

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 – Monday 24 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

Mr Shane Lucas, Chief Executive Officer, and

Mr Tass Mousaferiadis, Board Chair, Victorian Responsible Gambling Foundation.

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

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging, as well as elders from other communities who may be 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 this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome Shane Lucas, the CEO, as well as Tass – you are going to have to help me with your last name, Tass

Tass MOUSAFERIADIS: Mousaferiadis.

The CHAIR: the Board Chair for the Victorian Responsible Gambling Foundation. I welcome you both. You are very much welcome here, and I invite you to make an opening statement or presentation, and this will be followed by questions from the committee. Over to you.

Visual presentation.

Shane LUCAS: Thank you, Chair. I do have a short PowerPoint presentation, and we will obviously speak, broadly speaking, to that.

Can I start by saying that when the foundation was established as an independent statutory body in 2012, our core responsibility was to very much ensure that people negatively affected by gambling could access effective treatment and support. The funding of therapeutic and financial counselling for people affected by gambling harm through the Gambler's Help system remains critical, but over time our focus has very much expanded to include the prevention of harm and the scope of our work has broadened to encompass strategic, integrated, evidence-based prevention, policy advice, knowledge mobilisation and behaviour change campaigns.

Our internationally recognised and lauded research program has been instrumental in advancing knowledge about the complexities of gambling harm and building the evidence base that informs minimisation strategies. It has also contributed to community debate, moving the discussion away from conceptions of problem gambling, gambling addiction and responsible gambling toward a public health approach that acknowledges gambling products and the environments in which they are delivered are the root cause of harm. Consequently, a more sophisticated narrative centred on gambling harm has gained momentum, framing the recommendations of the Royal Commission into the Casino Operator and Licence in 2021 and the recent federal parliamentary inquiry into online gambling. The pokies reforms announced on 16 July by the Premier and the understanding of the \$7 billion social cost to the state from gambling harm are also very much based on foundation-funded research.

The foundation's public health approach, emulated internationally, stems from research that shows gambling harm is associated with poorer health and wellbeing outcomes for the individuals who gamble, for their loved ones, for communities and for the wider population. This is significant because it provides evidence that harm minimisation should focus on interventions at the community level. Those who experience gambling harm are frequently blamed for it at an individual behavioural level, and this contrasts with the research which tells us

that gambling harm is influenced by various factors, including social, policy, environmental and even cultural factors.

Our work is also informed by the diverse voices of lived experience. This helps us address and break down the stigma associated with so-called problem gambling, which is a known barrier to seeking help. It also offers realistic peer-supported hope for recovery. Importantly, we know that gambling products are designed and promoted to keep people gambling. The gambling industry is of course a business, and the business model demands that people spend more money more frequently and over longer sessions. As such, minimising gambling harm is a shared responsibility across communities, governments, product developers and providers, the advertising industry and those who partner with gambling companies to sell their products.

The foundation is of course always committed to continuous improvement, and consistent with VAGO's recommendations in March 2021, we have enhanced and further integrated our holistic approach to gambling harm at a population level so that treatment services are complemented and leveraged by prevention strategies and supported by research. Our outcomes framework was published in March 2022 and is the first of its kind internationally in the gambling harm field. It comprises seven outcomes against which to measure the effectiveness of foundation activities as well as those of other parts of government, the health and community sectors and industry.

The service system review aims to improve outcomes for those who access Gambler's Help services. A new delivery model will be recommended to align with best practice in the mental health system and ensure consistent clinical practice, referral processes and access to integrated peer support services.

Our new prevention programming framework focuses on five key action areas: tackling the normalisation of gambling, building capacity in the community, leveraging partnerships, upskilling for early detection and treatment efficacy, and building evidence. The framework will be critical in refreshing and developing new approaches within the service system. We have also built cost-effectiveness principles into the evaluation framework, another first in the gambling harm field.

The sector development strategy outlines our approach to enhancing professional and community capacity to identify and prevent harm, respond to help-seeking patterns and understand the often complex stop-start nature of recovery from gambling. Pillars of the strategy include professional development sessions, communities of practice and conference participation.

Consistent with the standing directions of the *Financial Management Act*, the foundation's board is responsible for determining that each VAGO recommendation is acquitted and ensuring that actions to improve our performance are embedded into business practices. In March 2021 we accepted all of VAGO's eight recommendations, of which four have been acquitted, one is very close to being acquitted and will soon go to the board, and the remaining three are well progressed but acquittal is dependent on implementation of the new service delivery model that I just described briefly.

The foundation welcomed the recent report *You Win Some, You Lose More* from the federal parliamentary inquiry into online gambling and its impacts on those experiencing harm. The 31 recommendations support a public health approach to harm and reflect foundation-led work in Victoria. For example, our harm minimisation activities include in-language counselling and community education programs in several formats and tailored prevention programs in vulnerable communities. We have successfully piloted a one-question screen and training for general practitioners and allied health professionals to improve referral pathways for people who experience gambling harm alongside other issues such as mental ill health and family violence, and guided by principles for working in culturally appropriate and safe ways, we collaborate with six Aboriginal-controlled community organisations to deliver support services and prevention projects. Our Be Ahead of the Game school program includes curriculum-based units, information sessions for parents, professional development for teachers and interactive workshops for students, and of course our well-known Love the Game, Not the Odds program is Australia's largest and longest running initiative to combat the normalisation of sports betting. Now being replicated in other states, the program involves over 800 elite and local sporting clubs and associations in education, awareness raising and community engagement. An independent evaluation has found that Love the Game is successfully equipping parents, young people and communities to think critically about gambling and the associated risks. It also reminds us to enjoy sport for the benefits it offers, not as a product designed to maximise gambling profits. We do hope the Commonwealth government accepts the

recommendations of *You Win Some, You Lose More* not only in the interests of those experiencing gambling harm but for the wellbeing of the whole community.

Thank you very much, Chair, for the opportunity to present briefly today, and I look forward to our discussion.

The CHAIR: That is great. Thanks, Mr Lucas. I am going to go to Mr Galea first for questions.

Michael GALEA: Thank you, Chair. Good afternoon, and thank you for joining us.

Shane LUCAS: Good afternoon.

Michael GALEA: You identified in your report the \$7 billion annual cost to the Victorian economy from gaming. Could you expand on the harm that is occurring and where this is most prevalent?

Shane LUCAS: That figure is a few years old now too, and we will actually be, hopefully, providing another report based on our four-year population study, with the data from that report, to actually come up with another figure, which I suspect will be probably higher than the \$7 billion that it was in 2016. Gambling harm occurs in so many different settings. It is very clear through our last population study, four years ago, that harm from pokies remained the most prevalent form of harm in the community, and frequently that harm is where it can least be afforded, in communities that are lower on the socio-economic index. Palpably in the lead-up to COVID and lockdowns but through the lockdown process, online gambling has continued to grow significantly, and we would say that over time it will probably catch pokies as the most significant form of harmful activity. The costs of this are manifold. Gambling is also very much a concern for people and has many comorbidities. Our research has shown that around about 39 per cent of people who have a significant gambling issue also have some issues with their mental health in one form or another – and clearly family violence, abuse of alcohol and other drugs. Social isolation is also a real major cause, and loneliness a major cause, of people going to that gaming venue to perhaps find a social outlet, and a component of that is potentially, I would argue, positive. But the experience of gambling that they have in those venues is not always positive.

Michael GALEA: And I would like to come back to online gambling shortly too. Has the VRGF done any research into the correlation between gambling and family violence?

Shane LUCAS: Not that I can recollect specifically. I could come back to the committee. We have done a lot of research over 11 or 12 years. I do not believe we have done specific research in the 4½ years that I have been in the role, but I can go and obviously look at our research library and come back to the committee on that.

Michael GALEA: Thank you. You did also mention in your presentation – I was going to ask you as well – about the *You Win Some, You Lose More* report that was just released a month ago from the federal Parliament, which recommended the phasing-out of all gambling advertising online and on broadcast mediums in three years, and you indicated your support for that approach too. How significant an impact would such a move be?

Shane LUCAS: I think it would be extremely significant. We did some research a year or more ago with Nielsen, the television data company. In 2021 there were 948 advertisements on free-to-air television in Victoria across multiple channels of course, and that is not even –

Danny O'BRIEN: Per day?

Shane LUCAS: Per day. Sorry. Yes, per day. And the industry was spending that year around about \$271 million on advertising. Clearly the impact for a generation of young people who have only known that environment – our research is very clear that 18- to 24-year-olds are the largest group of sports betters in Victoria. The advertising is very clever. I am sure we have all seen it. It can be very entertaining. It is very much targeting especially young men. I think it also has a real component around which it is talking about social acceptance and inclusion. If you think about all the messages of Bet with Mates, these are young men in a social environment having a good time, putting multis on together et cetera. I think there is an absolute correlation between the way the advertising targets that cohort and then the take-up of sports betting by that cohort. If we remove that advertising or at least reduce people's exposure to it, I think hopefully over time we will see an improved outcome for those young people. But if you are my age or if you are over the age of roughly around 40, you did not bet on AFL matches; racing was what you bet on. These days there is not a

single activity that is not monetised by the gambling industry. If people saw the recent *Four Corners* episode on this subject – I, as a father of three young boys who are all very sporty, was very concerned about the fact that through Bet365 I can bet on my 16-year-old son's community cricket game. It is extraordinary. To be able to try and pull some of that back, I think, would be a really important move by the Commonwealth government.

Michael GALEA: Yes, I have seen similar in my community too, and it is quite shocking just how much you actually can bet on. As you are probably aware, the vast majority of WSPs – wagering service providers – are based in the Northern Territory. I believe one of the larger ones is based in Victoria. But how significant a problem does it pose for regulating online gambling in Victoria when the majority of these providers are located in another state?

Shane LUCAS: Look, obviously that is a matter for the regulatory authorities, and the foundation is not a regulatory authority. We do, however, attend the annual meeting of CEOs of departments, regulators and ourselves, which most recently was held in Darwin, ironically. I think it is palpably a concern for the Commonwealth and for states that there are these differing jurisdictional issues, and the Northern Territory is quite transparent in saying that the jobs created by offering that opportunity to house those companies in Darwin is significant for the relatively small economy of the territory. I accept that, but I do think it makes it very difficult for state regulators to have the impact that they would like to have. We saw Ms Fran Thorn here this morning. She is very keen to have more impact in that space. And I think for the Commonwealth one of the recommendations of the report as well is to actually have an improved approach to national regulation, and we would absolutely be very supportive of that.

Michael GALEA: Aside from a broad-scale lack of regulatory oversight being able to be done locally, are there any particular facets of the Northern Territory regulation which you see as problematic?

Shane LUCAS: I would not pretend to be an expert on the Northern Territory regulation. We are obviously a Victorian-based organisation. I know it at a very high level, and I think most folk involved in this space would say that it is a looser regulatory framework than perhaps other states would have.

Michael GALEA: Thank you. And beyond, you mentioned the preferred approach would be to be more coordinated through the Commonwealth. Do you think that the operations of WSPs who are based outside the state of Victoria should be restricted in what they can and cannot do within Victoria?

Shane LUCAS: It is probably a question for policymakers rather than for the work of the foundation. Clearly, through the point-of-consumption tax every jurisdiction pulls the levers in a slightly different way to try and control the spend in the online space and also to ensure obviously that there is revenue coming to those jurisdictions from betting activity conducted in their jurisdiction. But outside of the use of that lever, it is probably more a question for policymakers, I would have thought.

Michael GALEA: Thank you. If I can lastly ask, returning to EGMs, there were some announcements made last week on some changes in terms of carded play as well as limits, spin cycles et cetera. Does the foundation have a view on those changes?

Shane LUCAS: I think they are extraordinarily important reforms. They really do stem from the royal commission into the casino. We made submissions to the royal commission. I and our head of research appeared before Mr Finkelstein and the royal commission, and we put a very strong evidence-based recommendation, which the commission took up, to have mandated carded play in a casino setting with limits of time and limits of expenditure to really try and encourage breaks in play and to have people necessarily see in real time what they are spending. Those reforms that were announced on 16 July really are a continuation of that approach outside of the casino setting into the world of pubs and clubs over the coming period of time, and I think with the other recommendations around operating hours and also around the spin rates, the evidence is really clear that they will have a positive impact on gambling harm in Victoria, so we are extremely supportive of those reforms.

Michael GALEA: Thank you. Thanks, Chair.

The CHAIR: Thanks, Mr Galea. Ms Sandell.

Ellen SANDELL: Thank you, Chair. Thank you for appearing before us today. You talked about the rise of gambling advertising. I know you have done some work on this and how much it has increased over the last few years and how concerning that is. You talked about wanting the Commonwealth to take stronger action in terms of restricting gambling advertising. What is your view on what the state could do in that area?

Shane LUCAS: I mean, the state obviously has limited capacity to influence what is advertised on our screens. They are not the regulator; those powers sit with the Commonwealth under the Australian Communications and Media Authority. We have taken some positive steps in Victoria over the last several years around what terrestrial advertising can look like in terms of how close it can be to schools and close to roads and public transport. There are things that a state government could look to obviously continue to do. We have been delighted in our Love the Game partnerships that both the Geelong Football Club and the Western Bulldogs Football Club have banned static advertising in the stadiums which they control. If you go to GMHBA Stadium to watch the Cats, you will not see gambling advertising within the old Kardinia Park stadium. If you see the Bulldogs at Mars Stadium up in Ballarat, you will have the same experience. I think there could be more done there in terms of working with the MCG Trust, working with the AFL and working with other sporting bodies to try and remove that form of static advertising from our stadiums.

I will not show you the photo, but I will briefly share an anecdote. My 13-year-old son was very fortunate to have an opportunity to hold the Australian flag on day three of the Boxing Day test, and of course his proud father was down there snapping away. Regrettably the Bet365 advertising that he was standing on means I have not put that on Facebook.

Ellen SANDELL: And has the foundation done any work looking at other jurisdictions where subnational governments have restricted – I am thinking South Australia has taken some actions. I know that there might be other jurisdictions that have banned, say, static advertising in all public places, not just close to schools, for example.

Shane LUCAS: Look, we have done a reasonable amount of looking at the different experiences across jurisdictions in Australia. Certainly in South Australia they have taken steps to actually ban advertising on the screen. Now, I am not a lawyer by background. I understand that that could potentially be open to legal challenge because it is arguable whether a state actually has that power under the constitution. I think in the current environment the gambling industry is perhaps not so keen to have a public argument about sports betting advertising by perhaps taking legal action in that space.

Ellen SANDELL: There might be an opportunity for us there.

Shane LUCAS: Possibly so.

Ellen SANDELL: Obviously, this is a product, as you said, that inherently by its nature is harmful, and so some of the ways you can reduce that harm are making the product less harmful or restricting access to it, making it less available. Are there any other levers that you have seen, say, in other subnational jurisdictions that you feel are working well in other jurisdictions and that perhaps we do not have in Victoria?

Shane LUCAS: I think one of the issues in Victoria that has grown over time is that – if you go to Canberra, for example, and you go to the casino, you cannot play a pokie. Pokies are only in a very, very small amount of registered clubs in the ACT. If you go to Western Australia and you go to the casino, you can play a pokie, but you will not find a pokie in any of the pubs or clubs of Western Australia. In Victoria it feels like we have allowed many gambling opportunities to be before the community at pretty much all times that they might wish to gamble. I think certainly the environments in which gambling is delivered too, especially in the EGM space – I think anyone who walks into Crown Casino or many other betting rooms knows that there is no natural light and there is not much encouragement to be aware of whether it is 2 pm or 2 am. There are things I think we could do that are more prescriptive from a regulatory perspective in that physical delivery of it as well.

Ellen SANDELL: And what are the barriers to doing those things? Is it just that they have not been put forward or is it that the industry is pushing back against them?

Shane LUCAS: Again, we are not a regulator or a policymaker, we are a research-based and service delivery organisation. I imagine that the VGCCC may well be investigating other options, but that is really a matter for them.

Ellen SANDELL: Sure. And just in terms of the budget this year – I noticed that the VRGF only received one-year funding, as did a lot of other organisations. Is that in any way hampering your ability to forward plan?

Shane LUCAS: Ultimately, it would have some negative impacts. In our Gambler's Help space, for example, we are wanting to implement a new service delivery model. It is difficult to go out to market and procure on the basis of that work when you do not necessarily know that you are funded beyond 30 June 2024. It does not impact on business as usual on a daily basis. It is how most government agencies have to operate, on some annual sense of budget certainty. There of course also were announcements on 16 July about the ongoing role of the foundation. We are very pleased to see that our programs and services will continue beyond the funded period, but they will not continue in their current form. That was also announced by the Premier on 16 July. So our services will be delivered in other settings and by other agencies, and certainly hopefully that also comes with funding certainty beyond 30 June.

Ellen SANDELL: Okay. Thank you.

The CHAIR: Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Thank you, Ms Sandell. I might just continue on that if I can, Mr Lucas. The announcement on 16 July was literally one line in a press release. Do you have any idea what is happening to VRGF after next year? Is it literally becoming part of the VGCCC?

Shane LUCAS: We have been asked to participate in a consultation process obviously to involve the relevant agencies – ourselves, the VGCCC, the department of justice – but also to involve our funded sector. Our Gambler's Help services are delivered by, from memory, 11 different community health agencies across the state. Some of those agencies are very large, well-integrated community health organisations. We think they have an important part to play in that consultation process to ensure that programs and services into the future are housed in an effective way. As to where that is, certainly in the press release on the 16th it was announced that some of our functions will transfer to the VGCCC.

We work extremely closely with the VGCCC and have even in their previous life as the VCGLR. We have a memorandum of understanding. I would meet with Annette Kimmitt once every fortnight. At a team level we do a huge amount of work together, a great example being the work of the VGCCC inspectorate and our funded venue support workers, who actually go into venues to talk to management to ensure that responsible gaming training has been provided and is up to date. There is a lot of capacity for integration, I think, of our programs and services with the VGCCC.

In terms of the Gambler's Help treatment and support services, that is possibly a different discussion because they are operating much more in a health environment. Historically they were delivered through the Department of Health pre foundation, and maybe that is where they will go, but that consultation process is yet to commence.

Danny O'BRIEN: As it stands, do you know whether the VRGF will exist on 1 July next year?

Shane LUCAS: I am quite confident the VRGF in its current format will not exist on 1 July next year.

Danny O'BRIEN: Right. Do you expect – well, when I say 'do you expect', have you been told whether it will continue in any form beyond then?

Shane LUCAS: We have been told that there is an absolute commitment to our programs and our services and that they will continue, and from our perspective that is the most critical component – that our services are available to vulnerable Victorians and people experiencing gambling harm. The second most critical component for us is obviously our people, and not just the staff of the foundation but also the funded staff that work in those Gambler's Help agencies whose jobs are obviously dependent on the funding we provide. So we really want to make sure that through that transition process and through that consultation process we are closely involved and we can obviously therefore look post 1 July and say, 'Well, the foundation may no longer exist as an entity, but its work continues.'

Danny O'BRIEN: What about the research component? What is likely to happen with that?

Shane LUCAS: Again, a commitment has been made that our internationally renowned research program is very much acknowledged by the government and acknowledged by stakeholders such as the VGCCC, so I am very confident that that will also continue. It may just be housed in a different government setting.

Danny O'BRIEN: Okay. How is that likely to impact the work of preventing problem gambling in particular if particularly for the next 12 months there is a little bit of uncertainty at least as to where it is all going to be?

Shane LUCAS: The service delivery system continues. It does have some impacts on your forward planning for your research agenda, so we will be working very closely with whoever the successor agency is. I suspect it may well be the VGCCC that looks after our research and our education programs. There is a lot of consistency between their remit around gambling harm and the work they also already do in awareness raising and education. I think working with them we will be able to make sure that we have the research pipeline that goes beyond 30 June even if that pipeline is no longer housed within what we understood to be the foundation and is housed somewhere else.

Danny O'BRIEN: Can I ask on the VAGO report specifically: the conclusion was that the foundation did not know whether its programs were effectively reducing the severity of gambling harm. Do you know that now?

Shane LUCAS: I think one of the key recommendations of the VAGO report was the development of an outcomes framework, and as I said, we published that outcomes framework in March 2022. There will be a baseline report that will become public at some point over the next many months. I think that will give us a real line of sight over time as to the effectiveness and the outcomes achieved by our many programs. I did not completely agree with the way VAGO framed that, but I think certainly it was not an unreasonable thing to say that we could improve, and we are absolutely committed to that journey of continuous improvement. The outcomes framework, as I said, is the first of its kind in the gambling space in the world, so a lot of the international community in the research space that looks at our work is also looking very carefully at the outcomes framework and how they might also implement similar things in their jurisdictions.

Danny O'BRIEN: So on that, are you able to now say, for example, things like the impact that VRGF has had on reducing the number of problem gamblers?

Shane LUCAS: I think when the baseline report is published, we will be able to know what our baseline is, and I think from there we will obviously be able to see over time how we are actually impacting, or how the work of the foundation has impacted, the severity at, shall we say, the pointy end of gambling harm but I think also down the spectrum of harm. It has been one of our arguments for a long time, based on our research, that that so-called pointy end of harm is quite a small percentage of people from a population perspective, but across the spectrum of harm – from people experiencing different levels and occasions of harm and the harm also experienced by affected others, by people's loved ones – it is much more nuanced. I think we can demonstrate that we have had some positive impact there, and the outcomes framework will continue to help us do that.

Danny O'BRIEN: Do you actually have data on that, though?

Shane LUCAS: We have got a lot of data through our population studies that are conducted on a four-yearly basis. We have conducted a piece of work over the last many months to do a compare and contrast of those four population studies, and we can certainly demonstrate that we have had impact. I do not know that we have necessarily had the impact that we would like at that very pointy end.

Danny O'BRIEN: And can you say, for example – and I am happy for you to take this on notice – that in 2011 there was this percentage of the population suffering gambling harm and then in 2023 there was this percentage less?

Shane LUCAS: We can certainly say that with the people experiencing the most severe harm that dial does not turn very much. It turns between sort of 0.06 and 0.07 and 0.08 per cent of the population. We can look at some of those other positions on the spectrum, as I say, and demonstrate that in some cases harm is potentially worsened. Not all things are necessarily within the control of the foundation –

Danny O'BRIEN: Of course.

Shane LUCAS: advertising et cetera and the growth of online gambling. We can also look at some of the harms in other spaces and say that the harm in that area has perhaps reduced. That might have been in response to regulatory change, it might also have been in response to changes of demographic and behaviours.

Danny O'BRIEN: And on that – I think you might have answered this broadly in response to Mr Galea – what research do you have on the impact of carded play and on the impact of spin rates and precommitment in terms of actually reducing problem gambling?

Shane LUCAS: Well, spin rates is an interesting one. There is quite a bit of research on spin rates, and there is a palpable line between reducing the frequency of the bet and then the potential harm that is caused. There is also a lot of research around how important breaks of play are. Even short breaks of play of as little as 15 minutes will have an absolute positive impact on harm because it gives the person that moment of pause, that opportunity to consider the experience they are having on a given day and to make potential changes to their behaviours. So we have very good research in those spaces. In the submissions that we have made to the royal commission – from memory I think there were actually three written submissions that we made – there is a lot of detail about the research into mandatory carded play. Again, some of that is foundation-funded, some of that is publicly available research from other jurisdictions.

Ellen SANDELL: Can I just ask a quick follow-up on that. The government's recent commitment is \$100 load limits and a 6-hour shutdown period. Do you have –

Shane LUCAS: And a consistent 6-hour shutdown period, I think, which is also very important.

Ellen SANDELL: So I am just wondering if you have any research on the effectiveness of those levels versus, say, a higher or lower card limit or a shorter or longer shutdown period.

Shane LUCAS: I mean, one of the issues with gambling of course is that putting a dollar figure on loss is so relevant to your own income. We have developed through a consortium of other research and jurisdictions I think all the low-risk gambling guidelines, and they suggest that 2 per cent of your take-home pay should be a relevant figure. And of course 2 per cent of one person's take-home pay is not 2 per cent of another person's take-home pay. I think the higher the limit, the more likelihood of potential risk of harm. Research is pretty clear: the lower the limit, the best chance of actually reducing the risk of harm. But that does also vary as to whether you are a high-income individual or a low-income individual.

Ellen SANDELL: And a shutdown period – you know, if you are looking at a shutdown that is in the early hours of the morning versus a longer one during more waking hours –

Shane LUCAS: There is quite a bit of research as to when the most harm occurs, and certainly the most harm occurs basically between those early hours of the morning, as you might expect. There is also research that suggests the early hours post school drop off is a particularly dangerous part for some people. Effectively, children are sent to school and the parent may go to gamble for a period of time, so there is probably no perfect time of day to close the venue.

Ellen SANDELL: Or length of time.

Shane LUCAS: I think the length of time that has been put there is appropriate. Again, if you made pokies venues open for 2 hours a day, you would probably reduce the amount of harm. The more hours they are open, you are at greater risk; the less hours that they are open, you are at more chance of actually having a positive experience. I think the consistency of hours that was also announced is very important. There is a reasonable amount of evidence that the regulator had been gathering around the capacity of an individual to gamble 24 hours a day by simply moving from one venue across the road to another venue. I am not sure it is possible to prove, but were those venues deliberately staggering their hours in order to achieve that?

Danny O'BRIEN: Can I just go back to the online gambling – I think you said that over time you expect online gambling will actually overtake pokies. Is that the –

Shane LUCAS: Certainly on the trends of the last two to three years, and clearly there is a spike in those trends that relates to lockdowns, where certainly in places like obviously Victoria but across the country

lockdowns were lengthy, and we certainly saw a growth in the online gambling space in that period. I think it is probably just also a feature of the change –

Danny O'BRIEN: Technologies.

Shane LUCAS: nature of behaviours and technologies.

Danny O'BRIEN: Yes. Is there a risk or is there research at least to show that there is a risk of if we make it more difficult to gamble at the pokies, that we will just drive the problem underground and into people's homes where no-one can see what they are doing or how they are betting?

Shane LUCAS: There is research that suggests that gamblers are – I will try and phrase this appropriately – strangely loyal to their preferred product –

Danny O'BRIEN: Right.

Shane LUCAS: and that a person who experienced, for example, an inability to go and gamble at a pokies venue in Melbourne in 2020 for several months – eight months in the end the venues were closed for – that person did not necessarily transfer their gambling behaviour to an online platform. The growth in online was effectively new growth and new volume amongst already existing online gamblers. I think the demographic challenge for pokies venues is also going to be something that over time sees a diminishing number of losses in the pokies space. By its very nature pokies players tend to be older persons – that is not a hard and fast rule, it should be said as well – but I would think that over time those combinations of factors will see online gambling potentially growing and exceeding the harm we currently see from EGMs.

Danny O'BRIEN: Can I sneak one more in?

The CHAIR: Of course you can.

Danny O'BRIEN: Do we have good visibility of people, from a gambling harm perspective, who are, like I said, sitting at home – and I am not really referring to Sportsbet or Bet365, people punting on the races or the cricket or whatever. I am more talking probably the online gaming, the casinos, online betting.

Shane LUCAS: Online casinos et cetera?

Danny O'BRIEN: Yes. Do we have visibility of how big a problem that is?

Shane LUCAS: I do not think we have enough visibility of how big a problem that is. We have some. I think that is also a space where obviously the Commonwealth response to the report will be very interesting as to see can we have a more clear line of sight and access to data that is available from those other forms of online gambling? At the moment the Australian Communications and Media Authority has some visibility on that, but I think you would probably argue that it would need more. And the growth of illegal betting sites, as I am sure you are also aware –

Danny O'BRIEN: Sorry, the growth of –

Shane LUCAS: The growth of illegal betting sites. ACMA plays a very good role in monitoring the environment and in closing those illegal sites down on a regular basis, but it can be a bit of a game of whack-a-mole – you close one down and three open up. And that is also I think something that we need more – as a nation, not just as Victoria – transparency on.

Danny O'BRIEN: Yes, okay. Thank you.

The CHAIR: Thanks, Mr O'Brien. We will go to Mr Galea.

Michael GALEA: Thank you. I think we all just had a few wrap-up questions. In terms of the shutdown, now this might be exposing a bit of naivety on my part, and there is a lot that we have learned in these hearings and reading through submissions and reports, but how many venues roughly are actually open at 4 in the morning?

Shane LUCAS: That is really probably a question for the regulator to be honest. We do not monitor that.

Michael GALEA: You do not keep track of that? And a similar question: are you aware of how frequently new venues are granted licences? I know that is also most likely a question for the regulator.

Shane LUCAS: Yes, it is more a question for the regulator. Where we work with the regulator and also with local governments is if new applications come before the regulator for new venues, new hours or whatever it might be in a local setting, we might be asked to work with the regulator on understanding what the harm already looks like in that particular LGA, for example, and then obviously there can be a discussion with the regulator as to what is appropriate or what is not appropriate. But yes, it is a question for the regulator in terms of how they monitor that.

Michael GALEA: Thank you.

Lauren KATHAGE: Thank you. I have just been reviewing your outcomes framework online, which I understand is new, developed last year, and I guess reorienting your approach somewhat with the use of population surveys and the like. Looking at the measures that you have in place and the harm reduction focus, I can see that there is a measurement of sort of success of programs and three months after the completion of a program seems to be the standard measure or the point in time when you would take that measure. I am just wondering though about impact, which sort of is a longer lasting measure generally – how that is captured in your outcomes framework as well as the measurement of harm itself. I can see there are a lot of measures to do with people's attitudes. There are a lot of measures to do with the success of programs. But that sort of benchmarking of the harm that exists in our community, how are you capturing that?

Shane LUCAS: So as I said, we released the framework in March 2022, and we are in the process of developing a baseline report that will assist us to set that baseline. Then over the coming period of time we will obviously be able to make assessments of how successful some of those measures are in demonstrating where the community is at at a given point in time. We also always group the outcomes framework into outcomes where the foundation had some control, outcomes where the foundation had a capacity to influence that outcome and then other outcomes that the foundation does not necessarily have any impact on at all but we need to measure as a community and understand, to your point, where the community is at at a point in time and how are we going to over time measure our capacity through the foundation, through the regulator, through other policymaking activities to actually have a positive impact for people.

Lauren KATHAGE: And that is every three years?

Shane LUCAS: Sorry?

Lauren KATHAGE: You are measuring progress each three years?

Shane LUCAS: We would be hoping to have a baseline report on an annual basis. There are some measures where the data is not available annually, and there are some measures where the data is available on a two-yearly basis or a three-yearly basis. So every baseline report will have a little bit of fluctuation in it, and as we get access to more data, we will obviously have more accurate measurement.

Lauren KATHAGE: So I guess we are hearing about the uptick in online gambling. Are there measures that can sort of track that in, I guess, closer time periods, considering the massive increase in online gambling? Perhaps that is –

Shane LUCAS: Look, I think the way we have framed that measure around decreasing gambling harm experienced by people who access services is one way of being able to do that. But there is also obviously another measure around decreasing access to potentially harmful gambling environments. I think that is, to the question Mr O'Brien was asking as well, something where we need to have more line of sight on where that online gambling harm is being experienced and how it is being experienced. But I think the outcomes framework will over time assist us in that space.

Lauren KATHAGE: Thank you.

The CHAIR: Thank you, Ms Kathage.

Mathew HILAKARI: We have got very limited time available. Just on the intersection between isolation and gambling – and particularly you mentioned after the school drop-offs – have we done much research into this area, and what are some of the findings?

Shane LUCAS: Certainly in the social isolation stuff, perhaps more. We know that there are significant spikes in time in venues where harm might be more prevalent, and one of those times is in those few hours after school drop-off time. There is not a huge amount of research on that, however. It is something that is kind of known from looking at the access data that is available through the regulator.

Social isolation – absolutely, there is a lot of research around that suggests that loneliness, social isolation and not a sense of inclusion are real drivers for people to seek activity and to seek activity that might have a social component, such as being in a venue. One of the very successful prevention programs we have run over the last several years is based on a very simple idea called Libraries After Dark, and it is about working with a handful of municipalities to encourage them to actually open facilities longer in the evening to assist some of those especially maybe older people to have somewhere else to go – somewhere else to remove their sense of isolation, to watch a movie with other members of their community, to play games et cetera – and that has been a really, really successful prevention program. It is a very simple concept: give people another option than the pokies venue.

Mathew HILAKARI: So there is a strong role for local government in particular.

Shane LUCAS: I think there absolutely is a strong role for local government.

Mathew HILAKARI: Thank you.

The CHAIR: Thank you, Mr Hilakari. That brings us to the end of our time today. Thank you so much for coming and appearing before the committee. It is a great conversation. It is something that committee members, particularly in relation to this inquiry, feel very strongly about and about the impacts that it has on their community. The committee will follow up on any additional questions or questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee is going to take a very short break before resuming at 1:50 pm. I declare this hearing adjourned.

Witnesses withdrew.