

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE IMPACT OF GAMING MACHINES MET AT HENTY HOUSE, LAUNCESTON ON FRIDAY 5 APRIL 2002.

Mr NICHOLAS LEE WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mrs Silvia Smith) - Welcome, Nicholas. You have been introduced to the rest of the committee and you have had an opportunity to see how we run our hearings. Basically, we ask you to talk to us, give your submission, your thoughts and your ideas and what you want us know, addressing the criteria as best you can - and obviously there will be some areas of that criteria that you will not need to address and we understand that. You do understand that this is a public hearing.

Mr LEE - Thank you, Silvia. I come basically as a very concerned voter - and passionate voter, I might say; I am passionate on this particular topic - and as a Christian and passionate about being a Christian as well.

The real reason I came, the goal that I would have, I suppose, is that in my book *Chicken Soup for the Soul* there was a fabulous little article - I don't know whether you are aware of *Chicken Soup for the Soul*?

CHAIR - No, I'm not.

Mr LEE - A brilliant book - this article describes how a whole school of tens of thousands of fish came up on the beach and this chap came along and threw some of them back in the water. Someone came up to him and tapped him on the shoulder and said, 'Gee, you're not going to make much of a difference, are you?'. He threw one fish in and said, 'Well, it made a difference to that one'. So that is the reason that I have come; there might be one person I can help by being here, whether it be from you people or the people here who hear what I have to say. I think we are kidding ourselves really going on with all this business about submissions and inquiries. I think they have all been done and I think the people are well aware of the dangers and the evil of poker machines. Just on the Internet we can pick up things like 'Submission to the Productivity Commission Inquiry into Australia's Gambling Industries' by the Womens' Electoral Lobby. It is all straightforward. There is a South Australian, virtually anti poker machine party, which has been going for quite a while and they have sent me 17 pages of submissions in Parliament there. They are the same poker machines, we are the same individuals, so it is nothing new.

Because I am so passionate about it, after going to the Crown Casino a few years ago, I said to my mate, 'This is just disgraceful. Have a look at this? We need to start the anti poker machine party' - just in jest at that time. But as time has gone it has got a bit more serious, as I can see, throughout the community. Often I come across broken homes, broken marriages, suicides. Even while I was buying this little badge here, I told the chap selling it where I was going to and he said, 'Oh, there were two children down the

road always left unattended, the mother's off gambling'. I use the word 'gambling'. It has been softened by good marketing ploys.

Even though I stayed in the Wrest Point Casino at the weekend to get a bit of a feel for what I might say today, I looked at the definition of 'gaming'. I don't know whether you are aware of what it actually says - but 'game', for instance, are 'wild birds or animals hunted for sport or food'. I thought, 'That could be pretty close'. I have been cutting things out of the paper for quite a while and there is no point in going through all those; it is in the paper almost daily. As a one-eyed Essendon supporter, I do not buy the *Herald-Sun* normally during the summer, but as I go down to the newsagent I have a bit of a flick through the papers to see if there is anything on poker machines, knowing I was going to come here and speak. Almost daily there is something in there. Last night I was lying in the bath reading the *Herald-Sun* and I had to wait until page 15 to get something.

It is such a concern in the community. People are hiding behind great submissions, great inquiries, but I can't believe that there are only two people here today to speak on this topic. I have serious concerns for the future. When I look at the statistics here, if Barry Prismall is accurate, I see that in the year 2000-01 the total punter losses on poker machines was \$166 million - that is just an enormous amount of money. I would have to think that in my short time on this earth and coming up, as you were, Silvia, for a while in a welfare background, this is just really affecting families - there's no doubt about it. I was brought up in a gambling family, my father worked for a bookmaker for 40-odd years. John mentioned horse racing - that gambling is very different, entirely different, to this new gaming syndrome that we have now.

Mrs SUE SMITH - We talk about gaming being a bigger problem than horse racing, but I reflect on the many occasions when I was a child when some people in the street where I grew up, lost their pay packet on Thursday - pay day - at the bookmakers and it affected that family until the pay day the next week. That seems the same as today except that the numbers seem to have grown. How does it differ nowadays from the person who goes into the casino, the club or the pub and loses the pay packet or whatever? Can you make a distinction as to why you think the horse racing gambler and the poker machine gambler are different?

Mr LEE - The actual individual person?

Mrs SUE SMITH - Yes, in the psyche of the individual. Why is one more morally wrong than the other, in your eyes?

Mr LEE - Hang on, you're bringing a lot of things in there. What I said was that gambling in the past, prior to poker machines, was a very different hobby. It is called sport, leisure and entertainment in this day and age because of smart marketing; that's how the word 'gaming' came in. Let us take in the 1970s or whenever the TAB first came in. It was very difficult to get a jar of Marmite, for a start, on a Sunday years ago, but when the TAB first came in there was no advertising like there is today. As a matter of fact it was probably illegal to advertise. You could have a bet at the Westbury Hotel or the Westbury milk bar and you wouldn't be able to collect your money until the next day, for instance. The accessibility now is just so simple - and it will get worse. In Melbourne

you are lucky to walk one block when you haven't got a poker machine that jumps out onto the footpath for you to put money into.

But when you talk about morality, maybe all gambling really has a bit of a question mark attached to it.

Mr SQUIBB - That's where the churches would have a difficulty, isn't it?

Mr LEE - The churches have difficulty?

Mr SQUIBB - On the morality of it. Particularly prior to gaming machines, quite a few of them were raising a lot of their funds through bingo. That's a form of gambling, or gaming.

Mr LEE - Yes. A lot of the churches wouldn't have a problem with gambling, but I do - I have a problem with it.

Mrs SUE SMITH - So you believe the accessibility is the big issue, that suddenly they are so accessible in every community on nearly ever street corner through the hotels and you believe that has increased -

Mr LEE - The accessibility is not the major problem; the major problem is the machine itself. It is an evil machine. I will just give you one example. My father was a returned serviceman, and for his generation two-up was a big game, wasn't it? It helped them relax and they took up smoking. A lot of them died as a result of it and suffered problems with it. But this poker machine must have a hypnotic or magnetic effect on the person who comes into contact with it. Having grown up with this, from age 11 to age 30-something, which I am now, I could virtually pick out a gambler. As you said earlier, it is mainly a man's world to be betting on horses. If I walk into the casino up here and I see a lady, who is a most respected Christian, and who has just had a hip operation, sitting there with her crutches on her right, with one leg over this machine and one on another machine, playing two machines at once - they were putting two coins in each, her and her daughter - I realise that this machine has incredible ability to attract people magnetically to it.

Mr SQUIBB - But they do the same at bingo. They play a multi number of cards.

Mr LEE - Yes, but I am talking here more of the gaming machines that we have in Tasmania. I can talk about bingo after. I don't know much about bingo but we could talk about it, but I'm basically talking about gaming.

Mr SQUIBB - But what I am trying to get at is what is the difference between a gaming machine and bingo from the point of view of a problem gambler?

Mr LEE - I don't know anything about it. I don't know much about bingo. But I'm talking about the facts here of Tasmanians losing \$170-odd million in 2000-01.

CHAIR - You are suggesting then in that comment I think that the gaming machines as we have them today have an alluring affect on people for reasons of the glitzy advertising,

the light - I presume it's the lights and the colours and all those sorts of things - and the noise. Is that a fair comment?

Mr LEE - There are many reasons, Silvia, why they have such a magnetic affect on people.

CHAIR - This is why we're trying to get a handle on -

Mr SQUIBB - They're designed that way.

Mr LEE - Of course they're designed that way. It's just like the clock, it's just a complete circle. Why do they go to the machine in the first place? Why are they there? Lots of families are hurting. They are hurting for different reasons - marriage breakdowns might be above 40 per cent now - so for instance we might have 40 per cent of the population who are very lonely, very depressed. It's very easy - anybody can play a poker machine, anybody can get really good at it. John earlier mentioned that he didn't know how to play the poker machines; well, he could get really good at it after about an hour. It's something that anybody can do.

CHAIR - Then in all those comments, Nicholas, I guess one could say if you had control of this whole issue, from your point of view, what sorts of things would you change knowing that the possibility of getting rid of all the machines is not an option?

Mr LEE - Oh, anything is possible in life. Nothing is not possible.

CHAIR - Ever the optimist.

Mr LEE - Nothing is not possible. If I had the power I would put them all on the *Spirit of Tasmania* and cast them off into Bass Strait.

CHAIR - Okay.

Mr LEE - When they were brought in by Mr Benneworth, probably in 1993 or whenever it was, it was a great headline, 'Poker machines coming to Tasmania'. I can remember as a wild 17-year-old in 1973 being in a club in Newcastle and I talked to people of probably Geoff's ilk and that sort of age and said, 'These are great machines, aren't they?' 'Don't touch them boy, don't touch them'. I don't know how long they had been there but they were mainly in non-profit clubs.

CHAIR - Mid 1956 they started.

Mr LEE - When the minimum bet was increased here 18 months ago, the turnover just increased immensely and everybody noticed. It is no secret, we all know. We all know someone who has committed suicide from the effects of poker machines. We all know of broken marriages. Really something has to be done about it.

CHAIR - So what is the answer in your opinion?

Mr LEE - The answer is that anything - as I started off - that will encourage a person to put less money or no money into a machine needs to happen. There might be tens of thousands of ways that that could be done.

Mr SQUIBB - Realistically, you are not expecting machines to be banned?

Mr LEE - I would hope that that would happen.

Mr SQUIBB - You're hoping but realistically you're saying anything that is going to limit putting money in is to be welcomed, so you obviously on that basis you expect machines to continue. As a committee, we ought to be looking at ways of reducing the opportunity for people to put money into machines.

Mr LEE - Of course, Geoff. When the Government took out their little share in 2000-01 it was \$71.5 million. I don't think the Government is too keen to lose that. Not many businesses would want to lose that sort of income, would they?

Mr SQUIBB - Well, there was a point I made earlier when John was here: if that money wasn't coming from gaming to provide the same level of services they would either have to get it from some other form of voluntary tax or -

Mr LEE - That's not an argument.

Mr SQUIBB - Well, it is.

Mr LEE - Well, you can use that for any sort of other evil vice: you could use it for prostitution, you could use it for -

Mr SQUIBB - Well, I don't think they're getting money out of prostitution at the moment. They certainly do out of smoking and some of those other -

Mr LEE - Well, I don't know if they don't get money out of prostitution in Victoria.

Mr SQUIBB - We're talking about the State Government.

Mr LEE - Yes, but we follow on. That's just another example, so I don't think your argument carries any weight at all.

Mr SQUIBB - The thing is, if we took \$70 million out of the State Budget -

Mr LEE - Wouldn't that be great.

Mr SQUIBB - Well, would it?

Mr LEE - It would be absolutely wonderful.

Mr SQUIBB - Thirteen per cent of the State Budget, so either the Government has to get that money from somewhere else or it cuts its services.

Mr LEE - No. If something is found to be evil - and this is what I find a poker machine to be - you can't justify having it because you need the money to operate your business.

Mr SQUIBB - But is it evil for everybody or just for those who have a problem?

Mr LEE - Yes, I believe it is. Tim Costello believes that 42 per cent - and that is probably a conservative figure - of those who use the gaming machines have a problem - probably an addictive problem. His book is well worth reading.

Mr SQUIBB - That is considerably higher than what the studies tell us -

Mr LEE - Oh, yes.

Mr SQUIBB - but that is his opinion.

Mr LEE - It is very difficult - I think it is his learned opinion. I don't think it's just his opinion, it's his learned opinion.

Mrs SUE SMITH - Do you think that gambling addiction is a hidden problem that the community struggles to identify because until the damage is done you don't see the reaction. With a person who has a drinking problem, eventually the community sees that particular problem. Do we have a hidden statistic in gaming because we don't know people's personal financial capacities therefore until it is a disaster it's not recognised?

Mr LEE - I don't think that, Sue, but I'm looking from different eyes. I think it is sort of accepted in society because it is made to be accepted by politicians, by media because they have a bit of an interest there, like alcohol is accepted by society yet it is one of the most evil vices that we have to ruin people's lives. Like poker machines are okay, the people with all the power say to lonely pensioners, 'Come to the casino, we'll pick you up in the buses'. It is accepted and that is why there are only two people here today. It is very sad.

Mrs SUE SMITH - Which sector of the community do you believe have been most affected by the introduction of the gaming machines?

Mr LEE - Everybody, every sector - business, family.

Mr SQUIBB - Just in relation to the numbers, whilst there may only be two here at the moment, we have received submissions from many more people.

CHAIR - They just come in in bits and pieces; not everyone comes in and sits in the room.

Mr LEE - Oh, I see. The lady just said to me that there were only two public submissions.

Mrs SUE SMITH - Quite naturally, some people like to give their submissions in private because they are their personal experiences.

Mr LEE - Oh yes, but I am so disappointed I wasn't able to hear from some of my friends who run hotels.

Mr SQUIBB - They will be making submissions but we are not hearing them today.

CHAIR - We don't hear everyone at one time; it's not possible.

Mr SQUIBB - We have three full days in Hobart, another day on the north-west coast and then there are about three of those red folders full of written submissions, so it has created some interest.

Mr LEE - I am disappointed not to hear the representatives from the hotel associations and different organisations. I would have loved to hear how these folk justify their existence.

Mr SQUIBB - They have opted, I think, in most cases to give their evidence in Hobart.

Mr LEE - I wonder why they'd do that?

Mr SQUIBB - They are probably based there.

Mr LEE - No, but if some were from here.

Mr SQUIBB - Individual hoteliers?

Mr LEE - Yes.

Mr SQUIBB - No, I think it is more their industry groups.

Mr LEE - I just observe when I go to the casino and on Sunday morning before we had our beautiful Easter Sunday lunch. I have had a bit of a background and I know what I'm talking about; I've been a croupier at the casino, I've been a gambler since I was 11, so I know a bit about gambling - I watched a lady from a distance put her credit card into the ATM, which is located right near the poker machine, nothing came out of that one so she went to the one that was two places along, tried it twice, threw the little slip away. I thought, 'I might just go over and see what's on that little slip' and the first account said, 'Insufficient funds' and the second one said, 'Balance of savings, \$2.97. Please do not litter'.

We don't need to joke about this or hide as if we don't know what is happening; we know what is happening. I have had friends working in the Windy Hill clubrooms and I can come along at nine in the morning and there are rows and rows of pensioner ladies playing these machines.

CHAIR - You said earlier, Nicholas, that all the information is already available, all the submissions have already been put into various bodies and I got the feeling that you thought that there possibly was some irrelevance for this particular committee in this whole issue. I might have been reading your comment wrongly but, as we are a committee that is looking into it and specifically at the social and economic impacts - and we are looking at communities on that - from your point of view, do you see a specific role that this committee can play in what is happening in our society with the impact of these gaming machines?

Mr LEE - Just straight off the top of my head, I think you could advertise every time a big Keno winner wins \$313 000. You might say that the \$313 000 this lady won probably affected 500 or 1 000 families because they lost \$400 000. You could put a nice little bit underneath that, because that is a fact. People have been blinded - we use the word

'glitzy', it is not one of my words - by the fact that they can win a car, a trip around the world.

CHAIR - You heard our previous witness comment on banning of advertising and promotions.

Mr LEE - Yes, that's how it used to be.

CHAIR - Is that how it can be started, to remove people's addiction.

Mr LEE - It could be. Like on the cigarette packets - 'Do not smoke this. You'll get lung cancer'. Maybe that should be on all machines.

Mr SQUIBB - It is in some States now.

Mr LEE - Is it? That's wonderful.

Mr SQUIBB - Not words to quite that effect but advising where counselling is available and all those sorts of things.

Mr LEE - That's not strong enough.

Mrs SUE SMITH - Clocks so they know the time.

Mr LEE - All these things. They are all written up in the paper every day. It's nothing new, is it?

Mr SQUIBB - You did say earlier that you were a former croupier and that you were a former gambler, did you experience problems as a gambler? Are you a reformed gambler, by any chance?

Mr LEE - No, never experienced any problem except the complete and utter waste of time. That's a huge impact: a waste of time over probably 20 years.

Mr SQUIBB - Except, if you were a croupier, it obviously provided employment for you at some stage in your life.

Mr LEE - I was a croupier for three months, when I left the Public Service to go into the real world.

Mr SQUIBB - Whilst you see the machines as being wicked, do you see any advantages from these establishments and these machines?

Mr LEE - I see some advantages from the establishments; I see the advantages of a little bit of social opportunity for people. I don't see one advantage of the poker machine.

Mr SQUIBB - Do you see the extension of gaming machines from the two casinos into pubs and clubs right across the State as adding to the problem of problem gambling?

Mr LEE - Yes, I think so. If I am at Rosebery it is pretty difficult for me to go to the casino in Launceston or Hobart.

Mr SQUIBB - You've certainly got to make a conscious decision.

Mr LEE - If I bring the gambling to you, it will be much easier, won't it, it will be so accessible. This is a west coast gambling background and that's all been marketed, the Australian, the gambler. They are all myths - the Australian, the gambler.

Mr SQUIBB - But if you see some benefit in the establishment but not the machines, what is the establishment going to provide as an alternative?

Mr LEE - Old-time dancing. When I used to go on holiday to the Gold Coast it was wonderful to go down and see the old-time dancing in the afternoon after the lunches.

Mrs SUE SMITH - Interestingly enough, still on the Gold Coast in the poker machine places, they actually have those old-time dances quite regularly of an afternoon - I think they call them tea dances -

Mr SQUIBB - And in Sydney.

Mrs SUE SMITH - in amongst the gaming machines. You don't see that as an encouragement for people to come because there is that entertainment and then they'll move onto the gaming machines when the dance finishes, in the same way as they are influenced by the cheap meals et cetera.

Mr LEE - I thought you meant what would be in place of the machines? We could have the dancing like we used to have in my day at Whitemore without gaming machines - with beautiful cream cakes for supper and the social interaction. With the poker machines, people sit there, but they don't talk to anybody.

Mr SQUIBB - Cigarette burning beside them.

Mr LEE - Yes.

CHAIR - So the social interaction is gone, in your estimation?

Mr LEE - Yes, it's all gone.

CHAIR - So we need to be looking at the social problems that have been caused.

Mr LEE - Yes, terrible psychological problems - worthlessness, loss of esteem.

CHAIR - We talked earlier about the community support levy that is being funded through the taxes gathered from gaming. Do you see any benefit of that sort of funding to assist people with problem gambling, to assist community clubs and establishments, sporting clubs and other community needs? Do you see that as being beneficial?

Mr LEE - Oh yes, that would be beneficial. It needs to be really well marketed and very accessible and not hidden away somewhere. You know that I have had 10 years in social

welfare and I would love to have rung one of those numbers before I came just to see what sort of service I got but I didn't have time, unfortunately. But it depends on what's given and who's giving the advice. There's no point in the world of a person who has had no addiction to alcohol, for instance, trying to help an alcoholic - no point at all. Even though it might look good in an inquiry to say this money has been spent on assisting the problem gambler, we need to know what the assistance is, who's giving it and what the success rate is.

CHAIR - So you feel that there needs to be more public acknowledgment of what's happening in that area?

Mr LEE - Yes.

CHAIR - Do you think the public would feel better about the issue of gaming machines if they knew all that?

Mr LEE - If they knew the dangers of them?

CHAIR - If they knew that there was support out there for people who became addicted through the taxes that are gleaned from the gaming machines.

Mr LEE - I am sorry, would the public -

CHAIR - We were talking about a community support levy and how that is meted out. You were suggesting that perhaps people need to know more about the fact that that is available. Do you think people would be happier to know that there is a levy out there that assists problem gamblers and other groups within the community?

Mr LEE - Yes, they might be a little bit happier. Paul Lennon says here that community support levy from gaming rose to \$3 million in money earmarked for charities and problem gambling of which \$571 000 was for problem gambling. So probably the public might be aware of it already actually but they mightn't be too interested in it.

CHAIR - You quoted a figure from that paper earlier of the revenue of \$170 million coming in through gambling and you are saying there that it is approximately \$3 million. Is the ratio there enough or would you suggest that it should be improved?

Mr LEE - I wonder why they would even give anything to problem gambling. Why would you introduce something that you knew was going to cause a problem - a serious problem?

CHAIR - I guess one could say that about drinking and smoking as well.

Mr LEE - Well, the same thing. If you're really conscientious and really have a passion about doing something about it you would read the problem, wouldn't you?

CHAIR - And I guess that comes down to people's choices, too, doesn't it? People make choices.

Mr LEE - Well, yes. I would love to see a referendum on poker machines brought in.

CHAIR - And people having a say whether they want them or not.

Mr LEE - Yes, I really would.

CHAIR - How do you reckon it would come down?

Mr LEE - I would think it would be no.

CHAIR - That's interesting.

Mr LEE - I very rarely speak to anybody who says, 'Yes' and admit that they love the poker machines. I stopped at Driver-Reviver near Ross coming up on Monday and I know from my croupier days who the gamblers are. I was talking to a chap who had been a pretty good gambler and I told him where I was speaking on Friday and he said, 'Good thing. Good thing you're doing that because my wife has a real problem' and she walked away to talk to my wife. So I think probably the answer would be no, they wouldn't want poker machines if they had the opportunity. It's not very often that people get a say on important issues.

Mr SQUIBB - Well, they did on casinos.

Mr LEE - When, in 1973? Maybe. Did they?

Mrs SUE SMITH - Yes, we had a referendum on casinos.

Mr LEE - Well, they probably didn't have any idea what was going to happen. That was the first casino in Australia, wasn't it? But now they've been bitten a little bit -

CHAIR - Now they are more fully informed.

Mr LEE - they would probably have a bit of a different vote maybe.

CHAIR - Have you anything else you would like to offer?

Mr LEE - No. Thanks for giving me the opportunity.

CHAIR - I will just ask committee members if they have any further questions. Thank you very much for all that.

Mr LEE - Good, Silvia. Lovely to see you.

CHAIR - Keep up the good work.

THE WITNESS WITHDREW.