

# Survey Questions - allocation of Community Support Levy Funding under the Future Gaming Market - July 2021

## INTRODUCTION

The Government announced, in the release of its future gaming market policy, that there would be a significant increase in Community Support Levy (CSL) funding available for distribution from 1 July 2023. The CSL, applied to the gross profit of Electronic Gaming Machines (EGMs), is currently set at four per cent for hotels and clubs. Government will effectively double the CSL fund to improve harm minimisation by increasing the hotel rate and extending the CSL to EGMs in casinos.

Under the policy, hotels will pay a CSL of five per cent, clubs four per cent, and casinos will pay three per cent. To the extent that these levies are not sufficient to double the funding pool from current levels, Government has committed to providing a direct contribution.

With a new gaming market structure and an increased pool of CSL funds, a revised CSL distribution model is being considered.

While the objective of the CSL itself will not change, the objective of any changes to the CSL distribution model will be to improve the effectiveness of the CSL through allocation of the increased funds.

## PURPOSE OF THIS SURVEY

The purpose of this survey is to seek your input into how the increased CSL funds ought to be distributed, with the aim of improving the effectiveness of the CSL.

## CURRENT CSL MODEL

The *Gaming Control Act 1993* currently specifies that the CSL is distributed as follows:

- 25 per cent for sport and recreation clubs;
- 25 per cent for charitable organisations; and
- 50 per cent for problem gambling, for:
  - research into gambling;
  - services for the prevention of compulsive gambling;
  - treatment or rehabilitation of compulsive gamblers;
  - community education concerning gambling; and
  - other health services.

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## PROPOSED CSL MODEL

The proposed legislative amendments require that the Minister must distribute the total CSL in the manner prescribed by the regulations. This replaces the current requirement in the Act that the Minister must distribute the CSL to specified categories in accordance with specified weightings.

This will provide greater flexibility and responsiveness to any emerging issues and changes in priorities within the gambling environment, with Parliamentary oversight through the making of regulations.

## SURVEY QUESTIONS

### Categories for distribution of the CSL

It is proposed that the following new, and more broadly worded, categories for distribution of the CSL replace the current categories and set weightings contained in the Act.

**Subject to this consultation, these categories will be included in the regulations:**

- **community capacity building projects or initiatives;**
- **preventative programs or initiatives;**
- **direct support programs or initiatives; and**
- **research activities.**

In relation to the above categories for the distribution of CSL funds, we would appreciate your feedback to the following questions:

#### 1. Do you support the proposed categories?

- Yes, the GSP is broadly supportive of the proposed categories with some suggested adjustments.

#### 2. If you answered “NO” for question 1, what categories would you suggest and why?

*Community capacity building projects or initiatives*

- For this category, the GSP suggests including “community development” in order to capture place-based intersectional primary prevention initiatives that support communities to develop traits that can act as barriers to gambling harms.
- In addition, the GSP suggests including “programs” to capture integrated suites of projects with common objectives.

*Suggested wording:*

- *community capacity building and community development projects, programs or initiatives*

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## *Preventative programs or initiatives*

- For this category, the GSP suggests including “harm minimisation” programs or initiatives in order to recognise that not all gambling harm can be prevented.
- For consistency, the GSP also recommends using “prevention” rather than “preventative”.

### *Suggested wording:*

- *prevention and harm minimisation programs or initiatives*

## *Direct support programs or initiatives*

- For this category, the GSP suggests including “services” to indicate that some specialist support services may be commissioned through sector service providers.

### *Suggested wording:*

- *direct support programs, services or initiatives*

### **3. Do you think that one or more of the categories should receive a greater proportion of funding over any of the others?**

- YES

### **4. If you answered “YES” for question 3, please provide details of your recommended weightings for each category and why.**

#### *Community capacity building and community development projects, programs or initiatives*

- A significant increase in funding for community capacity building and community development projects, programs or initiatives would provide for opportunities for substantial change in communities most impacted by gambling harms.
- A place-based intersectional primary prevention approach would allow for initiatives that focus on at-risk groups by a range of factors such as location, CALD status, LGBTIQ+ status, age cohort and socio-economic status.

#### *Prevention and harm minimisation programs or initiatives*

- A significant increase in funding for prevention and harm minimisation programs or initiatives would allow those community education initiatives to better compete with commercial gambling industry advertising.

#### *Direct support programs, services or initiatives*

- Research shows that only a small fraction of people experiencing gambling harms seek support.
- Additional funding for direct support programs, services or initiatives would allow for exploration and commissioning of innovative alternative or complementary services or service models that could attract clients reluctant to access existing services.
- Additional funding for direct services would allow for potential increases in demand for current services that may be generated through increased prevention and harm-minimisation initiatives.

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- Additional funding would also cover cost-of-service increases.
- Current costs for in-person, phone and online specialist gambling support services are around \$680 000 per annum and the services are meeting current demand.
- While additional funding would be welcome, based on potential CSL returns of over \$8 million, a 25 per cent allocation of more than \$2 million per annum would be significantly more funding than required to meet the current and likely future service demand.

## *Research activities*

- The majority of current CSL research funding is directed to the Social and Economic Impact Study of Gambling in Tasmania (SEIS).
  - Assuming a cost of \$1.5 million for the next SEIS, reducing the frequency of SEIS studies to every 5 years would decrease the annual funding for the SEIS to approximately \$300 000.
  - The effectiveness of local research can be limited by the low number of Tasmanians that identify as experiencing gambling harms.
  - However, local research has previously been helpful in developing community education programs for general practitioners, international students and sports betting.
  - Additional funding for gambling research would allow for a range of research, including studies focusing on people experiencing gambling harms as well as broader studies of gambling attitudes and behaviours, factors that contribute to and protect from gambling harm, and family and community impacts of gambling.
  - Longitudinal studies may be considered as well as research that leverages off existing research.
  - However, based on potential CSL returns of over \$8 million, a 25 per cent allocation of more than \$2 million per annum would be difficult to fully allocate to research activities.
- 5. Do you believe that the percentages should be more flexible at the margins, e.g. "not more than x per cent" or "no less than x per cent", rather than a set percentage?**
- As annual GSP budgets are based on CSL projections, the precision with which budgets can be developed and funds expended is limited.
  - The introduction of minimum allocations ("no less than x per cent") would help to address this issue and allow for some flexibility to move funding between categories.
  - The introduction of flexible allocations would need to be managed transparently to counter any perception that a Government may use them in conjunction with more easily amended regulations to fund politically helpful initiatives.
- 6. Are there any other comments you wish to provide regarding the proposed categories for the distribution of CSL funds?**
- N/A

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## Considerations for the distribution of the CSL

It is proposed that the following considerations inform the distribution of CSL funding within the categories under the new model. For funding to be approved, a project, program or grant would need to be consistent with at least one of these considerations.

**Subject to this consultation, these considerations for the approval of funding from the CSL within each category will be included in the regulations:**

- **creating a link between the location of gambling losses and CSL spending;**
- **collaboration and partnering with other organisations to maximise reach and delivery of programs/initiatives to support prevention and treatment of problem gambling;**
- **supporting long term programs aimed at reducing problem gambling behaviour;**
- **supporting one-off grants for major initiatives aimed at reducing problem gambling;**
- **provisioning of ongoing counselling for problem gamblers;**
- **investment in programs, infrastructure and activities that enable greater community engagement and healthy lifestyle opportunities (as a diversion from gambling);**
- **supporting funding for research and evaluation of problem gamblers; and**
- **ensuring the distribution of the CSL is subject to regular review (eg to be reviewed every five years following the Social and Economic Impact Studies).**

In relation to the above considerations for determining the distribution of CSL funds, we would appreciate your feedback to the following questions:

1. Do you support the above considerations? YES
  - The GSP is broadly supportive of the proposed considerations with suggested adjustments.
2. If you answered “NO” or “NOT ALL” for question 1, please provide details of the considerations you would suggest for determining the allocation of CSL funds and why?

### *Focus on Problem Gambling*

- The wording of the considerations around preventing, treating and reducing problem gambling does not recognise that harms can occur at any point of the gambling risk continuum.
- The wording also does not recognise that low or moderate risk gambling can escalate to problem gambling or that people may be harmed by the gambling of others.

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- The GSP suggests that the considerations refer to “gambling harms” to acknowledge that programs and initiatives should seek to prevent, minimise and treat gambling harms along the continuum, including harms experienced by people as a result of other people’s gambling.

*Suggested wording:*

- *collaboration and partnering with other organisations to maximise reach and delivery of programs/initiatives to support prevention and treatment of gambling harms*
- *supporting long term programs aimed at reducing gambling harms*
- *supporting one-off grants for major initiatives aimed at reducing gambling harms.*

*Use of term “Problem Gamblers”*

- Contemporary support and education materials avoid the term “problem gamblers” where possible. This is consistent with a person-centred approach that seeks to avoid defining a person through a single issue or trait. Suggested preferred terms include people experiencing gambling harms, people impacted by gambling or people displaying high-risk gambling behaviours.
- An occasional exception to this approach is the Problem Gambling Severity Index (PGSI). As the highest PGSI risk category is referred to as “problem gambling”, people meeting the technical criteria for that group are sometimes referred to as problem gamblers. Where possible, the GSP suggests that problem gamblers, as defined through the PGSI, are referenced as “people in the problem gambling risk category.”

*Suggested wording:*

- *provisioning of ongoing specialist support (see *Counselling point below*) for people impacted by gambling;*
- *supporting funding for research and evaluation of gambling attitudes, behaviours and harms (see *Research point below*)*

*Counselling*

- Contemporary support suites include counselling as one of a range of treatment options, recognising that people experiencing gambling harms may respond to different services depending on their individual circumstances and preferences. The GSP suggests expanding the wording in the consideration from counselling to support to allow for other forms of intervention.

*Suggested wording:*

- *provisioning of ongoing specialist support for people impacted by gambling;*

*Community engagement and healthy lifestyle opportunities*

- The GSP supports the allocation of CSL funds to initiatives that address community capacity building, community development, social and community engagement, and health and wellbeing as protective factors that address many of the co-morbidities of harmful gambling.

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- The Fifth SEIS found associations between PGSI status and alcohol-related harm, smoking status, substance use and psychological distress. Research also indicates that factors such as social isolation and loneliness contribute to higher levels of problem gambling behaviour.
- The GSP suggests amending the wording of the consideration to remove the reference to “diversion” as it implies temporary distraction from harmful gambling rather than a planned approach.
- The GSP suggests that referring to primary prevention initiatives that promote factors that help to prevent and reduce gambling harms provides a more valid and robust argument for funding associated programs that are not directly focussed on gambling.

*Suggested wording:*

- *investment in programs, infrastructure and activities that act as protective factors against gambling harms, including community engagement and health and wellbeing initiatives*

*Research*

- As currently worded, the consideration provides a narrow focus for gambling research that concentrates only on people already in the highest gambling risk category.
- The GSP suggests that the wording is expanded to allow for research funding for a much broader range of gambling research, including factors that may contribute to or prevent harmful gambling behaviour, risks and trends in newer forms of gambling (e.g. sports betting, online betting, gaming), community gambling attitudes and behaviours and intersectional at-risk groups.

*Suggested wording:*

- *supporting funding for research and evaluation of gambling risk factors, attitudes, behaviours and impacts*

3. Are there any other comments you wish to provide regarding the proposed considerations for informing the distribution of CSL funds?

- While the considerations are well-intentioned and provide a framework for funding allocations, the condition that “for funding to be approved, a project, program or grant would need to be consistent with at least one of these considerations” does not provide a process for how that requirement is met.
- An approval process for individual projects, programs or grants would be unwieldy and overly bureaucratic, but linking strategic frameworks, workplans and programs to the proposed considerations would be valuable.
- The GSP is enthusiastic to work with the Department of Treasury and Finance and the Tasmanian Liquor and Gaming Commission to develop a transparent and streamlined approval process that meets the intentions of the model while allowing for projects, programs and initiatives to move forward in a timely way.