

Committee Secretary
Joint Select Committee on Gambling Reform
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Submission to the Joint Select Committee on Gambling Reform

Dear Committee Members,

You will doubtless be bombarded with submissions and reports that include an array of data and information about how effective or otherwise various forms of pre-commitment may be.

If submissions such as the one lodged by Professor Alexander Blaszczynski are any guide, the balance of expert opinion and data will more likely than not, indicate that mandatory pre-commitment will not reduce the rates of problem gambling and will not assist those who gamble beyond their means.

My purpose in this submission is not to add to the wealth of data that will be put in front of you as members of this committee. The task I have set myself is to encourage you to take a common-sense and reasonable approach to a complex issue which will not be solved through a vain search for a silver bullet, but rather through sensitive and informed consideration.

The way we conduct public discourse in this country is at least as important as the subject of that debate.

History is replete with examples of public debates which have done no honour to those who have participated in them. Indeed, we do not have to look too far to find an example of where the facts of the matter rarely see the light of day let alone take centre stage in the public realm.

The debate over asylum seekers has been a classic, though thoroughly depressing example of myth and misconception winning out over fact and reason.

Often, the victory of myth over fact occurs as a result of the focus of the debate being on the protagonists at the extreme ends of the spectrum. Indeed, reasoned, evidence-based debate is rarely the tool of zealots.

Senator Xenophon, Mr Wilkie and Tim Costello for example are entitled to their opinion and I will defend their right to have and express that opinion. However, when it comes to their views

on poker machines, I will regard those opinions for what they are – extreme views held by zealots.

It needs to be made very clear that Senator Xenophon and Mr Wilkie do not occupy the middle ground in the debate about poker machines and pre-commitment.

The objective of these two men is not the abolition of problem gambling but the abolition of poker machines.

Even the relevant section of the agreement between the Prime Minister and Mr Wilkie is entitled “Poker Machines” rather than “Problem Gambling.

On the 27th of August of 2008, Senator Xenophon said “The debate is over. These machines are unsafe and need to be removed from the community”.

Two years and one day later, Mr Wilkie admitted in the *The Mercury* that it was his ideal to see all poker machines vanish, but he accepted restrictions were a first step.

Again, that is their opinion and they are entitled to it.

But these opinions do not represent a sound basis for the formulation of public policy which should be made with the interests of the entire community in mind as opposed to the interests of two politicians.

It is also important to remind ourselves that neither Mr Wilkie or Senator Xenophon are experts in the field of problem gambling, the psychology involved with people who demonstrate symptoms or the co-morbidities that are often associated with addiction generally.

They are two politicians with a point of view that is not unfairly described as a prejudice.

But every member of this committee must consider a number of questions regarding the motivation of Mr Wilkie and Senator Xenophon and where it will lead.

Let us assume for argument’s sake that Messrs Xenophon and Wilkie get their wish and all poker machines are banned. If their concern is problem gambling and not simply a prejudicial stance against poker machines, than what would be the next target of their attention – wagering, casinos, sports bookmaking?

Are Senator Xenophon and Mr Wilkie going to stop once they do away with poker machines or will the rapidly growing amount of money being wagered on the outcome of elections for example, become the next target?

As of the 26th of January 2011, Australia Day, the odds for the coalition winning the New South Wales state election were an unbackable \$1.05 with Labor well behind at \$9.00. The same

website had Anna Bligh's chances of remaining Premier even with the Liberal/National Party at \$1.90 each.

The site also offered odds on who the next leader of the leader of the UK Conservative Party would be as well who would become the Democratic nominee for US President in 2012 or who would be lucky enough to be the next President of the Irish Republic.

All I needed was a credit card.

Or will the all too frequent advertising of odds during televised first class cricket matches attract the ire of the anti-gambling lobby?

These are not flippant questions. They are questions that need to be asked of the two men who are most responsible for this inquiry taking place. They need to be asked because this inquiry cannot be seen in isolation or as the end of a process and the outcomes of this inquiry will to some degree determine the course of public debate in the future.

As you as committee members consider the future, it is worthwhile to also consider the genesis of this inquiry.

Prior to the last federal election and following the release of the Productivity Commission's report into gambling, Ministers Macklin and Sherry stated the following in a press release issued on the 23rd of June 2010:

The Australian Government is committed to a thorough process through the COAG Select Council on Gambling Reform and to consulting closely with community groups, industry and relevant employee and employer groups on the Productivity Commission's findings.

The Australian club industry was entitled to believe that the recommendations of the Productivity Commission would provide the basis for further negotiation with government both in terms of scope and timing.

As history records however, the Prime Minister personally and individually committed the Federal Government to an entirely new position without consultation with industry, her caucus or her cabinet.

Let us be clear about what happened on the day that agreement was signed. The Prime Minister decided signing that agreement was more important than the nation's 4000 clubs; more important than the 80,000 jobs clubs directly account for; more important than the \$3b worth of sporting facilities clubs maintain; more important than the millions of Australians who rely on their club and more important than the net social benefit to the Australian economy estimated by the Productivity Commission to be between \$4 billion and \$11 billion each and every year.

Indeed the Prime Minister decided that the agreement was more important than due and proper process.

So between August and November 2010, the debate had moved from one based around a response to the detailed work of the Productivity Commission to one involving an overlapping and confused set of federally initiated inquiries.

Universal, mandatory pre-commitment is bad policy. I believe the weight of expert evidence will bear that out. However rushing to implement such a complex scheme because of political timetables is far, far worse.

It also needs to be remembered that this inquiry is convened against the backdrop of low and falling rates of prevalence of problem gambling.

In Queensland for example, problem gambling prevalence rates have fallen from 0.83% in 2001 to 0.37% in 2008-09. This is in line with experience in New South Wales where rates have fallen from 0.8% in 2006 to 0.4% in 2008.

The remarkable aspect about these falling rates of prevalence is that at no stage in the rush to pre-commitment has there been a thorough examination of the array of current anti-problem gambling measures to determine their impact on prevalence rates.

If the rates are falling as rapidly as the figures suggest, perhaps the first step is to review current harm minimization measures and determine if they can be enhanced to ensure the decline in problem gambling continues.

One problem gambler is one too many however, the most important element in dealing with problem gambling is to ensure those who need services can access them easily and quickly. Pre-commitment in no way improves the accessibility, availability or effectiveness of such services.

Indeed this industry has been proactive and effective in dealing with problem gambling long before it became fashionable for politicians to tell us to deal with problem gambling. Clubs Australia's submission to the Productivity Commission inquiry included a number of reasonable and effective recommendations to improve the effectiveness of anti-problem gambling measures.

These have been totally ignored but it is worth reminding committee members of those recommendations:

1. Improve and coordinate national gambling research by establishing a single national body, to conduct and direct gambling research and collect essential data;
2. Ban all forms of credit betting including a ban on withdrawals from ATMs using credit;

3. Regulate all forms of gambling including internet based gambling as well as gambling via mobile devices such as phones;
4. Improve staff training by establishing mandatory training in responsible conduct of gaming for front line staff in all forms of gambling;
5. Strengthening the safety net. Family interventions, improved training and national accreditation of counselors as well as education on gambling and financial literacy for young people would greatly assist in limiting problem gambling;
6. Establish a national peak body comprising industry, independent researchers and government representatives to foster evidence-based dialogue to reduce the incidence of problem gambling and set minimum standards against which benchmarks can be assessed.

These are entirely reasonable and worthwhile recommendations and should be given serious consideration by this committee.

To suggest an incredibly complex and expensive technological solution be rolled out to address a problem the prevalence of which has halved within the space of a few years and now only affects less than one half of one percent of the population and bypassing even the most rudimentary cost-benefit analysis seems like overkill.

To do so at the cost of 40 per cent of the revenue of an entire industry which in 2005 was conservatively estimated by the Australian Bureau of Statistics to account for 0.5 percent of Australia's Gross Domestic Product, along with the employment and immeasurable social contribution clubs make to the community, seems positively destructive.

There will be an ongoing debate in this country about poker machines. But let that debate be informed by the facts, be prosecuted in a reasonable way and not be influenced only by those who can attract more headlines.

Irrespective of your position on the issue, we should all be concerned if that turns out to be too much to ask for.

In declaring that the Goodna and District Rugby League Football Club would be the first location to be rebuilt under the Queensland Government/Channel 7 Sunrise "Operation Bounce Back" initiative following the Queensland flood disaster, Premier Anna Bligh said:

"This club is the absolute heart of the community. It is the one place they where...their children and their community members play football...is the only place they can go and have community meetings, where they have community events, 21st birthdays, those sorts of things...it really is the community centre of this suburb...And if we want

to see the community totally bounced back, this is where those people who don't have houses for the next 12 months, this where they'll be gathering. This is where they will start to feel like they can achieve the bounce back that we want to see them have".

Losing this vitally important and irreplaceable element of the Australian community and of the Australian way of life is too high a price to pay to satisfy the short-term, prejudicial political interests of two men who between them accounted for around 0.3% of the votes cast in the last election.

I encourage all committee members to take a more reasoned approach which does honour to your roles and the democratic process.

Kind regards

Jeff House
Chief Executive.

30 January 2011.