



20 December 2019

Budget Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Treasury staff,

Thank you for the opportunity to provide some recommendations to inform your decision making when formulating the upcoming federal budget.

About us

Connect Health & Community (formerly known as Bentleigh Bayside Community Health).

Connect Health & Community is a not for profit community health organisation that provides a comprehensive range of services. These services include Dental, Physiotherapy, Dietetics, Podiatry, Hydrotherapy, Speech Pathology, Gambler's Help, Community Transport and Activity Programs to name but a few.

Connect Health & Community has a strong tradition of commitment to community participation via volunteering, with an increasing emphasis on consumer representation at all levels across the organisation. It has been in operation for 42 years.

We receive funding from Federal, State and Local Government and work in partnership with other community agencies.

Gambler's Help Southern (GHS) is program of Connect Health & Community and has maintained continuous funding since 1994. GHS is the largest problem gambling service provider in Australia. It encompasses 25% of the Victorian population, operating from 13 geographically, demand led sites across the Southern Metropolitan Region of Melbourne and managed centrally from its corporate office at 2A Gardeners Road, Bentleigh East Vic. 3165.

Gambler's Help Southern provides the following specialist program streams:

- Therapeutic Counselling
- Financial Counselling
- Community Engagement
- Venue Support


Our therapeutic counsellors assist clients to identify and address the underlying causes which have led to the client experiencing gambling related harm. This may have resulted from trauma, drug and alcohol addictions; depression arising from grief or other mental health conditions.

Our financial counsellors assist clients to address the financial consequences of gambling related harm. This includes advocacy with financial institutions, landlords and energy providers.

The information provided in this submission speaks to the professional learnings of our staff and their observations from working with a very broad cross section of our community for over 4 decades.

We invite you to contact Brian Kirk, Service and Business Development Manager, Gambler's Help Southern (03) 9575 5306 B.Kirk@connecthealth.org.au to discuss any aspect of this submission and our recommendations.

Amanda Murphy

A handwritten signature in black ink, appearing to read 'Amanda Murphy'. The signature is fluid and cursive, with a large loop at the end.

Chief Executive Officer

Submission

The establishment of a National Commission for On-Line Gambling Regulation.

The Australian gambling market provides relatively easy access for online gambling companies wishing to provide their products and services in this country. This is achieved as access to the Australian market is gained by paying a license fee to a single state or territory. This is the process used by overseas companies, resulting in one jurisdiction receiving a license fee, and all other states and territory's needing to provide unfunded resources to support those impacted by gambling. The increase in the availability and variety of gambling options for Australians means this piecemeal approach is no longer relevant across Australia.

The establishment of a national regulatory framework will ensure a consistent application of Australian legislation particularly in relation to:

- The removal of jurisdictional barriers for the resolution of complaints between states and territories in Australia
- The application of consistent penalties associated with breaches of relevant legislation and industry codes of conduct.
- Gambling advertising.
- Problem Gambling Support Services to be prominently and unambiguously displayed on all advertising and communication.
- The prohibition of all in play gambling.
- The prohibition of the term gaming to describe or refer to gambling activities.
- The prohibition of all or any form of inducements to participate in any gambling activity, including a prohibition on promotional events and free bets.
- The prohibition of the provision of any form of credit to consumers by the gambling industry.
- All new accounts must provide proof of age, requiring 100 points of identity including a minimum of two forms of photo identification and certified by a serving police officer, before any transactions are undertaken.
- The prohibition of gambling prior to the validation of proof of age and identification.
- The establishment of a National Self-Exclusion data base. This database must be universal to all providers and provide easy to access for consumers.
- The provision of full public financial reporting by gambling providers including on-line providers.
- The immediate availability of all winnings to consumers.

- The mandatory provision of a Player Activity Statements to all consumers listing all transactions provided on a quarterly basis as a minimum.
- 10% of all profits to be made available to Problem Gambling Support Services throughout Australia
- The establishment of a monetary fund that will aid in the provision of problem gambling research including the introduction of algorithm software to monitor consumer betting trends for intervention purposes.
- Prohibition of the transfer of cash from any consumer credit facility into gambling related accounts
- Prohibition of the acceptance of funds from any account or facility not held by or in the name of the account holder.

This would see the better utilisation of resources and consistent access to both gambling products and support services across Australia.

Recommendation: It is recommended the regulation of the provision of gambling be undertaken at a federal level with a consistent approach to regulation, support services and funding based on need.

Increase support services for people at risk of family violence as a result of gambling

Emerging research is showing a direct correlation between the number of reported family violence incidents to Victoria Police and the number of electronic gaming machines in the same geographical area, i.e. the number of reports of family violence is proportional to the number of EGMs.¹

However in highlighting this concern additional research is required to comprehensively support this statement.

Gamblers Help Financial Counsellors offer assistance to an increasing number of clients who are not themselves gamblers, but are adversely affected by the gambling losses of a family member or significant others. Affected others (non-gamblers in a relationship) often find themselves at risk of homelessness, the inability to meet or manage family needs such as food and utility costs and are at the very least victims of economic violence. Many of these clients need immediate financial relief while they restructure financial arrangements to protect the family's income and assets. Where the family member has employment income they are often not eligible for crisis support via Centrelink or relief agencies. The current systems are insufficient to adequately assist families in this situation.

Recommendation: The provision of increased financial resources to support families of problems gamblers with crisis support where they are impacted by the actions of a gambler. This can be achieved by better understanding the impacts of gambling and the development of emergency relief structures which reflect this understanding.

¹ <https://aifs.gov.au/agrc/publications/impact-gambling-problems-families/what-are-impacts-gambling-problems-families>

There is a definite reportable increase of complex cases and statistical trend with clients presenting to Gamblers Help Therapeutic Counselling. This is driven by the increase in reporting surrounding family violence and the reduction of mental health services provided under the Medicare funding model. As a result the current funding levels of Gamblers Help services are insufficient to adequately assist families in this situation.

Recommendation: further resources be made available to provide therapeutic treatment services to those agencies supporting problem gamblers and their families.

It is noted that Federal Government funds a number of financial counselling positions which are not supported by therapeutic counselling services. This limits the number and type of opportunities that could be used to resolve trauma or mental health issues which exacerbate behaviour.

Recommendation: It is recommended that Federal funding be directed to state based Gamblers Help organisations to enable increased flexibility in the provision of services and to ensure greater cohesion of service provision.

Gambling and children (under 18 years of age)

Gambler's Help staff are becoming increasingly concerned of the predatory nature of gambling providers and the conditioning of children in the direction of gambling. This is due to the unescapable nature of gambling advertising in sport and the encroaching of gambling games in apps aimed at children. E.g. many popular games have a scratch ticket to gain a prize, a pick a box lottery at the end of a quest to determine the prize or a spinning wheel to gain a life or bonus item.

Online services also enable players of online sports games to bet on the outcome of their matches. With age checks as simple as the question "are you over 18?" There is little or no restriction on accessing these gambling services. There are also few checks that the person is who they claim to be enabling a young person to invent an identity to circumvent age restrictions.

We also see a number of clients who are introduced to gambling by parents at an early age due to regular trips to gambling venues where incentives such as low cost meals and play spaces are available. When children are old enough (18+) they are likely to accompany parents into gambling areas.

Recommendation: It is recommended that the government fund specific youth gambling research and the impact of advertising and in game gambling on youth attitudes towards gambling. This may then lead to advertising limitations or funding of preventative services aimed at young people.

Recommendation: It is recommended that it be a requirement to provide 100 points proof of identity and age at the time of creating a gambling account. It should be mandatory for this to be provided prior to accepting wagering transactions.

Superannuation hardship rules

While a review of the superannuation hardship rules has been undertaken the final report and adoption of the proposed regulatory change has not been finalised.

Recommendation: It is recommended that the proposed legislated changes to the superannuation early release rules be regulated.

Our financial counsellors regularly work with clients that have had their income reduced due to illness or accident. This can make meeting normal living expenses arising from arrangements entered into while working, unmanageable. We witness the fear of client homelessness; causing them to prioritize rent and/or mortgage repayments, whilst other normal living expenses remain un-serviced.

Depending on the source of income the solutions to managed debts for these clients will vary e.g. a client covered by state transport accident insurances are ineligible to apply for a legal early release of superannuation under hardship grounds as these are limited to those in receipt of Centrelink benefits.

By contrast a person not on Centrelink benefits and with private rental arrears or other normal household debts cannot access an early release on compassionate grounds which only addresses payment of mortgage arrears or medical expenses.

This inconsistency impacts a number of clients who are receiving payments from state transport accident insurances, Workcover or from income protection insurance and are not eligible to use the early release of superannuation provisions. These payment types should be included when assessing severe financial hardship.

Recommendation: It is recommended that the early release of superannuation provisions relating to hardship be expanded to include those in receipt of state transport accident insurances, Workcover and income protection for 26 weeks and unable to meet reasonable living expenses. The assessment process should mirror what is in place for current early release and hardship schemes. To ensure appropriate payment of funds all remittances are made directly to the creditor.

Similar circumstances arise where a member of a household ceases employment and is not eligible for Centrelink or other compensation. This occurs when the spouse or partner remains in employment and the cause of work separation is not related to illness or injury. In these circumstances the household can experience a significant drop in income and may not be able to manage debt entered into while employed. This could be resolved through the payment of a hardship benefit following an assessment of hardship with reference to evidentiary documentation. This documentation would include bank statements, overdue notices for credit cards and utilities.

Recommendation: It is recommended that the early release of superannuation provisions relating to hardship be expanded to include those meeting specified hardship criteria resulting from a change in household circumstances i.e. a household member being unemployed for 26 weeks and unable to meet reasonable living expenses. The assessment process could mirror that in place for current early release and hardship schemes. To ensure the payment of fund remittances should be made directly to the creditor.

Changed postal delivery arrangements

In the short period since the introduction of Australia Post's new delivery service standards, of 2- 6 business days, we have seen a number of clients receiving mail which requires a 7 day response received on or after the response date. When applied to bills and fines this can result

in a client paying penalties on an account which they were unaware of, or an inability to plan for a larger than usual debt.

The flow on effect of this will adversely impact consumers on tight budgets who will be unable to take advantage of early payment discounts and find themselves increasingly paying penalties.

Organisations and companies should be required to extend the payment times and laws governing receipt and response to information should increase by 4-7 days to cater for the unintended consequence of this change in market conditions.

Recommendation: Government should conduct a wholesale review of legislation to determine the appropriateness of current timeframes to respond to all correspondence including fines. This should be extended to all tiers of government and be acknowledged in Australian courts.

Information registers enabling perpetrators of family violence to locate former partners

Section 117(2) (g) of the Corporations Act requires a physical address as the registered address of a company. While Section 205D gives an exemption in some cases, however a physical address is still required. For a small number of companies this can lead to the perpetrator of family violence locating their victim, placing them or others associated with the victim at risk.

Recommendation: It is recommended that a private register, similar to that operated by the Australian Electoral Commission, be maintained for anyone at risk of family violence. Application to use the register would be made following the recommendation of legal, judicial or enforcement services. The private sub-registry should be subject to restricted access and notices served via ASIC in the event this is required.

The new consumer credit reporting regime is a positive reporting regime as a result service providers such as utilities report information such as service addresses to the credit reporting companies. Unfortunately there are no provisions made to withhold this information on credit files and we have become aware of perpetrators of economic violence accessing credit files of former partners in order to determine current living locations. When this occurs the costs providing new safe accommodation are increased and reduce the assistance available to others.

Recommendation: It is recommended that a person be able to request that address information be withheld from a credit file report and online systems to protect the addresses of those at risk of family violence.

The matters addressed are those that we have become aware of during the course of our work we believe that a review into the ways that people are tracked to enable the development of best practice guidelines and where necessary legislative protections for those at risk of family violence.

Recommendation: It is recommended that a review be undertaken to identify risks of being identified from public information and the prevention tools required to mitigate these risks to better protect people leaving violent relationships.

Essential communication services extending to internet access

In recent times the government has increasingly moved electronic information gathering often via MyGov to communicate and interact with clients. This brings with it three key challenges:

1. Clients experiencing any form of disadvantage do not have reliable access to an internet connection. This is due to housing uncertainty i.e. a person living in insecure housing is unlikely to have a land line or cable internet connections. The use of free Wi-Fi services exposes clients to risks such as data and identity theft and requires them to have a portable device. The use of mobile phones is impractical as many use prepaid mobiles with limited data.
2. A number of tools such as tax returns and the Centrelink claim process are not supported for iPad and other portable app based devices. However some limited use for mobile phone have been developed. The screen size on mobile phones are small and many older clients do not use 'smart' phones. As a result these tools are inappropriate for many Centrelink and My Age Care users.
3. A number of clients are functionally illiterate or have barriers due to English as a second language. These clients are presenting as unable to meet online reporting obligations without assistance, e.g. a functionally illiterate client needed to lodge a superannuation hardship claim. This needs to be done online through MyGov. Failed attempts to log on resulted in a locked account and significant time was required with the aid of a worker to unlock the account and submit the documentation.

Recommendation (1): It is suggested government tailor apps to enable these to be used on IOS and android devices, as many Australians have moved away from computers towards mobile devices.

Recommendation (2): It is recommended funding be provided to community agencies which regularly interact with disadvantaged or older community members i.e. council offices; community health centres and libraries. The purpose of the funding is to provide additional access to technology, individual support and guidance to enable clients to interact appropriately with government services.

Increased funding to enable timely assessment of Centrelink claims

Recently clients have reported periods of up to 6 months without a final assessment for benefits such as a carers benefit. This has placed households in difficulty, both financially and emotionally e.g. where a couple have separated but living under the same roof. Pressure is placed on the relationship by the lack of certainty around receipt of the carer benefit. Similar cases arise where a child is caring for parent and can lead to elder abuse.

The delays in assessing the information provided indicates inefficiency within government agencies. A review should be undertaken to ensure that the communication and assessment processes are efficient and that clients are kept informed of the progress of their claim. This leads to inequity as a client is unable to object or progress a matter unless an assessment has been completed.

While in some cases back payments are available, this is unsuitable if the client is unable to maintain secure housing or medical treatments while waiting for the assessment.

In the case of aged care assessments consumers may be entering into accommodation arrangements which are unaffordable as the need for accommodation occurs following a health crisis and the assessment process takes up to 3 months. The need to move a client experiencing dementia, on more than one occasion can lead to additional distress and impact on the person's welfare.

Recommendation: It is recommended the Government conduct a review into the operations of the Centrelink assessment processes to ensure clients are not disadvantaged by the delays in processes.

Improvement in banking regulations to reduce credit over extension

Our financial counsellors regularly see circumstances where a client has been granted a facility which consolidates credit cards and small debts into a single, larger, unsecured debt or even into a mortgage against an existing home or vehicle. Currently, there is no obligation to close the accounts paid following the consolidation process. This is an issue when the debt consolidated is a continuing credit facility. Regrettably we see many vulnerable clients who then re access these accounts resulting in increased debt levels.

Recommendation: It is recommended that credit providers be required to notify the providers of the consolidated loans of the need to close the accounts where the purpose of a loan or loan extension is to consolidate that pre-existing debt. A failure to do this should be considered a failure to comply with responsible lending standards.

Our financial counsellors are increasingly seeing clients which have been provided access to large sums of credit despite being on bridging visas. While these visas permit a client to work they may be cancelled at any time as they are subject to a migration assessment process. As a result of the clients visa class they often find they are only offered casual employment. Where a client is unable to secure employment or subjected to an unpaid leave period there is no safety net of the Newstart benefit available. They then find themselves experiencing financial hardship which puts them at risk of homelessness. This is compounded when there are credit arrangements in place as hardship assessment processes often require evidence such as a Centrelink income statement or a separation certificate to prove the client is unemployed.

Recommendation: It is recommended that credit providers be required to consider a persons visa class when determining suitability for financial products.

AFSA language

We regularly see clients that require bankruptcy information in specific languages. A failure to fully understand the impact of bankruptcy can adversely affect a client and their families.

Recommendation: It is recommended AFSA should be funded to provide documents such as the prescribed information in a variety of languages to ensure those people entering into bankruptcy are appropriately informed.

Reporting

As an organisation funded from federal, state, local government and independent sources, we are subjected to multiple reporting regimes. The standardisation of program reporting will lead to productivity gains and greater funds available to meet the needs of clients. As we

experience an aging population and increased reporting of family violence the allocation of scarce resources to service provision is increasingly important.

Recommendation: It is recommended a review be conducted to ascertain and standardise the reporting requirements of funders be analysed and formulate a single reporting model for financial data, including qualitative and quantitative information.

Access to Centrepay

A number of clients are in receipt of payments which are ineligible to access via Centrepay i.e. an SRSS payment. As these clients are often vulnerable, i.e. unable to speak English or functionally illiterate, they would benefit from accessing tools which help them manage finances such as ensuring rent and utilities are paid.

Recommendation: It is recommended Centrepay be extended to all Centrelink customers.

A number of local governments have declined to use Centrepay to receive payments from vulnerable clients. The reticence to use this process is related to the government charges which applies to each transaction.

Recommendation: It is recommended local government be treated as charities for the purpose of Centrepay.

Cashless debit cards

We are increasingly seeing clients who require access to banking facilities to pay for ordinary living costs however they are requesting a banking product which will minimize cash withdrawals. The transactions prohibited from the account should include payments to small account credit providers other than NILS or other low interest loan product offered by Good Shephard Microfinance.

Recommendation: It is recommended that the government enter into relationships with major banks and financial institutions to offer cashless credit options to customers upon request. An identifier will be placed on the Centrelink record to enable small amount lenders to know the client has a cashless card and they are unable to direct debit the account to recover their monies.

Recommendation: It is recommended that educative material which enables business to understand the impact of cashless debit cards on consumers which opt for them. A reporting structure to enable workers and card holders to report a business which is circumventing the rules. For example an I-tunes card could be used to provide credits to enable online gambling or a large lottery could be added as a permitted service and needs to be removed if being approved.

Complex clients accessing specialist service is increasing due to Medicare caps

As a specialist service we are finding an increasing number of clients requiring ongoing complex needs support. We believe this is occurring due to the increasing number of restrictions being implemented by Medicare on clients accessing therapeutic counselling services.

Recommendation: It is recommended government review the funding model around psychological services.

Regulation and Funding required for consumer centred care

Cuts to Centrelink funding have led to long delays when seeking information or assistance. This has made seeking support in times of crisis a traumatic experience for clients. Additionally, in the case of family violence, this can expose clients to greater risks.

As we move to a more client focused model of care for financial and therapeutic counselling services, it is important that agencies are funded to support and assist clients with their decision making. This will arise as government agencies are less involved in individual client case management, however a number of clients will continue to require case management support.

There is a concern that clients given the responsibility to direct their care spend will be targeted by unscrupulous parties offering advocacy services. There is a risk that monies will be diverted to non-existent, or poor quality service providers. This could be resolved by the implementation of caps on fees and regulating who act as an advocate on behalf of a client.

Recommendation (1): It is recommended that increased funding be provided to enable the non for profit sector to meet the additional demand for client case management.

Recommendation (2): It is recommended that the government consider restrictions on those able to offer advocacy services and the fees they can charge.

Recommendation (3): It is recommended a view only access to any client's MyGov account be implemented. This will allow an advocate to have access to view and assist with the client and able to determine what information is available to view i.e. a client may permit access to Centrelink information but not Medicare information.

Telecommunications regulation improvements

Our financial counsellors regularly see clients with multiple phone plans across multiple providers. This arises as a person is assessed for a single plan e.g. a \$30 plan with handset giving a monthly cost of \$45 over 2 years which is affordable. They make the first plan payment and are then able to receive multiple high value plans without further credit checks. These plans then go into default and the client finds themselves with thousand of dollars of debt. The proposed telecommunication guidelines will not improve this situation as it merely codifies this ineffective system. The clients seen in our service have been taken advantage of by sales intermediaries who receive commissions for sales, acquaintances and pawnbrokers which access high value electronic devices at low prices as clients seek to pay the bills they receive.

Recommendation: It is recommended that phone plans be considered a provision of credit and subjected to affordability assessments as required by other provisions of credit.

Buy now pay later arrangements

Our financial counsellors have seen an increase in clients experiencing financial hardship as a result of overcommitting to Buy now Pay later arrangements. These arrangements are

symptomatic of a marketplace which actively encourages over consumption and a willingness to invent credit products which skirt the National Consumer Credit Protection Act 2009.

Recommendation: It is recommended that the laws defining the provision of credit be reviewed to include credit arrangements such as these that are an extension of credit but where no interest is charged. This would similarly apply to credit betting facilities.

Financial counselling funding arrangements

There has been an increasing provision of financial counselling support by the federal government in particular in the gambling and family violence areas. This introduces the risk that the states will reduce spending in this area.

Recommendation: It is recommended COAG establish a State/Federal dollar for dollar funding arrangement for financial counselling to ensure the State Governments carry an equal burden of the cost of service delivery across the country.