



Patron: Rev. Tim Costello

The Chrysalis Insight Inc
Submission
To
Australian Senate
Community Affairs Committee
Poker Machine Harm Reduction Tax Bill 2008
Parliament House
Canberra ACT 2600
Australia

Contact
Gabriela Byrne
Chairperson
Chrysalis Insight Inc
PO Box 244
Warrandyte Vic. 3113
Tel.: 03 9844 0652
0414 844 387
www.3rdplace.org.au
e-mail: gabi@3rdplace.org.au
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Introduction

Chrysalis Insight Inc would like to thank the Community Affairs Committee for this opportunity to make a submission to the Poker Machine Harm Reduction Tax Bill 2008.

Chrysalis Insight Inc is a not-for-profit organisation committed to assisting and educating people in crisis due to problem gambling. Chrysalis Inc. is a harm prevention charity listed on the Harm Prevention Charity Registry.

Gabriela Byrne, Chair of Chrysalis Insight inc., National Vice President and Victorian representative of Duty of Care, Director of the Free Yourself Program and former gambling machine addict, would welcome the opportunity to speak to our submission and respond to any questions the Committee may have regarding the submission.

The main objective of our organisation is to provide and promote recreational alternative environments to help prevent people from falling into the problem gambling trap and assisting directly or indirectly those affected by problem gambling to re-integrate and adapt to other recreational activities.

Our vision is that the provision of safe, recreational alternatives (3rd places – 1st being home & 2nd work) to poker machine gambling will make a difference to those who are in crisis due to problem gambling. Social isolation is a major contributing factor to gambling addiction. 3rd Places connect individuals, decrease social isolation and rebuild strong, healthy, vibrant and interactive communities.

Gaming venues are marketed as 3rd places but foster social isolation and contribute to many health, physical and emotional problems in our community.

This submission to the proposed Poker Machine Harm Reduction Tax Bill fully supports the introduction of a Federal Tax on Poker Machines. The proposed bill envisages a phasing out of poker machines caused by the proposed tax and a re-location of all machines into casinos and racetracks, which are dedicated gambling venues anyway.

Relocation of Pokies into Casinos and Racetracks

Every industry in our country has regulations and legislation in place to protect consumers from harmful products. With the gaming industry we believe that the government needs to move away from the narrow focus on treatment of the “problem gambler” to a broader mandate, focusing on ensuring, promoting and providing a “safe gambling product” in a designated gambling environment for all customers. Strategies to protect the gambling consumer against a proven hazardous product should be developed focusing on the precautionary principle rather than only addressing treatment once people are hurt.

Chrysalis Inc urges the Community Affairs Committee to look at Poker Machines in the framework of any other legal product that needs extensive consumer protection measures. Limiting the access to this product by shifting it to designated and

recognised gambling venues will make a major difference to problem gamblers but still allow people to participate in this activity if this is the leisure time activity of their choice.

We recommend full and transparent separation of gaming venues and community entertainment venues. Even though we are not sure how the new licensing arrangement in Victoria will impact on problem gambling, we are very much aware that the new licensing agreements which come into affect after 2012 do not address the issue that operators of EGM's have vested interest in maximising EGM revenue, thus creating a conflict of interest with measures to reduce problem gambling.

The anticipated re-location of Pokies into proper “gaming destinations” would improve probity and provide more transparency. It would be much easier to regulate and monitor the machines for their compliance with industry codes and practices. By uncoupling the link between ticket betting, racing and events betting from EGM's it will ensure that the subsidy to the whole industry is not dependent on the health of one operator's need to create the money in the gaming machine market.

New Federal Tax on Poker Machines

In accordance with these objectives we would suggest the proposed tax paid into a trust fund should be used to:

1. Increase the range of reasonable access to quality non-gambling community services for recreational activities and hospitality. This will increase the number of opportunities for Victorians to make real choices in how they spend their time and money.
2. Ensure that gambling revenues benefit the communities where they are generated.
3. Ensure that licenses for betting revenues should be allocated in each region on a per capita basis to ensure revenues from machine and destination based betting are distributed equitably between all regions. If the local community objects to destination gambling venues, the number of gaming machines allocated to that region must not be distributed among other regions.
4. The set-up and control of regional destination gambling centres would be the responsibility of a community co-operative, a statutory authority with an independent chair and board of governance with vast experience in health, sport, events co-ordination, the arts, research, and communication. This community co-op would work in partnership with local government, organisations, communities and individuals to promote recreational alternatives to poker machine gambling. The total removal of EGM's from local Pubs and Clubs will limit the accessibility to gaming machines for the community and hopefully restore the social meeting place function that local pubs used to have in Victoria. These destination rather than convenience gaming centres would create jobs and income for local businesses and ensure that money spent in these centres would be re-invested into the regional community, by developing, supporting and promoting recreational alternatives.

Please note the experience of The Netherlands in regards to EGM's in 1988. After experiencing a significant increase in problem gambling over a 6 year period the Dutch Government in 1994 called for a removal of **64,000 EGM's** out of stores and Neighbourhood facilities by 1998. It shows that it is possible to remove a large number of machines within a 4 year period.

Government support of local initiatives, clubs and businesses that provide “More Play (low cost recreational activity) Spaces” and “Fewer Pay (high cost gambling) Spaces”

The provision of safe, recreational alternatives to poker machine gambling will make a difference to those who are in crises due to problem gambling. Very often “social isolation” is the underlying cause why people choose to go to gaming venues.

Places, like Neighbourhood Houses, Community Houses and local Hotels (without pokies) who once provided this space for people who were looking for low cost social interaction, are struggling to meet costs and be sustainable. Money derived from the Community Trust with the support of local and state Government should be used to benefit the local community. It would involve actively engaging with community needs and financially supporting the development and promotion of venues that offer a full range of recreational activities (e.g. gymnasiums, cinema's, snooker halls, restaurants, bars, disco's, café's and tourism events such as art shows, farmer's markets etc.).

Summary

The proposed bill will help to considerably reduce the negative impact that excessive gambling has on the people of this state. Reducing the number of venues and introducing destination gambling will limit accessibility, and introducing duty of care & consumer protection measures will reduce significantly the losses that individuals can accumulate in a specific time. Making gambling just one of many activities on offer in a vibrant active community would give the consumer real choices on how to spend their leisure time and hopefully prevent more people from falling into the gambling trap often caused by the availability of EGM's on every street corner.

Quotes from Problem Gambler's who attribute accessibility of EGM's to the escalation of their problem

(names and contact details can be provided on request):

"God, I wish they would take them out of the local hotel. I don't play anywhere else"
(Ross, 46 year old, lost approx. \$250,000 local hotel, VIC)

"I have reached a stage in my life where the addiction to poker machine gambling has become more than a problem. Many times over 15 years I have contemplated suicide despite thousands of promises to stop. In my gambling career I have lost 2 full time positions through stealing money to fund gambling. I have lost two long term relationships - the latest with my partner of 10 years and mother of two beautiful children 2, and 4 years old, so young, so innocent to the pain and selfish addiction that I am inflicted with. When they were in NSW, I went once a year and had a great time but then didn't think about them for another year. Now they are on every street corner, I just can't get away from them" (Frank, 35 year old, Vic)

"How can I help my sister realize she has a problem and how do I get her to attend G.A. meetings. Her marriage is nearing divorce; she has been admitted twice into psychiatric hospitals/clinics in the past 3 years. How do we get it to click in her head as it did in yours to want to take action for yourself. Her local hotel keeps sending her promotion material, the staff knows her and she just feels at home at the venue. I wish they would take them out of the suburbs" (Sue, Qld)

"Hi there, My name is Jenny. I am very worried about my long term boyfriend's gambling habits. Every time he is near a poker machine room, he will go and gamble, away from friends, away from social interaction. He sits for hours on the pokies. Can't they do something about this? If all of them would be in the casino, we wouldn't have this problem" (Vic)

Everything I want I could have had if I hadn't put so much of my money through the poker machines. I am lonely and my addiction only makes me lonelier and a liar. I use feeling sick as an excuse to those I love so I can stay alone. I am just wasting my money and worst of all my life. I am scared that I don't have the years ahead of me to help myself financially as I will be 60 in December. Why do I do this to myself?? I sit at home crying and feeling so angry with myself that I can't just stop. Once I walk through the door of the club, it doesn't matter anymore. When I'm playing the pokies I ignore the consequences of what I am doing. (Hayley, NSW)