

SUBMISSION TO: *INQUIRY INTO POKER MACHINE HARM REDUCTION TAX (ADMINISTRATION) BILL 2008*

Committee Secretary
Community Affairs Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

13 June 2008

To the Community Affairs Committee,

The *Poker Machine Harm Reduction Tax (Administration) Bill 2008* is laudable in its aim of reducing EGM-related harm and for bringing the issue into the centre of community debate. It also gives organisations and people such as myself an entry point into such public debate. Therefore I am grateful to Senator Steve Fielding for introducing this Bill.

While I concur that government regulation needs to focus more strategically on reducing or preventing EGM-related harm, I would favour a more direct approach of addressing such harm at its points of primary perpetration i.e. the design of EGMs and their gambling software. I have discussed this in detail in a published article, which I have attached.

Given the solid evidence that harm is largely generated from the gaming machines and their software, as they are currently designed and provided (Livingstone, Woolley, Borrell, Bakacs & Jordan, 2006; Livingstone & Woolley, 2008), I would argue that it is not appropriate to have them even in a destination venue, even if the Bill was to achieve this objective. If the product is harmful to the extent that we should keep it out of 'easy reach', it is unclear why we would want to encourage people to go there, as the term 'destination venue' implies. To illustrate my point – if we were to locate a toxic dump a long way from where people live we would not also want to also develop the site as a tourist destination. Furthermore, it is far from certain that destination venues minimise EGM-related harm, especially given the various dimensions of 'accessibility' and the well established entrapping features of current EGM design (e.g. see Department of Justice, Victoria, 2008). Furthermore, there is evidence that larger gaming venues have features that are enticing for EGM gamblers such as large linked jackpots, the 'buzz' of a large crowd for excitement and company and greater chances of remaining anonymous. With this in mind 'destination venues' that are not necessarily large should also be a topic for debate.

With the above points in mind, I believe that government regulation needs to break the current nexus between commercial profit and EGM harm production. The onus for

product safety needs to be put back on the industries providing the EGM product, at the points of manufacture, operation and venue, with attached requirements, penalties and incentives for businesses. (See attached article for further ideas about this). Certainly the development of technical standards and approval of gaming equipment at a national level needs to explicitly focus on safety and harm prevention (Livingstone et al., 2006, p.x).

In addition, I believe that EGM-related harm would greatly diminish if the Federal Government assisted state governments in weaning themselves off EGM taxation through fiscal incentives and disincentives. Such arrangements could be part of Commonwealth-State Funding Agreements.

Please feel free to contact me for clarification or elaboration of any of the above.

Sincerely,

Jennifer Borrell
Gambling Research Consultant

References

- Department of Justice, Victoria 2008, *Destination Gaming: Evaluating the Benefits for Victoria*. Retrieved 13 June 2008 from: <http://www.justice.vic.gov.au>
- Livingstone, C., Woolley, R., Borrell, J., Bakacs, L. & Jordan, L. (Australian Institute for Primary Care, La Trobe University) 2006, *The Changing Electronic Gaming Machine (EGM) Industry & Technology: Final Report*. Victorian Department of Justice, Melbourne.
- Livingstone, C. & Woolley, R. (Australian Institute for Primary Care, La Trobe University) 2008, *The Relevance & Role of Gaming Machine Games & Game Features on the Play of Problem Gamblers*. Independent Gambling Authority, South Australia.