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### **THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON THE GAMING CONTROL AMENDMENT BILL 2010 (\$1 BET LIMIT) MET IN COMMITTEE ROOM 3, PARLIAMENT HOUSE, HOBART, ON TUESDAY 27 MARCH 2012.**

**THE RIGHT REVEREND JOHN HARROWER OAM**, BISHOP OF TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Booth) - Welcome. How would you like us to address you?

**Rev. HARROWER** - I am happy to be called John. Kim, I told a little story before but I am happy to be called John.

**CHAIR** - Thank you for that and we will address you as John and *Hansard* will refer to you as John as well.

Before you giving evidence, I have to ask you whether you have received and read the guide sent to you by the committee.

**Rev. HARROWER** - Yes, I have read that, thank you very much.

**CHAIR** - I just need to reiterate a couple of minor points which I am sure you will be well aware of anyway. This is actually a proceeding of Parliament and it receives the protection of parliamentary privilege which is a legal protection and it allows individuals giving evidence to a parliamentary committee to speak with complete truth without the fear of being sued or questioned in any court or place out of Parliament. It applies to ensure that Parliament receives the very best information with its inquiries. It also important to be aware that this protection is not accorded to you for statements that may be defamatory, are repeated or referred to you outside the confines of the parliamentary proceedings. It is a public hearing and members of the public and journalists may be present which means your evidence may be reported directly from this hearing and it is important that should you wish all or part of your evidence to be heard in private, you must make this request and give an explanation prior to giving the relevant evidence. Do you understand all of that?

**Rev. HARROWER** - Yes, thank you very much.

**CHAIR** - Thank you, John. I think with the indulgence of the committee we will ask John to give us a spiel about the issues he would like to raise with regard to this committee.

**Rev. HARROWER** - I have presented three documents to the committee and I will read two of those. The three documents are the media release on gambling reform from the Office of the Primate of the Anglican Church of Australia, dated 15 March 2012.

The second one I would like to refer to is the Anglicare Tasmania document entitled '\$1 Bet Limit Action Sheet: Make Your Voice Heard.'

The third one is an Anglican Media Tasmania media release dated 17 January 2012..

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I would like to begin by reading the media release on gambling reform from the Office of the Primate, Anglican Church of Australia:

'Australian Anglican bishops have urged the Government to persist with gambling reforms to help problem-gamblers and their families.

Bishops from around Australia have been meeting in Melbourne this week.'

That is the week prior to 15 March.

'Anglican Primate Dr Phillip Aspinall said "The evidence from the Productivity Commission Report on Gambling (June 2010) is clear that poker machine problem gamblers account for about 40% of total poker machine spending.

"The bishops recognised that problems of addiction in Australia are much wider than the abuse of poker machines, but we are also confronted by the fact that around 95,000 people are addicted to the machines and each lose, on average, around \$21,000 per year. For this reason there was strong support for current proposals for a \$1.00 limit on poker machine bids.

"Despite a cashed up campaign against reform, as Church leaders, we know the costs of problem gambling for the individuals and their families: suicide, depression, marriage breakdowns, job losses, bankruptcy and crime. Through our parishes and Anglicare programs we continue to provide assistance to problem gamblers and their families, seeking also to educate against addiction. Our work indicates that often people drift into addiction out of their loneliness and social isolation."

That is a quote from Archbishop Aspinall, our Primate:

'The bishops affirmed their support for:

The introduction of \$1 maximum bets to limit losses (to around \$120 per hour, per person compared with the current high-impact machines which can lose \$1200 per hour, per person);

- Setting limits on ATM withdrawals in gambling venues;
- Greater restrictions on on-line gambling;
- Restrictions on public advertising of betting, at sports venues, on television and in other places where young people can be socialised into a gambling culture.

"Following the Productivity Commission Report on Gambling and recent community debate we now need outcomes which only our Parliament can deliver.

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"We urge the Federal Government to introduce poker-machine reform in the coming sessions of Parliament. We add our voice to those of other community groups and the Australian Churches Gambling Taskforce, in urging those reforms," Archbishop Aspinall said on behalf of the Australian Anglican bishops.'

To comment on that, we met for six days in Melbourne. We meet once a year and this was the major issue for us - looking at gambling reform. While that, at one level, was aimed at the Federal Government, clearly, that has currency for our State Government here as well.

The second sheet that I would like to read, please, is the Anglicare Tasmania submission. I had asked Bishop Chris Jones to submit this on behalf of the Anglican Church before because they have so much contact with gamblers and people suffering addiction and so forth, through their financial counselling and other counselling services.

The document is headed: '\$1 Bet Limit Action Sheet: Make Your Voice Heard'.

The Anglican Church of Tasmania supports a bet limit of \$1 on each spin on a poker machine. Why?

In 2010, Tasmanians lost between \$16 and \$19 million dollars to the pokies each month. Around 40 per cent of that money was lost by people with a gambling problem.

One in five of the people who gamble regularly are likely to experience problems with their gambling. There are more than 2,500 people with a gambling problem in Tasmania, but the impact is even broader: for every problem gambler, another 5-10 people are affected. This means that up to 27,500 Tasmanians are affected by problem gambling.

Poker machines are designed to help people "zone out" so they can "escape". People may turn to gambling to relieve stress from work and family pressure, or to escape long-term hardship. But problem gambling can result in increased anxiety, depression and family breakdown. And there is a link between problem gambling and crime - people may fall into the path of having a win, playing more regularly, losing more money, falling into debt and 'chasing' losses, and eventually committing a crime.

The impact of problem gambling on individuals and families can be devastating: people have told us they have been reduced to stealing essentials such as nappies and baby-formula because of a partner's gambling problem; family members pay back stolen money to avoid legal proceedings; people shoplift by eating food directly from the shelves because gambling has taken the food money.

In the past 6 years, 41 cases were heard in Tasmanian Supreme Court where gambling was cited as a reason for the offence. Half the defendants had no prior convictions, but their gambling problems led them to commit

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their first offences - ordinary people doing things they wouldn't ordinarily do because they had nothing left to lose.

What can be done about this?

Currently in Tasmania, people can bet up to \$5 per spin on the pokies and each spin takes 3 seconds. This means that someone with an average household income can lose nearly all their weekly pay in an hour. Reducing the bet limit to \$1 per spin, and reducing the amount of money that can be lost in an hour won't stop people enjoying the pokies but it will significantly reduce the harm that a gambling problem can cause to individuals and their families. This was also a key recommendation of the Productivity Commission in 2010.'

The third document that I have given to you is an Anglican Media Tasmania release dated 17 January of this year in which I put forward the issue. Again I was addressing at that time the Federal Parliament, but it applies equally to us here in Tasmania and I will make just a few comments from that:

'"I am very concerned that the health of Australian Society, and the safety and livelihood of many Australian families, is being overtaken by parliamentary opportunism.

"The cost of poker machines as they are currently operated far outweighs any perceived benefit. The government should not give in to pressure from vested interests who are concerned with protecting profits ahead of caring for people and building our nation.

"The Anglican Church in Tasmania has consistently called for increased regulation, including \$1 bet limits ...The members of our churches and the workers in our agencies see every day the real effect on families and children of this exploitative industry.'

I called upon the Government at that stage, but I call upon the Tasmanian Government to support Australian values. By that I was particularly meaning support for the underdog, which I believe is a great Australian value and I believe Australians at their very best support the bloke who is having a hard time. I think that this is a case where we have two major reports now from the Productivity Commission in 1999 and 2010. They have both gone to the facts of the matter and making very clear recommendations to us as a society, and therefore I would ask the Parliament of Tasmania to enact that legislation.

I do not know if it is a conflict of interest but I am a former director of the Productivity Commission back in the days when it was the Industries Assistance Commission and Tariff Board some years ago now. I worked for them as a project officer and then director of the Productivity Commission for five years, so I heartily commend their reports to you for reading. I know the independent research and great care that is put into those reports. I have every confidence that the reports of 1999 and 2010 that the Productivity Commissioner produced also reflect that independence and that very careful research, so I do recommend them to the committee in your work.

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**CHAIR** - As a reference point, basically.

**Rev. HARROWER** - Yes.

**CHAIR** - Carried outside, a proper scientific review effectively?

**Rev. HARROWER** - Absolutely. I was involved in the clothing and footwear industries, the motor vehicle industry and the rural industry's reports specifically and other ones more generally and they are truly independent. We do surveys and we go to the Australian Bureau of Statistics to look for basic data and they are put together in a thoroughly independent way. The commissioners of the Productivity Commission are independent people who are appointed by government. I would commend those reports to you. They are not partisan, they are genuinely independent reports to bring together the facts before decision makers, parliamentarians.

**Mr ROCKLIFF** - I just want to thank John for his presentation. It was very self-explanatory and was backed up by a number of people we have seen in the committee, so I appreciate that.

**Mr STURGES** - I have a broad question, intended to get a bit more information, and I do this on the basis that I came off the interchange bench only recently. I wanted to acquaint myself with a number of the committees that I have been placed on and the work they have done previously. I read submissions that were provided to the committee from a very broad section of the community. The majority of the submissions came from those areas that employ Tasmanians and those small businesses that operate poker machines. I have also read the verbal evidence that was given to the committee over a period of 18 months or so now. I acknowledge the work the church has done and I also acknowledge the concern that the church has for problem gamblers, as do I. Let me put that on the record, too. I am also mindful from the submissions that those many small businesses that have written to us have indicated very grave concerns for their operation going forward should we take a decision to limit the amount that their customers can bet.

Whilst I acknowledge that we need to look at the problem gambler, the message that came through to me as I was reading the submissions is that this has the potential, should the decision be taken to go down the path of the amendment bill and pick up the \$1 recommendation, to have an impact on a significant number of Tasmanians in regard to their employment and their business. On that basis, does the church have an opinion in regard to any form of transitional arrangement should the bill come into force? I don't want to be seen to be trying to fix one problem and then create another. A lot of these small businesses operate in regional and rural communities of the State and I think we all know there are other issues in those rural and regional areas that are creating an employment problem.

I am not trying to put you on the spot but it was an issue that I hadn't contemplated until I started reading those submissions. I was just focusing totally on the issue of problem gamblers. My background is very much working class and I am very aware of the impact of gambling on poker machines but also there were members of my old union who gambled on horses et cetera. I am very much aware of the problem that creates but I had not contemplated the impact on the employment side.

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**Rev. HARROWER** - I think there are a couple of things that I would be very happy to respond to. We are saying it is a \$1 bet limit - in other words, we're not saying, 'Don't gamble', we are just saying, 'Let's keep it to \$1'. We are not wanting to close down the industry, I think that is very important to say. It is simply saying, 'Let's slow the rate at which people can lose money', particularly for those who are addicted. For those who want to have a gamble, they can still enjoy gambling. We are certainly not wanting to shut down the industry.

In any community, one of the points that I would make as an old economist is that there are good profits and bad profits, if I can put it that way. In other words, industries can make profits but there are some profits that are good, where actually the business brings wellbeing and health to our community, and it is great that a business makes a profit. That's great. I am not a raving communist or anything like that. It is good that companies make profits and that is the way we distribute new ventures and entrepreneurs. That is important. But there are also bad profits. In other words, there are some industries that when you look at the balance in terms of what they are contributing to society, you see that overall this is actually bringing a level of considerable harm to the community, and these are not good. These are bad profits, so I think it is important to weigh up the benefits of doing that.

Thirdly, in terms of your key point there, which is a good one, about transitional arrangements: yes, in my old days as director of the Productivity Commission and so forth, they were always very important with any industry that you are considering to change, whether they are tariff and subsidy arrangements or whatever arrangements they might be, that there is a transitional capacity there, and so it would be important here. The Government would be making a major change to the way in which bets are placed and so forth, so the industry would be given perhaps three years to say we are going to, and it could be that we drop it a dollar a year over four years, something like that. Do you see what I mean? So it might go from \$5 - you will be the experts - to \$4 to \$3 to \$2 to \$1, for example, each year, and I would be very supportive of what you are saying. I think it is important that the industry be given that opportunity to transition in a healthy way. It is no use coming in and crunching an industry, even though I might be of the opinion that they are bad profits. It is a legal enterprise and therefore to suddenly crunch it would be totally unfair, so transition arrangements would be important too.

**Mr STURGES** - Again, in those submissions - and I do apologise to my fellow committee members if I am going back over old ground from previous hearings -

**CHAIR** - No, please do.

**Mr STURGES** - but this is my first opportunity.

**CHAIR** - For the record, Graeme is a new member on the committee. Previously we had another member who is not there, so it is quite appropriate, Graeme.

**Mr STURGES** - I do admit that we received submissions from other than pub and club operators, but I will just focus on the pubs and clubs because of what I was referring to about the transitional arrangements and the employment - it concerned me that, from reading those reports, the general claim was that the introduction would cause around a 40 per cent impact to their business. That is an indication that was given. I don't know

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where they pluck the numbers from, but that worried me, and hence I thought that if we are going to go down this path we are going to need to, firstly, verify the claim that it is going to impact on their business to the tune of 40 per cent because that is a major concern. If your business gets whacked to the tune of 40 per cent you are out the door pretty quickly. And secondly, if the committee is of a mind in its deliberations to work with the organisations representing these pubs and clubs to see what needs to be done to lessen the impact on their business if this was to occur, I would like to verify where these numbers have come from too, whether they are reliable.

**Rev. HARROWER** - Yes. It would surprise me that there would be such a significant impact if we are just talking about reducing the bet limit. I could understand perhaps mandatory precommitment and some of these other things might be more draconian in a sense, but I would have thought that we are still saying, 'Yeah, have a gamble', but instead of \$5 it is \$1, so people who took along their \$50 and said 'Right, this is how much spending money we have tonight and we are prepared to lose that and we are quite in charge of all of that sort of thing', then I would have thought that probably it just means they have 50 goes instead of perhaps ten if they are on a losing run.

**Mr STURGES** - I may have misread the submissions, but that was the general thread that I got out of them.

**Rev. HARROWER** - I agree. You would want to follow it up because it would surprise me with this particular issue that you are dealing with that that would be so but no, I am with you.

**CHAIR** - Just a clarification there, Graeme, we did actually get those numbers crunched by Treasury and we have some Treasury officials assisting the committee and the 40 per cent was based on the fact that 40 per cent of the losses are from problem gamblers and the submission by the industry was that those people would completely stop gambling so ipso facto there is a 40 per cent loss but the reality is and the evidence we have had, I think, supports that there would not be a 40 per cent loss; it may be; it is a bit hard to quantify but it was quite clear that it would not have the 40 per cent effect. It might have been something like 20-odd per cent potentially when we crunched the numbers but those are in the papers there.

**Mr STURGES** - Thanks, Chair.

**Rev. HARROWER** - They did get them - maybe it is not my role but -

**CHAIR** - It is all on *Hansard*.

**Rev. HARROWER** - The danger is what we used to call 'shadow pricing' arrangements where you would look at if you had a reduction in problem gambling at so much per cent then you would actually have reduced crime, reduced hospitalisation, reduced family court time, et cetera. In other words, there is a good, there is a shadow price, if you like, that comes out of that which would actually balance up the reduced income that might come from problem gambling. I think that would be an important consideration as well; that there is significant crime, family violence, family breakdown and those sorts of things, and kids not getting to school and so forth. So, clearly it would be a great benefit to a healthy Tasmania.

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**Mr ROCKLIFF** - And what is specially spent in the community - .

**Rev. HARROWER** - Yes, thanks, that's right. You would spend it on food or clothing or something else.

**CHAIR** - Yes, and I would really like to drill down into that in regard to the work that you do, that your church does and Anglicare does with regard to dealing with victims of addictive gambling. How high on the Richter scale would you put this in terms of the clientele that you are servicing? Is it a big proportion of people that are suffering poverty who come to you for assistance, and who are also wrapped up in addiction to poker machines? Can you quantify that to any degree?

**Rev. HARROWER** - No, I couldn't quantify it Kim, I'm sorry. We'd need to get Anglicare in here; maybe Laura or one of their research officers. I know it is significant. I was at a board meeting recently, of Anglicare, and they were saying it is a significant issue but I can't go beyond that, I'm sorry.

**CHAIR** - In terms of the issues you talk about, such as family breakdown, violence and all those sorts of things, have you got that personal experience directly from people who come to you as a Bishop and the Church with regard to that sort of problem?

**Rev. HARROWER** - No, it is really through the agencies, through Anglicare and through talking to the clergy and parishes. I haven't had people directly coming to me to talk about it so it is really what I hear second-hand through the clergy and the parishes and through Anglicare. Some of the parishes, and it depends a little bit where they are situated, have more clientele than others but they certainly tell me of people who - particularly the whole issue of food that they end up spending their welfare payments or their pay cheque but often these people do end up in welfare situations - and they actually literally go and blow their welfare cheque and then they don't have food for the kids, they can't pay the Aurora bill and so forth so they end up coming around asking for food parcels, which is one of the things that our parishes give, and seeking support in that sort of way or asking help to pay their Aurora bill. Then they end up trying to steal food from the grocery stores or something like that and get caught.

**CHAIR** - You mentioned previously that these are people who don't have any history necessarily of crime or violence or other offences. Are you suggesting that there is some sort of linkage there; that they become addicted to pokies and then that puts them in a situation where they then become criminals in other areas?

**Rev. HARROWER** - Yes, that's right. In other words, they are not ruffians or criminal sort of people in a sense but it 's a problem that happens to ordinary people who become addicted. So they are decent sort of men or women around the place and then sadly they go in and it might just be family fun and so forth they start with, and then one, two, three or four months down the track they find they've got this compulsion to go back and so they just can't stay away from the whole thing. They end up doing that.

I can think of one case I know of - again, it's second-hand - a person who is well-dressed and well-presented and so forth who hid this for many months from their family, using up family reserves and so forth. He was a well-presented, middle class sort of person,



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who wore a tie and jacket to work sort of thing. He actually hid this from the family until the family to their horror found that their mortgage wasn't getting paid. In that case, he did not resort to crime but was on the point of just desperate to work out what to do but a total loss of his honour as a man caring for the family and all of those sorts of things. So the whole counselling scene then kicks in to try to help by going and seeing banks and reorganising their finances from the financial counselling point of view. I think it can creep up on the best-intentioned people. So it is actually a question of how we help these people and it is the whole thing of trying to protect the most vulnerable amongst us.. As it is often said, that is the mark of a community. As I say, in Australia it has always been a question of 'How do you care for the underdog?' I think at our best we've been good helping our mates in a hole; so how do I help him work through it? I think that's what this proposal is seeking to do. It is to say sometimes people didn't set out for this to happen, but sadly this has happened.

**CHAIR** - Like a speed limit.

**Rev. HARROWER** - It's like a speed limit or riding helmets on bikes, safety belts in cars; we have all resisted. I am old enough to remember when they were brought in, as most of you here are, probably.

**Mr STURGES** - You are reflecting on the committee there.

*Laughter.*

**Rev. HARROWER** - How dare they impose this sort of thing? But am I grateful that it was? Yes, I am because some people already had safety belts and they were considered pretty radical, I would have to say, at the time. And then the rest of us dutifully followed suit somewhat reluctantly, but in fact it has been a great thing and our Parliaments have enacted to help us. I think we need that, without becoming a 'nanny state' and that is often what is put up against us, but there is a balance there where we actually need someone to say -

**Mr STURGES** - Putting up the policies.

**Rev. HARROWER** - That's right, it's good policy and that's where we need Government to say, 'Well, John, love you dearly but you're going to have to wear a seatbelt. If you're on a bike, you are going to have a helmet.' My wife, as you know, gives donkey rides in all sorts of community activities; well, they all wear helmets. That's just the way it is. These are the sorts of things -

**CHAIR** - It's seen as a sort of harm minimisation.

**Rev. HARROWER** - Yes, harm minimisation to care for one another and to recognise that this is a danger. There's a sense in which the gambling industry is a dangerous industry in the sense that maybe growing bananas or something isn't a dangerous industry, if I can put it that way. But there's a sense in which there's an aspect of the gambling industry that is a dangerous product, in a sense. It brings a level of danger, as driving a car does. If you're driving a car, you're driving a weapon. There's a sense in which cars are a dangerous industry and so there are some aspects of the car industry that we put some protections around. I think with the gambling industry in that sense - I am not

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condemning the whole industry, please understand, but there's a sense in which there are dangers around the gambling industry. So what we're simply trying to do is put some protections around it so that people can enjoy gambling or a night out at the pokies or whatever. We're trying to protect the weaker ones, which is a significant group amongst us.

**Mr ROCKLIFF** - John, are you aware of any fluctuations in people's demand to take up gambling depending on the state of the economy? In terms of good economic times, do people start gambling because we've got more discretionary spend, or from your point of view in a more depressed economy do people take up gambling to try to make ends meet? Have you noticed any difference in that at all?

**Rev. HARROWER** - No, I don't, Jeremy, but it's a very good -

**Mr ROCKLIFF** - Do you know of any research that's been done in that area?

**Rev. HARROWER** - No, I don't know any, I'm sorry. It's a very good question, Jeremy. Sorry, I can't help you.

**CHAIR** - Have you had any men or women of the cloth caught up by this pokie addiction?

**Rev. HARROWER** - Not in my time in Tasmania; and in Argentina, we didn't have any. I was in a parish more in Melbourne, but I didn't hear of any who got caught out about it.

**CHAIR** - So your experience then that you're relating to us here is directly in dealing with people from outside your organisation who would suffer as a result.

**Rev. HARROWER** - Yes, that's right. And there are Anglican folk amongst this as well, yes.

**CHAIR** - Yes. And so just getting back to this idea of good profits and bad profits that we spoke of before; it's an interesting concept. So your position basically is that a limited amount of profits that come back that you would regard perhaps as reasonable and not creating harm to the person who is losing the money would be effectively a reasonable, fair and good profit, if you like, but it's the excessive profits that come from problem gamblers that becomes then the bad profit here.

**Rev. HARROWER** - Yes, that's right.

**CHAIR** - So with regard to that, and Graeme made the point, and it's a good one, with regard to some form of transitional period there, some way of dealing with the effect on businesses that currently legitimately operate, once with a \$10 and now a \$5 limit. You made the point that you accepted that there should be some sort of transition period as a way of implementing this harm minimisation. Would you accept that it might be better to - because of the bad profit aspect and the damage that it's doing to individuals that you've spoken of - if there is a justification to assist that transition, that should come out of another pool of money, perhaps from licence fees of gambling operators rather than continuing over a wind-down period to damage those poor souls who are losing their shirt as a result of this.

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**Rev. HARROWER** - Yes, well, that would be another way of doing it, yes. That's a classic subsidisation scheme; so you would need to look at where it came from. But yes, that would - so it would be a little bit more that seeking to understand more fully, as Graeme was helpfully pointing out, exactly the way in which the industry is being affected, and then bringing a stream of money in to compensate for that. So that would be another way of doing that, yes.

**Mr STURGES** - Yes, sure. I probably should have explained- while I was going down that path - that it is a part of the terms of reference that the committee has.

**Rev. HARROWER** - Okay, thanks, Graeme.

**Mr STURGES** - And the terms of reference go on to mention a development and implementation plan that would recommend amelioration of any untoward impact upon the venues. I was looking at the terms of reference, looking at the submissions, and whilst I haven't formed an opinion, but certainly as the Chair has indicated, there may be other ways of ameliorating the impact on the business, rather than waiting three, four, five or six years, and I think it's incumbent on the committee to look at those options that may be available and therefore, that's why I put the question to you.

**Rev. HARROWER** - Yes, thanks, Graeme. That's good; thank you. That's really important, isn't it? And certainly, you know, with the Productivity Commission in other - not the gambling revue - but in other reviews when they've looked at the reduction of tariff protection or the reduction of subsidies or whatever it might be, it's exactly the same issue that the transitional arrangements are important, and certainly sometimes there's a time, but then there's sometimes a balance, as you're pointing out, between the time and actually saying, well, 'What if we just gave a subsidy to the industry, so they actually dropped it straight away but we gave them a subsidy it would help them adjust.'

**Mr STURGES** - Transition into other forms.

**Rev. HARROWER** - Yes, because it's important - it is very important to recognise that these industries have been set up, rightly or wrongly you might argue, but they've been set up, they're legal and they're operating under these norms that have been approved by our government. And therefore to make a radical change that harms them seems to me anyway, to be unfair to the industry. So it's important, I think to....

**Mr STURGES** - I think, if I may, and to a significant number of Tasmanian families that are living from the work they do in the industry, that's the concern that I have, and I would be very worried if we were to just bring the guillotine down and leave those good people that are working in the industry hung out to dry.

**Rev. HARROWER** - Yes, that's right. I think the broad approach too when you look at a particular industry, it's the society-wide implications of looking at both the changes that are brought about, both negatively within the particular industry which often - if they lose something like this, a \$5 to \$1 thing, and arguably they might lose income and so forth through that for whatever reasons. However, Jeremy made the helpful comment before too that the reduced losses here would then be spent on food and clothing and actually paying Aurora bills. Aurora might be very grateful. And so, in other words, there are other parts of the economy and society that actually pick up because people are

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spending this money in healthy and helpful ways. So, overall, you actually would have the same spend in terms of the dollars that are being spent in the economy and different taxes and all of those sorts of things kicking in; so there is the broader effect. There is a narrow effect of perhaps disadvantage to some that are in the industry, talking of just straight financial effects. But financially there are broader effects of a change - an adjustment in the way in which that financial spending is done. And one could talk about the particular health of family life and so forth, and crime because it is not going to what I call a bad profit aspect of the industry.

**CHAIR** - So the damage caused by it touches far more than the immediate apparent victim effectively.

**Rev. HARROWER** - Yes, that is right.

**CHAIR** - Do you have a position where you make sort of moral judgments as a bishop in that sense? Would you have any comment with regard to the morality or otherwise of the community in continuing the lawful bet limit of \$5 as a moral judgment?

**Rev. HARROWER** - From my point of view, I believe the Productivity Commission Report of 2010 has shown that there is very significant damage that can be ameliorated by following their recommendations. In my view, it is from that report that in fact we can improve the health of our society and, in particular, we can care for those people who are less well-off. If we don't do it, then that would be an immoral act, in my view. So, in other words, I think we have a case here where we have had, as I say, an independent report, very carefully researched, which is showing this is what is happening and there is some harm being done here. It is not all harm because there are some good profits and bad profits, but there is some harm being done here. And now we recommend through our research that if you do these things, then that harm will be reduced. And therefore not to undertake those actions, I believe, is a wrong and immoral action because we are not acting in a moral way to care for people who are suffering in our community. Take into account the adjustment and transition effects and so forth - I acknowledge that, yes.

**Mr STURGES** - But to compare with what you said, it really is the seatbelt analogy -

**Rev. HARROWER** - Yes, that's right.

**Mr STURGES** - because it is intended to minimise the impact of the crash -.

**Rev. HARROWER** - That's right, yes. So short term it -

**Mr STURGES** - is -not necessarily to stop the crash.

**Rev. HARROWER** - That's it; in the short term it causes people to say, you know, 'My car is more expensive', and all those sorts of things. And the car industry might say, 'People won't buy as many cars' and so forth. So there are all of those considerations.

**CHAIR** - Thanks, Graeme. Thank you, John.

**Rev. HARROWER** - I have been very nervous. I am very grateful for the opportunity to talk with you all in this way.

## **PUBLIC**

**Mr STURGES** - It's amazing for a man in your position to be nervous.

**Rev. HARROWER** - Well, I don't often do this. It is only the second time, I think, in my 11 years. When I received Charles's invitation, I must confess I was nervous of appearing before the parliamentary committee. Thank you. It has been very helpful and I really appreciate it - I have certainly learnt some things. The questions and the conversation have been good, so I am very grateful. Thank you very much for your time.

**CHAIR** - On behalf of the committee, that's reciprocated absolutely. We appreciate your coming along. Thank you very much.

**THE WITNESS WITHDREW.**