

## **Response to the Productivity Commission's Draft Gambling Report**

I understand you are open to submissions to your Draft Report.

The NSW Liberal/Nationals Coalition is committed to addressing problem gambling which, while affecting a relatively small part of the population, is nonetheless a serious social issue.

Overall, the Coalition believes that the Productivity Commission's Draft Report is disappointing and in its current form does not provide useful guidance on gambling policy making. We have five concerns:

### 1. The costs to industry and the economy

The Draft Report fails to recognise the substantial economic and social role of NSW clubs and hotels and makes no estimation of the negative impact of its recommendations on employment, economic activity and the social contribution of clubs and pubs. Nor does the Commission properly cost the implementation of its recommendations, including an expensive "Australia card" system that would be unaffordable for all but the wealthiest venues.

Indeed, registered clubs seem to be the focus of attention of the Productivity Commission which puts forward measures like a \$1 maximum bet that will send clubs into another round of financial uncertainty, deferred capital improvements and indeed accelerated closures.

### 2. Evidence

The Draft Report fails to present compelling evidence that its recommendations will ameliorate problem gambling. Rather, the Commission has made loose assumptions, unsubstantiated calculations and indulged in social engineering to justify its position that dramatic action needs to be taken.

### 3. Individual responsibility

The Draft Report fails to recognise that addressing problem gambling should be a responsibility shared by government, venues and individuals. The recommendations would represent an unacceptable intrusion by government into private lives and fail to acknowledge that individuals should be responsible for their own actions.

The most glaring example of this in the Draft Report is the recommended system of player pre-commitment that would require individuals to register and obtain a card before playing a poker machine. As stated earlier, the cost of this would be prohibitive (especially for a small regional bowling club or the only pub in a small country town). But there are also serious concerns over privacy, access to information and government intrusion into private life. This recommendation is

reminiscent of the Australia card concept that has been rejected by the community more than once.

#### 4. Internet gambling

The Draft Report is confused in suggesting an excessively restrictive regime for poker machines which will impact upon the States' registered clubs and hotels but yet recommends the liberalisation of the already unregulated Internet and interstate corporate gambling outlets. Interstate corporate bookmaking, sports betting and betting exchanges licensed in Tasmania and N.T. have already created \$6 billion of gambling turnover.

The saturation media advertising, ground signage, sports and racing commentator advertorial content, incentives and enticements for new gamblers, credit card gambling by telephone or the internet, are but a few of the abuses to the principle of responsible gambling already evident, yet the Productivity Commission wants to increase this avenue even further.

The Coalition is considering the situation of exposure to under 18 year olds and problem gamblers that on-field signage, broadcast signage and messages create. The Coalition intends to closely consider the situation during this coming summer's cricket and other sports events.

#### 5. Racing and wagering

As indicated, the Coalition is deeply concerned about internet gambling. This includes the exemption provided to internet bookmakers from having to financially contribute to the racing industry. This exemption allows internet bookmakers, which already pay comparatively little tax and do not employ anywhere near the number of people that venues employ, to offer lower odds than traditional bookmakers. This situation is contrary to good public policy. The Coalition believes that a strong and viable racing industry is best ensured through requiring a fair contribution from all betting outlets.

In conclusion, the NSW Coalition has not changed its early view of the Draft Report that it deserves to be rejected by state and territory governments. I am enclosing my media release from that time.

Also, the question of jurisdiction is not an insignificant matter. The Commission has not explained its jurisdiction other than as a hired research tank.

The Commission will have served its purpose once the political impasse in the Federal Senate is resolved by a general election.

Yours sincerely,

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NSW Shadow Minister for Hospitality & Tourism, Racing and Major Events