

[Submission from:
The Anglican Social Responsibilities Commission, Province of Western Australia
PO Box 909
West Perth 6872
tel: 08 9321 7033]

Gambling Inquiry
Productivity Commission
PO box 80
BELCONNEN ACT 2616
Fax 02 6240 3311

Dear Commissioners

The Anglican Social Responsibilities Commission (Western Australia) welcomes this opportunity to present its concerns about the growth of gambling in Western Australia.

According to figures provided by Coopers & Lybrand in a study prepared for the Independent Gaming Corporation(1), Western Australians spent \$587 per person on gambling in 1995/96. This compared with a national average of \$664. If, however, the other States' figures are adjusted to take out the non-casino gaming machine gambling, the national average falls to \$422.

The Social Responsibilities Commission is alarmed at the trend among State Governments to see gambling taxes as a means of increasing revenue. In 1996, Western Australia derived \$229.27 million from gaming revenues. This was an increase of 11.25% over 1995(2).

In the case of tobacco products, governments have opted to use increased taxes as a direct health promotion measure to dissuade people from smoking. Conversely, Governments have ignored the harmful effects of gambling in the community and have promoted gambling in order to generate additional revenue.

We are particularly concerned that the State Government is being lobbied to allow hotels and licensed clubs to introduce electronic gaming machines when the "Period of Exclusivity" clause of the Casino (Burswood Island) Agreement Act 1985 expires at the end of the year 2000.

The Independent Gaming Corporation estimates that the State of Western Australia could earn up to \$178 million in tax revenue if electronic gaming machines were introduced in hotels and licensed clubs(3). This implies a turnover of \$3.5 Billion per annum(4). The Social Responsibilities Commission would argue that the effect of diverting such an amount of money from more productive economic activity would have a disastrous effect on the

lives of many Western Australians. Anecdotal evidence from other States bears out our view that the retail sector, in particular, would suffer huge losses with consequent shedding of jobs and business closures.

We leave it to others to comment on the numbers of people presenting at helping agencies with gambling related problems.

The Social Responsibilities Commission is of the view that any increase in gambling opportunities will have a detrimental effect on the Western Australian community and urges the Inquiry to recommend the following:

1. That governments seek alternative sources of revenue and ways to reduce the opportunities for gambling in the community;
2. That governments divert a greater proportion of gambling revenues to services to assist people with gambling addictions;
3. That government divert a proportion of gambling revenues to advertising services for people with gambling addictions and
4. That governments divert a proportion of gambling revenues to advertising the dangers associated with gambling, in the same way as tobacco tax revenue is used to urge people to give up smoking.

The Commission is not seeking an opportunity to make an oral submission to the inquiry, but will attend the Perth hearing as an observer.

Yours sincerely

Carolyn Tan
A/Chairperson

October 27th, 1998

End notes:

¹ The Independent gaming Corporation was established by the WA Hotels Association and the WA Licensed Clubs Association to lobby for the introduction of electronic gaming machines in hotels and licensed clubs in this State. The Social Responsibilities Commission, by quoting the Coopers & Lybrand study, does not in any way endorse the views or work of the

Corporation.

² Source: Coopers & Lybrand, p12.

³ This would represent an increase of \$150 million when revenue from other forms of gambling is adjusted to take account of the introduction of 'pokies'.

⁴ The Coopers & Lybrand study indicates turnover of \$3.033 Billion in South Australia for 1997 from 10,000 machines, and estimates that up to 13,000 machines would be installed in Western Australia.