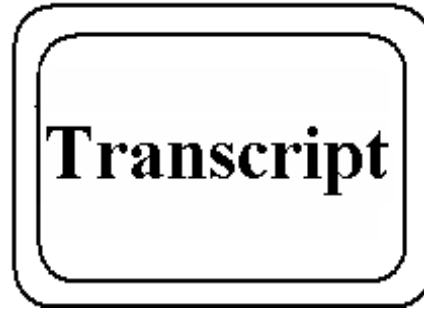




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Transcript

Senator Nick Sherry
Assistant Treasurer

Sky News PM Agenda

Interviewer: Kieran Gilbert
Panel Member: Senator Nick Xenophon

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SUBJECTS: Productivity Commission Report into Gambling

Kieran Gilbert: Joining me on the program to discuss those is Assistant Treasurer Nick Sherry and campaigner on problem gambling, Independent Senator Nick Xenophon. Gentlemen, hello to you both. Thanks for joining us.

Nick Sherry: Hello and hello to your viewers.

Kieran Gilbert: Senator Xenophon first to you, this has been an issue close to your heart for many years. I know you have only had a few hours to digest what is essentially a substantial report, but what do you make of the recommendations. Do they go far enough in your view?

Nick Xenophon: Well, I suppose on the recommendations in relation to poker machines reducing maximum bets to one dollar per spin is obviously welcome, but you need to match that up to ensure that you not only cap the debt but you also cap the losses and that is something that's very important as well. If we have a huge social problem here upwards of 500,000 Australians with a gambling problem or at least 160,000 with a significant severe gambling problem, each of them affects the lives of seven others on average, this is between one and three million Australians

are in some way worse off because of the gambling bug we would need to do something about it I am very ...

Kieran Gilbert: Are those figures in the ball park of what you understand the problem to be, 160,000 people with a gambling problem and 75 billion dollars the social cost?

Nick Xenophon: The social cost is enormous and you can't even begin to measure what the individual costs are. I have seen too many families that have had their lives ripped apart by gambling, we need to do something about it. I am disappointed the Government has had this report now for almost four months, the draft report was out a few months earlier, the Commonwealth really has a leadership position to take because you can't trust the states with gambling because they rake in 4 billion dollars per year on gambling taxes.

Kieran Gilbert: Well, Senator Nick Sherry, I will get you to respond to that. Why hasn't the Government adopted these recommendations Senator Xenophon points to the cap, the one dollar cap to spin bets on poker machines why not adopt that?

Nick Sherry: Well, that's just one of about 40 recommendations that we do accept the PC's analysis there is a significant problem and there is significant harm as the consequence of gambling of course we accept that. Secondly, we as a Government for the first time in this country's history - and the Prime Minister's very strongly of this view - are determined to implement effective harm minimisation programs that the PC itself has identified will be effective.

Kieran Gilbert: Why another review or...

Nick Sherry: There isn't another review.

Kieran Gilbert: Set of discussions. You're going to talk to the states and territories aren't you, why not just tell them?

Nick Sherry: We have endorsed today pre-commitment, because the Productivity Commission has said an effective pre-commitment designed program is the way to go, we have endorsed that, we intend to see that implemented. Now the states have regulatory responsibility and we are going to exercise our leadership to ensure that we have the introduction of an effective pre-commitment regime in this country. Now Nick has referred to the dollar bet limit, that's one of the 40 recommendations, but what the PC itself said is, if you want effective national regulation and that's what we want, we don't want state by state responses we want national regulation, we have to listen to the states' view - I mean they have only received the report today. And secondly, you want one dollar bet limits the PC itself says a pre-commitment approach is the most effective.

Kieran Gilbert: Are the states addicted to this funding, this revenue that they are basically the funding is coming through the misery of problem gamblers?

Nick Sherry: I can say this; our priority is effective harm minimisation that's our priority. Frankly, the Commonwealth is not interested in the issues relating to the revenue. We will have a look at any revenue impacts once we've designed an effective pre-commitment regime with the states and get a timetable for its introduction.

Kieran Gilbert: OK Senator Xenophon, that sounds reasonable. If that's what the Productivity Commission is suggesting. Why not ensure you have a consistent national approach and have those substantive talks with the states?

Nick Xenophon: The (inaudible) reasoning and Nick Sherry should take this as a compliment, I would rather trust you dealing with gambling problems than the states because the states are so compromised and they rake in four billion dollars per year in gambling taxes. We know something like 50 cents in the dollar from poker machines comes from people who are hooked on these things, then we actually need to have an approach where the Commonwealth says enough is enough, because if we look at pre-commitment that will take years. I actually looked at the issue of pre-commitment when I was in State Parliament a number of years ago, a report was done by an independent gambling authority. The gambling industry in South Australia has been stalling ever since.

Kieran Gilbert: What are you saying? The Federal Government, Senator Xenophon, should take over essentially take the regulatory role off the states and say enough is enough?

Nick Xenophon: They have to because the states can't be trusted with this. I have been hearing the same stories from State governments since 1997, when I first got into the South Australian Parliament. I have heard this over and over again and the Commonwealth it is clear has the power, the constitutional power to take this over because they don't have the vested interest they are not compromised by the revenue stream that the states have on gambling. They can use their constitutional powers on the banking, on the telecommunications corporations and taxation laws to name but a few, to actually move in on this and do some good and reduce the level of harm.

Kieran Gilbert: Well, let's look at that issue because, Senator Sherry, when it comes to the clubs NSW is a top ten donor to the Labor Party. Are there some conflicts there as well, the fact that these big pokie venues are throwing money at the political parties, this the Labor Party specifically?

Nick Sherry: I make the point this is the first time that any national government, Kevin Rudd is very determined on this, that we are going to implement effective harm minimisation programs, the first time any national government has indicated this and I think it's reasonable to at least ask the states, they have only had the report today, to at least ask them whether they are willing to co-operate in the design of that harm minimisation program. When it comes to vested interests, we are not

interested. The priority is introducing effective harm minimisation programs nationally.

Kieran Gilbert: Is there not a conflict when you look at the AHA – big donor to the Labor Party, Clubs NSW big donor to the Labor Party?

Nick Sherry: I can tell you this, we will act in the national interest on this. We have endorsed the approach of harm minimisation, we have endorsed that approach and we intend to act on that, we intend to provide the leadership.

Kieran Gilbert: Senator Xenophon, if you look at the Government's case it says it has gone further than any of its predecessors in this regard, is that enough of a defence?

Nick Xenophon: Well, the predecessors have gone nowhere. Further than nowhere isn't that good. I mean the fact is and my question to Nick Sherry is, what timeframe will you give the states in relation to this? That's what I am concerned about because the states I think will have to be dragged kicking and screaming for even the most miniscule reforms. The industry was screaming about even putting clocks in venues.

Nick Sherry: I can say I have actually met with some of the states on this issue and I had some reasonably positive feedback. I mean the (inaudible) to date isn't no change. They accept there has to be change, that's why we intend to provide that national leadership, so you know I am reasonably optimistic – let's at least give them a chance...

Kieran Gilbert: What's a reasonable time frame though?

Nick Sherry: Well, I think next year we will need a co-ordinated national response from the states. I think next year is a reasonable time frame.

Kieran Gilbert: OK, so let me get the basics of your response to this – this is the point that the clubs make that they are huge donors to various community activities and so on, they fund a lot of those things. Nick Xenophon, first to you then Senator Sherry I want to get your thoughts as well.

Nick Xenophon: Well, let's look at what the Productivity Commission said in this and other reports about the clubs and this whole issue, about the benefits they get from the taxpayer effectively with their write offs and also how little they give back to the community in relative terms I think we need to look at that and the Productivity Commission has actually recommended that we should be clamping down and looking very closely at those benefits for the clubs because when you look at what they get in, you look at the harm that their main source of revenue poker machines does and how little goes back into the community in relative terms, that needs to be considered.

Kieran Gilbert: Senator Sherry should those tax concessions be removed or at least watered down?

Nick Sherry: No, we have already indicated this in response to the Henry Tax review; we won't be changing the tax arrangements for the club industry, we are going to focus here on minimising the issue of problem gambling. We have got to accept that clubs do play an important role in many communities, in some states, we have to accept that this is a 19 billion dollar industry employing over 140,000 people.

Kieran Gilbert: Senator Xenophon that's a fair argument isn't it?

Nick Xenophon: (inaudible) and I will agree with the independent research that has been done for a number of years now – money lost on poker machines is a job killer when you compare it with the jobs you create in the hospitality and other sectors of the economy, in retailing you create more jobs per million dollars lost on other sectors of the economy rather than poker machines. Poker machines are a job killer not a job creator.

Kieran Gilbert: We will chat about this again no doubt. Senator Xenophon, Senator Sherry appreciate it.