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To the committee

Submission to inquiry into pre-commitments scheme

Implementing a full pre-commitment scheme throughout Australia, applying to all gaming machines, serves only to punish the majority for the actions of a few, while further limiting people's freedoms and adversely affecting an entire industry on which so many rely.

Don't punish the responsible majority

It is, of course, unfortunate that a small proportion of players are addicted to gaming machines and are unable to adequately control their gambling. This often has serious consequences for the player and their family and also impacts on society as a whole.

However, there are many things in life that negatively impact on individuals and society, such as alcohol consumption, smoking and fast food. Each of these activities can have potentially disastrous impacts on an individual's life - such as premature death, obesity and the alcohol-fuelled tragedies of violence and drink-driving. There is also a cost to our communities from such activities.

One wonders then why gaming machines have been singled out for such excessive restriction.

A large majority of gaming machine players manage their participation appropriately – just like the large majority of people who consume fast food, tobacco and alcohol. They are responsible and enjoy the activity in moderation.

Yet through full pre-commitment, every player will have to register to play. Everyone must comply and be treated like a problem gambler, even when they are gambling responsibly and appropriately.

The Productivity Commission admitted as much in its report into gambling, stating that the target of pre-commitment is “primarily regular players”, as opposed to problem gamblers.¹

1 Productivity Commission, Inquiry Report, Inquiry into Gambling, June 2010, p.10.16.

Why should the majority of players who spend their own money appropriately on a legal pastime be targeted by such restrictions?

What next?

As mentioned previously, there are a number of things that have the potential to impact negatively on people's lives, such as alcohol, smoking and fast food.

If full pre-commitment becomes the norm across Australia, what is next? A limit to the amount of alcohol that can be purchased by adults every week, a licence to buy fast food or a national database of smokers who purchase multiple cigarette packs?

These examples sound ridiculous but the principle applied is exactly the same as the principle behind full pre-commitment.

Government over-regulation robs individuals of freedom, choice and responsibility. If government continues to take away personal responsibility through its nanny state regulations, this only leads individuals to take on less responsibility themselves.

We have an opportunity here to reject the nanny state and to reinforce individual responsibility and strengthen support for those who need help with gambling addiction, without a full pre-commitment scheme.

Effect on the clubs industry and economy

There are approximately 1,200 licensed clubs in my home state of South Australia, over 60 of which contain gaming machines.

The clubs industry in South Australia employs approximately 4,000 people and across Australia, employment in clubs numbers in the tens of thousands (43,300 in New South Wales in 2007).

A significant volunteer movement is also part of the clubs industry. In New South Wales alone there were 44,000 volunteers contributing 6.3 million hours of work in 2007.²

Clubs provide support to thousands of community and sporting organisations each year, including vital financial support.

A full pre-commitment scheme would put all this at risk.

Thousands of jobs would be in jeopardy, some clubs may be forced to close and many community and sporting organisations would be robbed of their financial stability. There would also be flow-on effects for the wider Australian economy.

In South Australia alone, the state government collects over \$300 million in taxes annually

² Fact Sheet, '2007 Socio-Economic Impact Study of Clubs in NSW', Clubs NSW, 2007 (based on analysis by the Allen Consulting Group titled Socio-Economic Impact Study of Clubs in NSW 2007).

from gaming machines. Full pre-commitment could have an adverse impact on this source of government revenue – inevitably leaving taxpayers to shoulder an ever-increasing tax burden.

Focus on helping the small minority

Government regulation and interference should be in proportion to the problem it is seeking to solve.

According to the Productivity Commission, only four per cent of Australian adults play gaming machines on a weekly basis or more. Fifteen per cent (95,000 people) of this four per cent are classified as problem gamblers.³ This shows that a minority of players are problem gamblers, while a majority are responsible and play within their means.

Yet full pre-commitment places restrictions and requirements on everyone.

A voluntary, partial pre-commitment scheme, currently in place in some states, may be a sensible option. To enforce a compulsory system on each and every player is going too far.

Freedom and responsibility

A full pre-commitment scheme infringes on the freedoms of individuals. It also reinforces the perception that anyone who plays a poker machine is a gambling addict and cannot be trusted – which is not the case.

Why should individuals be required by government to provide their personal details and go through an administrative process in order to spend their own money on legal goods and services?

The suggestion that the government should track and limit what legal goods and services a person may purchase with their own hard-earned money is not in line with the hard won freedoms that Australians currently enjoy.

Full pre-commitment also assumes that every player is not responsible enough to play gaming machines without over spending or becoming addicted.

Most people are responsible with their participation and for those who are not responsible there are a number of programs in place to help them, such as self-exclusion, counselling and specialist staff.

These programs are, of course, no silver bullet for problem gambling, but they can make a difference for many who are addicted. More problem gamblers may also be helped if these programs were improved, as mentioned by the Productivity Commission in its gambling report, regarding self-exclusion.⁴

Unfortunately, some individuals will always struggle with compulsion and addiction. The answer

3 Productivity Commission, Inquiry Report, Inquiry into Gambling, pp. 5.1 and 5.30.

4 Productivity Commission, Inquiry Report, Inquiry into Gambling, Chapter 10.

to their problems is not to treat all Australians as being unable to control themselves.

The solution to dealing with individuals with gambling addiction is not to increase government intervention that would potentially devastate the clubs, community and sporting groups that form such a vital part of Australian society. Nor is the solution to penalise the majority of responsible players through mandatory pre-commitment. Individual problem gamblers can be helped through voluntary pre-commitment and increased programs to help them deal with their addiction.

Please note that the views expressed in this submission are my personal views and do not necessarily reflect the views of the Liberal Party.

Thank you for taking the time to consider this submission.

Yours sincerely

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