst predatory gambling practice and criminal money laundering they had seen – and they have stepped up. Are you asking, 'Should they do more? Is there another form of regulation you are considering?' I am not sure what your question is, Mr O'Brien, but I actually really welcome what they are doing. Fran Thorn, who came, I think, from health, gets a health perspective. We have had gambling ministers, which in my experience is sort of as ridiculous as having ministers for tobacco, protecting an industry doing harm. Fran Thorn, the chair, has been magnificent, so I only have praise for them.

Danny O'BRIEN: Do you have commentary on VRGF? You said it is wrongly named, but has it performed at all?

Carol BENNETT: Look, we recently had a discussion with the VRGF around their progress towards their outcome measures, and significant progress had been made. We have found working with the VRGF has been quite worthwhile, particularly around the research. The research was quite valuable, and we found that quite useful, and we found their staff quite informative for our work in some of those areas.

I think the difficulty was that the outcomes framework had not yet delivered, so the baseline we are still waiting on, and we have not yet seen the outcome measures and how that actually stacks up, in terms of reducing harm, to Victorians. So I think that has been the difficulty in really being able to say whether or not what the VRGF is doing is translating. But it is certainly on its way in terms of that baseline report.

Danny O'BRIEN: One of the criticisms of VAGO of the VRGF was that they did the research but it did not necessarily translate to prevention and/or helping. You are nodding your heads – you are obviously in agreement on that.

Carol BENNETT: Yes. I think we have said that, and I think we are on record as saying that in the past. It is not just about commissioning and being a postbox, it is about actually ensuring that the measures that are put in place, particularly when there are significant public funds invested, translate into outcomes, and hence that framework outcomes measure –

Tim COSTELLO: It is hard for us to know how much that was serving their political masters of either side that they did not do advocacy. I think they actually intended probably to do more, and I just do not know how much was signals from above that muted their voice, but it was certainly muted – absolutely.

Danny O'BRIEN: Firstly, do you know what is proposed, other than one line in a press release, in terms of VRGF going into VGCCC?

Tim COSTELLO: No.

Danny O'BRIEN: You have not been given any –

Carol BENNETT: We have heard that some of those functions may go into VGCCC. It is unclear what those functions might be, except maybe research, perhaps some policy functions and some awareness raising. I guess, for our part, we believe that this is an issue that is a public health issue that firmly needs to be placed in health, and in a policy sense that is the health department. Certainly there are areas of VicHealth that also would wear some responsibility around public awareness and research perhaps, but whatever the approach is, it needs to be underpinned by a public health approach. And indications are that VGCCC is acknowledging that this issue is now a public health issue, which is a very big change in direction, so we would welcome that.

Danny O'BRIEN: So, if VRGF is going to be wound up, you would support the research or you do not have an issue with the research going into VGCCC, but the prevention and Gambler's Help side of it should be a VicHealth or a Department of Health situation.

Carol BENNETT: It should, and certainly the policy functions – you know, the whole focus, the whole machinery of government focused on the public health implications of this issue – sit firmly with Health. They do not sit in other areas as readily, and so it would make sense if it was a health department issue, just as other products that cause harm to the community have functions within the health department that look at those things and set policy around those products.

Danny O'BRIEN: Okay. That is all from me. Thank you.

The CHAIR: Thank you, Mr O'Brien. Mr Hamer.

Paul HAMER: Thank you. You were mentioning the naming of the VRGF, that you do not feel it is appropriate, nor some of the other terminology that is used to describe gamblers. What terminology would you suggest be used, and how do you think that would actually make a difference in terms of how the community might perceive the issue and also how gamblers themselves might perceive the issue?

Carol BENNETT: Look, from our perspective there has been this incredible onus placed on the individual for gambling harm. It served the industry's purposes really well to blame the individual and say it is an individual responsibility and that people who are not gambling responsibly are gambling irresponsibly. You know, that is really a way of blaming the individual for the outcome. At the end of the day, we know that a harmful product within a system that encourages and facilitates it to thrive and flourish is going to be a product that is beyond individual responsibility. It is a product that is causing gambling harm, so that is how we refer to it. I think most of the research in the literature now accepts that this is not an individual responsibility; this is a responsibility that we all have. It is a public health issue, and we need to move away from stigmatising language. It has been the reason many people feel uncomfortable about coming forward and acknowledging they are experiencing gambling harm. It is stigmatising, it is about blaming the individual, and we do not accept that.

Tim COSTELLO: I will just add, and I am sure Rose will too, that talking about gambling harm is much more important than, 'All of us are responsible, but there are a few irresponsible individuals – blame them.' Back in the year 2000 I wrote a book with Royce Millar called *Wanna Bet*, just really asking the question, which we still have not answered: why do we in Australia have the greatest gambling losses in the world? Why is it 40 per cent higher, even though we have had decades of 'Gamble responsibly' messages? Part of the answer to that of course is that we have 75 per cent of the world's pokies in pubs and clubs. It is so much more accessible here than anywhere else in the world. Secondly, it was this 'Individual responsibility' message. The machines are built for addiction. They are very dangerous – they are very dangerous. That is why in most of the rest of the world they are in casinos, which is a different business – it is destination gambling. You have got to get there, you have got to get home and you intend to gamble. Here, if you are just going shopping and you have got half an hour extra on your parking meter, you are not intending to gamble. It is an intention and a sort of precommitment when it is destination gambling, because they are not on every fourth or fifth block.

But the individual responsibility message really was sold to state governments by the industry. Anthony Ball, Josh Landis and New South Wales clubs went to an NRA conference in 2012 in America. There they were taught, 'Never blame the gun. Guns don't kill; people kill. Blame the individual.' They came back and fashioned 'Gamble responsibly; there are a few irresponsible people', and they sold that message. It has direct provenance with the NRA. Whereas a public health message says, 'Actually, when you have that many machines – 75 per cent of the world's – in pubs and clubs, they are very accessible.' Simply using an individual responsibility message is part of the reason we have the greatest gambling losses in the world. It is accessibility and simply the industry wrapping itself up in, 'We're responsible.'

I would go so far as to say the only people in Victoria against responsible gambling are the industry. Of their revenue, according to two Productivity Commission reports into gambling, 62 per cent comes from people who are doing harm to themselves. Once we would have said, 'They're irresponsible' – 62 per cent. They are the ones who really did not want to change, and it suited them perfectly to have, 'Gamble responsibly; it's individuals.' That has been quite devastating, as someone who has done six funerals for people who took their lives because of the shame and stigma. It is easier to admit you have got a mental health problem or a drug problem than a gambling problem because of the individualised 'Gamble responsibly' message. I do not know, Rose, if you want to –

Rose O'LEARY: I would just super briefly add as well that talking about gambling harm rather than talking about problem gambling and that kind of language, it acknowledges that gambling is experienced on a spectrum. So there is that extreme end of harm, but there are also those lower and moderate harms, which a lot more Victorians and Australians are experiencing every single day. The more that we use that language, it opens up those conversations and reduces that stigma and reduces that shame by talking about the lower-level harms and acknowledging that it is not just the extreme cases of losing your house or your marriage going downhill and things like that, it is also things like not being able to afford a camp for your child. There are so many small things like that that still cause harm that we need to consider when we talk about gambling harm as well, so I think that is important to remember.

Paul HAMER: Thank you. Just turning to your submission, you talk about the approach being grounded in best practices worldwide. I was wondering if you could perhaps elaborate on that both from an Australian perspective, and I take your point in terms of the overall presence of gambling in Australia, but whether there are best practices within Australia, and also overseas models that we might be able to draw on?

Rose O'LEARY: I was listening to the evidence that was provided yesterday as well. You cannot not acknowledge that Western Australia definitely has a very good model in terms of there just being poker machines available at the casino. And then in terms of best practice when it comes to the Australian context, the commitments that have been made in Tasmania around their mandatory precommitment system and their default limits that they have committed to, which is \$100 a day, \$500 a month, \$5000 a year, are really groundbreaking, as are the commitments that were made in Victoria recently, but there is still a lot to be made really clear and consulted on before we get to that.

Then when we come to the international context, there is a lot of information we can be taking from overseas. Obviously, as Tim has mentioned, Australia is in a really unique position, particularly because of how normalised gambling is in Australia. So there is a lot more work that we need to be doing in untangling that normalisation, but we can take anecdotes, particularly from the Scandinavian countries, of some really great initiatives that have been taken by governments there in terms of particularly counting gambling as a whole. So looking at setting limits, but on online gambling, poker machines, any form of gambling and having limits for gambling as a whole, rather than just having limits for poker machines, or just having limits for online gambling. They are the kinds of areas we need to begin looking into as well, which takes both a federal and a state approach. You could really talk about that for many hours, but that is kind of a start to that.

Tim COSTELLO: We always point to Norway. For nearly a decade now Norway has had mandatory precommitment with binding and default limits, which means that you are locked out. It has been working really well. The fascinating thing is both here and in New South Wales, 'Oh, the technology is not really there to do it.' say the providers, Aristocrat and others. Well, it was an Aristocrat subsidiary that produced the product in Norway, and it has been running really well. As you know, in December of this year, Crown will move to mandatory precommitment. We are worried that there are not binding default limits, so you could set your limit at a million dollars and that is not going to be at all helpful. But they have been supplied that technology by IGT, which is like Aristocrat. It is bigger than Aristocrat. So the technology has been in Norway for nearly a decade.

Carol BENNETT: Crown are rolling that out in rapid terms, so it will be in place by December this year, so it can be done.

The CHAIR: Can I just check, off the back of that – apologies Mr Hamer – the normalisation. What do think are really the top three things to break the cycle of normalisation? If you were listening yesterday, we have heard quite a bit of evidence in relation to that, particularly around children growing up. What do you think would perhaps change – you have just talked about presiding over six funerals – normalisation of gambling in this country, in this state? If you were sitting on this side, what would you do?

Carol BENNETT: Three things. The first would be to make this a public health issue, because it is a public health issue, and treat it like we treat other public health issues – tobacco, alcohol, seatbelts in cars. When a product causes the level of harm that is caused by gambling, then the measures that regulate and manage that product should be commensurate with that level of harm.

We do not even have a really good handle on the extent of harm in this country, so even having a comprehensive, solid, focused, strategy approach to this issue that sits within a public health context would definitely go some way towards breaking down the normalisation of gambling as a harmless product, which is how it is seen at the moment. I think we talked about mandatory precommitment and the need for binding and default limits in that system. If we had that in place, that would go a long way towards reducing the impact of harm in the community.

The other one is it is the expansion of products, the availability of products is causing the levels of record harm we are seeing in this country and it is escalating. I mean, in Victoria alone more than \$3 billion was lost to the poker machines in one year. That is a staggering figure.

The reality is that if we were able to reduce the ready availability of and better manage gambling, even practical measures such as – and if this sat within the context of a strategy – opening hours. We think the government have made a really positive move in reducing opening hours, but we would like to see them extended even further – not from 4 am to 10 am but from midnight to 10 am because we know that is when most harm is occurring.

Those sorts of practical things that sit within a public health context make it clear that the governments, our leaders, the community acknowledge that this is a product that causes harm. Even getting to that point has been really challenging because there has been a reluctance to accept that gambling causes harm. It is really only very recently that we have started to see a shift, and there is certainly a shift in community attitudes. Those three things would go a long way towards reducing harm and reducing the normalisation of gambling.

The CHAIR: And advertising.

Carol BENNETT: And definitely advertising. Yes, absolutely. I mean, absolutely.

The CHAIR: I want to hear if you think that that is –

Carol BENNETT: The availability, promotion, awareness – advertising is huge. We know and all the researchers that have talked to you have talked about the relationship between advertising and the link to increased gambling, increased harm. It is a big issue and we know the community certainly think that.

The CHAIR: Okay. Thank you.

Tim COSTELLO: Let me just add on advertising. I think that is the big thing that has changed the culture and this debate about gambling. In 1996 the *Age* editorialised against me: ‘You’re a wowser. Go away. We love a punt. Australians of all people love a punt.’ The *Age* editorialised against me and the industry wrapped itself in ‘Australians of all people love a punt.’ Well, the book I wrote showed actually the Kiwis, the Chinese, the Irish all boast of being the greatest gamblers on earth; we just had the most irresponsible policies in terms of accessibility. A Productivity Commission report showed that. When it comes to advertising, 20 years ago kids could tell you, if they were 12 or 13, the difference between Marlboro and Peter Stuyvesant, and we said, ‘That’s ridiculous. That’s an adult product.’ Why can kids today tell you the logos, the jingles and the odds of different sports betting companies all over the AFL? It is an adult product. We are not against gambling, we are not prohibitionists, we are protecting kids. So the grooming mainstreaming from advertising changed the debate. With pokies it is about 20 per cent of the population that plays, so you could always say, ‘Well, they don’t have to play. It’s their fault’, and the industry narrative was intact. Once mums particularly, and dads, were seeing their kids quoting odds, that was 100 per cent of the population going, ‘This is outrageous’, ‘When did this happen’, ‘Who allowed this?’ That, in my view, is what has really changed the debate of going, ‘This is out of control’, which I have been harping on for 25 years but not many were listening. That is the big change and that was driven by advertising.

The CHAIR: Thank you. I will come back to Mr Hamer. I am going to throw to Ms Sandell.

Ellen SANDELL: Thank you, Chair. Thank you, everyone, for joining us. I want to take you to the reforms that the Victorian government recently announced around spin rates, mandatory closure periods and the load limits. The Premier says these will put us at being the best in the country. Do you think that is correct? You mentioned that you would like to see, say, longer closing periods. Can you talk a little bit more about whether you think those reforms are good, whether you would like to see them changed? I am also interested in whether you were consulted on them before they were announced.

Carol BENNETT: We certainly welcome them, and it does put Victoria up there in terms of being one of the more proactive states when it comes to managing gambling harm. Tasmania is probably slightly ahead when it comes to that mandatory precommitment that they made, and it is a bipartisan commitment. If what they are planning to do by introducing default and binding limits and no credit and all of those features of a really robust precommitment system comes to fruition – and it is meant to come to fruition by the end of next year – then that will be country-leading. But certainly what Victoria has done is very positive. The move to reduce opening hours between 4 and 10 am is a good move. It is certainly better than we have now, and all of these measures are better than we have now. We would like to see it from midnight until 10 am, but it is a positive move. Obviously the slower spin rates will make a difference to harm reduction. And we are really quite positive about the load-up limits as well.

More needs to be done, and we understand more will be done. They will look at measures like loss limits and the precommitment system as well, so that will be very positive. But it is the detail; it is the time frame. And we would like to see consultation with a broader group of stakeholders, not just industry. In terms of our part, we do talk regularly to the minister and to the government and different parts of the government and to different

parties within the Victorian parliamentary system, and it is no secret what our position is on all of these things. So it is definitely a step in the right direction, and it is great that Victoria wants to be a leader. They are certainly leading New South Wales at this point in time, I think it is safe to say.

Ellen SANDELL: We heard some witnesses today say that while they very much welcome the reforms they were a little concerned that industry would be consulted around the details and the timing. What do you think some of the dangers could be?

Tim COSTELLO: The industry will only slow it down, and as I think I was quoted as saying, consulting with industry is a bit like consulting on health with big tobacco. We are really worried that there will be a rearguard action, and there is a rearguard action going on from industry to defeat what the public want here. And whilst we welcome the reforms, if we had had our druthers it would have been a cashless card with pre-commitments that are binding and default limits like Tasmania, which Crown will have in December, and the YourPlay system links Crown pokies with all the pokies across the state. That would be the gold standard. That is what we need to get to. People can still play. They can even override the default limit if they want to. At the moment it is a \$100 load-up limit where you have got to walk away, not a loss limit. In Tassie it is a loss limit of \$100 a day. So that would be the gold standard for us.

Carol BENNETT: The difficulty will be if Crown introduces this system and of course the pubs and clubs do not, we are going to see the harm, the criminality and the money laundering most likely shift into our suburbs rather than be more centralised. That is at odds with different set-ups around the world, where the casino tends to be the place people go to gamble, not in their local suburb in the next street. So that is the reality of the new system.

Ellen SANDELL: Thank you. You also talked about WA. We have heard this a little bit over the last two days – that it is good that you cannot just go to the pokies in your local suburb or at your local club. We do not have any scheme here in Victoria in terms of being able to sell your licences back to the government. We talked yesterday a bit about how there are AFL clubs who want to get out of pokies. But the only way they can do that is to sell their licences on to someone else, so it does not actually reduce the harm necessarily across the community. What is your view on what could be done in terms of actually starting to phase out pokies or reduce the number of pokies in the community?

Tim COSTELLO: ACT – do you want to talk about that?

Carol BENNETT: Yes. I heard Professor Livingstone talk about this yesterday. It is interesting because I think in the ACT it is talked about as the gold standard that the ACT government is buying back licences, but as Charles said, unless it is set at a 75 per cent sort of majority of those poker machine licences, then it is unlikely to be particularly beneficial. So it may or may not be beneficial in the ACT, I do not know, but certainly it is a step towards trying to manage the issue. I do not know that it is a panacea, though. So I do not think that there is the critical mass when it comes to the buybacks in the ACT – perhaps a limitation.

Ellen SANDELL: Okay, interesting. Thank you. Something that we have just been talking about, even at lunch, is: how has it been allowed to get to this point, I guess? I think everyone sees, as Reverend Costello was talking about, the sports betting and just how pervasive it is in our communities and our society, and everyone is getting to a point where they are quite shocked by it. I wonder if you can talk a bit about what some of the root causes are. You have talked a little bit about it today, but I have seen in the halls of Parliament the influence that the industry has over politicians over even just 10 years in being in this place. I think we need to understand some of these root causes and the drivers rather than just tinkering around the edges. So could you talk a little bit about some of those root causes?

Tim COSTELLO: Yes. I will just say very quickly – we have a fragmented system. We do not have a national regulator, and that has allowed the sports betting companies to basically set up in the Northern Territory backdoor, pay virtually no tax and launch a tsunami of ads on the rest of Australia. A fragmented system without a national regulator has allowed us to get to this point. The influence of the industry – they are very good at owning communities, so now with sports betting ads it is ‘Gamble with your mates’ and owning football.

We know for historical reasons that the only two places in the world that had legal pokies were Las Vegas and Sydney – 1956 they both started. Government therefore developed community facilities in greenfields,

particularly western Sydney, on the cheap: ‘Oh, we’re going to have a club and it’ll have cheap meals, and of course it’ll have to have the pokies,’ and government was happy to allow that. It did not initially do a lot of damage because when they were coin-operated you were putting your two bob in, pulling it. Government was able to set up: ‘Oh, we’ve provided community.’ What happened in the 90s, which is really where our problem began, is that it went from coin to cash and it went from mechanical to digital. It is my analogy saying tongue-in-cheek, ‘I believe every American has the right to carry a ball-and-musket rifle.’ It has gone to semi-automatics in America – the same right. In other words, regulation did not keep up with the technology. And even in Victoria in greenfield sites governments, both sides, said, ‘Well, community facilities we get on the cheap. The community’s opened a club with pokies.’ That is, in my view, the history of how we got here.

Carol BENNETT: And we are all carrying these: we have all got a mini casino in our hands as well. I come from a public health background. To me it is very similar to tobacco, alcohol and other harmful industries – unhealthy food – the direction they have gone in. The difference was that they were regulated and they were treated as a public health issue, and we did not get to this point. With this one we are playing catch-up. So the community, I think, are rightfully now really concerned, and the concern is largely for their children as well, because they are so targeted by these companies. We just do not have the regulations. We do not have the controls in place, and we really do need to do a lot more. The first step would be acknowledging that this is a product that causes harm and then setting about doing the things that need to happen to ensure that it is regulated appropriately, as it should be.

Ellen SANDELL: Thank you. And final question – so beyond regulation of the product and the industry, we heard a little bit yesterday about the fact that often clubs and pubs are the only places that people can go to alleviate loneliness and to have some social connection, and that we are lacking some of those facilities that do not have pokies. I do not know if this is within your wheelhouse, whether you can talk a bit about some of those broader roles of government and what government should be doing to help, such as providing more spaces or those kinds of programs that are separate to regulation of gambling?

Tim COSTELLO: If I can jump in, this is a profound need. What staggered me, writing that book *Wanna Bet?*, was that before pokies came to Victoria women were only 7 per cent of problem gamblers. They did not go to TABs. TABs were not allowed to have seats or serve food or drink, because we said gambling in the police department belongs in gaming and vice. It should be allowed, but we know you do not make it easy – that was how we culturally thought. When pokies came to Victoria, women went from 7 per cent of problem gamblers literally overnight to 53 per cent. I am using the wrong term, ‘problem gamblers’, but harm experience – you know what I am talking about. And it was the club culture. Where do you go if you are middle-aged or older where it is safe, they open the door and give you a coffee, they know your name and you want to dress up? You know, you have not got a partner, or he is asleep in front of the footy – where do you go? That is crying out for community experiences without predatory, dangerous machines with the most brilliant psychological games that release the dopamine. That is right at the heart of this too.

Carol BENNETT: And it is interesting that there is a growing movement of clubs who have divested from poker machines, and it is amazing just how on board the community get with that concept and the idea of live music again. They are setting up different business models that are replacing their pokies revenue. So there is a growing movement away from poker machines, but –

Tim COSTELLO: Rose set up Libraries After Dark.

Rose O’LEARY: Yes, I worked quite closely on Libraries After Dark. That is one example of a really brilliant investment of government. Local governments obviously have a lot of libraries in their communities, and opening those late near poker machine venues so people had a different activity to do that was in a safe environment but with a lot of the same experiences of a poker machine venue, for example, free tea and coffee, connection with another person, warmth or, if it is summer, aircon, that kind of is a really brilliant project that we can base further investment on when the opening hours do change.

Ellen SANDELL: Do you have any data or even anecdotal evidence around how well that has worked, whether it did work and whether people were happy to transfer their experience from a pokies venue to a library?

Rose O’LEARY: Yes, we have got a good evaluation that we can share on notice if you would like.

Ellen SANDELL: Great.

Rose O'LEARY: Yes, I can do that for you.

Ellen SANDELL: Thank you very much.

The CHAIR: That is great. Okay, unfortunately, we are out of time. We have so many questions and just limited time available today. If there are questions that committee members do wish to write to you about, are you happy to provide us with a response?

Tim COSTELLO: Absolutely.

The CHAIR: That is great. On behalf of the committee, thanks again for sharing your experience and expertise with us. It is very much invaluable. I hope that the report that comes out at the end of this inquiry, you find value in it, I do.

Carol BENNETT: Absolutely. Look forward to it.

Tim COSTELLO: Thanks for your time.

The CHAIR: The committee will follow up on any additional questions or questions taken on notice in writing, and responses, just so you know, are required within five working days of the committee's request.

The committee is going to take a very short break before recommencing the hearing. I declare this hearing adjourned.

Witnesses withdrew.