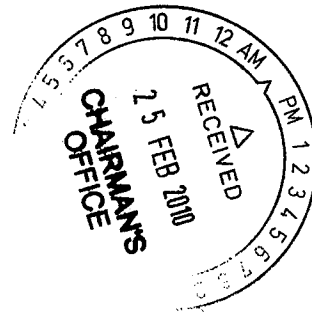




**NICK XENOPHON**  
Independent Senator for South Australia  
**AUSTRALIAN SENATE**

Our Ref: NC-BAN/RW



Mr Gary Banks AO  
Chairman, Productivity Commission  
Level 2, 15 Moore Street  
Canberra ACT 2600

Dear Mr Banks,

**Re: Productivity Commission report into Gambling**

I write to you in the knowledge that the period during which submissions in relation to the Final Report of the Productivity Commission Inquiry into Gambling can be made, has closed.

That said, I seek your indulgence to make a brief point about claims that have emanated from the poker machine industry regarding the cost of implementing the PC's interim recommendation of \$1 bet limits and \$120 an hour loss rates.

The industry has, I believe, disingenuously claimed in various forums that the implementation of various measures to reduce harm would cost billions of dollars and take years.

My research indicates that this is, at best, a severe exaggeration.

Rather, academic experts in this field here in Australia and overseas, have advised it would require a simple adjustment of software to introduce the \$1 bet/\$120 an hour loss rates.

I would like to specifically refer you to a report commissioned by Mr Paul Bendat from PokieAct.org and which was written by Professor Kevin Harrington from the University of Waterloo in Ontario, Canada, which addressed these issues directly.

Mr Harrington has reported that it would not require physical changes to the machines other than signage, and most importantly, it would not take years nor cost billions of dollars.

In fact, in certain jurisdictions some of these changes can even be done remotely from a central location.

When the industry mentions years of delay and billions of dollars in cost, they are referring to the implementation of 'smart card' or 'self-exclusion' technologies.

While I don't accept these estimates for those kinds of changes, I believe it is important to note that they have nothing to do with maximum bets and maximum hourly loss rates.

These changes could be implemented quickly and at a relatively small cost compared to the income base of the industry.

I am concerned the disingenuous claims of the industry are being accepted in some quarters at face value and I don't believe they should be.

Please don't hesitate to contact me if you would wish to discuss the matter further.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Nick Xenophon', with a long horizontal flourish extending to the right.

**NICK XENOPHON**

23/2/2010