



Chief Executive  
ACT Gambling and Racing Commission  
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Dear Mr Jones

UnitingCare NSW.ACT is grateful for this opportunity to contribute to the Review of the *Gaming Machine Act 2004: review of maximum number of gaming machines allowed in the ACT*.

UnitingCare runs a wide range of community services, which include assistance for problem gamblers in a number of locations.

**The purpose of this submission is to urge that the number of gaming machines be maintained at current numbers or, preferably, that the number of gaming machines is reduced.**

We note that on the information provided in the consultation paper, the following is the case:

- The number of gaming machines per 1000 adults in the ACT is higher than in any state of Australia, and is approximately 1 machine per 48 people.
- Gaming machine expenditure per capita in the ACT is the second highest in Australia and is substantially higher than the anywhere except NSW.
- Approximately three quarters of gambling expenditure in the ACT is via gaming machines.
- There has been significant growth in gaming machine expenditure over the last ten years.

These four indicators suggest that there is no need to increase the number of gaming machines in the ACT at this time.

We note that the consultation paper shows that the expenditure on gaming machines as a percentage of per capita disposable income in the ACT is lower than in some states, but this is attributable to the higher disposable incomes in the ACT. It needs to be recognized, however, that while the average income may be high, there are many areas of the ACT where there is a significant level of financial and social disadvantage. While there are some limits to its usefulness because postcode areas vary in size, the recent report *Dropping off the edge* (Jesuit Social

Services and Catholic Social Services Australia 2007) shows that the ACT has many areas of high disadvantage, even though it has less areas of extreme disadvantage than elsewhere. Uniting Church ministers in the ACT can testify to the disadvantage of people in some communities. The impact of gaming machines on these areas and on low income people needs to be carefully considered.

As the Productivity Commission acknowledged in its 1999 report, gambling is not merely another entertainment industry. They said:

*The perceived 'questionable' nature of the gambling industries reflects their ability simultaneously to provide entertainment that is harmless to many people, while being a source of great distress — and even of financial and personal ruin — to a significant minority. The imbalance between the consequences for each group can be very marked, a feature not found in other entertainment industries. (Alcohol consumption provides a closer analogy.)*

*Furthermore, the benefits which many derive from gambling — to the extent that they include occasional winnings — are derived in part from the financial losses of others. This helps explain long-standing ethical or moral objections within the community to activities seen as involving the pursuit of 'easy money'.*

*The Commission's national survey, consistent with earlier state-based surveys, found widespread community concern about the expansion of gambling, despite the equally widespread community involvement in the activity. Indeed, around 70 per cent of Australians (including a majority of regular gamblers) consider that gambling does more harm than good (see box 4). This again is not typical of the pattern of consumer response to most leisure activities. (Summary, PDF pages 13-14)*

The Productivity Commission also provided evidence of widespread community concern and interest in decreasing, not increasing, the number of gaming machines. (See Productivity Commission Summary, page 14 Box 4).

The Productivity Commission also noted that the “production side” benefits of gambling are often exaggerated.

*These 'production-side' benefits from liberalising gambling have often been greatly exaggerated. In fact, they are modest compared with the economic benefits derived by consumers. This was the subject of apparent misunderstanding by some participants.*

*If these industries had not been permitted to expand, the money spent on gambling would have been spent elsewhere. And most of the resources that went into the gambling industries would have been employed in other uses, creating similar levels of income and jobs to gambling itself. For example, the skills required of personnel in gambling venues are very similar to those required in most entertainment and hospitality industries. (Summary, pdf, page 16)*

The Productivity Commission also recognized the relationship between numbers of gaming machines and numbers of problem gamblers, as shown by comparisons between states/ACT and between Australia and the USA. (Summary page 22)

We urge that the number of gaming machines be maintained at current numbers or, preferably, reduced, for the following reasons, in the light of the above general comments:

1. The evidence from state comparisons shows that use and expenditure relates directly to the number of machines.
2. If the number of machines is increased, licensees may encourage increased gambling to maintain their income per machine.
3. ACT expenditure on gambling machines is already second highest in Australia in dollars per capita terms.
4. Any attempt to justify increased numbers of machines in terms of government revenue or community benefit needs to be balanced by recognising that
  - a. only a small percentage (7%) is required to be used for community purposes, and
  - b. taxation on gambling is generally regressive.

The Productivity Commission, in its 1999 Report stated:

*While gaming machines' share of total gambling expenditure has risen, its growth appears not to have displaced other gambling modes — which have largely maintained their previous growth trends — but rather has been at the expense of other consumption items or saving (future consumption).*

*It follows that gambling expenditure has grown most rapidly in those states which have legalised or liberalised access to gaming machines. For example, gambling expenditure in Victoria was under \$1 billion in 1987-88, 40 per cent of that in New South Wales; 10 years later, expenditure in Victoria was \$3 billion, over 70 per cent of that in New South Wales. (Summary pdf version page 9)*

Again, thank you for this opportunity to make a submission on this matter.

Yours sincerely



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