

*GAMBLERS HELP LINE INC.*

PRESIDENT: Mr Philip Thors.

SECRETARY: Jim Hickson

5 Nannawilli Street

TREASURER: Mr Wyn Janssen.

BERKELEY N.S.W. 2506.

Phone (02) 4271 2297.

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SUBMISSION to the PRODUCTIVITY COMMISSION  
on AUSTRALIA'S GAMBLING INDUSTRY.

TIME FOR A PAUSE.

The most salient fact about Gambling is that over the past 10 years Australia has been transformed from a Nation in which legalized gambling was limited and a relatively rare phenomenon into one which such activity is common and growing. With the Productivity Commission Report released in July 99, estimation that punters Nationwide lose a total of \$ 11 billion a year.

As gambling sites are proliferated with Poker Machines, that our State Government has sanctioned without taken into account this massive and rapid transformation clearly has significant economic and social impacts on individuals, communities and on N.S.W. as a hole, and weather the net impact is positive or negative.

Typically, proponents of gambling, choose to stress the potential economic benefits that the Gambling Industry can produce, such as jobs, investment, economic development and enhanced tax revenues; whereas opponents underline the possible social costs, such as pathological gambling, crime, poor physical and mental health, job loss, unemployment and welfare benefits.

Many of the positive economic impacts are in fact easy to point to if not always to quantify: others however, tell a different tale - of lives and families devastated by problem gambling with a massive transfer of money from the poor to the well-off, of a Puritan work ethic giving way to a pursuit of easy money.

Which of these images is true ? If elements of both exist, how does one weigh them ? Assuming an assessment is even possible, what should be done?

Presumably, many of the debates could be settled if either the benefits or costs of gambling could be shown to be significantly greater than the other. Efforts to assess the various claims by proponents and opponents quickly encounter gambling's third defining characteristic --the lack of reliable information, so Gamblers Help Line therefore plead with the Federal and State Government's, Registered Clubs Association, Australian Hotels Association, Star City Casino, TAB and the Amusement Machine Manufacturers to work closely with the opponents, including the Australian Medical Association, Professionals and Service Providers with a hands-on working agenda viz; Gamblers

Anonymous, Gam-Anon, Gamblers Help Line and other bodies that have no vested interests, for the betterment of the gambling industry, as it is so easy to be critical of reports when we only read into them , the parts that effect us.

### INTERNET GAMBLING.

Beginning with its introduction on the World Wide Web in 1995, Internet gambling is the newest medium offering games of chance. While projected earnings are open to subjective interpretations, the previously small number of operations has grown into a industry practically overnight. Several factors have contributed to the dramatic growth. First Internet access has increased throughout the world, particularly in Australia. As interest in the Internet has increased, technologies that drive the Internet have continued to improve. Internet gamblers can participate instantaneously through improved software providing real-time audio and visual games and races. Additionally, the public's confidence in conducting financial transactions on-line has increased.

However, along with its meteoric rise, Internet gambling is raising issues never previously addressed and exacerbating concerns associated with traditional forms of gambling. While preventing underage gambling and reducing problems associated with problem and pathological gambling are concerns for all forms of gambling, reducing these concerns is particularly challenging for Internet gambling.

The Internet provides the highest level of anonymity for conducting gambling to date. While " know your customer" should be the motto of the gambling industry, this becomes particularly challenging through technologies available to Internet users. Screening clients to determine age or if they have a history of gambling problems is difficult at best. For the users of gambling, the Internet fuels concerns regarding the legitimacy of the games and the gambling operators. General concerns about the relationship between gambling and crime, including money laundering, become particularly acute when considering gambling on the Internet.

Still, mechanisms to enforce prohibition have raised concerns regarding the role of Internet service providers, although with this in mind the Federal as well as the N.S.W. Government's should assume a general responsibility to shield the population from this form of gambling, the most effective means of ensuring that is for both Governments to reconsider the implications of Internet gambling.

A yard-stick for comparison could be the Canbet Pty Ltd Sports Betting Company own admission, saying the demand for Internet gambling has boosted it's turnover from \$14 million in 96/97 to an anticipated \$80 million this year. I am sure everyone will agree it is now " Time for a Pause".

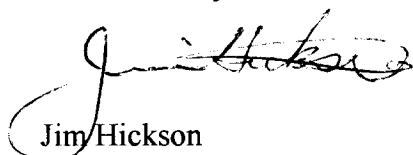
In addition to the relatively defined proposed Regulations contained in the Productivity Commission's report, a broader and far more important role for both Government's, is determining the scope gambling's impact has on the general public. Any Regulation's on gambling would best be made according to a well defined policy, one formulated with specific goals and limits in mind. While the N.S.W. Government have established a variety of regulatory structures, it is not at all clear that these have been guided by a coherent gambling policy or even those making the decisions have had a clear idea of the impact gambling has had on the general population. Instead much of what is proposed in the Regulations is reaction to pressing issues of the day, than one based on sober assessments of long-term needs, goals and to the neglect of the larger public interest.

Although it is impossible to predict who will develop a gambling problem, it is clear that pathological and problem gamblers are found in every demographic group, from students to the elderly, housewives to professionals, solid citizens to prison inmates. Estimating the costs of problem and pathological gambling is an extraordinarily difficult exercise and a subject of heated debate, Without common standards of measurement, comparisons are problematic at best. Yet, how can human suffering be tallied in terms of money?

Problem or pathological gambling can effect the life of the gambler and families in varied and profound ways. These families suffer from a variety of financial, physical, and emotional problems, including divorce, domestic violence, child abuse and neglect, and a range of problems stemming from the severe financial hardship that commonly results from this sickness, including crime, loss of employment, and bankruptcy. As access to money becomes more limited, gamblers often resort to crime to pay debts, appease loan sharks, pay bookies, maintain appearances and garner more money to gamble.

So it is with these thoughts, Gamblers Help Line pleads with the Federal Government and the N.S.W. Government to work together to form a Responsible Gambling Policy, in an effort to help our fellow's. And the N.S.W. Government not to use The (Responsible Gambling) Bill 1999 as a smokescreen to cover-up this great disastrous form of entertainment, forced upon us by this same Government.

Yours sincerely



Jim Hickson  
Hon Sec Gamblers Help Line Inc.  
11th October 1999.