

# Gambling industry fears commitment

Reforms aimed at limiting the money spent by gamblers are meeting resistance.

**T**he Productivity Commission has defended its recommendation to require gamblers to set loss limits before playing gaming machines, in the face of fierce criticism from the gaming industry.

Productivity Commission Chair Gary Banks told the federal parliamentary committee on gambling reform that he is confident the benefits of the commission's proposals outweigh the costs to the industry.

"The potential gains from reform in relation to gambling policy and regulation are very large," Mr Banks said. "As we show in the report, the social costs amount to billions of dollars, especially related to poker machines, and those social costs have increased over time."

However the Australian Hotels Association claimed a mandatory pre-commitment scheme could cost up to \$4 billion to introduce and will drive many small pubs and clubs out of business.

"It also must be recognised the introduction of a full, mandatory pre-commitment scheme will lead to the immediate loss of many thousands of jobs and millions of dollars in community support," the AHA said in its submission to the inquiry.

The Productivity Commission's Robert Fitzgerald said some of the huge costs predicted by industry are based on false assumptions about the mandatory pre-commitment system.

"One of the things which has been wrongly reported is that every single gambler would need to register. That is not so," Mr Fitzgerald said.

"In our recommendations we have been very clear that irregular players – players who play only occasionally – who have a very low spend would be able to go to a venue and receive a cash card or a card which has a limit of, say, \$20, a low-value card.

"When that card is expended, that is the end of it. Most recreational gamblers will not even fall within the

pre-commitment system, unless they so choose or they want to spend a larger sum of money."

Despite this, various clubs and hotels have made individual submissions supporting the AHA's position, stating lower gaming revenues and upgrade costs will mean they have to cut staff, food and drink subsidies and community support.

Club Central Menai in the NSW Illawarra region said the changes would lead to a profit drop of more than 80 per cent, and the capital costs to upgrade its 155 gaming machines would make the club unviable.

"If the club was made to adhere to these extreme measures it would no longer be able to offer the benefits that it was designed to do," the club said in its submission. "The club would struggle to survive in its most basic form.

"The Menai district risks losing the only community based club of its type. This would be considered a tragedy amongst local residents."

However St Vincent de Paul Society Queensland Social Justice Committee Chair Stephen Doyle questioned whether gambling revenue is needed to support the community, saying only a small percentage of income derived from gambling is directed to community organisations.

"It is also argued that it will cause a loss of revenue and employment opportunities if these measures are brought in," Mr Doyle said. "Our position is that those employment and revenue opportunities will be created somewhere else, probably in more socially desirable areas such as housing and retail."

Gambling Reform Committee Chair Andrew Wilkie (Denison, Tas) said he understands that smaller clubs and pubs have special needs during and after a transition to mandatory pre-commitment.



**BEST BET:** Debate rages over loss limits for gamblers. Photo: Newspix

"The weight of evidence though is clearly behind the need for reform and in support of mandatory pre-commitment," Mr Wilkie said. "There is no doubt that the majority of witnesses and the majority of what people have had to say is behind me on this."

The next step is to enlist the support of the state governments, who have been invited to respond to the scheme by the end of May.

Mr Wilkie said he is confident that mandatory pre-commitment will be rolled out nationwide by 2014, with or without the support of the states.

"I have an agreement with the Prime Minister and all the evidence is that the government is determined to honour that agreement. If it comes to the crunch, if we have to vote on it in the parliament I believe I'll get the numbers, I believe I've got the numbers now." •

## LINKS

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