



TASMANIAN HOSPITALITY ASSOCIATION

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1st December 2020

Fifth Tasmanian Gambling Study
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The Tasmanian Hospitality Association (THA) is the peak body in Tasmania representing hotels, Accommodation venues, restaurants, cafes, caterers and sporting and community clubs.

Gaming venues in the state can be a member of the THA if they so choose.

Along with TAB and Keno, Electronic Gaming Machine's (EGM's) are a legal form of gambling allowed in Tasmanian venues, and in many other jurisdictions in Australia. The industry has a strong record of reducing the associated harm aligned with problem gambling which can be contained within the confinements of the building unlike online gambling which lacks control measures.

As can be seen from all the data available, gambling on EGM's has been in decline for several years. Some of the decline can be attributed to the increase seen in online gambling along with app-based gaming becoming more popular, as this trend continues to grow in Tasmania along with the rest of Australia, especially during and post-covid. Social media gaming is also on the rise with one of the largest companies in the world now acquiring over 50% of revenues from online.

It must be remembered that Tasmania has the strongest focus and laws/regulations when it comes to harm minimisation in the country and that is supported by our low number of problem gamblers compared to other states and territories. Tasmania's 'gaming mandatory code' is by far the strongest in the country and in many ways puts Tasmanian venues at a disadvantage to their counterparts around other parts of Australia. It is testament to the hotels and clubs in Tasmania, leveraging support to incept strong practices that has assisted in the results achieved in such a controlled environment. Having said this, we also note the strong history of tourism in Tasmania with many tourists choosing to frequent hotels for entertainment purposes often commenting on the overarching rules and practices against other jurisdictions.

The 'noise' often heard from anti-gaming individuals and groups are that Tasmania should have tougher laws. It would seem that those anti-advocates simply have no real idea or understanding of the current laws or the mandatory code. The Tasmanian gambling industry finds when discussing the mandatory code with media, politicians, and others, many have no real understanding of what is in the mandatory code.

Education on the mandatory code along with an understanding of what the industry does to minimize harm, plus knowledge about the Community Support Levy (CSL) that is derived exclusively from EGM'S in pubs and clubs and how that money is put back into the community will be essential if we are to have an informed debate on the topic of gaming in the state. The THA regularly communicates with regulators and harm minimisation groups to further the relationship, this largely goes unnoticed when it comes to the industry providing recommendations on practices to reduce harm. It must be mentioned however that this product is legal and there are many patrons whom enjoy the entertainment experience without fear of problems and or concerns, having further legislation imparted due to a minority seems over the top.

A major focus for the THA in this submission is to discuss employment numbers and community support provided by venues to the community.

The first, second and third SEIS reports all concluded that employment in the venues that offer gaming facilities in Tasmania were between 4,000 – 5,000.

If we take into account jobs through other gambling forms in Tasmania also, the job numbers in Tasmania would be well over 5,000. It must be remembered that hospitality businesses encompass several areas including food, beverage, entertainment and gaming. The flow on effect from gaming to support "free entertainment" and other patron facilities should also be a strong consideration. Gaming doesn't exist in a vacuum and provides essential support to all areas of hospitality through patron facilities and support of communities through direct wages, purchase of products and taxation.

In August 2020, the government announced that there were over 5,000 people directly participating in the Tasmanian racing industry alone. So the overall 'gaming' industry in Tasmania employs directly and indirectly many thousands of Tasmanians.

The THA did a short survey with a cross section of our member venues in the state that have gaming. We looked at what was considered large, medium, and small venues and asked the questions: -

- Total employment in the venue;
- employment in venue connected to gaming

The results were: -

Venue	Total employment in venue (Pre-Covid)	Total employment in venue (Post-Covid - Now)	Employment in venue connected to Gaming (Pre & Post Covid)
Venue A	14	14	6/6
Venue B	15	10	10/6
Venue C	28	28	21/21
Venue D	30	25	11/9
Venue E	35	33	13/13
Venue F	44	39	15/14
Venue G	28	21	13/10
Venue H	48	42	19/16
Venue I	39	34	18/15
Venue J	34	30	15/15
Venue K	31	27	14/12

As can be seen from the above figures, the ratio of staff connected to gaming is different in every venue and can depend on the size and locality of the venue.

It was made very clear during the surveying of the above data that venues that choose to have gaming in their venue, use the cross-subsidization across their whole venue. Many of the venues who have one or more forms of gaming advised that they use income from gaming to offer cheaper meals, provide more sponsorship and support to their local communities along with free use of facilities and equipment by local clubs and community groups.

What was very apparent in the data provided by venues is that regional venues in Tasmania rely on gaming to employ more staff and provide better services for their community. As we know, regional Tasmania is often the area that struggles for jobs and economic growth and this is somewhat alleviated in regions that have venues that have multiple facets to their business, including different forms of gaming.

It must be remembered also that it is an individual venues choice as to whether they apply to have a form of gaming in their venue. They choose to do this and individuals then make an informed choice as to whether they wish to enter that venue. Every operator makes an individual decision as to what they wish to offer in their venue to their patrons.

As stated in the SEIS 'Discussion Paper' - "Income derived from gambling activities enables businesses to subsidise other services and complimentary activities such as Meals. Venues that have EGM's can undertake capital investment to improve the quality of existing facilities and expand employment opportunities. Along with the CSL, gambling venues also provide a much needed source of sponsorship to sporting clubs and donations to community groups.

In the same way venues use cross-subsidisation of their income; this same principle applies in staffing a venue with many staff doing multiple roles across multiple areas of the business. Venues with EGM's will most commonly have Keno and Tab facilities, and licensed staff are utilized right across the entirety of a venue.

It needs to be remembered that many of the businesses that have gaming can have high debt levels, where banks have lent operators money based on the business model and revenues in place in the venue at the time of purchase/lease. This means that if gaming in that venue stopped, the ability of that operator to repay the debt is severely affected and would force lenders to call in loans therefore affecting employment, taxation and community expenditure.

Like all businesses in Tasmania, Covid has had a profound affect, no more so than in hospitality. Venues are suffering from the restrictions on travel along with other requirements such as limiting the number of people allowed in venues along with not being able to stand while consuming alcohol. All these restrictions have had a massive hit on the short and long term profitability of businesses in the hospitality industry and every job into the future will be critical for the survival of the industry and the state economy.

Gambling is a legal form of entertainment, with Tasmania having the most stringent harm minimisation measures in the country. Again testament to the venues and industry we have worked with regulators to ensure the greatest possible support is provided for those in need.

The gambling industry should be able to continue moving forward to help provide operators with certainty and to keep employing Tasmanians and stimulating the economy by investing and improving venues and by helping to grow the visitor economy by providing safe, fun venues for everyone to enjoy.

The following is a snapshot of quotes from venue operators:-

"Without gaming our business which employs 16 people would not be profitable and the flow on impact to suppliers and contractors would be significant. We look forward to the new gaming legislation being introduced and passed ASAP"

"Our venue has been able to do 4 million on renovations in the last 10 years. We are currently building 12 x 2 bedroom apartments at Brighton with an estimated cost of 1.5 million. We donate a significant amount to the schools in the Bridgewater area. We have cheap meal options for lunch and dinner 7 days a week. Gaming allows us to employ extra staff. Without gaming none of the above would be possible".

"We purchased, renovated and built 13 new accommodation units at a cost of 5 million. Our municipality also has cheaper meal option through our venue and we donate to the local cricket club every year. Without gaming this would not have been done. We employ 22 people that would not have jobs if the redevelopment had not happened. My position along with my husbands would not exist without gaming".

"Our venues are constantly carrying out maintenance and improvements (painting, replacing furniture and updating the venue) at each hotel and we pay someone 3 mornings a week to have the outside of the hotels looking good each and every day. Without gaming this would not be possible. Unfortunately bar, bottle shop and food sales would not give us the profit to carry out all of these activities. We are also able to have the latest CC TV equipment that helps with safety in and around our venues. Without gaming our hotels would be run down and have substandard old equipment and little to no staff".

We thank you for the opportunity to provide this information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Old', with a long horizontal flourish extending to the right.

Steve Old
Chief Executive Officer