

No Pokies Senator takes the cause to Canberra

Nick Xenophon, Independent Senator for SA

Key points

- Nick Xenophon's run for the Senate was triggered by Kevin Rudd's claim that he hated poker machines and knew about the devastating impact on families.
- Nick has put the gaming industry on notice and is looking forward to working with the Federal Government to stop the industry using unsafe products and practices.
- In September, he proposed legislation to ban ATMs in poker machine venues.
- Nick continues to call on all Australian Governments to wean themselves off the tax revenue gained from problem gamblers, and to do so quickly.

Senate Hansard

Senator XENOPHON (South Australia) (27/8/2008, 5:31 PM) — A lot of people ask me where I am on the political spectrum: am I conservative or progressive? Apart from a youthful indiscretion while at uni where I flirted briefly with the Young Libs, for most of my life and in my political career I have tended not to see things in terms of Left or Right. Instead, I try to think about what is right and what is wrong.

On the issue of poker machines that is not hard to do. Poker machines are an unsafe product that causes untold harm to the most vulnerable in the community. Today in this country there are hundreds of thousands of Australians who in some direct way have been damaged by the poker machine industry. In my former life as a lawyer and since, I have seen so many good people whose lives have been ruined by these machines. I could not stand by and say nothing.

According to the industry's own figures, poker machines make more than 50 per cent of their revenue from problem gamblers. For a long time I have debated with the industry, quoting studies, experts and reports that quantify the devastating effect these machines have on those who become addicted. But I now realise this has played in a way into the gambling industry's hands. I quote an expert and then all they do is quote some other expert with some dubious figures in order to muddy the waters.

The industry do this not because they want to win the argument—they know they cannot; their position is untenable. Instead, all they really want to do is to keep the argument going, because as long as they can do that they can keep their machines running and take money from problem gamblers and their families. Their arguments and their denials all echo the tactics used by the tobacco industry in decades past. I say enough is enough. The debate is over. These machines are unsafe and need to be removed from the community.

State governments have also become addicted to these machines, thanks to the \$4 billion a year they receive from poker machine taxes.

My decision to run for the Senate was triggered on 11 September last year, when I read about the then opposition leader's views on poker machines. He said he hated them and that he knew something of the impact they have on families.

I was encouraged. Not only was the now Prime Minister right; the Australian people knew he was right on this and many other issues. My message to the Prime Minister is simple: I want to work constructively with him, his government, the crossbenchers and the opposition to eradicate this scourge from our suburbs as well as internet gambling from our lounge rooms. As Tim Costello says, 'With online gambling, it's now possible to lose your home without ever actually having to leave it.' Poker machines are a litmus test of good government. If governments are willing to sacrifice their own citizens for gambling taxes, what else are they getting wrong?

When I first made it into the upper house in South Australia, a lot of politicians—state and federal—approached me in the same sort of way I suspect they would have approached the village idiot. I remember meeting the Hon. Philip Ruddock at a community event in Adelaide in 1998, where he asked me what party I was from. I replied I was an Independent who had run on a 'no pokies' platform. He looked at me stunned and said words to the effect of, 'You actually got voted in on that?' His reaction and the initial reaction of a number of my state parliamentary colleagues reminded me of Tony Benn, the old left-wing warhorse of the British Labour Party, who once said:

It's the same each time with progress. First they ignore you, then they say you're mad, then dangerous, then there's a pause and then you can't find anyone who disagrees with you.

This was my experience in state politics, and I hope on key issues I will experience the same here. So the poker machine industry can consider itself put on notice.

Senator XENOPHON (South Australia) (4/9/2008, 9:45 AM) — The purpose of the ATMS and Cash Facilities in Licensed Venues Bill 2008 is to limit and reduce the installation of automatic teller machines and cash facilities in licensed venues.

The bill does not restrict access to funds for purposes other than the withdrawal of cash so any argument that removing ATMs from licensed venues will inconvenience patrons wanting to pay for their meals, drinks, accommodation and the like at licensed venues electronically is fatuous.

Rather, this bill addresses the problem highlighted in the report of the Productivity Commission and that commissioned by the ACT Gambling and Racing Commission, by introducing measures which will minimise the harm caused to the most vulnerable gamblers who are disproportionately also the highest users of ATMs.

The Productivity Commission last reported on the issue of gambling in 1999. In its National Gambling Survey, the Productivity Commission found that problem gamblers were significantly more likely than non-problem players to withdraw money from an ATM at a venue whilst playing poker machines.

In assessing the degree to which problem gamblers use ATMs relative to recreational gamblers, the Productivity Commission found that the large bulk of recreational players never used an ATM at a venue when playing the poker machines, while the large bulk of problem gamblers did use an ATM, with one in five problem gamblers always doing so. At table 16.7 of the report, the questions was asked, 'How often do you withdraw money from an ATM at a venue when you play the poker machines?'

In response, 78.2% of non-problem players said 'never', 11.8% said 'rarely' and 5% said 'sometimes'. Only 1.4% said 'often', 3.2% said 'always' and 0.4% could not say.

For problem gamblers with a SOG score of 5 and above, which is the threshold for problem gambling, 34.6% said 'never', 12.4% said 'rarely', 15.1% said 'sometimes', 16.5 % said 'often' and 21.3% said 'always'.

In relation to problem gamblers with a SOGS score of 10-plus, 18.2% said 'never', 7% said 'rarely', 16.1% said sometimes, 34.8% said 'often', and 23.9% said 'always'.

The South Oaks Gambling Screen (SOGS) is a particular set of questions that is used to determine whether a person is a problem gambler. A score of 5 or more suggests a person is a problem gambler and a score of 10 or more suggests a person is a severe problem gambler.

Overall, problem gamblers surveyed by the Commission ranked 'ATM location' as one of the most important issues for effective harm minimisation with 37.8% of problem gamblers (SOG 5+) and 58.7% of problem gamblers (SOGS 10+) reporting that they often or always withdrew money from an ATM at a venue when playing poker machines compared to 4.6% of non-problem players.

The more recent report "The Use of ATMS in ACT Gaming Venues: An Empirical Study", commissioned by the ACT Gambling and Racing Commission and published in September 2004, found that regular and problem gamblers access ATMs at gaming venues more frequently than recreational and non-gamblers.

It also showed that a staggering 60% of self-identified problem gamblers usually access ATMs at clubs. This is compared with only 25% of regular gamblers, 12.7% of recreational gamblers and 5.2% of non-gamblers who reported accessing an ATM at a club. Sixty percent of those self-identified problem gamblers also reported withdrawing more than \$100 as compared with ATM withdrawals of less than \$100 for all other gambler groups.

The Tasmanian experience also highlights the benefits of removing ATMs from licensed venues. Unlike other States and Territories, Tasmania doesn't have ATMs in its pubs and clubs and their losses per capita are significantly less than the rest of the country. For instance, figures from the 24th edition of Australian Gambling Statistics show that for 2005-2006, the turnover per machine in Tasmania was \$397 095 compared with \$582 549 for South Australia. The turnover for gaming machines per capita for Tasmania was \$2575 compared with \$6100 for South Australia. While there are other influences that may have had an impact on these figures, the absence of ATMs must be a significant factor.

My own personal discussions with gambling counsellors and problem gamblers over the years have backed up the research showing a link between easy access to ATMs and gambling addiction.

This bill alone will not eliminate problem gambling. However, at the very least, by limiting access to cash inside a venue, gamblers will, in many instances, have time to reflect on their actions and think twice about withdrawing money from an ATM at another location to continue gambling.

As mentioned in my first speech, I was heartened by the Prime Minister's comments about the effects of poker machines when he said he hated them and knew something of their impact on families.

The fact that close to 250 000 Australians are poker machine problem gamblers and that for every problem gambler there are seven other people affected in some way, should be of great concern to us all. I hope there will be bipartisan support for this bill.

Senator XENOPHON (South Australia) (10/11/2008, 5:44 PM) —The worst moment I ever had in my 10 years in the upper house of state parliament in South Australia as the No Pokies MP was not in the chamber but when I went to visit a man whose wife of almost 30 years took her life because of her poker machine addiction. I sat down and spoke with him and he described how she was ravaged by this addiction. He showed me the suicide note, and there is no doubt in my mind, in this man's mind or in their friends' minds that but for that woman's poker machine addiction she would be alive today. That is the most tragic manifestation of gambling addiction in this country. There are literally hundreds of thousands of Australians who are in some way materially worse off because of their addiction to poker machines or because of the addiction of a loved one. We know from the Productivity Commission that there were upwards of 250,000 Australians with an addiction because of poker machines back in 1999 and that each of them affects the lives of at least seven others.

These three bills were a genuine attempt to bring about some real reform from the damage caused by poker machines in this country. That damage has not been addressed, because state governments are hopelessly addicted to the almost \$4 billion a year they rake in from poker machine taxes—state governments that tinker around the edges and participate in window-dressing; state governments that are beholden to that obscenely overpaid tax collector, namely the poker machine industry. I heard that Clubs Australia was proposing measures to look after problem gamblers. Well, getting the gambling industry to look after problem gamblers is a bit like getting the wolf to look after Little Red Riding Hood.

The government's position in relation to this report is to do nothing. It is to stall for another 12 months, pending the outcome of a Productivity Commission inquiry. As useful as a Productivity Commission inquiry will be, there are some things that need to be done and ought to be done now. We know from the evidence, for instance, that there is a very clear link between the easy access to an ATM at a venue and the way it fuels gambling addiction, yet the government is prepared to sit on its hands for another 12 months in relation to this. We know that there are a number of measures that can be taken immediately that will not impact on so-called recreational gamblers and that there can be a complete banning of banknote acceptors on poker machines. The introduction of smartcard technology could make a huge difference on the impact of poker machines, as could the immediate reduction of maximum bets and slowing down of machines. We have heard the evidence of Dr Charles Livingstone, who has undertaken extensive research, that you can do these things here and now and that the Commonwealth has the powers to do these things using its corporations and taxation powers and its banking and telecommunications powers. These are things that can and need to be done now, but the government is sitting on its hands and effectively stalling any real change on the agenda for another 12 months. Meanwhile, there are literally hundreds of thousands of Australians who are suffering and whose lives are being turned upside down because of this addiction to poker machines.

When you consider that this industry gets over 50 per cent of its income from addicted and problem gamblers, then this is an industry that is unsustainable. That is why the government's position in relation to this report and in relation to the clear evidence that has been heard is more than a disappointment—it actually ignores and, I believe, treats with contempt the evidence and the hundreds of thousands of Australians who have been devastated by poker machines. That is why it is important that that we act and act with some considerable urgency; otherwise we will continue to hear more stories of hardship and tragedy because of the addiction of so many Australians to poker machines.

A note from Nick...

Thanks for taking the time to read this extract. If you have the time, I'd appreciate it if you were willing to share your thoughts on poker machines in the future.

You can do this either by calling me: 08 82321144 or by email: Senator.Xenophon@aph.gov.au