



Gaming Machines (Misc) Amendment Bill 11 October 2004

Mrs PENFOLD (Flinders): It was a state Labor government that presided over the passing of the bill for the introduction of gaming machines into South Australia and our hotels and clubs; and now they have changed their mind. The bill we are now debating under this Labor government (and the proposed regulations to go with it) will have little or no effect on problem gamblers, but it will be another imposition on the business people of our state who in good faith increased their loans and overdrafts to invest in these machines; built new gaming rooms and complied with all the government's requirements. Businesses that have invested in gaming machines have done nothing illegal, but in some cases they will be forced to breach their lease agreements which require them to have a certain number of machines or buy back the numbers that they have had taken away at whatever the inflated cost.

In an article in *The Advertiser* of 6 October, it was estimated that machines could fetch \$100 000 each—machines that will be taken away by the government without compensation. Some businesses, particularly if they have high debt levels, will not be viable and they will be forced to sell everything. A hotel that has been forced to reduce from 40 to 32 machines will potentially be up for almost \$1 million just to comply with lease and mortgage obligations. In some hotels, particularly rural hotels, pokie machines will be worth more than the business itself. It will be sold and there will be the consequent loss of jobs and, of course, money into our communities, the small clubs and schools.

The legislation proposed is complicated. It will adversely affect businesses that have entered into contracts on the basis of the current legislation. It adds to bureaucracy and there is no guarantee that it will reduce problem gambling. It is likely that the cuts will only shift problem gamblers to bigger hotels that can afford to buy up machines. However, it will make the licences very valuable, in a similar way to those given to members of the fishing industry years ago. Then there will be the big pokie barons about whom the Premier has been talking. When these licences are sold they will be subject to stamp duty, bringing a further bonus to the state government tax coffers. Based on 4 per cent stamp duty, a machine worth \$100 000 is a nice little \$4 000 earner for the government. The proposed legislation will not force venues with under 20 machines to reduce their numbers but, as these small venues sell to replace the 3 000 machines removed from bigger venues, there will be a windfall profit of around \$12 million in stamp duty on transfer. As usual the government cannot lose. Only the small businesses will lose and

regional areas, as usual, will be the biggest losers.

It is likely that, as the licences become more valuable, the small regional venues with lower returns will be inclined to sell to the bigger city venues and new developments wanting machines. People living in small towns will miss out, once again, and they will be denied opportunities available and taken for granted by city people. Also, if a venue is not available in their town, people will go to other towns for their entertainment, even if they are not gamblers, just to be where their friends and cheap meals and entertainment are and, inevitably, they will also do their shopping and other business while they are there—yet another nail in the coffin for our small towns and their wonderful supportive communities and more money to big unionised developments in impersonal cities and larger towns. This is a supposed social justice government—perhaps if you live in cities, but certainly not if you live beyond Gepps Cross. I quote from one briefing paper, as follows: The government believes, however, that bigger venues have a greater capacity to assist gamblers in seeking rehabilitation.

Perhaps those people inclined to gamble too much in the small towns do not need rehabilitation because they are well known and have people who will watch out for them and help them to control their gambling. It seems that the intervention of friends is what the government has in mind for all venues, given the paltry amount that it is putting into the rehabilitation fund—less than \$3 million from a yearly income in 2003–04 of \$377 million; an amount that will hardly assist problem gamblers throughout the state. Yet this government expects us to think that a reduced number of pokies will assist problem gamblers. Will the excuse of bigger venues having greater capacity to assist problem gamblers be used as one of the reasons to remove licences from smaller venues when the licences have to be reviewed before renewal every five years? Which banks will lend to small venues if they could have their licences arbitrarily removed after only five years? Will there be compensation if the licences are removed? Who will assess the country venues and who will bear the cost of travel, flights, accommodation and overtime to these venues? Will it be like the butchers accreditation, where the costs are borne by the small country butchers?

Limiting the number of machines, with all the complicated paraphernalia of sales and trading entitlements and other measures, will create a new industry, higher overheads and even less money going back to the punter and will not in itself do anything to reduce the number of problem gamblers. In fact, even more pressure will be put on by the venues to entice people to gamble to recoup the outlays they have had to make.

The fact remains, however, that problem gambling causes major concerns; that gambling is addictive; and that family and friends of the gambler also suffer because of the gambler's losses. It is an age old problem and years ago caused the governor of the day in Launceston, Tasmania, to ban horse racing for exactly the same reason. The government there soon worked out that it could not stop people gambling if they wanted to gamble—and neither will this legislation. It is a bit like removing 3 000 horses and saying that that will reduce the problem of racing gamblers. It is all a non-sense—in fact, it is more than that: it is a con job.

So, what is to be done? Smoking was once considered to be okay, then its harmful

effects on health were identified and eventually recognised. But it took concerted, lengthy campaigns to have that harm admitted and recognised in legislation. All advertising and tobacco products must now carry a warning that smoking is a health hazard. I suggest that this idea be adapted for gambling and that the insignificant stickers on the machines be increased in size and effective-ness and also be placed on all advertising. For example, the advertisements could state that gamblers must lose, and give the chance of winning that particular game as one in whatever the odds are. These odds could also be flashed on the screen as people are playing.

All gambling is based on one simple fact: gamblers lose. There could be no Adelaide casino, no gaming machine problem, if participants won. There are occasional winners, who are much publicised. However there is never any mention that the winner is profiting at the expense of the losers and that only the government and the operators cannot lose. Every gaming machine or other form of gambling, every venue, every advertisement or media report should carry a warning that the operation works only because gamblers lose. There could be a contest for slogans—for example, 'If you can't afford to lose you can't afford to gamble.' 'Would you throw the money you are gambling with into a rubbish bin? No? Then don't spend it on gambling.' 'Do you consider yourself a loser? No? Then why gamble?'

There needs to be developed in our society a realisation that those who participate in gambling lose, that winners do so at the expense of losers and that those who gain most from gambling are the government coffers and some operators and venues such as the Adelaide casino. While churches and others have been vocal in supporting a proposed reduction in the number of gaming machines in South Australia, unfortunately, no-one has pushed enough the need to educate people about the negatives of excess gambling and the future effect it has on their quality of life and that of their families. If gaming machines are such an anathema in our society then surely gambling itself should be put under scrutiny. Instead of all the advertisements encouraging gambling, the negatives should be taught and told. Time and again, we hear stories of gamblers winning thousands of dollars on gaming machines, only to feed all that money back into the machines to end up with a loss.

I have spoken with licensees of gaming premises who frequently comment on the length of time that some people, usually the problem gamblers, spend at the gaming machines, often into the small hours of the morning. The times that gaming machines are allowed to be used could be limited. This would be easy to implement, easy to apply and easy to police. I suggest a time limit from, say, 2 p.m. until 10 p.m. or even 12 p.m., and that would accommodate everyone from shift workers to retirees.

Automatic machines could be banned so that players cannot put their money into the machine, then drink at the bar or wander quite a distance from the machine while the money goes through. It should be impossible for the player to leave the machine while play is in progress. At the very least, the machines could be slowed down so that it takes twice as long to process a transaction, then gamblers, presumably, could lose only half as much in the same time. This, combined with allowing only a small value coin, could be used, or even bringing back the one-armed bandits so that people would have to pull a lever for each coin to reduce the money spent. The sounds which attract gamblers and

which are such a pull for problem gamblers could be reduced or removed. Silent machines with silent cash trays would not be nearly as attractive to the senses of those who are addicted.

Since gambling itself is considered to be okay, how long does it take before a person will admit they have a problem? Many measures such as barring a person from the gaming machine venue are already in force. However, the psychological impetus for problem gambling in the first place, and continuing to gamble, are not addressed; neither is the compulsion to take drugs, drink alcohol, eat chocolate or shop to excess—all problems of addiction. There is a proverb that is used by various United Nations, aid organisations and others which states that if you give a man a fish, you feed him for a day; if you teach a man to fish, you feed him for life. This bill and associated regulations come into the category of feeding a man for one day. Changing society's attitudes to gambling and assisting problem gamblers, as with any addiction, will address the problems for life.

In the meantime, there are many measures that can be taken to stem the adverse effects of gambling as it relates to gaming machines and to deal with problem gamblers without distorting the market, disadvantaging businesses and creating another expensive bureaucracy and the inevitable compliance police to add to the existing native vegetation, water and fishing etc. compliance officers. I do not believe that this bill addresses the issues. It will only take away more of our freedom and use taxes needed for health and education to do it. For lots of people, having a bet is one of life's pleasures, and meeting with their friends and having a cheap meal is part of that pleasure. The drawbacks that of necessity will arise make this poor legislation. I cannot vote for this bill; it looks like good idea on the surface, but I believe that the consequences will not bear out the good idea. It is just another Labor government gimmick to try and fool the people and it will prove to be expensive and useless. In other words, it is a con job.