

The **Allen Consulting** Group



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**The Problem Gambling Research and Treatment Centre**

*A joint initiative of the Victorian Government, the University of Melbourne and Monash University*

# **Social and Economic Study of Gambling in Tasmania**

**Discussion Guide**

**April 2011**

Invitation for submissions

## Discussion Guide

### Introduction

The Allen Consulting Group, in collaboration with the Problem Gambling Research and Treatment Centre, and the Social Research Centre, has been engaged by the Tasmanian Government Department of Treasury and Finance to undertake an updated Social and Economic Impact Study of Gambling in Tasmania.

The first *Social and Economic Impact Study of Gambling in Tasmania* was completed in 2008. The study comprised two volumes. Volume 1 included a general overview of gambling in Tasmania and an assessment of the broad economic, financial and social impacts. Volume 2 reported the findings of a prevalence survey of gambling and problem gambling in Tasmania.<sup>1</sup> This previous study was the fifth gambling prevalence study conducted in the state since 1994.

The scope of this 2011 study is also extensive, but is to have a different focus to the first. Similar to the first study, analysis of key trends in the Tasmanian gambling industry, along with changes in gambling behaviour and revenues, will be undertaken. However, the current project is also to place significant emphasis on examining impacts of gambling at the local government area level. In particular, the following local government areas will be examined in depth:

- Break O'Day;
- Brighton;
- Circular Head;
- Clarence;
- Devonport;
- Glenorchy;
- Launceston; and
- Sorell.

Localised analysis is to be informed by an extensive population-based survey examining gambling behaviour, alongside consultations and submissions from interested parties.

The project is also to consider the effectiveness of a number of gambling harm minimisation measures implemented by the Tasmanian Government following the release of the first report in 2008.

### Key findings in the first Social and Economic Impact Study

Every major form of gambling played in Australia is available in Tasmania. Total real expenditure on gambling activities in Tasmania increased by approximately 166 per cent from \$134.79 million in 1982-83 to \$358.46 million in 2007-08.

The first *Social and Economic Impact Study of Gambling in Tasmania* made a number of findings, including:

- on average, the gambling industry has not made a significant contribution to Tasmanian economic growth;

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<sup>1</sup> Both reports can be accessed via <http://www.treasury.tas.gov.au>, and select 'Liquor and Gaming'

- there is no evidence of electronic gaming machines (EGMs) bringing a positive impact on the employment level in the clubs and hotels sector;
- there is no clear relationship between the number of overseas visitors and relative expenditure on gaming machine and casino gambling. This is also true for gambling expenditure by both out-of-state tourists and local tourists;
- although gambling taxation and fees represents a significant share of state tax revenue and is increasing in absolute terms, the share of state tax revenue coming from gambling taxation and fees has been falling;
- a positive and significant relationship was identified between gaming expenditure and some crime rates, particular ‘income generating crimes’;
- there is an association between high per capita Net Gaming Revenue (NGR) and lower medium income. As a consequence, expenditure on gaming as a share of income is higher in more disadvantaged local government areas; and
- EGMs earn a higher per capita revenue in disadvantaged areas with this pattern also evident in regions in other states.

Pulling together the quantifiable economic and social costs of gambling, the first study suggests that the net impact on Tasmania is uncertain, with the net benefit of the quantifiable gambling impacts ranging from -\$62.7 million to \$75.5 million.

### **Initiatives to address problem gambling**

As mentioned above, the first study contributed to a decision by the Tasmanian Government to adopt a number of harm minimisation measures to address problem gambling in Tasmania.<sup>2</sup>

Despite the prevalence of problem gambling in Tasmania being similar to other jurisdictions, the Tasmanian Gambling Commission considered there were significant issues that remained unaddressed and proposed a number of policy measures. Accordingly, several harm minimisation measures have been adopted, or are pending, to address problem gambling in Tasmania (see Table 1). As a consequence, EGM venues in Tasmania are required to provide numerous venue and machine specific harm minimisation measures ahead of practices in other jurisdictions.

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<sup>2</sup>

The definition of problem gambler and moderate risk gambler relates to scores on the Problem Gambling Severity Index (PGSI). Problem gambling can, however, be characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community. Moderate risk gamblers are generally frequent gamblers but may or may not have experienced adverse consequences from gambling.

Table 1

**NEW GAMING HARM MINIMISATION MEASURES**

<b>Classification</b>	<b>Description of measures</b>	<b>Status</b>
<b>Traditional consumer protection measures</b>	Improved information to EGM players. Player information displays used on EGMs in casinos provide more information	<b>Implemented</b> The Tasmanian Gambling Commission will focus its efforts on influencing a national public information display standard for all EGMs that will standardise the information displayed.
<b>Traditional interventions targeting individual problem gamblers</b>	Further limits on the use of cheques in casinos	<b>Implemented</b> Limits have been in place since 1 October 2009.
<b>Measures requiring legislative change</b>	Measures requiring legislative change will be implemented from the effective date of the amendments. These will: <ul style="list-style-type: none"> <li>clarify the Tasmanian Gambling Commission's role on harm minimisation;</li> <li>strengthen and extend penalties to all gaming staff for allowing minors to enter restricted gaming areas;</li> <li>strengthen the gambling exclusions schemes; and require the introduction of a new responsible gambling — mandatory code of practice (see below).</li> </ul>	<b>Implemented, with mandatory code pending (see below)</b> Implementation of these measures commenced following changes to the <i>Gaming Control Act 1993</i> in late 2009. Legislation enabling the changes to the gambling exclusions scheme was proclaimed on 18 August 2010. All modified systems (processes and supporting databases) also commenced on this day.
<b>Electronic gaming machine (EGM) - based changes to limit loss/attractiveness</b>	A range of EGM measures have been introduced to limit losses or attractiveness. They are: <ul style="list-style-type: none"> <li>reduced maximum lines played on EGMs — the maximum lines permitted to be played on gaming machines will be reduced from 50 to 30;</li> <li>reduced bet limit on EGMs — a maximum bet limit of \$5 per spin will apply across all venues for all EGMs. Currently there is a \$10 limit in hotels and none in casinos; and</li> <li>reduced cash input limits on EGMs — the cash input limit on note acceptors will be reduced from \$9 899 to \$500. Once a credit meter reaches or goes over the \$500 limit, any further notes will be rejected.*</li> </ul>	<b>Implemented</b> The new requirements were effective for new games from 1 April 2010. Existing games must be updated by no later than 30 June 2013.
<b>Gaming staff training</b>	Enhancement of the Responsible Conduct of Gaming course for gaming staff. Features a specific focus on problem gambler identification and appropriate intervention by venue staff.  Within 12 months of the introduction of the enhanced course, venues will be required to have one employee on duty that has undertaken the enhanced training.	<b>Pending</b> Work has commenced with the new course to operate from 1 July 2011.
<b>Mandatory code of practice</b>	A new mandatory code will be introduced and will include provisions relating to: <ul style="list-style-type: none"> <li>advertising gambling products;</li> <li>player loyalty programs;</li> <li>player inducements;</li> <li>minimum lighting requirements;</li> <li>clocks in gaming areas;</li> <li>further restrictions on access to cash; and</li> <li>improved signage.</li> </ul>	<b>Pending</b> Work on developing the code has commenced, with the code currently being finalised. Implementation of the code is expected to commence in September 2011.

Note: \* the limit on note acceptors is only applicable for casinos.

Source: Tasmanian Gambling Commission 2011, *Implementation of new gaming harm minimisation measures*, February.

As is outlined in Table 1, some of the measures have commenced, whereas others are being phased in, such as the gaming staff training measures. Many of the measures are included in the new Mandatory Code, which is still to be finalised, but due to commence in September 2011. The likely measures in the Code include: advertising restrictions; displaying of clocks; lighting; access to cash; service of food and alcohol; staff training; payment of winnings; inducements; and loyalty programs.<sup>3</sup>

### **Invitation for comment**

To inform the current project, we are inviting submissions on a range of issues associated with the economic and social impact of gambling in Tasmania, including the range of harm minimisation strategies introduced by the Tasmanian Government following the 2008 report.

Participants may comment on any matter considered relevant to the study and where possible, provide evidence such as data and documentation, to support your views. Some questions are, however, outlined below to provide a guide. Answering these questions is not mandatory. The 2008 report can also be accessed at <http://www.treasury.tas.gov.au> for your reference.

### **Examples of issues you might like to consider**

- What relationship do you have in relation to gambling in Tasmania i.e. are you a consumer, an industry member etc.?
- What role do you think gambling plays for yourself/your organisation/your region or Tasmania as a whole?
- Have there been any significant changes to the social and economic impacts of gambling in Tasmania since the previous study in 2008?
  - What benefits and impacts can you comment on — i.e. financial, employment, social, or the community?
- In relation to the harm minimisation measures introduced following the 2008 report, and outlined in Table 1, do you have any comments about the impact of these measures?
  - Do you think any of these measures have had any significant success? If so, which ones and why?
  - Do you think any of these measures are unsuccessful or have negative impacts? If so, which ones and why?
  - Are there other measures that you consider may be effective in reducing the harms associated with gambling?
  - Do you consider that the national gaming machine pre-commitment proposal will be effective in reducing the harms associated with gambling?
- Do gambling venues provide sufficient support and assistance to consumers experiencing difficulties with gambling?

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<sup>3</sup> Both reports can be accessed via <http://www.treasury.tas.gov.au>, and select 'Liquor and Gaming'

- Are support and other services meeting the needs of consumers experiencing difficulties with gambling?
- What do you think the impact of advertising or media coverage about the risks associated with gambling has been?

**Contact details**

If you wish to make a written submission please forward your submission directly to the Allen Consulting Group by 31 May 2011. The contact details are as follows.

**Mailing address:**

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The Allen Consulting Group  
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All submissions will be published on the Department of Treasury and Finance website unless specifically requested otherwise due to the inclusion of commercial-in-confidence information.

Further information on the Study (including Terms of Reference) is available by contacting:

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