

9 December 2008

The Gambling Enquiry  
Productivity Commission  
GPO Box 1428  
CANBERRA CITY ACT 2601

Dear Sir,

**RE: SUBMISSION TO GAMBLING ENQUIRY**

I have read the Terms of Reference.

I have read and endorse the History of Gambling, provided by the academic Richard Allsop.

**BRIEF HISTORICAL BACKGROUND**

Gambling and drinking are correlated. My memories take me back to the early 1940's up to about the mid 1950's. In suburban Sydney, there were few cars during this period. Social outlets were the local School of Arts, Church Hall, billiard rooms, and hotels. There was also a co-relationship between hotels, police, gambling and crime during that period. It was to hotels, barber shops and billiard rooms you went to place your SP bet or if you were lucky enough, by public telephone. Organised "two-up" was also popular and a further source for police corruption.

The conditions offered by hoteliers during this period were nothing short of appalling. Hotels were filthy, unhygienic, haven for assaults crime and abuse. The abuse came from the power of the hotel owner who was a power unto himself.

Quite clearly during the WWII service personnel determined that after the war, a social change would occur. No longer were these people prepared to put up with the primitive conditions provided to them by hoteliers. Out of this, the modern club movement took shape and expanded rapidly. In about 1956 the NSW Government allowed clubs to operate poker machines. This in some way was the reward service personnel received for keeping Australia free. The club movement in NSW proliferated at a rapid rate until the greed of governments and do-gooders took over. Today licensed clubs in NSW are struggling as a result of these intrusions.

### A POTPOURRI OF QUESTIONS AND OBSERVATIONS

- \* destroy every poker machine in Australia and not one problem gambler will be saved!
- \* eradicate every known form of gambling in Australia and not one problem gambler will be saved!
- \* remove the likes of Tim Costello, Senators Fielding and Xenophon and they will soon be replaced by other moralists.
- \* do we condemn gambling on share trading, insurance, superannuation, investing, and internet gambling? and if not, why not?
- \* has prohibition every worked?
- \* if regulated, gambling creates jobs. What becomes of those who lose their jobs if prohibition or over-regulation of gambling is imposed?
- \* if 2.5% of gamblers have problems, should the other 95%-98% of people who gamble be penalised?
- \* should individuals be personally responsible for their own actions?
- \* is gambling a voluntary or compulsory past-time?
- \* in NSW what becomes of profits made on poker machines by (a) licensed clubs (b) pubs (c) internet gambling?
- \* are licensed clubs' profits returned to members and the community?
- \* who receives gambling profits from pubs?
- \* who receives gambling profits from pubs if they are overseas owned?
- \* are internet gambling profits retained in Australia or do they go overseas?
- \* does gambling create significant employment?
- \* are profits made from gambling in NSW clubs used for sporting, recreational and community purposes?
- \* what social role do casinos perform for a local community as opposed to the tourist industry
- \* why should licensed clubs competing against casinos have their trading hours restricted?
- \* would it be true to say that excessive regulation can grind an industry to a halt?
- \* could it be said that industry self regulation allows for creativity and flexibility?
- \* can it be said that economic mismanagement by State Governments has caused them to look to the club industry to bare the cost of their failures?
- \* has it occurred to many that most of the people who enter Parliament have little practical experience in running a business, let alone a State.
- \* why do Parliamentarians insist on licensed clubs personnel being highly trained and skilled when they receive no training themselves?
- \* finally, if all politicians were replaced immediately with successful club managers, would the State prosper economically?

Yours faithfully,



J.P. Donnellan