



PRESS RELEASE

**The Hon Jenny Macklin
MP**

Minister for Families,
Housing, Community
Services and Indigenous
Affairs

**Senator the Hon Nick
Sherry**

Assistant Treasurer

**Senator the Hon
Stephen Conroy**

Minister for Broadband,
Communications and the
Digital Economy

PRODUCTIVITY COMMISSION REPORT INTO GAMBLING

The Australian Government today released the 2010 Productivity Commission Report into Gambling for consideration by States, Territories, industry and the wider community.

The Government has also announced its support for key reform directions to minimise the harm caused by problem gambling.

In an initial response to the 2010 Productivity Commission Report into Gambling, the Australian Government signalled it supports the use of pre-commitment technology to tackle problem gambling and is committed to working with State and Territory Governments, and industry, in implementing this technology.

The Australian Government does not agree with the Productivity Commission recommendation that the Australian Government amend the *Interactive Gambling Act 2001* to allow for a liberalisation of online gambling, starting with allowing the provision of online poker games to Australians. The existing rules will continue to apply.

The Australian Government accepts that further work can be done to improve harm minimisation measures for electronic gaming machines.

The Australian Government will now write to State and Territory Premiers and Chief Ministers to recommend the establishment of a new high-level Council of Australian Governments (COAG) Select Council of Ministers on Gambling Reform to progress a national approach to minimise the harm caused by problem gambling.

The Productivity Commission estimates that there are between 80,000 and 160,000 Australian adults suffering severe problem gambling. In addition there are between 230,000 and 350,000 people at moderate risk.

The Productivity Commission's final report highlights the significant social cost of gambling, estimated to be at least \$4.7 billion. The Productivity Commission estimates that problem gamblers account for around 40 per cent of electronic gaming machine expenditure, showing that a small number of gamblers account for a large percentage of losses.

The Productivity Commission also highlighted the gambling sector as an important industry with gambling expenditure exceeding \$19 billion and the industry estimated to support the employment of more than 145,000 people.

Pre-commitment

The Productivity Commission found that pre-commitment is the most effective way to target problem gamblers and at-risk gamblers without impacting upon the wider gambling community and that's why the Government has committed to developing a pathway towards implementation for pre-commitment.

The Productivity Commission also found that pre-commitment systems would empower people to take responsibility for their own spending behaviour, by helping them decide exactly how much they want to spend before they start playing.

The Productivity Commission found that a pre-commitment scheme is a strong, practicable and ultimately cost-effective option to minimise harm caused by gambling. This new technology will give people the tools to stick to their limit and help them keep track of their spending.

The first priority for the Australian Government will be to progress a nationally consistent pre-commitment model for electronic gaming machines.

Online gaming

The Australian Government does not support the liberalisation of online gaming, including online poker, as recommended by the Productivity Commission.

The Government is not convinced that liberalising online gaming would have benefits for the Australian community which would outweigh the risks of an increased incidence of problem gambling, particularly with the rapid changes in technology.

The current prohibition on the provision of online gaming services to Australians will continue to apply.

The Government will examine the regulatory approach taken by other countries with similar regulatory regimes in relation to online gaming, such as the United States.

In particular, we will seek to work with other countries to investigate the possibility of a more effective multilateral regulatory regime to address this form of gambling, its social impacts and its impact on the Australian gambling industry.

Harm minimisation

The Australian Government accepts that more work can be done to improve harm minimisation measures for electronic gaming machines.

The Select Council on Gambling Reform will engage with all stakeholders to ensure that any changes to harm minimisation measures are proven to actually minimise the damage caused by problem gambling and are ideally able to be applied consistently across Australia.

This will include an analysis of the possible costs and benefits of such measures and also consider their need in light of moves towards a nationally consistent pre-commitment model.

COAG Select Council on Gambling Reform

The Australian Government will recommend that the COAG Select Council on Gambling Reform includes up to two Ministerial representatives from all jurisdictions to ensure that both economic and social portfolios are represented.

The Select Council on Gambling Reform will be co-chaired by Ministers Macklin and Sherry.

Most recommendations in the report are directed at areas of State Government responsibility but the Australian Government recognises that national leadership is required and will work with State and Territory governments through the new Select Council on Gambling Reform to consider the Productivity Commission's final report.

The Australian Government is committed to a thorough process through the COAG Select Council on Gambling Reform and to consulting closely with community groups, industry and relevant employee and employer groups on the Productivity Commission's findings.

Today's report follows a request made by COAG in 2008, through the then Assistant Treasurer, for the Productivity Commission to update its 1999 inquiry into Australia's gambling industries, with a focus on problem gambling. This responded to calls from industry and community groups that the Commission should be asked to update its 1999 report.

Copies of the Productivity Commission's report www.pc.gov.au.

CANBERRA

23 June 2010

Media contacts: Joe Scavo 0413 800 757 (Minister Sherry's Office)
Jessica Walker 0430 166 633 (Minister Macklin's Office)
Suzie Brady 0408 258 457 (Minister Conroy's Office)