

Question on notice in writing from Senator Back: You will recall that you and Dr Gainsbury discussed the need for a long term research program during your evidence in Sydney on 2 May 2012. Would you be able to provide an estimate of how much such a research program would cost per year?

Answer: As I mentioned to Senators Chris Back and Andrew Wilkie, there is a need to establish independent research centres to carry out a series of integrated programs over the longer term to inform policies on key gambling reforms. The Government is ideally placed to review the allocation of funds to the pre-commitment project and enter into discussions into the establishment of an independent centre that would evaluate the evidence for \$1 max bet, precommitment and other initiatives that would achieve objectives of harm reduction in a cost-effective manner. As an indicative estimate, I believe that \$4 to \$5 million per year for five years in the first instance (total commitment \$25 million) would be required. This represents a significant cost saving compared to the likely costs (\$38 million to compensate venue operators to participate in the trial) associated for one project (precommitment), a project that is unlikely to lead to any definitive answer to the question of the effectiveness of precommitment as a harm minimization intervention. Any precommitment trial would require the modification of machines, compensation to venue operators, a prevalence study before the introduction of precommitment, a follow-up prevalence study after the implementation of precommitment, monitoring of revenue to surrounding venues to assess leakage including Internet and sports betting, and monitoring rates of referral to treatment agencies. In my view, \$1 max bet and reduction in prize levels will achieve a greater benefit across the range of recreational and problem gambler and result in a comparatively larger benefit than precommitment in reducing the incidence of problem gambling in the community. In summary, what is required is a series of integrated longer term studies that systematically evaluates relevant harm minimization strategies rather than a series of ad hoc projects that are reactive to political demands.