

**Submission  
No 7**

## **INQUIRY INTO IMPACT OF GAMBLING**

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When gambling becomes a problem there are serious social implications and costs, particularly on families. Homes and jobs are lost, and law-abiding citizens engage in criminal behaviour. Family members, including elderly parents and children, who have no control or participation in gambling, become victims. People's lives are ruined. A number of constituents continue to raise these concerns with me.

The 2010 Productivity Commission Report on Gambling found Australians spend around \$19 billion on gambling products each year, equivalent to 3.1 per cent of household consumption expenditure. This is more than the \$12 billion spent on alcoholic beverages from retail outlets.

For New South Wales the expenditure is \$7.15 billion, which is 3.5 per cent of household consumption and higher than any other state or territory. The report points out that 55 per cent of this expenditure is on electronic gaming machines in clubs and hotels – that's \$10.5 billion a year.

While most people don't spend 3.5 per cent of their household consumption on gambling, the report estimates that regular gaming machine players spend a mammoth \$7,000 to \$8,000 each year.

The report estimates that between 80,000 and 160,000 Australian adults suffer from a significant gambling problem and a further 230,000 to 350,000 are vulnerable. It estimates that problem gamblers account for 22 to 60 per cent of gaming machine spending, which increases to 42 to 75 per cent when combined with use by moderate risk gamblers.

These figures are alarming.

I've talked to Hopetree case workers who see people with a gambling problem on a daily basis. They tell me problem gamblers come from all walks of life and that access gaming activities at local pubs and clubs has major appeal for problem gamblers. I point out that at the time of the Productivity Commission Report New South Wales had 1,719 hotels and 1,322 clubs with electronic gaming machines.

Research by the Victorian State Government, the Salvation Army and Southern Cross University, cited in a City of Sydney 2008 submission on draft poker machine legislation, found that the people most likely to develop a gaming machine problem are males aged 20 to 24 or 65-69 years of age, renters, people living in one bedroom accommodation, people without children, social security recipients, and migrants of European and Asian descent. I fear the impact of poker machines is the greatest on communities that already experience hardship and can exacerbate risks of homelessness.

Casinos regularly try to tell us that gambling in casinos is safe with measures in place to prevent problem gambling. Casinos exist to make money and the odds are always considerably against the gambler.

For some people gaming machines in pubs and clubs looks depressing and provides no appeal but the glitz of a casino, particularly on a Friday or Saturday night, lure them in.

The Victorian Problem Gambling website includes personal stories from problem gamblers and their families including a number where problems began in casinos.

One man – Bill – developed a gambling addiction after visiting Melbourne's Crown Casino for the first time with friends. He began visiting once a week and then more often until he was losing around \$600 a session which occurred several times a week.

I am deeply concerned by the growing popularity of online gaming and the difficulties regulating what are often overseas providers. While real-money online interactive gambling services like roulette, blackjack, poker and in-play sports betting are banned, overseas companies continue to offer these games in Australia.

The Productivity Commission report estimates that the rapid growth in online gambling could have reached almost \$800 million. The Australian Medical Association argues that people who engage in

interactive gambling are more likely to be problem gamblers and expects an increase in serious gaming-related problems particularly among young people.

I hope that the Australian Government honours its election commitment and addresses this growing problem.

Sports-betting remains prevalent and has been surrounded by recent rigging scandals. Betting on horse and dog racing has additional unscrupulous sides with thousands of animals bred put down before they reach the track because they will not run fast enough. Animals that do race often face destruction when they retire as there are not enough homes for them. I find it offensive that these live sentient beings are treated as disposable commodities for an industry based on greed.

There is widespread support for a long-term reduction in the provision of gaming activities however most changes before Parliament are aimed at club viability and economic value generated by gaming including casinos.

I'm concerned that the new "high roller" casino at Barangaroo will glamorise gambling, and the exclusion of both Star City and Barangaroo from the new CBD alcohol precinct may attract new people to casinos who risk developing gambling problems.

I join my constituents in requesting that future legislation and policies help wind back the proliferation of gambling in order to protect people with, and from developing, gaming problems