

REPORT TO THE  
TASMANIAN GOVERNMENT DEPARTMENT OF TREASURY AND FINANCE

NOVEMBER 2014

# THIRD SOCIAL AND ECONOMIC IMPACT STUDY OF GAMBLING IN TASMANIA

VOLUME 1

GAMBLING INDUSTRY TRENDS AND IMPACTS



THE UNIVERSITY OF  
MELBOURNE

The Problem Gambling Research and Treatment Centre



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**Note to readers**

The charts in this report are not reducible to grey-scale. It is recommended that the report be read onscreen, or as a colour print out.

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## Abbreviations

ABS	Australian Bureau of Statistics
ACMA	Australian Communications and Media Authority
ADHD	Attention Deficit Hyperactivity Disorder
AGC	Australasian Gaming Council
ARB	Australian Racing Board
ATM	Automated Teller Machine
CATI	Computer Assisted Telephone Interviewing
CGE	Computable General Equilibrium
COAG	Council of Australian Governments
CPI	Consumer Price Index
CSL	Community Support Levy
DBCDE	Department of Broadband, Communications and the Digital Economy
DHHS	Department of Health and Human Services
DTF	Department of Treasury and Finance
EGM	Electronic gaming machine
FTE	Full-time Equivalent
GDP	Gross Domestic Product
GSP	Gambling Support Program
GST	Goods and Services Tax
HDI	Household Disposable Income
IGA	Interactive Gambling Act 2001
LGA	Local Government Area
NGR	National Gambling Reform
OESR	Office of Economic and Statistical Research
PC	Productivity Commission
PGRTC	Problem Gambling Research and Treatment Centre
PGSI	Problem Gambling Severity Index
SACES	South Australian Centre for Economic Studies
SEIS	Social and Economic Impact Study
SEIFA	Socio-Economic Indexes for Areas
SES	Socio-Economic Status
SLA	Statistical Local Area
SRT	Sport and Recreation Tasmania
TasCOSS	Tasmanian Council of Social Services

TGC

Tasmanian Gaming Commission

VU-TERM

Victoria University – The Enormous Regional Model

# Executive summary

## Study overview

A consortium comprising ACIL Allen Consulting, the Problem Gambling Research and Treatment Centre (PGRTC) and the Social Research Centre (SRC) has been engaged by the Tasmanian Government Department of Treasury and Finance to undertake the third *Social and Economic Impact Study (SEIS) of Gambling in Tasmania*.

The first SEIS was completed in 2008 by the South Australian Centre for Economic Studies, while the second SEIS was completed in 2011. The same consortium undertook both the second and third SEIS, with the third SEIS closely mirroring the second, providing an update of:

- components from the first and second studies with an analysis of key industry trends and comparisons with other states including –
  - an update of the gambling industry structure and characteristics
  - changes and trends in gambling behaviours and revenue
  - Tasmanian gambling prevalence
- the social and economic impacts of gambling in the same selection of eight Local Government Areas (LGAs) featured in the 2011 SEIS –
  - low socio-economic status (Brighton, Break O’Day, Glenorchy and Devonport)
  - comparison LGAs (Sorell, Circular Head, Launceston and Clarence).

A SEIS of gambling in Tasmania is required every three years under the *Gaming Control Act 1993* (the Act).

## This volume

This volume (Volume 1) of the third SEIS provides:

- an overview of the policy and regulatory environment of gambling, at a national and Tasmania-specific level
- an overview of Tasmania’s gambling industry
- findings from the 2013 Tasmanian Gambling Prevalence Survey, including insights into the social impacts of gambling
- an overview of gambling support services in Tasmania comprising providers, funding arrangements and service uptake
- analysis of gambling expenditure in Tasmania in comparison to other jurisdictions
- analysis of revenue generated by the Tasmanian Government through gambling
- an overview of gambling-related employment, tourism, community contributions and investment generated from gambling activities in Tasmania
- estimates of the contribution of gambling to Tasmania’s economy.

## Policy and regulatory environments

### National policy context

Australian governments at a state, territory and federal level have responsibilities for developing and implementing gambling policies. Specifically, the Federal Government determines national laws about internet gambling and, through the broader health and community services system, is a funder of some support services. However, state and territory governments oversee most facets of gambling. Most commonly this includes being a supplier, collecting tax, policing and funding support for those with gambling problems. Most importantly, governments are regulators within the industry.

Since the last SEIS report in 2011, a range of gambling policies have been implemented, with major policy changes outlined below.

### National policy changes

- A 2010 Productivity Commission report into gambling resulted in the introduction of the *National Gambling Reform Act 2012*. However, the change of Federal Government in 2013 saw significant alterations to the reforms made within this legislation relating to the introduction of a range of electronic gaming machine (EGM) harm minimisation measures
- The previous Federal Government undertook the Review of the *Interactive Gambling Act 2001*. However, no policy changes were made in response to this review which was released in 2013.

### State and territory gaming regulations

- Victoria announced its intention to introduce a voluntary pre-commitment scheme for EGMs by 1 December 2015
- The Queensland Government, in its *Liquor (Red Tape Reduction) and Other Legislation Amendment Act 2013*, announced plans to reduce red tape and regulation within the gambling industry.

### Tasmanian policy context

The Act provides the legislative framework for the licensing and regulation of gambling in Tasmania. One of the key objectives of the Act is to maintain the integrity of gambling in Tasmania, with activities regulated by the Act including:

- EGMs and Keno
- casino gaming
- totalizator wagering
- fixed odds sports betting and race wagering
- betting exchange wagering
- foreign games permits
- minor gaming.

The Act established the Tasmanian Gaming Commission (TGC) which is responsible for the regulation of all forms of gambling in Tasmania. The TGC is independent of the Tasmanian Government and the gaming and wagering industry, and is supported in its role by the Liquor and Gaming Branch, Revenue, Gaming and Licensing Division of the Tasmanian Government Department of Treasury and Finance.

In 2012, the TGC introduced a wide-range of measures to reduce gambling-related harm in Tasmania. These measures have been implemented in a number of steps, culminating with the *Responsible Gambling Mandatory Code of Practice for Tasmania*. The Code took effect in a phased process from 1 March 2012 with all provisions applying by 1 September 2012.

## Overview of the Tasmanian gambling industry

The third SEIS also examined the size, characteristics and structure of the Tasmanian gambling industry.

### Size

Gambling in Tasmania comprises gaming and wagering in various forms, which is undertaken in outlets and venues across the State. As at 2013 there were:

- 3,572 EGMs in 104 venues
- 45 table games in the two casinos
- 103 lottery outlets
- 168 Keno venues
- 139 race wagering venues and outlets
- 364 minor gaming permits issued during the year.

### Characteristics

Tasmania's gambling industry is made up of a range of licensed activities. In addition to gambling activities outlined above, the industry includes sports betting and football pools.

### Structure

Tasmania's gambling industry is dominated by three major suppliers - Federal Group, TOTE Tasmania and Betfair, all of which are licensed under the Act and regulated by the Tasmanian Gaming Commission.

Significant changes to the industry structure since the second SEIS include the sale of TOTE Tasmanian to Tatts Group in March 2012 and the announcement in August 2014 that Crown Resorts purchased the remaining 50 per cent of Betfair Australasia.

## Social impacts of gambling

### 2013 Tasmanian Gambling Prevalence Survey

The 2013 Gambling Prevalence Survey examined issues at both a state-wide level and within focus LGAs regarding:

- trends in gambling consumer behaviour
- trends in the characteristics of Tasmanian gamblers
- health and wellbeing of gamblers, including problem gambling status
- the financial difficulties associated with gambling and the proportion of problem gamblers seeking assistance
- how the factors outlined above differ among the eight focus LGAs, and since the second SEIS.

A brief overview of key survey findings are outlined below.

- between 2011 and 2013 there was no significant change in the estimated proportion of the Tasmanian adult population identified as being either a moderate risk or problem gambler; this figure was steady at 2.4 per cent
- between 2011 and 2013 the estimated proportion of low risk gamblers fell from 5.2 per cent to 3.9 per cent, similarly the proportion of non-problem gamblers declined from 56.7 per cent to 54.9 per cent
- among the low SES LGAs, an estimated 3.5 per cent of the adult population were identified as moderate risk gamblers compared to 1.9 per cent among the comparison LGAs.

Detailed results from the 2013 Tasmanian Gambling Prevalence Survey are contained in Volume 2 of this study.

### Provision of gambling support services

A range of support services are available to Tasmanians with a gambling problem, as well as their family and friends. Specifically, the Tasmanian Government Department of Health and Human Services (DHHS) provides the Gambling Support Program (GSP), which is funded through the Community Support Levy (CSL). The GSP delivers and supports campaigns, programs and activities to the general public including the youth sector, schools and health providers.

Data provided by DHHS illustrates the following demographic characteristics for support service clients at both the state-wide level, and within focus LGAs:

- as likely to be female as male
- are most likely to be aged between 25 and 44 years of age at a state-wide level and 45-64 years of age within the focus LGAs
- as likely to be in a relationship as not in a relationship
- slightly more likely to be unemployed than employed.

DHHS data also outlined the duration of a gambling problem, the form of gambling causing most harm, and referral source to gambling support for those accessing services:

- EGMs are the most prominent form among support service clients with approximately 74 per cent of clients seeking support services for this form of gambling
- the majority of clients have had prolonged periods where gambling has caused them harm. Specifically, almost 60 per cent of clients stated that gambling has been a problem for five years or more
- the most common referral source was individuals referring themselves to Gamblers Help services, followed by media awareness and the Gambling Helpline.

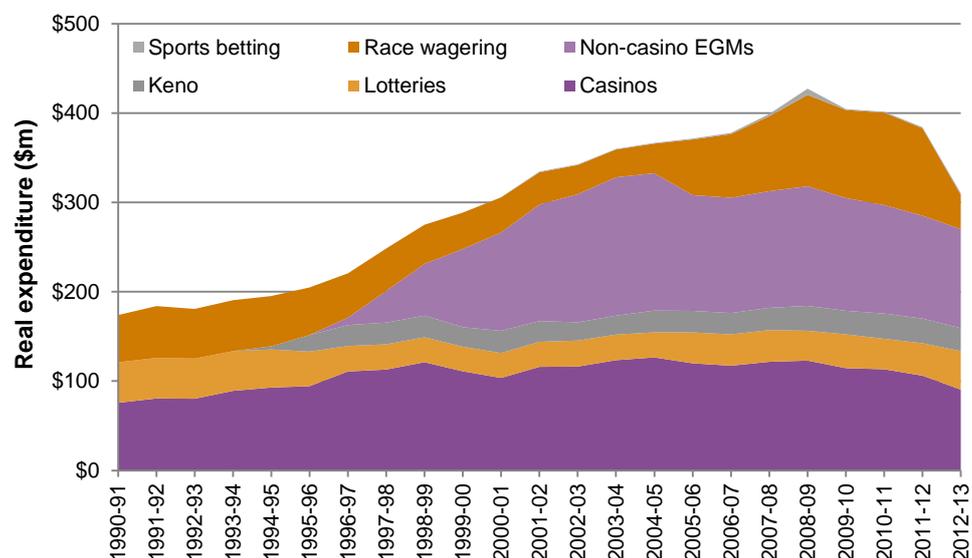
### Expenditure on gambling activities

Real gambling expenditure over the period 1990-91 and 2008-09 grew 145 per cent, from \$174 million to \$427 million. However, since 2008-09 total real gambling expenditure has declined 27 per cent to \$310 million in 2012-13. It is probable that the recent fall in expenditure is a combination of Tasmania's poor economic climate and a rise in the number of people accessing online gambling, which is not measured in expenditure data.

Tasmania has the second smallest share of total gambling expenditure in Australia (1.5%, behind ACT at 1.2%). Tasmania's gambling expenditure per adult has also been considerably lower than the national average since 1986-87.

In the early 1990s gambling activities legally available in Tasmania comprised race wagering, lotteries, casino gaming, Keno and sports betting. In the mid-1990s, EGMs were introduced in hotels and clubs which was accompanied by a surge in gambling expenditure for all forms of gambling, with the exception of race wagering (see Figure ES 1).

Figure ES 1 **Real expenditure in the Tasmanian gambling industry, 1990-91 to 2012-13**



Note: Lotteries includes: lotteries, instant lottery, and pools.

Source: DTF unpublished data, ABS 2014b

Expenditure by activity reveals that EGMs are the most popular form of gambling. Specifically, in 2012-13 EGMs accounted for 35.7 per cent of total gambling expenditure, followed by casino gaming (29.1%), race wagering (12.4%), lotteries (13.9%), Keno (8.3%) and sports betting (0.6%).

### Tasmanian Government gambling revenues from taxes and fees

Real gambling-related revenue to the Tasmanian Government has increased by 43 per cent between 1990-91 and 2012-13, growing from approximately \$65 million to \$93 million.<sup>1</sup> However, this represents a decline from a peak of \$105.9 million in the late 1990s, which was immediately before the introduction of the Goods and Services Tax in 2000-01. The majority of gambling-related revenue stemmed from gaming activities (89.5% of revenue), followed by race wagering (10.2%) and sports betting (0.3%).

Gambling forms a significant proportion of revenue for the Tasmanian Government. Notwithstanding this, since 2005-06, gambling-related revenue as a proportion of total government taxation revenue has decreased from 11.2 per cent to 10.1 per cent in 2012-13. Despite this fall, gambling-related revenue as a proportion of total state taxation revenue is high relative to the national average of 8.6 per cent.

<sup>1</sup> Gambling revenue includes all revenue received by the State Government from gambling activities that are subject to state taxes and levies, including licence fees and penalties.

Gambling taxation as a proportion of total state revenue on the other hand is relatively low when compared to the national average. Specifically, gambling taxation comprises 2 per cent of total state revenue compared to the national average of 2.6 per cent.

## Gambling related employment and community contributions

### Employment

Feedback from stakeholders indicated that a primary benefit of gambling was employment. This is reflected by the estimated 4,061 Tasmanians employed in the industry in 2013, with a breakdown of employment by gambling activity provided below:

- EGM and Keno gaming: 3,170
- casino gaming: 517
- wagering: 112
- betting exchange: 249
- lotteries: 13.

### Problem gambling status and labour force participation

Econometric analysis was undertaken of data collected by the 2013 Tasmanian Gambling Prevalence Survey to identify the relationship between problem gambling status and labour force participation. This analysis found that male non-problem gamblers are 5 per cent more likely to be participating in the labour force than male non-gamblers, and female non-problem gamblers are 18 per cent more likely to be participating in the labour force than female non-gamblers. Similarly, male moderate risk and problem gamblers are 18 per cent more likely to be in the labour force than male non-gamblers, and female moderate risk and problem gamblers are 21 per cent more likely to be in the labour force than non-female non-gamblers.

### Community contributions

There is a lack of data on the value of community contributions provided by the gambling industry. Despite this, stakeholder feedback indicates the industry provides:

- sponsorship to a range of sporting clubs
- donations and volunteers
- access to their recreational facilities.

### Contribution of gambling to Tasmania's economy

This study sought to estimate the contribution of gambling to the Tasmanian economy, and the eight focus LGAs, under three separate scenarios. The modelling was undertaken using the VU-TERM (Victoria University – The Enormous Regional Model), with findings from the modelling of each scenario provided below.

- *Scenario 1 Cessation of gambling industry with no substitution to 'offshore' gambling:* this scenario led to a reduction in real GDP by 1.10 per cent and 1.26 per cent reduction in employment relative to the base case.
- *Scenario 2 Cessation of gambling industry, with substitution to other goods and services:* this scenario led to a reduction in real GDP by 0.66 per cent and 0.73 per cent reduction in employment relative to the base case.

— *Scenario 3 Problem gambling in Tasmania halves*: this scenario led to a reduction in real GDP by 0.07 per cent and 0.10 per cent in employment.

This economic modelling did not consider the value of non-economic impacts associated with gambling (e.g. health and wellbeing).

# 1 Introduction

*This chapter details the content and scope of this report volume, alongside information on the methodological approach. Also included are details on the differences between this report and the previous two studies, along with contextual information on the eight focus LGAs.*

## 1.1 Study overview

A consortium comprising ACIL Allen Consulting, the Problem Gambling Research and Treatment Centre (PGRTC) and the Social Research Centre (SRC) has been engaged by the Tasmanian Government Department of Treasury and Finance to undertake the third *Social and Economic Impact Study of Gambling (SEIS) in Tasmania*.

Under Section 151(5) of the *Gaming Control Act 1993* (the Act) '[t]he Treasurer must:

- cause an independent review of the social and economic impact of gambling in Tasmania to be carried out every three years
- cause the findings of each such review (or a report of those findings) to be tabled in each House of Parliament within 20 sitting days of that House after the completion of the review.<sup>2</sup>

The first SEIS was completed in 2008 by the South Australian Centre for Economic Studies (SACES 2008). The study included a general overview of gambling in Tasmania and an assessment of the broad economic, financial and social impacts. It also reported the findings of a prevalence survey of gambling and problem gambling in Tasmania. This study was the fifth gambling prevalence study conducted in the State since 1994. The first study identified that any future research should 'be on those regions that are more disadvantaged yet exhibit high participation rates particularly in regard to electronic gaming machine gambling' (SACES 2008).

The second SEIS was undertaken and completed in 2011 by the then Allen Consulting Group (now ACIL Allen Consulting), PGRTC and SRC (The Allen Consulting Group et al, 2011). Based on the findings in the first SEIS, the second study focused on the social and economic impacts of gambling in four low socio-economic LGAs with reference to four comparison LGAs.

The second study also developed a framework for assessing the effectiveness of harm minimisation measures — particularly the measures introduced in response to the first study. The study established a baseline methodology for monitoring and evaluation to assist in developing policy responses targeting problem gambling.

The third SEIS closely mirrors the second study undertaken in 2011, as outlined in Box 1.

The current Volume (Volume 1) concerns elements one and three of Part A, which is explained in further detail below. Element two of Part A, the gambling prevalence study, is

<sup>2</sup> Under the Act, the term 'independent review' means 'a review by persons (only one of whom may be employed by the State of Tasmania or a State Service Agency) who, in the Treasurer's opinion, possess appropriate expertise or qualifications to carry out the review'.

reported in Volume 2. Part B is the subject of a third volume, which will be completed in 2015.

### Box 1 **Third Social and Economic Impact Study of Gambling in Tasmania: Scope**

#### **Part A Social and Economic Impact Study (SEIS)**

Provide an update of components from the first and second studies with an analysis of key trends and comparisons with other states, including, but not limited to: an update of the gambling industry structure and characteristics; changes and trends in gambling behaviour; and revenue.

Undertake a gambling prevalence study to enable comparisons with previous Tasmanian prevalence studies.

Provide an update of the social and economic impacts of gambling in the same selection of Local Government Areas conducted for the 2011 study.

#### **Part B Review of Harm Minimisation Measures**

Undertake a review of the suite of harm minimisation measures implemented by the Government following the first SEIS, with specific reference to the Responsible Gambling Mandatory Code of Practice. The review will assess the impact of the measures within each Problem Gambling Severity Index (PGSI) category.

Source: Department of Treasury and Finance 2014d

## 1.2 Approach to Part A

Part A of this study provides an update of the components from the first and second studies with an analysis of key trends in the Tasmanian gambling industry. The study also examines the social and economic impacts of gambling in the same eight focus LGAs examined in the second study (see Table 1), as well as undertaking a gambling prevalence study.

The eight focus LGAs were identified on the basis of their Socio-Economic Indexes for Areas (SEIFA) scores and EGM density. Four LGAs were classed as low SES areas due to low SEIFA scores, with an additional four LGAs, with relatively higher SEIFA scores, chosen to provide a comparison group for analysis into how gambling patterns differ in low socio-economic areas relative to other areas.

Table 1 **Focus LGAs**

Low socio-economic status	Comparison
Break O'Day	Circular Head
Brighton	Clarence
Devonport	Launceston
Glenorchy	Sorell

Source: ACIL Allen Consulting

### Information and data collection

As outlined below, a multi-methods data collection approach was undertaken for Part A of this study.

### Gambling expenditure and taxation statistics

Data on gambling expenditure, taxation and other statistics has been collected from the Tasmanian Government Department of Treasury and Finance. Interstate and national data

has been extracted from the Australian Gambling Statistics prepared by the Queensland Government Statistician's Office, with other industry data provided by gambling operators.

### Gambling prevalence survey

A 5,000 person Computer Aided Telephone Interview (CATI) survey was commissioned as part of this study. This survey was designed to collect data on gambling participation, frequency of play, expenditure and other factors. The detailed findings of this survey are reported in Volume 2, with selected analysis drawn upon in the current volume.

### Stakeholder consultations

Consultations were undertaken with stakeholders between April and May 2014, including:

- *Local Government*: council representatives from the eight LGAs were asked to participate. Of the eight LGAs, six councils chose to participate. A representative from the Local Government Association of Tasmania also participated in discussions.
- *State Government*: representatives from the Tasmanian Government Department of Treasury and Finance, Tasmanian Gaming Commission and the Tasmanian Government Department of Health and Human Services participated in discussions.
- *Industry*: representatives from Federal Group, Network Gaming, Tasmanian Hospitality Association, Betfair Pty Ltd, Tasracing Pty Ltd, TOTE Tasmania Pty Ltd and Tatts Group Limited participated in discussions. Discussions were also held with gaming venues in focus LGAs.
- *Support services*: support services at a local and state-wide level participated in consultations. This included seven local support services and Anglicare Tasmania.
- *Peak organisation*: Tasmanian Council of Social Services.

The process for the stakeholder consultations is outlined in Box 2.

**Box 2 Stakeholder consultation process**

Consultations were undertaken with five different stakeholder groups, including:

1. Ten gaming venue operators in the eight focus LGAs
2. Industry peak bodies and associations
3. Six local government councils from the focus LGAs and the Local Government Association of Tasmania
4. Two State Government departments and the Tasmanian Gaming Commission (an independent State Government body)
5. Twelve support service providers.

In each of the eight focus LGAs, all venue operators, mayors and council general managers were contacted by email and telephone, and offered the opportunity to participate. Those who chose to participate in consultations included those from both the low socio-economic and comparison LGAs. Participating venue operators included those belonging to venues owned by larger organisations such as Federal Group, and sole venue operators. At some local government consultations, the manager in charge of community services also attended or in some cases was the only participant.

The support service provider consultations covered the funded gamblers support network and other smaller services that did not specialise in gambling support (e.g. drug and alcohol abuse). A full list of those consulted is provided at Appendix E.

The majority of stakeholder consultations were undertaken face to face, with the exception of six interviews. Due to scheduling issues, these were conducted via telephone.

A total of six public submissions were received from industry, support services, government representatives and an individual. Observations contained in submissions are incorporated throughout this study report. A full list of the submissions received is available at Appendix H.

*Source:* ACIL Allen Consulting

**Public submissions**

A public submission process was undertaken, with advertisements seeking submissions placed in *The Mercury*, *The Examiner* and *The Advocate* on 1 March 2014. A total of six public submissions were received, including from industry, support services, local government and an individual.

Public submissions were made available on the Tasmanian Government Department of Treasury and Finance website.

**Survey of gaming venues in the focus LGAs**

A survey of gaming venues in the eight focus LGAs was also undertaken. This survey collected data on venue employment, revenue mix, taxation and capital expenditure. The survey was undertaken to gain representative feedback from venues across all LGAs. The response rate was relatively low, meaning that it was not possible to make inferences at the LGA-level. Rather, the results provided insight at a state-wide level.

**Analysis approach**

The range of data collected during the course of the project has been analysed and presented in this report, including:

- examining trends in gambling expenditure and taxation revenues, both in Tasmania, and across Australia
- identifying key changes in the Tasmanian gambling industry over the past three years, alongside changes in the policy landscape
- looking at services provided through Gamblers Help
- examining the broader social costs and benefits of gambling upon Tasmania

— estimating the economic impact of gambling upon Tasmania, and within the focus LGAs. Where possible, the analysis in this report considers both the state-wide and focus LGA perspective, with interstate comparisons made where relevant.

### 1.3 Differences from the second study

Key differences between the current SEIS, and the second SEIS comprise:

- the gambling prevalence study being expanded to a 5,000 interview telephone survey, including 1,500 interviews of people on mobile telephone
- economic modelling of the impacts of gambling within the eight focus LGAs, alongside the rest of Tasmania, under a number of scenarios. The second SEIS undertook economic modelling at the state-wide level
- the introduction of a survey of gaming venues in the eight focus LGAs
- less emphasis on *valuing* the costs and benefits of gambling, due to a lack of contemporary Tasmanian (and Australian) data. In place of this analysis, the report instead examines these issues qualitatively, drawing more extensively upon consultations, submissions and data collected from the gambling prevalence survey.

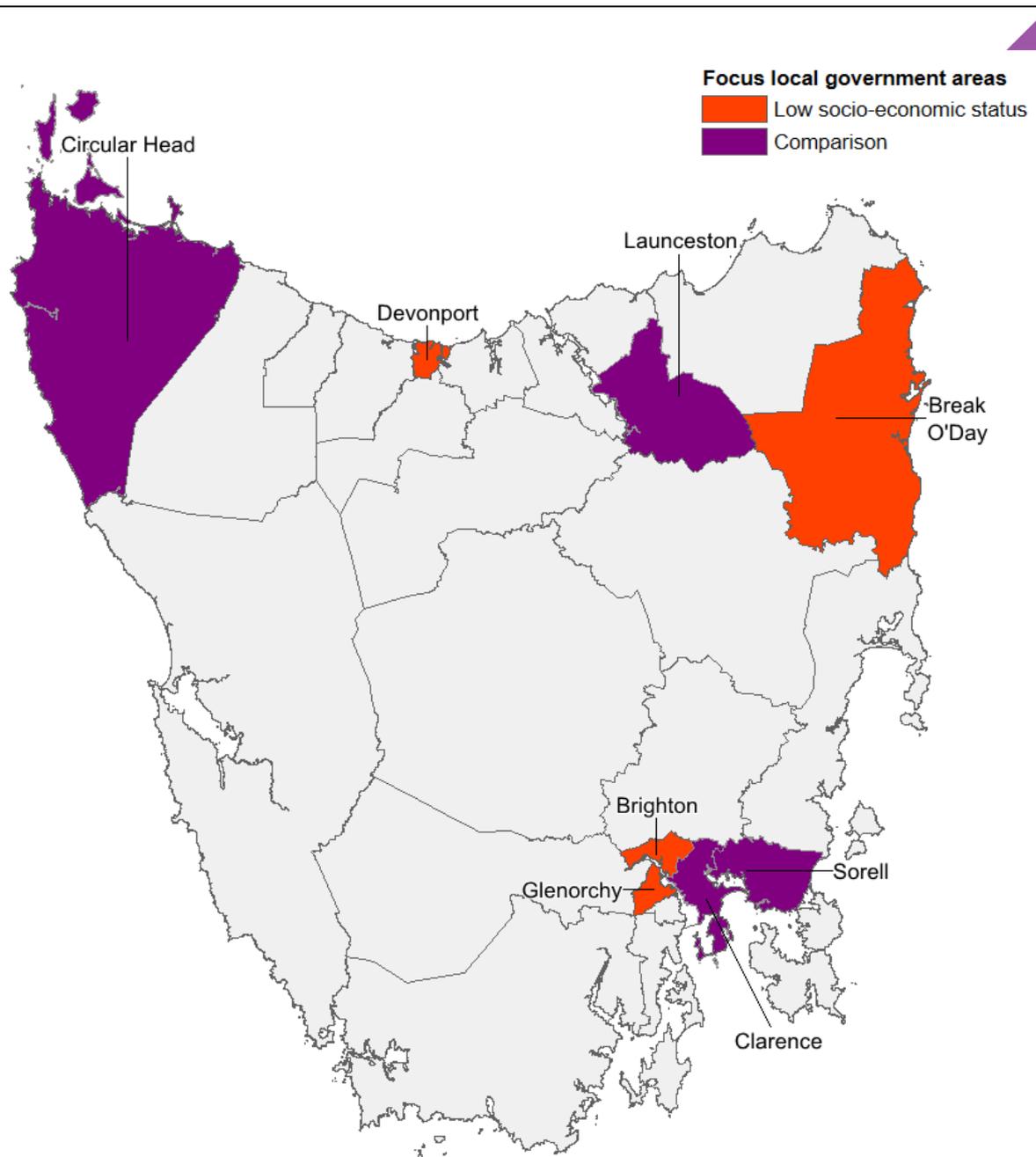
Part B of this study, which will be finalised in 2015, comprises a detailed review of the suite of harm minimisation measures introduced following the first study in 2008. As part of the review of harm minimisation measures, telephone interviews with 1,039 people took place in November and December 2013. This survey involved respondents who participated in the 2011 study, who will be interviewed again in November 2014. The tracking of individuals over time will allow the project to examine how people change their gambling behaviours over time. Further in-depth interviews with 40 of the survey participants is also taking place.

### 1.4 Overview of focus LGAs

The eight LGAs subject to focused analyses were chosen as part of the second study based on a combination of their SEIFA score and EGM density. Four LGAs with low SEIFA scores were chosen to reflect a low SES (Brighton, Break O'Day, Glenorchy and Devonport), while the other four LGAs (Sorell, Circular Head, Launceston and Clarence) had relatively higher SEIFA scores, and provide a comparison.

Figure 1 details the location of the eight focus LGAs across Tasmania.

Figure 1 Focus LGAs



Source: ACIL Allen Consulting

Table 2 presents an overview of gambling related statistics for the eight focus LGAs and Tasmania, including the number of EGMs, EGM venues, other gambling venues, persons per EGM, population and SEIFA scores and ranks.

SEIFA ranks all Tasmanian LGAs by their relative socio-economic advantage/disadvantage. The lower the SEIFA score, and the higher the rank of each LGA, the 'worse-off' the LGA is in terms of SES. The SEIFA index used was the Index of Relative Socio-economic Disadvantage, which is derived from Census variables including low income, low educational attainment and unemployment status.

Table 2 Overview of focus LGAs

	EGM number <sup>a</sup>	EGM venues	Other gambling venues <sup>b</sup>	Persons per EGM	Population (2012)	SEIFA score	SEIFA rank within state	SEIFA state decile	SEIFA Australian percentile
<b>Low SES LGAs</b>									
Brighton	60	2	1	264	15,813	867	1	1	8
Break O'Day	45	2	2	143	6,449	891	3	2	10
Glenorchy	270	9	8	168	45,382	915	8	3	15
Devonport	230	8	4	112	25,727	917	9	4	16
<b>Comparison LGAs</b>									
Circular Head	50	2	1	166	8,291	948	17	6	31
Launceston	316	12	8	212	67,146	941	16	6	25
Sorell	70	3	4	192	13,407	963	22	8	42
Clarence	165	6	4	322	53,081	1,000	26	9	69
Tasmania	3,572	102 <sup>c</sup>	87	143	512,333				

Notes: <sup>a</sup> Total EGMs includes 46 EGMs on the two Spirit of Tasmania ships; <sup>b</sup> Other gambling venues include those venues which provide Keno and TOTE only, and not EGMs; <sup>c</sup> Note this excludes the two Spirit of Tasmania ships.

Source: DTF unpublished data, ABS 2013

There is significant variation between the eight focus LGAs in terms of population, and the number of EGMs and gambling venues. For example, in the highest socio-economic LGA, Clarence, there were 322 persons per EGM in 2012. In contrast, in the lowest socio-economic LGA, Brighton, there were 264 persons per EGM.

## 1.5 Structure of this volume

The volume is structured within three parts as follows:

- Part One details the gambling industry operating environment, with –
  - Chapter 2 providing an overview of the current Tasmanian gambling policy environment, covering both regulation and the broader policy environment
  - Chapter 3 providing an overview of the size, characteristics and structure of the Tasmanian gambling industry
- Part Two examines the social impacts of gambling in Tasmania, with –
  - Chapter 4 drawing upon insights from the 2013 Tasmanian Gambling Prevalence Survey, alongside stakeholder consultations
  - Chapter 5 examining the provision of gambling support services across Tasmania
- Part Three examines the economic impact of gambling in Tasmania, with –
  - Chapter 6 providing an overview of expenditure upon gambling activities within Tasmania by gambling type
  - Chapter 7 considering government revenues collected from gambling activities in Tasmania, and a comparison of taxation rates between Tasmania and other Australian jurisdictions
  - Chapter 8 examining gambling-related employment, tourism, community contributions and investment
  - Chapter 9 estimates the gambling industry's contribution to Tasmania's economy (including LGA level impacts), under three scenarios.

The separate Volume 2 of this study contains the findings of the gambling prevalence study, alongside details on the survey methodology, questionnaire, and related issues.



# Part One

GAMBLING  
INDUSTRY  
OPERATING  
ENVIRONMENT

# I

## 2 Policy and regulatory environment

*This chapter provides an overview of the current Tasmanian gambling policy environment, covering both regulation and broader policy issues. This includes the national and state policy context, and key features of the current Tasmanian regulatory regime.*

### 2.1 Role of government in setting policy for the gambling industry

The breadth of government regulatory roles and the number of agencies involved makes the policy environment surrounding gambling in Australia highly complex. This chapter explores some of the roles and responsibilities and current trends in government gambling policy, both nationally and in Tasmania, emphasising changes in the regulatory environment following the second SEIS.

Australian governments have long struggled with balancing the contradictions posed by gambling regulation. There are several objectives associated with government gambling policies, including:

- obtaining the benefits of gambling for consumers and others through legalised supply
- raising tax revenue
- ensuring economic/industry sustainability
- meeting community norms and expectations
- ensuring the probity of suppliers
- dealing with the vulnerability of consumers and communities arising from legalised gambling, and problem gambling specifically.

Governments at all levels across Australia have policy responsibilities for gambling. In some jurisdictions local government has planning responsibilities. The Federal Government determines national laws about internet gambling and, through the broader health and community services system, is a funder of some help services. However, state and territory governments oversee most facets of gambling. Within any state or territory government, there are usually several departments or agencies that oversee particular policies, provide services or regulate gambling (PC 2010).

Across Australia, governments are involved in nearly every aspect of gambling, including as suppliers, tax collectors and police. They fund and organise help services for gamblers who experience problems. Above all else, they are regulators. Consequently, there is an array of laws and rules about who can gamble, when and where they can do it, what they can gamble on, which businesses they can deal with, and how these businesses ought to operate.

### 2.2 National policy context

Since the second SEIS, a focus of national gambling policy has been the development of a policy response to the 2010 Productivity Commission Inquiry into Gambling (PC 2010). The second SEIS included an overview of the findings and recommendations contained in the PC inquiry report.

At the time of the second SEIS, the Federal Government was considering its policy response to the PC inquiry, as well as the findings and recommendations of the Parliamentary Joint Select Committee on Gambling Reform.

Two key developments stemmed from the PC's Inquiry Report, namely the passing of the *National Gambling Reform Act 2012* (Aust.) (NGR Act) and the Review of the *Interactive Gambling Act 2001*. These developments are examined in detail below. Proposed changes to sports gambling advertisement are also explored.

### Amendments to the National Gambling Reform legislation

The national policy response to the PC Inquiry Report was reflected in the NGR Act, passed in 2012 by the Parliament of Australia. The NGR Act outlined legislative measures aimed at reducing the harm from EGMs including the introduction of pre-commitment to tackle problem gambling. Other harm minimisation measures within the NGR Act included:

- a trial of mandatory pre-commitment in the Australian Capital Territory to assess the efficacy and build the evidence for mandatory pre-commitment
- electronic warnings on EGMs to inform individuals of potential risks and hazards associated with gambling
- imposing a \$250 limit on the amount a person can withdraw from an ATM located in a gaming venue
- introduction of a supervisory levy for gaming machines
- introduction of a gaming machine regulatory levy.

However, the change of Federal Government in 2013 saw significant alterations to the reforms within the NGR Act. Specifically, on 5 December 2013, the new Federal Government introduced the *Social Services and Other Legislation Amendment Bill 2013* (Aust.), which included amendments to national gambling laws (Commonwealth of Australia 2013).

Furthermore, changes to the NGR Act were passed by the Parliament in March 2014, which repealed the following two Acts:

- *National Gambling Reform (Related Matters) Act (No. 1) 2012*: an Act to impose a supervisory levy in relation to gaming machines, and for related purposes
- *National Gambling Reform (Related Matters) Act (No. 2) 2012*: an Act to impose a gaming machine regulation levy in relation to gaming machines, and for related purposes (DSS 2014).

These Acts were ultimately renamed and replaced by the *Gaming Measures Act 2012*, which took effect on 31 March 2014. The Gaming Measures Act reflects the current Federal Government's gambling policy which aims to reduce the duplication of roles between the Federal and state/territory governments. It also highlights the current Federal Government's approach to addressing problem gambling (Commonwealth of Australia 2013; Biggs 2013).

A number of policy changes were contained within the *Gaming Measures Act 2012*, including abolishing a number of provisions in the NGR Act aimed at reducing problem gambling (see Box 3).

**Box 3 Key changes arising from the *Gaming Measures Act 2012***

- Abolishment of the National Gambling Regulator and the associated National Supervisory Levy
- Abolishment of EGM regulatory levies
- Abolishment of dynamic warning requirements on EGMs
- Removal of requirements to implement the state-linked voluntary pre-commitment scheme and mandatory pre-commitment capability
- Abolishment of the trial of mandatory pre-commitment in the Australian Capital Territory
- Removal of requirements to refer certain matters to the Productivity Commission for review, reporting and recommendations
- Removal of the \$250 national withdrawal limit for ATMs located in gaming venues

Source: Gaming Measures Act 2012; Nettleton & Chong 2013

In place of the NGR Act, the *Gaming Measures Act 2012* included implementation of a voluntary pre-commitment scheme allowing customers to restrict their expenditure on gaming machines by setting a maximum limit on losses before commencement of play. Proposed amendments made in respect to voluntary pre-commitment include:

- working with clubs and other gaming venues on a realistic timetable for the introduction of venue-based voluntary pre-commitment
- working with EGM manufacturers and operators, together with states and territories, to develop a realistic timetable for ensuring EGMs are capable of being networked to venue based voluntary pre-commitment system
- discussing with states and territories the administration of the voluntary pre-commitment measures (DSS 2014; Nettleton & Chong 2013).

### Review of the *Interactive Gambling Act*

In July 2001, the then Federal Government introduced the *Interactive Gambling Act 2001* (the IGA) to address concerns about the growing online gambling industry (DBCDE 2012). The IGA was drafted with a primary purpose to reduce the incidence of problem gambling among the Australian population by limiting access to gambling services through interactive technologies (e.g. the internet).

The 2010 PC Inquiry Report identified that over the preceding 10 years there had been significant growth in online gambling, and that the IGA was not appropriate to prevent this type of gambling activity. For example, the PC noted that although the IGA had probably reduced the growth of the online gambling industry, it had also led consumers to access overseas-based services which were not subject to the same harm-minimisation and probity measures as Australian-based services (PC 2010).

The then Federal Government responded to findings and recommendations within the PC report by establishing the Council of Australian Governments (COAG) Select Council on Gambling Reform. In May 2011, the COAG Select Council on Gambling Reform announced that the Department of Broadband, Communications and the Digital Economy (DBCDE) would undertake a review of the IGA (DBCDE 2012).

The review undertaken by the DBCDE looked at the difficulties of enforcing the existing prohibition on certain types of gambling and the growing number of Australians accessing online gambling in an unregulated market. It also examined similar regulatory approaches undertaken in other countries (e.g. the United Kingdom) to assess their applicability in an Australian context, and how harm minimisation measures can be improved for online gambling services (DBCDE 2012).

An interim report was released by the DBCDE in May 2012 and a final report in March 2013. The final report's key recommendations can be segmented into four sections, namely: national harm minimisation and consumer protection standard; enforcement; online poker; and online wagering. Key recommendations are provided in Box 4.

#### Box 4 **Review of the *Interactive Gambling Act*: key recommendations**

##### **National harm minimisation and consumer protection standards**

- The IGA should provide for the development of a national standard, applicable to all Australian licensed interactive gambling providers, that establishes the framework for a minimum set of harm minimisation and consumer protection measures for all types of interactive gambling
- Limits on offering betting inducements, particularly in relation to encouraging the opening of accounts
- Pre-commitment measures be made available to players including the ability for users to set their own deposit limits
- Requirements to make data available relating to the use of harm minimisation measures for research purpose
- The establishment of a national self-exclusion database
- The implementation of a requirement for alerting players to gambling behaviour that is indicative of problem gambling
- The provision of gambling helpline messages/links

##### **Enforcement**

- Streamline enforcement provisions of the IGA by, for example, introducing a strict liability offence, enforceable by the Australian Communications and Media Authority (ACMA), to help increase the capacity of law enforcement agencies and regulators to take action
- Increase awareness of the IGA among directors and principals of prohibited service providers and among relevant overseas authorities
- Encourage restricted access to prohibited service providers by, for example, providing a safe harbour for financial institutions to voluntarily block financial transactions between Australian consumers and unlicensed online gambling service providers

##### **Online poker**

- Introduce a five-year pilot in respect of licensing operators in the business of providing online poker tournaments to Australian-based customers

##### **Online wagering**

- The ban on micro-betting be extended to all platforms and physical outlets, with the Minister made responsible for drafting regulations that determined which bets would constitute micro-bets

Source: DBCDE 2012

In March 2013, the then Federal Minister for Broadband, Communications and the Digital Economy stated that the Federal Government would not pursue any changes within the DBCDE's report until there had been agreement among states and territories to develop and implement a national standard for harm minimisation and consumer protection.

To date no recommendations from the DBCDE's report have been implemented.

### **The advertising and promotion of gambling services in sport**

In response to mounting public concern on the level of gambling advertisements in sport, in 2013 the Parliament of Australia introduced an Inquiry into the advertising and promotion of gambling services in sport. The Inquiry focused on a range of issues including:

- the amount of sports betting advertising
- the exposure of children and other vulnerable individuals to high levels of sports betting advertising
- the integration of sports betting advertising into match play and sports commentary

— the effect of this amount of sports betting and its integration into match play on the integrity of, and public attitudes to, sport (Parliament of Australia 2013).

In 2013, the Parliament of Australia Joint Select Committee on Gambling Reform released its report into Advertising and Promotion of Gambling Services in Sport, featuring nine recommendations (see Box 5). The available evidence suggests that no policy changes were made in response to the report.

**Box 5 Parliament of Australia Joint Select Committee on Gambling Reform Inquiry into Advertising and Promotion of Gambling Services in Sport: Recommendations**

1. A governmental review of the current exemption of gambling advertising for sporting programs
2. Further research be undertaken in relation to the long term effects of gambling advertising on children, and in particular, the normalisation of gambling during televised sport
3. A review of the amount of betting promotion at sporting venues to determine whether it is appropriate for what is marketed as a family friendly environment
4. An urgent review of merchandise to children featuring sports betting logos or names
5. A governmental review of the gambling industry's self-regulation regarding the promotion of gambling products to an audience which includes children and legislative intervention
6. Broadcasting Services Amendment Bill 2013 not be passed
7. A national consistent responsible gambling message be agreed to work as effectively as possible as harm minimisation measures
8. Further research be undertaken in relation to the effect of mobile phone applications on problem gambling
9. The development of appropriate tools and resources for amateur sport to increase participants' awareness of the risks and threats posed by gambling on amateur sporting events

Source: DLA Piper 2014; Parliament of Australia 2013

Following the Committee's report, the Australian Communications and Media Authority (ACMA) on 1 August 2013 introduced five new codes of practice. Under the new codes, during a live sporting broadcast:

- there is a ban on promoting betting odds during play and for half an hour before and after the game
- gambling advertisements can only be played before and after play, during play breaks or during suspension of play
- promotion of betting odds by a clearly identified gambling representative 30 minutes after play is allowed
- gambling representatives are prohibited from appearing as part of, or as a guest of, the commentary team at any time and must not be at or around the venue (ACMA 2014).

### Changes to state/territory gambling regulations

Since 2011, gambling reforms at a state and territory level have been minimal, with the exception of Victoria and Queensland.

#### Victoria: introduction of voluntary pre-commitment

Currently, Victoria is the only jurisdiction to have implemented a voluntary pre-commitment scheme, which is scheduled to commence from 1 December 2015. The Victorian pre-commitment scheme is designed to offer consumer protection and provide a harm minimisation tool for Victorian EGM gamblers. The scheme supports the player to monitor and limit their expenditure and time spent gambling (O'Donohue 2013).

### Queensland: red tape reduction

The Queensland Government's aim to reduce red tape and regulation by 20 per cent by 2018 has led to the introduction of a number of regulatory reforms to the liquor and gaming industry (Queensland Government 2014).

These changes were outlined within the *Liquor (Red Tape Reduction) and Other Legislation Amendment Act 2013*, which have been summarised in the box below.

#### Box 6 Regulatory changes to Queensland's gaming industry: examples

##### Number of EGMs in clubs

From March 2014, clubs in Queensland will be able to apply for up to 300 gaming machines at a single premises. This represents an increase of 20 EGMs. Clubs with two premises may apply for 450 gaming machines under its licence; this figure increases to 500 EGMs for clubs with three premises.

##### Payment of winnings

From March 2014, gaming venue licensees may set a cash payment limit of up to \$5,000. Changes to the cash limit must be displayed in each gaming area. However, venues must provide customers with a cheque upon request.

##### Changes to training

- Casino employee training courses will no longer have to be approved by the Office of Liquor, Gaming and Racing. Casinos will be responsible for ensuring their staff receive adequate training
- The State is no longer responsible for regulating training organisations offering Responsible Service of Gaming courses. This is now the responsibility of the Federal Government

##### Other changes to EGMs

- EGMs in Queensland will be able to accept bets of any full cent denominations up to and including \$1.00
- Club and hotel licensees will not be required to renew their EGM licences

Source: OLGR 2014a

## 2.3 Tasmanian policy context

Tasmania was the first Australian state to have a casino and the last state, outside Western Australia, to allow the introduction of EGMs in hotels and clubs.<sup>3</sup> The first casino was established in Tasmania in 1973 (AGC 2008).

In Tasmania, 1994 saw the introduction of Keno into hotels and clubs, followed by EGMs in 1997 (AGC 2008). These additions introduced a significant change to the gambling environment in Tasmania. For the first time, wagering and gaming facilities could be co-located, particularly in hotels.

EGMs were progressively introduced to Tasmanian clubs and hotels from 1 January 1997 (AGC 2008). The legislative framework for the licensing and regulation of EGMs is provided under *Gaming Control Act 1993* (the Act).

Hotels and clubs lease EGMs from the gaming operator, Network Gaming, which also provides training and marketing services to venues (TGC 2010). Individual clubs are permitted to operate a maximum of 40 machines while individual hotels are limited to 30 machines. EGMs are required to return a minimum of 85 per cent of turnover to players. The

<sup>3</sup> Western Australia still does not allow EGMs in hotels and clubs.

machines are monitored by a centralised monitoring system operated by the gaming operator (DTF 2011).

As part of a 2003 Deed of Agreement between the Crown and Federal Group, a state-wide cap was established of 3,680 EGMs covering hotels, licensed clubs and the State's two casinos. A state-wide cap on hotels and clubs of 2,500 was also adopted.

Other changes to the gambling environment in Tasmania since the 1990s have been the introduction of enabling technology platforms such as the internet and mobile telephones. These technological advances have facilitated cashless, credit-based transactions. An example of this is Betfair Pty Ltd (Betfair), the betting exchange established in Hobart in 2006 (DTF 2011).

## Current regulatory regime

### Legislative context

The Act provides the legislative framework for the licensing and regulation of gambling in Tasmania. One of the key objectives of the Act is to maintain the integrity of gambling in Tasmania. Gambling activities regulated by the Act include:

- EGMs and Keno
- casino gaming
- totalizator wagering
- fixed odds sports betting and race wagering
- betting exchange wagering
- foreign games permits
- minor gaming.

Schedule 1 of the Act sets out a Deed of Agreement between the Crown and Federal Group. It grants Federal Group exclusive rights to conduct casino operations and operate EGMs in casinos, clubs and hotels, and Keno in Tasmania until 30 June 2018, after which the licence converts to a rolling five-year licence (TGC 2010). The EGM operator, Network Gaming, is part of Federal Group and leases EGMs and Keno equipment to hotels and clubs.

The Deed also sets out a commitment from Federal Group to invest in developing Tasmania's tourism industry, such as constructing the multimillion dollar resort Saffire Freycinet in Coles Bay (DTF 2011).

More details on the role of Federal Group in the Tasmanian gambling industry is outlined in Box 7. The characteristics and structure of the Tasmanian gambling industry are discussed further in Chapter 3.

### Box 7 Role of Federal Group in the Tasmanian gambling industry

Federal Group currently operates the two casinos in Tasmania, and 11 hotels offering gaming through its subsidiary Vantage Group.

There are no restrictions on the number of hotels that the Federal Group (or indeed any other group) can purchase. Federal Group provides a monitoring role through Network Gaming; it is the single gaming operator. Network Gaming also makes the ultimate commercial decision as to whether a licensed venue operator is provided with EGMs.

Source: DTF 2011.

TOTE Tasmania is also licensed under the Act. TOTE Tasmania was previously a state-owned company whose shares were held in trust by the Tasmanian Treasurer and Minister for Racing on behalf of the Crown. In December 2011 TOTE Tasmania was sold to Tatts Group, with the transaction completed on 26 March 2012.

Today, TOTE Tasmania has an exclusive right to conduct pari-mutuel (totalizator) wagering in Tasmania. TOTE Tasmania pari-mutuel, or pool based, products are available under 'The TOTE' brand. It offers wagering products on thoroughbred, harness and greyhound racing. Its fixed odds products provide customers with sports betting and race wagering. Both brands are accessed via a variety of channels, including the telephone, internet, application programming interfaces, on-course, and through a network of 129 outlets.

On 1 July 2009, the Act was amended to allow for wagering activities of a totalizator operator and corporate bookmakers in Tasmania. This made the TGC responsible for regulating the wagering activities of TOTE Tasmania, alongside other wagering operators in Tasmania.

### Tasmanian Gaming Commission

The Act established the Tasmanian Gaming Commission (TGC) and provides for the taxation of regulated gambling activities.

The TGC is responsible for the regulation of all forms of gambling in Tasmania, and is independent of the Tasmanian Government and the gaming and wagering industry. The TGC is supported in its role by the Liquor and Gaming Branch, Revenue, Gaming and Licensing Division, in the Tasmanian Government Department of Treasury and Finance. In addition to the Act, the TGC operates according to the *TT-Line Gaming Act 1993* (and subsequent amendments).

The TGC regulates EGMs, Keno, casinos, wagering terrestrially or conducted by way of a telecommunication device, the sale of lottery tickets by interstate operators, and minor gaming. Applications for gaming licences must be submitted through the TGC. It is also responsible for licensing and regulating gaming on board the two Spirit of Tasmania ships, and any other ship operated by a state shipping company, the licence for which is currently held by TT-Line Company Pty Ltd (TT-Line).

The functions of the TGC are specified under section 125 of the Act. As part of its integrity functions, the TGC approves internal controls, administrative and accounting procedures, rules and conditions that apply in relation to gaming activities, and determines disciplinary matters.

The TGC also has an oversight role in relation to the Community Support Levy (CSL).

Finally, the Act allows the TGC to make rules for the conduct of all forms of gambling in Tasmania. The rules impose specific requirements on gambling operators and venue employees, covering issues such as provision of cash to patrons and dispute resolution (DTF 2011).

Other applicable legislation includes:

- the *Gaming Control Regulations 2004* — sets the cost of licence applications and renewals
- the *Gaming Control (Infringement Notices) Regulations 2011* — allows Tasmania Police to issue infringement notices under the Act and to prescribe penalties that correspond to the level of infringement under the notice.

### Changes since 2011

In 2012, the TGC introduced a wide-range of harm minimisation measures to address problem gambling in Tasmania. These measures have been implemented in a number of steps, culminating with the *Responsible Gambling Mandatory Code of Practice for Tasmania*. The Code took effect in a phased process from 1 March 2012 with all provisions applying by 1 September 2012 (TGC 2012).

Part B of this study will outline findings from the review of the harm minimisation measures introduced by the Tasmanian Government after the 2008 study.

The measures within the Code apply to all prescribed licence holders and impacts 10 areas of gambling operations.<sup>4</sup> Harm minimisation measures being evaluated as part of the current study are identified in Table 3.

Table 3 Tasmanian gambling harm minimisation measures

Classification	Measures
<b>Inducements</b>	<ul style="list-style-type: none"> <li>Limiting free vouchers for gambling to less than \$10</li> <li>Not requiring an individual to gamble more than \$10, to receive an inducement, obtain a prize or enter a prize draw</li> <li>Not requiring an entrant in a promotional prize draw to attend the draw when the prize is worth more than \$1,000</li> </ul>
<b>Player loyalty programs (currently only applicable in casinos)</b>	<ul style="list-style-type: none"> <li>Player loyalty programs must provide player activity statements and responsible gambling information, and be operated in a socially responsible manner</li> <li>Rewards to player loyalty programs members for use in gambling must not exceed \$10</li> </ul>
<b>Traditional consumer protection measures</b>	<ul style="list-style-type: none"> <li>Information must be provided to players about responsible gambling, help for gambling problems, exclusion from gambling and chances of winning</li> <li>Persons appearing intoxicated must be prevented from gambling</li> </ul>
<b>Advertising</b>	<ul style="list-style-type: none"> <li>Advertising of gambling must be socially responsible, and take into account the adverse impacts of gambling</li> <li>Radio and television advertising is not to be shown at peak children's viewing and listening times</li> </ul>
<b>EGM venue features</b>	<ul style="list-style-type: none"> <li>Clocks are required to be clearly visible to persons participating in venue-based gambling, with analogue clocks in gambling areas</li> <li>Minimum lighting requirements and improved signage standards must be met in EGM areas</li> <li>Food or alcohol is not to be served to people playing or seated at EGMs between 6pm and the close of the gambling day</li> </ul>
<b>EGM operational features</b>	<ul style="list-style-type: none"> <li>Reduced bet limits per spin on EGMs, with maximum bet limit of \$5 per spin across all venues</li> <li>The number of maximum lines played on EGMs is reduced from 50 to 30 lines</li> <li>Reduced cash input limits on EGMs, from \$9,899 to \$500</li> </ul>
<b>Access to cash</b>	<ul style="list-style-type: none"> <li>Ban on having ATMs in venues operating EGMs, Keno or totalizator wagering</li> <li>No more than one cheque per day, with maximum amount of \$200, is able to be cashed for gambling purposes</li> <li>Cash advances from credit accounts are not permitted in casinos</li> <li>The amount able to be withdrawn from venue EFTPOS facilities, casino ATMs, and cheque cashing facilities is reduced (\$400 in casino ATMs, \$200 for EFTPOS withdrawal for gambling purposes in all venues)</li> </ul>
<b>Payment of winnings</b>	<ul style="list-style-type: none"> <li>Restricting the amount of cash for EGM and Keno payouts to \$1,000</li> <li>Cheques for the payment of winnings must not be cashed on the same trading day they are issued</li> </ul>
<b>Enhanced staff training</b>	<ul style="list-style-type: none"> <li>Enhanced Responsible Conduct of Gambling training of gaming staff (with a specific focus on problem gambler identification and appropriate intervention by venue staff)</li> <li>Requiring at least one person who has completed the Enhanced Responsible Conduct of Gambling training to be on duty at all times in areas where EGMs operate</li> </ul>
<b>Restricting access to gaming venues</b>	<ul style="list-style-type: none"> <li>Strengthening and extending penalties to all gaming staff for allowing minors to enter a restricted gaming areas</li> </ul>

Source: TGC 2013b

<sup>4</sup> This excludes minor gaming permit holders, technicians and persons listed on the roll of recognised manufacturers, suppliers and testers of gaming equipment.

### Other harm minimisation measures

A number of harm minimisation measures had been introduced prior to the introduction of the *Responsible Gambling Mandatory Code of Practice for Tasmania* in 2012. These include:

- prohibiting automatic teller machines in gaming venues (excluding the two casinos)
- being the first state to ban smoking inside a licensed venue
- ensuring that no venues operate gaming for 24 hours<sup>5</sup>
- ensuring that competitive advertising of gaming is moderated, such as through the industry voluntary codes of practice
- ensuring that EGMs with note acceptors are not permitted in hotels and clubs and autoplay is prohibited
- introducing a maximum bet limit of \$10 in clubs and hotels (DTF 2011).

A Tasmanian Gambling Exclusion Scheme has also been in place since 2001. The Tasmanian Gambling Exclusion Scheme allows patrons to be excluded from gambling venues or from participating in gambling.

The Tasmanian Gambling Exclusion Scheme is supported by the Act and is managed by the Liquor and Gaming Branch on behalf of the Tasmanian Gaming Commission. The Act allows a person to be excluded from venue-based gambling in four different ways:

- *self-exclusion* — a person chooses to exclude themselves, and a Gamblers Help support service provider (Anglicare Tasmania and Relationships Australia) offers counselling and assists in completing the self-exclusion process
- *venue exclusion* — venue operators may exclude a person from entering or remaining on their premises or from participating in gambling at their premises
- *third party exclusion* — a person with a close personal interest in the welfare of another may apply to the TGC for an order to prevent that other person from gambling; and
- exclusion by the Commissioner of Police (DHHS 2010).

A person may be excluded either from a whole venue or from participating in gambling at a venue (that is, the person cannot engage in gaming activities, and cannot enter a restricted gaming area).

The scheme is supported by an online database managed by the Liquor and Gaming Branch. The database provides immediate and secure access to information about excluded people to venue operators, Gamblers Help support service providers, and the Liquor and Gaming Branch.

### Tasmanian government racing industry bodies

The State also has another gambling regulator — the Director of Racing — who is appointed under provisions in the *Racing Regulation Act 2004*. The Director of Racing also holds the post of the General Manager of Racing Services Tasmania.

The legislative responsibilities of the Director of Racing include:

- regulating and controlling racing to ensure that it is conducted with integrity
- monitoring the administration of racing
- researching and investigating racing integrity and related matters

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<sup>5</sup> Casinos can apply to the TGC for an exemption to allow 24 hour gaming on special occasions.

— advising the Minister on racing integrity and related matters and making appropriate policy recommendations for the development of racing (Department of State Growth 2014).

The commercial aspects of racing are the responsibility of the Tasmanian Racing Board (Tasracing Pty Ltd — a state-owned company since 1 July 2009). Tasracing is responsible for the development of racing and breeding, the funding of clubs as well as providing stakes, media rights and managing racing venues (Tasracing, 2014).

### *Legislative role of local government in relation to gambling*

In Tasmania, there are 29 LGAs. The principal legislation establishing the powers and functions of councils is the *Local Government Act 1993*, which describes the role of councils:

- to provide for the health, safety and welfare of the community
- to represent the interests of the community
- to provide for the peace, order and good government of the municipal area.

Local government in Tasmania has no legislative role with respect to gambling. In comparison to other states around Australia, there is no requirement in Tasmanian legislation, such as the *Land Use Planning and Approvals Act 1993*, for social impact assessments to be undertaken in relation to specified types of developments. There is also no requirement for the TGC licensing process to undertake a social or community impact assessment.

In other state jurisdictions, community impact assessments are undertaken in relation to EGMs, as part of local government planning permit approvals processes, arguably assisting to indicate the social impact at the family, community and regional level (PC 2010).

### *Government funding of support service providers*

Finally, the Tasmanian Government also has another significant role in gambling policy through its provision and funding of gambling support services. This role is examined in detail in Chapter 5.

## **2.4 Findings**

There has been limited movement in national gambling policy since the second SEIS in 2011. Although significant change was afoot with the previous Federal Government introducing the NGR Act, the current Federal Government rescinded many aspects of this legislation. This included for example, rescinding the introduction of a trial of mandatory pre-commitment in the ACT, and the inclusion of electronic warnings on EGMs. The proposal to reduce ATM withdrawals to \$250 would have had little impact in Tasmania, as ATMs are already banned in non-casino gaming venues.

In place of the NGR Act the most significant reform announced by the current Federal Government is the introduction of a voluntary pre-commitment scheme. The details of this scheme are to be worked out – it is possible that it will reflect features of the Victorian voluntary pre-commitment scheme, which is to be introduced from 1 December 2015.

Over the previous three years, the only other notable state and territory gambling policy development has been reforms associated with ‘red tape reduction’ in Queensland. This has had the effect of loosening harm minimisation measures, such as raising the cap on EGM numbers within clubs, and raising the maximum cash payout to \$5,000.

Within Tasmania, the most significant policy change has been the introduction of the *Responsible Gambling Mandatory Code of Practice for Tasmania* in 2012. At the time of the 2011 SEIS, this Code has been developed in draft form. Part B of the current study, to be released in 2015, reviewing the effectiveness of the Code and associated harm minimisation measures.

## 3 Overview of the Tasmanian gambling industry

*This chapter provides an overview of the size, characteristics and structure of Tasmania's gambling industry.*

### 3.1 Industry size and characteristics

Gambling in Tasmania comprises gaming and wagering in various forms, outlets and venues across the State. Table 4 provides a broad overview of the industry.

**Table 4 Gambling products and outlets in Tasmania, 2014**

Activity	Venue type	Venue/Outlets	Number <sup>a</sup>
EGMs	Casinos	2	1,173
	Clubs	10	173
	Hotels	90	2,180
	Spirit of Tasmania ships	2	46
	<b>Total</b>	104	3,572
Casino: table games	Wrest Point Hotel Casino	-	27
	Country Club Casino	-	18
	<b>Total</b>	-	45
Lottery outlets (2014)	Intralot	14	-
	Golden Casket	2	-
	Golden Casket and Tatts	71	-
	Intralot, Golden Casket and Tatts	16	-
	<b>Total</b>	103	-
Keno	Casinos	2	-
	Clubs	28	-
	Hotels	138	-
	<b>Total</b>	168	-
Race wagering	TOTE Tasmania outlets	129	-
	Bookmakers (2012-13)	10	-
	<b>Total</b>	139	-
Minor gaming	Permits issued at June 2013	-	364
	<b>Total</b>	-	364

Note: <sup>a</sup> Number of EGMs, table games, or minor gaming permits.

Source: DTF unpublished data, AGC 2014, TGC 2013, DTF 2014b

The *Gaming Control Act 1993* caps the total number of EGMs permitted in casinos, clubs and hotels in Tasmania at 3,680. This excludes EGMs on the Spirit of Tasmania ships. Within this broad cap, a total of 2,500 EGMs are permitted within clubs and hotels. Within venues, EGM numbers are capped at 40 in clubs and 30 in hotels.

As at December 2013, a total of 3,526 EGMs were located in Tasmanian casinos, clubs and hotels, with an additional 46 located on board the Spirit of Tasmania ships. In non-casino premises, 90 hotels and ten clubs held licences for 2,180 and 173 EGMs respectively. The Wrest Point Hotel Casino had 650 EGMs, while the Country Club Casino had 523 EGMs. The casino licences do not limit the number of EGMs at either casino. The only limit is the

state-wide cap of 3,680. The two casinos also operated a total of 45 table games such as Blackjack, Roulette, Poker and Baccarat.

With regard to lotteries, two operators, Tatts Group Limited (including Golden Casket, one of its subsidiaries) and Intralot Australia, supply lottery products such as lotto, pools and instant lotteries (i.e. 'scratchies') in Tasmania. Retailers, such as newsagents, apply to providers to serve as licensed outlets for these products. In 2013-14, there were 103 outlets offering Tattersall's, Golden Casket and/or Intralot lottery products in Tasmania (DTF 2014b).

Keno is offered at 28 clubs and 138 hotels as well as the Wrest Point and Country Club casinos (DTF 2014f). Each club and hotel with EGMs also offers Keno, while 18 clubs and 48 hotels offer Keno only.

As at the end of 2013, TOTE Tasmania supplied wagering betting products through 129 outlets across the state (DTF provided data). In 2012-13, ten bookmakers offered on-course products (AGC 2014).

For minor gaming, 364 permits were issued at June 2013 for activities such as raffles, bingo, lucky envelopes and Calcutta sweeps.

### EGMs and venue types

Gambling statistics published by Queensland Treasury and Trade indicate that in 2012-13 EGM expenditure accounted for 52 per cent of total recorded Australian gambling expenditure (QTT 2014b). Research published by the Productivity Commission (PC) in 2010 estimated that 75-80 per cent of problem gamblers play EGMs, and regular players experience more harm more often compared with other forms of gambling (PC 2010). As such, the numbers and locations of EGMs are important considerations for both government and the broader community. Table 5 summarises non-casino EGM characteristics for Tasmania and Australia.

Despite the cap on the number of EGMs per venue being higher for clubs than for hotels, the average number of EGMs per venue with EGMs in Tasmania is lower for clubs (around 17) than for hotels (around 24). In contrast, the average number of EGMs per venue across Australia as a whole is far higher for clubs (around 55) than for hotels (around 22).

In both Tasmania and Australia as a whole, there are more hotels with EGMs than clubs with EGMs, though the ratio is much higher in Tasmania. The proportion of total non-casino EGMs located in hotels is far higher in Tasmania (around 93%) than it is for Australia as a whole (around 38%). Despite clubs in Tasmania being able to have up to 40 EGMs, the highest actual number in a club is 20 EGMs (DTF 2014f).

Table 5 **Non-casino EGMs in Tasmania and Australia, 2012-13**

Venue type	Number of venues with EGMs		Number of EGMs		Average number of EGMs per venue (where venue has EGMs)	
	Australia	Tasmania	Australia	Tasmania	Australia	Tasmania
Hotels	3,233	90	70,218	2,180	21.7	24.2
Clubs	2,063	10	114,392	173	55.4	17.3

*Note:* Excludes EGMs located on the Spirit of Tasmania ships.

*Source:* AGC 2014

Under the current Tasmanian arrangements, Network Gaming leases EGM equipment to hotels and clubs. Venue operators pay a fixed fee to lease the machines and, in return, are entitled to around a third of EGM revenues — the remainder goes to Network Gaming and

the Tasmanian Government. In order for venues to make a return on EGMs, revenues must be high enough to cover the fixed fee charged by Network Gaming.

An added advantage for clubs in other jurisdictions, relative to those in Tasmania, is that the clubs sector often has its own specific allocation of EGMs. In Victoria, for example, the cap on the total number of EGMs allocated to hotels and clubs (27,500) is split evenly between the two venue types (that is, a 13,750 cap for clubs and a 13,750 cap for hotels) (AGC 2014). In contrast, the Tasmanian arrangements permit 2,500 EGMs within clubs and hotels, but do not specify a specific split between clubs and hotels within this overall cap, noting however that they do provide for a higher per venue cap for clubs (40 EGMs) than hotels (30 EGMs).

The factors discussed above explain why the vast majority of Tasmania's EGMs are located in hotels rather than clubs — a situation unique to Tasmania.

Table 6 shows the number of EGMs per 1,000 adults in Tasmania and Australia. The per adult estimates refer to the adult population, aged 18 years and over.

**Table 6 EGMs in casinos, hotels and clubs (Tasmania and Australia), 2012-13**

		Casinos	Hotels	Clubs	Total
Tasmania	Number of EGMs	1,173	2,180	173	3,526
	Per 1,000 adults	3.0	5.5	0.4	8.9
Australia	Number of EGMs	12,978	70,218	114,392	197,588
	Per 1,000 adults	0.7	4.0	6.5	11.1
Australia less WA *	Number of EGMs	10,978	70,218	114,392	195,588
	Per 1,000 adults	0.7	4.4	7.2	12.4

*Note:* \* Western Australia only permits EGMs within Crown Perth casino, an arrangement unique among Australian states and territories. Consequently, including Western Australia EGM numbers skews Australian summary figures.

*Source:* AGC 2014, ABS 2014a

Tasmania has a lower number of EGMs per 1,000 adults compared with Australia as a whole, particularly when Western Australian figures are excluded. However, the number of casino EGMs per 1,000 adults is considerably higher, reflecting the presence of two casinos in a relatively small population. Hotel and club EGM numbers per 1,000 adults also vary compared with Australian figures, though this is largely explained by the low rates of EGMs in Tasmanian clubs (discussed above).

### Gambling activities in Australia

Table 7 breaks down the types of gambling permitted within Australian jurisdictions. The forms of gambling permitted are broadly consistent between jurisdictions with the exception of Western Australia, which only permits EGMs and Keno within Crown Perth casino. In addition, Australia's only betting exchange (Betfair) is located in Tasmania (however, Betfair offers services to other jurisdictions). In August 2014 it was announced that Crown Resorts had purchased the remaining 50 per cent of Betfair Australasia (the parent company of Betfair) and that it is now a wholly-owned subsidiary of Crown Resorts (Crown Resorts 2014). Betfair's current licence with the Tasmanian Government ends 5 February 2016.

Table 7 Gambling types licensed in Australian states and territories

	Tasmania	Western Australia	Other Jurisdictions
Race wagering	✓	✓	✓
Sports betting	✓	✓	✓
Lotteries	✓	✓	✓
EGMs	✓	Casinos only	✓
Casino	✓	✓	✓
Keno	✓	Casinos only	✓
Football pools	✓	✓	✓
Minor gaming	✓	✓	✓
Betting exchange	✓	✗	✗
Online/Interactive gaming <sup>a, b</sup>	✗	✗	✗

Note: <sup>a</sup> Interactive gambling includes both telephone and internet gamblers. <sup>b</sup> Interactive gaming offered to Australians is prohibited under the *Interactive Gambling Act 2001 (Commonwealth)*.

Source: AGC 2014

As outlined in Table 7, casinos have a large presence within Australia's gambling industry. Today, there are currently 13 casinos across Australia's states and territories. Each of these is outlined in Table 8 below.

Table 8 Australia's casinos: opening year and ownership

Casino	Opening year	Owner
Wrest Point Hotel Casino (Hobart)	1973	Federal Group
SKYCITY Darwin	1979	SKYCITY Entertainment Group
Lasseters Alice Springs	1981	Lasseters Holdings
Country Club Tasmania (Launceston)	1982	Federal Group
Adelaide Casino	1985	SKYCITY Entertainment Group
Crown Perth	1985	Crown Resorts
Jupiters Hotel and Casino Gold Coast	1985	Echo Entertainment Group
Jupiters Townsville	1986	Colonial Leisure Group
Casino Canberra	1992	Casinos Austria International
Crown Melbourne	1994 <sup>a</sup>	Crown Limited
The Star (Sydney)	1995 <sup>a</sup>	Echo Entertainment Group
Treasury Casino and Hotel (Brisbane)	1995	Echo Entertainment Group
The Reef Hotel Casino (Cairns)	1996	Reef Casino Trust

Note: <sup>a</sup> Temporary casinos were opened at Crown Melbourne in 1994 and Star City in 1995, with permanent facilities for both casinos opening in 1997.

Source: ACA 2008; Echo Entertainment Group 2014

In addition to the casinos outlined above, another casino in Sydney has been approved, and is being developed by Crown Resorts. The agreement between the New South Wales Government and Crown Resorts to develop a six-star luxury hotel resort at Barangaroo South was announced in November 2013. The luxury hotel will only provide VIP gaming facilities, including private gaming rooms and luxury gaming salons for international, interstate and local members. It will not include EGMs and will not be open to the general public (Crown Resorts 2013).

Finally, in October 2013 the Queensland Premier and Minister for State Development, Infrastructure and Planning announced an expression of interest process for a casino development at Queen's Wharf, Brisbane. A total of four companies were invited to develop a bid – Crown Resorts Ltd, Far East Consortium / Chow Tai Fook Enterprises Ltd, Echo

Entertainment Group Ltd and Greenland Investment Pty Ltd. To date, a successful bidder has not been announced (Department of State Development, Infrastructure, and Planning 2014). The Queensland Government has also announced that it would consider making up to two additional casino licences available for other casino developments in Queensland. If all of these proposed casinos are developed, this will increase the number in Queensland from four to seven.

### 3.2 Industry structure

The major suppliers in Tasmania's gambling industry are Federal Group, TOTE Tasmania and Belfair, which are licensed under the Act and regulated by the TGC. The Act also sets out a Deed of Agreement between the Crown and Federal Group granting exclusive rights to Federal Group to conduct casino operations and operate Keno, table gaming and EGMs in Tasmania. TOTE Tasmania and Belfair have a Tasmanian Gaming Licence, whereas Federal Group has a Casino Licence and a Gaming Operators Licence.

#### Federal Group

Federal Group is a wholly owned subsidiary of Mulawa Holdings Pty Ltd, a private company. The Group's portfolio includes a number of gaming businesses — Wrest Point Hotel Casino, Country Club Casino, Network Gaming and Vantage Hotel Group — as well as a number of hospitality, tourism and liquor business — 9/11 bottle shops, Country Club Villas and five businesses under the Pure Tasmania Accommodation brand (Federal Group 2011, Federal Group 2014).

Network Gaming manages the network of EGMs and Keno equipment in hotels and clubs throughout Tasmania. In particular, it leases EGMs and Keno equipment to hotels and clubs and provides oversight and monitoring of EGMs. Network Gaming makes the ultimate commercial decision as to whether a licensed venue operator is provided with EGMs.

The Vantage Hotel Group was established to operate freehold hotels purchased by Federal Group. The Group currently has 11 hotels throughout Tasmania. There are no restrictions on the number of hotels the Group can purchase.

#### TOTE Tasmania

TOTE Tasmania was previously a state-owned company whose shares were held in trust by the Tasmanian Treasurer and Minister for Racing on behalf of the Crown. In May 2009, the Tasmanian Government expressed its intent to sell TOTE Tasmania — the government-owned betting agency. This was later formalised in the *TOTE Tasmania (Sale) Act 2009*, which authorised the Treasurer to sell shares in TOTE Tasmania and its subsidiaries, or the business of TOTE Tasmania and its subsidiaries (TGC 2012). In December 2011 TOTE Tasmania was sold to Tatts Group for approximately \$103 million. The sale was finalised in March 2012. The acquisition of TOTE Tasmania has provided TattsBet (a wholly owned subsidiary of Tatts Group) with exclusive access for 15 years to the Tasmanian racing and sports wagering market through 26 agencies and 110 outlets hosted in hotels and clubs. The wagering licence will run for 50 years with an option for an additional 49 years at no additional cost (TGC 2012, Tatts Group 2011). By June 2012 the integration of TOTE Tasmania into TattsBet was completed at a cost of \$12.2 million (Tatts Group 2012).

TOTE Tasmania markets to its customers pari-mutuel, or pool based, products on thoroughbred, harness and greyhound racing, as well as sport and fixed odds products (including sports betting). This is done via a variety of channels, including the telephone,

Internet, on-course and through a large network of hotel and retail outlets throughout the State.

### **Betfair**

Betfair offers fixed odds wagering products via a betting exchange platform, where customers can wager against one another on a fixed odds basis. Betfair also provides race wagering and sports betting fixed odds products on Australian sporting and racing events. Betfair is currently the only betting exchange operating in Australia. The majority of Betfair's business is generated from interstate and international customers. In August 2014 it was announced that Crown Resorts had purchased the remaining 50 per cent of Betfair Australasia and it is now a wholly-owned subsidiary of Crown Resorts (Crown Resorts 2014).

### **Other industry players**

There are a number of smaller players in the industry, such as bookmakers and those providing minor gaming activities such as bingo. There are no major lottery businesses located in Tasmania. However, companies located in other jurisdictions (such as the Queensland based Tatts Group) sell lottery products in Tasmania under a permit granted by the TGC.

A number of other businesses in the hotel and racing sectors earn revenue from gambling activities in Tasmania. In particular, a number of operator groups (including Woolworths and ALH Group, together with Vantage Hotel Group) operate hotels offering EGMs. The remainder are operated by smaller businesses. Tasmanian clubs also earn revenue from gambling (mostly Keno), but to a lesser degree than in most other states.

### **Consolidation of the industry**

There has been a small reduction in the number of gaming venues in Tasmania from 2011 to 2014 and small changes in the composition of gaming options on offer.

Table 9 shows Tasmanian gambling venues by venue type and gambling options on offer for 2011 and 2014. The total number of venues has fallen from 192 in 2011 to 189 in 2014. The composition of venues offering EGMs, Keno and TOTE has remained broadly consistent with the number of Keno only venues falling from 37 to 33, the number of EGM and Keno venues falling from 34 to 25, and the number of venues offering all three increasing from 68 to 75.

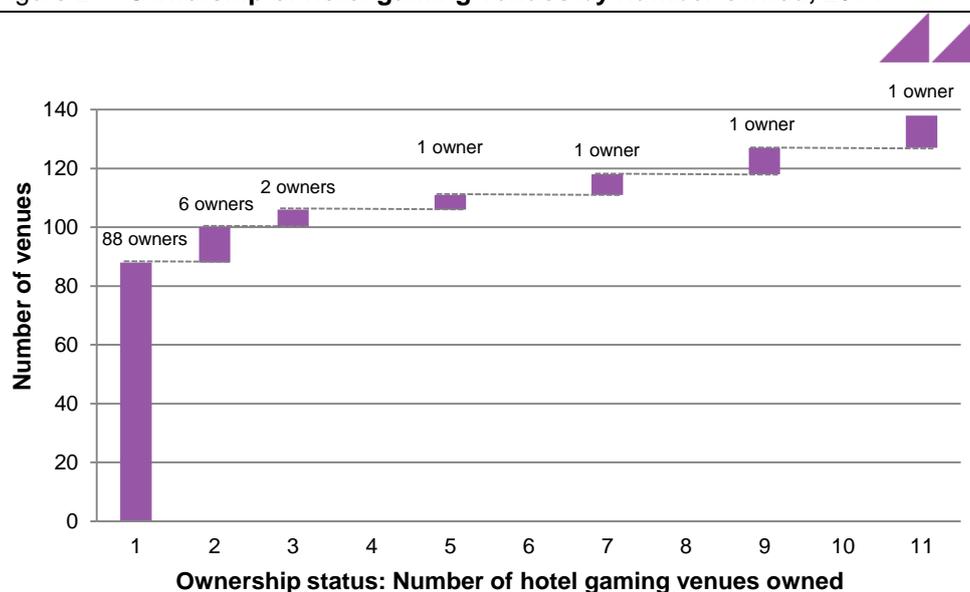
Table 9 **Gambling venues by type and offerings, 2011 and 2014**

	2011	2014
<b>Venues by type</b>		
Hotel	141	139
Club	28	28
Totalizator Agent	19	18
Casino	2	2
Ferry	2	2
Total	192	189
<b>Venues by gambling offering</b>		
Number of Keno only venues	37	33
Number of TOTE only venues	20	19
Number of EGM only venues	2	2
EGM and Keno	34	25
EGM and TOTE	0	0
Keno and TOTE	31	35
All three	68	75

Note: the totals include gambling on board the Spirit of Tasmania ships

Source: DTF unpublished data

The ownership of hotels offering gaming in Tasmania is such that the majority of owners control a single venue; however, there are a number of owners who control many venues, such that overall there are 100 individual owners of 138 hotels. Figure 2 plots the number of gaming hotel owners by the number of hotels offering gaming they own in 2014. In 2014 there were 88 gaming hotel owners who owned one venue, accounting for 88 per cent of owners. In 2014 there was one provider each with 11, 9, 7, and 5 hotels respectively. The largest owner (of 11 venues) thus accounted for 8 per cent of gaming hotel venues. Between 2011 and 2014 there was little change in the distribution of ownership.

Figure 2 **Ownership of hotel gaming venues by number owned, 2014**

Source: DTF unpublished data

### 3.3 Findings

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There has been little change in the Tasmanian gambling industry in the three years since the previous SEIS in 2011, either in terms of industry structure, operators or the number and type of gambling products available to Tasmanians.

In August 2014 it was announced that Crown Resorts had purchased a further 50 per cent of Betfair Australasia and it is now a wholly-owned subsidiary of Crown Resorts (Crown Resorts 2014). Another relatively recent change, which was announced just prior to the finalisation of the 2011 study, was the sale of TOTE Tasmania to Tatts Group.

At the national level, there has been considerable movement in the casino industry, with a new casino to be developed in Sydney by Crown Resorts, and up to three casinos to be developed in Queensland.



# Part Two

## SOCIAL IMPACTS OF GAMBLING IN TASMANIA

# II

## 4 Social impacts of gambling: insights from the 2013 Tasmanian Gambling Prevalence Survey

*This chapter draws upon findings from the 2013 Tasmanian Gambling Prevalence Survey to examine the social impacts of gambling in Tasmania (see Volume 2 for detailed results). The analysis is broad, considering the social costs and benefits of gambling on individuals, families and the community.*

### 4.1 Risky and problem gambling in Tasmania

The following section details estimates of risky and problem gambling in Tasmania using the Problem Gambling Severity Index (PGSI) and characteristics of problem gamblers. Note that unless otherwise noted, all estimates included in this section are based on weighted survey estimates.

#### Problem Gambling Severity Index

Respondents to the 2013 Tasmanian Gambling Prevalence Survey who reported gambling in the past 12 months were asked a standard set of nine questions forming the PGSI. Based on their responses individuals were classified into one of four gambling categories shown in Table 10.

Table 10 **PGSI categories**

PGSI category	Description
Problem gamblers	...are those who have experienced adverse consequences as a result of their gambling and who may have lost control of their gambling behaviour. Involvement in gambling may be at any level, but is likely to be heavy. Problem gamblers have scores of 8 or more on the PGSI
Moderate risk gamblers	...are those who have responded 'never' to most of the indicators of behavioural problems in the PGSI. This group may or may not have experienced adverse consequences from gambling. Moderate risk gamblers have scores of 3 to 7 on the PGSI
Low risk gamblers	...are unlikely to have experienced any adverse consequences from gambling and will have answered 'never' to most of the indicators of behavioural problems in the PGSI. Low risk gamblers have scores of 1 or 2 on the PGSI
Non-problem gamblers	...are those who have responded 'never' to all of the indicators of behavioural problems (that is, who score 0 on the PGSI). Members of this group may still be frequent gamblers with heavy involvement in gambling in terms of time and money, but they will not have experienced any adverse consequences.

Survey respondents who had not participated in any gambling activity in the previous 12 months were identified as *non-gamblers*.

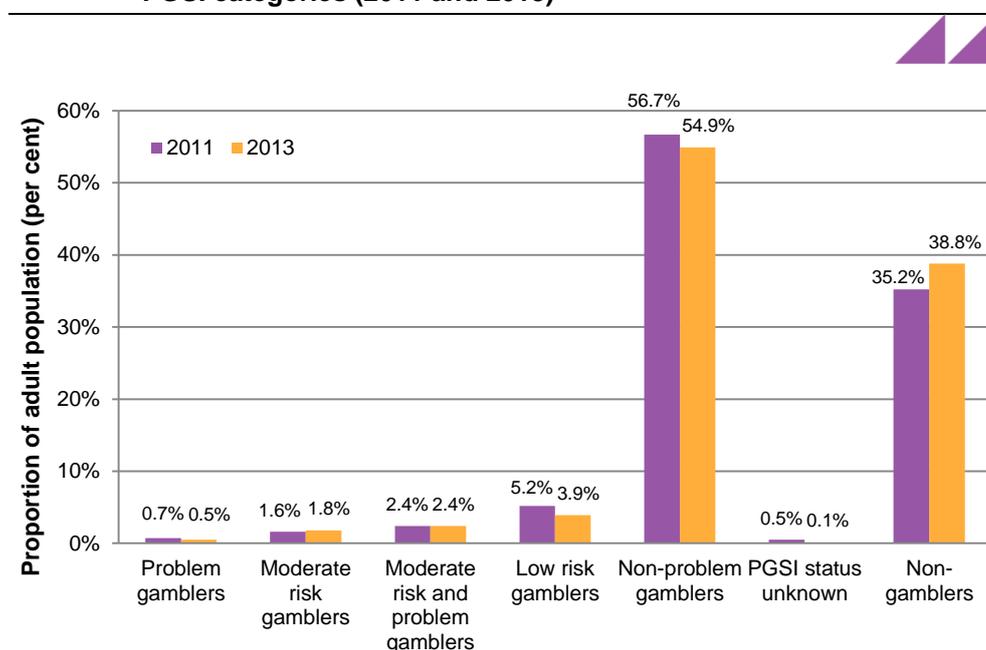
Due to the low number of moderate risk and problem gambling respondents an aggregate category of moderate risk/problem gambling has been included below to provide a higher level of statistical reliability for any estimates shown.

## Problem gambling prevalence across Tasmania

Figure 3 shows the proportion of survey participants by gambling severity category for 2011 and 2013. Based upon the results of the Tasmanian Gambling Prevalence Survey, in 2013 0.5 per cent of Tasmanian adults were classified as problem gamblers, 1.8 per cent were considered moderate risk gamblers, 3.9 per cent were low risk gamblers, 54.9 per cent were classified as non-problem gamblers and the remaining 38.8 per cent were classified as non-gamblers. During both 2011 and 2013, 2.4 per cent of respondents were classified as moderate risk or problem gamblers, such that the proportion of Tasmanian adults experiencing the most acute problems associated with gambling is unchanged.

The only significant ( $p < 0.05$ ) changes evident since 2011 were, an increase in the proportion of non-gamblers from 35.2 per cent in 2011 to 38.8 per cent in 2013; and, secondly, a decline in the proportion of low risk gamblers from 5.2 per cent in 2011 to 3.9 per cent in 2013.

Figure 3 **Gambling severity amongst Tasmanian adults as measured by PGSI categories (2011 and 2013)**



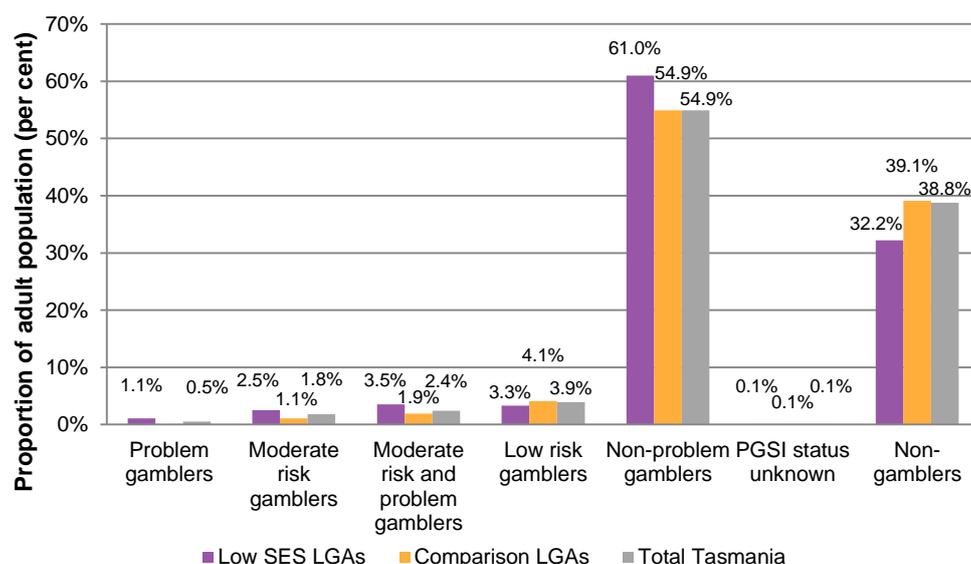
Source: 2011 and 2013 Tasmanian Gambling Prevalence Surveys, 2013 Q. E1

Figure 4 shows gambling severity of survey participants by low SES LGAs, comparison LGAs, and all of Tasmania. In the low SES LGAs, 1.1 per cent of participants were classified as problem gamblers, 2.5 per cent as moderate risk gamblers and 3.3 per cent low risk gamblers.

The proportion of non-gamblers was significantly lower in the low SES LGAs (32.2 %) than it was amongst the comparison LGAs (39.1%) and Tasmanian adults overall (38.8%). The prevalence of non-problem gambling was significantly higher in low SES LGAs (61.0%) than in comparison LGAs (54.9%) and Tasmania overall (54.9%).

This analysis certainly suggests that there is a relationship between SES and PGSI status – the lower the SES of the area individuals reside within, the greater the likelihood that they will participate in gambling activities.

Figure 4 PGSI category by LGA groupings, 2013



Note: Comparison LGAs Problem gamblers results were suppressed due to Relative Standard Error > 50% or privacy concerns but included in totals where applicable.

Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s A1 and E1.

### Characteristics of problem gamblers

The survey participants were asked a range of demographic questions including: gender, age, household structure, occupational status, annual income, educational attainment, and place of birth. Table 11 provides a brief summary of the main demographic characteristics of each gambling severity categories.

As the survey was cross-sectional, it is not possible to say which direction the following relationships run – are people with certain characteristics more likely to gamble and subsequently experience problems with their gambling? Or do people undertaking gambling and subsequently experiencing problems then experience change in certain characteristics, such as a change in income? The nature and direction of these relationships will be able to be explored in Part B of the current study, which will be completed in 2015. Part B includes a longitudinal survey of gamblers, tracking their gambling behaviours and other characteristics over time.

Table 11 Characteristics of gamblers

Gambling severity	Details
Non-problem gamblers	<p>Compared to all Tasmanian adults the prevalence of non-problem gambling was significantly <i>higher</i> amongst those:</p> <ul style="list-style-type: none"> <li>▪ living with a partner and whose children have left home (58.1%)</li> <li>▪ in full-time paid employment (60.1%)</li> <li>▪ with personal annual incomes of \$65,000 to \$79,999 (66.9%) or \$80,000 to \$129,999 (63.6%)</li> <li>▪ who left school without completing year 12 (60.0%)</li> <li>▪ with a trade or vocational qualification (58.8%)</li> <li>▪ born in Australia (56.5%).</li> </ul> <p>By contrast, the prevalence of non-problem gambling was significantly <i>lower</i> amongst:</p> <ul style="list-style-type: none"> <li>▪ younger people aged 18-24 years (46.2%) and 25-34 years (48.5%)</li> <li>▪ those living in group or shared households (38.3%)</li> <li>▪ people who described their occupation as household duties (44.8%)</li> <li>▪ students (38.4%)</li> <li>▪ people with personal annual incomes of less than \$25,000 (50.5%) or \$130,000 or more (40.0%)</li> <li>▪ university graduates (46.6%).</li> </ul>
Low risk gamblers	Compared to the total Tasmanian adult population there was a significantly higher prevalence of low risk gambling amongst 18 to 24 year olds (9.5%) and a lower prevalence amongst people aged 65 years or more (2.4%), retirees (2.5%) and university graduates (2.4%).
Moderate risk gamblers	Compared to the total Tasmanian adult population, the prevalence of moderate risk gambling was significantly higher amongst people born in Australia, and lower amongst people aged 65 years or more (0.9%) and university graduates (1.1%).
Problem gamblers	Compared to all Tasmanian adults, the prevalence of problem gambling was significantly higher amongst people who were in full-time paid employment 1.1 per cent compared to 0.8 per cent of all Tasmanian adults.
Moderate risk/Problem gamblers	The prevalence of this combined group of moderate risk and problem gamblers was lower amongst people aged 65 years or more, 1.1 per cent compared to 2.4 per cent of all Tasmanian adults.

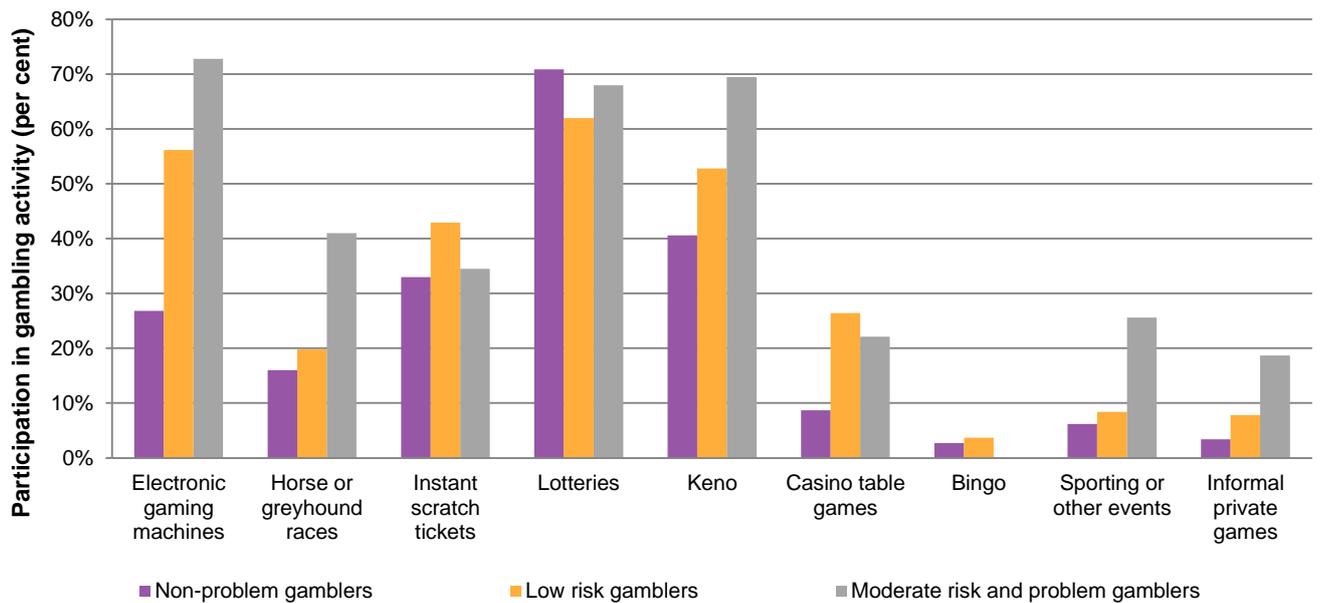
Source: ACIL Allen Consulting et al 2014

### Problem gambling across gambling modes

Figure 5 shows participation in various gambling activities for selected gambling severity categories. The following details the main differences in gambling behaviour between non-problem gamblers and those with some level of gambling risk.

- *Low risk gamblers*: Compared to non-problem gamblers, a significantly higher proportion of low risk gamblers played EGMs (56.2% compared to 26.8%), and casino table games (26.4% compared to 8.7%).
- *Moderate risk gamblers*: Compared to non-problem gamblers, a significantly higher proportion of moderate risk gamblers, played EGMs (69.1% compared to 26.8%), bet on horse or greyhound races (34.5% versus 16.0%), played Keno (70.3% versus 40.6%), and bet on sporting or other events (20.7% versus 6.2%).
- *Problem gamblers*: Because of the small sample size of persons identified as problem gamblers, estimates of problem gamblers participation in these activities are of limited reliability. Compared to non-problem gamblers, problem gamblers have particularly high levels of participation in EGMs, horse or greyhound racing, Keno, casino table games, sporting or other events and informal private games.
- *Moderate risk/Problem gamblers*: Compared to non-problem gamblers, the combined group of moderate risk and problem gamblers had statistically significant higher levels of participation for EGMs (72.8% versus 26.8%), horse or greyhound racing (41.0% versus 16.0%), Keno (69.5% versus 40.6%), casino table games (22.1% versus 8.7%), sporting or other events (25.6% versus 6.2%) and informal private games (18.7% versus 3.4%).

Figure 5 Gambling activity by gambling severity (PGSI), 2013



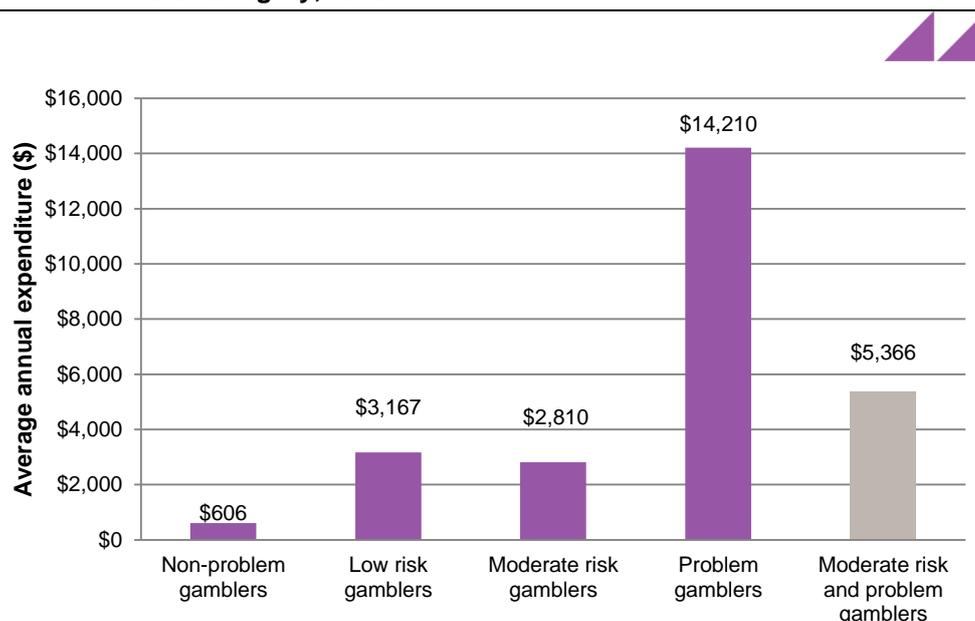
Note: Moderate risk and problem gambling Bingo results were suppressed due to Relative Standard Error > 50% or privacy concerns but included in totals where applicable. 'Any other activity' and 'Day trading' is not reported due to limited publishable data.

Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s - B1 and E1.

### Gambling expenditure by PGSI categories

Noting issues identified in Section 5 of the Volume 2 report regarding the accuracy of self-reported gambling expenditure, Figure 6 shows the average annual expenditure by gambling severity. When compared to non-problem gamblers (\$606), expenditure by low risk gamblers (\$3,167), moderate risk gamblers (\$2,810) and problem gamblers (\$14,210) was significantly higher. The average expenditure by the combined group of moderate risk and problem gamblers (\$5,366) was also significantly higher than that of non-problem gamblers.

Figure 6 **Average annual individual expenditure on gambling activity by PGSI category, 2013**



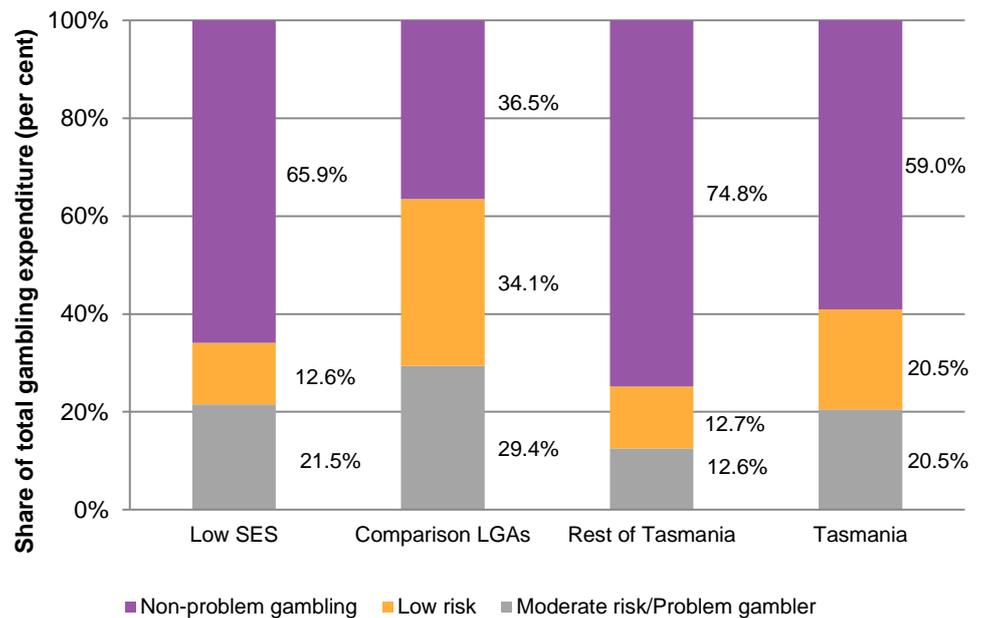
*Note:* The survey typically defined expenditure as net spending (outlays minus winnings). The sampling error is larger than the difference in expenditure between low and moderate risk gamblers. As such, sampling error may be responsible for estimates suggesting low risk gamblers spend more on average than moderate risk gamblers (this difference is not statistically significant).

*Source:* 2013 Tasmanian Gambling Prevalence Survey, Q.s - B1, C2, D1ba-D10b and E1

An alternative way of looking at the significance of problem gambling in Tasmania is to consider estimates of the share of gambling expenditure on the basis of PGSI category (see Figure 7). This analysis estimates that for the whole of Tasmania, individuals identified as moderate risk or problem gamblers by the PGSI account for 20.5 per cent of total gambling expenditure, and that low risk gamblers account for a further 20.5 per cent respectively. Note that Figure 7 does not include the 38.8 per cent individuals who classify as non-gamblers, where non-gamblers are those who have not participated in any gambling activity in the previous 12 months. These expenditure shares do vary between the focus LGA categories – within the low SES LGAs, moderate risk and problem gamblers are estimated to account for 21.5 per cent of total gambling expenditure, whereas this share is 29.4 per cent within the four comparison LGAs.<sup>6</sup>

<sup>6</sup> Due to the small cell sizes involved there is a significant estimation error surrounding the estimated expenditure shares reported in Figure 7.

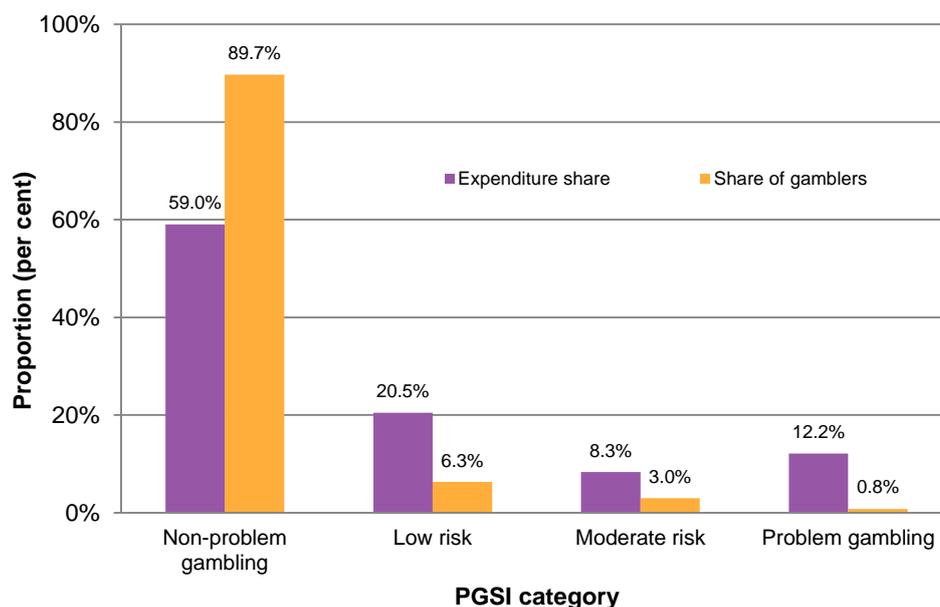
Figure 7 Proportion of total gambling expenditure by PGSI category, by LGA groups



Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s B1, C2, D1ba-D10b and E1

Further insight into gambling expenditure on the basis of PGSI category is provided when the estimated expenditure shares are considered alongside the proportion of gamblers in the various PGSI categories (see Figure 8). This analysis indicates that while individuals identified as problem gamblers under the PGSI represent 0.8 per cent of gamblers, their expenditure comprises 12.2 per cent of all gambling expenditure. Similarly, moderate risk gamblers represent 3 per cent of all gamblers, but 8.3 per cent of total expenditure. Conversely, non-problem gamblers represent 89.7 per cent of gamblers and 59 per cent of expenditure.

Figure 8 Proportion of total gambling expenditure by PGSI category, and share of gamblers



Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s B1, C2, D1ba-D10b and E1.

### Predictors of problem gambling

The 2013 Tasmanian Gambling Survey was also analysed to identify the main predictors of PGSI category (see Section 6.6 in Volume 2). This analysis used an ordinal logistic regression, where the dependent variable was the PGSI category. The first analysis considered a range of socio-demographic variables, with the second considering gambling participation after taking the socio-demographic variables into account. The variables used in this analysis and their significance is summarised in Table 12. The analysis found the following to be significant factors in influencing PGSI categorisation of respondents:

- **socio-demographic factors** of significance included age, with a negative relationship between age and PGSI score
- **quality of life factors** of significance included psychological health and social relationships, both of which were negatively related to PGSI categories
- **substance use factors** of significance included binge drinking and frequency of tobacco, both with a positive relationship
- **mental health factors** of significance included depression and impulsiveness, again both with a positive relationship
- **positive mental health factors** of significance included personal growth and autonomy, and using instrumental support to cope, all with a negative relationship. Using self-distraction to cope was also significant and had a positive relationship with PGSI categories.

The **gambling activity factors** of significance included participation in EGMs, horse or greyhound races, lotteries, Keno, and informal private games, all of which had a positive relationship with higher PGSI categories. Gambling activities not identified as having a statistically significant relationship with higher PGSI categories included instant scratch tickets, casino table games and bingo.

Table 12 Analysis exploring factors influencing PGSI category

Category	Variables of significance	Direction	Additional variables analysed
Socio-demographic characteristics	Age	Negative	Gender, dependent children in the household, living with a partner, currently being in paid employment, annual personal income, country of birth, cultural identity, and education
Gambling activity	Participation in EGMs, horse or greyhound races, lotteries, Keno, and informal private games	Positive	Instant scratch tickets, casino table games, bingo, sporting or other events
Quality of life indicators	Psychological health quality of life and social relationships quality of life	Negative	Physical health quality of life, environment quality of life
Substance use	Binge drinking and frequency of tobacco use	Positive	Non-prescription drug use (excluding tobacco and alcohol), and prescription drug use (other than as directed by a doctor)
Mental health	PHQ-2 depression and BIS-Brief Impulsivity	Positive	GAD-2 Anxiety score, ANS Panic score, Mini-SPIN Social Anxiety score, PC-PTSD score, ASRS ADHD score
Positive mental health	PMHI Personal Growth and Autonomy; and Brief COPE Instrumental Support	Negative	PMHI Interpersonal Skills, Brief COPE Active Coping, Brief COPE Planning, Brief COPE Positive Reframing, Brief COPE Religion, Brief COPE Emotional Support
	Brief COPE Self-distraction	Positive	

Source: ACIL Allen Consulting et al 2014

## 4.2 Social costs and benefits of gambling

This section considers the social costs and benefits associated with gambling, drawing upon findings from stakeholder consultations and the 2013 Gambling Prevalence Survey. Again, unless otherwise noted, all estimates included in this section are based on weighted survey estimates.

The findings from the Tasmanian primary field work echo the findings in the literature that has been published over the years and summarised most succinctly in PC (1999) & Walker (2014).

These various social costs and benefits are provided in Table 13. The social costs associated with gambling are all related to when individuals experience problems with their gambling, which harms themselves or their family, friends and other members of the community.

Table 13 Social costs and benefits of gambling

Costs	Benefits
<i>Work and study:</i> job loss, absenteeism and poor performance	<i>Entertainment and enjoyment:</i> gambling is an enjoyable activity for many people
<i>Personal:</i> stress, depression, suicide and poor health	
<i>Financial:</i> debt, asset losses and bankruptcy	
<i>Legal:</i> theft and imprisonment	
<i>Interpersonal:</i> relationship breakdown and family neglect	
<i>Communities:</i> loads on charities and the public purse	

Source: PC 1999; Walker 2014; Korn 2004

The social benefits of gambling are considered to largely relate to entertainment and enjoyment. Other benefits associated with gambling, such as employment, government revenues and community contributions, are explored in Chapters 7 and 8 of this report.

### Insights from the second social and economic impact study

The second SEIS sought to estimate (in quantitative terms) the costs and benefits of gambling in Tasmania. This previous analysis considered gamblers, gambling providers, the Tasmanian Government and society more broadly.

This previous study estimated that the total benefits of gambling in Tasmania were between \$174 and \$222 million in 2011. Separately, the costs were estimated to be between \$37 and \$184 million (The Allen Consulting Group et al, 2011). The results range for both the total benefits and costs mean that there is a high degree of variability around these estimates.

Many of the costs associated with gambling were derived by analysis from other contexts and jurisdictions, much of which was detailed in a 1999 Productivity Commission report (PC 1999).

Careful consideration was given to whether an update of these estimates should be undertaken in the current report. Adequate data on the negative impacts of gambling, and its associated costs, was not able to be identified, leading to the decision to not update the analysis.

### Social costs of gambling

The social costs of gambling identified in the literature, and outlined in Table 13, reflect feedback from stakeholders who noted that the impact of gambling is widespread affecting not only individuals, but also families and the wider community. These three levels of costs are explored below.

#### Individual level costs

The following section details the individual level effects of gambling on problem gamblers using data gathered through the 2013 Tasmanian Gambling Prevalence Survey and is supported by consultations with stakeholders.

The effects of gambling have been separated into self-reported harms, quality of life, substance abuse, mental health and positive mental health. This section identifies the differences between non-gamblers, gamblers and problem gamblers in relation to the above categories.

The section below on self-reported experience of gambling-related harms is based on a subset of the full prevalence survey sample (n=978) who were identified as being 'at risk gamblers'. The remaining sections including quality of life, substance, mental health and positive mental health considered respondents to the supplementary component of the prevalence survey (n=1,887).

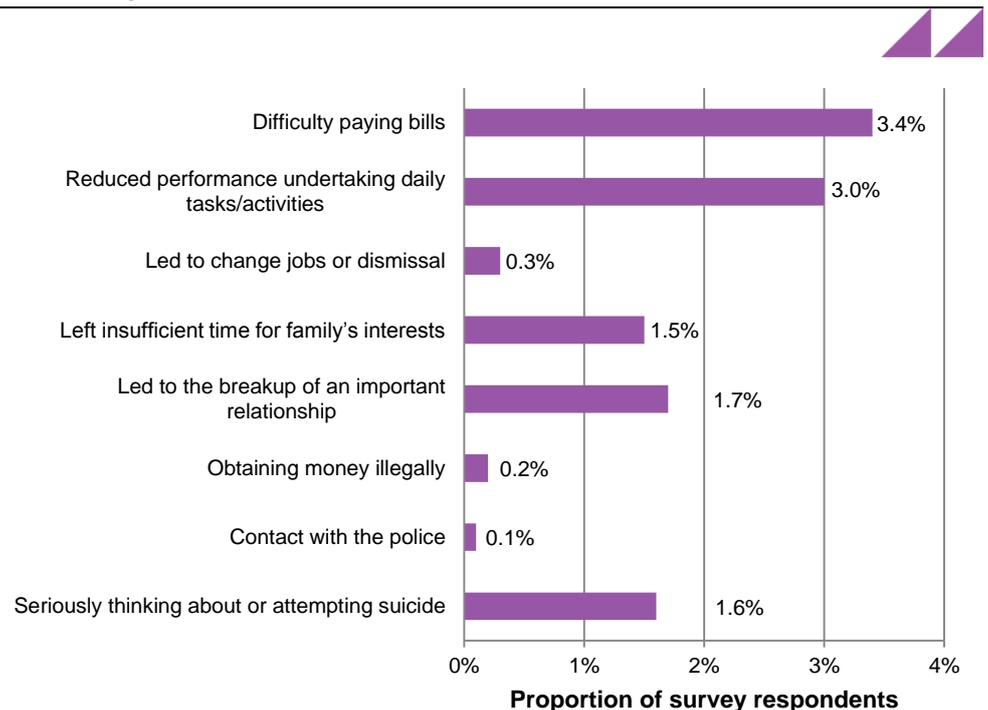
#### Self-reported harms

A subset of gamblers at risk of harm from gambling were asked eight questions about their personal experience of gambling related harms. Specifically this group included those whose PGSI score classified them as low risk, moderate risk or problem gamblers; those who spent more than \$2,000 a year on gambling; and those who gambled 12 or more times a year on activities other than scratch tickets or lotteries.

Figure 9 shows the extent to which these gamblers had personally experienced these gambling-related harms during the past three years.

As a result of their gambling, 3.4 per cent reported difficulty paying bills, repaying debt or meeting other expenses; 3.0 per cent experienced reduced performance in undertaking daily tasks and activities; 1.7 per cent had experienced the break-up of an important relationship in their lives; 1.6 per cent had attempted or seriously thought about attempting suicide; and 1.5 per cent felt their gambling had left insufficient time to look after the interests of their family.

Figure 9 **Personal experience of gambling related harms in the past three years, 2013**



Source: 2013 Tasmanian Gambling Prevalence Survey, Q: G1a-G1h.

Participants list personal experiences of family breakdown, divorce, suicide, depression, interactions with legal and corrective services, lack of money, mental health problems, work problems and health problems as the social and economic impacts of gambling.

*Anglicare public submission, 2014*

I maxed out the credit card and then had to mortgage the house and I sold shares and lost all my super.

*Anglicare client 2014*

The above results echoed feedback from consultations with Tasmanian gambling and other support services, including:

- a suicide counselling service which noted that a significant proportion of their clients experience financial difficulties, often due to a problem with gambling
- a community house which found a number of people receiving emergency relief (e.g. food vouchers) had gambling issues and were therefore unable to pay bills
- Anglicare Tasmania, which saw clients that were 'unable to afford to eat, and unable to afford to heat their homes' because of a gambling problem, and others who had lost all of their assets (e.g. home, superannuation)
- a community health service which found that clients experiencing difficulty in their life turned to harmful activities such as gambling and drug/alcohol abuse
- multiple stakeholders who noted that those with a gambling problem had difficulty finding stable employment as they were unable to concentrate at work.

### Quality of life

All respondents who completed the supplementary component of the 2013 prevalence survey completed questions relating to their quality of life over the previous four weeks. These quality of life questions related to the following four domains:

- **physical health** (including physical pain, medical treatment, energy, ability to get around, sleep, daily living activities, and capacity for work)
- **psychological health** (including enjoyment of life, meaningfulness, concentration, bodily appearance, self, and negative feelings)
- **social relationships** (including personal relationships, sex life, and support from friends)
- **environment** (including safety, physical environment, money, information, leisure activities, living place conditions, access to health services, and transport).

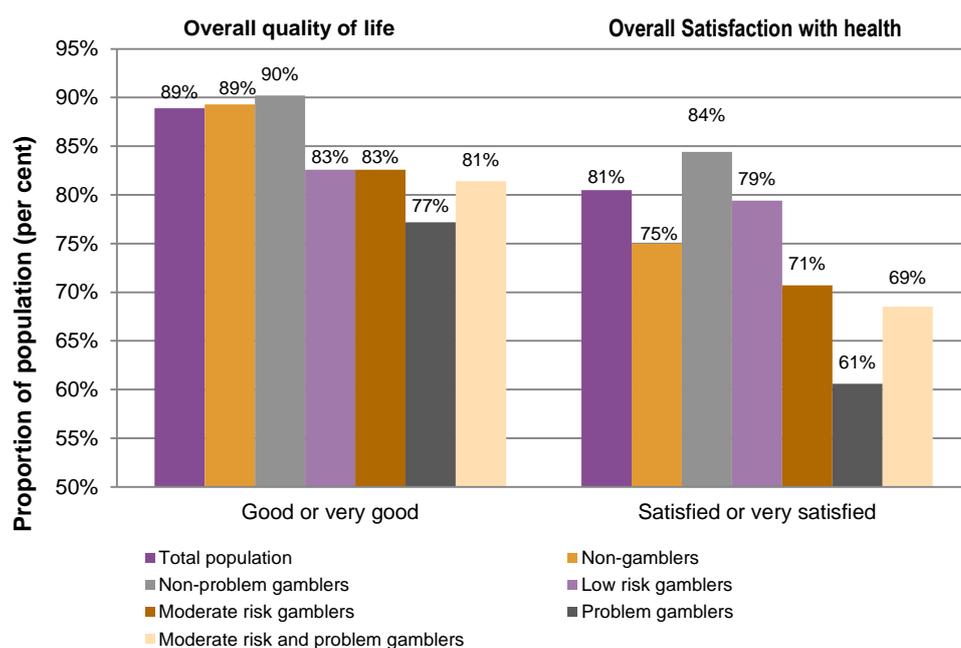
The additional questions also contained two global items which evaluate overall quality of life and satisfaction with health.

Figure 10 shows individuals self-reported overall quality of life and satisfaction with health by PGSI category. The analysis suggests a relationship between the two measures and PGSI category – the higher the PGSI category, the lower the reported overall quality of life, or satisfaction with health.

Overall quality of life was rated as either 'good' or 'very good' by 90.2 per cent of non-problem gamblers; by 82.6 per cent of low risk and of moderate risk gamblers; and by 77.2 per cent of problem gamblers.

Satisfaction with health was either 'satisfied' or 'very satisfied' for 84.1 per cent of non-problem gamblers, 75.0 per cent of non-gamblers and 68.5 per cent of moderate risk/problem gamblers, who were significantly less satisfied with their health.

Figure 10 Overall quality of life and satisfaction with health by PGSI category



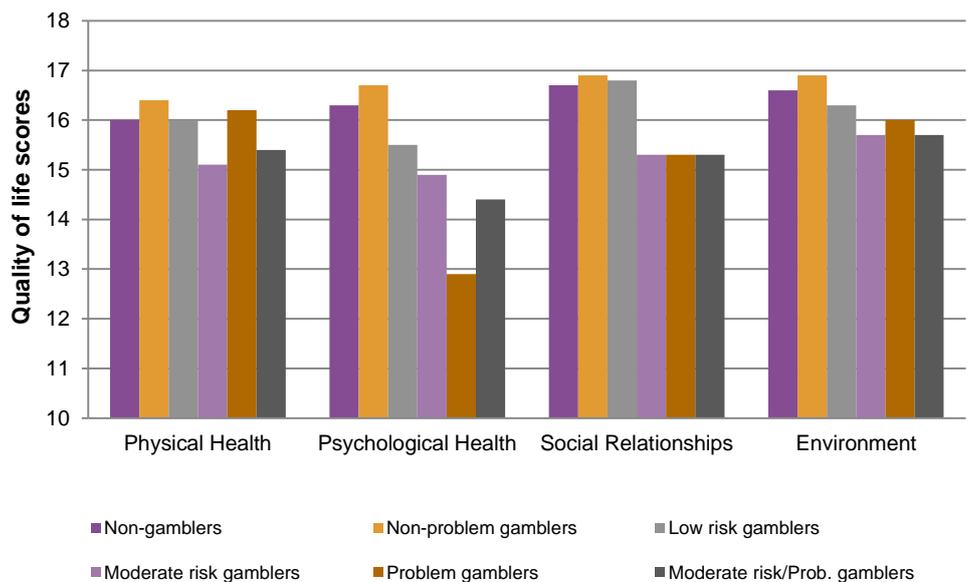
Source: 2013 Tasmanian Gambling Prevalence Survey, Q: L1a.

The results above, which show those with a gambling problem have a lower quality of life, reflects insights obtained from stakeholder consultations. Specifically, stakeholders noted that those with a gambling problem often experience multiple mental and physical health problems which negatively impacts their quality of life.

Figure 11 shows average survey respondents' scores in the quality of life domains by gambling severity.

In relation to the overall physical health domain score, moderate risk/problem gamblers and moderate risk gamblers alone had lower overall scores (15.4 and 15.1 respectively) than non-problem gamblers (16.4). Problem gamblers reported a lower overall psychological health domain score than non-problem gamblers; 12.9 compared to 16.7 out of 20. The moderate risk and problem gamblers combined category and moderate risk gamblers alone both had significantly lower overall social relationships domain scores (15.3) than non-problem gamblers (16.9). In relation to the overall environment domain score, the moderate risk and problem gamblers combined category (15.7), moderate risk gamblers alone (15.7) and low risk gamblers (16.3) all had significantly lower scores than non-problem gamblers (16.9).

Figure 11 Quality of life domains by PGSI category



Note: Above scores are out of 20.

Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s: L2a, L2b, L3a, L1b, L4b, L4c, L4d, L2c, L2d, L2e, L3b, L4e, L6, L4f, L5, L4g, L2f, L2g, L3c, L3d, L3e, L4h, L4i, L4j.

**Substance use**

Respondents to the supplementary component of the 2013 Tasmanian Gambling Prevalence Survey were asked to report on their patterns of substance use, including alcohol, tobacco, and both prescription and non-prescription drugs, in the previous three months. Figure 12 provides a summary of selected measures regarding respondents' substance use by gambling severity.

A clear relationship can be observed on the basis of PGSI category and daily use of tobacco – the higher the PGSI category, the greater the use of tobacco. A significantly higher proportion of moderate risk and problem gamblers as a combined group (27.8%) and

People who present with drug and alcohol often have gambling issues too - counsellors often do not discover this until they have built up trust with the client  
 Devonport support service representative, 2014

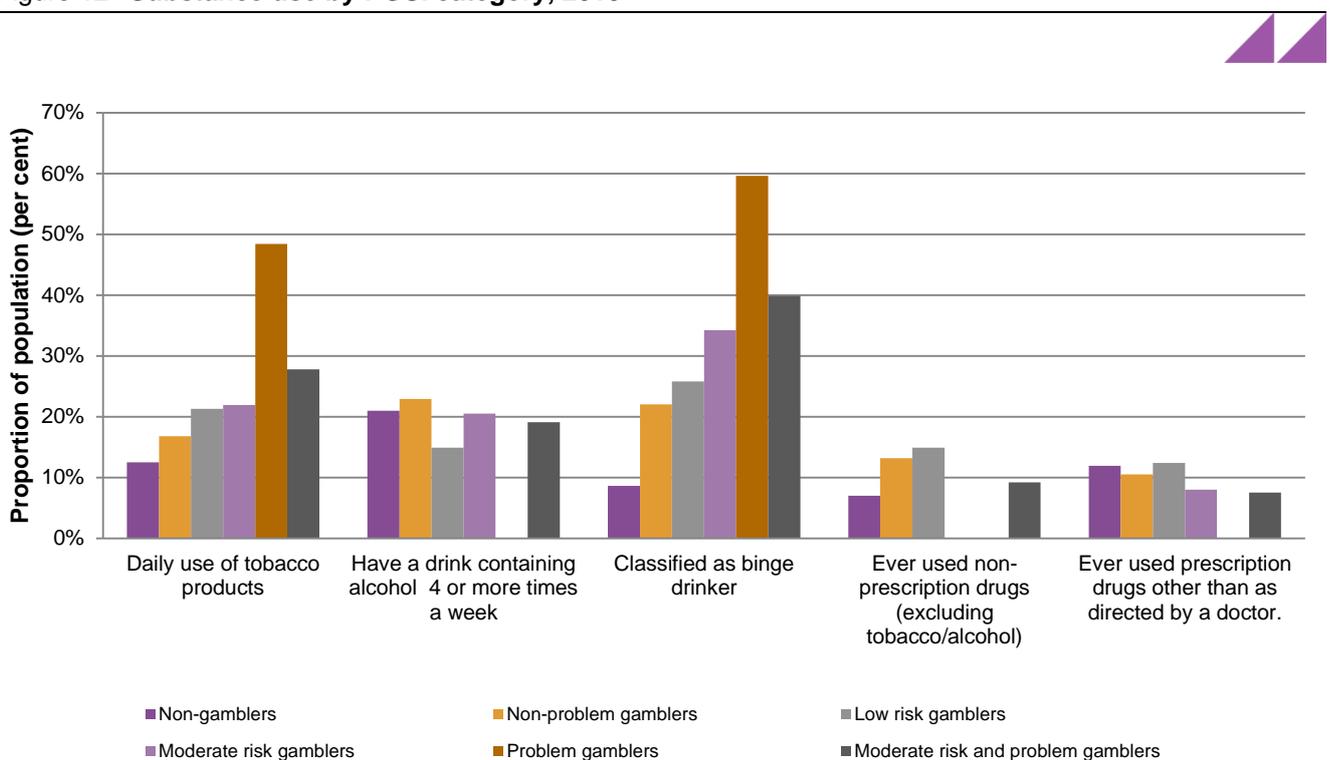
problem gamblers alone (48.4%) use tobacco products daily, compared to non-problem gamblers (16.8%).

There is also a clear relationship between PGSI category and being classified as a binge drinker. Compared to just over one in five non-problem gamblers (22.0%), a significantly higher proportions of moderate risk and problem gamblers as a combined category (39.9%) and problem gamblers in particular (59.6%) were classified as binge drinkers

Compared to non-gamblers (7.0%), moderate risk and problem gamblers as a combined category (9.2%) were more likely to respond positively to using non-prescription drugs.

Around one in ten supplementary survey respondents reported ever using prescription drugs that had not been prescribed by their doctor; this was similar across subgroups with no significant differences.

Figure 12 Substance use by PGSI category, 2013



Note: Some result suppressed for problem gamblers and moderate risk gamblers due to Relative Standard Error > 50% or privacy concerns but included in totals where applicable.

Source: 2013 Tasmanian Gambling Prevalence Survey Q.s: M1c, M2, M1a, M1b, M1d, M1e.

**Mental health**

Gambling is often seen as an outcome for someone with broader mental health issues making it more difficult to combat

*Break O'Day community service representative, 2014*

Figure 13 presents the summary mental health measures by PGSI category. The figure shows a number of significant differences between moderate risk and problem gamblers as a combined category, and low risk and non-problem gamblers. For each summary measure other than post-traumatic stress disorder (PTSD), the proportion of moderate risk and problem gamblers showing problems in each mental health measure was significantly higher than it was amongst non-problem gamblers.

Compared to non-problem gamblers (9.7%), moderate risk and problem gamblers as a combined category were almost three times (27.0%) more likely to show indications of depression. Similarly for anxiety, 11.0 per cent of non-problem gamblers showed indications

of anxiety compared to 28.7 per cent of moderate risk and problem gamblers as a combined category.

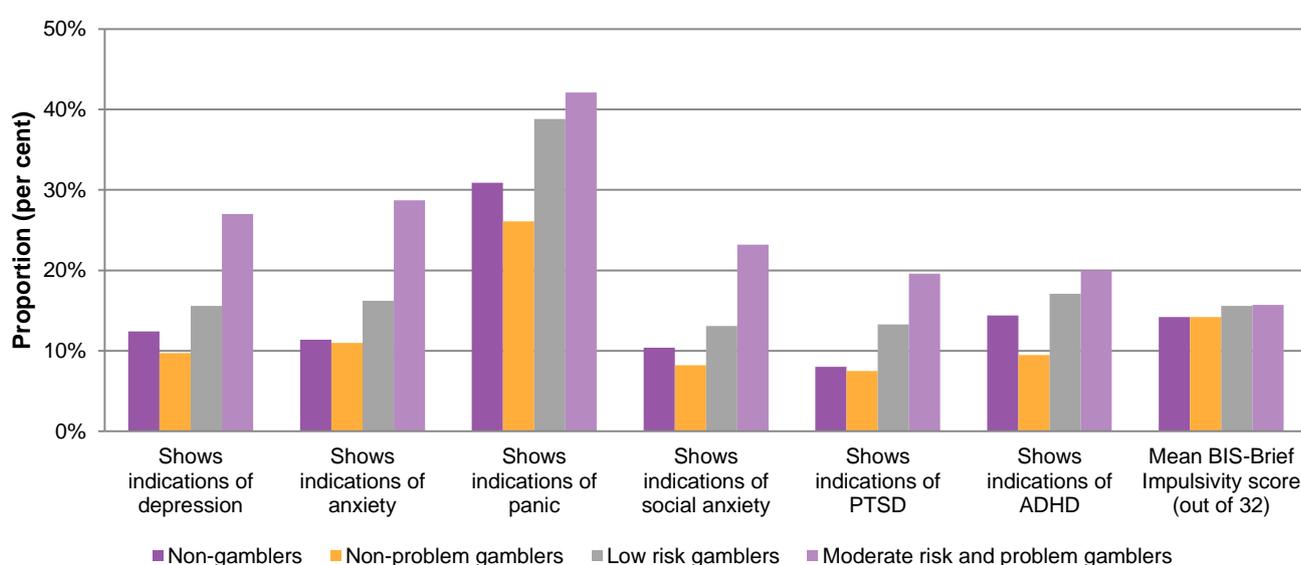
Approximately one quarter (26.1%) of non-problem gamblers showed indications of panic, with significantly higher proportions in moderate risk and problem gamblers (as a combined category) (42.1%).

Less than one in ten (8.2%) non-problem gamblers showed signs of social anxiety, compared to a significantly higher proportion (23.2%) of moderate risk and problem gamblers as a combined category.

The proportion of non-problem gamblers who showed signs of attention deficit hyperactivity disorder (ADHD) (9.5%) was significantly lower than that of moderate risk and problem gamblers as a combined category (20.0%).

Compared to non-problem gamblers (mean impulsivity score of 14.2), significantly higher scores were evident on this measure for moderate risk and problem gamblers as a combined category (15.7), and low risk gamblers (15.6).

Figure 13 **Mental health summary measures by PGSI category, 2013**



Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s: N1-N6

### Positive mental health

Respondents to the supplementary survey were asked a series of questions relating specifically to positive mental health. Figure 14 presents summary measures for the main aspects of positive mental health investigated in this survey (a score out of 6).

For the measure of personal growth and autonomy, non-problem gamblers had a mean score of 4.9, with all other categories having significantly lower scores: problem gamblers (4.5), moderate risk and problem gamblers as a combined category and moderate risk gamblers (both 4.6), low risk gamblers (4.7) and non-gamblers (4.8).

Compared to non-problem gamblers, non-gamblers had a statistically significantly lower score on the measure of interpersonal skills, 4.9 compared to 5.0 from non-problem gamblers.

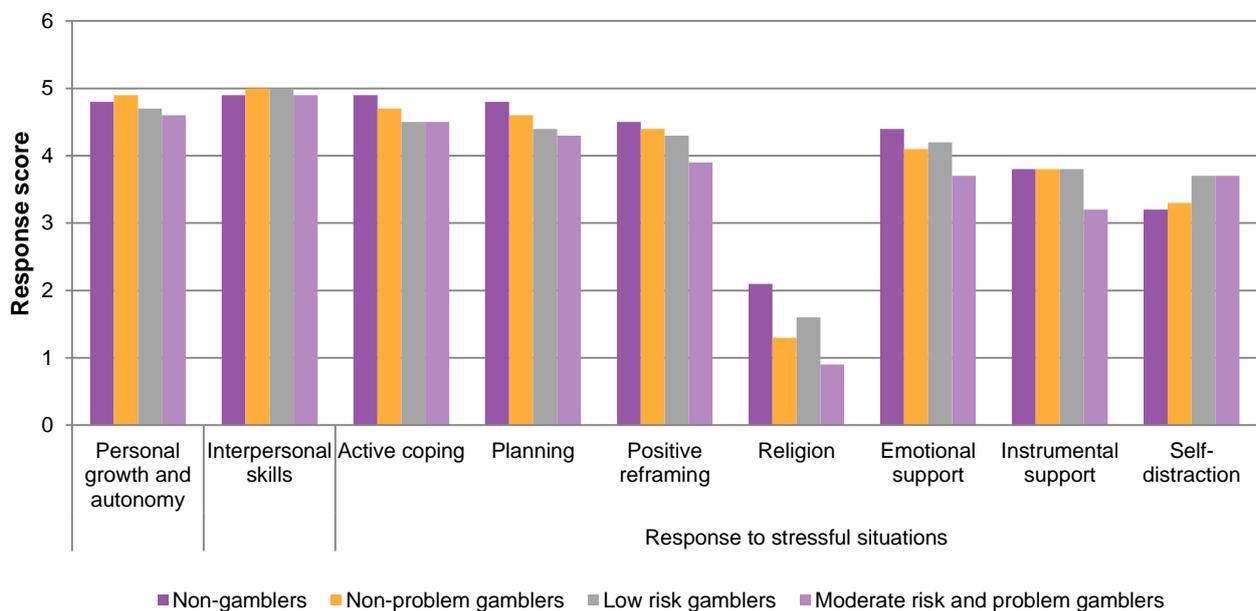
Moderate risk and problem gamblers as a combined category (3.9) and problem gamblers (3.7) scored significantly lower on positive reframing than non-problem gamblers (4.4).

Problem gamblers scored significantly lower (2.3) than non-problem gamblers (4.1) on emotional support.

Compared to non-problem gamblers (3.8), moderate risk and problem gamblers as a combined category (3.2), moderate risk gamblers (3.4) and problem gamblers (2.4) all scored significantly lower in relation to instrumental support.

Low risk gamblers and moderate risk and problem gamblers as a combined category had significantly higher scores of 3.7 on the measure of self-distraction compared to non-problem gamblers (3.3).

Figure 14 Mean positive mental health summary measures by PGSI category, 2013



Source: 2013 Tasmanian Gambling Prevalence Survey, Q.s: O1-O3.

### Family level costs

Family members of those with a gambling problem are increasingly seeking support. This can be reflected by the 10 percentage point increase in the proportion of non-gamblers, in particular wives and mothers, accessing gambling support services between 2010-11 and 2012-13 (Data provided by DHHS 2014).

The literature and feedback from stakeholders, in particular support service providers and local/state governments, suggest that family members frequently seek support as a result of family breakdown that has been caused by gambling (Kalischuk et al 2007). For example:

- family members lose trust with someone who has a gambling problem, as often people make excuses to cover up their gambling issue
- those with a gambling problem may spend family savings and create significant debt which may lead to loss of assets (e.g. family home). It may also lead people to borrow heavily from family members which they are unable to pay back.

[Gambling] breaks down a whole family relationship because you lie  
*Anglicare client, 2014*

My family cut me off. I was lying to them, right. But they knew I was lying. They cut me right off.  
*Anglicare public submission 2014*

Problem gambling can also infiltrate the lives of children within the family. This topic was explored within Anglicare Tasmania's public submission, which provided verbatim comments from current clients.

The cupboards always seem to be empty and the kids see that. I promise the kids that I won't go near the pubs but then I go and have a drink and then I [gamble].

Sometimes I go into my daughter's room to get money but she sleeps with her wallet under her pillow so I can't get it.

*Anglicare public submission 2014*

### Community level costs

Feedback on the social costs of gambling was largely concentrated at an individual and family level. However, representatives from local governments and support services expressed the view that gambling concentrates wealth into a single industry and normalises problem gambling behaviour.

Although stakeholders generally agreed that gambling provides employment for the local area, many believe that further employment opportunities would be created without the presence of gambling. Specifically, feedback suggested that gambling channels income into a single industry, thereby limiting revenue and employment in other areas. These views were largely held by local governments and support service providers. Stakeholders also noted that the small number of gaming venue owners in some areas meant that a significant proportion of community income was disproportionately allocated to a handful of people. Without gambling, it was said, there would be a more even spread of income which would assist other industries in the community.<sup>7</sup>

### Licensed and gaming venues

Governments and support service providers frequently expressed concern about the increasing number of entertainment venues with gaming facilities. It was argued that this situation can make it difficult for families to go out for a meal without being exposed to gambling. For example, one local government representative noted that people in the community leave the local area in order to eat at a family restaurant that does not have gambling activities. The lack of restaurants and other family entertainment venues without gaming facilities was seen as particularly harmful for young children. Specifically, feedback from TasCOSS suggests that young children who are exposed to gambling at a young age are at risk of normalising gambling behaviours when they're older.

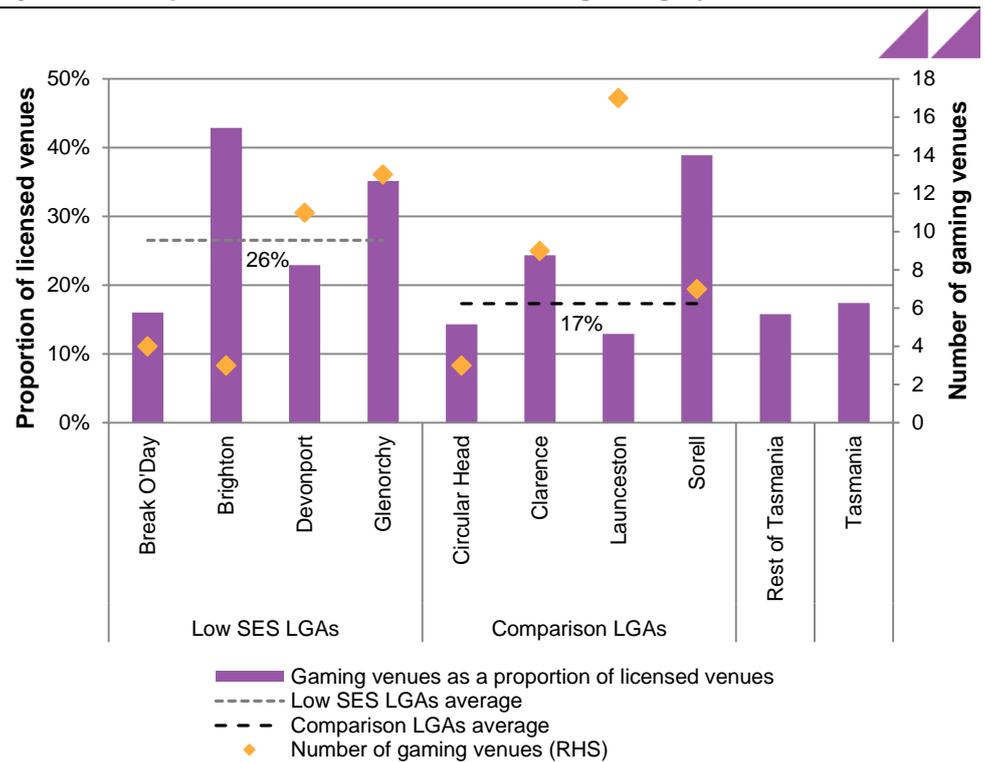
Based upon these comments, the study undertook analysis of the proportion of licensed venues in Tasmania with gaming, by low SES LGAs, comparison LGAs and across Tasmania (see Figure 15). The average proportion of licensed venues with gaming is higher in low SES LGAs (26 %), compared to the comparison LGAs (17%).

Among the 8 focus LGAs, Brighton had the highest proportion at 43 per cent, and Launceston had the lowest proportion at 13 per cent.

This finding suggests that when visiting a licensed venue, residents of low SES LGAs are more likely to be exposed to gaming.

<sup>7</sup> This issue is examined further in section 3.2, page 27.

Figure 15 Proportion of licensed venues with gaming by LGA



*Note:* Licensed venues were defined as venues categorised as 'clubs', 'general', 'liquor licence', 'on' and 'on-restaurant', by the DTF and excluded 'off' and 'special'; except where 'special' venues were sub-categorised as 'restaurant/accommodation', 'restaurant', or 'other' and were venues that members of the public could attend socially.

*Source:* DTF provided data

### Social benefits of gambling: entertainment and enjoyment

Gambling is a form of entertainment providing enjoyment to a wide range of people in the community. It is also viewed as a convenient way to socialise with family and friends.

Stakeholders generally agreed that gambling is an enjoyable activity, for those who do not have a problem, due to the risk and thrill of anticipation it provides. Stakeholders also agreed that when most people gamble it is just a 'flutter' making it a legitimate social activity. This is supported by findings in the gaming venue survey (2014) which show that among the responding venues, 73 per cent of revenues came from food and beverage (including bottleshops). Collectively, gambling accounted for 14 per cent of total venue revenue in responding venues, with EGMs comprising the bulk of these revenues.

Similar to the 2011 SEIS report it was clear from stakeholder consultations that communities rely on gaming venues to socialise. This is despite the fact that only 17 per cent of all licensed venues in Tasmania are gaming venues. Venue operators argued that this was particularly the case for the older population who often live alone and view gaming venues as a 'nice, safe warm place to go' to either gamble on their own or with friends.

The existence of a place where people feel safe and can socialise is in itself a good thing. The issue for consumers, particularly vulnerable persons, is that people who may not traditionally gamble, or do not intend to gamble, end up being drawn in and spend money they cannot afford to lose. For this reason, certain stakeholders suggested that venues should transform themselves to offer specialised and premium services (e.g. live music and quality food) while removing all gambling activities.

Venues do provide a social space for people to catch up....there aren't many other opportunities for people to socialise like that

*Local government representative, 2014*

There is an incentive for older people to go to venues and gamble as it is a safe and warm place for them. There needs to be other opportunities for older people to socialise

*Support service representative,  
2014*

Discussions with local government representatives as part of the second SEIS highlighted initiatives that were targeted at the issue of lack of alternative venues by creating an alternative 'third place' for people to go to. For example, the Launceston City Council identified the Civic Square as a location to develop a third place in 2011, however, to date no further action has been undertaken.

### 4.3 Findings

Between 2011 and 2013, there was no significant change in the proportion of the Tasmanian adult population identified as being either moderate risk or problem gamblers – it kept steady at 2.4 per cent. Over the same period, the proportion of low risk gamblers declined from 5.2 to 3.9 per cent, along with the proportion of non-problem gamblers from 56.7 to 54.9 per cent. Most notably, the proportion of the Tasmanian adult population identified as non-gamblers rose from 35.2 to 38.8 per cent.

There is a clear difference in PGSI category status between the low SES and comparison focus LGAs – among the low SES LGAs, 3.5 per cent of the adult population is identified as a moderate risk or problem gambler, contrasting to 1.9 per cent in the comparison LGAs.

The cross sectional nature of the 2011 and 2013 Tasmanian Gambling Prevalence Surveys does not allow for specific reasons for the above movement in PGSI categories to be explained. An overarching question is whether the lack of movement in moderate risk and problem gambling status reflects individuals being 'fixed' in this status, or whether there is movement in and out. This specific issue will be able to be explored further in Part B of this project, which includes a three wave longitudinal survey tracking the same individuals over time. Part B will also seek to identify the role of harm minimisation measures in influencing PGSI category status.

What is clear is that individuals identified as moderate risk and problem gamblers represent a disproportionate share of total gambling expenditure. Although moderate risk and problem gamblers represent an estimated 3.8 per cent of gamblers, their expenditure makes up an estimated 20.5 per cent of total gambling expenditure.

The data collected from the 2013 Tasmanian Gambling Prevalence Survey also suggest a relationship between individual PGSI category status, and other health-related issues. For example, moderate risk and problem gamblers are more likely to be significant consumers of alcohol and tobacco, and various measures indicate lower levels of quality of life than non-problem gamblers. Once again, the causal direction of this relationship cannot be established from cross-sectional data. Are individuals with lower quality of life more likely to take up gambling and be adversely affected by it? Or does gambling, and subsequently experiencing gambling problems, lead to this lower quality of life?

In some quarters it has been claimed that individuals seeking a meal and social interaction have little choice but to attend a gaming venue. The available data does not support this claim – in the focus LGAs gaming venues represented 26 per cent of licensed venues in the low SES LGAs, and 17 per cent in the comparison LGAs.

The survey of gaming venues undertaken as part of this study also indicated that gambling does not dominate the revenues of responding venues. The survey found that, 73 per cent of revenues came from food and beverage (including bottle shops), with gambling accounting for 14 per cent of total revenue. The various gaming venues are able to provide a warm and safe environment for their customers, with the vast majority able to gamble safely.

## 5 Provision of gambling support services

*This chapter explores the nature of, and funding arrangements for, gambling support services provided throughout Tasmania. It also outlines the uptake of gambling support services between 2003 and 2013 at a state-wide level, and within the eight focus LGAs.*

### 5.1 Government funding of support services

#### Community Support Levy

Under provisions in section 151 of the *Gaming Control Act 1993* (the Act), 4 per cent of gross profits from EGMs in hotels and clubs are paid into a Tasmanian Government trust account known as the 'Community Support Levy' (CSL). Furthermore, 4 per cent of Tasmanian monthly betting exchange commission that is derived from brokered wager events in Australia, is paid by the Treasurer to the CSL (TGC 2013). Monies generated from the levy are split into three categories, as outlined below.

- 25 per cent for Sport and Recreation Tasmania (SRT). SRT administers the funds from the levy for the disbursement to sport and recreational clubs
- 25 per cent to the Department of Health and Human Services (DHHS), which disperses funds to charitable organisations through its Gambling Support Program (GSP)
- 50 per cent is required to be allocated to:
  - research into gambling
  - services for preventing compulsive gambling
  - treatment for the rehabilitation of compulsive gamblers
  - community education concerning gambling
  - other health services (DTF 2014a).

DHHS also has administrative responsibility for making recommendations to the Minister for Human Services for expenditure in respect of the 50 per cent CSL component. Proposed expenditure, in the form of the GSP annual budget and business plan, is forwarded to the Tasmanian Gaming Commission (TGC). The TGC makes recommendations to the responsible Minister who is responsible for final approval (TGC 2013).

The TGC provides a strategic oversight function in respect to the CSL, and is responsible for advising the responsible Minister that the allocation of the CSL funds by DHHS and SRT is in accordance with their respective budgets (TGC 2013).

In 2012-13, approximately \$4.6 million was paid into the CSL from the profits of EGMs in clubs and hotels and from a betting exchange commission (TGC 2013).

A summary of the expenditure of the CSL funds in 2012-13 is provided below.

#### *Problem gambling category (50 per cent)*

Of the 50 per cent of the CSL distributed to problem gambling research, treatment and education, \$2,263,459 was expended by DHHS in 2012-13 on providing services to

communities, including services to assist those persons and their families affected by problem gambling (TGC 2013).

#### *Charitable organisations category (25 per cent)*

In 2012-13, \$1,342,164 was expended by DHHS on the charitable organisations category. This included \$422,542 which was paid to the Charitable Organisations Grant Program (TGC 2013).

#### *Sport and recreation category (25 per cent)*

In 2012-13, \$1,083,671 was expended by SRT on the Sport and Recreation Charitable Grants.

In 2012-13, the Tasmanian Treasurer also approved the allocation of \$1.5 million to the Neighbourhood House Program from the DHHS CSL budget (TGC 2013). The Neighbourhood House Program was established in the 1970s and provides the local community with programs based on community resources and need. Today there are 33 Neighbourhood Houses, which provide a range of activities including social projects, activities and celebrations (DHHS 2014a).

## 5.2 Gambling support service providers

### The Gambling Support Program

The Minister for Human Services has responsibility for managing the 50 per cent component of the CSL allocated to gambling support services, research, community education and other health services, as well as the 25 per cent component of the CSL allocated to charitable organisations. The Minister for Human Services makes recommendations to the Minister responsible for the Act on expenditure and other matters related to this 75 per cent of the CSL.

A key component of this funding is the DHHS Gambling Support Program (GSP). The GSP provides a public health response to the risk and harms of gambling. GSP's programs and administration are funded by the CSL. The GSP regularly briefs the TGC on quarterly expenditure of its allocation, but reports to the Director, Disability and Community Services within DHHS.

The GSP delivers and supports campaigns, programs and activities to the general public including the youth sector, schools and health providers (DTF 2014a). Among discussions with key stakeholders the 'Know Your Odds' campaign was viewed as particularly effective.

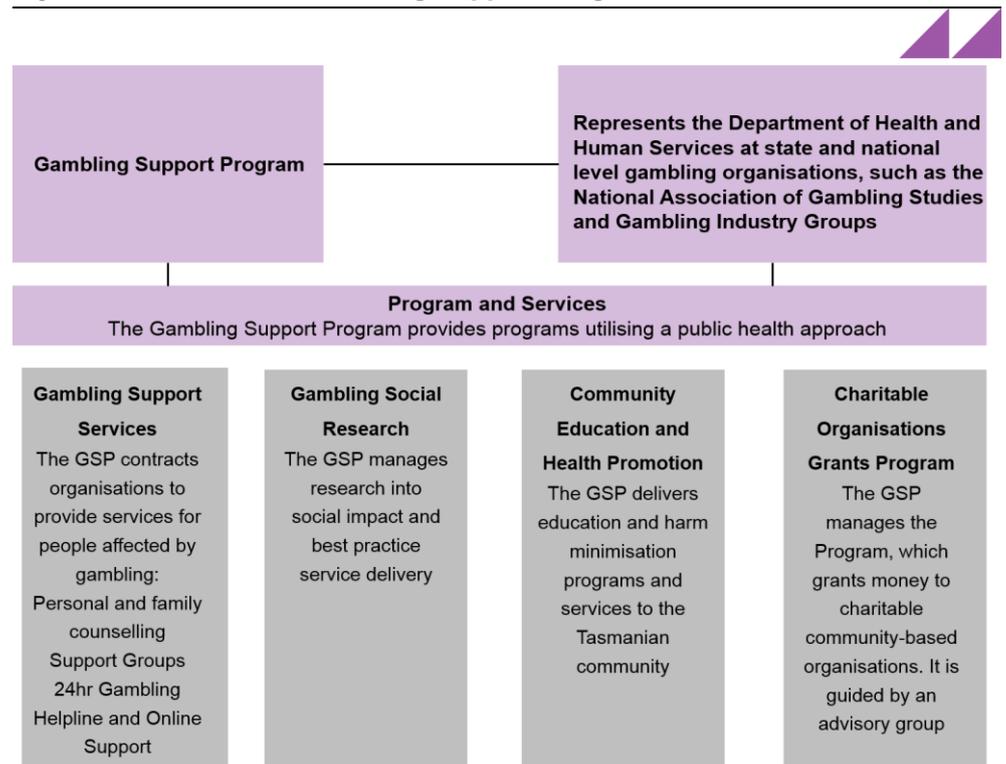
The Know Your Odds campaign is a communication education campaign aimed at informing the public on how commercial games of chance work (e.g. the house edge) and debunks myths and misunderstandings about gambling (DHHS no date (nd)).

Feel as though the [Know Your Odds] campaign has had a very high profile and [I] feel as if the message is getting across.

*Local Government representative, 2014*

The structure of the GSP and its services is summarised in Figure 16.

Figure 16 Structure of Gambling Support Program



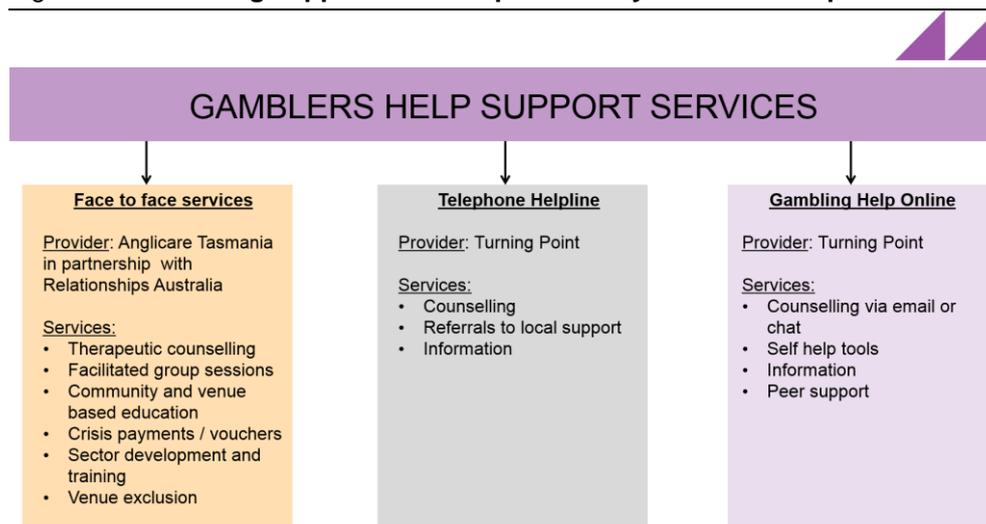
Source: DHHS 2011b

A number of groups provide input to the programs within the GSP.

- *Gamblers Help* — representatives from the funded counselling and support services for people affected by gambling (see below for more information). Along with GSP staff, this group meets quarterly to address issues related to the impact of gambling.
- *Gambling Industry Group* — representatives from Federal Group, Tattersalls, Tasmanian Hospitality Association, and TOTE Tasmania. Along with invited government officers from DTF and the GSP, this group meets every six weeks to address issues in relation to responsible gambling.
- *Tasmanian Gambling Consultative Group* — representatives from the gambling industry, Gamblers Help, TasCOSS, Interchurch Gambling Taskforce, the TGC, the GSP and DTF. This group meets quarterly to address issues in relation to responsible gambling and the social impact of gambling.
- *Charitable Organisations Grants Advisory Group* — a regional balance of representatives from the gambling industry, state and local governments and the University of Tasmania. This Ministerially appointed group assesses applications to the CSL grants programs (DHHS 2014b).

### Gamblers Help services

The GSP, through funding provided by the CSL, contracts Gamblers Help services to provide face to face, phone and online services for people affected by gambling in Tasmania. Gamblers Help services are available to those with a gambling problem as well as friends and family. A diagrammatic overview of Gamblers Help services is provided in Figure 17. Detailed descriptions of each service are provided thereafter.

Figure 17 **Gambling support services provided by Gamblers Help**

Source: ACIL Allen Consulting adapted from DHHS. See: [http://www.dhhs.tas.gov.au/gambling/gamblers\\_help\\_model](http://www.dhhs.tas.gov.au/gambling/gamblers_help_model)

### Face to face counselling

Lead organisation Anglicare Tasmania, and partner Relationships Australia (Tasmania), are funded by the Tasmanian Government (through DHHS) to provide gambling support services in Tasmania from 1 July 2013 to 30 June 2015. These services comprise face to face therapeutic counselling, group and family counselling services to problem gamblers, or people affected by someone else's gambling. These activities are the core business of Gamblers Help services.

Under flexible funding arrangements, Anglicare Tasmania is also funded to provide community education and community engagement in addressing the underlying causes of problem gambling. These programs generally target 'at risk' communities. Anglicare Tasmania delivers community education and community engagement through an annual Gamblers Help Community Education and Development Plan.

Other services provided by Anglicare Tasmania and Relationships Australia include gaming venue visits, gaming venue support and gaming venue training (e.g. Responsible Conduct of Gaming courses).

Anglicare Tasmania also provides emergency financial assistance to Gamblers Help clients through limited brokerage funds.

### Telephone and online counselling

Eastern Health Turning Point operates a state and territory funded Gambling Helpline in five jurisdictions including Tasmania. Turning Point also operates the national website Gambling Help Online which is funded jointly by all states and territories and the Federal Government. Gambling Help Online provides a multi-layered response to people experiencing problems with gambling, including online counselling and email support, self-help and self-assessment tools, information and an online community forum.

Discussions with support services highlighted a strong awareness of gambling support services and in particular those provided by Anglicare Tasmania. For example, support services not specialising in problem gamblers (e.g. drug and alcohol addiction) noted that they often refer clients onto Anglicare Tasmania if they discover their client also has a gambling problem. Support services went on to say that referrals to Anglicare Tasmania

were quite frequent given problem gamblers often have a number of addictions and mental health issues.

Despite this, support services within regional and remote areas of Tasmania felt the outreach services provided by Gamblers Help were too infrequent, and telephone and online counselling an inadequate substitute.

### 5.3 Gambling support services across Tasmania

The section below provides a summary of face to face service activity at a state-wide level between 2003 and 2013 and at an LGA level between 2010-11 and 2012-13. An analysis of data provides an overview of the types of clients seeking assistance. However, due to the low number of clients, trends in data over time should be interpreted with caution, particularly for the Sorell and Circular Head LGAs.

#### Registrations and treatment

##### Registrations – state-wide

As outlined in Figure 18, between 2003 and 2013 a total of 3,959 clients (both new and existing) registered for Gamblers Help support services. The data shows that there is some variability in uptake across the years, however, there is a general decline in registrations; specifically from 444 in 2003 to 227 in 2013. Using results from the 2013 Tasmanian Gambling Prevalence Survey (see Volume 2), this suggests that approximately 3 per cent of moderate risk or problem gamblers seek help.

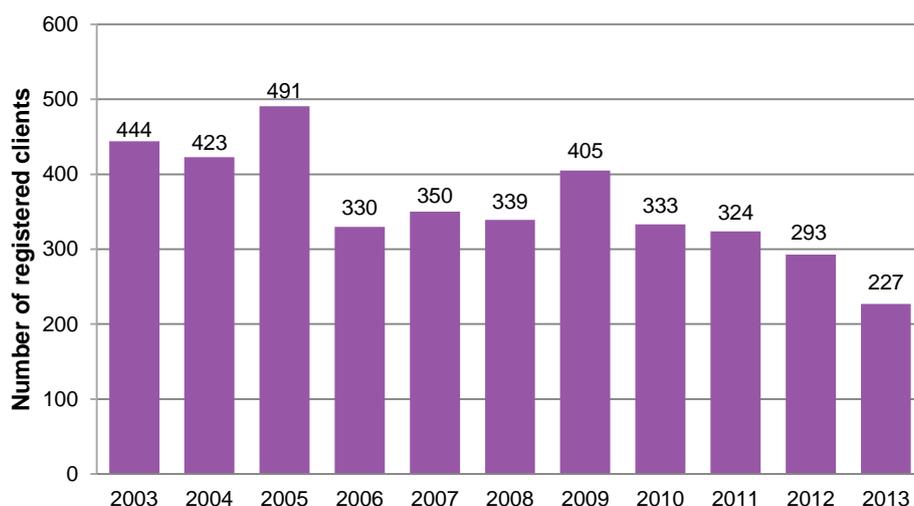
Discussions with stakeholders did not identify specific reasons for this decline. However, as a result of declining face to face counselling services there has been more effort and funding directed towards delivering community education programs. The diversion of funds to other activities is outlined within the funding agreement between DHHS and Anglicare Tasmania, which recognises that the demand for counselling services may vary over the period of the agreement.

It is important to note that the decline in registrations for Gamblers Help services does not necessarily indicate a fall in the number of people experience problems with gambling. For example, the decline may be a result of:

- the stigma associated with problem gambling in certain communities which may deter people from accessing support services
- the normalisation of gambling in some communities to the point where people who gamble excessively may not view themselves as having a problem
- the lack of support services in regional/remote areas which may make it very difficult for people with gambling problems to access support services.

All of the above comments were echoed in stakeholder discussions.

Figure 18 **State-wide registrations for Gamblers Help support services, 2003-2013**



*Note:* The processes for collecting the above data were changed from the CareLink+system to CASEY, which may have implications for the above results. The data shows registrations for all clients, both registered and existing.

*Source:* Data provided by DHHS 2014

### Registrations – Focus LGAs

Figure 19 shows the number of new registrations for gambling support services for each of the chosen LGAs between 2010-11 and 2012-13. Although the number of registrations fluctuates between LGAs, the proportion of people seeking support services per capita remained the same – i.e. less than 1 per cent.

An analysis of registrations over time shows that the number of new clients fell for the low SES LGAs and comparison LGAs between 2010 and 2013. This trend aligns with state-wide findings. The fall in the number of new clients may be a result of recent harm minimisation measures introduced in 2012, or as outlined above, rising levels of stigmatisation associated with gambling problems.

Further analysis of registrations per LGA is provided below. Break O'Day is not included in the analysis below as no data was collected for this LGA.

#### Low SES LGAs

Between 2010 and 2013 LGAs in this group experienced a decline in the number of people accessing gambling support services.

- in Brighton the number of registrations fell from 14 to eight between 2010 and 2013
- in Devonport the number of registrations fell from 22 to 14
- in Glenorchy the number of registrations fell from 48 to 42.

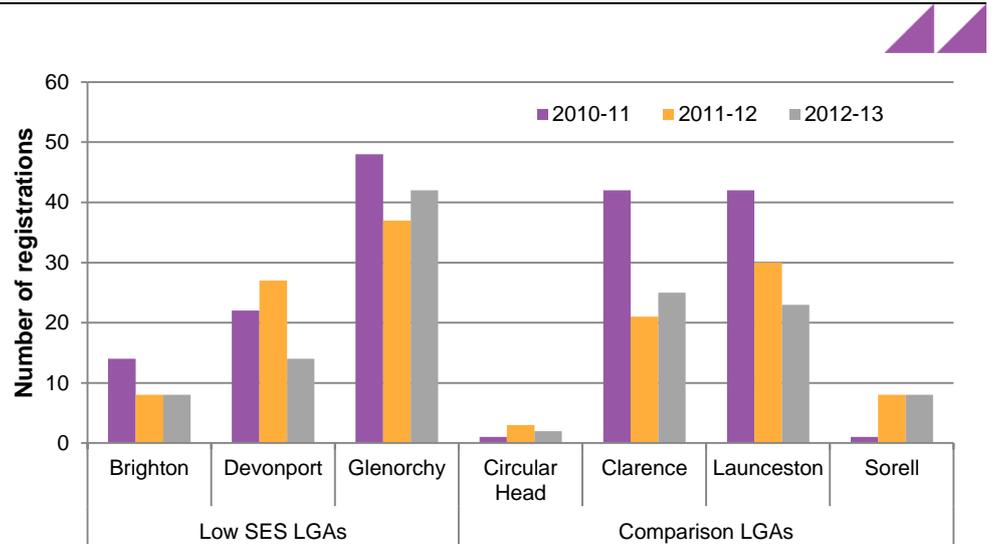
#### Comparison LGAs

In the comparison LGA group there were mixed findings in the change in registrations over the analysis period.

- Circular Head registrations increased between 2010 and 2013 from one to two clients
- Clarence registrations decreased from 42 to 25 between 2010 and 2013
- Launceston registrations decreased from 42 to 23 between 2010 and 2013

— Sorell registrations increased from one to eight between 2010 and 2013.

Figure 19 **Number of registrations by LGA, 2010-2013**



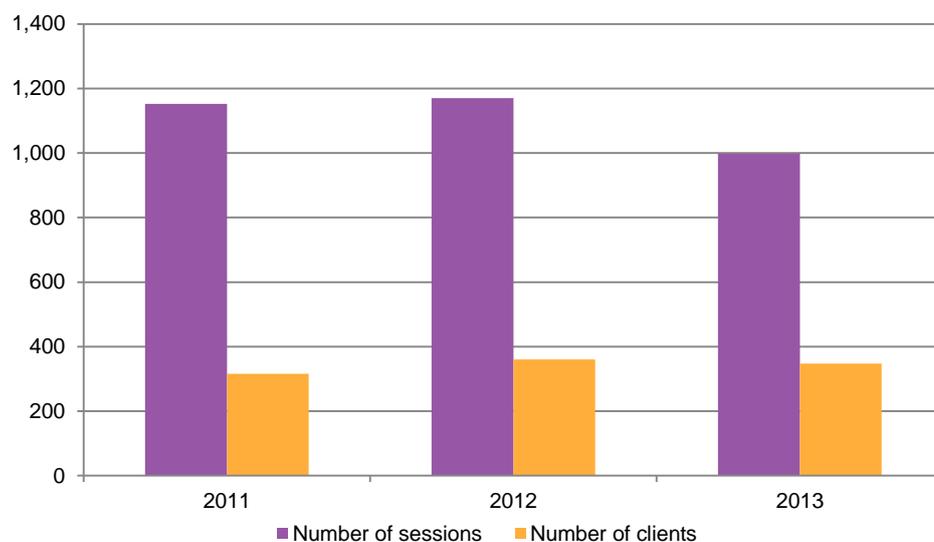
Source: Data provided by DHHS 2014

### Treatments - state-wide

Figure 20 identifies the number of counselling sessions attended by new and existing clients between 2011-12 and 2012-13. The overall number of counselling sessions attended has declined - in 2011 new and existing clients attended 1,152 therapeutic and financial counselling sessions compared to 1,170 in 2012 and 997 in 2013.

Although the number of sessions attended declined, the number of clients attending a session increased. The increase stemmed from 92 existing clients attending a session which counteracted the decline of 61 new clients attending a session. Anglicare noted that this trend may be a result of existing clients wishing to remain updated on changes to the self-exclusion program as well as requiring assistance with lapse or relapse prevention.

Figure 20 **Number of counselling sessions and client attendance, 2011-12 and 2012-13**



*Note:* Clients includes new and existing clients. The processes for collecting the above data were changed from the CareLink+system to CASEY, which may have implications for the above results.

*Source:* Data provided by DHHS 2014

### Treatments – Focus LGAs

The number of clients attending support service sessions between 2010 and 2013 is shown in Figure 21. Clients have been distinguished as being either a gambler or a non-gambler (e.g. family member or friend).

#### Low SES LGAs

Among low SES LGAs there was a 50 per cent increase in the number of clients attending support service sessions between 2010 and 2013. This increase largely stems from Glenorchy where client participation increased by 85 per cent.

Despite an overall increase in clients attending support sessions there has been a 76 per cent decline in the number of non-gambler clients over the same time period. This finding contradicts feedback from general support services across the State who noted an increase in the number of family members and friends of problem gamblers attending gambling support services.

A brief analysis of each LGA is provided below:

- in Brighton there was a 17 per cent increase in the number of client accessing support services (i.e. 18 to 21)
- in Devonport the number of clients accessing support services increased by 30 per cent between 2010-11 and 2011-12, however, between 2011-12 and 2012-13 clients attending sessions declined by 8 per cent
- in Glenorchy there has been a 75 per cent increase in clients accessing support services between 2010 and 2013, however, there has been a decline in the number of non-gamblers seeking support services.

#### Comparison LGAs

Similar to the low SES LGAs the comparison LGAs have seen an overall increase in the number of clients attending support services – i.e. from 170 attendances in 2010-11 to 251

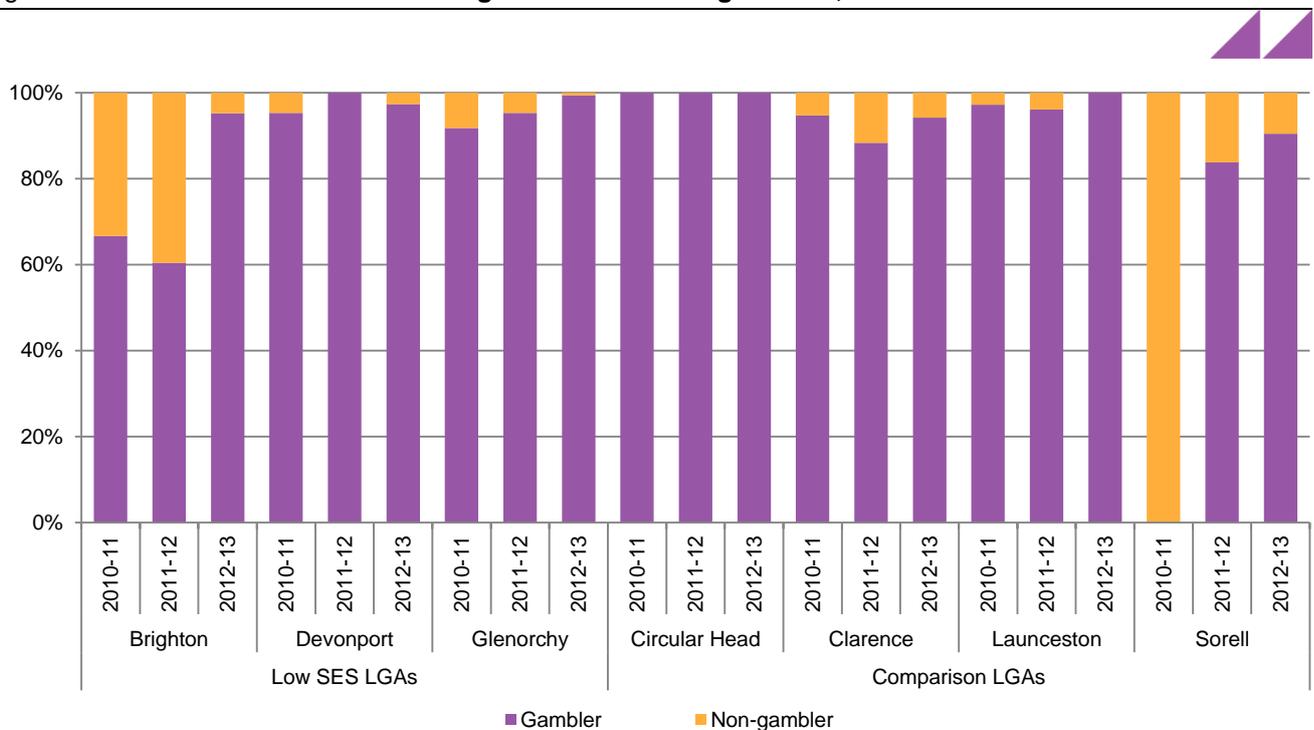
attendances in 2012-13. The increase in attendances is largely attributable to an additional 44 clients attending support services in Clarence over the same time period.

Unlike low SES LGAs, attendances by non-gamblers remained relatively stable between 2010 and 2013.

A brief analysis of each LGA is provided below.

- in Circular Head between 2010 and 2013 the number of clients attending support sessions in Circular Head increased by 4 per cent (all of whom were gamblers)
- Clarence between 2010 and 2013 saw an increase in both gamblers and non-gamblers attending support sessions
- in Launceston the number of gamblers attending support services increased by 26 per cent while the number of non-gamblers attending support services decreased from 2 clients to zero clients over the specified time period
- Sorell saw a 425 per cent increase in the number of gamblers attending support sessions (i.e. from four to 21).

Figure 21 Client attendance for gamblers and non-gamblers, between 2010-11 and 2012-13



Source: Data provided by Anglicare Tasmania 2014

### Demographics of service clients

Problem gambling has an impact on all groups within society regardless of age, occupational status, educational attainment and income.

An overview of the demographics of people accessing gambling support services is provided below.

Overall, the data shows that in recent years there has been no real significant change in the demographic profile of clients. However, anecdotally support services noted that increasingly young males are seeking gambling support services for online gambling. This is discussed in further detail below.

## Gender – state-wide

Between 2010-11 and 2012-13, approximately 51 per cent of clients accessing support services were female and 49 per cent were male. This proportion did not significantly differ over the three-year period.

These results highlight that gambling problems are not solely experienced by males. For example, during consultations with local governments and support service providers it was frequently noted that increasingly women within the older age cohort are attending gaming venues for social purposes.

## Gender – Focus LGAs

A visual representation of trends in the gender of those accessing support services across each local government is provided in Figure 22.

### Low SES LGAs

The proportion of male and female clients within the low SES areas differed across each time period between 2010 and 2013. However, on average there were a similar number of male and female clients. Specifically:

- the latest data from Brighton shows that in 2012-13 half of the clients were female and half were male
- in Devonport the proportion of female clients was significantly greater than males for all time periods except for 2011-12
- in Glenorchy the proportion of male and female clients differed between 2010 and 2013, however, on average male and female clients made up 50 per cent of total clients each.

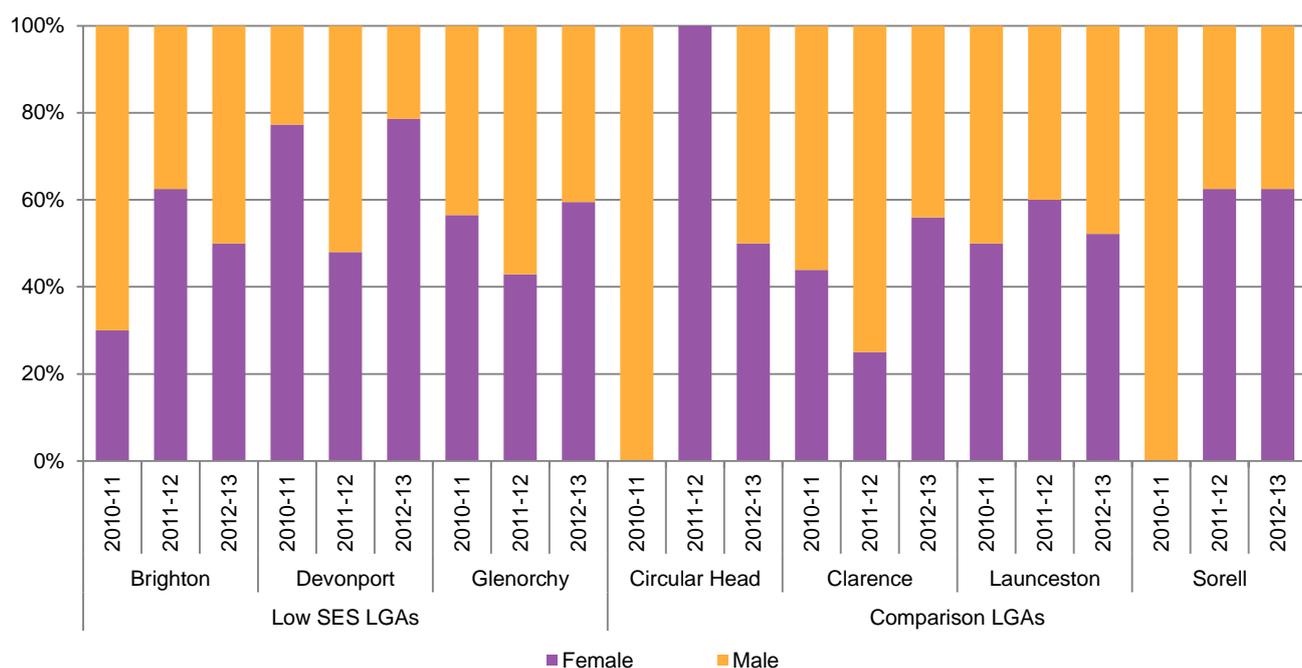
### Comparison LGAs

Similar to clients in low SES LGAs, the proportion of male and female clients differed across each time period between 2010 and 2013 and between each LGA. These trends are analysed in detail below.

- in Circular Head the low number of clients makes it inappropriate to analyse the gender of clients, however, over the time period both male and female clients sought support services
- in Clarence, on average between 2010 and 2013 males comprised 56 per cent of all clients while females made up 40 per cent of all clients<sup>8</sup>
- in Launceston male and female clients made up a relatively even proportion of clients over the specified time period, comprising on average 54 per cent and 45 per cent of all clients, respectively
- in Sorell, between 2011 and 2013 females participated more actively in support services compared to males.

<sup>8</sup> The remaining 4 per cent of clients did not disclose their gender.

Figure 22 Gender of clients, between 2010-11 and 2012-13



Note: figures are for new and existing client accessing support services.

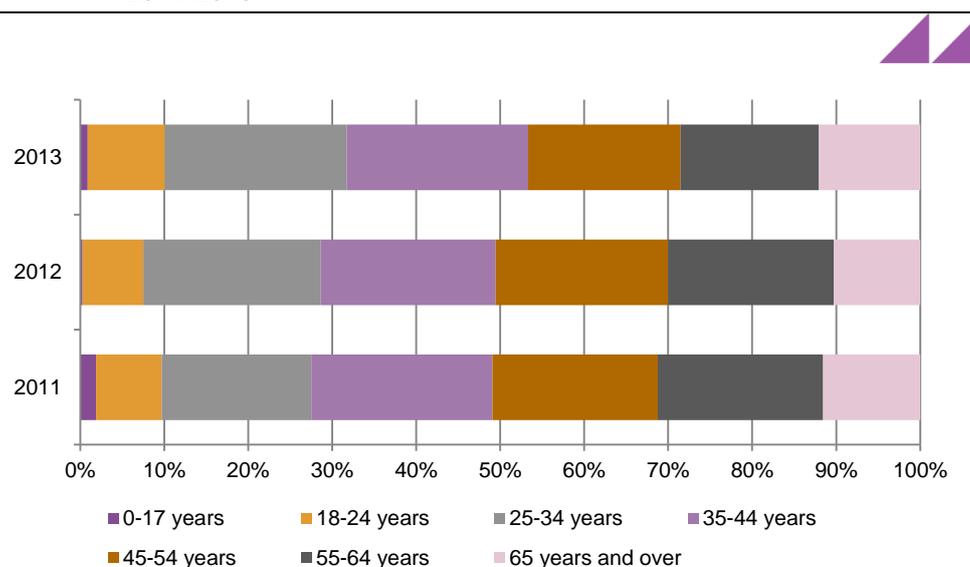
Source: Data provided by Anglicare Tasmania 2014

### Age – state-wide

Figure 23 below depicts the age distribution of clients seeking gambling support sessions between January 2011 and December 2013. The results show that the clients accessing support sessions are most likely to be aged between 25 and 44 years of age, comprising 43 per cent of total clients. The proportion of people accessing support services markedly drops from 44 years of age down to 12.1 per cent for those aged 65 years and over.

The proportion of people accessing support services in each age cohort does not change markedly between 2011 and 2013. However, between 2012 and 2013 the number of those aged 18-24 years accessing support sessions increased by 2 percentage points – i.e. 26 to 32 clients. This result may reflect the growing number of younger males accessing online gambling services, which was highlighted among stakeholder discussions.

Figure 23 **Age distribution of clients accessing a gambling support session, 2011-2013**



Source: Data provided by DHHS 2014

### Age – Focus LGAs

A short summary of trends in the age of clients seeking support services is outlined below. These trends are visually represented in Figure 24.

#### Low SES LGAs

Overall, clients within low SES LGAs are likely to be middle aged, that is aged between 45 and 64 years of age. Further analysis of the age of clients within each LGA is provided below.

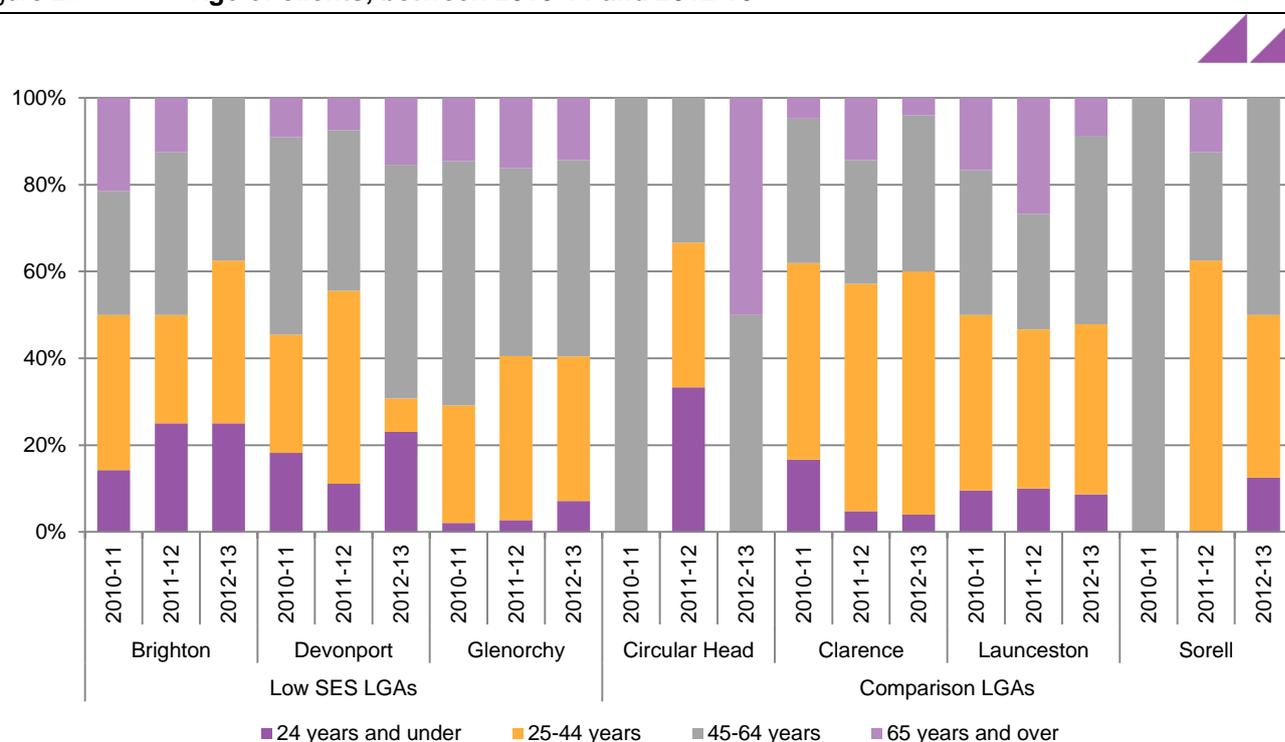
- *Brighton*: no one age group dominated support service uptake, however, between 2010 and 2013 the proportion of clients 24 years and under seeking support services increased from 14 per cent to 25 per cent. This may reflect the growing number of younger males engaging in online gambling. Another change over the time period is the drop in clients aged 65 years and over from three in 2010-11 to zero in 2012-2013.
- *Devonport*: the number of clients seeking support services dropped from 22 to 13 between 2010 and 2013. The number of clients aged between 25 and 44 years of age was the primary driver of this fall with just one client seeking support services in 2012-2013 compared to six in 2010-11. Within the same time period the proportion of those aged 24 years and under seeking support services dropped by 5 percentage points, the proportion of those aged 45-64 years and 65 years and over increased by 8 percentage points and 6 percentage points, respectively. Despite changes in trends those aged between 45 and 64 years of age remained the largest group of people accessing support services across the time period.
- *Glenorchy*: the majority of clients seeking support services are aged between 45 and 64 years of age. In 2012-2013 this age group comprised 45 per cent of all clients. Those aged between 25 and 44 years of age make up the next largest proportion of clients with one third of clients identifying themselves as being within this age bracket.

### Comparison LGAs

The age of clients seeking gambling support services in comparison LGAs closely resembles those found within low SES LGAs. That is, the vast majority of clients are aged between 45 and 64 years of age. Further analysis of each LGA is summarised below.

- *Circular Head*: there were just six clients across all age groups between 2010 and 2013. For this reason any analysis of trends across the time period is inappropriate. However, within the time period there was at least one client within each age group seeking services. This indicates that no one group is prone to having a gambling problem.
- *Clarence*: the data indicates that in Clarence most clients seeking services are aged between 25 and 44 years of age comprising over half of all clients in 2012-13. The proportion of customers within each age group remained constant over the time period, except for those aged 24 years and under, which declined from 17 per cent to 4 per cent.
- *Launceston*: those aged between 25 and 44 years and 45 and 64 years comprised 40 per cent and 43 per cent of all clients in 2012-13, respectively. This proportion is significantly greater than those aged 24 years and under and 65 years and over whom made up 9 per cent of all clients each over the same period. The only significant trend in Launceston between 2010 and 2013 was the fall in the proportion of clients aged 65 years and over from 17 per cent to 9 per cent.
- *Sorell*: the number of clients seeking support services increased from one in 2010-11 to eight in 2012-13. This vast majority of this increase stemmed from clients aged between 25 and 44 years of age and 45 and 64 years of age.

Figure 24 Age of clients, between 2010-11 and 2012-13



Note: There were no registrations in the Break O' Day LGA

Source: Data provided by Anglicare Tasmania 2014

## Marital status - state-wide

Problem gambling behaviour is often related to family and relationship breakdown. For example, relationships may break down due to a partner's issue with gambling or individuals may turn to gambling when problems in their relationship arise. Between 2011 and 2013 approximately 31 per cent of clients were in a relationship<sup>9</sup>, 8 per cent were divorced and 31 per cent did not have a partner.<sup>10,11</sup>

The impact problem gambling has on families is widespread. This view was reflected in consultations with support services, for example, Holyoake (a drug and alcohol counselling service) noted that the majority of their gambling-related clients were those impacted by a family member or friend with a gambling problem and not the actual gambler.

## Marital status – Focus LGAs

The marital status of clients for each LGA is described below and visually presented in Figure 25.

It is evident from the data that problem gambling impacts people who are both in relationships and those who do not have partners.

An analysis of marital status across each of the LGAs shows little to no trend across LGAs and across time.

### Low SES LGAs

- *Brighton*: the proportion of clients either “in a relationship” or “did not have a partner” differed across each time period between 2010 and 2013. However, the most recent data shows that 57 per cent of clients are in a relationship while 43 per cent “do not have a partner”.
- *Devonport*: on average 36 per cent of clients are made up of those who indicate that they currently “do not have a partner” or are “divorced”. Those in a relationship made up the remaining 53 per cent. Over the time period proportions of clients within each of the marital status categories remained similar.
- *Glenorchy*: the proportion of clients “in a relationship” was significantly greater in 2010-11 and 2011-12 when compared to the other two categories. However, in 2012-13 those “in a relationship” made up just 29 per cent of all clients – the lowest proportion of all three categories. This was largely due to the significant increase in the number of “divorced” clients seeking support services over that period.

### Comparison LGAs

- *Circular Head*: for each of the six clients who accessed support services there was at least one client representing each of the marital status categories.
- *Clarence*: between 2010 and 2013 the proportion of clients “in a relationship” increased by 8 percentage points (i.e. an increase from 11 to 13 clients), while the proportion of clients who “do not have a partner” decreased by 8 percentage points. The number of clients who are “divorced” did not change.
- *Launceston*: the proportion of clients within each marital status category differed significantly between each time period across 2010 and 2013 with no clear pattern

<sup>9</sup> In a relationship includes those who are married or in a de-facto relationship.

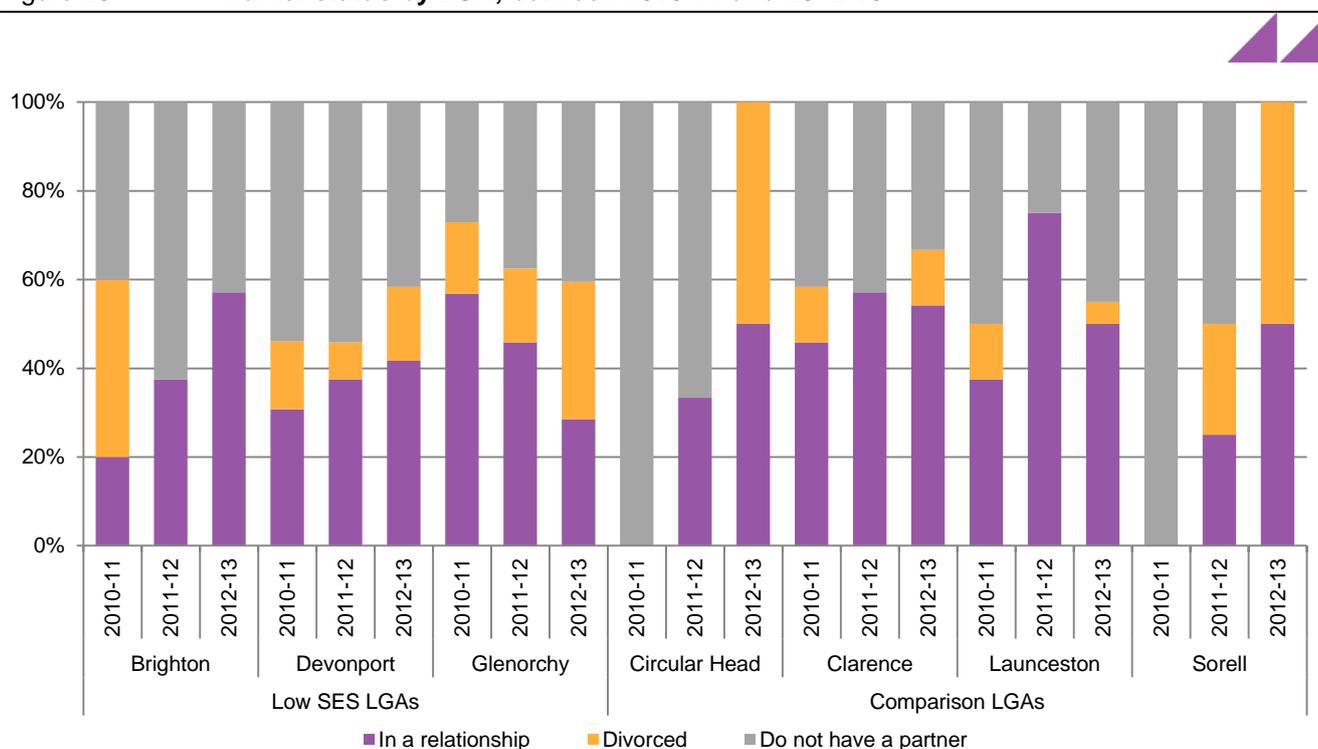
<sup>10</sup> Those who do not have a partner includes those that have never been married, are separated or are widowed.

<sup>11</sup> The figures do not add to 100 per cent because clients who did not record their relationship status were not included.

emerging. However, the most recent data shows 50 per cent of clients were “in a relationship” and 50 per cent were not in a relationship (i.e. either “divorced” or “do not have a partner”).

- *Sorell*: the small number of clients within each marital status category makes it inappropriate to analyse trends over the specified time period. However, there was at least one client representing each of the marital status categories.

Figure 25 **Marital status by LGA, between 2010-11 and 2012-13**



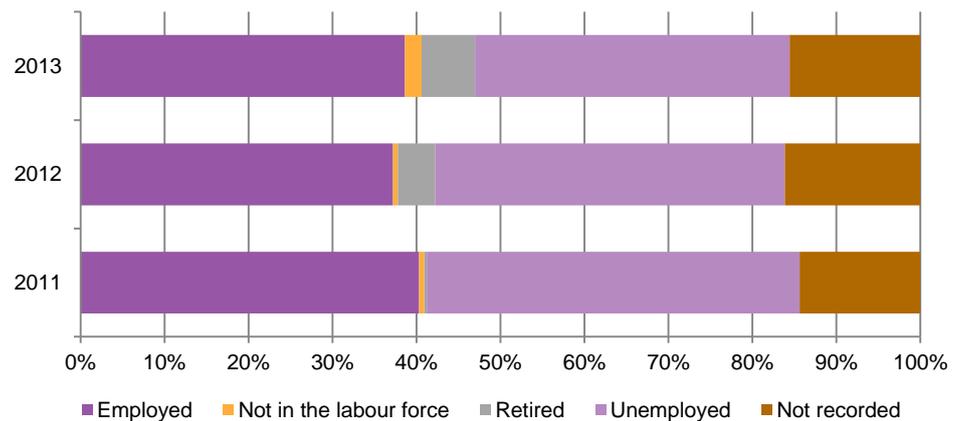
Note: The data does not include instances where a person did not state their marital status or when it was not recorded.

Source: Data provided by Anglicare Tasmania 2014

### Employment status - state-wide

Figure 26 shows that between 2011 and 2013 approximately 39 per cent of clients seeking support services were employed, primarily full-time, compared to 41 per cent who were unemployed. Figures for those who were employed did not differ significantly over the time period, however, the proportion of unemployed clients decreased by 3.2 percentage points – i.e. a decrease from 142 to 130 clients.

Figure 26 Employment status, 2011-2013



Source: Data provided by Anglicare Tasmania 2014

### The form of gambling causing problems – state-wide

EGMs are the form of gambling causing most problems with approximately 74 per cent of clients seeking support services for this form of gambling. Further, problem gambling issues associated with EGMs are more pronounced within hotels/clubs compared to casinos, specifically:

- between 2011 and 2013, 56 per cent of clients stated that EGMs in hotels/clubs was their primary gambling activity
- between 2011 and 2013, 24 per cent of clients stated that EGMs in casinos was their primary gambling activity.

The impact of EGMs on problem gambling was reflected by discussions with key stakeholders including local government representatives and support services. A number of stakeholders within these groups highlighted the 'robotic' nature of EGMs, which led people to gamble for a significant amount of time. Additionally, the location of EGMs in warm and safe environments was viewed as a key reason for why older people gamble.

Pokies are the biggest problem

*Holyoake, 2014*

[In regards to forms of gambling that cause problems] There are those that have instant outcomes, those that generate excitement and adrenaline, those with repetitive actions that enable absorption and escapism to take place; also those that are in safe places where the gambler will not be interrupted by anyone else. That is to say, these are electronic gaming machines.

[In regards to gaming venues] It is a safe, comfortable place for women.

*Anglicare, 2014*

The above results are consistent with findings from the 2013 Tasmanian Gambling Prevalence Survey which found that EGMs were the most common form of gambling among problem and non-problem gamblers. Specifically:

- 85.7 per cent of respondents with a gambling problem reported having used an EGM in the past year
- 26.8 per cent of respondents without a gambling problem reported having used an EGM in the past year.

For clients attending a gambling support session, 4.5 per cent noted that online gambling was the form of gambling that caused them the most harm between 2011 and 2013.<sup>12</sup>

The burgeoning presence of online gambling in recent years was frequently highlighted among stakeholder discussions. In particular, stakeholders noted that:

- online gambling has primarily been taken up by younger males who would have otherwise gambled infrequently
- online gambling has put gambling ‘back into the home’ and is therefore hiding the extent of problem gambling
- online gambling is seen as socially acceptable when compared to other forms of gambling; for example, one stakeholder noted that it is typical for young males to come together during a sporting event and gamble using online services
- advertising for online gambling was pervasive and targeted the younger population; for example, Anglicare Tasmania noted that young males were influenced to gamble through advertisements with influential actors (e.g. Bet365 ambassador Samuel L. Jackson)
- the introduction of the Responsible Gambling Mandatory Code of Practice may have increased the number of people switching from gambling activities within ‘bricks and mortar’ venues to online services; for example, one gaming venue highlighted that often customers come into their venue to have a drink and/or meal and gamble while using their mobile phone.

A summary of the forms of gambling cited by clients as causing them the most amount of problem between 2011 and 2013 is provided in Table 14. However, presumably problem gamblers may engage in multiple forms of gambling.

**Table 14 Forms of gambling causing most problem, 2011-2013**

Form of gambling	Number of clients	Proportion (%)
Card games	10	1.8
Casino gambling activities	15	2.7
Gaming machines (casino)	136	<b>24.1</b>
Gaming machines (hotel/club)	318	<b>56.3</b>
Online (betting exchange, sports betting and other)	24	4.2
Keno	11	1.9
Race wagering	50	8.8
Other	1	0.2
<b>TOTAL</b>	<b>565</b>	

*Note:* The figures in the table do not equate to the number of registrations. This may be due to the fact that this data was not available for all clients.

*Source:* Data provided by DHHS 2014

### The form of gambling causing problems – focus LGAs

Figure 27 represents the forms of gambling causing client problems across all eight LGAs between 2010 and 2013. The results closely mirror those found at a state-wide level where it is clear that EGMs have the most significant impact on problem gamblers.

<sup>12</sup> Online gambling includes Betfair, “other” and sports betting

### *Low SES LGAs*

For all four low SES LGAs it is evident that EGMs are the most likely cause of harm for those with a gambling problem seeking assistance. Further, these clients are far more likely to have an issue with EGMs in their local hotel/club than EGMs in a casino. These findings were consistent with findings from the 2013 Gambling Prevalence Survey, which found that people in low SES LGAs exhibit significantly higher rates of participation in gambling on EGMs. The findings also mirrored feedback from consultations within each LGA and in particular Glenorchy and Devonport.

Both Devonport and Glenorchy have a high number of venues with EGMs - Devonport has eight venues (with 230 EGMs) and Glenorchy has nine venues (270 EGMs). Within the chosen LGAs, these numbers are only exceeded by Launceston which has 12 venues. However, both Devonport and Glenorchy have a significantly higher proportion of EGMs per capita when compared to Launceston. Additionally, results from the 2013 Tasmanian Gambling Prevalence Survey suggest that people in Glenorchy and in particular Devonport are more likely to gamble on EGMs. Specifically:

- 21 per cent of people in Glenorchy have used an EGM in the past year
- 27 per cent of people in Devonport have used an EGM in the past year.

The figures above are greater than those found within the comparison LGAs and Tasmania as a whole.<sup>13</sup>

### *Comparison LGAs*

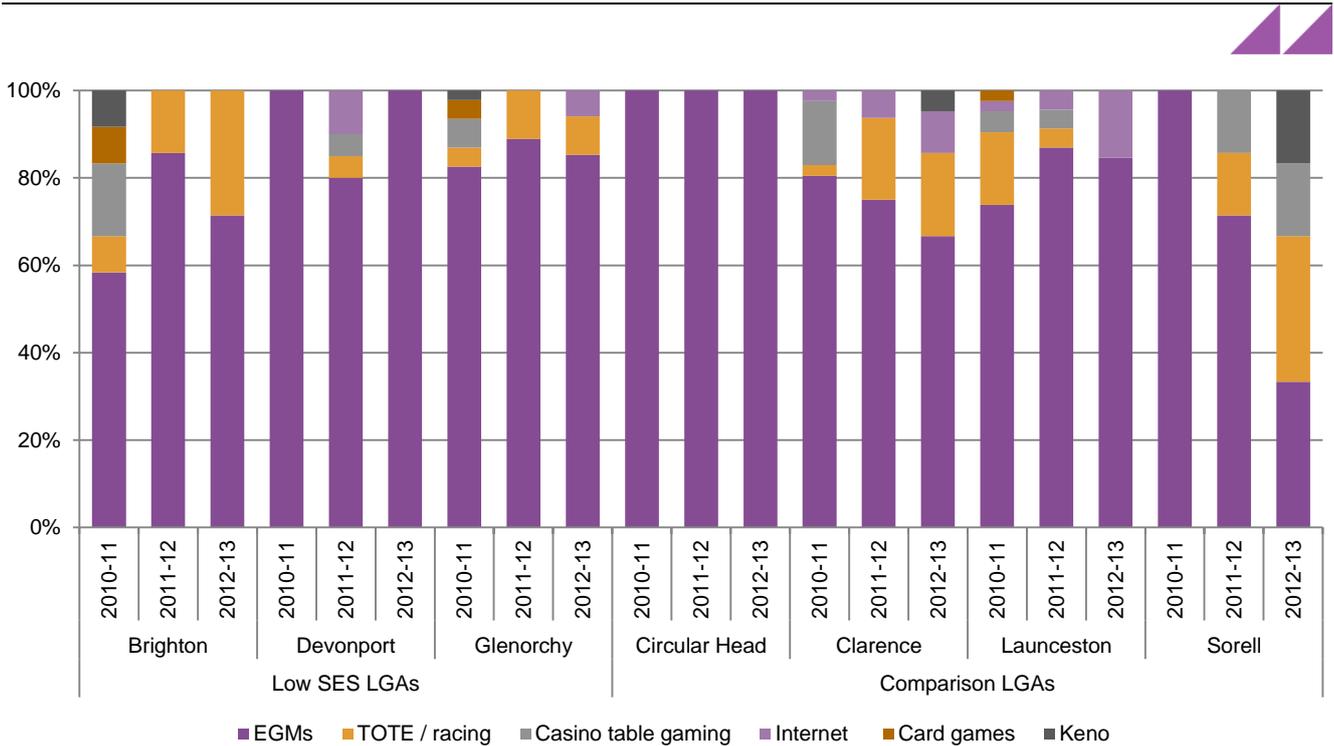
There was no discernible difference in the forms of gambling that cause harm between the low SES LGAs and the comparison LGAs. That is, EGMs were revealed as the form of gambling most likely to cause problems within Sorell, Clarence, Circular Head and Launceston.

The data shows that Launceston and Clarence experienced an increase in the proportion of clients with online gambling problems. Specifically, between 2010 and 2013 the proportion of clients who sought services for online gambling grew 6 percentage points for both LGAs. However, further examination of the data reveals that the growth stemmed from just one additional client per LGA. Again, it is evident that the issue of online gambling is not captured within the data.

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<sup>13</sup> The proportion of people in comparison LGAs who have used an EGM in the past year is 18 per cent. This figure drops to 17.5 per cent for Tasmania as a whole.

Figure 27 Form of gambling causing most problems by LGA, between 2010-11 and 2012-13



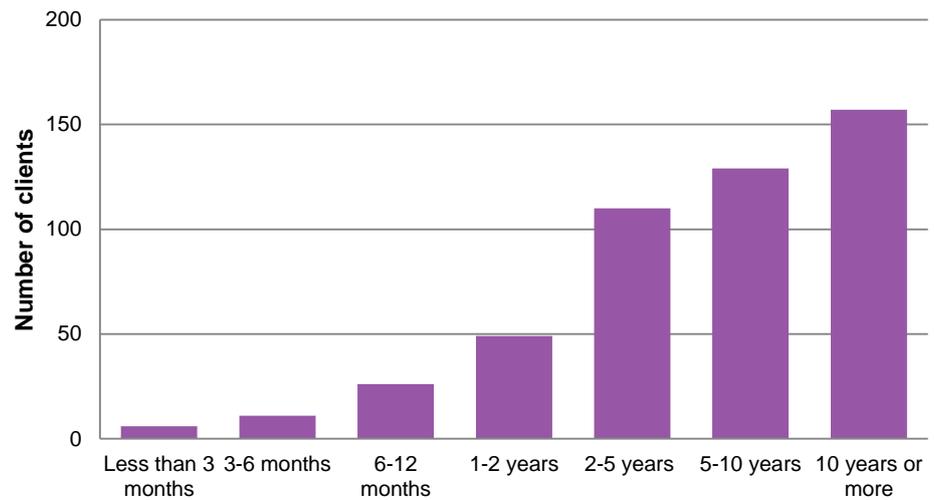
Note: Gaming machines includes those in casinos and hotels/clubs, internet gambling includes sport betting and other between 2010-2012 and also betting exchange in 2012-13. Other forms of gambling and instances where a client did not indicate their form of gambling problem is not shown.

Source: Data provided by Anglicare Tasmania 2014

### Duration of gambling problem – state-wide

Details on the time period a client has been accessing support services for gambling problems is provided in Figure 28. It is evident that the majority of clients have had prolonged periods where gambling has caused them harm. Specifically, almost 60 per cent of clients stated that gambling has been a problem for them for five years or more.

Figure 28 **Duration of client experiencing problems associated with gambling, 2011-2013**



*Note:* These results aggregate data between 2011 and 2013. It does not take into account “unknown” or “not recorded” clients.

*Source:* Data provided by DHHS 2014

### Duration of gambling problem – Focus LGAs

Figure 29 and Figure 30 below outline the period of time clients have been experiencing problems with gambling.

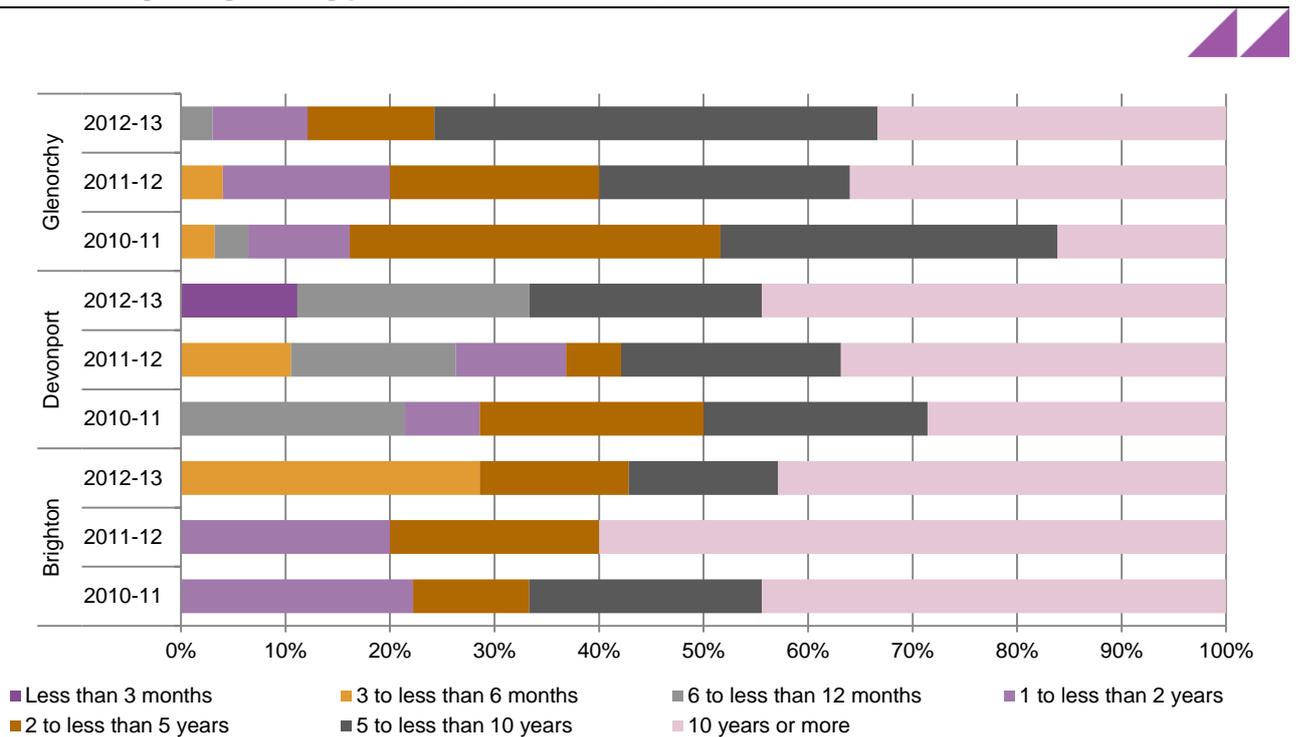
#### Low SES LGAs

Clients who seek support services within the three low SES LGAs have typically had a long-term issue with their gambling. This is reflected within the data which shows that across each of the three LGAs in 2012-13 over 50 per cent of clients had been experiencing problems with gambling for five years or more. Of this 50 per cent, 31 per cent stemmed from clients who had a gambling problem for 10 years or more. This may reflect feedback from stakeholder consultations which suggests that older people visit venues with EGMs in order to socialise, or to feel comfortable in a warm and safe environment.

The above results closely mirror those found at a state-wide level.

Although there are significant variations in the proportion of clients who have had a gambling problem for less than five years, no single pattern emerges. It is likely that these deviations are caused by the low sample size.

Figure 29 Length of gambling problem, low-SES LGAs, 2010-11 to 2012-13



Note: Data that was not recorded or unknown is not included in the graph above.

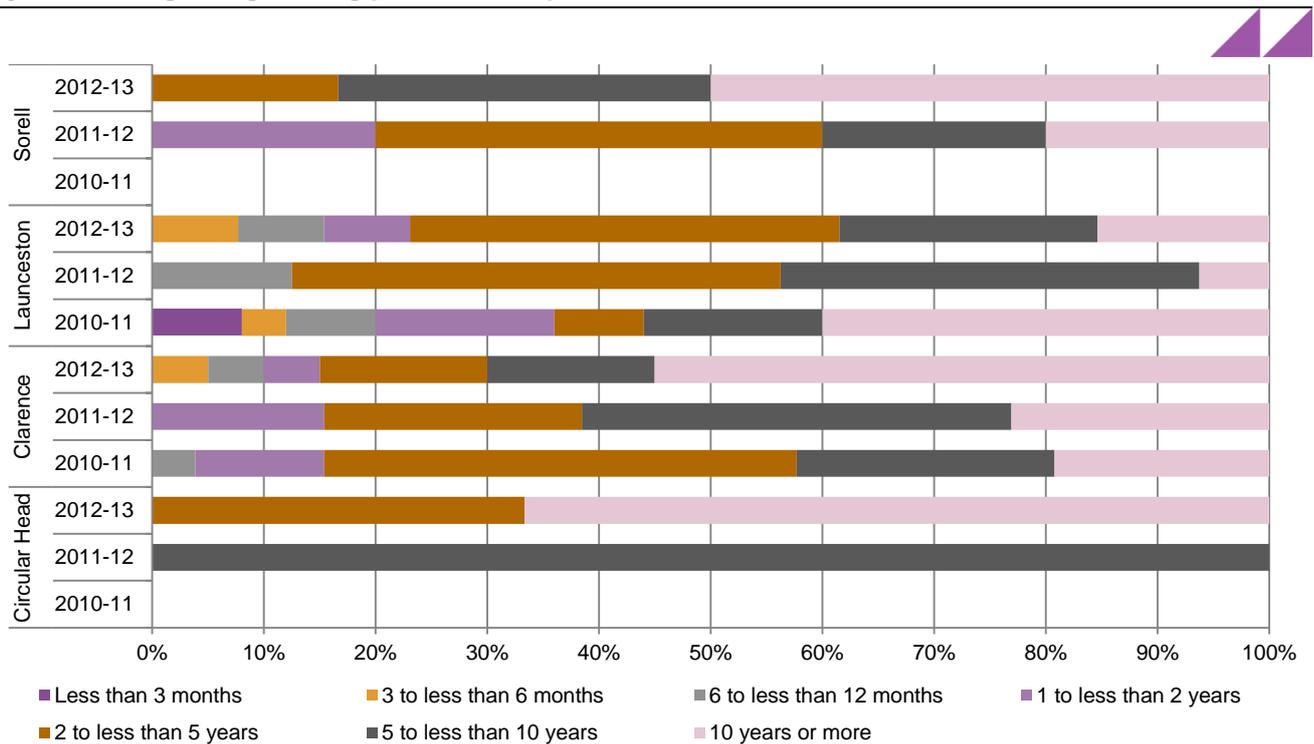
Source: Data provided by Anglicare Tasmania 2014

### Comparison LGAs

The results for the comparison group closely resemble the findings within the low SES LGAs. In particular, the proportion of clients who have had a gambling problem for five years or more is 51 per cent in 2012-13, which is identical to the results within low SES LGAs over the same time period. However, unlike the low SES LGAs, the comparison group has a high proportion of clients who have had a gambling problem between two and five years. For example, in 2012-13 7 per cent of clients in the low SES LGAs areas had experienced a problem with gambling for between two and five years compared to 20 per cent of clients in the comparison group.

Upon a closer examination of the data it is clear that the results outlined above stem from two LGAs – Launceston and Clarence. Launceston clients between 2010 and 2013 saw a significant increase in the proportion of clients with a gambling problem between two and five years – i.e. 4.1 per cent in 2010-11 to 21.7 per cent in 2012-13. Clarence however experienced a marked increase in the proportion of clients with a gambling problem for 10 or more years – i.e. 12 per cent to 44 per cent between 2010-11 and 2012-13.

Figure 30 Length of gambling problem, comparison LGAs, 2010-11 to 2012-13



Note: Data that was not recorded or unknown is not included in the graph above.

Source: Data provided by Anglicare Tasmania 2014

### Time horizon for accessing services – state-wide

The length of time clients access gambling support services depends on the outcome the client is aiming to achieve.

Anglicare Tasmania have defined four types of clients, all of whom access services for differing lengths of time. Each type of client is outlined in further detail below.

- Clients who seek services to exclude themselves from gaming venues typically attend only one support session.
- Clients who access between two to six sessions are those that seek support to enable them to feel capable of tackling their problem with gambling on their own, alternatively, these clients lapse and withdraw from future support services.
- Clients who have stopped gambling but who have an urge to gamble typically access support services for several months until the urge has subsided.
- Some clients access support services on and off for a few years at a time of crisis, to renew their self-exclusion, and to seek help with lapse and relapse prevention. The number of clients who relapse is predicted to be between 10 and 40 per cent of clients.

## Referral source - state-wide

Table 15 summarises the source from which clients were referred to, or became aware of, Gamblers Help services. In 2012 and 2013 there were 482 referrals to Gamblers Help services – i.e. 266 in 2011-12 and 226 in 2012-13.<sup>14</sup>

The most common referral source across the two years was individuals referring themselves to Gamblers Help services, followed by the media and the Gambling Helpline (both directed and client initiated).

Between 2011-12 and 2012-13 the proportion of referrals stemming from clients themselves increased by 10 percentage points. Over the same time period the importance of the media in referring people to support services has declined. This is reflected within the data which shows that in 2013, 15 clients were referred to by media sources which was down from 47 in 2012.

**Table 15 How clients were referred to gambling support services, 2011-12 to 2012-13**

Referral source	2011-12	2012-13	Change in proportion
	Number	Number	Per cent <sup>1</sup>
Self	61	101	10.0↑
Media <sup>2</sup>	47	15	-20.3↓
Gambling Helpline – direct and client initiated	13	27	4.6
Family	12	16	0.2
Anglicare (including financial counsellors)	10	9	-1.7
Friend	9	11	-0.3
Gaming venue	8	12	0.8
Community services agency	5	10	1.6
Other agency	5	11	2.0
Relationships Australia	3	7	1.4
GP	1	3	0.8
Educational agency	0	1	0.4
Legal agency/practitioner	0	1	0.4

Note: <sup>1</sup> Figures do not add up to 100 per cent as it does not include instances where a referral was not recorded. <sup>2</sup> Media includes TV, print, radio, brochures, internet, community information, phonebook and other.

Source: Data provided by DHHS 2014

## Referral source – Focus LGAs

Table 16 summarises the source from which clients were referred to, or became aware of, Gamblers Help services using the most recent data (2012-13). The data clearly indicates that problem gamblers have access to a wide range of services that are aware of Anglicare Tasmania's services.

Prominent referral sources differ significantly from those identified at a state-wide level. In particular, at a state-wide level 20 per cent of clients were referred to gambling support

<sup>14</sup> The table below does not include referrals which were 'not stated or inadequately described'. For this reason figures in the table do not match total figures.

services via the media compared to just 5 per cent for the chosen LGAs. At the LGA level, clients are most likely to refer themselves to support services (comprising 48% of total referrals), followed by family and friends (13.3%) and the Gambling Helpline (11%).

### *Difference between low SES LGAs and comparison LGAs*

Key referral sources for clients in low SES LGAs and the comparison LGAs were similar. For example across both groups most people accessing support services self-referred.

The most significant difference between the two groups was the variance in clients being referred to by the Gambling Helpline, and, family and friends. Specifically:

- 18 per cent of clients in low SES LGAs were referred by family and/or friends compared to just 9 per cent of clients in comparison LGAs
- 19 per cent of clients in the comparison LGA were referred to the Gambling Helpline compared to just 2 per cent of clients in low SES LGAs.

These results may suggest that the Gambling Helpline is not well known or publicised among low SES LGAs.

Table 16 Referral source by LGA, 2010-11 to 2012-13

Referral source	Low SES LGAs			Low SES LGA total (%)	Comparison LGAs				Comparison LGA total (%)
	Brighton	Devonport	Glenorchy		Circular Head	Clarence	Launceston	Sorell	
Anglicare	1	2	2	8.9	1	1	1	0	5.3
Community service agency	-	1	1	3.6	-	2	-	-	3.5
Education agency	-	-	-	0.0	-	-	-	-	0.0
Family and friends	2	3	5	17.9	1	3	1	0	8.8
Financial counsellors	0	0	1	1.8	0	1	0	0	1.8
Gambling Helpline	1	0	0	1.8	0	1	8	2	19.3
GP	-	-	-	0.0	-	-	1	-	1.8
Legal agency	-	-	-	0.0	-	1	-	-	1.8
Media	1	0	3	7.1	0	2	0	0	3.5
Other agency	-	-	3	5.4	-	2	-	-	3.5
Relationships Australia	-	-	-	0.0	-	1	2	-	5.3
Self	2	6	22	53.6	-	8	10	6	42.1
Gaming venue	-	-	-	0.0	1	1	-	-	3.5
<b>TOTAL</b>	<b>7</b>	<b>12</b>	<b>37</b>		<b>3</b>	<b>23</b>	<b>23</b>	<b>8</b>	

Note: The data does not include instances where the referral source was not recorded.

Source: Data provided by Anglicare Tasmania 2014

### Gambling support – telephone and online counselling statistics

DHHS has had a funding agreement with Eastern Health Turning Point since 2007. The funding agreement allows Turning Point to provide the Gamblers Helpline (available state-wide 24/7) and the Gambling Help Online service.

State-wide statistics on both of these services are provided below.

Table 17 **Gamblers Helpline and Gamblers Help Online service statistics**

Statistic	Gamblers Helpline (trend/figures)	Gamblers Help Online (trend/figures)
<b>Number</b>	<ul style="list-style-type: none"> <li>▪ 2013-14: 1,011 calls including 203 related to gambling</li> <li>▪ 2012-13: 885 calls including 267 related to gambling</li> <li>▪ 2011-12: 853 calls including 358 related to gambling</li> </ul> <p>The significant increase in calls in 2013-14 is largely a result of hoax calls to the service</p>	<ul style="list-style-type: none"> <li>▪ 2013-14: 2,487 online requests including 50 from Tasmania</li> <li>▪ 2012-13: 3,067 online requests including 40 from Tasmania</li> <li>▪ 2011-12: 2,577 online requests including 57 from Tasmania</li> </ul> <p>There has been no significant change in the proportion of online requests from Tasmania</p>
<b>Demographics</b>	<ul style="list-style-type: none"> <li>▪ 2013-14: 60 per cent of calls were from males</li> <li>▪ The majority of callers were aged 40 years and over</li> </ul> <p>There has been no significant trend in client demographics in recent years</p>	<ul style="list-style-type: none"> <li>▪ 2013-14: there was an equal distribution of contacts from male and female clients</li> <li>▪ The majority of clients are aged between 15 and 29 years of age</li> </ul> <p>There has been no significant change in demographics of those contacting Gambling Help Online since 2011.</p>
<b>Source of problem</b>	The majority of callers (70%) noted that EGMs were the source of their gambling problem	Clients consistently report EGMs as the main source of their gambling problem
<b>Duration of support</b>	Most callers use the service on an as needs basis. However, the vast majority are first time callers (85.7%)	Clients accessing the online service use it on an as needs basis Gambling Help Online typically provides clients with two emails per week for six weeks

Source: Data provided by Turning Point 2014

## 5.4 Findings

A key feature of the Tasmanian Government response to community members experiencing problems with their gambling is the funding of gambling support services provided by external agencies. These services are provided via face to face gambling support services (delivered by Anglicare Tasmania and Relationships Australia), and online and telephone Gamblers Help services (delivered by Turning Point). Funding for these services is sourced from the CSL – in 2012-13, approximately \$4.6 million was paid into the CSL from the profits of EGMs in clubs and hotels and from betting exchange commission.

An overarching finding is that although the level of moderate risk and problem gambling has been relatively unchanged over the previous three years, the use of gambling support services has declined. For example, the number of new registrations for the face to face gambling support services has declined from 324 in 2011, to 227 in 2013.

Discussions with key stakeholders highlighted the prevalence of gambling in Tasmania, particularly in financially vulnerable communities.

The demographics of clients accessing gambling support services closely aligned with feedback from stakeholder discussions. For example, those accessing gambling support services are:

- just as likely to be female or male
- more likely to be aged between 25 and 44 years of age
- slightly more likely to not be in a relationship than be in a relationship
- slightly more likely to be unemployed than employed (for those that are employed they are more likely to be working full-time)
- likely to have gambling issues that stem from the use of EGMs, particularly within their local hotel/club
- likely to have experienced harms associated with gambling for five years or more
- likely to have referred themselves to Gamblers Help support services.

Within the focus LGAs, the characteristics of clients accessing gambling support services closely mirrors those found at a state-wide level. For example, clients in these areas are:

- most likely to be middle-aged
- just as likely to be female as male
- likely to have gambling issues that stem from the use of EGMs
- likely to have referred themselves to Gamblers Help support services.

Although differences between clients in the low SES LGAs and comparison LGAs emerged, overall, clients within the two groups had similar:

- demographic profiles
- problem forms of gambling
- sources of referral.



# Part Three

# III

## ECONOMIC IMPACTS OF GAMBLING IN TASMANIA

## 6 Expenditure on gambling activities

*This chapter provides an overview of expenditure on gambling activities in Tasmania, with comparisons made with other Australian jurisdictions. The analysis is limited to the gambling forms where data is collected by the Tasmanian Government.*

### 6.1 Scope of gambling in Tasmania

This chapter considers expenditure on the following forms of legalised gambling in Tasmania:

- casino gaming - table gaming, Keno and EGMs in casinos
- EGMs - specific to clubs and hotels
- lotteries - lotto, sports pools and instant lottery
- Keno - specific to clubs and hotels
- race wagering
- sports betting
- minor gaming.

Expenditure refers to the total amount gambled (turnover) less the total amount won by players (winnings). The figures quoted in this study reflect expenditure on services offered by gambling businesses domiciled in Tasmania. As such, the figures exclude spending by Tasmanians on services offered by gambling businesses domiciled in other jurisdictions (that is, imported gambling services), but include spending by non-Tasmanians on services offered by Tasmanian gambling businesses (that is, exported gambling services). Such imports and exports are made possible through internet and phone gambling, and also through tourism.

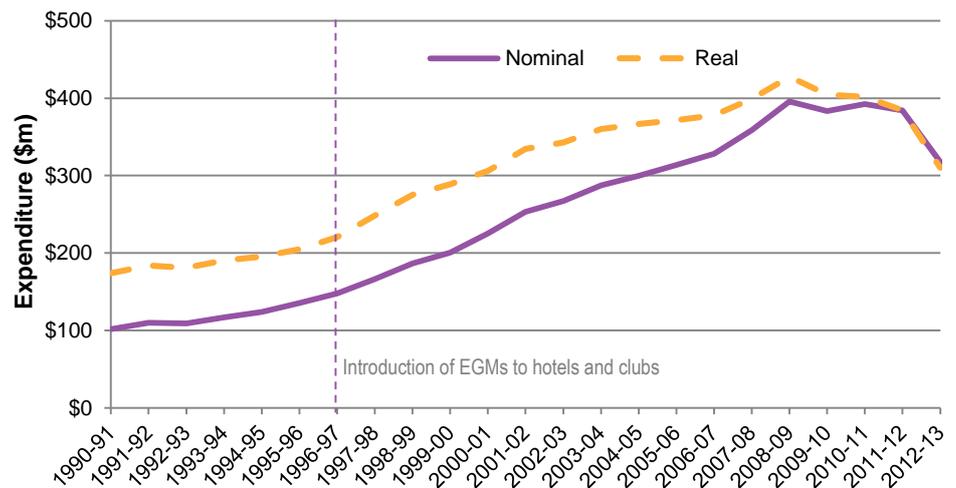
All per adult estimates in this chapter refer to the adult population, aged 18 years and over. Unless otherwise stated, trends in expenditure over time are expressed in real terms (that is, trend estimates exclude the effect of general price increases over time).

### 6.2 Total gambling industry

#### Expenditure

Figure 31 depicts the trend in gambling expenditure in Tasmania since 1990-91, both in real and nominal terms.

Figure 31 Gambling expenditure, Tasmania, 1990-91 to 2012-13



Note: Real expenditure is expressed in 2011-12 prices.

Source: DTF unpublished data, ABS 2014b

Total nominal expenditure on gambling in Tasmania exhibited strong growth from 1990-91 to 2008-09, with a decline since. Real expenditure (in 2011-12 prices) over the period grew from \$174 million in 1990-91 to \$427 million in 2008-09. It is likely that the spike in gambling expenditure in 2008-09 was triggered by the Federal Government's stimulus package, which was delivered between March and May 2009. This included additional payments to income support and pension recipients. From 2008-09 total real gambling expenditure fell 27 per cent from \$427 million to \$310 million in 2012-13. The recent fall in expenditure is likely due to Tasmania's poor economic climate, reflected in unemployment rates; and the growth in online gambling which is not captured in expenditure figures. A reduction in the number of casino-based EGMs between 2011 and 2013 may have also contributed to this decline in expenditure.

Although real expenditure growth on gambling in Tasmania has exceeded the national average, the overall level of spending remains low compared with other Australian jurisdictions (see Table 18).

Table 18 Gambling expenditure, by jurisdiction, 2012-13

Jurisdiction	Expenditure	Proportion of total expenditure	Expenditure as a proportion of HDI <sup>a</sup>
	\$ million	Per cent	Per cent
Tasmania	\$320	1.5%	1.6%
New South Wales	\$7,953	38.4%	2.4%
Victoria	\$5,341	25.8%	2.3%
Queensland	\$3,556	17.2%	1.8%
Western Australia	\$1,324	6.4%	1.0%
Australian Capital Territory	\$243	1.2%	0.8%
Northern Territory	\$821	4.0%	6.6%
South Australia	\$1,133	5.5%	1.7%
<b>Australia</b>	<b>\$20,691</b>	<b>100.0%</b>	<b>2.0%</b>

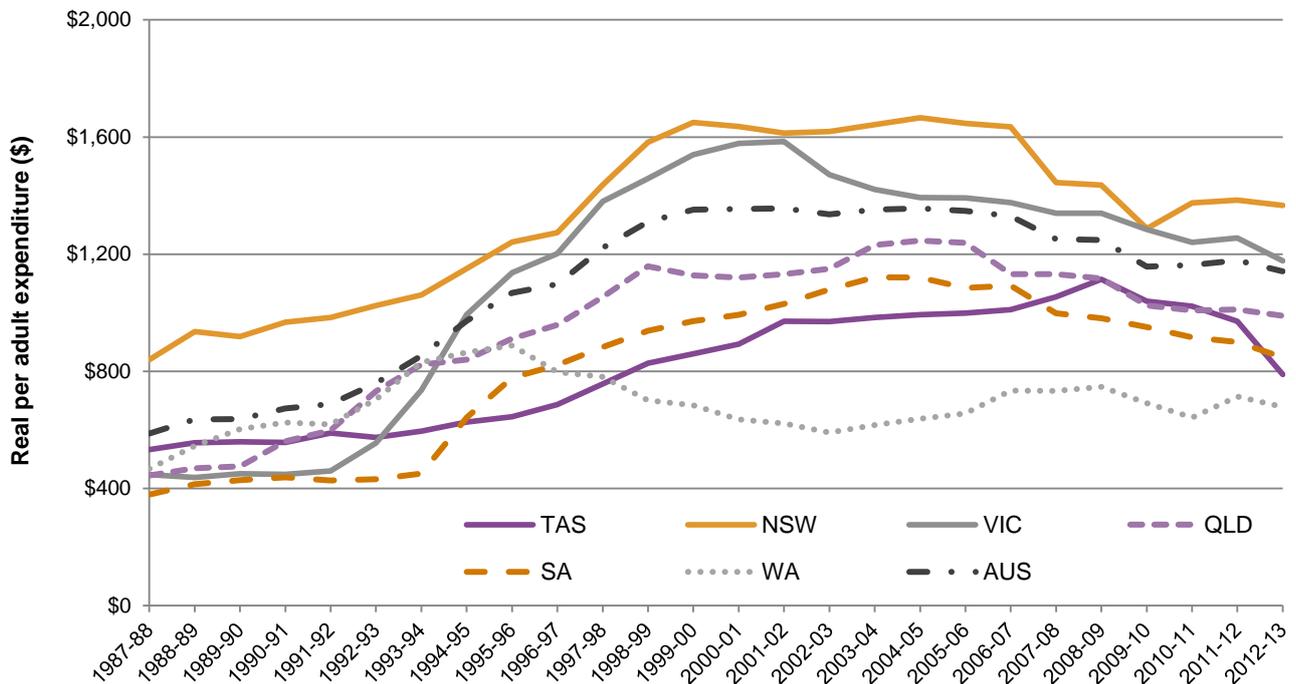
Note: <sup>a</sup> HDI = Household Disposable Income in each relevant jurisdiction. HDI is defined as gross household income less income tax payable, other current taxes on income, wealth etc., consumer debt interest, interest payable by unincorporated enterprises and dwellings owned by persons, net non-life insurance premiums and other current transfers payable by households.

Source: Queensland Treasury and Trade 2014b

In 2012-13, Tasmania accounted for 1.5 per cent of Australia's total gambling expenditure. The ACT was the only jurisdiction with a smaller share, at 1.2 per cent. New South Wales, Victoria and Queensland combined accounted for 81.4 per cent of expenditure. When expressed as a proportion of household disposable income (HDI), the level of expenditure by Tasmanians was lower than the level for Australia as a whole (2.0%), at 1.6 per cent of HDI.

Figure 32 depicts the trend in real per adult expenditure by jurisdiction over the period 1987-88 to 2012-13. While the Tasmanian share of Australia's total gambling expenditure is small, per adult expenditure on gambling in Tasmania trended upwards until 2008-09, and has since declined. However, this is potentially misleading as these figures are not adjusted to account for spending by non-Tasmanians (that is, gamblers in other jurisdictions who access Tasmania's gambling industry via the phone or Internet).

Figure 32 Real per adult expenditure on gambling, by jurisdiction, 1987-88 to 2012-13



Note: Real expenditure is expressed in 2011-12 prices. The NT and ACT have been excluded from the analysis due to structural characteristics of their respective gambling industries that either skew results or are not of relevance to discussion. Data in this figure contains limited interactive gaming data.

Source: Queensland Treasury and Trade 2014b

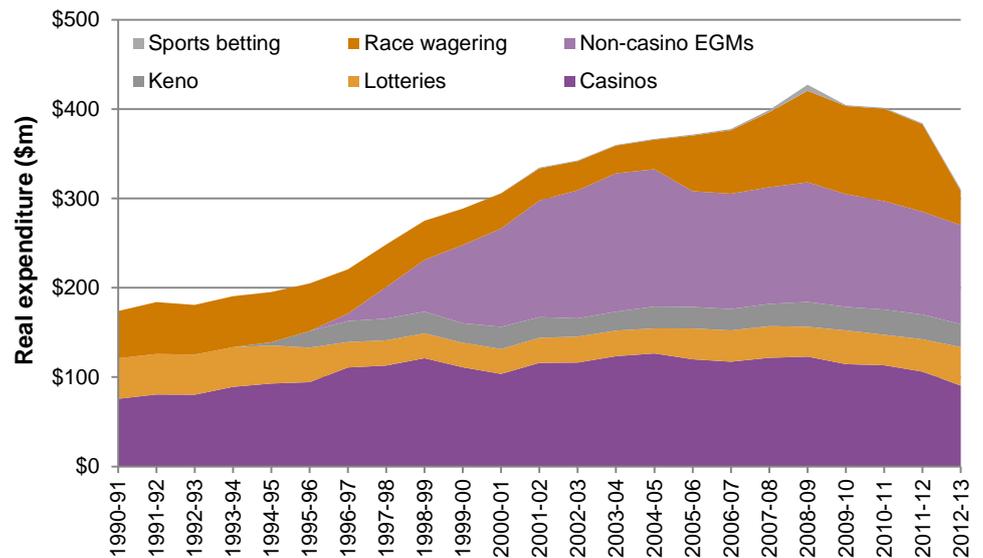
Real annual per adult expenditure on gambling in Tasmania increased from \$532 in 1987-88 to \$789 in 2012-13. Tasmania's per adult expenditure has been consistently lower than the national average.

Tasmania's real per adult expenditure on gambling was high relative to most other jurisdictions at the beginning of the period, but high relative growth in all other jurisdictions resulted in Tasmania becoming the lowest a decade later in 1995-96 — and remained amongst the lowest for the remainder of the period. This shift came about due to the introduction of EGMs into hotels and clubs in most other jurisdictions during the early 1990s (noting that they were already present in NSW). Once EGMs were introduced to clubs and hotels in Tasmania in 1996-97, real per adult expenditure increased steadily before plateauing in the early 2000s.

There has been a noticeable decline in Tasmania's real per adult expenditure since 2008-09, falling considerably from \$1,113 in 2008-09 to \$789 in 2012-13. There are two potential reasons for this decline. Firstly, Tasmania has suffered from a poor economic climate in recent years which has been reflected in higher unemployment rates compared to the mainland. Secondly, in discussions with key stakeholders it is clear that there has been significant growth in online gambling in recent years which is not captured in expenditure figures. Figure 32 includes very limited interactive gambling data (with much missing from 2002-03) and as such the fall may represent a recent switch to online gambling.

Figure 33 depicts the change in the composition of Tasmania's gambling industry over the period 1990-91 to 2012-13.

Figure 33 Real expenditure in the Tasmanian gambling industry, by gambling activity, 1990-91 to 2012-13



Note: Lotteries includes: lotteries, lotto, instant lottery, and pools.

Source: DTF unpublished data, ABS 2014b

At the beginning of the period shown in Figure 33, Tasmania's gambling industry comprised three key activities — race wagering, lotteries and casino gaming. Modern-style EGMs were introduced to casinos in 1993-94, Keno and sports betting were introduced in 1994-95, followed closely by EGMs in hotels and clubs in 1996-97.

The introduction of EGMs resulted in a major increase in gambling expenditure from the mid-1990s. EGMs appear mostly to have attracted additional expenditure to the gambling industry, one exception is the race wagering sector in which real expenditure trended downwards following the introduction of EGMs.

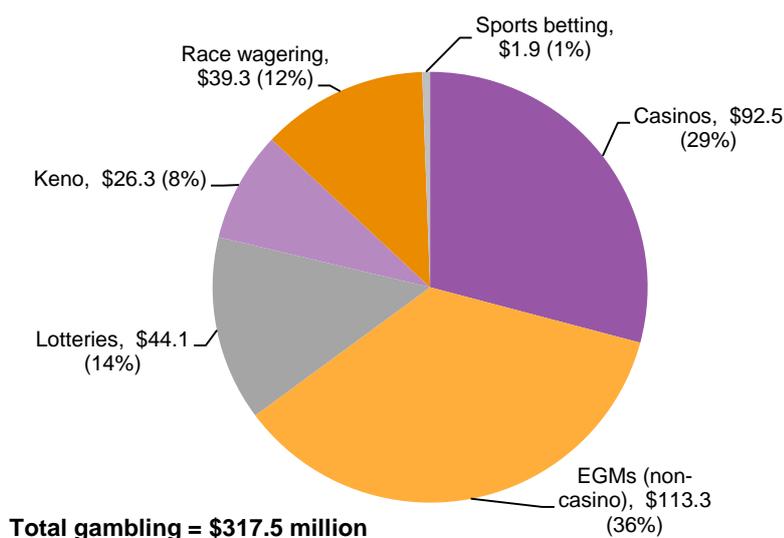
Real gambling expenditure increased sharply from 2006-07 to 2008-09. This appears to have been mainly driven by increased expenditure on race wagering. It is important to note, however, that this increase has come about due to growth in expenditure by non-Tasmanians.

The spike in real gambling expenditure in 2008-09, was likely triggered by the Federal Government's stimulus package, which was delivered between March and May 2009. This spike in expenditure appears to have manifested across all gambling types other than lotteries, which fell slightly in 2008-09. In 2009-10, expenditure returned to a level above that recorded for 2007-08 (the year before the stimulus package) for all gambling activities other than casinos and EGMs.

A final observation is the decline in total real gambling expenditure since 2008-09. As discussed above there are two potential reasons for this decline, Tasmania's poor economic climate in recent years and the growth in online gambling not captured in expenditure data.

Figure 34 summarises expenditure on Tasmania's gambling industry in 2012-13, by gambling activity.

Figure 34 Expenditure of gambling activities (\$ million), Tasmania 2012-13



Note: Minor gaming data ceased to be collected in 2003-04, EGMs comprises hotels and club based EGMs only.

Source: DTF unpublished data

In 2012-13, non-casino EGMs accounted for 35.7 per cent of total recorded gambling expenditure in Tasmania. Expenditure on casino gaming represented the next largest share at 29.1 per cent of total expenditure. Race wagering activities accounted for 12.4 per cent, followed by lotteries (13.9 %), Keno (8.3 %), and sports betting (0.6 %). Minor gaming expenditure figures are not reported as data are no longer collected. In 2002-03, the most recent data available, real expenditure on minor gaming in Tasmania totalled approximately \$7 million in 2008-09 dollars.

It is important to reiterate that the gambling activity referred to as 'EGMs' only accounts for EGMs in hotels and clubs. Consequently, the figures in Figure 34 understate EGM expenditure as a proportion of total gambling expenditure. If EGMs in casinos are included, total expenditure on EGMs was around \$194 million in 2012-13, or 61 per cent of total expenditure on gambling.

The figures for sports betting and race wagering exclude expenditure on, or gross commission earned from, services provided by Betfair, which has increased significantly over recent years. Betfair have advised that although online gambling industry is a large growth industry, the number of competitors entering into the market means that saturation is likely to occur soon.

### 6.3 Terrestrial casino gaming

#### Activities

There are two casinos in Tasmania: the Wrest Point Hotel Casino in Hobart and the Country Club Casino in Launceston.

The two casinos offer a range of gaming activities including table games, EGMs, Keno and totalizator wagering and sports betting. As at December 2013, 1,173 EGMs were located in the two casinos — 650 in Wrest Point and 523 in Country Club. Table 19 provides a breakdown of table gaming in the two locations. Compared to Country Club, Wrest Point offers a slightly wider variety of games as well as a larger number of tables.

Table 19 Table games in Tasmanian casinos December 2013

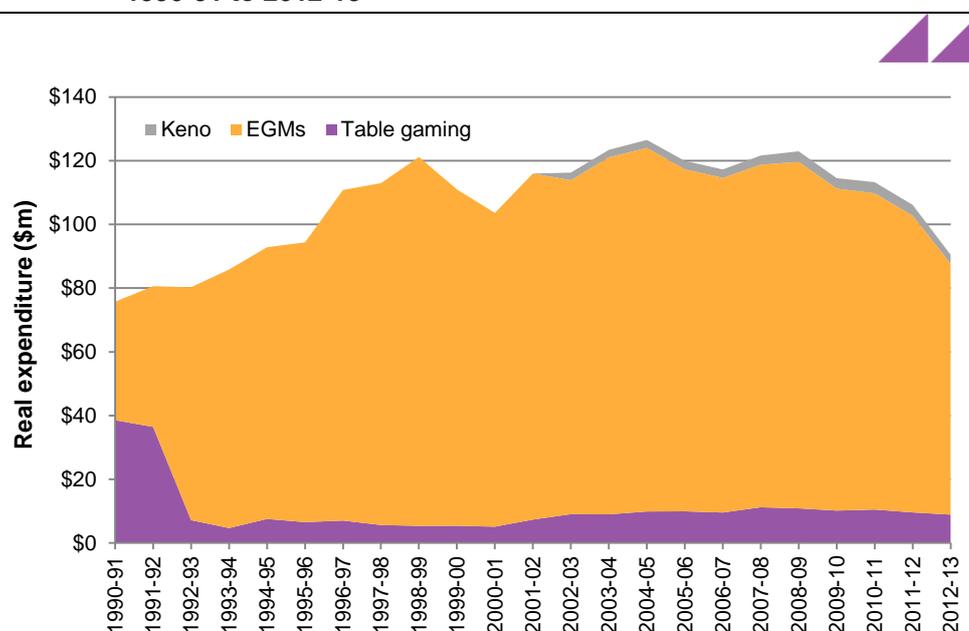
Table game	Wrest Point	Country Club	Total
Blackjack	10	7	17
Midi Baccarat	1	1	2
Mini Baccarat	2	1	3
Big Wheel	1	1	2
Hold 'Em Poker	4	2	6
Pontoon	3	1	4
Rapid Roulette	1	1	2
Roulette	5	4	9
<b>Total</b>	<b>27</b>	<b>18</b>	<b>45</b>

Source: DTF 2014e

## Expenditure

Figure 35 depicts the trend in, and composition of, real expenditure on casino gaming in Tasmania over the period 1990-91 to 2012-13.

Figure 35 Real casino expenditure in Tasmania, trends and composition, 1990-91 to 2012-13



Note: Figures are expressed in 2011-12 prices. Data includes: table gaming, EGMs and Keno expenditure.

Source: DTF unpublished data, ABS 2014b

In 2012-13, casino gaming expenditure in Tasmania was approximately \$93 million in nominal terms and \$90 million in 2011-12 prices. Of this real total, around \$79 million was accounted for by EGMs (87% of total), \$9 million by table games (10%) and \$3 million by Keno (3%).

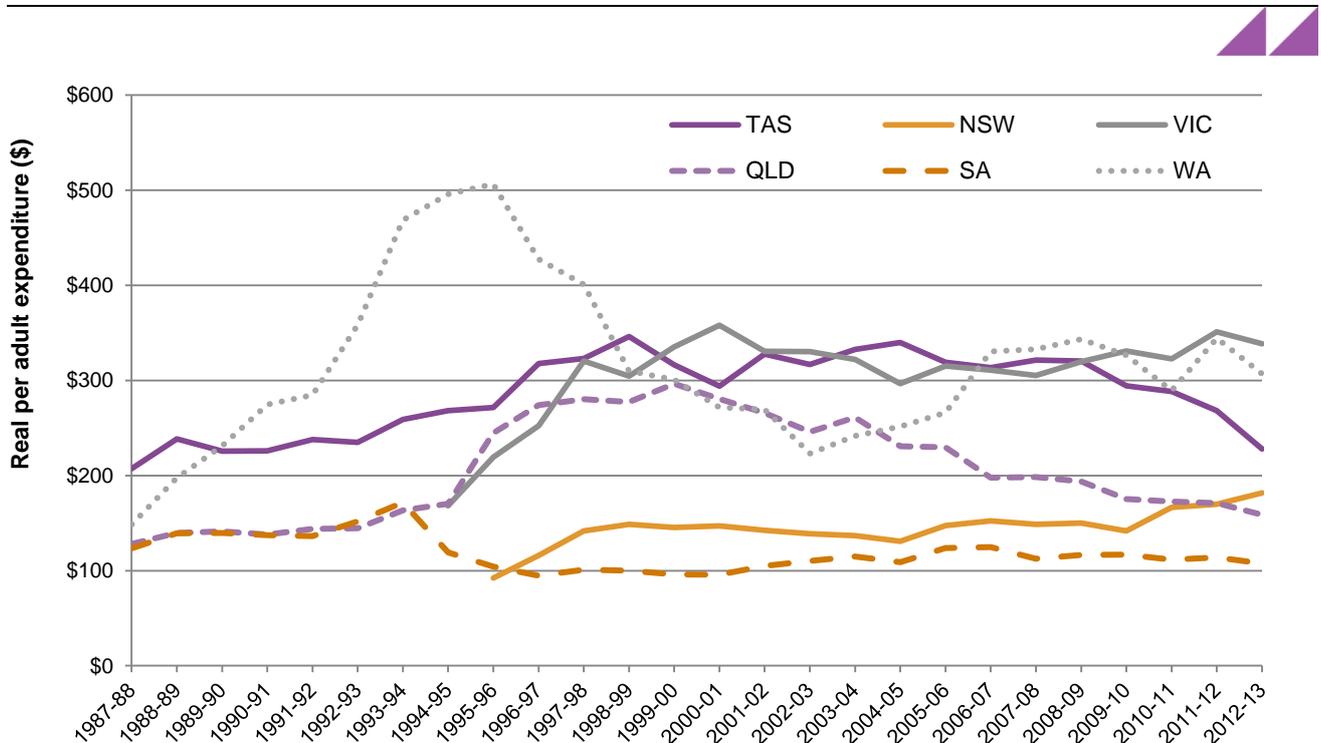
Real casino gaming expenditure exhibited strong growth from the early 1990s through to 1998-99, averaging 4.6 per cent each year. From 1999-2000 to 2009-10 growth slowed to an average of 0.5 per cent each year. Between 2009-10 and 2012-13, real casino gaming expenditure has declined at an average of 8 per cent per annum. Numerous factors may explain this reduction, such as the competition from other gaming forms within Tasmania — particularly EGMs in clubs and hotels, and competition from casinos in other states as well as the introduction of the *Responsible Gambling Mandatory Code of Practice for Tasmania*

in 2012. Although Federal Group supports 50 of the 60 code measures, they considered that certain measures put Tasmanian casinos at a disadvantage relative to other Australian casinos (Federal Group 2014). A reduction in the number of casino-based EGMs between 2011 and 2013 may have also contributed to this decline in expenditure, in particular, Wrest Point Hotel Casino saw a reduction of 77 EGMs in June 2013.

It is clear that EGMs account for the vast majority of casino gambling expenditure in Tasmania. A study of casinos in Australian jurisdictions indicates that EGMs account for 41 per cent of total Australian casino gaming revenue (not including spending on EGMs by international VIP program players) (ACG 2009). On the basis of this measure, casino EGM expenditure, as a proportion of total casino gambling expenditure in Tasmania, is high relative to other Australian casinos.

Figure 36 depicts the trend in real per adult casino gambling expenditure, by jurisdiction. As indicated, per adult expenditure on casino gambling also appears to be relatively high in Tasmania.

Figure 36 Real per adult casino gambling expenditure, by jurisdiction, 1987-88 to 2012-13



Note: Figures are expressed in 2011-12 prices  
 Source: Queensland Treasury and Trade 2014a

In 2012-13, real per adult casino gambling expenditure in Tasmania was \$228. This was relatively high among the jurisdictions considered, with Western Australia and Victoria being the only jurisdictions with more spent per adult. Per adult casino expenditure in Tasmania has always been high compared with other states. This may be because around a third of Tasmania’s total EGMs are located in casinos — a relatively large proportion (see Figure 37). Alternatively, the high spend may reflect the presence of two casinos in a relatively small population.

Figure 37 Proportion of total jurisdiction EGMs in casinos, 2012-13



Source: AGC 2014

## 6.4 Electronic gaming machines

### Activities

Table 20 provides a breakdown of the number of EGMs and related statistics across Australian jurisdictions. It should be noted that due to differing reporting periods, these figures differ slightly from those presented in Chapter 3.

There is considerable variation in both the number and structure of EGMs within Australian jurisdictions. In 2012-13, Tasmania had fewer EGMs than most other jurisdictions — with the exceptions of Western Australia and the Northern Territory. Sixty two per cent of Tasmania's EGMs were licensed to hotels, 33 per cent to casinos and 5 per cent to clubs. The proportions licensed to hotels and casinos are large compared with other states, whereas the share allocated to clubs was small, for reasons discussed in Chapter 3.

On a per adult basis, the concentration of EGMs in Tasmania appears low relative to other jurisdictions. In 2012-13, there were 9 EGMs per 1,000 adults in Tasmania. Higher ratios were observed in New South Wales (16.6), Queensland (13.2), South Australia (10.5), the Australian Capital Territory (16.6) and the Northern Territory (12.9). Relative to Tasmania, there were slightly fewer EGMs per 1,000 adults in Victoria (6.4). Unsurprisingly, Western Australia only has one EGM per 1,000 adults given that EGMs are only permitted within Crown Perth casino.

With regard to caps on EGM numbers, Tasmania's limit of 40 per club is lower than in most other jurisdictions, with the exception of South Australia. Tasmania's limit of 30 per hotel is consistent with New South Wales, but is lower than the other jurisdictions — particularly Victoria (105 per hotel), with the exception of the Northern Territory which limits EGMs to 10 per hotel.

Table 20 EGM numbers and statistics, by state and territory, 2012-13

Measure	TAS	NSW	VIC	QLD	SA	WA	ACT	NT
<b>Number of EGMs operating</b>								
Clubs	173	70,481	12,844	23,860	1,375	0	4,906	753
Hotels	2,180	23,337	13,428	19,300	11,477	0	68	428
Casinos	1,173	1,500	2,500	3,722	995	2,000	0	1,088
Total	3,526	95,318	28,772	46,882	13,847	2,000	4,974	2,269
<b>Share of total EGMs (per cent)</b>								
Clubs	5%	74%	45%	51%	10%	0%	99%	33%
Hotels	62%	24%	47%	41%	83%	0%	1%	19%
Casinos	33%	2%	9%	8%	7%	100%	0%	48%
EGMs per 1,000 adults	9	16.6	6.4	13.2	10.5	1	16.6	12.9
EGMs per 1,000 km <sup>2</sup>	51.55	119.05	126.52	27.09	14.08	0.79	2,109	1.68
<b>Caps on EGMs</b>								
Hotels and clubs	2,500	97,500	27,500	44,705	12,086	N/A	5,200	1,190
Casinos	1,180 <sup>#</sup>	1,500	2,500	N/A	995	N/A	N/A	Unrestricted
Per hotel	30	30	105	40	40	N/A	Up to 10*	10
Per club	40	Unrestricted	105	300	40	N/A	Unrestricted	45

Note: only land based EGMs are reported. \* Taverns in the ACT are allowed a maximum of 2 Class B (draw poker) gaming machines. Hotels with 12 or more units of accommodation are allowed a maximum of 10 Class B gaming machines, while hotels with less than 12 units of accommodation are allowed a maximum of 2 Class B gaming machines. # There is no cap on the number of EGMs in Tasmania's casinos. Rather, the number of EGMs in Tasmanian casinos is limited by the state-wide cap of 3,680 for all gaming machines, with a cap of 2,500 applicable to clubs and hotels.

Source: AGC 2014, Geoscience Australia 2010

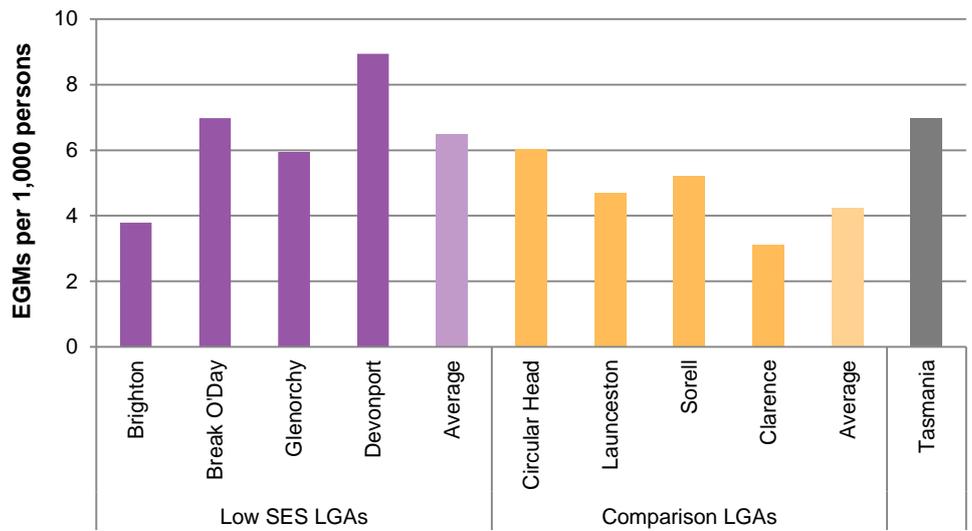
### LGA analysis

Figure 38 shows the number of EGMs per 1,000 persons in the eight focus LGAs. The two LGAs with the highest EGM density per capita are Break O'Day and Devonport, both in the lower SES group. Two of the LGAs with the lowest EGM density per capita are Launceston and Clarence, which also have high SEIFA scores, as estimated using the Index of Relative Socio-economic Disadvantage.<sup>15</sup>

Brighton also has a relatively low EGM density and is a low SES LGA.

<sup>15</sup> The Index of Relative Socio-economic Disadvantage is derived from Census variables including low income, low educational attainment and unemployment status.

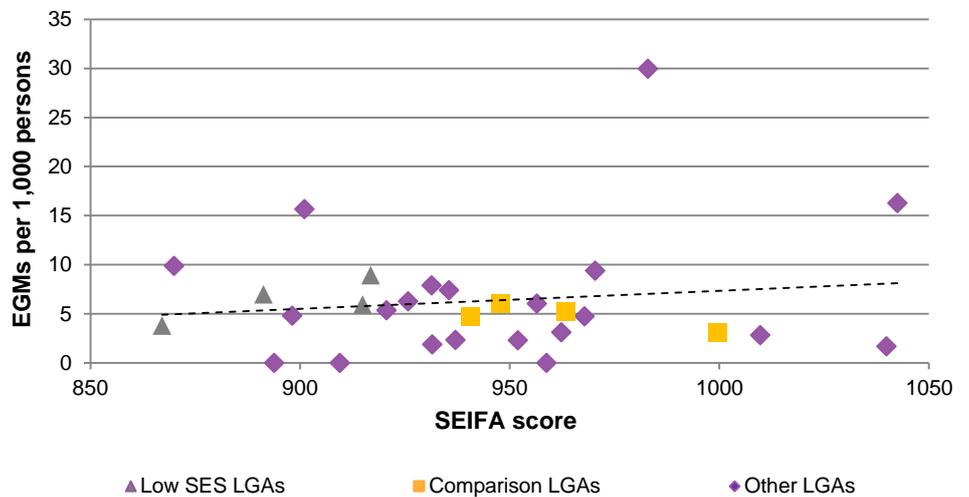
Figure 38 EGMs per 1,000 persons, by focus LGA



Note: The 'Average' columns are a population weighted average  
 Source: DTF unpublished data

Figure 39 analyses the relationship between SEIFA scores, as estimated using the Index of Relative Socio-economic Disadvantage, and EGM density. A positive relationship was estimated, but this is not statistically significant.

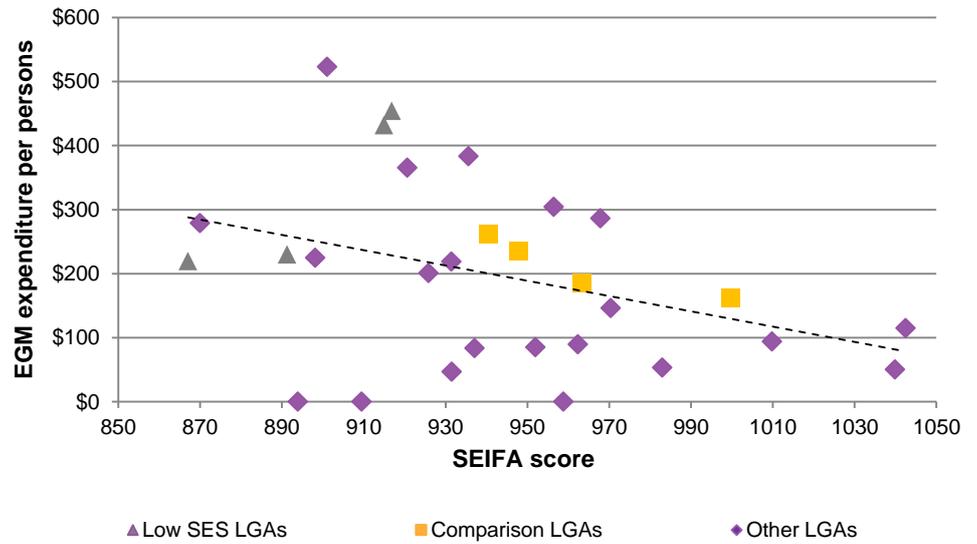
Figure 39 Relationship between SEIFA and EGM density, LGA analysis



Note: A lower SEIFA score represents lower SES LGAs.  
 Source: DTF unpublished data, ABS 2013

Figure 40 analyses the relationship between SEIFA and EGM expenditure per person. There is a statistically significant negative relationship between EGM expenditure per capita and SEIFA scores.

Figure 40 Relationship between SEIFA and EGM expenditure per capita, LGA analysis



Note: A lower SEIFA score represents lower SES LGAs.

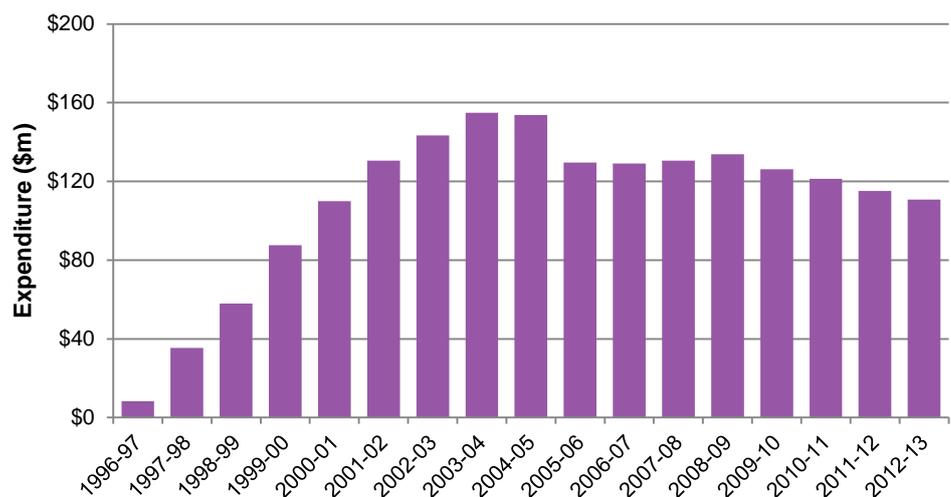
Source: DTF unpublished data, ABS 2013

### EGM expenditure

#### EGM expenditure in hotels and clubs state-wide

Figure 41 depicts the trend in real EGM expenditure in Tasmanian hotels and clubs over the period 1996-97 to 2012-13.

Figure 41 Real EGM expenditure in Tasmania, 1996-97 to 2012-13, hotels and clubs only



Note: Figures are expressed in 2011-12 prices

Source: DTF unpublished data, ABS 2014b

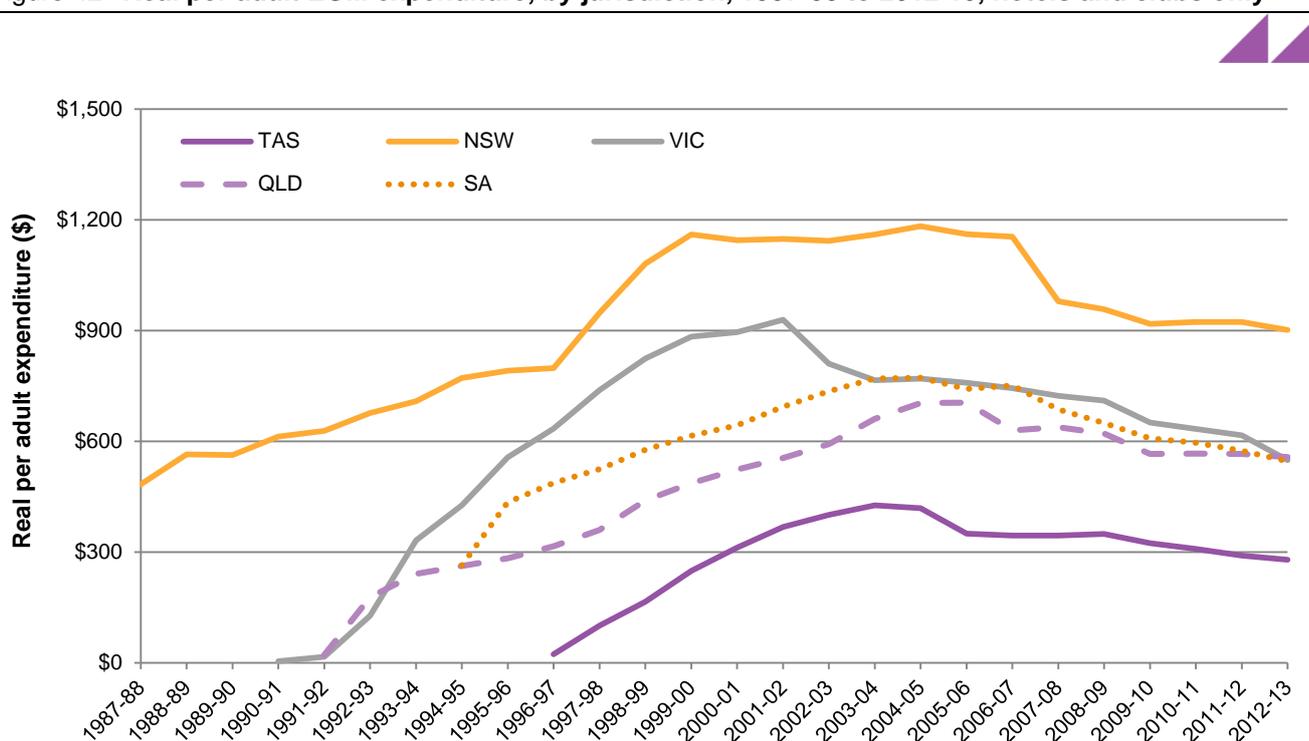
Following the introduction of EGMs to clubs and hotels in 1996-97, real hotel and club EGM expenditure grew strongly through to the early 2000s, peaking at around \$156 million in

2003-04. Expenditure subsequently decreased in real terms to approximately \$130 million in 2005-06, and remained relatively static until 2008-09. Since 2008-09 real EGM expenditure in Tasmania has fallen to \$110 million.

The sharp decline in real expenditure on EGMs in 2005-06 was most likely the result of smoking bans introduced during that year. A possible explanation for the weak expenditure growth since then is the increase in competition from other gambling activities, particularly wagering and sports betting, and availability of betting products via the telephone and internet.

Figure 42 depicts the trend in real per adult EGM expenditure by jurisdiction over the period 1987-88 to 2012-13. It should be noted that expenditure on EGMs in some states, for example New South Wales, reflects a relatively strong clubs culture which may skew the comparison of expenditure on EGMs between the states.

Figure 42 Real per adult EGM expenditure, by jurisdiction, 1987-88 to 2012-13, hotels and clubs only



Note: Figures are expressed in 2011-12 prices

Source: Queensland Treasury and Trade 2014a

At the beginning of the period, EGMs were only present in New South Wales. EGMs were introduced to Victoria in 1990-91, to Queensland in 1991-92, and to South Australia in 1994-95. EGMs were introduced to Tasmania only in 1996-97.

In each jurisdiction, real per adult spending exhibited strong growth immediately following the allocation of EGM licences. This expansion continued over subsequent years. After a certain period of time, however, expenditure levels peaked, with growth subsequently weakening and then declining in all jurisdictions. Compared with other jurisdictions, real per adult expenditure levels in Tasmania appeared to peak more quickly following EGM introduction.

Real per adult EGM expenditure has always been low in Tasmania compared with other jurisdictions, possibly reflecting the low concentration of EGMs per 1,000 adults (see Table 20). In 2012-13, the level of expenditure on EGMs by Tasmanians was \$279 per adult. The

second lowest figure was observed in South Australia (\$546), followed by Victoria (\$549) and then by Queensland (\$558). The highest level of expenditure per adult was observed in New South Wales (\$902).

Table 21 provides a breakdown of EGM expenditure measures by jurisdiction in 2012-13. Compared with most other jurisdictions, EGM expenditure in Tasmania comprises a relatively low share of total gambling expenditure and Household Disposable Income (HDI).

Table 21 **EGM expenditure as a share of total state gambling expenditure and HDI, by jurisdiction, 2012-13**

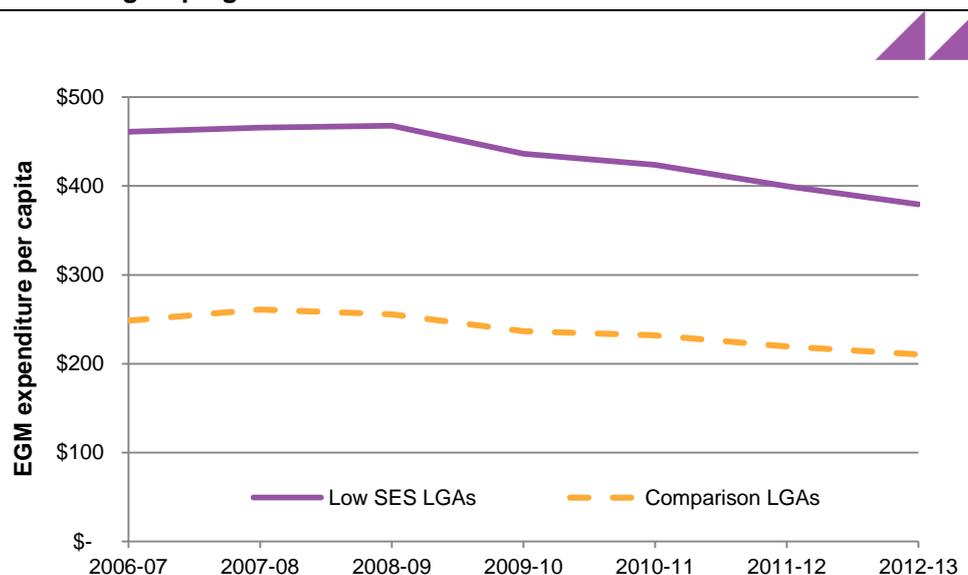
Measure	TAS	NSW	VIC	QLD	SA	ACT	NT
EGM expenditure as a percentage of total state gambling expenditure	35.4%	66.0%	46.6%	56.4%	64.5%	73.0%	7.4%
EGM expenditure as a percentage of HDI	0.6%	1.6%	1.1%	1.0%	1.1%	0.6%	0.5%

Source: Queensland Treasury and Trade 2014a

### Total EGM expenditure at the LGA level

EGM expenditure in both the low SES and comparison LGAs has fallen at a similar rate over the period 2008-09 to 2012-13, with a slightly larger fall seen in low SES LGAs, (see Figure 43).

Figure 43 **Real EGM expenditure per capita in low SES and comparison LGA groupings**

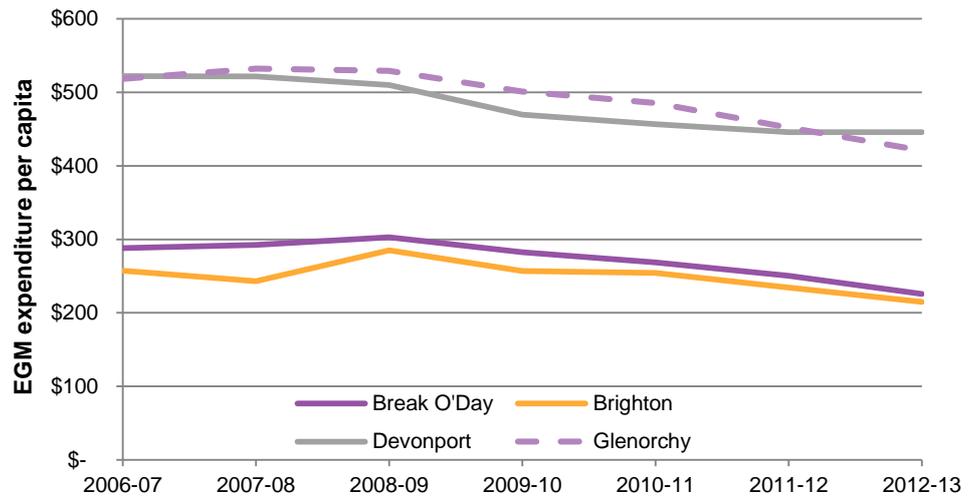


Note: Figures are in 2011-12 prices

Source: DTF unpublished data, ABS 2014b, ABS 2014c.

EGM expenditure per capita in the low SES LGAs is dominated by that in the larger LGAs of Glenorchy and Devonport (see Figure 44). The trends in individual LGAs are quite consistent, with per capita expenditure significantly higher in Devonport and Glenorchy than Break O'Day and Brighton.

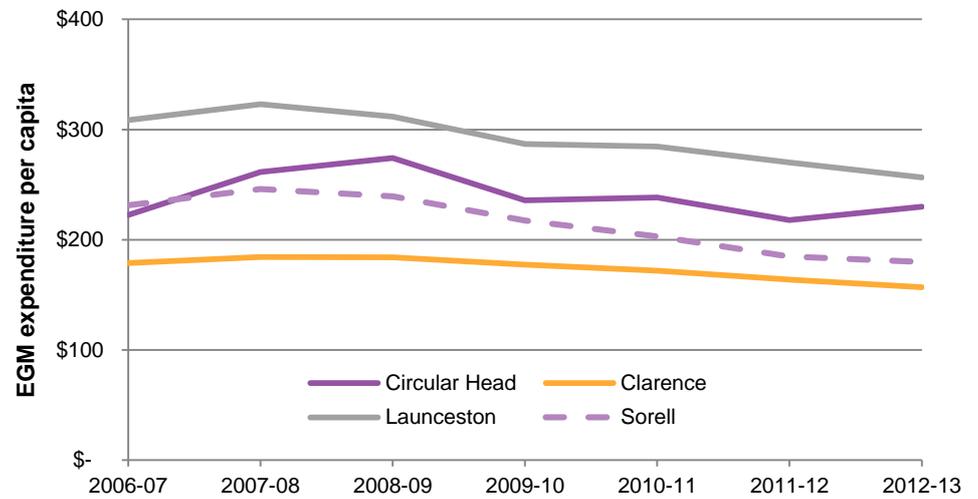
Figure 44 Real EGM expenditure per capita in low SES LGAs



Note: Figures are in 2011-12 prices  
 Source: DTF unpublished data, ABS 2014b, ABS 2014c.

EGM expenditure per capita in the comparison LGAs is dominated largely by Launceston, though Circular Head is approaching similar levels towards the end of 2012-13 (see Figure 45).

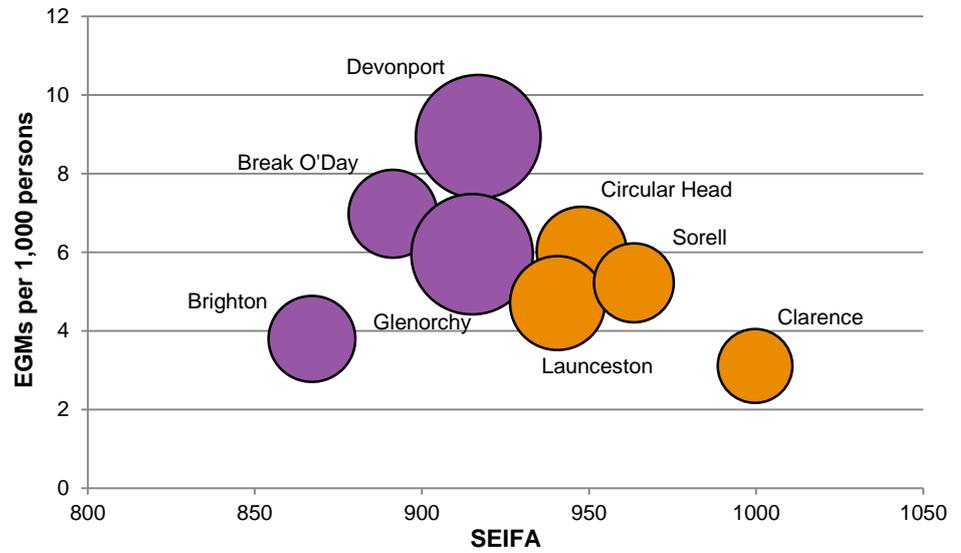
Figure 45 Real EGM expenditure per capita in comparison LGAs



Note: Figures are in 2011-12 prices  
 Source: DTF unpublished data, ABS 2014b, ABS 2014c.

In each of the lower SES LGAs, EGM expenditure per capita is somewhat higher than that in the comparison LGAs. This is depicted by the bubble size in Figure 46. Also plotted is EGM density (Y-axis), alongside SEIFA, with a relationship between these two variables not definitively discernible, however, lower SEIFA score LGAs typically have a higher EGM density.

Figure 46 EGM density and SEIFA, alongside EGM expenditure per capita, by LGA



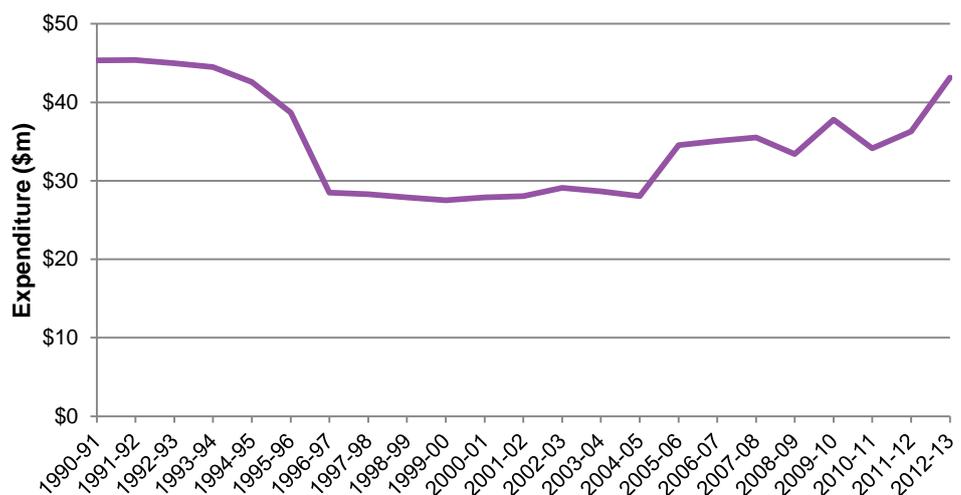
Note: Bubble size represents EGM expenditure per capita in each LGA. Low SES LGAs are in purple. Comparison LGAs are in orange. A lower SEIFA score represents lower SES area  
 Source: DTF unpublished data, ABS 2013

### 6.5 Lotteries

Lotteries are broadly defined as ‘games of chance’ and come in various forms. Lottery products include lotteries, lotto, instant lotto (‘scratchies’) and sports pools.

Figure 47 depicts the trend in real lottery expenditure in Tasmania over the period 1990-91 to 2012-13.

Figure 47 Real lottery expenditure in Tasmania, 1990-91 to 2012-13



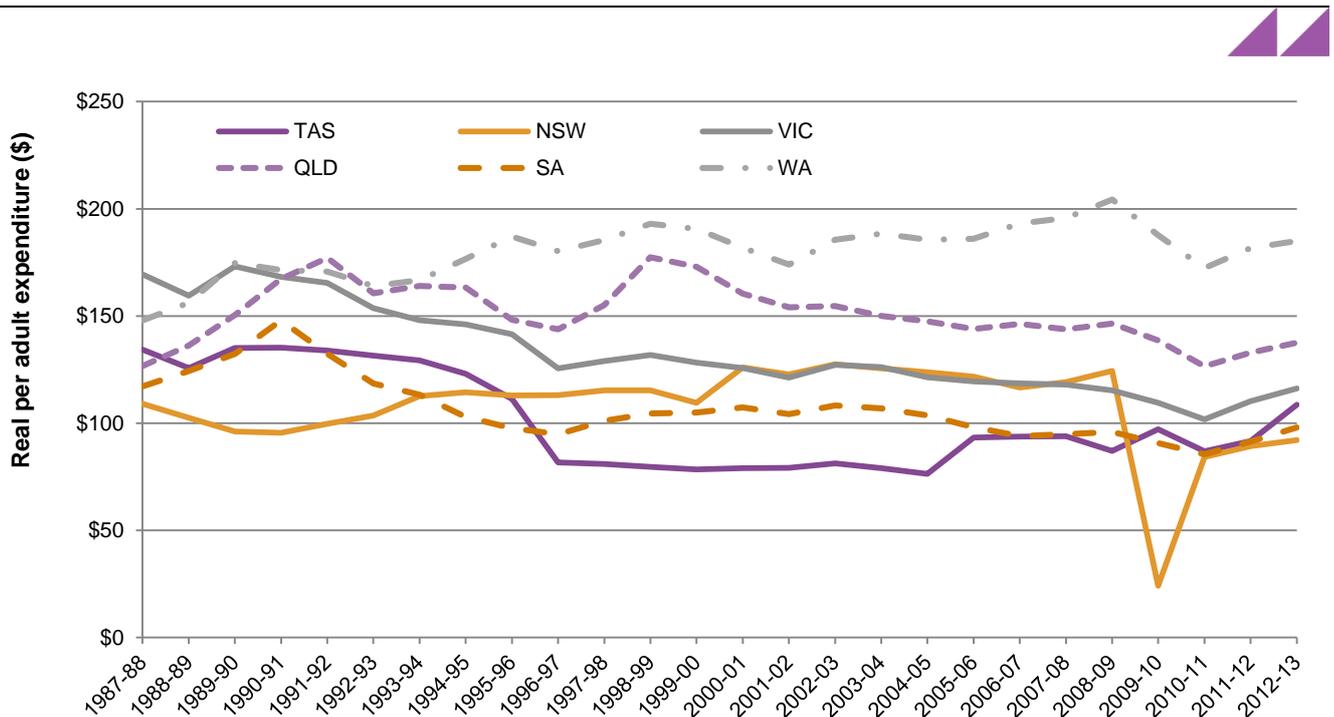
Note: Lotteries includes: lotteries, lotto, instant lottery, pools. Figures are expressed in 2011-12 prices.  
 Source: DTF unpublished data, ABS 2014b

At the beginning of the period, real lottery expenditure was approximately \$45 million. Expenditure decreased in real terms from 1994-95 to 1996-97, likely as a result of the

introduction of Keno to clubs and hotels. Growth remained relatively static from 1996-97 to 2004-05, but has increased in recent years. In 2012-13, lottery expenditure in Tasmania was approximately \$43 million — up \$9 million since 2010-11. Notably, lotteries were the only gambling activity in Tasmania where real expenditure decreased in 2008-09 (that is, the year in which the Federal Government provided payments to households as part of the stimulus package).

Figure 48 depicts trends in real per adult lottery expenditure by jurisdiction over the period 1987-88 to 2012-13.

Figure 48 Real per adult lottery expenditure, by jurisdiction, 1987-88 to 2012-13



Note: Lottery expenditure includes: lotteries, lotto, instant lottery, pools. Figures are expressed in 2011-12 prices. NSW data only available for 3 months April–June 2010.

Source: Queensland Treasury and Trade 2014a

In 1987-88, real per adult expenditure on lotteries in Tasmania was high compared with most other jurisdictions. However, expenditure exhibited an overall downward trend through to 1996-97, resulting in Tasmania having the lowest per adult expenditure among jurisdictions considered. This was still the case in 2008-09, despite expenditure growth in previous years. In 2008-09, real lottery expenditure in Tasmania was approximately \$87 per adult, and has since increased to \$109 per adult in 2012-13.

## 6.6 Keno

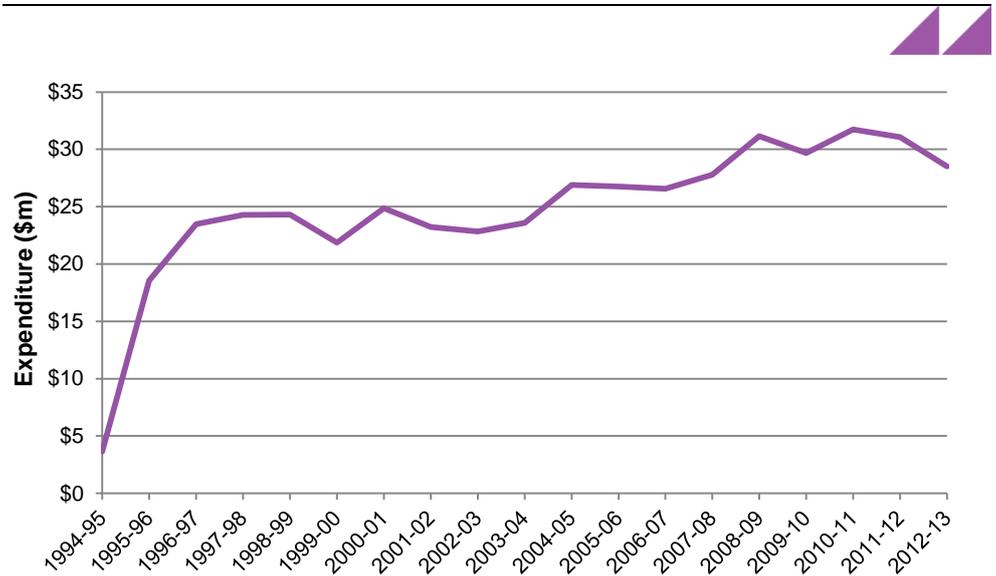
### Activities

Keno is an electronic form of bingo where a player gambles on a set of 20 numbers chosen from a group of 80 numbers. If numbers from the set match 20 randomly selected numbers, the player wins an amount proportional to the gamble and number of matches. Keno is played at clubs, hotels and casinos in Tasmania.

## Expenditure

Figure 49 depicts the trend in real Keno expenditure in Tasmania over the period 1994-95 to 2012-13. These figures relate only to Keno played in hotels and clubs.

Figure 49 **Real expenditure on Keno in Tasmania, 1994-95 to 2012-13**



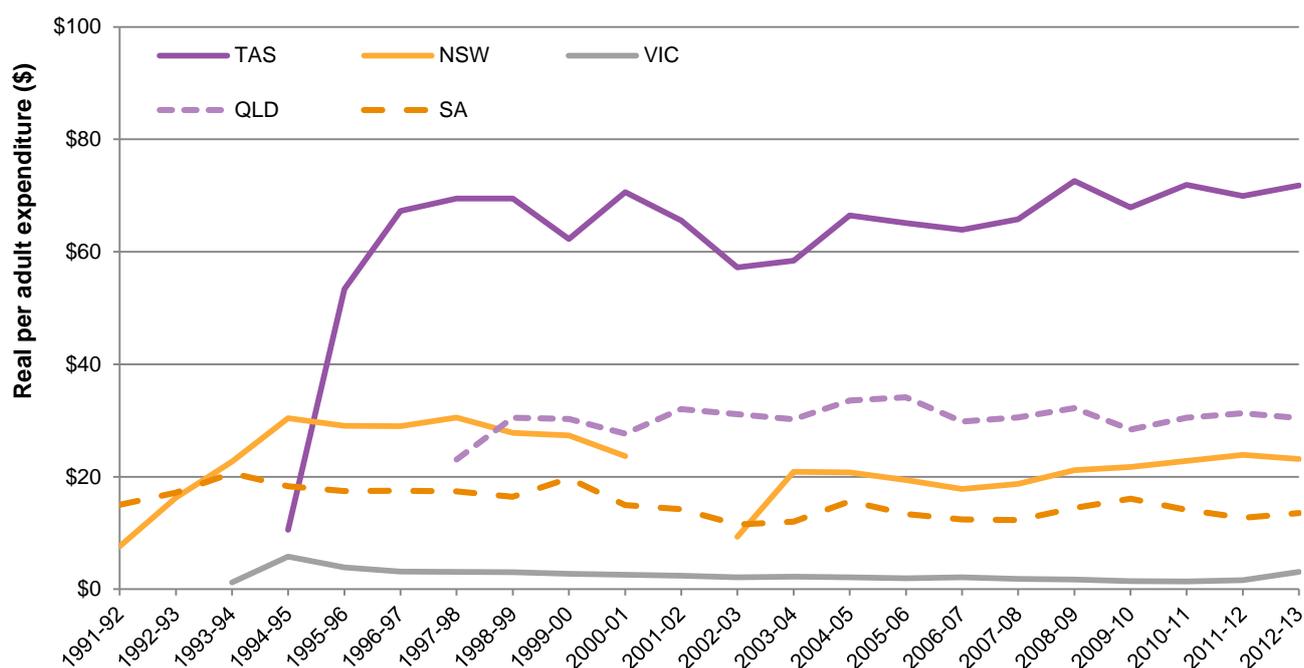
Note: Figures are expressed in 2011-12 prices, no casino Keno data recorded prior to 2002-03

Source: DTF unpublished data, ABS 2014b

Keno was introduced to Tasmanian clubs and hotels in 1994-95 and the level of real expenditure grew rapidly over the following three years. Since 1997-98, however, expenditure growth has flattened off — averaging just one per cent per annum since then. In 2012-13 real expenditure on Keno was approximately \$28.5 million.

Figure 50 depicts trends in real per adult Keno expenditure by jurisdiction over the period 1991-92 to 2012-13.

Figure 50 Real per adult Keno expenditure, by jurisdiction, 1991-92 to 2012-13



Note: NSW data missing for 2001-02, and estimated for 2002-03

Source: Queensland Treasury and Trade 2014a

At the beginning of the period, Keno was present only in New South Wales and South Australia. Keno was introduced to Victoria in 1993-94, to Tasmania in 1994-95 and to Queensland in 1997-98. Despite the game's relatively late introduction, from 1995-96 to 2012-13, the level of real per adult Keno expenditure in Tasmania was the highest among the jurisdictions considered. In 2012-13, real expenditure on Keno by Tasmanians was approximately \$72 per adult.

The higher per adult Keno expenditure in Tasmania may be attributed to the relatively high proportion of venues offering Keno in Tasmania. At 30 June 2013, NSW had 2,816 gaming clubs and hotels, and a casino, and of these 1,811 were connected to Keno (OLGR 2014b). Therefore approximately 64 per cent of NSW gaming licensed clubs and hotels contain Keno, compared to nearly 100 per cent in Tasmania.

Tasmanian gamblers have a particularly strong preference for Keno, relative to gamblers in other states.

## 6.7 Race wagering

### Activities

Race wagering encompasses thoroughbred, harness and greyhound racing. Table 22 provides a breakdown of racing activities in Tasmania in 2012-13.

Table 22 Racing statistics, Tasmania, 2012-13

	Thoroughbred	Harness	Greyhound <sup>a</sup>
Clubs	4	.. <sup>b</sup>	3
Tracks	6	10	.. <sup>b</sup>
Race meetings	78	86	157
Total races	622	773	1,637

Note: <sup>a</sup> greyhound statistics are for 2011; <sup>b</sup> 2012-13 statistics unavailable.

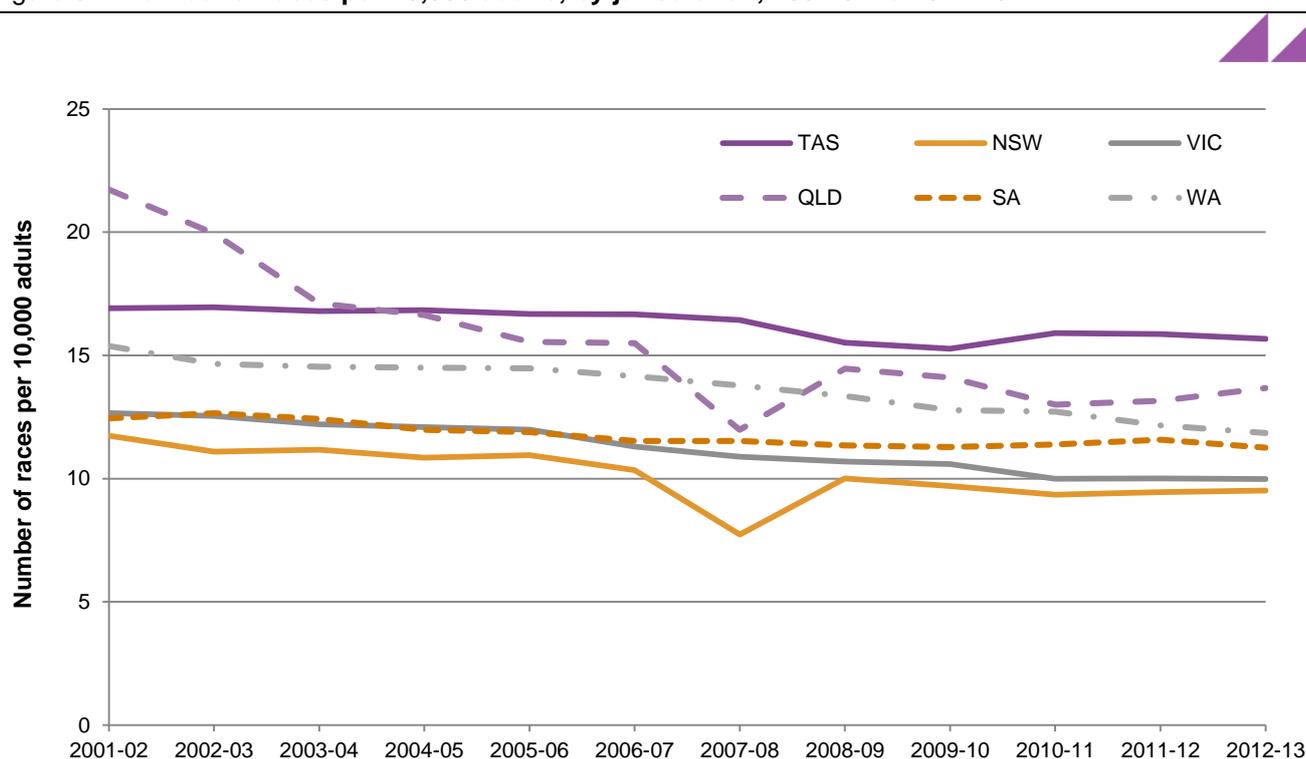
Source: Australasian Gaming Council 2014a, Tasracing 2013

In 2012-13:

- four clubs operated thoroughbred race meetings on six tracks in Tasmania
- there were 78 race meetings, comprising 622 thoroughbred races
- there were ten harness racing tracks in Tasmania. The total number of harness race meetings was 86, comprising 773 total harness races
- three greyhound racing clubs held 157 greyhound race meetings, comprising a total of 1,637 races.

Figure 51 depicts the trend in the total number of thoroughbred races per 10,000 adults by jurisdiction over the period 2001-02 to 2012-13. As indicated, while fewer total races are held in Tasmania compared with other jurisdictions, the number of races per 10,000 adults is relatively high.

Figure 51 Number of races per 10,000 adults, by jurisdiction, 2001-02 to 2012-13



Note: Population was derived up to 2011-12 using Australian Bureau of Statistics from Queensland Treasury and Trade 2014c, 2012-13 population was estimated using ABS 2014.

Source: Australian Racing Board 2013, Queensland Treasury and Trade 2014c, ABS 2014a

At the beginning of the period, approximately 17 races per 10,000 adults were held in Tasmania. This was high compared with all other jurisdictions, aside from Queensland. A slight downward trend was observed in Tasmania over the period, falling to 15 races held per 10,000 adults in 2009-10, which has since increased to 16 in 2012-13. This reduction was small relative to the changes observed in most other jurisdictions. For example, the

number of races per 10,000 adults in Queensland decreased from approximately 22 in 2001-02 to around 14 in 2012-13.

Table 23 summarises group and listed thoroughbred racing statistics by jurisdiction in 2012-13. As indicated, fewer races and less prize money were offered in Tasmania compared with the other jurisdictions considered. In addition, no Group 1 or Group 2 thoroughbred races were held in Tasmania.

Table 23 **Thoroughbred group and listed statistics, by jurisdiction, 2012-13**

	TAS	NSW	VIC	QLD	SA	WA
<b>Number of races</b>						
Group 1	0	27	27	8	4	3
Group 2	0	31	35	9	3	6
Group 3	3	35	41	16	12	13
Listed	13	73	94	52	28	53
<b>Total</b>	<b>16</b>	<b>166</b>	<b>197</b>	<b>85</b>	<b>47</b>	<b>75</b>
<b>Prize money (\$ million)</b>						
Group 1	0	20.4	28.1	4.8	1.8	2.0
Group 2	0	8.2	8.2	2	0.8	2.1
Group 3	0.6	4.8	6.8	2.3	1.4	1.9
Listed	1.25	8.3	12.3	5.6	2.3	4.5
<b>Total</b>	<b>1.85</b>	<b>41.6</b>	<b>55.4</b>	<b>14.7</b>	<b>6.3</b>	<b>10.5</b>

*Note:* Horse racing in Australia is divided into different statuses which are determined by the Australian Group and Listed Races Advisory Board. The four largest divisions are Group 1, Group 2, Group 3 and Listed Races. The Group 1-3 events are deemed the most prestigious and important in the world of racing. (Races.com.au 2014). Races outside these categories are not listed in this table.

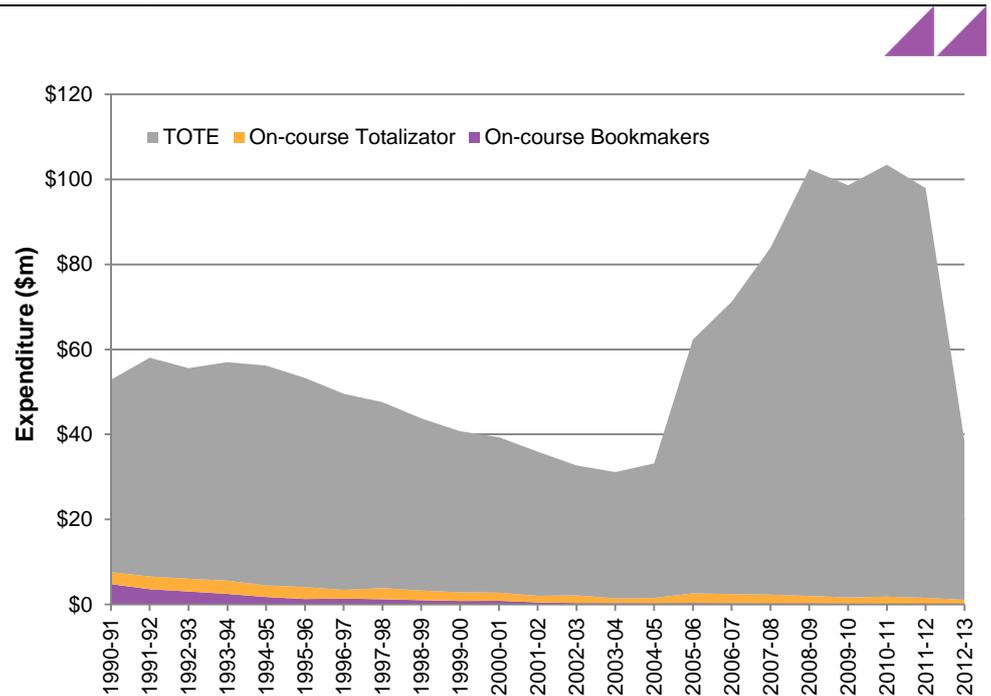
*Source:* Australian Racing Board 2013

## Expenditure

Figure 52 depicts the trend in, and composition of, real expenditure on race wagering over the period 1990-91 to 2012-13. As indicated, expenditure is categorised by the wagering form as opposed to the type of activity. It is important to note that the expenditure figures reported in this section exclude expenditure on (or gross commission earned from) services provided by Betfair. This information was not made available due to being commercial-in-confidence.<sup>16</sup>

<sup>16</sup> The data reflect expenditure on all products and services offered by race wagering providers domiciled in Tasmania, and so reflect expenditure on races held in all jurisdictions, not just in Tasmania.

Figure 52 Real expenditure on services offered by Tasmanian race wagering operators, trend and composition, 1990-91 to 2012-13



Note: Figures are expressed in 2011-12 prices

Source: DTF unpublished data, ABS 2014b

At the beginning of the period, total real race wagering expenditure was approximately \$53 million. Of this total, around \$45 million was accounted for by TOTE Tasmania betting, \$2.8 million by on-course totalizator betting, and \$4.8 million by on-course bookmakers.

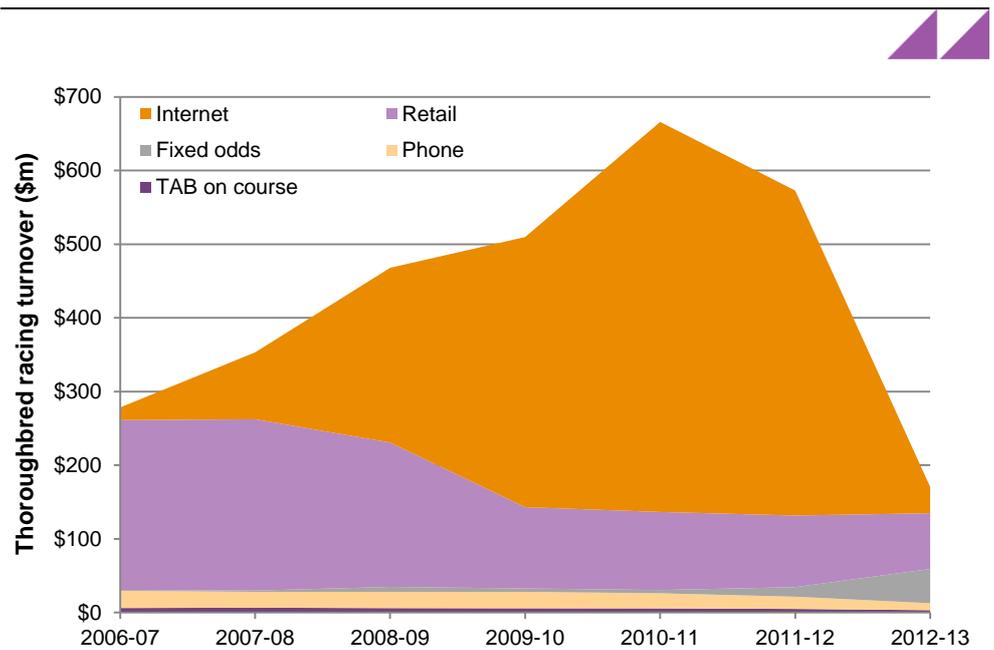
Total expenditure on race wagering exhibited a downward trend during the 1990s and early 2000s. This effect was most evident in TOTE and on-course bookmaker expenditures, and was likely a result of competition from other gambling activities, particularly EGMs. However, real race wagering expenditure displayed strong growth from 2004-05 to 2008-09. This strong growth was driven, wholly or in part, by growth in interstate and international customer activity. In particular, TOTE Tasmania's strategy until 2012 was to attract high spending punters from outside Tasmania. Based on previous discussions with TOTE Tasmania, this was successful due to its robust and speedy web systems, competitive discounts, and generous rebates offered to major customers. However, since the sale of TOTE Tasmania to Tatts Group, a focus has been placed on building up the retail business. Today, the proportion of TOTE Tasmania's net turnover from interstate customers is approximately 30 per cent.

From 2008-09 to 2011-12 real expenditure remained relatively constant. In 2011-12, real race wagering expenditure in Tasmania was \$97.9 million. Of this total, around \$96.4 million was accounted for by TAB, \$1.0 million by on-course totalizator betting, and \$0.1 million by on-course bookmakers.

The year 2012-13 saw a large decline in real expenditure on race wagering, to \$38.5 million. Much of this decline can be attributed to TOTE Tasmania, under new ownership by Tatts Group, no longer taking bets from high stakes professional gamblers.

Turnover figures provide a clear explanation for the recent strong growth in race wagering expenditure. In the context of wagering, turnover is the total amount staked by backing customers, whereas expenditure is equivalent to the commission retained (or 'taken out') by the betting operator after winnings are paid out to customers. Figure 53 depicts the trend in, and composition of, thoroughbred turnover in Tasmania over the period 2006-07 to 2012-13.

Figure 53 **Tasmania thoroughbred wagering turnover, Tasmanian, 2006-07 to 2012-13**



Source: Australian Racing Board 2013

From 2006-07 to 2009-10, wagering turnover at retail outlets decreased from \$231 million to \$110 million. In contrast, wagering turnover via the internet increased markedly from \$17 million in 2006-07 to almost \$367 million in 2009-10. Turnover from other forms of wagering remained relatively consistent over the period.

In 2010-11, total Tasmania thoroughbred wagering turnover was almost \$666 million. This represented an increase of around 139 per cent in nominal terms from 2006-07 — an increase that was driven solely by the increase in turnover from internet wagering, and which appears to have been at the expense of turnover from retail outlets.

Some of the increase in internet wagering can be attributed to the changing tastes of Tasmanian punters, shifting from traditional retail forms to modern web based forms. For example, due to the growing preference for online gambling services TOTE Tasmania has introduced a smart phone application (Tatts App). Discussions with TOTE Tasmania suggest that this service is performing very well, however, it will require two more years to understand the true growth figures. However, most of the increase is explained by the growth in activity of interstate and international punters.

Online betting has reduced the demand for TOTE, additionally, it is an old-fashioned type of gambling. As the population ages the popularity of TOTE has declined.

*Devonport gaming venue focus group, 2014*

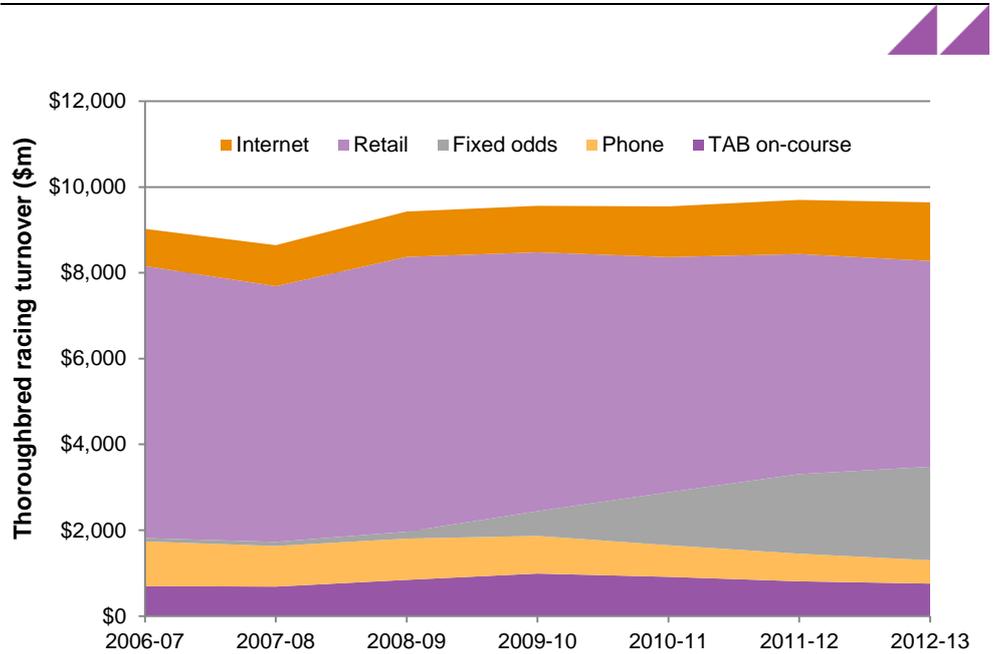
Since 2010-11 there has been a dramatic fall in Tasmanian internet wagering, falling from \$529 million in 2010-11 to \$35.8 million in 2012-13. As discussed above this is presumably due to the change in strategy of TOTE Tasmania following its sale to TattsBet in March 2012 as well as the economic conditions in Tasmania.

There was also an increase in fixed odds betting, increasing from \$4.4 million in 2010-11 to \$46 million in 2012-13.

It should be noted that the trend observed in Figure 53 does not fully account for the increase in race wagering expenditure depicted in Figure 52, as it focuses only on thoroughbreds. Rather, the turnover data should be considered indicative of a broader trend within the Tasmanian race wagering industry.

Figure 54 depicts the trend in, and composition of, thoroughbred turnover in Australia — less Tasmania — over the period 2006-07 to 2012-13. The strong trend observed in Tasmania is not reflected in the figures for the rest of Australia.

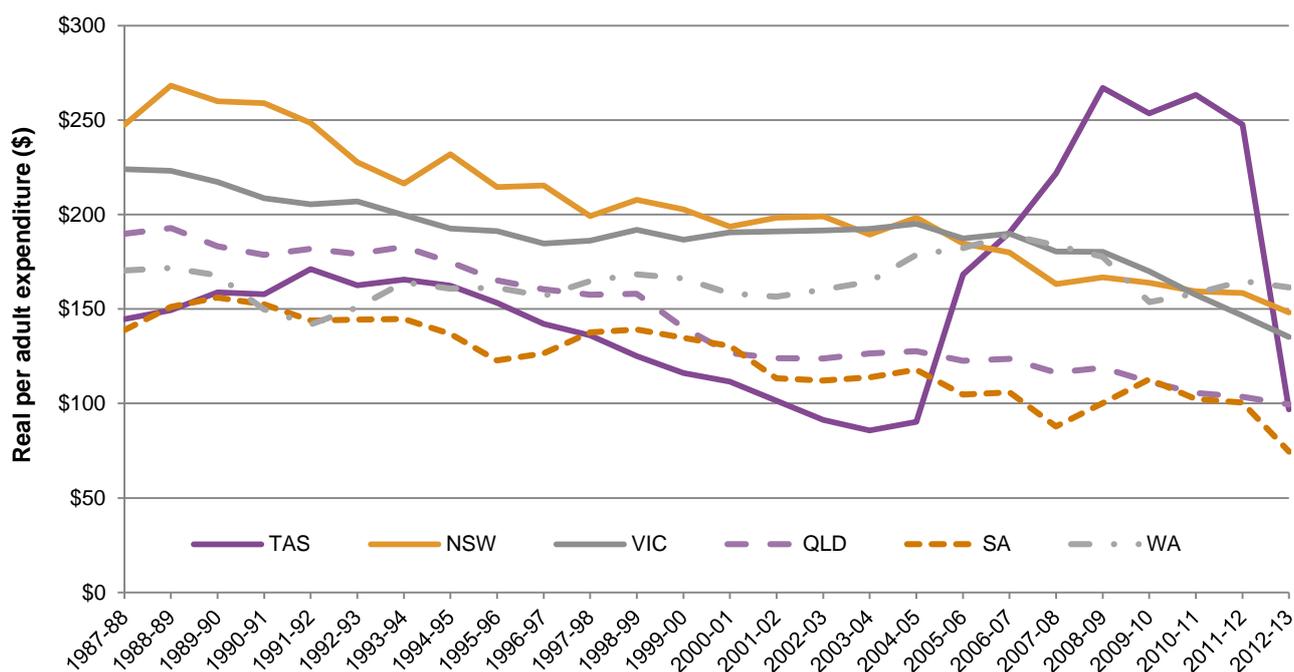
Figure 54 **Thoroughbred wagering turnover, Australia less Tasmania, 2006-07 to 2012-13**



Source: Australian Racing Board 2013

Figure 55 depicts real per adult race wagering expenditure, by jurisdiction over the period 1987-88 to 2012-13.

Figure 55 Real per adult race wagering expenditure, by jurisdiction, 1987-88 to 2012-13



Note: Figures are expressed in 2011-12 prices

Source: Queensland Treasury and Trade 2014a

In 1987-88, Tasmania's real per adult race wagering expenditure was lower than most other jurisdictions considered, with the exception of South Australia. Per adult expenditure grew during the 1980s and then followed a trend consistent with that depicted in Figure 52. In 2011-12, real race expenditure in Tasmania was approximately \$248 per adult. This was high relative to all other jurisdictions. However, as discussed previously, this increase has been driven, wholly or in part, by the growth in activity of interstate and international customers. Given that the available data does not specify the exact proportion of expenditure by Tasmanians versus non-Tasmanians, it is not possible to draw a clear conclusion on the level of real per adult race wagering expenditure in Tasmania over recent years. 2012-13 saw a large decline in real per adult race wagering expenditure, falling from \$248 in 2011-12 to \$97 in 2012-13. As discussed previously, expenditure has fallen following TattsBet's acquisition of TOTE Tasmania in March 2012 and their change in strategy and market. Table 24 provides a breakdown of total and per adult race wagering turnover by jurisdiction in 2012-13. As indicated, total wagering turnover is low in Tasmania relative to other jurisdictions. On a per adult basis, wagering turnover is also low compared to other jurisdictions. However prior to 2012-13, the opposite was true and Tasmania had a high real per adult wagering turnover. The fall in per adult turnover per adult race wagering turnover in 2012-13 was driven by the fall in TAB thoroughbred wagering turnover described above.

Table 24 Total and per adult race wagering turnover, by wagering form and jurisdiction, 2012-13

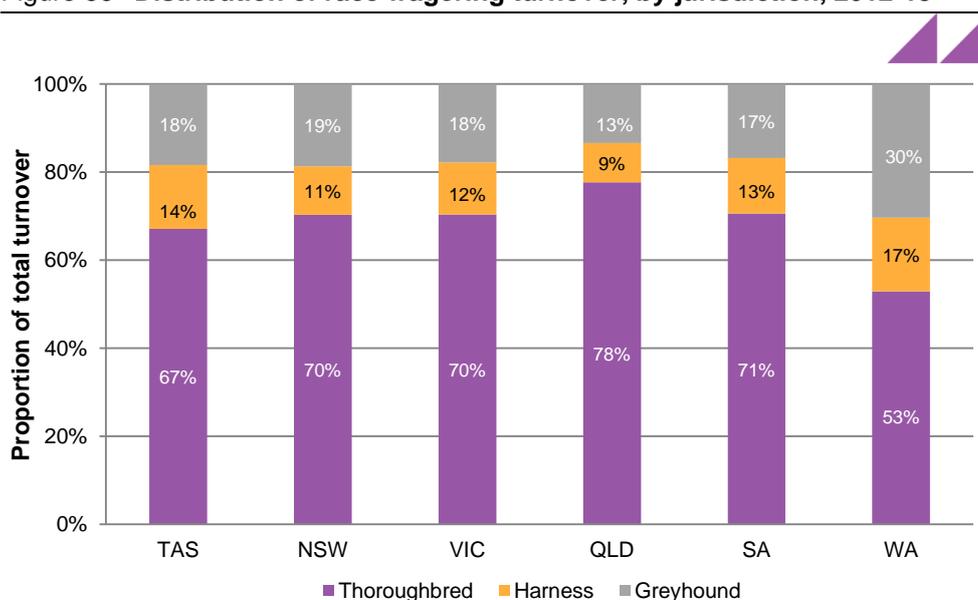
	TAS	NSW	VIC	QLD	SA	WA
<b>Total turnover (\$ millions)</b>						
On-course totalizator	\$6.7	\$371.1	\$453.1	\$59.0	\$22.0	\$79.0
TAB (less on-course totalizator)	\$247.3	\$4,615.3	\$3,671.9	\$2,143.3	\$659.4	\$1,909.5
Bookmakers	\$1.7	\$458.3	\$375.9	\$86.2	\$12.6	\$41.4
<b>Total</b>	<b>\$255.7</b>	<b>\$5,444.7</b>	<b>\$4,500.9</b>	<b>\$2,288.4</b>	<b>\$694.0</b>	<b>\$2,029.9</b>
<b>Turnover per adult member of the population</b>						
On-course totalizator	\$17	\$65	\$102	\$17	\$17	\$41
TAB (less on-course totalizator) <sup>a</sup>	\$623	\$810	\$828	\$610	\$505	\$1,000
Bookmakers	\$4	\$80	\$85	\$25	\$10	\$22
<b>Total</b>	<b>\$644</b>	<b>\$956</b>	<b>\$1,014</b>	<b>\$651</b>	<b>\$531</b>	<b>\$1,063</b>

Note: <sup>a</sup> Includes TOTE Tasmania.

Source: Australian Racing Board 2013, ABS 2014a

Figure 56 depicts turnover on thoroughbred, harness and greyhound types as a proportion of total turnover, by jurisdiction, in 2012-13. The composition of total turnover according to the different racing types is broadly consistent with the average for the other jurisdictions.

Figure 56 Distribution of race wagering turnover, by jurisdiction, 2012-13



Note: Values in the graph have been rounded to the nearest per cent, such that totals may not sum to 100%.

Source: Australian Racing Board 2013

## 6.8 Sports betting

### Activities

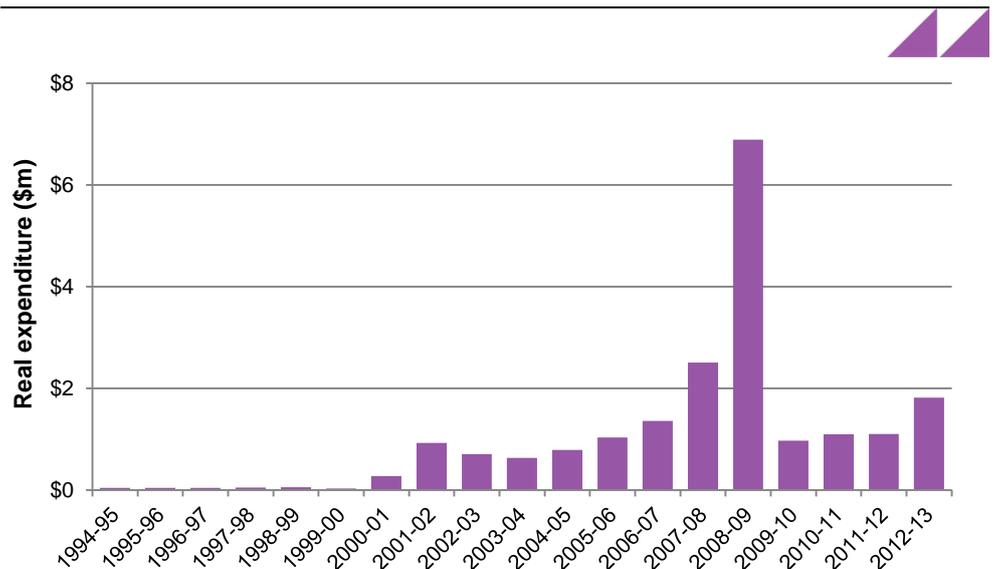
Sports betting is a form of wagering offered in Tasmania by TOTE Tasmania and Betfair. It excludes wagering on thoroughbred, harness and greyhound racing. TOTE Tasmania's sports betting service functions as a traditional bookmaker, offering consumers the opportunity to bet on a range of Australian and international sporting events. Betfair offers products via a betting exchange platform, where customers can bet against one another. Sports betting is one of a number of products offered by Betfair.

Note that a large amount of sports betting takes place with interstate based providers, which is not captured in the data displayed in this section.

## Expenditure

Figure 57 depicts the trend in sports betting expenditure in Tasmania over the period 1994-95 to 2012-13. It is important to note that these figures exclude expenditure on (or gross commission earned from) services provided by Betfair, as such information was not made available to the report authors.

Figure 57 **Trend in real sports betting expenditure, Tasmania, 1994-95 to 2012-13**



*Note:* Figures are expressed in 2011-12 prices and exclude expenditure on (or gross commission earned from) services provided by Betfair.

*Source:* DTF unpublished data, ABS 2014b

Although sports betting was introduced to Tasmania in 1994-95, real expenditure remained flat through to the mid-2000s. However, expenditure growth was strong in 2007-08 and 2008-09, peaking in 2008-09 at \$6.9 million in real terms before falling in 2009-10 to previous levels.

Until May 2009, TOTE Tasmania was part of a sports betting agreement with Tabcorp. This agreement allowed TOTE Tasmania to grow its sports betting business substantially, as indicated by the significant increase in expenditure to 2008-09. In May 2009 the agreement was terminated and the types of bets offered were severely restricted. The termination of the agreement and restrictions of bets likely lead to the fall in expenditure experienced in 2009-10.

Since 2009-10, real sports betting expenditure remained relatively constant and has since jumped in 2012-13 to \$1.8 million.

## 6.9 Minor gaming

### Activities

Minor gaming covers a variety of games including bingo, raffles, lucky envelopes, Calcutta sweepstakes, dancing dollars and Tassie's best punter. Although approved, dancing dollars and Tassie's best punter are not currently offered in Tasmania.

## Expenditure

Minor gaming expenditure figures are not reported in this study, as the Tasmanian Government no longer collects turnover figures. In 2002-03, the most recent data available, real expenditure on minor gaming in Tasmania totalled approximately \$7 million in 2008-09 dollars.

## 6.10 Findings

Over the period 1990-91 to 2008-09 real expenditure on gambling in Tasmania grew from \$174 million to \$427 million, with positive growth in every year prior to 2008-09. Real expenditure peaked at approximately \$427 million in 2008-09 — a peak that was likely triggered by the Federal Government's stimulus package, delivered during the latter part of that financial year. Since the peak, real expenditure has fallen 27 per cent from \$427 million in 2008-09 to \$310 million in 2012-13. The fall in expenditure since 2008-09 is likely due to Tasmania's poor economic climate, as reflected in higher unemployment rates, and the growth in online gambling by Tasmanians on wagering products outside Tasmania which is not captured in expenditure figures.

The range of gambling activities provided by Tasmania's gambling industry has increased from a narrow focus on casinos, lotteries and race wagering in the early 1990s to one that now also includes EGMs, Keno and sports betting. The introduction of EGMs resulted in a major increase in gambling expenditure growth from the mid-1990s.

Real EGM expenditure has recently trended downwards, falling from \$134 million in 2008-09 to \$110 million in 2012-13, whereas real expenditure on race wagering has trended upwards from an all-time low of \$31 million in 2003-04 to \$98 million in 2011-12. Indeed, this upward trend in expenditure on race wagering has been the key driver behind the upward trend in overall expenditure on gambling in Tasmania. However, since 2008-09 this has been counteracted by falling EGM and casino spend. Race wagering has also fallen to \$38 million in 2012-13, as a result of TOTE Tasmania no longer servicing 'high value' offshore customers.

The increase in gambling expenditure in the years prior to 2008-09 is largely explained by the strong growth in expenditure on Internet wagering by non-Tasmanians. In particular, Tasmanian thoroughbred wagering turnover from internet wagering increased from \$17.19 million in 2006-07 to \$366 million in 2009-10. Since a peak in 2010-11 of \$530 million, internet based thoroughbred wagering turnover has fallen to \$35.8 million in 2012-13.

Real expenditure on casinos in Tasmania (including casino EGMs) peaked in 2008-09 and has trended downwards since. However, real per adult expenditure on casino gaming is still high (\$228 in 2012-13) relative to most other jurisdictions considered, with Victoria the highest (\$339 in 2012-13). In addition, expenditure on casino gaming still represents the second largest share (29%) of total expenditure on gambling in Tasmania, with EGMs in clubs and hotels representing the largest share (36%).

Since the mid to late 1990s, real expenditure on Keno has grown slightly and seen a small decline from \$31.7 million in 2010-11 to \$28.5 million in 2012-13. Real per adult expenditure on Keno in Tasmania was \$72 in 2012-13. However, in the same year real per adult expenditure was \$30 in Queensland, \$23 in New South Wales, \$14 in South Australia and \$3 in Victoria, suggesting that Tasmanian gamblers have a particularly strong preference for Keno.

Real expenditure on lotteries decreased significantly in the mid-1990s when EGMs, Keno and sports betting were introduced, but has increased in recent years from \$34 million in 2010-11 to \$43 million in 2012-13.

Real expenditure on sports betting remained flat through to 2000-01, but increased in 2007-08 and 2008-09 due to TOTE Tasmania growing its sports betting business. Real sports betting expenditure has since fallen from \$6.9 million 2008-09 to \$1.8 million in 2012-13.

## 7 Gambling taxation and other government revenues

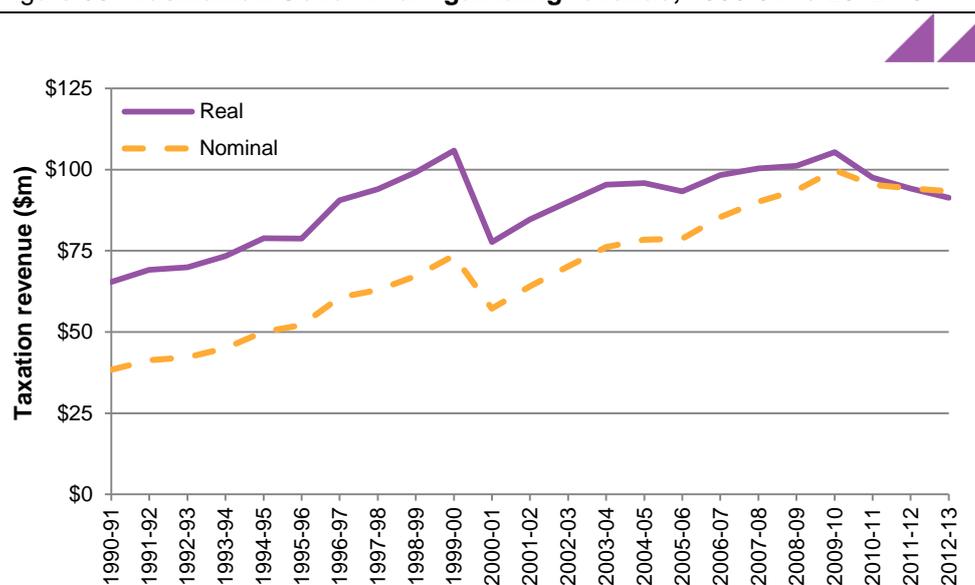
*This chapter provides an overview of gambling revenue to the Tasmanian Government. It also provides a comparison between Tasmania and other Australian jurisdictions in relation to taxation rates.*

### 7.1 Tasmanian Government revenues from taxes and fees

#### Historical trends

Figure 58 depicts the trend in Tasmanian Government gambling revenue over the period 1990-91 to 2012-13. This data includes all revenue received by the state government from gambling activities subject to state taxes and levies, including licence fees and penalties.

Figure 58 **Tasmanian Government gambling revenue, 1990-91 to 2012-13**



Note: Real figures are expressed in 2011-12 prices.

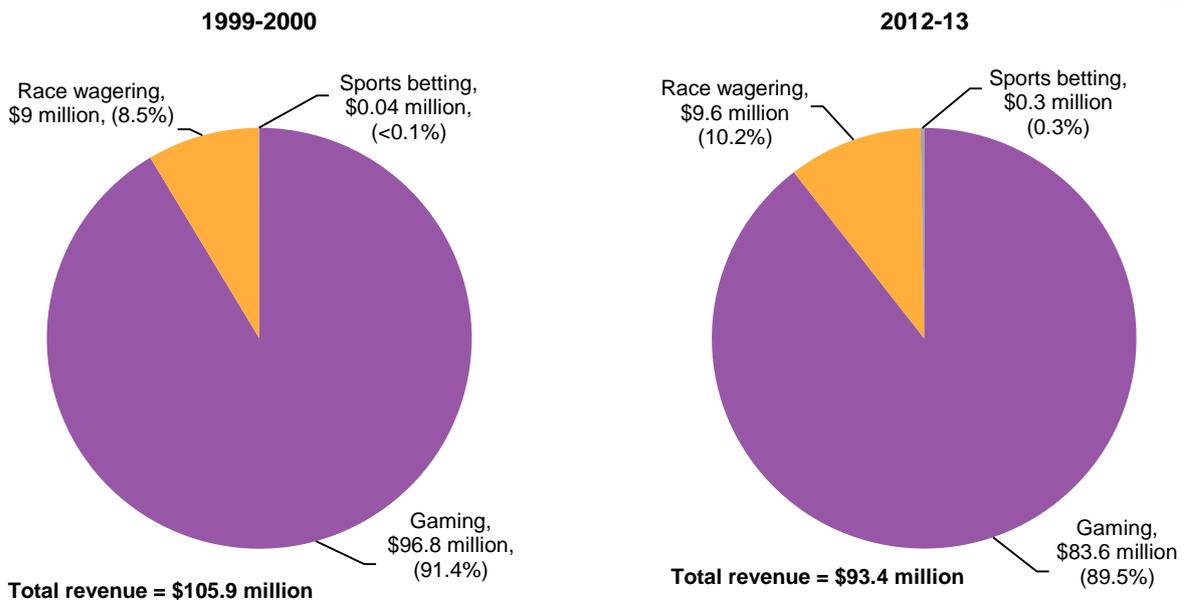
Source: DTF unpublished data

In 1990-91, real gambling revenue to the Tasmanian Government was around \$65 million. In following years, gambling revenue increased in line with expenditure. Lower tax rates on gambling activities were applied in 2000-01 due to the introduction of the Goods and Services Tax (GST), causing the State's gambling revenues to decline sharply. Real gambling revenues have not recovered from this decline; however they came close in 2009-10 when they reached \$105.4 million, a level close to the 1999-2000 peak (\$105.9 million).

Figure 59 depicts the composition of gambling revenue to the Tasmanian Government for 1999-2000 and 2012-13. In 2012-13 revenue to the Tasmanian Government from gaming activities was approximately \$83.6 million (89.5% of total gambling revenue). Race wagering accounted for around \$9.6 million (10.2%), while sports betting revenue was \$0.3 million (0.3%).

A comparison of the two time periods suggests that the composition of revenue to the Tasmanian Government changed slightly between 1999-2000 and 2012-13. In particular, the share of revenue from race wagering and sports betting increased from 8.5 to 10.5 per cent while the share from gaming decreased by approximately the same percentage points. These changes in part reflect the relatively high levels of real expenditure growth observed in race wagering, as well as the substitution of gambling taxation revenue with GST revenue.

Figure 59 **Gambling revenue to the Tasmanian Government, by gambling activity, (2011-12 prices)**

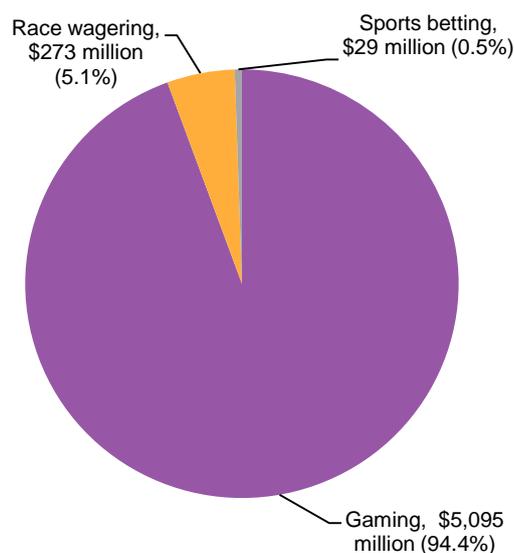


Note: Prices are in 2011-12 prices, gambling revenue includes taxation, fees and penalties.

Source: DTF unpublished data

Figure 60 depicts the composition of gambling revenue across all Australian jurisdictions less Tasmania in 2012-13. The share of total revenue earned from race wagering and sports betting in the other jurisdictions as a whole is smaller (5.1%) when compared with Tasmania (10.2%).

Figure 60 **Gambling state and territory government revenue across all jurisdictions less Tasmania, by gambling activity, 2012-13**



Note: Gambling revenues include revenue received by state governments from gambling activities that are subject to state taxes and levies.

Source: Queensland Treasury and Trade 2014b

### Importance of gambling revenues to the Tasmanian Government

Table 25 summarises Tasmanian Government revenues over the period 2005-06 to 2012-13.

Table 25 **Tasmanian government revenues, nominal \$, 2005-06 to 2012-13**

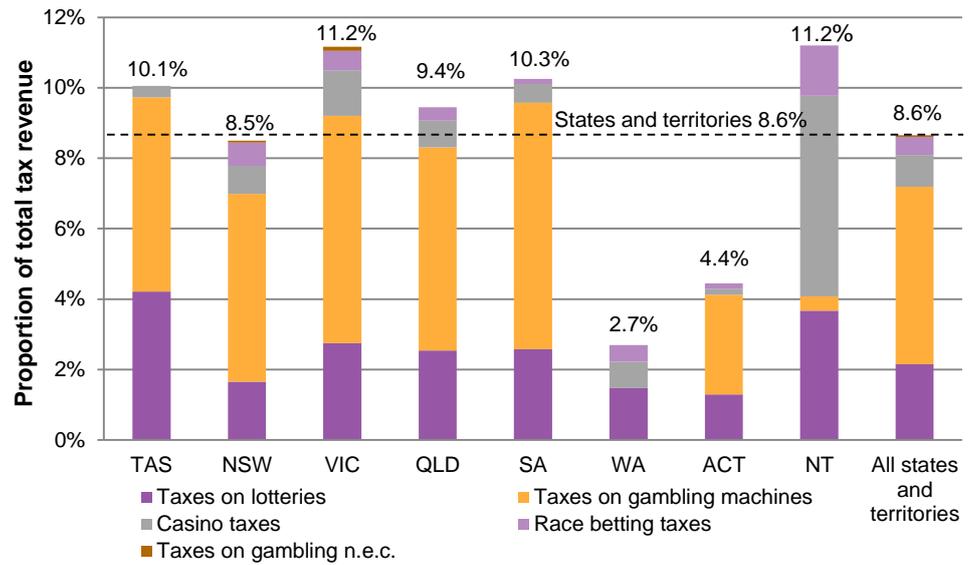
Year	Gambling revenues	Revenue from all state taxes	Gambling revenues (share of taxes)	Total revenue (all sources)	Gambling revenue as (share of total revenues)
	\$m	\$m	per cent	\$m	per cent
2005-06	\$79	\$703	11.2%	\$3,572	2.2%
2006-07	\$85	\$748	11.4%	\$3,695	2.3%
2007-08	\$90	\$830	10.9%	\$3,986	2.3%
2008-09	\$94	\$804	11.6%	\$4,286	2.2%
2009-10	\$100	\$872	11.5%	\$4,602	2.2%
2010-11	\$95	\$860	11.1%	\$4,767	2.0%
2011-12	\$94	\$888	10.6%	\$4,690	2.0%
2012-13	\$93	\$925	10.1%	\$4,717	2.0%

Source: DTF unpublished data

Gambling revenue, including licence fees and penalties, to the Tasmanian Government forms a significant share of state revenues in Tasmania. Over the period 2005-06 to 2012-13, gambling revenue accounted on average for around 11 per cent of annual revenue from all state taxes. If government revenues from other sources are included, most notably Federal Government grants and GST revenue, gambling revenues accounted on average for around 2.1 per cent of total annual revenues from all sources over the same period.

Figure 61 depicts gambling revenue as a proportion of total state taxation revenue for 2012-13. As indicated, Tasmania's share of total state taxation revenue from gambling taxation and fees (10.1%) was slightly higher than the average for all states (8.6%) in 2012-13.

Figure 61 **Gambling taxation as a proportion of total state taxation revenue, by jurisdiction, 2012-13**

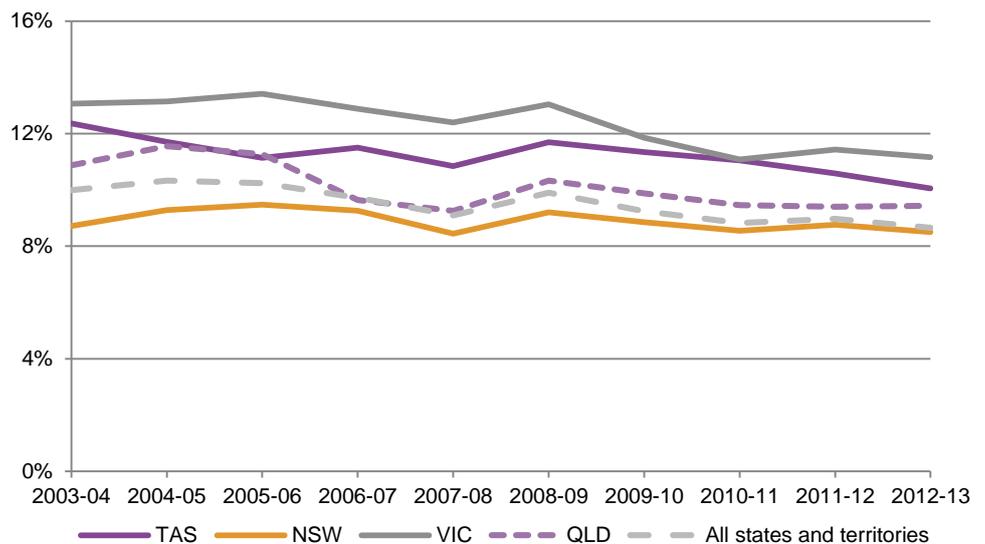


Note: Tasmanian race betting taxes is not included.

Source: ABS 2014d

Figure 62 shows state gambling taxation as a proportion of state taxation revenue from 2003-04 to 2012-13. The proportion of state gambling taxation as a proportion of state taxation revenue has fallen over the period for all states and territories. The proportion of Tasmanian gambling taxation revenue of all taxation revenue fell from 12.4 per cent in 2003-04 to 10.1 per cent in 2012-13.

Figure 62 **Gambling taxation as a proportion of total state taxation revenue, by jurisdiction over time**

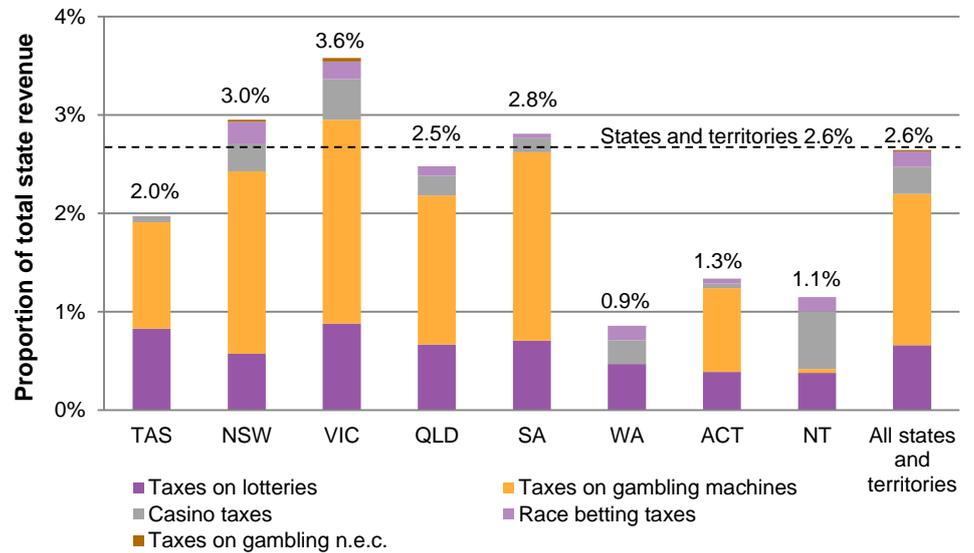


Note: Tasmanian race betting taxes is not included.

Source: ABS 2014d

Figure 63 depicts gambling revenue as a proportion of total state revenue for 2012-13. As indicated, Tasmania's share of total state revenue from gambling taxation and fees (2.0 %) was lower than the average for all jurisdictions (2.6 %) in 2012-13.

**Figure 63 Gambling taxation as a proportion of total state revenue, by jurisdiction, 2012-13**

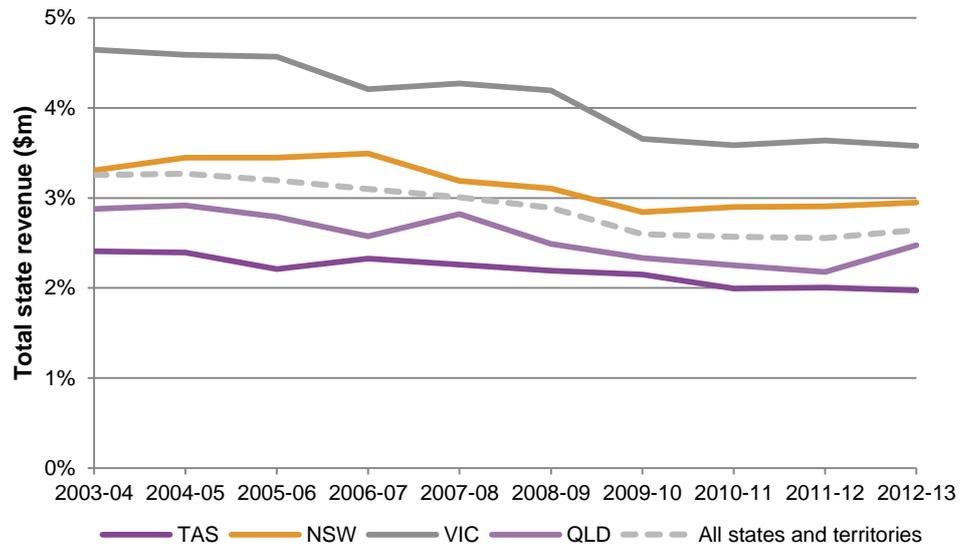


Note: Tasmanian race betting taxes is not included.

Source: ABS 2014d, ABS 2014e

Figure 64 shows state gambling taxation revenue as a proportion of total state revenue from 2003-04 to 2012-13. The proportion of state gambling taxation as a proportion of total state revenue has fallen over the period for all states and territories. The proportion of Tasmanian gambling taxation revenue as a proportion of total state revenue fell slightly from 2.4 per cent in 2003-04 to 2.0 per cent in 2012-13.

Figure 64 **Gambling taxation as a proportion of total state revenue, by jurisdiction over time**



Note: Tasmanian race betting taxes is not included.

Source: ABS 2014d, ABS 2014e

### Revenues from gambling taxation, fees and penalties

Table 26 provides a detailed breakdown of revenues from gambling taxation, fees and penalties in Tasmania over the period 2007-08 to 2012-13.

Table 26 Gambling related taxation, fees and penalties in Tasmania, 2007-08 to 2012-13

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Casinos</b>						
Table gaming	\$88,342	\$88,807	\$84,548	\$90,167	\$86,263	\$79,877
EGMs	\$23,433,959	\$24,471,254	\$23,286,396	\$23,551,108	\$23,265,263	\$19,394,837
Keno gaming	\$152,921	\$180,246	\$182,809	\$200,262	\$197,029	\$168,703
Casino unclaimed prizes	\$2,913	\$4,246	\$4,020	\$3,866	\$5,424	\$1,896
<b>Total casinos</b>	<b>\$23,678,134</b>	<b>\$24,744,554</b>	<b>\$23,557,773</b>	<b>\$23,845,402</b>	<b>\$23,553,979</b>	<b>\$19,645,313</b>
<b>Hotels and clubs</b>						
EGMs	\$30,047,861	\$31,799,699	\$30,630,012	\$30,398,290	\$28,774,429	\$29,902,794
Keno gaming	\$1,314,435	\$1,512,301	\$1,471,436	\$1,620,465	\$1,623,908	\$1,546,235
Keno unclaimed prizes	\$302,720	\$293,541	\$307,577	\$331,236	\$283,505	\$315,017
<b>Total hotels and clubs</b>	<b>\$31,665,015</b>	<b>\$33,605,540</b>	<b>\$32,409,024</b>	<b>\$32,349,990</b>	<b>\$30,681,841</b>	<b>\$30,764,046</b>
<b>Internet gaming and wagering</b>						
Betting exchange tax	\$2,761,404	\$3,832,320	\$4,438,000	\$2,398,544	\$2,198,492	\$2,537,570
Betting exchange product levy	\$2,894,504	\$4,103,107	\$2,281,061	\$55,150	n/a	n/a
<b>Total internet gaming and wagering</b>	<b>\$5,655,908</b>	<b>\$7,935,427</b>	<b>\$6,719,061</b>	<b>\$2,453,693</b>	<b>\$2,198,492</b>	<b>\$2,537,570</b>
<b>Lotteries</b>						
Lotteries	\$25,263,558	\$23,383,528	\$26,881,879	\$25,042,568	\$27,209,064	\$29,281,901
Soccer pools	\$47,676	\$65,229	\$68,019	\$57,166	\$57,504	\$79,273
Tipstar	\$14,324	n/a	n/a	n/a	n/a	n/a
<b>Total lotteries</b>	<b>\$25,325,559</b>	<b>\$23,448,757</b>	<b>\$26,949,898</b>	<b>\$25,099,733</b>	<b>\$27,266,568</b>	<b>\$29,361,173</b>
<b>Total taxation</b>	<b>\$86,324,617</b>	<b>\$89,734,278</b>	<b>\$89,635,756</b>	<b>\$83,748,819</b>	<b>\$83,700,881</b>	<b>\$82,308,102</b>
<b>Licence fees and penalties</b>						
Casino licence fees	\$2,997,620	\$3,110,400	\$3,177,600	\$3,278,400	\$3,372,000	\$3,444,000
Casino penalties	\$4,149	\$5,599	0	0	0	\$2,600
Hotel and club fees	\$320,049	\$324,004	\$315,322	\$323,378	\$304,608	\$302,935
Hotel and club penalties	\$14,760	\$8,400	\$3,233	\$3,347	\$6,370	\$6,240
Minor gaming fees	\$36,699	\$35,028	\$35,720	\$48,015	\$17,746	\$39,924
Internet gaming and wagering fees	\$437,500	\$448,000	\$465,500	\$1,523,176	\$127,760	\$514,200
Annual totalizator wagering levy	n/a	n/a	\$6,251,000	\$6,392,000	\$6,580,000	\$6,768,000
Totalizator / internet gaming and wagering penalties	0	0	0	\$10,497	\$89,050	\$650
<b>Total licence fees and penalties</b>	<b>\$3,810,777</b>	<b>\$3,931,431</b>	<b>\$10,248,374</b>	<b>\$11,578,815</b>	<b>\$10,497,534</b>	<b>\$11,078,549</b>
<b>Total</b>	<b>\$90,135,394</b>	<b>\$93,665,709</b>	<b>\$99,884,130</b>	<b>\$95,327,634</b>	<b>\$94,198,415</b>	<b>\$93,386,652</b>

Source: Tasmanian Gaming Commission 2010, 2012, 2013a

Key observations over this period relate to casino, lottery and betting exchange revenues; and total licence fees and penalties.

Casino-related revenues fell from \$23.6 million in 2011-12 down to \$19.6 million in 2012-13, the majority of this fall was due to EGM related revenues. Prior to 2012-13 casino related revenues were approximately \$23.6 million since 2007-08, with a spike in 2008-09. Lottery related revenue increased over the period from \$25.3 million in 2007-08 to \$29.4 million in 2012-13. Revenues from the betting exchange tax and product levy fell from \$6.7 million in 2009-10 to \$2.4 million in 2010-11. The betting exchange product levy was removed in 2010-11. Since 2010-11 the betting exchange tax has since increased slightly to \$2.5 million in 2012-13.

Betfair entered the Australian market in early 2006 and grew strongly until 2010-11. With regard to licence fees, the introduction of the Annual Totalizator Wagering Levy in 2009-10 resulted in a substantial increase in Government revenue. Taxation revenues from other gambling activities increased slightly over the period.

## 7.2 Taxation rates

A detailed breakdown of taxation rates by gambling type and jurisdiction is provided in Appendix B. A brief discussion on key differences between Tasmania and other jurisdictions is provided below. In addition, tax arrangements for the rest of Australia and the Community Support Levy (CSL) are also discussed.

### Changes in Tasmanian gambling taxes since the second SEIS

Since the second SEIS there has been a change to EGM taxation arrangements in Tasmania. 1 July 2013 saw the introduction of a single flat tax rate of 25.88 per cent on EGM gross profit in Tasmanian hotels, clubs and casinos.

### Key differences in gambling taxes between Tasmania and other jurisdictions

The most significant difference between the gambling taxation regime in Tasmania and other jurisdictions is that EGM taxes for hotels and clubs are paid by the single operator – Network Gaming (a subsidiary of Federal Group), not individual venues. The tax rates and tax thresholds apply to the aggregate profits from EGM gaming in hotels and clubs.

Taxation rates for Tasmanian casinos are applied to gross profits from gaming activities. This is similar to the approaches adopted in South Australia and the Northern Territory. Profits are taxed at 0.88 per cent for table gaming and 5.88 per cent for Keno. There is no super tax on casino gaming revenues in Tasmania — super taxes are only imposed in Victoria and New South Wales. 1 July 2013 saw the introduction of a single flat tax rate of 25.88 per cent on Tasmanian casino, hotel and club EGM gross profit.

In all other jurisdictions, EGM taxes are applied progressively to EGM revenues, such that high revenues incur a higher marginal tax rate. This is specifically the case for individual club venues. Indeed, in many jurisdictions, revenues within the first tax bracket are tax free — for example, nil tax applies in South Australia for the first \$75,000 of annual revenues. Most jurisdictions have lower taxation rates for EGMs in clubs relative to hotels, whereas the Tasmanian arrangements treat both hotels and clubs equivalently.

The taxation arrangements for lotteries run in Tasmania reflect that the State does not have its own lottery. Rather, companies located in other states (such as the Victorian based Tatts Group) operate Tasmania's lotteries. The Tasmanian Government receives the tax collected in those states for all tickets sold in Tasmania. A similar arrangement applies to soccer pools.

From July 2009, a Totalizator Wagering Levy of 4.7 million fee units replaced previous rates for both on-course and off-course betting via TOTE Tasmania (Tasmanian Gaming Licence holder with a totalizator endorsement). TOTE Tasmania holds responsibility for the payment, which totalled \$6.862 million in 2013-14. As in most other jurisdictions, bets on racing placed with bookmakers are not subject to taxation.

### Betfair

Betfair's licence agreement with the Tasmanian Government over the period 2006-2011 involved the following terms:

- a licence fee of 350,000 fee units due on 1 July each year — in 2010-11 one fee unit was equivalent to \$1.36
- a 15 per cent tax rate on gross commissions from betting exchange events within Australia

- a 10 per cent tax rate on gross commission from events outside Australia
- a 20 per cent product levy on total gross commission from all racing events held in Australia.

TOTE Tasmania was allocated a share of its revenue collected from Betfair for distribution to the racing industry. However, TOTE Tasmania is no longer allocated a share of revenue due to changes brought about through the separation of TOTE Tasmania and the racing industry.

In 2010 and 2011 new licence terms were applied, with changes including:

- a reduction in the annual licence fee to 300,000 fee units
- an endorsement fee covering agent, sports betting and race wagering of 150 000 fee units
- a 5 per cent tax rate on commission from brokered wagering events conducted through the betting exchange platform.

There is no longer a Product Levy prescribed in *Gaming Control Act 1993* (the Act), however a new race fields publication fee was introduced in 2010. The fee is equivalent to 10 per cent of revenue from Tasmanian racing events, and is payable through arrangements with Tasracing and racing authorities in other jurisdictions.

Betfair now has multiple endorsements including: betting exchange, agent, sports betting, and race wagering. Betfair does not pay the 4 per cent CSL, rather the Treasurer pays 4 per cent of the commission that Betfair earns from Tasmanian betting exchange customers into the CSL.

Betfair's licence with the Tasmanian Government ends on 5 February 2016. In August 2014 it was announced that Crown Resorts purchased a further 50 per cent share of Betfair Australasia and is now a wholly-owned subsidiary of Crown Resorts (Crown Resorts 2014).

### Community Support Levy

In addition to general taxation rates, the Tasmanian Government applies a 4 per cent CSL to EGM gross profits in clubs and hotels and Tasmania's betting exchange commission. Funds are administered in accordance with the Act, as follows:

- 25 per cent for the benefit of sport and recreation clubs
- 25 per cent for the benefit of charitable organisations
- 50 per cent for a range of other services and programs, including the provision of gambling related research and gambling prevention and education programs.

In 2012-13, a total of \$4.56 million was allocated via the CSL (TGC 2013a). More details on the CSL and its uses are provided in Chapter 5.

## 7.3 Findings

Over the period 1990-91 to 2012-13 real gambling revenue to the Tasmanian Government increased from \$65 million to \$83 million. In 2012-13, revenue from gaming activities was approximately \$83.6 million (89.5% of the total), while race wagering accounted for \$9.6 million (10.2%) and sports betting \$0.3 million (0.3%).

Gambling revenues form a significant share of total revenues to the Tasmanian Government. Over the period 2005-06 to 2012-13, on average gambling revenues accounted for 11 per cent of yearly taxation revenue. If government revenues from other sources are included, most notably Federal Government grants, gambling revenues

accounted for around 2.1 per cent on average of total yearly revenues over the same period. When compared with other jurisdictions, Tasmania's share of total state taxation revenue from gambling is higher than the average for other jurisdictions.

A key change since the second SEIS in Tasmania was a change to EGM taxation arrangements. 1 July 2013 saw the introduction of a single flat tax rate of 25.88 per cent on EGM gross profits in Tasmanian hotels, clubs and casinos.

## 8 Gambling-related employment, tourism, community contributions and investment

*This chapter provides an overview and discussion of employment, tourism, community contributions and investment generated by gambling activities in Tasmania. The presented information draws from available data, as well as stakeholder views.*

### 8.1 Employment

#### Employment opportunities resulting from gambling

As of 2013 the gambling industry in Tasmania employed approximately 4,061 people across the State in the delivery of gambling services. Indeed, stakeholders frequently identified employment opportunities as the most important economic and social benefit arising from gambling.

All venue operators consulted highlighted that gambling revenue contributed significantly to employment and the payment of wages. While many could not provide specifics, generally it was estimated that around half of their staff were employed directly as a result of gambling. However, as most venue operators pointed out, staff in gaming venues are often required to be 'all-rounders' involved in food and beverage services as well. Therefore, it is difficult to disentangle which hospitality jobs would actually be lost if gambling revenue decreased.

Industry stakeholders cited a number of other employment-related benefits:

- Federal Group notes that company employees are better paid than the average for hospitality employees, and also receive other benefits such as income replacement insurance, subsidised canteen, parking and training
- numerous gaming venues noted that they provide employment for low skilled people who would otherwise find it difficult to find employment – e.g. those who have not completed secondary school or are not engaged in tertiary education.

Industry stakeholders also suggested that many of their employees would otherwise typically experience difficulties in entering the workforce and may face long periods of unemployment and be more reliant on government welfare. Industry representatives went on to detail the career opportunities that their venues provide. In particular, employees in venues have the opportunity to work their way to management positions, providing skills that are transferable to other occupations.

As outlined above, gaming venue employees work in various roles, however in larger venues such as casinos there are often dedicated gambling staff. Discussions with gambling industry stakeholders suggest that the introduction of recent harm minimisation measures has had a negative impact on the level of employment. Federal Group's submission to this study indicates that it employs 1,792 Tasmanians across their entire business (Federal Group 2014). This includes corporate head office employees, employees of the two casinos, Vantage Group and Network Gaming. Federal Group noted within its public submission that

there has been a reduction in staff by 150 employees as a result of the harm minimisation measures. This issue will be further explored in Part B of the study.

Although employment benefits were viewed as predominantly valuable for low-skilled workers, stakeholder feedback from employees suggest that the industry is also suitable for part or full-time students. For example, gaming venues typically hire casual workers who are able to work around their study commitments and take time-off at short notice when required (e.g. before and during exams).

In addition to the above findings, the literature acknowledges that higher levels of employment lead to wider benefits that accrue to both the individual and the wider community. Examples of these benefits are outlined below.

**Table 27 Benefits of employment to individuals and the wider community**

	Individual	Wider community
<b>Benefits of employment</b>	<ul style="list-style-type: none"> <li>▪ Personal workplace relationships</li> <li>▪ Improved self-esteem and confidence</li> <li>▪ Sense of pride and purpose</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lower levels of crime</li> <li>▪ Higher productivity</li> <li>▪ Higher levels of consumption (i.e. improved sales within the community)</li> <li>▪ Greater levels of employment due to greater consumption levels</li> </ul>

*Source: Raphael & Winter-Ebmer 2001; Worksafe Victoria 2011*

Although a large proportion of stakeholders agreed that the gambling industry boosts employment levels, many argued that this did not counteract the damage caused by problem gambling.

There is a possibility that [gambling] has a positive aspect in that the gaming facilities require staff, but there is a greater negative impact in regard to anti-social behaviour and the effect on the disposable income.

*Derwent Valley Council submission 2014*

Additionally, some stakeholders argued that if the money directed into the gambling industry were distributed across different sectors of the local economy, more jobs would likely be created.

## Gaming

### State-wide licensed employees

Tasmanian gaming licensed employees are categorised as either technicians or special employees, where special employees comprise of four sub categories: Casino, Licensed premises gaming operative, Gaming operator and Tasmanian gaming licence operative.

Table 28 shows the number of technician and special employee licences in Tasmanian gaming industries at the end of each financial year since 1996-97. It is important to note that employees in hotels and clubs who have duties associated with gaming must hold a special employee licence. However, few of these special employee licence holders are employed solely on gaming duties — they usually have multi-role positions involving a mix of activities offered in clubs and hotels.

Table 28 **Number of special employee and technician licences in Tasmania, 1996-97 to 2012-13**

Financial year	Special employees				Technicians
	Casinos	Licensed premises gaming operative	Gaming operator	Tasmanian gaming licence operatives	
1996-97	-	1,196	0	-	135
1997-98	-	1,516	24	-	143
1998-99	-	1,805	39	-	147
1999-00	-	1,563	47	-	166
2000-01	-	1,939	50	-	169
2001-02	582	2,184	56	-	181
2002-03	590	2,298	57	-	195
2003-04	554	2,581	51	-	175
2004-05	559	2,595	42	-	171
2005-06	582	2,664	43	-	189
2006-07	582	3,410	43	10*	194
2007-08	590	2,844	45	100*	215
2008-09	554	2,875	49	131*	257
2009-10	552	2,900	46	264	312
2010-11	561	2,910	48	287	294
2011-12	534	2,810	45	686	374
2012-13	517	2,778	43	249	349

*Note:* from 2009-10, figures shown for Tasmanian gaming licence operative includes betting exchange and totalizator employees.

\*Prior to 2009-10 figures shown for Tasmanian gaming licence operatives are for betting exchange employees only.

*Source:* Tasmanian Gaming Commission Annual Reports various years, Tasmanian Gaming Commission 2012 Tasmanian Gaming Commission 2013a

The number of licensed premises gaming operatives and licensed technicians have steadily increased since 1996-97. However, 2011-12 saw a fall in the number of licensed premises gaming operatives, falling from 2,910 in 2010-11 to 2,778 in 2012-13. Not all those with special employee or technician licences are necessarily currently working in gaming-related roles.

The number of Tasmanian gaming licence operatives grew from 264 in 2009-10 to 686 in 2011-12, which has since fallen substantially to 249 in 2012-13. Note that from 2009-10 the figures includes betting exchange and totalizator employees. The decline in Tasmanian gaming licence operatives between 2011-12 and 2012-13 may be in part due to the sale of TOTE Tasmania in March 2012. According to Betfair's submission to this study, as at May 2014, the company employed 156 Tasmanians at its operations centre in Dowsing Point (Betfair 2014).

The number of licensed casino employees has remained relatively steady over the period, fluctuating between 552 and 590. In 2012-13, the number of licensed casino employees was 517.

Most of these people are employed within the hotels sector. The remainder are employed within the casino and clubs sectors.

### Employees in hotels and clubs

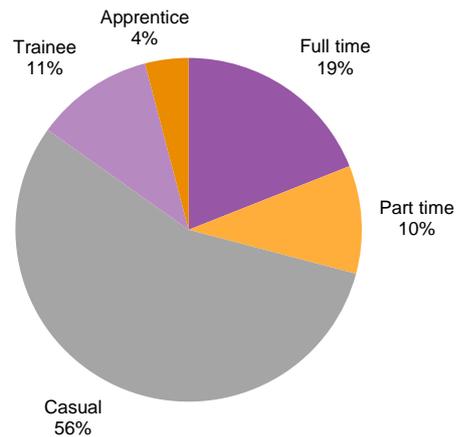
The gambling venue survey conducted as part of this study, asked respondents for advice on the number of staff employed in venues, and the composition of these staff. The hotels and clubs venue survey consisted of an online survey of gambling venues in the eight

selected LGAs. The survey was distributed in May 2014 to 67 venues and closed after 4 weeks. The survey gathered data on venue employment, training, gambling activity, revenue and expenditure. Further details of the venue survey are provided in Appendix I.

**Employment status**

More than half (56%) of employees were employed casually, with nearly one in five (19%) employed on a full time basis (see Figure 65). In terms of Full Time Equivalent (FTE) employment, nearly 232 FTEs were employed in the venues that responded to the survey.

**Figure 65 Employment breakdown - classification**

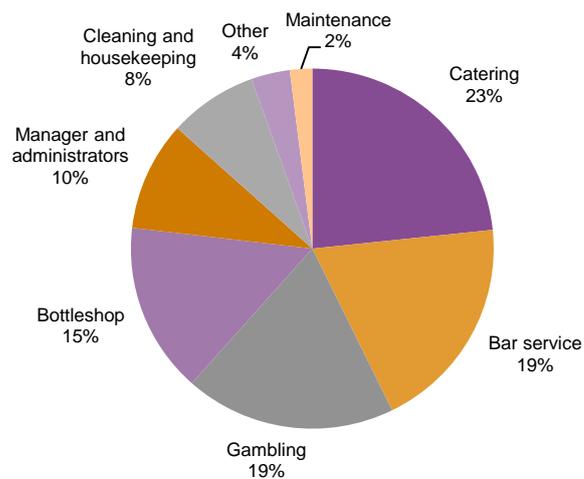


*Note: 1. n = 12. 2. Question: Please specify the number of full time, part time, casual, trainee and apprentice employees in the relevant venues as at 30 June 2013. (Note: do not include contractors.)*  
 Source: ACIL Allen gambling venue survey.

**Employment role**

Of the FTE employees, nearly one quarter were employed in catering roles, and nearly one fifth employed in each of bar service and gambling roles (see Figure 66).

**Figure 66 Employment breakdown - role**



*Note: 1. n = 11. 2. Question: Please specify the number of Full Time Equivalent staff working at the relevant venues as at 30 June 2013 across each of the following categories.*  
 Source: ACIL Allen gambling venue survey.

### Training

The venue survey asked about any training undertaken by employees. Nearly one quarter of all employees (108 out of 443 or 24.4%) undertook some kind of formal training in 2012-13. Formal training includes the Responsible Service of Alcohol certificate or a Responsible Conduct of Gambling certificate. Three respondents indicated that formal training was paid for by the employee undertaking the training rather than the licensee/venue. Nearly one quarter of all employees (23.2%) undertook informal training, such as on-the-job training.

### Racing and wagering

Table 29 illustrates the level of employment in Tasmania's racing and wagering industries. Specifically, it shows employed persons by major occupation categories, licensed employees by category, and the number of bookmaker registrations in the State, from 2004-05 onwards.

Over the period 2004-05 to 2012-13, the number of licensed employees in Tasmania's racing and wagering industry increased from 1,465 to 1,767. In 2012-13 the number of licensed employees was highest for thoroughbred racing (685), followed by greyhound racing (668) and harness racing (381). In the same year, there were 33 licences related to bookmaking.

Strictly speaking, of these jobs, only the 33 in bookmaking can be classed as being in the wagering industry — noting, however, that other jobs in the racing industry are largely, if not fully, dependent on gambling. In addition to these, information provided by TOTE Tasmania for the purposes of this study indicates that the company employs approximately 7 head office staff, 11 call centre staff and 61 staff in outlets across the state (2014 pers. comm., 15 May). This has fallen dramatically since the sale of TOTE Tasmania who previously employed approximately 800 staff across the state (2011 pers. comm., 18 April).

Table 29 Licensed workers in Tasmania's racing and wagering industry, 2004-05 to 2012-13

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Thoroughbred Racing</b>									
Trainer (all categories)	123	128	119	115	117	117	115	125	117
Jockey (all categories)	31	31	37	80	83	77	67	73	80
Trial rider	n/a	n/a	n/a	n/a	9	18	25	21	17
Rider's agents	n/a	n/a	n/a	n/a	1	1	1	3	1
Stable employee	272	304	349	310	291	302	317	328	312
▪ Stable foreman	43	39	43	27	24	24	22	21	35
▪ Stable foreman/Trackwork rider	na	na	10	17	19	15	15	15	---
▪ Stable hand	90	124	198	200	191	199	209	204	277
▪ Stable hand/Trackwork rider	99	101	57	66	57	64	71	88	---
▪ Trackwork rider	12	13	12	12	20	18	11	7	128
▪ Farrier	28	29	29	23	31	32	29	31	30
<b>Thoroughbred racing total</b>	<b>466</b>	<b>505</b>	<b>546</b>	<b>540</b>	<b>552</b>	<b>565</b>	<b>565</b>	<b>588</b>	<b>685</b>
<b>Harness Racing</b>									
Trainer	120	123	132	119	119	122	118	114	101
Driver	41	35	39	43	40	45	45	55	48
Trainer/Driver	97	109	106	105	102	101	94	99	97
Stable hand	119	143	191	194	170	147	148	134	135
<b>Harness racing total</b>	<b>377</b>	<b>410</b>	<b>468</b>	<b>461</b>	<b>431</b>	<b>415</b>	<b>405</b>	<b>402</b>	<b>381</b>
<b>Greyhound Racing</b>									
Trainer (All categories) inc:	228	225	205	211	191	207	196	206	212
▪ Trainer Public	na	na	153	145	132	135	121	128	133
▪ Owner/Trainer	na	na	52	66	59	72	75	78	79
Owner	184	182	160	145	110	152	120	148	165
Owner/Attendant	na	na	80	85	75	89	77	93	103
Attendant	66	67	54	56	41	48	39	46	48
Catcher	53	42	36	45	31	33	20	29	28
Syndicate	27	32	29	17	13	15	13	17	23
Syndicate member	n/a	n/a	n/a	50	27	46	46	62	89
<b>Greyhound racing total</b>	<b>558</b>	<b>548</b>	<b>564</b>	<b>609</b>	<b>488</b>	<b>590</b>	<b>511</b>	<b>601</b>	<b>668</b>
<b>Bookmaker Registrations</b>									
Individual bookmakers	15	15	15	17	19	18	15	13	10
Bookmaking operations - total	11	13	13	15	17	16	13	13	10
Bookmaking operations - Telephone betting endorsements	0	2	2	2	4	2	2	2	2
Clerks registered	36	na							
Bookmaker's agents	2	13	14	17	8	14	8	13	11
<b>Bookmaker total</b>	<b>64</b>	<b>43</b>	<b>44</b>	<b>51</b>	<b>48</b>	<b>50</b>	<b>38</b>	<b>41</b>	<b>33</b>
<b>TOTAL</b>	<b>1,465</b>	<b>1,506</b>	<b>1,622</b>	<b>1,661</b>	<b>1,519</b>	<b>1,620</b>	<b>1,519</b>	<b>1,632</b>	<b>1,767</b>

Source: Department of Infrastructure, Energy and Resources 2013, 2011, 2009

## Lotteries

Tasmania does not have its own lottery. Rather, companies located in other states (such as the Victorian based Tatts Group) run Tasmanian lotteries. Consequently, few people are employed in Tasmania's lottery industry. At the time of writing no current estimates of employment relating to lottery operation in Tasmania were available.

## Total

Determining the exact number of employees across Tasmania's gambling industry is problematic due to incomplete data for some activities and the potential for double counting across different data sets. In addition, information is not available that allows the conversion of employment numbers into FTE jobs. However, the information provided in this section provides some indication of the number of direct employees in Tasmania's gambling industry. This information is summarised in Table 30.

Table 30 **Estimated number of employees in Tasmania's gambling industry, 2013**

Activity	Description	Number
EGM and Keno gaming	Licensed Premises Gaming Operatives (a sub group of special employees)	2,778
	Gaming Operators (a sub group of special employees)	43
	Technicians	349
Casino gaming	Licensed casino employees (a sub group of special employees)	517
	Bookmakers	33
Wagering	TOTE Tasmania corporate employees (a sub group of special employee) <sup>a</sup>	18
	TOTE Tasmania shop employees	61
	Tasmanian licensed operatives (including Betfair corporate employees)(a sub group of special employees)	249
Lotteries	Lottery employees <sup>b</sup>	13
<b>Total</b>		<b>4,061</b>

Note: <sup>a</sup> This figure includes 11 call centre employees; <sup>b</sup> This figure is from 2006

Source: Tasmanian Gaming Commission 2013a, Department of Infrastructure, Energy and Resources 2013a, (2014 pers. comm., 15 May), SACES 2008

As indicated, there are approximately 4,061 people employed in Tasmania's gambling industry. The majority are employed in the gaming, casino and wagering industries. The remainder are employed by Betfair or in businesses selling lottery products. It is important to reiterate that holders of a special employee licence usually have multi-role positions involving a mix of activities offered in clubs and hotels. Consequently, this estimate does not represent the number FTE employees in the industry.

In December 2013, approximately 231,000 people were employed (both full time and part time) in Tasmania. This suggests that Tasmania's gambling industry employs about two per cent of total Tasmanian workers.

The degree to which the gambling industry provides a net contribution to employment is estimated, and discussed in more detail, in Chapter 9.

## 8.2 Problem gambling status and labour force participation

As at July 2014, Tasmania's labour force participation rate is the lowest of Australia's states and territories, at 60.5 per cent. This compares to an Australia-wide estimate of 64.7 per cent (ABS 2014f). As such, it is particularly important to identify any effect of problem gambling status on labour force participation. The following section investigates this relationship.

A literature search yielded no previous research investigating this relationship, with no journal articles or related papers identified investigating the effects of PGSI category, or

other measures of problem gambling severity, on labour force participation. The literature contained a number of papers investigating the effects of health on labour force participation, including Cai and Kalb (2006) and Laplagne et al (2007).

Given the lack of literature investigating the effects of gambling severity on labour force participation, primary research into this relationship was undertaken. This research was, loosely based on the methodology undertaken in previous work examining the relationship between health and labour force participation, using data collected in the 2013 Tasmanian Gambling Prevalence Survey.

Using micro data from the 2013 Tasmanian Gambling Prevalence Survey, logit regressions were estimated investigating the relationship between PGSI category and labour force participation.<sup>17</sup> The logit regressions used a binary variable of labour force participation as the dependent variable, and gambling severity (PGSI category) as the main explanatory variable; together with educational attainment, age, health<sup>18</sup>, marital status, child status and birthplace<sup>19</sup>. Separate logit regressions were undertaken for males and females.<sup>20</sup>

In undertaking the logit regressions the sample excluded females aged over 63 and males aged over 64, reflecting the eligibility criteria for the age pension. The inclusion of the health variable, 'QOL Physical health score', further limited the sample size as only a subset of the survey participants undertook this part of the survey. These steps reduced the sample size from a total of 5,000 respondents to 660 males and 603 females.

Details of the regressions' results and summary statistics are provided in Appendix C.

The logit regressions yielded statistically significant results across many variables. Adjusted Wald tests were calculated comparing the regression with and without the PGSI category, yielding a p-value less than 0.05 for the female model and greater than 0.05 for the male model. The Wald tests indicate the significance of PGSI category in predicting female labour force participation and justifying its use as an explanatory variable, and conversely that PGSI category is not a statistically significant factor for males. Moderate risk and problem gambling was statistically significant in determining labour force participation in males and females. Non-problem gambling was statistically significant in determining labour force participation in females, but not males. Low risk gambling was not significant for either males or females.

Of the additional variables considered age, age squared and physical health were significant across males and females. Birthplace, marital status and children in the home were found to be of significance for females but not males.

Figure 67 shows the marginal effects of PGSI category by gender, in predicting labour force participation. The marginal effects indicate the increase in probability of being in the labour force if a non-gambler was to increase their gambling severity to non-problem gambling, low risk gambling and the moderate risk and problem gambling combined category.

Male non-problem gamblers are 5 per cent more likely to be participating in the labour force than male non-gamblers, and female non-problem gamblers are 18 per cent more likely to be participating in the labour force than female non-gamblers. Similarly male moderate risk and problem gamblers are 18 per cent more likely to be in the labour force than male non-

<sup>17</sup> Labour force participation is defined as either being employed (full or part-time) or unemployed (i.e. looking for work).

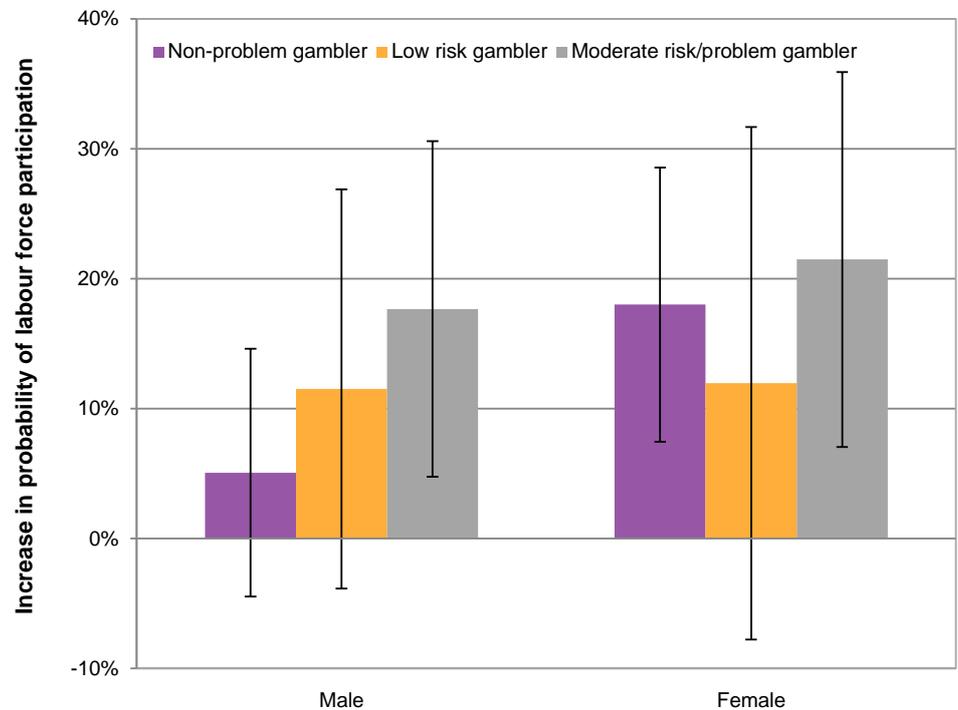
<sup>18</sup> Health used respondents QOL Physical health score.

<sup>19</sup> Birthplace included a dummy variable for born in Australia or overseas.

<sup>20</sup> The analysis used the complex survey analysis functionality within Stata 13.1. This approach takes into account the survey design, including the sub-sampling approach used to identify individuals to undertake the long-form of the questionnaire.

gamblers, and female moderate risk and problem gamblers are 21 per cent more likely to be in the labour force than non-female non-gamblers.

Figure 67 **Marginal effects of PGSI category on labour force participation**



*Note:* The results above indicate the estimated increase in the probability of labour force participation by PGSI category, compared to non-gamblers. Error bars show 95 per cent confidence intervals for the estimates of the standard logit model

*Source:* ACIL Allen Consulting

It is notable that increasing gambling severity is related to an increase in the probability of participating in the labour force for both males and females. One explanation could be that employment income is required by problem gamblers to support their habit, and as such gamblers are more likely to be in the labour force. This same explanation could apply to non-problem gamblers, compared to non-gamblers. That is, non-problem gamblers may gamble less, in part, because they do not have the income to support gambling.

### 8.3 Tourism

Limited information exists on the participation of tourists in Tasmania's gambling industry. The gambling activity likely to be of most interest to tourists is casino gaming. Indeed, the Wrest Point Hotel Casino in Hobart was the first casino in Australia and has been a significant tourism drawcard since its inception.

Federal Group has invested significantly in tourism assets across the State, consistent with its role in promoting and developing Tasmania as a tourism destination (see Box 8).

However, the degree to which the casinos currently represent a significant drawcard for tourists to the State is unclear. Indeed, given that all other Australian states and territories now have casinos, and the emergence of a large casino industry in South East Asia, there is no evidence to suggest that interstate or international tourists are attracted to Tasmania purely, or mostly, for the purposes of attending the casinos. However, for the purposes of analysing the contribution of gambling to Tasmania's economy, it is considered that the

availability of gambling means that tourists may spend more than they otherwise would when visiting the State.

#### Box 8 Federal Group and Tasmania's tourism industry

Federal Group established Australia's first legal casino at Wrest Point Hobart in 1973. In reaching agreement with the Tasmanian Government over the casino, an important aim was to help to address the cyclical nature of Tasmanian tourism by establishing a tourism drawcard that would attract visitors to Tasmania on a year round basis.

Since opening, Wrest Point has had two major redevelopments. In 1984 a new conference centre was opened on the site, and in 1996 the Boardwalk precinct was opened.

Federal Group developed, and has continuously operated, the Country Club casino, located in parkland on the rural fringe of Launceston. The Country Club casino and resort was opened in 1982. The adjacent Country Club Villas were acquired by the Group some years later.

A somewhat unique factor of Tasmania's tourism and gambling industry is that Federal Group is required to play an explicit role in promoting and developing Tasmania as a tourism destination (as part of its Deed of Agreement with the Crown under the Act). From 2000, the company began assessing the parts of the state that had the potential for tourism growth, leading to the acquisition (and development) of a number of tourism properties and the creation of the 'Pure Tasmania' brand.

Pure Tasmania includes five separate destination facilities and experiences: Strahan Village, Freycinet Lodge, Cradle Mountain Chateau, Saffire Freycinet and the Henry Jones Art Hotel. Each facility includes a range of accommodation, dining and other facilities.

The Pure Tasmania brand is promoted in key Tasmanian visitor markets interstate and overseas. The addition of Federal Group's \$32 million resort — Saffire at Freycinet — has increased the focus on Tasmania in markets such as North America and Europe.

Federal Group is a major operator in the high end market and focuses on marketing to high return visitors which spend significant amounts while in Tasmania. In 2013 Federal Group has shifted its focus from a diversified tourism position to one which focuses heavily upon luxury end properties. Relevant to this market are Federal Group's two luxury tourism properties — the Henry Jones Art Hotel and Saffire Tasmania.

Source: Federal Group 2011, Federal Group 2014.

## 8.4 Community contributions

The gambling industry has a history of initiatives aimed at giving back to the community. Interviews with gaming venue operators and industry representatives highlighted common contributions, which included:

- *sponsorship* for sporting teams, the arts and other community sectors to assist them in purchasing gear and others resources (e.g. Federal Group has invested \$2 million in the last year in cash and in-kind support for organisations across Tasmania)
- *donations* to schools, charities and community organisations (e.g. raffles where all proceeds are donated back to the community)
- *promoting volunteering* among staff in order to give back to the community
- use of *recreational facilities* at a discounted rate for community organisations.

The above contributions were also cited by some local government representatives and support services. However, a large number of stakeholders in these groups argued that gaming venues gave very little back to the community and in some cases did not provide any support at all. Additionally, one local government representative noted that the only community support provided by gaming venues were discounts on alcohol.

During the consultations undertaken for this study, industry stakeholders argued that the Tasmanian gambling industry plays a significant role in supporting local communities, particularly through the sponsorship of sport and recreational clubs. A significant proportion

of venue operators and industry peak bodies noted the significant contribution they made to the community. For example, over the last year the Federal Group has invested over \$2 million in cash and in-kind support (approximately \$2.1 million). This has included funding for the Tasmanian Museum and Art Gallery, Hobart Baroque and Junction Regional Arts Festival. Other examples include:

- school meal vouchers
- charity raffles for local community services
- sponsorship for local sporting teams
- hiring out function rooms for local community services.

The survey of gambling venues in the 8 focus LGAs examined whether the presence of gambling in their venues allowed them to offer a range of new activities and improved services. Being able to offer gambling had a considerable impact on community contributions and the price of food services:

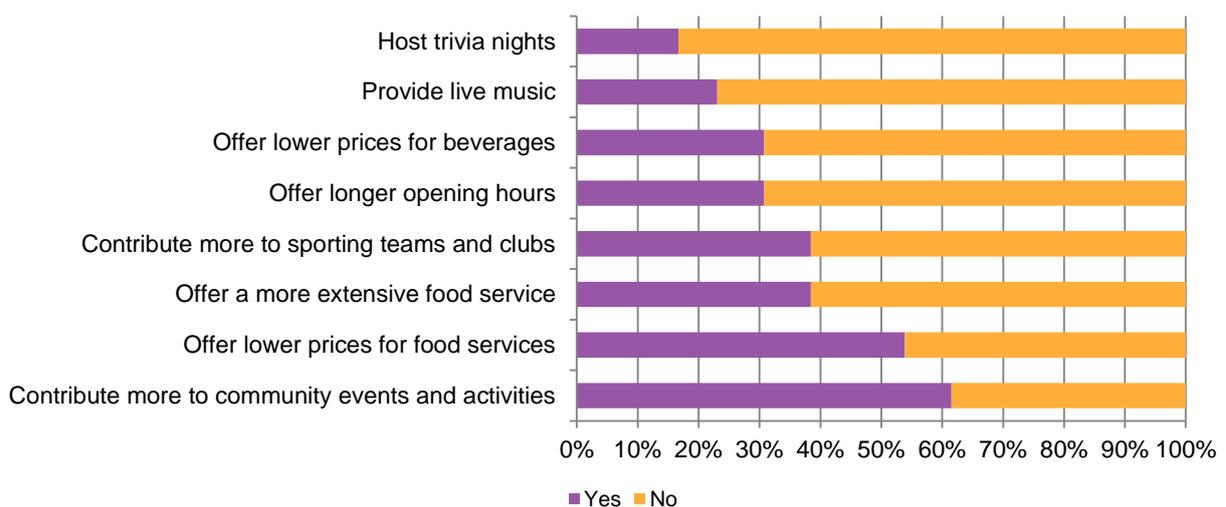
- nearly two thirds of respondents (62%) indicated that the presence of gambling allowed them to contribute more to community events and activities.
- just over half of respondents (54%) indicated that the presence of gambling allowed them to offer lower prices for food services.

The presence of gambling had less of an impact on entertainment offered by venues:

- just under one fifth of respondents (17%) indicated that the presence of gambling allowed them to host trivia nights
- almost one quarter of respondents (23%) indicated that the presence of gambling allowed them to provide live music.

The impact of gambling revenues on gaming venue activities is shown in Figure 68.

Figure 68 **Link between gambling and new activities and improved services**



Note: 1. n = 13. 2. Question: Does the presence of gambling allow for your relevant venues to do any of the following?  
 Source: ACIL Allen Consulting gambling venue survey.

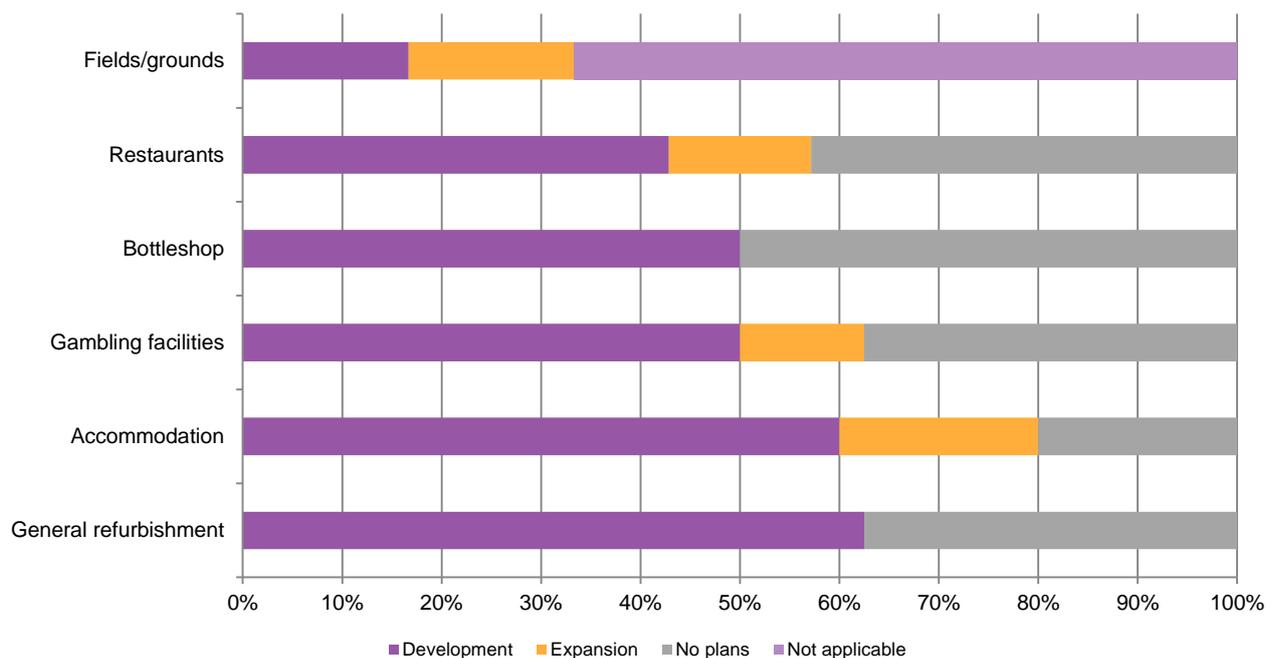
## 8.5 Investment in venues and other forms of entertainment

Industry stakeholders consulted as part of this study argue that the financial surpluses generated by venues from gambling: provide a buffer against losses on other venue activities; subsidise other forms of entertainment; and provide investment revenue for venue upgrades. Industry representatives also considered that the existence of entertainment in most communities throughout Tasmania is underpinned by gambling revenue.

The role of gambling revenues in supporting venue investment is supported by the findings of the gambling venue survey in the eight focus LGAs. Respondents were asked about plans to develop or expand facilities over the next three years. As illustrated in Figure 69:

- five of the eight respondents (63%) had development plans for the general refurbishment of their venues
- three of the five respondents (60%) had development plans for accommodation, and one more had expansion plans for existing accommodation
- four of the eight respondents (50%) had development plans for gambling facilities, and one more had expansion plans.

Figure 69 Development and expansion of venues and facilities



Note: 1. n = 8 (general refurbishment and gambling facilities), n = 7 (restaurants), n = 6 (bottleshop and fields/grounds), n = 5 (accommodation). 2. Question: Are there plans for any of the following redevelopments or expansions at your relevant venues over the next 3 years?

Source: ACIL Allen gambling venue survey.

## 8.6 Findings

Estimates suggest there are approximately 4,061 people employed in Tasmania's gambling industry (noting that a subset of these employees have duties that extend beyond gambling, such as bar tending). The majority (94 per cent) are employed in the gaming, casino and race wagering industries. The remainder are employed by Betfair or in businesses selling

lottery products. Based on this estimate, Tasmania's gambling industry employs about two per cent of total Tasmanian workers.

The nature of Federal Group as a monopoly provider of casino games and EGMs in Tasmania, and its contribution and involvement in the State's tourism industry, means that Tasmania's gambling industry has an important role in promoting tourism in Tasmania. However, it is not clear to what degree the industry represents a significant drawcard for tourists to the State. For the purposes of analysing the contribution of gambling to Tasmania's economy, it is considered that the availability of gambling means that tourists spend more than they otherwise would when visiting Tasmania.

During the consultations undertaken for this study, industry stakeholders argued that Tasmania's gambling industry contributes to the economy in a number of ways, including through employment, community contributions (such as sponsorships) and investment in venues and other forms of entertainment.

Finally, statistical analysis examining the relationship between PGSI category and labour force participation identified that the higher the PGSI category, the greater the probability of labour force participation. This finding may be attributable to employment income being required to support gambling expenditure, and that individuals with a gambling problem have a strong incentive to earn an income to support their gambling.

## 9 Contribution of gambling to Tasmania's economy

*This chapter reports the results of modelling estimating the contribution of gambling to the Tasmanian economy. This analysis considers both the state-level results, and impacts within the eight focus LGAs, and was prepared by Professor Glyn Wittwer of Victoria University, in collaboration with ACIL Allen Consulting.*

### 9.1 Overview

This chapter uses three separate modelling scenarios to consider the contribution of gambling to the Tasmanian economy, and the eight focus LGAs:

1. Cessation of Tasmania's local gambling industry, but with substantial substitution towards gambling from other sources (i.e. gambling service providers from foreign countries and interstate)
2. Cessation of Tasmania's gambling industry, based on the assumption that there is no substitution in gambling towards interstate and international gambling services. Instead, household consumers switch to expenditures on other goods and services
3. Cessation of 50 per cent of gambling expenditure by low risk, moderate risk and problem gamblers (as identified by the Problem Gambling Severity Index [PGSI]), with substitution to alternative household expenditures on other goods and services.

The first two scenarios essentially mirror those applied in the second SEIS. However, the model being used differs as it represents sub-state regions of Tasmania in a bottom-up framework. The base scenario used as the comparator includes business-as-usual growth in Tasmania's gambling sector. It is understood that the 'high stakes' interstate and international revenues documented in the 2011 study as being generated by TOTE Tasmania, are no longer attracted to Tasmania. This is because TOTE Tasmania was sold to Tatts Group in 2011, with Tatts Group no longer operating in this 'high stakes' market.

The third scenario is intended to provide a guide to the potential economic contribution that could be made if gambling expenditure by Tasmanians experiencing gambling difficulties is halved. This scenario is the one that arguably reflects the aspirations of public policy most closely: the gambling industry remains in the state, but problem gambling falls significantly.

Finally, scenarios 2 and 3 include substitution in household expenditure away from gambling to other goods and services. Estimates of this substitution is informed by results from the 2013 Tasmanian Gambling Prevalence Survey.

This analysis considers the contribution of gambling to economic measures such as real Gross Domestic Product (GDP) and employment. Furthermore, it does not consider the extent to which the negative impacts of gambling (e.g. problem gambling) impacts upon the Tasmanian economy. Neither does this analysis consider the impacts associated with gambling not captured in economic measures (e.g. impact on wellbeing of problem gambling). These impacts are discussed in Chapter 4.

## 9.2 Methodology

### Dynamic VU-TERM

The three scenarios are modelled using dynamic VU-TERM (Victoria University - The Enormous Regional Model), a multi-regional, dynamic Computable General Equilibrium (CGE) model of the Australian economy. VU-TERM has been aggregated to depict 21 sectors, including a sector covering lotteries, casinos and gambling. There are 7 regions in the model used for this project: Greater Hobart, Greater Launceston, North Eastern Tasmania, Burnie-Devonport, North West Rural Tasmania, Rest of Tasmania and Rest of Australia. More detail on VU-TERM is provided in Appendix D.

The regions of interest are the eight focus LGAs (approximated by statistical local areas in this study) of Brighton, Clarence, Glenorchy and Sorell in the Greater Hobart region, Launceston in Greater Launceston, Break O'Day in North Eastern Tasmania, Devonport in Burnie-Devonport and Circular Head in North West Rural Tasmania.

In a bottom-up representation, regions have separate production functions for each industry, their own labour market, and their own links between investment and capital and separate data concerning inputs and outputs. Each region is inter-linked via inter-regional trade matrices and equations. The model's database also includes international exports and imports, so that each region is linked to the rest of the world.

A top-down calculation is applied to LGA results. For example, outputs for the LGAs of Brighton, Clarence, Glenorchy and Sorell change by the same percentage as those of the Greater Hobart region for all industries. Differences in percentage outcomes for factor income and employment therefore reflect differences in industry composition between regions. In the top-down LGA treatment, changes in consumption patterns are assumed to be the same across all LGAs within a region.

### Features of CGE modelling

There are several reasons for using a CGE model:

- it accounts for the alternative use of productive inputs in the event of gambling services ceasing or decreasing activity in the state
- different assumptions concerning consumer behaviour can be imposed on the model.

The model also takes account of indirect effects arising from direct shocks to the economy. For example, if productive resources are reallocated to other industries, there may be terms of trade impacts (i.e. a change in the price of goods and services sold by the region to other regions relative to the price of goods and services imported into that region from elsewhere). If the terms of trade in a region fall, the real spending power of households in the region declines for a given level of real income.

Usually, the results of dynamic modelling are presented as deviations in the year-to-year deviation of the policy scenario from the baseline. That is, the path of adjustment is of interest. In this modelling study, the path of adjustment is not of interest as the main story concerns the hypothetical question of how the Tasmanian economy and its regions would look in the absence of a gambling industry, relative to the industry remaining. Rather than report the path of adjustment, this study is confined to comparing two different Tasmanian economies at some point in the future in the long run, one with gambling in place and the other without gambling.

The third scenario, in which problem gambling is halved, compares a hypothetical state of the Tasmanian economy at some point in the future with a state in which problem gambling is still present at approximately current levels.

A key feature of scenarios 2 and 3 is that results from the 2013 Tasmanian Gambling Prevalence Survey are used to estimate how gamblers would spend their money if they were unable to gamble. The results of this analysis are presented in Figure 70 (see p. 139).

## 9.3 Results

### Summary

The three modelling scenarios results are in Table 31, with detailed results following.

Scenario 1, which sees all gambling expenditure within Tasmania diverted to 'offshore' gambling, has the biggest negative impact upon the Tasmanian economy, with a reduction in real GDP of 1.10 per cent relative to the base case in the long run. There is also a reduction in employment of 1.26 per cent relative to the base case.

Scenario 2, comprising expenditure on gambling being diverted to alternative expenditures, sees a reduction in real GDP of 0.66 per cent relative to the base case, and a reduction of 0.73 per cent in employment.

The final scenario, which involves the hypothetical situation of problem gambling expenditure being halved, has only a modest impact upon the Tasmanian economy. This result is driven by the assumption that problem gamblers substitute half their gambling expenditure to other consumption. The definition of problem gambling in this context is expenditure by individuals identified as low risk, moderate risk and problem gamblers using the PGSI. This sees a reduction in real GDP of 0.07 per cent, and 0.10 per cent in employment. This GDP reduction is equivalent to \$22 million across Tasmania. The 2013 Tasmanian Gambling Prevalence Survey estimated there being 23,780 Tasmanians in these PGSI categories.<sup>21</sup>

This final scenario thus indicates that halving problem gambling, with expenditure diverted to other activities, would have only a modest impact on the overall macro-economy. The final scenario does not consider the value of non-market benefits to society of halving problem gambling, which is not captured in this economic modelling.

Table 31 **Macro-economic results summary: Tasmania (per cent change relative to base case, long run)**

	Scenario 1	Scenario 2	Scenario 3
1. Real GDP	-1.10	-0.66	-0.07
2. Gambling contribution to GDP	-0.41	-0.42	-0.07
3. Employment	-1.26	-0.73	-0.10
4. Capital stocks	-0.92	-0.19	0.11
5. Real wage	-0.02	-0.01	0.00
6. Terms of trade	0.03	0.10	0.02
7. Aggregate consumption	-0.82	-0.06	0.06
8. Aggregate investment	-3.45	-2.36	-0.40
9. Real depreciation	0.08	-0.39	-0.12

Source: Centre of Policy Studies, Victoria University

<sup>21</sup> This estimate must be treated with caution. It has a standard error of 2,155, with a 95 per cent confidence interval of 19,555 to 28,006.

## Scenario 1: Cessation of gambling industry, with substitution to 'offshore' gambling

### Scenario description

In this scenario, the gambling industry ceases in Tasmania, with Tasmanian gamblers switching all of their expenditure to overseas and foreign gambling providers.

This is considered an extreme scenario, with the 2013 Tasmanian Gambling Prevalence Survey indicating that many current gamblers would more likely switch expenditures to other goods and services in the event of the gambling industry ceasing in the state. Nevertheless, this scenario does provide a guide to the contribution made by the Tasmanian gambling industry, alongside the loss of Tasmanian Government taxation and other revenues associated with gambling.

The 2012-13 gambling expenditure in each focus LGA, and the rest of Tasmania, is detailed in Table 32, totalling \$317 million of which \$93 million formed gambling taxation revenue. These expenditures have been estimated from LGA-level EGM expenditure data provided by the Tasmanian Government, in conjunction with allocating state-wide non-EGM gambling expenditure using the 2013 Tasmanian Gambling Prevalence Survey results.

Table 32 **Gambling expenditure in each focus LGA, 2012-13**

LGA	Gambling expenditure (\$m)
<b>Low SES</b>	
Brighton	\$8.7
Break O'Day	\$2.9
Glenorchy	\$32.7
Devonport	\$18.0
<i>Subtotal</i>	\$62.4
<b>Comparison</b>	
Circular Head	\$3.2
Launceston	\$40.2
Sorell	\$5.4
Clarence	\$26.6
<i>Subtotal</i>	\$75.4
<b>Rest of Tasmania</b>	\$179.3
<b>Grand total</b>	<b>\$317.0</b>

Source: ACIL Allen Consulting

### Modelling results

#### *The loss of gambling tax revenues*

On the surface, this scenario provides the worst possible outcome for Tasmania: gambling activity continues in the state, but with the loss of the industry, gambling tax revenues to the Tasmanian Government disappear. The state-wide outcome is made worse by the assumption that real wages in Tasmania relative to the rest of Australia remain unchanged despite the closure of the gambling industry. With the alternative assumption in which real wages in Tasmania fall relative to those of mainland states, the long-run job losses and consequence fall in state-wide GDP will be smaller. Such a scenario is presented below (see An alternative labour market assumption, p. 137).

What does the loss of gambling tax revenues imply within the model? In order to maintain a given level of public spending without changing the budget balance, taxation revenue would

be required from some other source. However, if we are examining the impact of the cessation of gambling on disposable income in Tasmania, there is another crucial consideration.

A dynamic model enables us to find an upside in these rather gloomy calculations that offsets some of the economic losses. Capital stocks state-wide decrease by 0.92 per cent relative to a base case in which the gambling sector still exists in the state. Within the model, investment is funded substantially by non-Tasmanians. If capital stocks decrease relative to base, so too do payments to foreigners, who may be from other nations or from interstate. The consumption function in VU-TERM links nominal current spending to nominal income. It turns out that the lost revenue from gambling taxes is substantially offset by the reduction in payments to foreigners arising from diminished investment and capital accumulation. Whereas state government gambling revenues totalled \$93 million in 2012-13, the required long-run reduction in payments to foreigners (implied by the 0.92% decrease in capital stocks) is around \$80 million, based on 2012-13 capital rentals. In summary, lost state government revenues are compensated almost entirely by the reduction in payments to foreigners, implying only a minor inward shift in the consumption function.

This is a modelling outcome. The reality is that the relatively narrow taxation bases of state and territory governments has led most (with the exception of Western Australia) to seek gambling tax revenue from EGMs. With gambling taxes no longer available as a source of revenue, state governments would require larger grants from the Federal Government to maintain a budgetary position. Another way of viewing this is to surmise that in a hypothetical world without gambling, there would have been a need for state and territory governments to negotiate larger transfers from the Federal Government earlier.

### *Macro-economic results*

Table 33 shows the macro-economic results for Scenario 1, expressed as percentage changes relative to the base case in the long run. The bottom-up regions represented in the model are Greater Hobart, Greater Launceston, North Eastern Tasmania, Burnie-Devonport, North West Rural Tasmania and the Rest of Tasmania. Our first task is to explain the difference between regions.

A first step is to note the link between the direct impact of cessation of gambling in each region (row 2 of Table 33) and overall regional real GDP losses (row 1 of Table 33). We would expect that the lower the gambling share of regional GDP (reflected in row 2), the higher the real GDP losses. This appears to be the case, with the ranking in GDP losses across regions aligning with the direct contribution of gambling.

Table 33 Macro-economic results, Scenario 1 (per cent change relative to base case, long run)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
1. Real GDP	-1.43	-1.63	-0.85	-0.65	-0.38	-0.99	-1.10
2. Gambling contribution to GDP	-0.51	-0.62	-0.31	-0.23	-0.16	-0.38	-0.41
3. Employment	-1.61	-1.82	-1.05	-0.82	-0.52	-1.15	-1.26
4. Capital stocks	-1.23	-1.37	-0.70	-0.47	-0.30	-0.82	-0.92
5. Real wage	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02
6. Terms of trade	0.01	0.00	0.00	0.01	0.03	0.03	0.03
7. Aggregate consumption	-1.04	-1.24	-0.48	-0.25	0.06	-0.58	-0.82
8. Aggregate investment	-4.12	-5.00	-3.25	-1.78	-1.29	-3.40	-3.45
9. Real depreciation	0.10	0.20	0.07	0.02	-0.02	0.03	0.08

Source: Centre of Policy Studies, Victoria University

Table 34 shows the dollar contribution of industry activities and taxes to GDP by region. Note that the table presents value-added rather than output values, so that total gambling activity losses, approximately equal to the gambling row plus the taxes row, sum to \$173 million rather than \$317 million. The difference is mostly because output values include intermediate inputs that are excluded from value-added measures.

Table 34 Industry outputs, Scenario 1 (\$m contribution to regional GDP, long run, based on 2014 GDP base)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
Agriculture, forestry and fishing	0	0	1	0	0	1	2
Mining	0	0	0	0	0	1	1
Food products	0	0	0	0	0	0	-1
Other manufactures	0	1	0	-1	0	-1	-2
Utilities	-1	0	0	0	0	0	-2
Construction	-7	-13	-6	-5	-2	-20	-53
Wholesale trade	-1	-2	0	-1	0	-1	-5
Retail trade	-10	-5	0	-1	0	-2	-19
Restaurants, takeaway food	-2	-1	0	0	0	0	-3
Accommodation	0	0	0	0	0	0	0
Transport	0	1	0	0	0	0	2
Communication	-2	-2	0	0	0	-1	-5
Banking, finance and insurance	-3	-2	0	0	0	-1	-6
Ownership of dwellings	-3	-1	0	1	0	1	-2
Business services	-14	-13	-3	-4	-1	-9	-44
Government administration and defence	-2	-1	-1	-1	-1	-3	-9
Education	0	1	1	0	0	2	3
Health, community care and child care	-4	-3	-1	-2	-1	-2	-11
Other services	-4	-4	-1	-1	0	-4	-15
<b>Gambling</b>	<b>-38</b>	<b>-33</b>	<b>-8</b>	<b>-10</b>	<b>-4</b>	<b>-29</b>	<b>-122</b>
Taxes	-19	-14	-3	-3	-1	-10	-51
<b>Total GDP</b>	<b>-92</b>	<b>-77</b>	<b>-19</b>	<b>-27</b>	<b>-10</b>	<b>-68</b>	<b>-292</b>

Source: Centre of Policy Studies, Victoria University

Table 35 presents the same results as Table 34, however, reporting the results as a per cent change relative to the base case. This presentation highlights that the construction industry is most affected by scenario 1, with a 2.2 per cent reduction output relative to the base case, followed by 'Other services' with a 1.7 per cent reduction.

Table 35 Industry outputs, Scenario 1 (per cent change relative to base case, long run)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
Agriculture, forestry and fishing	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Mining	0.2	0.4	0.2	0.2	0.1	0.2	0.2
Food products	-0.7	-0.4	-0.3	-0.1	-0.1	-0.2	-0.2
Other manufactures	-0.5	-0.4	-0.4	-0.3	-0.2	-0.4	-0.4
Utilities	-0.7	-0.7	-0.5	-0.2	-0.1	-0.3	-0.5
Construction	-2.2	-3.6	-2.3	-1.3	-0.9	-2.4	-2.2
Wholesale trade	-1.0	-1.0	-0.5	-0.5	-0.2	-0.6	-0.7
Retail trade	-1.6	-1.4	-0.5	-0.5	-0.2	-0.7	-1.1
Restaurants, takeaway food	-1.2	-1.3	-0.6	-0.4	-0.2	-0.7	-0.9
Accommodation	-0.7	-0.5	0.1	-0.1	0.0	0.0	-0.3
Transport	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1
Communication	-1.2	-1.3	-0.5	-0.4	-0.2	-0.6	-0.8
Banking, finance and insurance	-0.6	-0.7	-0.3	-0.2	-0.1	-0.4	-0.5
Ownership of dwellings	-0.5	-0.4	0.0	0.0	0.1	-0.1	-0.3
Business services	-1.4	-1.5	-0.6	-0.6	-0.3	-0.7	-0.9
Government administration and defence	-0.8	-0.8	-0.8	-0.7	-0.7	-0.8	-0.8
Education	-0.4	-0.2	0.0	-0.3	-0.1	0.0	-0.2
Health, community care and child care	-0.7	-0.8	-0.5	-0.6	-0.4	-0.4	-0.6
Other services	-2.0	-2.8	-1.4	-1.2	-0.6	-1.5	-1.7

Source: Centre of Policy Studies, Victoria University

### Statistical local area outcomes

In VU-TERM, we are able to estimate scenario impacts at the level of Statistical Local Areas (SLAs). Eight LGAs (which approximate SLAs) have been selected as part of this study. The top-down module of the model from which these results are derived relies on data on base level industry activities to distribute bottom-up results to top-down regions.

Circular Head in the North Western Rural statistical sub-division does relatively well in this scenario. The final column in Table 36, 'Regional advantage', relates a local region's factor income (i.e. GDP excluding indirect taxes) to the factor income of the bottom-up region of which it is part. Circular Head has larger activity shares in agriculture and mining than the North Western Rural region overall and consequently does relatively well. But even though its aggregate consumption rises relative to the base case by 0.16 per cent, employment still falls by 0.42 per cent.

Table 36 **Key Statistical Local Area outcomes, Scenario 1 (per cent change relative to base case, long run)**

	Factor income	Employment	Aggregate consumption	Regional advantage
Brighton	-1.33	-1.74	-1.17	0.12
Clarence	-1.50	-1.64	-1.07	-0.06
Glenorchy	-1.51	-1.68	-1.11	-0.07
Sorell	-0.83	-1.25	-0.68	0.16
Break O'Day	-0.79	-1.03	-0.45	0.06
Devonport	-0.72	-0.87	-0.29	-0.04
Circular Head	-0.30	-0.42	0.16	0.10
Launceston	-1.70	-1.82	-1.25	-0.07

Source: Centre of Policy Studies, Victoria University

### An alternative labour market assumption

One important assumption in the scenario is that real wages are tied to those of mainland states. Tasmania-wide employment in this scenario falls by 1.3 per cent or almost 2,800 jobs. If we assume in the hypothetical scenario that real wages between regions were allowed to vary, state-wide real wages will fall by more than 0.02 per cent (i.e. the change in real wages), and employment losses and real GDP losses in Tasmania will be smaller.

If we allow real wages in Tasmania to fall relative to the mainland, employment falls to 0.2 per cent or fewer than 600 FTE jobs below base. Importantly, the alternative assumption effectively removes the multiplier impact of gambling: the direct state-wide contribution of -0.41 per cent leads to a real GDP outcome which is smaller: -0.36 per cent (Table 37). Falling real wages relative to the mainland enhance Tasmania's competitiveness, which is of greatest benefit to those industries with sales outside Tasmania. The real depreciation (recorded in row 9 of Table 37, and earlier in Table 33) is a measure of competitiveness.

Agriculture, Mining, Food processing and Other manufacturing all have more substantial gains in output than if we assume that real wages vary uniformly across the nation. They rely heavily on international or inter-regional exports in total sales and benefit from the gain in competitiveness.

But since the terms of trade in the state now decline by 0.19 per cent, aggregate consumption, which in Scenario 1 falls by a smaller percentage than real GDP in Tasmania (i.e. -0.82% compared with -1.1%), now falls by 0.59 per cent, a relatively modest improvement relative to the scenario without variable real wages across regions, and larger than the percentage fall in real GDP of 0.36 per cent (Table 37).

Table 37 **Macro-economic results, Scenario 1, real wages vary between region (per cent change relative to base case, long run)**

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
1. Real GDP	-0.67	-0.53	-0.20	-0.13	-0.06	-0.24	-0.36
2. Gambling contribution to GDP	-0.50	-0.62	-0.31	-0.23	-0.16	-0.38	-0.41
3. Employment	-0.31	-0.30	-0.16	-0.13	-0.07	-0.17	-0.21
4. Capital stocks	-1.09	-0.86	-0.33	-0.22	-0.12	-0.41	-0.61
5. Real wage	-1.24	-1.11	-0.60	-0.48	-0.29	-0.65	-0.81
6. Terms of trade	-0.47	-0.33	-0.15	-0.12	-0.04	-0.17	-0.19
7. Aggregate consumption	-0.96	-0.81	-0.17	-0.01	0.23	-0.22	-0.59
8. Aggregate investment	-3.88	-4.16	-2.70	-1.35	-1.01	-2.76	-2.94
9. Real depreciation	1.01	0.94	0.35	0.30	0.12	0.41	0.61

Source: Centre of Policy Studies, Victoria University

## Scenario 2: Cessation of gambling industry, with substitution to other goods and services

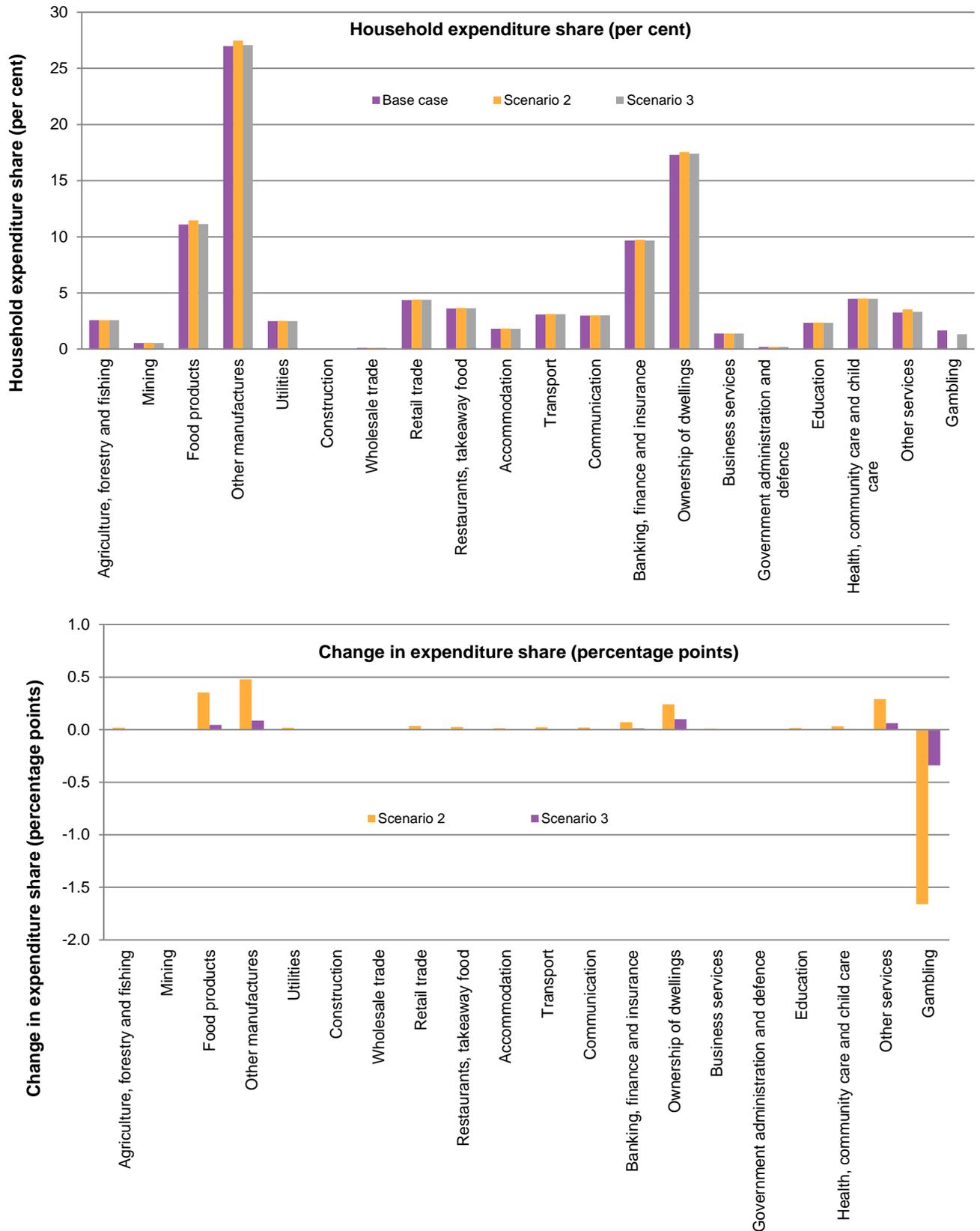
### Scenario description

Under this scenario, the gambling industry ceases in Tasmania, with Tasmanian consumers switching gambling expenditures entirely into spending on other goods and services. There is no substitution towards gambling on the internet or interstate. Without survey information, VU-TERM would reallocate household spending on gambling to non-gambling goods and services based on existing budget shares. But analysis of the 2013 Tasmanian Gambling Prevalence Survey, which asked respondents how they would spend their monies if unable to gamble, found that a disproportional amount of spending would be redirected towards 'Other entertainment or recreational activities'.

The 'Other entertainment or recreational activities' sector is relatively labour-intensive, particularly compared to existing household budget expenditure shares. The commodity 'Other services' is used to approximate this group of spending. Analysis of the 2013 Tasmanian Gambling Prevalence Survey indicates that state-wide, there would be an additional \$35 million of spending on 'Other services', whereas the expenditure shares in the database indicate that the default shift in response to substitution out of gambling would be additional spending on 'Other services' of \$10 million.

The change in the VU-TERM household spending assumptions as a result of the survey analysis are presented in Figure 70, covering both scenarios 2 and 3. The positive bars in the 'change in expenditure share' graph indicate where VU-TERM assumes that gambling expenditure would be re-directed. The biggest increases are in 'Food products' and 'Other manufactures'.

Figure 70 Household expenditure shares: Original and Scenario 2 and 3



Source: Centre of Policy Studies, Victoria University and ACIL Allen Consulting, 2013 Tasmanian Gambling Prevalence Survey, Q: H1,

## Modelling results

### Macro-economic results

This scenario implies stronger household demands for non-gambling goods and services by Tasmanians. Greater Hobart experiences the strongest improvement in the terms of trade (i.e. the price of inter-regional plus international exports divided by the price of inter-regional plus international imports), because Greater Hobart is an important supplier of goods and services demanded by households in the rest of Tasmania. Greater Hobart's terms of trade rise by 0.22 per cent (see Table 38). In other Tasmanian regions, the terms of trade also rise though by lesser percentages as the expenditure switch favours local services.

Table 38 **Macro-economic results, Scenario 2 (per cent change relative to base case, long run)**

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
1. Real GDP	-0.34	-1.11	-0.81	-0.24	-0.40	-0.94	-0.66
2. Gambling contribution to GDP	-0.52	-0.64	-0.32	-0.24	-0.16	-0.38	-0.42
3. Employment	-0.38	-1.17	-0.91	-0.28	-0.48	-1.04	-0.73
4. Capital stocks	0.27	-0.54	-0.57	0.24	-0.10	-0.59	-0.19
5. Real wage	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
6. Terms of trade	0.22	0.10	0.08	0.11	0.08	0.11	0.10
7. Aggregate consumption	0.21	-0.59	-0.33	0.30	0.10	-0.46	-0.06
8. Aggregate investment	-1.83	-3.79	-3.05	-0.72	-0.98	-3.05	-2.36
9. Real depreciation	-0.67	-0.32	-0.15	-0.49	-0.28	-0.24	-0.39

Source: Centre of Policy Studies, Victoria University

Across Tasmania, the multiplier impact of the cessation of gambling on real GDP diminishes with the switch in household demands to other goods and services. The direct contribution to the GDP outcome is -0.42 per cent, with a total GDP change of -0.66 per cent (Table 38), a smaller loss than in the first scenario (-1.26 %). Employment losses are also smaller, with state-wide employment changing by -0.73 per cent (1,650 jobs full-time equivalent) compared with -1.1 per cent in scenario 1.

There are some differences in industry outcomes. Agriculture and Mining now shrink slightly instead of expanding slightly, though the magnitudes as shown in Table 39 are small. This is because the demand switch reduces the competitiveness of industries that rely heavily on sales outside as Tasmania. The real depreciation outcomes shown in row 9 of Table 38 are negative, implying a loss in international competitiveness in each Tasmanian region in the scenario. Construction output falls as real investment falls relative to the base.

Ownership of dwellings does well in this scenario as a switch in household expenditures away from gambling results in an increase in consumption of all other goods and services. Ownership of dwelling has two characteristics driving the largest percentage increase in output of all industries (1.5 % increase, as shown in Table 39): first, it is the most income-elastic of the sectors, and second it is relatively non-traded, so that additional demands are not satisfied from interstate or foreign nations.

Table 39 Industry outputs, Scenario 2 (per cent change relative to base case, long run)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
Agriculture, forestry and fishing	0.0	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
Mining	-0.4	-0.3	-0.2	-0.5	-0.3	-0.3	-0.3
Food products	0.5	0.1	0.0	-0.1	-0.3	-0.1	-0.1
Other manufactures	-0.9	-1.1	-0.8	-1.0	-0.7	-0.8	-0.9
Utilities	1.1	0.3	0.0	0.7	0.3	0.0	0.5
Construction	-0.4	-2.0	-1.7	0.0	-0.4	-1.9	-1.2
Wholesale trade	-0.5	-1.0	-0.6	-0.6	-0.4	-0.7	-0.7
Retail trade	0.5	-0.3	-0.2	0.5	0.1	-0.3	0.1
Restaurants, takeaway food	1.8	0.7	0.0	1.5	0.7	0.2	1.0
Accommodation	1.7	0.8	-0.1	0.9	0.1	0.0	0.7
Transport	-0.1	-0.2	-0.3	-0.3	-0.3	-0.3	-0.2
Communication	0.7	-0.2	-0.3	0.5	0.0	-0.4	0.1
Banking, finance and insurance	0.9	0.4	0.0	0.7	0.2	0.0	0.5
Ownership of dwellings	1.7	1.3	1.0	1.6	1.3	1.1	1.5
Business services	-1.2	-1.6	-0.9	-0.8	-0.7	-1.0	-1.1
Government administration and defence	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Education	0.0	-0.2	-0.6	-0.4	-0.7	-0.5	-0.3
Health, community care and child care	0.4	0.3	0.4	0.5	0.2	0.0	0.3
Other services	2.1	0.8	0.1	1.9	0.6	-0.1	0.9

Source: Centre of Policy Studies, Victoria University

Table 40 presents the modelling results in term of the change in contribution to GDP in dollar terms. This analysis highlights how much of the reduction in gambling expenditure benefits 'Ownership of dwellings', with much variability in the results for other sectors.

Table 40 Industry outputs, Scenario 2 (\$m contribution to regional GDP, long run, based on 2014 GDP base)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
Agriculture, forestry and fishing	0	0	0	0	-1	-1	-2
Mining	0	0	0	0	0	0	-1
Food products	0	0	0	0	0	0	0
Other manufactures	-3	-5	-1	-5	-2	-5	-21
Utilities	3	1	0	1	0	0	5
Construction	-1	-7	-4	1	-1	-14	-26
Wholesale trade	-1	-2	0	-1	0	-1	-6
Retail trade	5	0	0	2	0	0	7
Restaurants, takeaway food	3	1	0	1	0	0	6
Accommodation	1	1	0	0	0	0	3
Transport	0	0	0	-1	0	-1	-3
Communication	2	0	0	1	0	0	2
Banking, finance and insurance	9	4	0	3	1	1	18
Ownership of dwellings	34	16	2	14	4	9	77
Business services	-16	-17	-5	-8	-4	-16	-67
Government administration and defence	0	0	0	0	0	0	0
Education	0	0	-1	-1	-1	-1	-3
Health, community care and child care	4	4	1	2	1	2	13
Other services	6	2	0	3	1	1	13
<b>Gambling</b>	-39	-34	-8	-10	-4	-29	-125
Taxes	-29	-22	-5	-10	-4	-18	-88
<b>Total GDP</b>	5	-38	-16	0	-7	-55	-110

Source: Centre of Policy Studies, Victoria University

### Statistical Local Area outcomes

The expenditure switch raises the regional advantage of Brighton in this scenario relative to other SLAs in Greater Hobart (see Table 41). However, its employment outcome is slightly worse than for Greater Hobart (-0.45% compared with -0.38%) indicating compositional differences (i.e. Brighton has a lower share of labour-intensive activity than Greater Hobart overall). The North West Rural statistical sub-division does relatively well in this scenario (Table 38) and within it, Circular Head has a regional advantage sufficient to result in its aggregate consumption growing relative to forecast.

Table 41 **Key Statistical Local Area outcomes, Scenario 2 (per cent change relative to base case, long run)**

	Factor income	Employment	Aggregate consumption	Regional advantage
Brighton	0.18	-0.45	0.13	0.26
Clarence	-0.24	-0.39	0.19	-0.16
Glenorchy	-0.20	-0.41	0.18	-0.12
Sorell	-0.45	-1.13	-0.55	0.39
Break O'Day	-0.66	-0.84	-0.26	0.07
Devonport	-0.21	-0.35	0.23	-0.14
Circular Head	-0.26	-0.40	0.18	0.04
Launceston	-1.09	-1.16	-0.58	-0.19

Source: Centre of Policy Studies, Victoria University

### Scenario 3: Problem gambling in Tasmania halves

#### Scenario description

In the third scenario, gambling expenditure by persons identified as being problem gamblers reduces to one half of its present level. In this specific context, problem gambling is defined as when an individual is identified as being a low risk, moderate risk or problem gambler on the PGSI. Based on the 2013 Tasmanian Gambling Prevalence Survey, an estimated 23,781 Tasmanian adults are in this group.<sup>22</sup>

The expenditure associated with risky and problem gambling has been estimated from LGA level EGM expenditure data held by DTF, in conjunction with allocating state-wide expenditure using the 2013 Tasmanian Gambling Prevalence Survey results. Integral to these calculations is the proportion of expenditure by gambler risk across LGAs. The proportion of EGM expenditure and non-EGM gambling expenditure by gambler risk status is shown in Figure 71. Due to sample size issues, this analysis has been grouped into the three LGA groups of low SES, comparison, and rest of Tasmania.

This scenario is the closest to balancing the multiple policy objectives of:

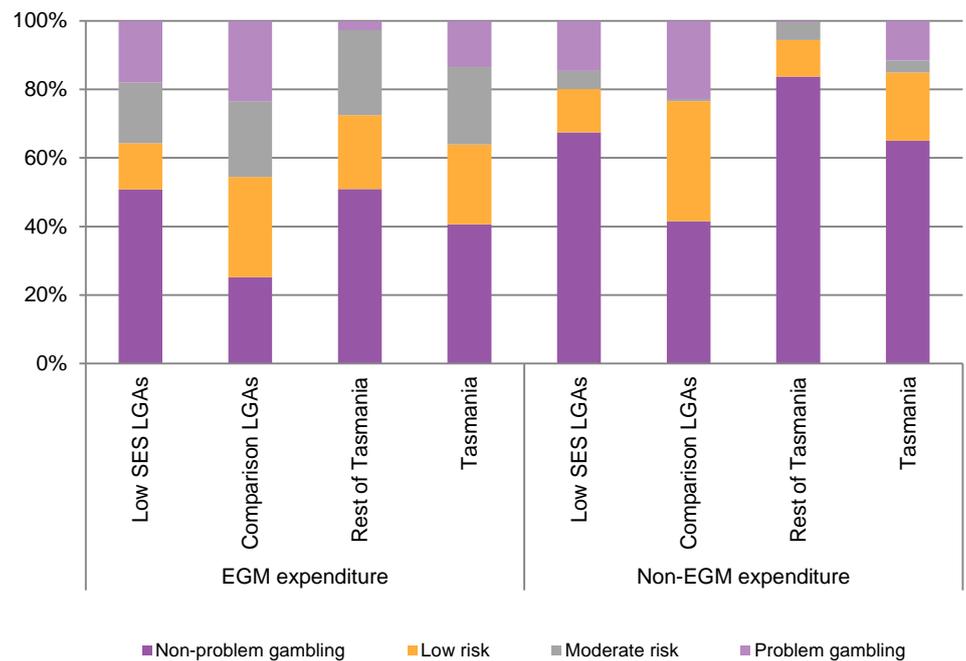
- reducing gambling-related harm
- maintaining a gambling industry that provides entertainment to consumer
- providing a source of taxation revenue to the Tasmanian Government and a source of income to gambling premises
- reducing the social hardships that arise from risky and problem gambling.

The end result of this scenario is a long-run decline in gambling output of close to 20 per cent, with reduced gambling expenditure being substituted to other expenditures as identified in Figure 70. The key difference in the allocation of foregone gambling expenditure in this scenario, compared to Scenario 2, is that there is no substitution to 'Food products'.

Of course the challenge associated with this scenario is that the specific policy actions required to halve problem gambling are unknown.

<sup>22</sup> This estimate must be treated with caution. It has a standard error of 2,155, with a 95 per cent confidence interval of 19,555 to 28,006.

Figure 71 Proportion of EGM and non-EGM expenditure by gambling severity and LGA category



Source: ACIL Allen Consulting

### Modelling results

#### Macro-economic results

Whereas in the first and second scenarios, the contribution of the cessation of gambling services to Tasmania’s real GDP was around minus 0.4 per cent, now the contribution is only minus 0.07 per cent. In this scenario, we assume that investment in the gambling sector falls permanently relative to forecast by around 20 per cent, as the direct reduction in gambling expenditure in Tasmania falls by 20 per cent with a halving of problem gambling. The state-wide employment impact is smaller than in the first or second scenarios, with employment falling by 0.1 per cent or 220 jobs.

As in the second scenario, Greater Hobart experiences the strongest improvement in the terms of trade, and the most positive employment outcome. Greater Hobart’s terms of trade rose by 0.22 per cent (Table 40). Again, other Tasmanian regions also have a terms of trade gain due to the expenditure switch favouring local services.

Changes in expenditure among industries in Scenario 3 reflected those in Scenario 2, however, to a lesser extent. Specifically, similar to Scenario 2, Scenario 3 saw positive changes in expenditure for Other manufactures, Ownership of dwellings, and Health, community care and child care.

In this scenario, the state-wide multiplier is close to one, as the real GDP impact is explained almost entirely by the contribution gambling (-0.07%, Table 42).

Table 42 Macro-economic results, Scenario 3 (per cent change relative to base case, long run)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
1. Real GDP	0.08	-0.15	-0.15	0.00	-0.08	-0.17	-0.07
2. Gambling contribution to GDP	-0.09	-0.11	-0.05	-0.04	-0.03	-0.06	-0.07
3. Employment	0.04	-0.17	-0.17	-0.01	-0.10	-0.20	-0.10
4. Capital stocks	0.32	0.07	-0.06	0.17	0.02	-0.05	0.11
5. Real wage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Terms of trade	0.05	0.02	0.02	0.03	0.02	0.02	0.02
7. Aggregate consumption	0.16	-0.05	-0.05	0.11	0.02	-0.08	0.06
8. Aggregate investment	-0.15	-0.70	-0.66	-0.03	-0.18	-0.64	-0.40
9. Real depreciation	-0.20	-0.11	-0.04	-0.15	-0.08	-0.06	-0.12

Source: Centre of Policy Studies, Victoria University

Industry outcomes follow a scaled down version of scenario 2, with the exception of food products. The taste swing against food products is sufficient to reduce output slightly below forecast in the scenario (Table 43 and Table 44).

Overall, the Tasmania economy suffers modest losses as measured by real GDP and employment, but experiences small gains as measured by real aggregate consumption in this scenario. Additional benefits not reported in this modelling comprise the diminution in social harm arising from the fall in problem gambling.

Table 43 Industry outputs, Scenario 3 (per cent change relative to base case, long run)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
Agriculture, forestry and fishing	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0
Mining	-0.2	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
Food products	-0.7	-0.6	-0.4	-0.4	-0.2	-0.3	-0.4
Other manufactures	-0.3	-0.3	-0.2	-0.3	-0.2	-0.2	-0.3
Utilities	0.5	0.2	0.1	0.3	0.1	0.1	0.3
Construction	0.2	-0.2	-0.3	0.2	0.0	-0.3	-0.1
Wholesale trade	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Retail trade	0.1	-0.1	0.0	0.0	0.0	-0.1	0.0
Restaurants, takeaway food	0.8	0.5	0.1	0.6	0.3	0.2	0.5
Accommodation	0.8	0.5	0.0	0.4	0.1	0.1	0.4
Transport	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Communication	0.5	0.2	0.0	0.3	0.1	0.0	0.2
Banking, finance and insurance	0.5	0.3	0.1	0.4	0.1	0.1	0.3
Ownership of dwellings	0.7	0.6	0.4	0.6	0.5	0.5	0.6
Business services	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Government administration and defence	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Education	0.1	0.0	-0.2	0.0	-0.2	-0.1	0.0
Health, community care and child care	0.3	0.2	0.2	0.3	0.2	0.1	0.2
Other services	0.8	0.4	0.1	0.6	0.2	0.1	0.4

Source: Centre of Policy Studies, Victoria University

Table 44 Industry outputs, Scenario 3 (\$m contribution to regional GDP, long run, based on 2014 GDP base)

	Greater Hobart	Greater Launceston	North Eastern Tasmania	Burnie-Devonport	North West Rural Tasmania	Rest of Tasmania	All Tasmania
Agriculture, forestry and fishing	0	0	0	0	0	0	-1
Mining	0	0	0	0	0	0	-1
Food products	-1	-1	0	-1	-1	-1	-3
Other manufactures	-1	-2	0	-2	-1	-2	-8
Utilities	1	0	0	0	0	0	2
Construction	1	-1	-1	1	0	-2	-2
Wholesale trade	-1	-1	0	-1	0	0	-3
Retail trade	0	0	0	0	0	0	0
Restaurants, takeaway food	1	1	0	1	0	0	3
Accommodation	1	0	0	0	0	0	1
Transport	0	0	0	0	0	0	-1
Communication	1	0	0	0	0	0	2
Banking, finance and insurance	4	2	0	1	0	1	9
Ownership of dwellings	14	7	1	5	1	3	31
Business services	-4	-4	-1	-2	-1	-4	-16
Government administration and defence	0	0	0	0	0	0	1
Education	0	0	0	0	0	-1	-1
Health, community care and child care	2	2	1	1	0	1	7
Other services	2	1	0	1	0	0	5
<b>Gambling</b>	-7	-6	-1	-2	-1	-5	-21
Taxes	-8	-6	-1	-4	-1	-5	-26
<b>Total GDP</b>	14	-2	-3	3	-1	-9	-22

Source: Centre of Policy Studies, Victoria University

### Statistical Local Area outcomes

Overall, the smaller adverse state-wide economic impacts in this scenario result in some SLAs experiencing small gains in factor incomes, employment and aggregate consumption relative to base. This is so in the SLAs of Brighton, Clarence and Glenorchy. As in scenarios 1 and 2, Brighton has a relatively strong regional advantage but once again, this does not translate into the best employment outcome of the eight SLAs, due to the relatively low labour-intensity of the region's industrial composition.

Table 45 **Key Statistical Local Area outcomes, Scenario 3 (per cent change relative to base case, long run)**

	Factor income	Employment	Aggregate consumption	Regional advantage
Brighton	0.24	0.01	0.13	0.07
Clarence	0.12	0.05	0.17	-0.05
Glenorchy	0.12	0.03	0.15	-0.05
Sorell	-0.02	-0.22	-0.11	0.12
Break O'Day	-0.11	-0.15	-0.03	0.01
Devonport	0.02	-0.03	0.09	-0.04
Circular Head	-0.06	-0.10	0.02	-0.01
Launceston	-0.14	-0.17	-0.05	-0.07

Source: Centre of Policy Studies, Victoria University

## 9.4 Findings

The economic modelling reported in this chapter provides guidance to the overall contribution of the gambling sector to the Tasmanian economy. Under all three scenarios, even modest reductions in gambling see a reduction Tasmanian GDP and employment.

Scenario 1, which sees all gambling expenditure within Tasmania diverted to 'offshore' gambling, has the biggest negative impact upon the Tasmanian economy, with a reduction in real GDP of 1.10 per cent relative to the base case. There is also a reduction in employment of 1.26 per cent relative to the base case.

Scenario 2, comprising expenditure on gambling diverted to alternative expenditures, sees a reduction in real GDP of 0.66 per cent relative to the base case, and a reduction of 0.73 per cent in employment.

The final scenario, which involves the hypothetical situation of problem gambling being halved, has only a very modest impact upon the Tasmanian economy. This sees a reduction in real GDP of 0.07 per cent, and 0.10 per cent in employment. This scenario thus indicates that halving problem gambling, with expenditure diverted to other activities, would have only a modest impact on the overall macro-economy. And this does not consider the value of non-market benefits to society of halving problem gambling, which is not captured in this economic modelling. These benefits are examined in Chapter 4.

The impact of these scenarios on the focus LGAs varies significantly. This arises from differences in regional economic composition in terms of industry structure.

Finally, the results of the VU-TERM analyses should be interpreted with a degree of caution. In the current study, the realism of each of the scenarios is questionable. The first scenario assumes closure of the gambling industry in Tasmania, yet assumes no change in the gambling habits of the Tasmanian population. Perhaps, from the perspective of Tasmanian economic outcomes, this is too pessimistic, eliminating state gambling tax revenues without altering the social costs of gambling. The second scenario assumes that the State's gambling industry closes and somewhat optimistically assumes that consumers switch away from spending on gambling altogether. The third scenario is perhaps the most realistic, in its assumption that problem gambling is reduced. A common limitation of the second and third scenarios is that economic results are reported without any measure of the social benefits arising from a reduction in problem gambling. Based upon the range of costs identified qualitatively in Chapter 4 and 5, these are likely to be significant.

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## Appendix A Local Government Area profiles

*This Appendix highlights several socio-economic characteristics of the eight 'focus' Tasmanian LGAs, including: their SEIFA ranking; the number of EGMs; educational attainment; and household income data.*

### A.1 Socio-economic status

#### SEIFA scores

Table A1 ranks all Tasmanian LGAs by their SEIFA score, as estimated using the Index of Relative Socio-economic Disadvantage. The Index of Relative Socio-economic Disadvantage is derived from Census variables including low income, low educational attainment and unemployment status.

Table A1 Tasmanian LGAs by SEIFA score and rank

	SEIFA score	Rank within State	State decile	Australian percentile
Brighton (M)	867	1	1	8
George Town (M)	870	2	1	9
Break O'Day (M)	891	3	2	10
Central Highlands (M)	894	4	2	11
Derwent Valley (M)	898	5	2	11
West Coast (M)	901	6	3	12
Tasman (M)	909	7	3	14
Glenorchy (C)	915	8	3	15
Devonport (C)	917	9	4	16
Burnie (C)	921	10	4	16
Dorset (M)	926	11	4	18
Glamorgan/Spring Bay (M)	931	12	5	21
Southern Midlands (M)	931	13	5	21
Waratah/Wynyard (M)	936	14	5	22
Kentish (M)	937	15	6	23
Launceston (C)	941	16	6	25
Circular Head (M)	948	17	6	31
Huon Valley (M)	952	18	7	34
Central Coast (M)	956	19	7	37
Flinders (M)	959	20	7	39
Northern Midlands (M)	962	21	8	41
Sorell (M)	963	22	8	42
Latrobe (M)	968	23	8	44
King Island (M)	970	24	9	46
Meander Valley (M)	983	25	9	55
Clarence (C)	1,000	26	9	69
West Tamar (M)	1,010	27	10	73
Kingborough (M)	1,040	28	10	87
Hobart (C)	1,042	29	10	88

<sup>a</sup> The four LGAs shaded dark grey are the 'low SES' LGAs, while the four shaded light grey are the 'comparison' LGAs. <sup>b</sup> Areas designated with (M) are municipalities, while those with (C) are cities.

Note: The Index of Relative Socio-economic Disadvantage is used as the SEIFA measure.

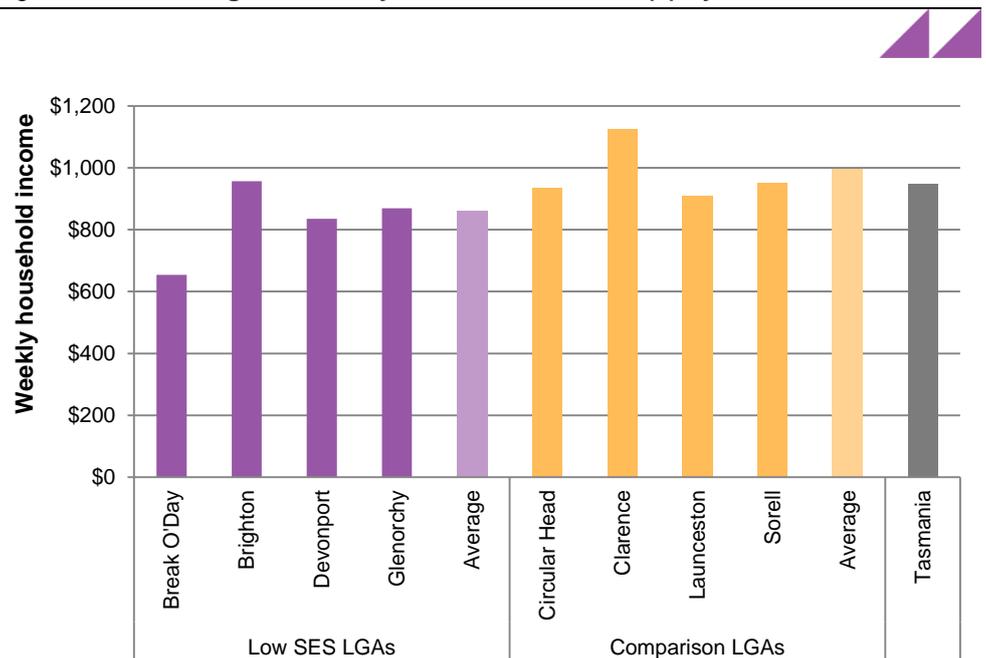
Source: Australian Bureau of Statistics 2013

The lower the SEIFA score, and the higher the rank of each LGA, the 'worse-off' the LGA is in terms of SES. The eight LGAs that are analysed in detail in this report are bolded and highlighted.

### Household income

Figure A1 shows the median gross weekly household income for the eight focus LGAs, as well as Tasmania as a whole. With the exception of Brighton, the median income for the lower SES LGAs are below the average for Tasmania as a whole. The average weekly household income for the comparison LGA's is higher than the Tasmanian average, however the individual LGA income for Circular Head and Launceston is below the Tasmanian average.

Figure A1 **Median gross weekly household income (\$) by LGA, Census 2011**

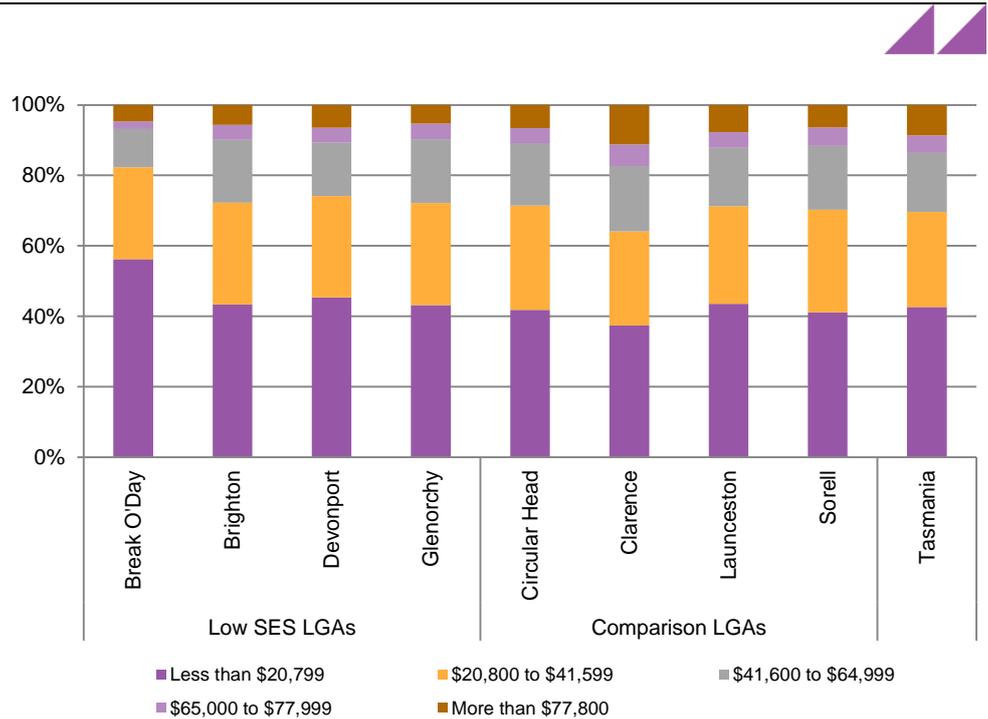


Note: The 'Average' columns are a population weighted average

Source: Australian Bureau of Statistics 2011: Table builder pro

Figure A2 shows the distribution of income based on the 2011 Census for each of the eight LGAs. Break O'Day has the highest proportion of individuals earning less than \$20,799 per annum, while Clarence has the highest proportion of individuals earning more than \$77,800 per annum.

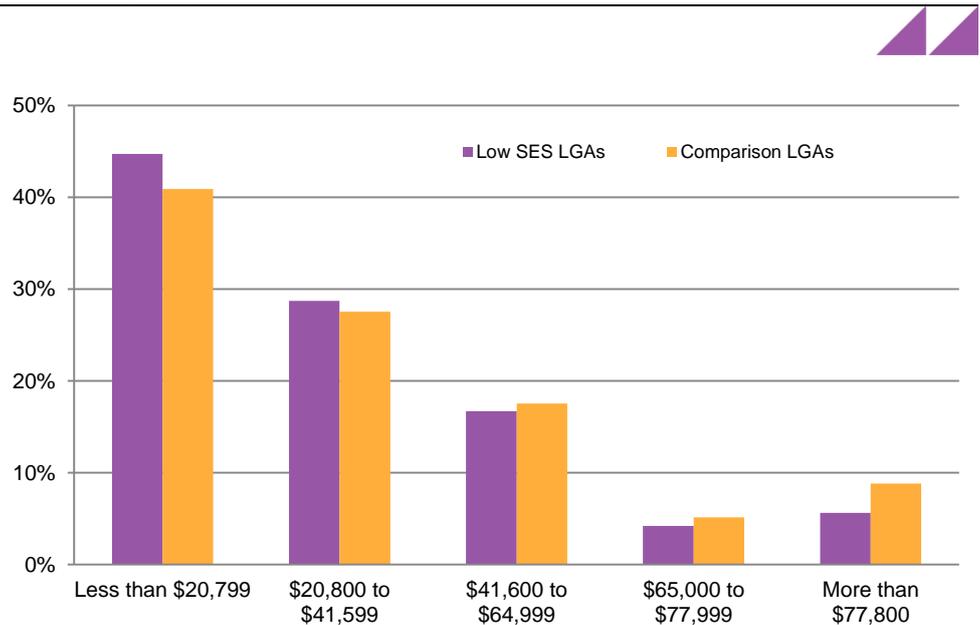
**Figure A2 Proportion of LGAs' population in various income brackets by LGA, Census 2011**



Source: Australian Bureau of Statistics 2011: Table builder pro

Figure A3 is based on the 2011 Census and shows the annual income of individuals in the two LGA groupings. The data clearly shows that, compared with the comparison LGAs, populations in the low SES LGAs have a higher proportion of individuals earning less than \$20,799 per annum, and earning \$20,800-\$41,599 per annum. Similarly, responses from the comparison LGAs indicate higher proportions of the population earning \$41,600-\$64,999 per annum, \$65,000-\$77,999 per annum, and above \$77,800 per annum.

**Figure A3 Proportion of population in low SES and comparison LGA groupings by income brackets, Census 2011**



Source: Australian Bureau of Statistics 2011: Table builder pro

## A.2 Gambling statistics: venues and EGMs

Table A2 shows a range of gambling related data for each of Tasmania's 29 LGAs, including the number of EGMs, the number of persons per EGM, the number of total gambling venues, and the number of 'other' venues in each LGA.

Table A2 Tasmanian LGA gambling statistics, 2013

LGA	No. of EGMs	Persons per EGM (2012 population)	No. of EGM venues	No. of other venues
Break O'Day <sup>1</sup>	45	143	2	2
Brighton	60	264	2	1
Burnie	108	187	4	3
Central Coast	135	166	5	1
Central Highlands	0	N/A	0	1
<b>Circular Head</b>	<b>50</b>	<b>166</b>	<b>2</b>	<b>1</b>
<b>Clarence</b>	<b>165</b>	<b>322</b>	<b>6</b>	<b>4</b>
Derwent Valley	48	207	2	3
<b>Devonport</b>	<b>230</b>	<b>112</b>	<b>8</b>	<b>4</b>
Dorset	45	159	3	2
Flinders	0	N/A	0	1
George Town	67	101	3	2
Glamorgan/Spring Bay	35	127	2	4
<b>Glenorchy</b>	<b>270</b>	<b>168</b>	<b>9</b>	<b>8</b>
Hobart	819	61	8	11
Huon Valley	37	433	2	4
Kentish	15	424	1	2
King Island	15	107	1	1
Kingborough	60	585	3	3
Latrobe	50	210	2	1
<b>Launceston</b>	<b>316</b>	<b>212</b>	<b>12</b>	<b>8</b>
Meander Valley	588	33	4	2
Northern Midlands	40	319	2	5
<b>Sorell</b>	<b>70</b>	<b>192</b>	<b>3</b>	<b>4</b>
Southern Midlands	12	526	1	1
Tasman	0	N/A	0	2
Waratah/Wynyard	106	135	4	1
West Coast	75	64	6	2
West Tamar	65	352	3	3
Total *	3,526	72	100	87

Note: the total excludes 46 EGMs, and 2 venues, for the Spirit of Tasmania ships. 'Other venues' includes those venues which operate Keno games and TOTE wagering only, and not EGMs. The four LGAs shaded dark grey are 'low SES' LGAs, while the four shaded light grey are the 'comparison' LGAs. <sup>1</sup>LGAs highlighted in bold are the eight LGAs that were examined as part of this Study.

Source: DTF unpublished data

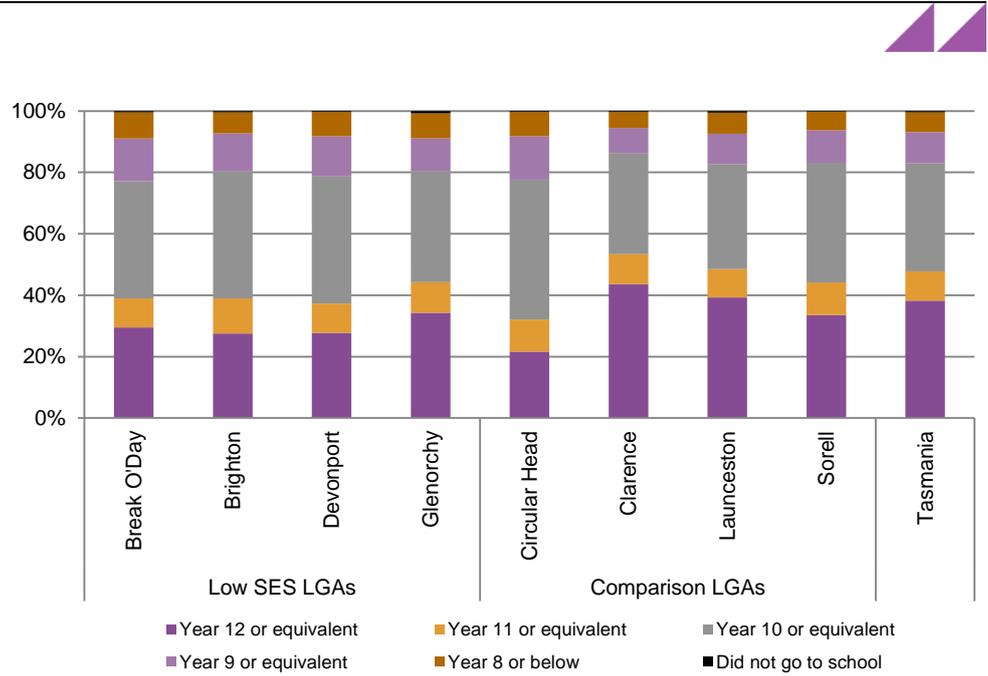
## A.3 Educational attainment

### Highest year of school completed

Figure A4 shows the estimated distribution of persons in each LGA on the basis of the highest year of school completed. With the exception of Circular Head, the low SES LGAs have a lower proportion of the population having completed Year 12, compared to the comparison LGAs which have a higher proportion. As is shown below, the proportion of persons having completed Year 12 in Launceston and Clarence is around 30 per cent and

33 per cent respectively, while in Brighton and Break O’Day, the figures are around 18 per cent and 22 per cent respectively.

Figure A4 Highest year of school completed by LGA, Census 2011

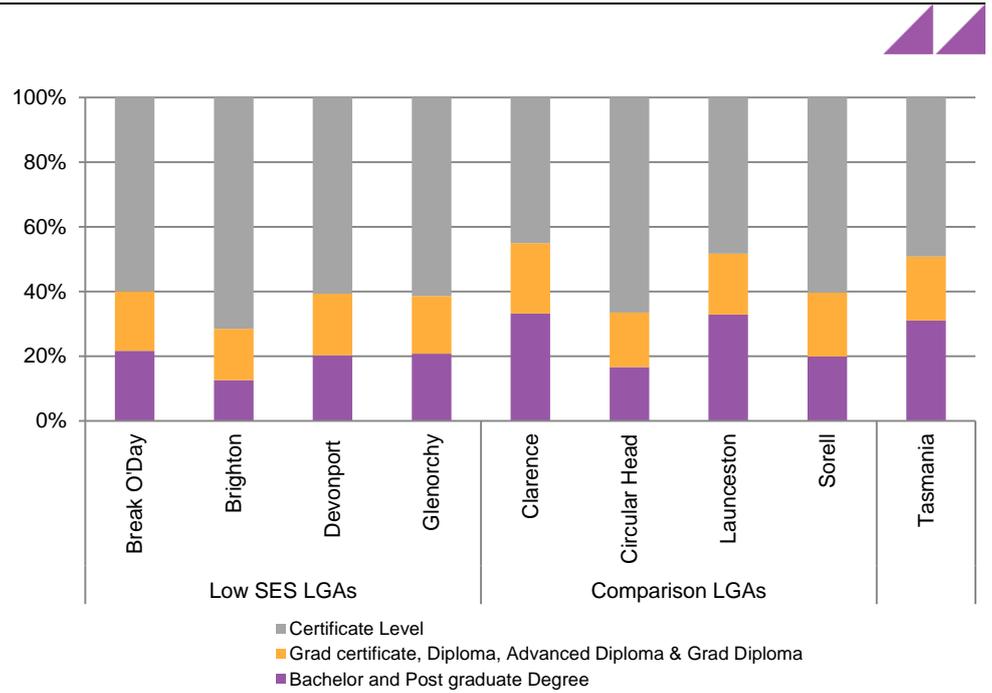


Source: Australian Bureau of Statistics 2011: Table builder pro

### Post-school educational attainment

Figure A5 illustrates the distribution of post-school education attainment in each LGA. The most significant observable difference between the low SES and comparison LGA groups is the proportion of post-school educational attainment at the bachelor and postgraduate degree levels. As shown, the proportion of bachelor and postgraduate educated persons in Brighton at this level is significantly lower than the Tasmanian average. Launceston and Clarence, the two focus LGAs with the highest SEIFA score, however have a much higher proportion of bachelor and postgraduate educated persons. The variation in most of the other categories between the two groups is less obvious, though Launceston and Clarence clearly have a smaller proportion of post-school educated individuals at the Certificate III and IV levels than the low SES LGAs.

Figure A5 Post-school educational attainment by LGA, Census 2011



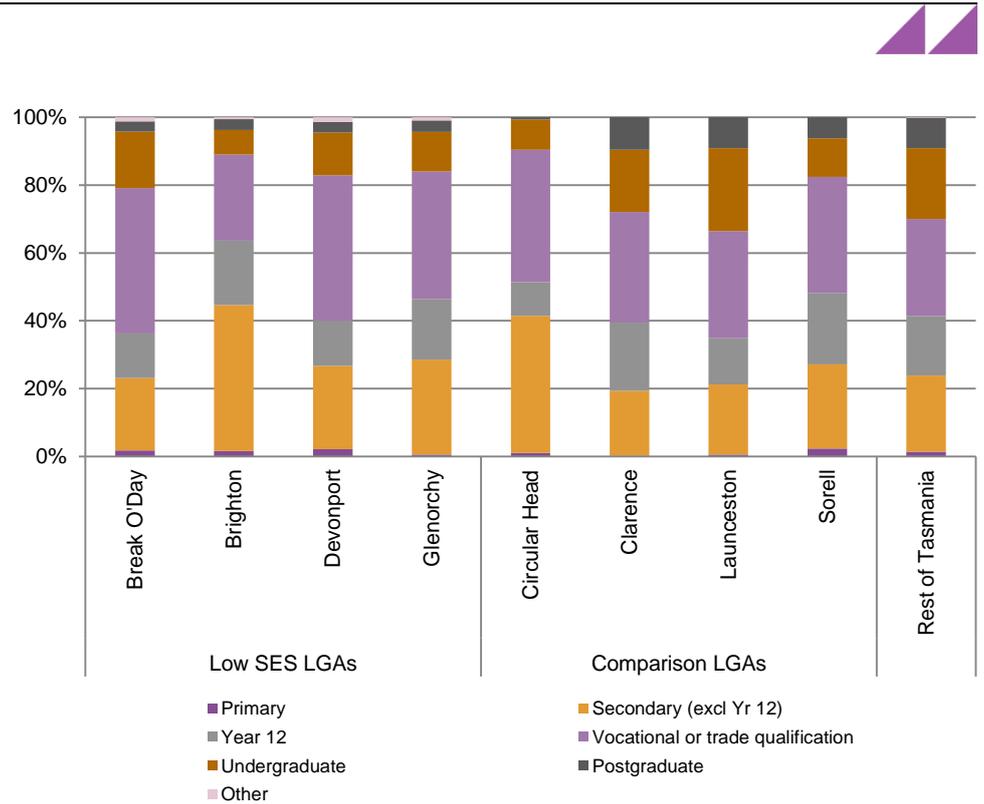
Source: Australian Bureau of Statistics 2011: Table builder pro

### Highest educational attainment

Figure A6 shows the highest education attainment of individuals in each of the eight LGAs, based on data from the 2013 Tasmanian Gambling Prevalence Survey.<sup>23</sup> While the comparison LGAs generally appear to have a higher proportion of individuals with a postgraduate education, it is not the case across the board. For example, the level of postgraduate attainment in Circular Head is lower than that of all low SES LGAs. The comparison LGAs have a higher proportion of individuals with undergraduate qualifications, however Circular Head has a proportion lower than three of the four lower SES LGAs.

<sup>23</sup> Data from the 2013 Tasmanian Gambling Prevalence Survey was used for this analysis due to school and post-school level educational attainment being recorded separately in the Australian Bureau of Statistics 2011 Census.

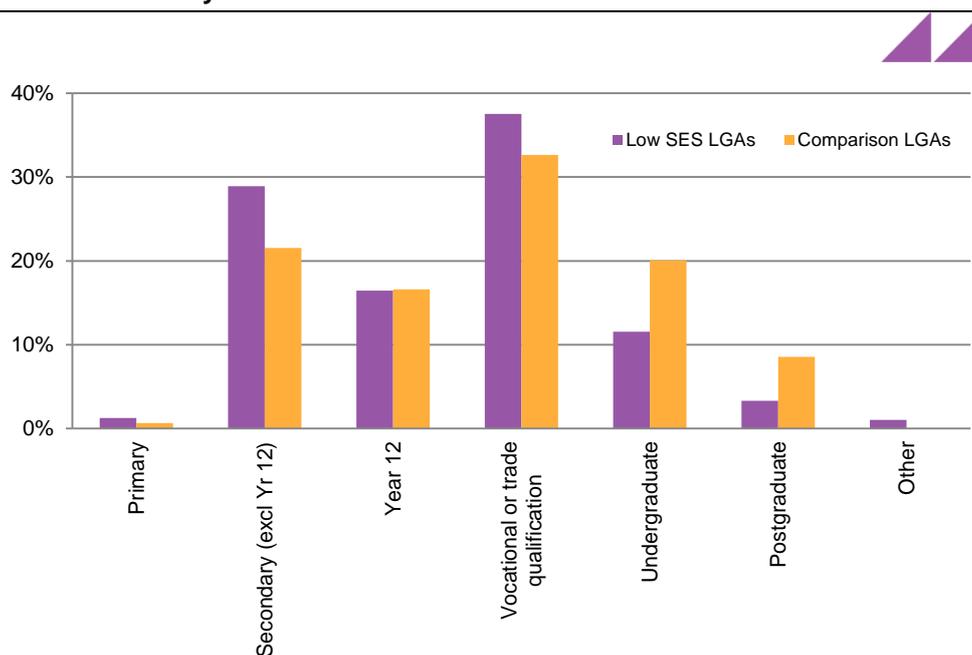
Figure A6 Highest level of education attainment by LGA, 2013 Tasmanian Gambling Prevalence Survey



Source: 2013 Tasmanian Gambling Prevalence Survey

Figure A7 shows the above data aggregated into the two LGA groupings — low SES and comparison LGAs. When comparing the average proportions in each category, it is clear that the comparison LGAs have a higher proportion of their populations educated to tertiary and postgraduate levels, while the low SES LGAs have more people who have attained a trade qualification and secondary and primary levels.

Figure A7 **Highest level of education attainment, by low SES and comparison LGA groupings (per cent), 2013 Tasmanian Gambling Prevalence Survey**



Source: 2013 Tasmanian Gambling Prevalence Survey

## A.4 Employment

Table A3 shows the predominant occupations and industries of employment, and the proportion of each, in the eight focus LGAs and Tasmania as a whole. Tasmania's predominant industry of employment is school education, which is reflected in six of the eight LGAs analysed. The predominant occupation in Tasmania is 'Professional', with 26.5 per cent of workers identifying as such. However, this is not the predominant occupation in any of the four low SES LGAs.

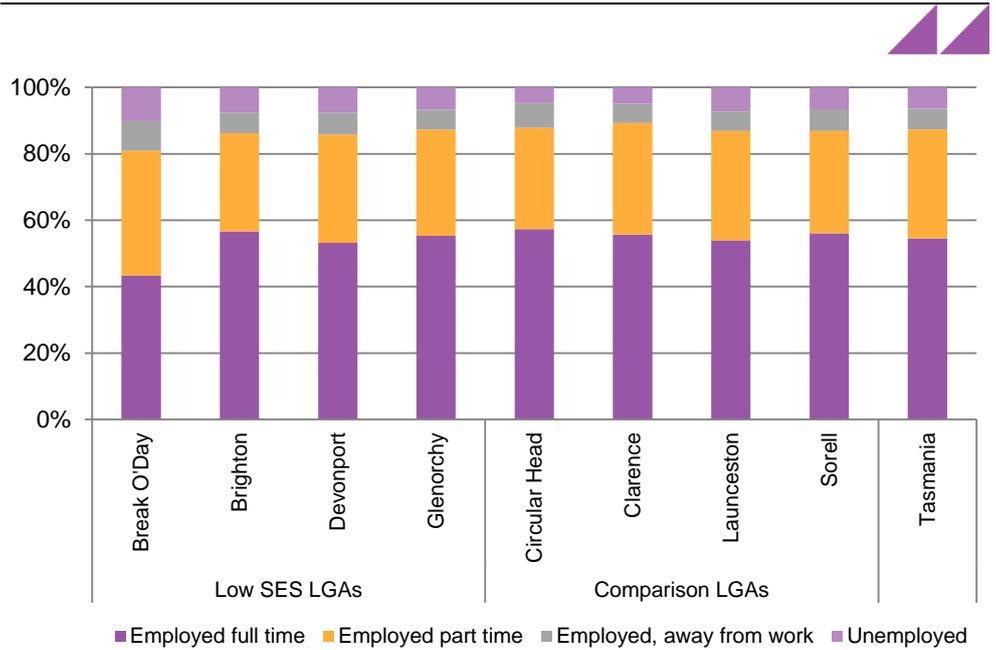
Table A3 **Predominant occupation and industry of employment (% of population) by LGA, Census 2011**

LGA	Occupation (%)	Industry of employment (%)
Brighton (M)	Technicians and Trades Workers (6.6%)	Supermarket and Grocery Stores (1.8%)
Break O'Day (M)	Labourers (5.4%)	School Education (2.6%)
Glenorchy (C)	Clerical and Administrative Workers (7.6%)	Cafes, Restaurants and Takeaway Food Services (2.0%)
Devonport (C)	Technicians and Trades Workers (6.7%)	School Education (2.7%)
Circular Head (M)	Labourers (10.2%)	Dairy Cattle Farming (5.6%)
Launceston (C)	Professionals (8.7%)	School Education (2.8%)
Sorell (M)	Technicians and Trades Workers (7.9%)	School Education (2.0%)
Clarence (C)	Professionals (9.7%)	School Education (3.3%)
Tasmania	Professionals (8.1%)	School Education (2.6%)

Source: Australian Bureau of Statistics 2011: Table builder pro

Figure A8 shows the labour force status, by proportion, of individuals in each of the eight focus LGAs and Tasmania, and is based on 2011 Census data. As shown, unemployment is generally higher in the four low SES LGAs than in the comparison LGAs and Tasmania as a whole.

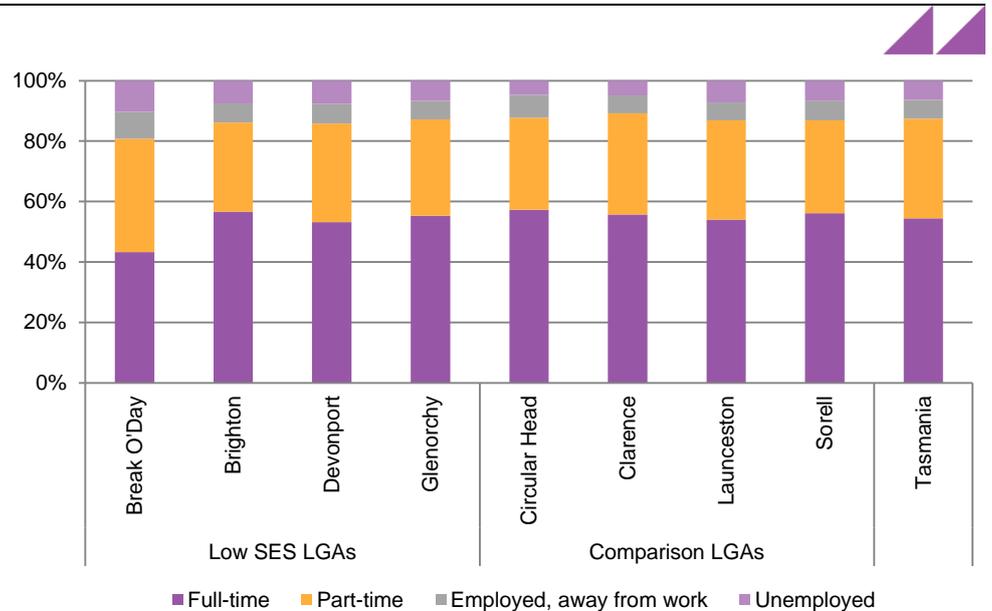
Figure A8 Labour force status by LGA, Census 2011



Source: Australian Bureau of Statistics 2011: Table builder pro

Figure A9 shows the labour force status of participating individuals in the eight focus LGAs and Tasmania, based on 2011 Census data. Across the 8 LGAs roughly 40 to 60 per cent of labour market participants are employed full time, around 30 to 40 per cent are employed part time, and 4-10 per cent are unemployed. Break O'Day has the lowest rate of full time employment at 43 per cent, as well as the highest unemployment rate at 10 per cent. Unemployment is higher than the state wide average in all low SES LGAs and two comparison LGAs, Launceston and Sorell.

Figure A9 Labour force status by LGA, Census 2011

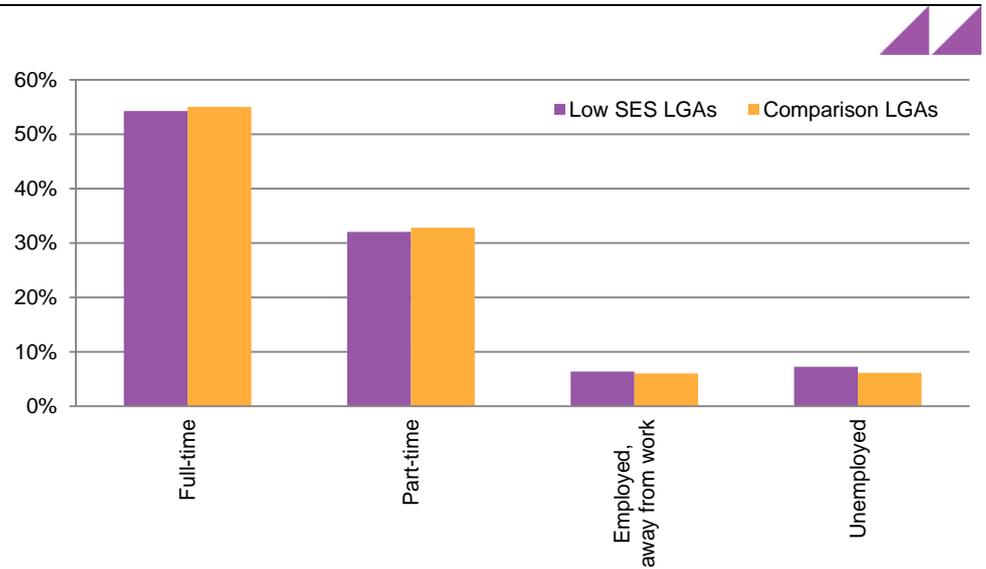


Source: Australian Bureau of Statistics 2011: Table builder pro

Figure A10 shows the labour force status of participating individuals at the LGA grouping level. The low SES LGAs have a slightly lower proportion of employed individuals, and

higher unemployed individuals. However both groupings have a similar proportion of individuals employed across all categories.

Figure A10 **Labour force status by low SES and comparison LGA groupings (per cent), Census 2011**



Source: Australian Bureau of Statistics 2011: Table builder pro

## Appendix B Gambling taxation rates in Australia's states and territories

### Betting exchange taxes

Tasmania is the only jurisdiction in Australia within which a betting exchange is located.

The following betting exchange taxes apply to the holder of a Tasmanian Gaming Licence with a betting exchange endorsement.

### Annual licence fee

Betfair is required to pay 300,000 fee units annually. The licence fee is indexed annually by indexing the dollar value of each fee unit.

In February 2011 at the start of the new 5 year licence Betfair was required to pay 3 years of licence fees in advance, 900,000 fee units, which amounted to \$1,226,664.11. In the fourth and fifth year of the licence, the licence fee of 300,000 per annum is payable in February each year. In February 2014 the 300,000 fee units had a value of \$438,000.

### Tax

Five per cent of commission entitled to in respect of brokered wagering events within and outside Australia, paid monthly (Office of Financial Management 2013).

The following tables summarise taxation rates for different gambling types and jurisdictions.

Table B1 State and territory taxes on casinos

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
<p>From 1 July 2013, for each approximate increase of \$6 million in gross revenue (excluding Rebate Player revenue) above \$682 million a 1% super tax also applies, up to a maximum of 38.91%.</p> <p>Tax bands are indexed annually to the Sydney All Groups CPI and rounded up to the nearest \$100,000.</p> <p><b>International VIPs</b></p> <p>Tax rate is 10% with a minimum of \$6m paid in two non-refundable instalments of \$3m in January and July each year.</p> <p><b>Licence fee</b></p> <p>Exclusivity agreement extended for 12 years from November 2007 for a fee of \$100 million.</p>	<p>From 1 July 2012 <u>Regular Players</u> 28.13% of gross gaming revenue (player loss) from gaming machines, plus a 1% Community Benefit Levy, plus super tax.</p> <p>21.25% of gross gaming revenue from table games, plus a 1%Community Benefit Levy, plus super tax.</p> <p><u>Super tax</u></p> <p>A tax on gross gaming revenue (gaming machines plus table games) above the base amount.</p> <p>The 2012-13 base is \$878m (equal to \$500m CPI-adjusted from 1994, plus an additional \$5m in 2009-10 and 2010-11 and \$30m in 2011-12 and 2012-13).</p> <p>Tax rate is 1% for revenue up to \$20m over the base amount, rising in 1% increments for each \$20m bracket to a maximum of 20% on gross gaming revenue over \$380m above the base amount.</p> <p>For example, supertax payable in 2012-13 on regular player gross gaming revenue of 1bn would be \$4.34m = \$20m x (1% + 2% + 3% + 4% + 5% + 6%) + \$2m x 7%.</p>	<p>From 1 July 2009 20% of monthly gross revenue on table games and Keno for Gold Coast and Brisbane casinos and 10% of gross revenue on table games and Keno for Townsville and Cairns casinos.</p> <p>30% of monthly gross revenue on gaming machines for Gold Coast and Brisbane casinos and 20% of gross revenue on gaming machines for Townsville and Cairns casinos.</p> <p><b>Licence fee</b></p> <p>\$214,452 per quarter. Amount is indexed annually each year on 1 July.</p>	<p><u>Gaming Machines:</u></p> <p>From 24 December 2013 to 23 December 2014: 20.956%.</p> <p>From 24 December 2014 to 23 December 2015: 21.354%.</p> <p>From 24 December 2015: 21.500%.</p> <p><u>Fully Automated Gaming Machines (FATG):</u></p> <p>22%.</p> <p><u>Table Games &amp; Keno</u></p> <p>Domestic: 18%.</p> <p>International Business: 11%.</p> <p><b>Licence fee</b></p> <p>\$2.630m (2013) (Indexed annually according to CPI).</p>	<p>Table games at 3.41% of net gambling revenue.</p> <p>Gaming machines at 41.0% of net gambling revenue.</p> <p>Premium table games (incl. automated) at 0.91% of net gambling revenue.</p> <p>Premium gaming machines at 10.91% of net gambling revenue (less approved deductions for costs to attract premium customers).</p> <p><b>Licence fee</b></p> <p>Not imposed.</p>	<p>The gaming tax rate applying to casino table games is 0.88% of gross profit.</p> <p>The tax rate applying to Keno is 5.88% of gross profit.</p> <p>From 1 July 2013, a single flat tax rate of 25.88% applies to all gross profit on EGMs.</p> <p><b>Licence fee</b></p> <p>For 2013-14, \$144,900 per month (amount is indexed annually).</p>	<p><b>Lasseters Casino:</b></p> <p>Table games at 8% of gross profit.</p> <p>Gaming machines tax of 21% on gross profit.</p> <p><b>SKYCITY Darwin Casino:</b></p> <p>12% of gaming revenues less GST for regular players and 9.09% gaming revenues less GST for international VIP program players.</p> <p>Gaming machine tax at 20% of gross profit.</p> <p><b>Internet Casino:</b></p> <p>Australian sourced bets are not permitted.</p> <p>International sourced bets at 4% of gross profit (not subject to GST).</p> <p><b>Licence fee</b></p> <p>Not imposed.</p>	<p>General gaming: 10.9% of gaming revenues.</p> <p>Commission-based Operations: 0.9% of gaming revenues.</p> <p><b>Licence fee</b></p> <p>Annual fee \$845,605 for 2011-12 payable quarterly (August, November, February and May). Amount is indexed annually according to CPI.</p>

Source: Office of Financial Management 2013

Table B2 State and territory electronic gaming machine taxes

NSW <sup>a</sup>	VIC <sup>b</sup>	QLD <sup>c</sup>	WA	SA <sup>d</sup>	TAS <sup>e</sup>	NT <sup>f</sup>	ACT <sup>g</sup>
<b>Gaming machine tax: clubs</b>							
<p>From September 1 2011 tax levied on gross revenue (or player loss). Up to \$0.2m: Nil. \$0.2m-\$1m: Nil (for clubs with revenue &lt;\$1m). \$0.2m-\$1m: 10% (for clubs with revenue&gt;\$1m). \$1m-\$5m: 19.90%. \$5m-\$10m: 24.40%. \$10m-\$20m: 26.4%. over \$20m: 28.4%. (Under the Community Development and Support Expenditure Scheme, the marginal tax rate on clubs' earnings above \$1m is reduced by 1.85% if clubs contribute 1.85% of gaming revenue in excess of \$1m to eligible community projects).</p>	<p>From 1 May 2014: Club venue operators pay tax monthly. Tax payable is the product of tax per gaming machine (calculated as below) and the average number of gaming machines. Tax per gaming machine is determined by a progressive rate scale applying to monthly average revenue per gaming machine. Marginal tax rates are: For average revenue &lt;\$2,666: 0.00%. For average revenue&gt;\$2,666 but &lt;\$12,500: 46.70%. For average revenue&gt;\$12,500: 54.20%.</p>	<p>Based on monthly metered win (i.e. amount bet less payout to players). Monthly metered win: \$0-\$9,500: 0.00%. \$9,501-\$75,000: 17.91%. \$75,001-\$150,000: 20.91%. \$150,001-\$300,000: 23.91%. \$300,001-\$850,000: 25.91%. \$850,001-\$1,400,000: 30.91%. Over \$1,400,000: 35.00%. <i>Note:</i> These tax rates are post-GST.</p>	<p>No gaming machines in clubs.</p>	<p>Tax based on annual net gambling revenue in a financial year. \$0-\$75,000: Nil. \$75,001-\$399,000: 21.00% of excess. \$399,001-\$945,000: \$68,040+28.50% of excess. \$945,001-\$1.5m: \$223,650+30.91% of excess. \$1.5m-\$2.5m: \$395,200.50+37.50% of excess. \$2.5m-\$3.5m: \$770,200.50+47.00% of excess. Over \$3.5m: \$1,240,200.50+55.00% of excess. These rates apply to all clubs and other not-for profit licensees.</p>	<p>From 1 July 2013, a single flat tax rate of 25.88% applies to all gross profit on EGMs. In addition, a Community Support Levy of 4% of gaming revenues is levied. EGM taxes are paid by the single operator – Network Gaming (a subsidiary of Federal Hotels), and not individual venues.</p>	<p>Based on monthly gaming revenues: From January 2009 \$0-\$10,000: 12.91%. \$10,001-\$100,000: 22.91%. \$100,001-\$200,000: 32.91%. &gt;\$200,001: 42.91%.</p>	<p>Tax is levied on gross monthly gaming revenues as follows: less than\$15,000: Nil. \$15,000-\$25 000: 15%. \$25,000&lt;\$50 000: 17%. over \$50,000: 21%. Unlawful: 100%. In addition, a Problem Gambling Assistance Fund levy of 0.60% of gross monthly gaming machine revenue is applied.</p>
<b>Gaming machine tax: hotels</b>							
<p>From July 1 2010, levied on gaming revenues derived from gaming machines: Up to \$200,000: 0.0%. \$200,001-\$1m: 33.0%. \$1m-\$5m: 36.0%. over \$5m: 50.0%.</p>	<p>From 1 May 2014: Pub venue operators pay tax monthly. Tax payable is the product of tax per gaming machine (calculated as below) and the average number of gaming machines. Tax per gaming machine is determined by a progressive rate scale applying to monthly average</p>	<p>35.00% of monthly metered win (i.e. amount bet less payout to players). In addition, hotels are required to contribute to the Health Services Fund. Based on monthly metered win (i.e. amount bet less payout to players). <u>Monthly Metered Win</u></p>	<p>No gaming machines.</p>	<p>Tax based on annual gaming revenues in a financial year: \$0-\$75,000: Nil. \$75,001-\$399,000: 27.50% of excess. \$399,001-\$945,000: \$89,100+37.00% of excess. \$945,001-\$1.5m: \$291,120+40.91% of excess. \$1.5m-\$2.5m:</p>	<p>As for clubs.</p>	<p>Based on monthly gross profits: From 1 January 2009: \$0-\$10,000: 12.91%. \$10,001-\$100,000: 22.91%. \$100,001-\$200,000: 32.91%. &gt;\$200,001: 42.91%. In addition, a Community Benefit Levy of 10% of gross</p>	<p>25.90% of gross monthly gaming machine revenue. In addition, a Problem Gambling Assistance Fund levy of 0.60% of gross monthly gaming machine revenue is applied.</p>

NSW <sup>a</sup>	VIC <sup>b</sup>	QLD <sup>c</sup>	WA	SA <sup>d</sup>	TAS <sup>e</sup>	NT <sup>f</sup>	ACT <sup>g</sup>
	revenue per gaming machine. Marginal tax rates are: For average revenue <\$2,666: 8.33%. For average revenue >\$2,666 but <\$12,500: 55.03%. For average revenue >\$12,500: 62.53%.	\$0-\$100,000: 0.00%. \$100,001-\$140,000: 3.50%. \$140,001-\$180,000: 5.50%. \$180,001-\$220,000: 7.50%. \$220,001-\$260,000: 13.50%. over \$260,000: 20.00%. <i>Note:</i> These tax rates are post-GST.		\$518,170.50+47.50% of excess. \$2.5m-\$3.5m: \$993,170.50+57.00% of excess. Over \$3.5m: \$1,563,170.50+65.00% of excess.			profits is payable.

*Note:* <sup>a</sup> GST rebate payments will continue to be provided to all clubs on the first \$200 000 of gaming profits from 2004-05. <sup>b</sup> Payment of taxation is required weekly within 7 days of the end of the month. <sup>c</sup> Payments are made monthly relating to previous month's activity. <sup>d</sup> Payments are made monthly relating to previous month's activity. GST credit is provided. <sup>e</sup> Payment relates to previous months activity. <sup>f</sup> Payments are made monthly relating to previous month's activity. <sup>g</sup> Payments are monthly and relate to transactions in the previous month.

*Source:* Office of Financial Management 2013, Department of Treasury and Finance 2014c

Table B3 State and territory lottery taxes

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
<p>76.918% of player loss (i.e. player subscriptions net of prize liability) less GST payable on subscriptions and sales commissions.</p> <p>There is a required minimum return to players of 60% of subscriptions taken.</p> <p><b>Soccer pools</b> As per above.</p>	<p>79.4% of player loss where GST is payable.</p> <p>90.0% of player loss where GST is not payable.</p> <p>(The minimum return to players is 60%)</p> <p>Payment of taxation is required within 7 days of the determination of the lottery.</p> <p><b>Soccer pools</b> 57.52% of player loss where GST is payable.</p> <p>68.0% of player loss where GST is not payable.</p> <p>(The minimum return to players is 50%)</p> <p>AFL footy tipping competitions: 58.41% of player loss where GST is payable. 67.50% of player loss where GST is not payable.</p> <p>(The minimum return to players is 60%)</p>	<p>73.48% of monthly gross revenue for declared lotteries.</p> <p>55% of monthly gross revenue for Instant Scratch-its.</p> <p>45% of monthly gross revenue for Golden Casket.</p> <p>67.60% of monthly gross revenue for Soccer Pools.</p> <p>(Monthly gross revenue equates to total receipts less prizes)</p> <p>GST credit provided.</p> <p><b>Soccer pools</b> As per above.</p> <p><b>Licence fee</b> \$209,200 per quarter payable by Golden Casket Lottery Corporation. \$8,800 per quarter payable by QLD Lottery Corporation.</p> <p>Increases on 1 October of each year based on CPI.</p>	<p>Weekend Lotto, Oz Lotto, Powerball, Super 66 and Instants Under the Lotteries Commission Act 1990: 40% of net subscriptions to Hospitals, 5% to the Arts, 5% to Sport and 12.5% to eligible organisations.</p> <p>Up to 5% to Festival of Perth and Australian Commercial Film Industry.</p> <p>(Net subscriptions = sales less prizes)</p> <p><b>Soccer pools</b> As per above.</p>	<p>Lotto, Oz Lotto Powerball, Super 66 and Instant lotteries (scratchies): 41% of net gambling revenue is paid into Hospitals Fund.</p> <p><b>Soccer pools</b> 41% of net gambling revenue from soccer pools and the net proceeds of soccer pools are paid into the Recreation and Sport Fund.</p>	<p>Lottery businesses located in Tasmania include Intralot, and Tattersall's (including Golden Casket, one of its subsidiaries).</p> <p>Tasmania receives 100% of duty paid to the Victorian Government for Tasmanian subscriptions to Tattersall's Lotteries.</p> <p><b>Soccer pools</b> As per above.</p>	<p>Fees and taxes are set by way of agreement under the Gaming Control Act between a lottery licence holder and the Northern Territory.</p> <p><b>Soccer pools</b> As above.</p>	<p>Victoria: ACT receives 79.4% of the proportion of player loss on all tickets sold in the ACT for all games except Soccer Pools which is 57.52% of player loss.</p> <p>NSW: ACT receives 76.918% of the proportion of player loss on all tickets sold in the ACT for all games.</p> <p><b>Soccer pools</b> As per above.</p>

Source: Office of Financial Management 2013

Table B4 State and territory Keno taxes

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
<p><b>For Keno in clubs and casino</b> For all games of Keno including Heads or Tails 8.91% of player loss (total amount wagered less contribution to the Keno Prize Fund) where player loss is less than or equal to \$86.5m, and 14.91% of player loss thereafter.</p> <p><b>For Keno in hotels:</b> For all games of Keno including Heads or Tails 8.91% of player loss (total amount wagered less contribution to the Keno Prize Fund) where player loss is less than or equal to \$37.7 million, and 14.91% of player loss thereafter.</p> <p>For all games of Keno, payment of taxation is required weekly and is payable on the following Monday.</p>	<p><b>Club Keno</b> 24.24% of player loss subject to a minimum player return of 75%.</p>	<p><b>Jupiters Keno</b> (State-wide) 29.40% of monthly gross revenue, after deducting casino commissions. The tax is collected monthly in arrears. GST credit provided. Quarterly Licence Fee \$209,200. Increases on 1 October each year based on CPI.</p> <p><b>Brisbane and Gold Coast Casinos</b> Receive 25% commission on sales of Jupiters Keno and pay tax at 20% on commissions.</p> <p><b>Townsville and Cairns Casinos</b> Receive 25% commission on sales of Jupiter Keno and pay 10% tax on commissions.</p>	<p>Keno (Only available at Crown Perth): Domestic: 18% of player loss. International Business: 11% of player loss(Tax payable is calculated at the prescribed rate and reduced by the GST amount).</p>	<p>Keno operated by SA Lotteries. 41% of net gambling revenue is paid into the Hospitals Fund.</p>	<p>5.88% of gross profit.</p>	<p>20% on gross profit. (Tax payable is calculated at the prescribed rate and reduced by the GST amount).</p>	<p>2.53% of turnover.</p>

Source: Office of Financial Management 2013

Table B5 State and territory race wagering taxes

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
<b>On-course totalizator tax</b>							
<p><b>Gross deduction from investment:</b> Maximum commission from any one pool: 25%. Fixed odds racing betting not applicable (taxed on a gross margin basis) Place: 14.25%. Win: 14.50%. Quinella: 14.75%. Exacta: 16.50%. Double: 17.00%. Trifecta: 21.00%. Quadella: 20.00%. First 4: 22.50%. BIG6: 25.00%.</p> <p><b>Net percentage received by government:</b> Parimutuel Tax rate: 19.11% of player loss (i.e. gross deduction). A rebate of 9.11% in respect of investments made by international account holders (no minimum investment) and domestic account customers who wager more than \$3m in totalizators per financial year.</p>	<p><b>Gross deduction from investment:</b> Maximum of 25% from any one pool and from 15 August 2012, commissions applying to wagering events specified as: Place: 14.25%, Win: 14.50%, Duet: 14.50%, Quinella: 17.50%, Exacta: 20.00%, Double: 20.00%, Quaddie: 20.00%, Trifecta: 20.00%, First 4: 22.50%, BIG6: 25.00%.</p> <p><b>Net percentage received by government:</b> Tax rate under the new wagering and betting licence, from 16 August 2012: 7.6% of player loss. The difference between parimutuel tax the licensee would have paid under the former tax framework, and tax payable under the new framework, is paid to the Victorian Racing Industry as a condition of the new licence. Tax rate under an on-course wagering permit: 19.11% of player loss.</p>	<p><b>Gross deduction from investment:</b> Maximum commission from any one pool 25%. Place: 14.25%. Win: 14.50%. Quinella: 14.75%. Exacta (forecast): 16.50%. Double: 17.00%. Trifecta: 21.00%. Quadella: 20.00%. First 4: 22.50%. Any 2: 14.50%. Double Trio: 25.00%. Treble: 20.00% . BIG6 (Six pic): 25.00%.</p> <p><b>Net percentage received by government:</b> 20% of commission (gross deduction). Tax is collected monthly in arrears. GST credit provided. Quarterly licence fee \$206,000. Increases on 1 October each year based on CPI.</p>	<p><b>Gross deduction from investment:</b> Percentage of bets belonging to a race club. Win: 14.5%. Place: 14.25%. Non-combined win/place average for losing bets: 15.60%. Novelty Bets: Doubles, Quinella, Quartette, Trifecta, Sweepstakes, Superfecta: 20.00%. Favourite numbers: 25.00%.</p>	<p><b>Gross deduction from investment:</b> The deduction percentage is limited to a maximum of 25% from investment. Deduction percentage can vary according to type of bet.</p>	<p><b>Totalizator tax:</b> From 1 July 2009, Totalizator Wagering Levy of 4.7m fee units. In 2013-14 this equates to \$6,862,000.</p>	<p><b>Gross deduction from investment:</b> Maximum of 16% over the year. (Amount of deduction percentage can vary from type of bet and from time to time depending on policy. The percentage is limited to a maximum of 25% on any one event but out of the total amount invested in a financial year in totalizators the percentage will not exceed 16%.)</p> <p><b>Net percentage received by government:</b> Totalizator: 40% of licensee's commission deducted less GST. For races other than thoroughbred, harness horse and greyhound races and prescribed sporting events held: In Australia: 20% of licensee's commission deducted less GST. Outside Australia: 10% of licensee's commission deducted less GST.</p>	<p><b>Net percentage received by government:</b> Government receives a licence fee monthly of 10% of capital value divided by 12 less GST.</p>

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
<b>Off-course totalizator tax</b>							
As for on-course Totalizators.	As for on-course Totalizators.	As for on-course Totalizators.	<p><b>Gross deduction from investment:</b> Percentage of bets belonging to Race Wagering Western Australia. Win: 14.50%. Place: 14.25%. <u>Non-combined</u> Win/Place average of: 15.60%. <u>Novelty Bets:</u> Doubles, Quinella, Quartette, Trifecta, Sweepstakes, Superfecta: 20.00%. Favourite numbers: 25.00%. Some flexibility to move commission deductions to meet operational needs (but not to exceed prescribed amounts for non-combined pool operations).</p> <p><b>Net percentage received by government:</b> <u>Racing</u> 11.91% of net of GST gross margin for off-course racing totalizator wagering (equivalent to a tax rate of around 3.50% on turnover). Fixed odds racing wagering 2% of turnover. <u>Sports Parimutuel</u> sports betting tax is set at 5% of turnover. Fixed odds sports betting is set at 0.50% of turnover. In addition, 20.5% (decreased from</p>	<p><b>Gross deduction from investment:</b> As for on-course Totalizators</p> <p><b>Net percentage received by government:</b> Wagering tax on SATAB race betting operations abolished from 1 July 2012. Wagering tax on non-race betting operations continues to apply; equivalent to a flat component of \$252,500 per month and 6% of all net betting revenue other than net betting revenue attributable to Racing.</p>	As for on-course Totalizators	As for on-course Totalizators	As for on-course Totalizators

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
			<p>25% from 1 August 2013) of net return after tax is remitted to the Sports Wagering Account for disbursement by the Gaming and Wagering Commission on the direction of the Minister for Sport and Recreation.</p> <p><u>Racing Bets Levy:</u> A 1% rate applies to a betting operator's annual turnover up to and including \$2.5 million. A 1.5% rate applies to a betting operator's annual turnover above \$2.5 million except for thoroughbred racing conducted from 1 November to 1 January each year when a 2% rate applies.</p>				
Bookmaker turnover tax							
Abolished.	Abolished.	Abolished.	Abolished.	Abolished.	Abolished.	<p><u>Registered bookmakers (on-course bookmakers)</u> 0.33% of turnover on racing events (excl. GST).</p> <p><u>Sports bookmakers</u> Corporate bookmakers pay 10% of gross profit on combined sports and racing betting. From 1 July 2013, a maximum of \$267,500 per annum is payable (including sports betting).</p>	Abolished.

Source: Office of Financial Management 2013

Table B6 State and territory sports betting taxes

NSW	VIC	QLD	WA	SA	TAS	NT	ACT
<p><b>Totalizator</b> Maximum deduction: 25.00%. Included in maximum commission average of 16% across parimutuel pools. Tax rate: 19.11% of player loss. <b>Fixed-odds</b> Tax rate: 10.91% of gross margin.</p>	<p><b>Totalizator</b> Maximum deduction: 25.00%. Tax Rate: 7.6% of deduction. <b>Fixed-odds</b> <u>Sports Betting</u> Tax Rate: 4.38% of player loss. <u>Simulated Racing ('Trackside')</u> Tax rate: 10.91% of player loss.</p>	<p><b>Totalizator</b> As for on-course and off-course Race Totalizator. <b>Fixed-odds</b> 20% of commission (gross deduction). Tax is collected monthly in arrears. GST credit provided.</p>	<p><u>At a racecourse</u> 0.50% of turnover, of which half is retained by the race club and the balance is remitted to the Sports Wagering Account. <u>At a sporting venue</u> 1.50% of turnover, of which all is remitted to the Sports Wagering Account. RWVA: Parimutuel: 5% of turnover. Fixed Odds: 0.5% of turnover.</p>	<p>Bets made by persons outside of Australia 0.25% of turnover. Sports Betting and other non-racing betting SA TAB will continue to pay a wagering tax equivalent to a flat component of \$252,500 per month and 6% of all net betting revenue other than net betting revenue attributable to Racing. This includes Sports Betting.</p>	<p>Abolished from 1 July 2009.</p>	<p><b>Domestic sourced bets:</b> Reduced to Nil. (Bets are subject to GST.) <b>International sourced bets:</b> Corporate bookmakers pay 10% of gross profit on combined sports and racing betting. From 1 July 2013, a maximum of \$267,500 per annum is payable (including racing betting).</p>	<p>0.25% on designated international sports. Head to head bets: Up to \$15,000,000 0.50%. Over \$15,000,000 0.17%. Other fixed odds: Up to \$40,000,000 1.00%. Over \$40,000,000 0.60%. 6.75% index betting. 6.00% parimutuel. GST credit provided.</p>

Source: Office of Financial Management 2013

## Appendix C Labour force participation analysis

### C.1 Introduction

This appendix details the logit regression results investigating the effect of problem gambling status on labour force participation, and summary statistics of the explanatory variables.

### C.2 Summary statistics

Table C1 summarises detailed statistics of the explanatory variables used in the logit regressions, split by males and females. Categorical variables are shown by the population weighted proportions of respondents to the 2013 Tasmanian Gambling Prevalence Survey for each category, with continuous variable means displayed.

Table C1 Summary statistics

Categorical variable	Males		Females	
	Proportion	Standard error	Proportion	Standard error
<b>PGSI category</b>				
Non-gambler	0.257	0.023	0.289	0.026
Non-problem gambler	0.598	0.027	0.567	0.028
Low risk gambler	0.084	0.017	0.095	0.019
Moderate risk/problem gambler	0.062	0.014	0.049	0.010
<b>Education level</b>				
Below year 12	0.184	0.019	0.224	0.023
Year 12	0.202	0.024	0.135	0.022
VET or trade	0.364	0.026	0.292	0.025
Higher education	0.249	0.025	0.345	0.027
Unknown	0.001	0.001	0.003	0.002
<b>Birthplace</b>				
Australia / ESB	0.970	0.007	0.9596	0.011
Overseas NESB	0.030	0.007	0.041	0.011
<b>Marital status</b>				
Married	0.704	0.027	0.712	0.027
<b>Child status</b>				
Children at home	0.492	0.028	0.556	0.0283
<b>Continuous variable</b>	<b>Mean</b>	<b>Standard error</b>	<b>Mean</b>	<b>Standard error</b>
<b>Health</b>				
QOL Physical health score	16.496	0.131	16.251	0.162
<b>Age</b>				
Age	41.875	0.822	42.244	0.816

Note: The above estimates are population weighted.

Source: ACIL Allen Consulting

### C.3 Labour force participation logit regression

Logit regressions were estimated using a binary variable of labour force participation for the dependent variable, and PGSI category as the main explanatory variable, together with education attainment, age, health, marital status, child status and birthplace. Separate logit regressions were undertaken for males and females. The detailed output of these

regressions is provided below in Table C2. The regression analysis used the complex survey features of Stata 13.1, taking into account the survey and questionnaire design.

In undertaking the regression the sample was limited to females aged 63 and under, and males aged 64 and under, which removes those eligible for the Age Pension and likely entering retirement. Restricting age reduced the sample size by 1,692. The inclusion of the health variable, QOL Physical health score, further limited the sample size as only a subset of the survey participants undertook this part of the questionnaire. This reduced the sample size from a total of 5,000 respondents to 660 males and 603 females.

The following functional form was used in the logit regressions. Labour force participation was represented by a binary variable of labour force participation. A categorical variable of an individual's gambling severity was used for an individual's PGSI group, and  $\mathbf{X}$  represents a vector of the remaining explanatory variables.

$$\text{Labour force participation}_i = \beta_1 + \beta_2^j \text{PGSI group}_i + \lambda \cdot \mathbf{X}_i + \varepsilon$$

The results of the regression are detailed in Table C2, where the regression coefficients represent the change in the predicted logged odds of experiencing an event or having a characteristic (in our case been in the labour force) for a one unit change in the independent variable (Pampel 2000).

Table C2 Male and female logit regressions of labour force participation

	Male regression				Female regression			
	Coefficient	Standard error	z-value	p-value	Coefficient	Standard error	z-value	p-value
<b>PGSI category</b>								
Non-problem gambler	0.351	0.333	1.050	0.292	1.121	0.325	3.450	0.001
Low risk gambler	0.887	0.672	1.320	0.187	0.709	0.628	1.130	0.259
Moderate risk and problem gamblers	1.581	0.754	2.100	0.036	1.387	0.535	2.590	0.010
<b>Health</b>								
QOL Physical health score	0.335	0.058	5.810	0.000	0.280	0.047	5.970	0.000
<b>Age</b>								
Age (divided by 10)	3.295	0.698	4.720	0.000	3.900	0.827	4.720	0.000
Age (divided by 10) squared	-0.411	0.083	-4.930	0.000	-0.494	0.097	-5.090	0.000
<b>Education level</b>								
Year 12	0.137	0.412	0.330	0.739	-0.118	0.510	-0.230	0.818
VET or trade	0.297	0.345	0.860	0.388	0.676	0.352	1.920	0.055
Higher education	-0.001	0.435	0.000	0.999	1.015	0.404	2.510	0.012
<b>Marital status</b>								
Married	-0.110	0.339	-0.320	0.746	-0.608	0.286	-2.130	0.034
<b>Child status</b>								
Children	0.490	0.342	1.430	0.152	-0.607	0.296	-2.050	0.041
<b>Birthplace</b>								
Overseas NESB	0.927	0.852	1.090	0.277	-1.263	0.565	-2.230	0.026
<b>Constant</b>								
	-10.412	1.815	-5.740	0.000	-10.751	1.856	-5.790	0.000

Source: ACIL Allen Consulting

## Appendix D Dynamic VU-TERM: depicting small regions in a computable general equilibrium framework

*This appendix provides technical information, and detailed results, of the economic modelling undertaken by Centre of Policy Studies at Victoria University. This appendix was prepared by Professor Glyn Wittwer.*

### D.1 Overview of Dynamic VU-TERM

The Victoria University-The Enormous Regional Model (VU-TERM) has been used for the economic modelling. A key feature of this model is the depiction of small regions in a computable general equilibrium framework.

#### What is a computable general equilibrium (CGE) model?

A CGE model can be an economy-wide model. In the context of the current project, it is an economy-wide model that also includes small-region representation. Another sort of model is an input-output model. The difference is that an input-output (IO) solves either for quantities or for prices, but not both at once. A CGE model solves for both prices and quantities together.

#### Dynamic CGE modelling

Dynamic models trace the effects of ascribed direct impacts across time periods. The theoretical basis of dynamics is in linkages between investment and capital across time, and the balance of trade and net foreign liabilities. Investment and balance of trade outcomes are flows that a comparative static model includes. Capital and net foreign liabilities are stocks that require a dynamic model.

Dynamic VU-TERM combines much of the theory of dynamic national models (see Dixon and Rimmer, 2002) with bottom-up, regional representation. That is, each region in VU-TERM has its own production functions, household demands, input-output database and inter-regional trade matrices (Figure D1 is a map of regions in this application). This enables us to model relatively local issues.

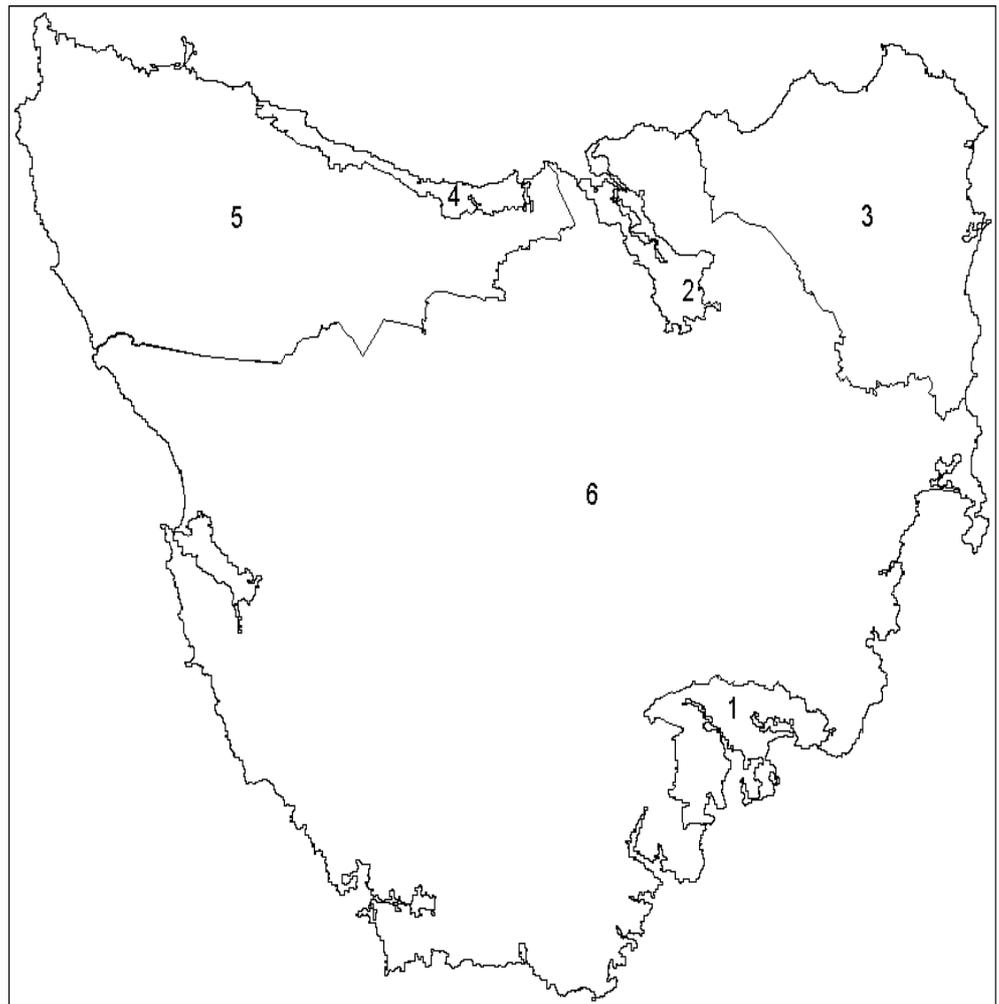
#### Dynamic VU-TERM

TERM was originally developed by Mark Horridge at the Centre of Policy Studies.<sup>24</sup> Since then, Glyn Wittwer has developed a dynamic version of the model, an application of which Wittwer et al. (2005) is an example.

In dynamic VU-TERM, we use an underlying forecast. This may be based on the macro forecasts of other agencies. The underlying forecast or baseline gives us a year-by-year “business as usual” case.

Typical variables to be reported in the policy scenario relative to a baseline forecast are regional real GDP, employment and aggregate consumption. Industry level results are also available.

<sup>24</sup> See <http://www.copsmodels.com/term.htm>

Figure D1 **Bottom-up VU-TERM regions in Tasmania in this study**

*Note:* Tasmanian regions comprise 1 Greater Hobart; 2 Greater Launceston; 3 North Eastern Tasmania; 4 Burnie-Devonport; 5 North West Rural Tasmania; 6 Rest of Tasmania

*Source:* Centre of Policy Studies, Victoria University

## D.2 Reporting results in the present study

Usually, we report the results of dynamic CGE studies as year-by-year deviations in the policy scenario from forecast. This study is different, because we are examining a hypothetical scenario or alternative view of the world in which either gambling does not exist in Tasmania or there is no problem gambling. The usual dynamic path does not concern us as we are interested in the hypothetical composition of the economy without gambling, not the path of adjustment from composition to another.

### Labour market – forecast v. policy scenario

The main scenarios in this study assume that inter-regional real wage relativities do not alter. Since inter-regional adjustments occur entirely by movements of workers between regions and/or changes in unemployment between regions, without any relative wage adjustments, the multiplier impacts of a direct shock are larger than otherwise.

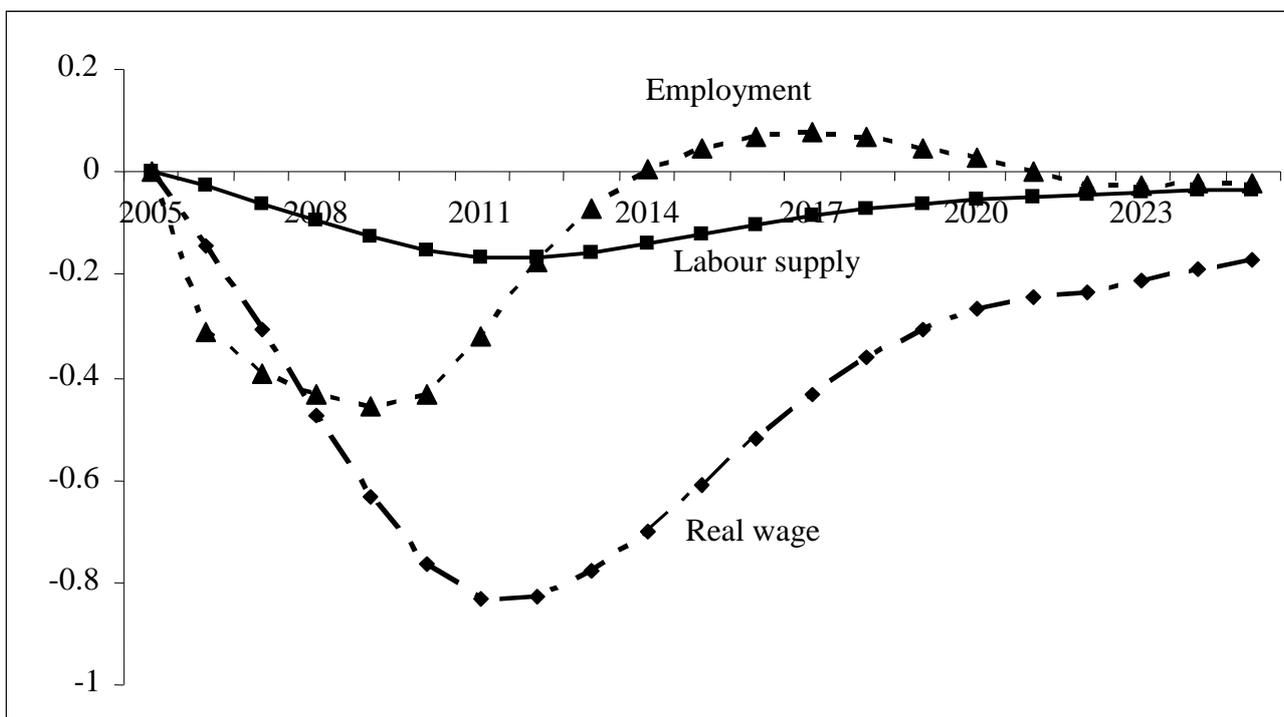
The usual theory of regional labour market adjustment in dynamic VU-TERM is explained below. Essentially, regional multipliers arising from this theory are smaller than for the main assumption used in the scenarios in this study. In a variant of scenario 1, we use the labour

market theory outlined below: the macro results of this are shown in Table 37. The multipliers are smaller, as inter-regional real wage movements bear part of the adjustment, reducing quantitative adjustments.

With the assumption of no adjustments to inter-regional wage relativities, we see that the total impact on state-wide real GDP of the hypothetical cessation of gambling in Tasmania is 2.7 times as large as the direct impact. That is, real GDP falls by 1.1 per cent compared with a direct contribution of 0.41 per cent (Table 34). With the alternate labour market assumption as described below, the real GDP loss is only 0.36 per cent, implying a multiplier of less than 0.9.

In the usual theory in dynamic VU-TERM, regional wages adjust sluggishly, and there is a gradual adjustment in regional labour market supply (i.e. through migration between regions). Real wages will fall or rise to close the gap between employment and slowly adjusting labour supply. Once the deviation in employment is equal to the deviation in labour supply, real wages reach a turning point (either they bottom out, in the case of a weakening labour market, or peak, in the case of strengthened labour market conditions). Within this theory, adjustment in the longer term occurs via a combination of altered regional labour supply and real wages that deviate relative to those in other regions. Figure D2 shows an example, in which weakened labour market conditions in a region lead to unemployment in the short run and a lower real wage in the region in the long run.

Figure D2 **An example of a weakened regional labour market with eventual recovery (% change from forecast)**



Source: Centre of Policy Studies, Victoria University

## Production technologies

VU-TERM contains variables describing: primary-factor and intermediate-input-saving technical change in current production; input-saving technical change in capital creation; and input-saving technical change in the provision of margin services (e.g. transport and retail trade).

VU-TERM's unique treatment of transport to assess the regional benefits of the project

The supply of margins originating in one region can lower the costs of moving goods between regions further afield. Previous multi-regional models (for example, Naqvi and Peter, 1996) assign the margins supply of a sale either to the origin or destination of the sale.

## D.3 GEMPACK software

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Dynamic VU-TERM uses GEMPACK software for implementation (Harrison, et al. 2013; Harrison and Pearson, 1996).

## Appendix E Stakeholder consultations

This appendix outlines the various stakeholders interviewed as part of the study. Interviews were held with five stakeholder groups.

### Gaming venue operators

- Brighton Hotel Motel
- Carlyle Hotel
- Claremont Hotel Motel
- Cooley's Hotel
- Commercial Hotel
- Crown Inn
- Edgewater Hotel
- Elwick Hotel
- Glenorchy RSL Club
- Quality Gateway Hotel

Interviews with gaming operators were undertaken to determine the prevalence of gambling in Tasmania, the types of gambling that cause the most harm, the impact of gambling on the local community, and the impact of the harm minimisation measures.

### Industry peak bodies and companies

- Belfair Pty Ltd
- Federal Group
- Network Gaming
- Tasracing
- Tatts Bet Pty Ltd
- Tasmanian Hospitality Association
- TOTE Tasmania

Industry peak body consultations were undertaken to determine the role of gambling within the organisation, the impact of gambling on individuals and the local community, and the impact of harm minimisation measures.

### Local government

- Break O'Day Council
- Clarence City Council
- Devonport City Council
- Glenorchy City Council
- Launceston City Council
- Local Government Association of Tasmania
- Sorell Council

Local government consultations were undertaken to understand the role of the Council in gambling, the impact of gambling on the community, and ways to reduce the harm associated with gambling.

### State Government

- Department of Health and Human Services
- Department of Treasury and Finance
- Tasmanian Gaming Commission

Consultations were undertaken with State Government agencies to understand the role of the Government in gambling and the impact of harm minimisation measures.

### Support services

- Anglicare Tasmania
- Circular Head Aboriginal Corporation
- Choose Life Services, Devonport
- Community House, Devonport
- Gamblers Anonymous
- Healthy House, Break O'Day
- Holyoake
- Rural Business Tasmania
- Rural Health Tasmania
- St Helen's Neighbourhood House, Break O'Day
- Tasmanian Council of Social Services
- Turning Point

Consultations were undertaken with support service providers to determine the type of support they provide, the prevalence of gambling in Tasmania, and the impact gambling has on individuals, families and communities.

## Appendix F Stakeholder consultation guide

This appendix outlines the discussion guide for public submissions.

### Introduction

ACIL Allen Consulting, the Problem Gambling Research Treatment Centre and the Social Research Centre have been engaged by the Tasmanian Government Department of Treasury and Finance to undertake the third *Social and Economic Impact Study of Gambling in Tasmania*.

The Tasmanian *Gaming Control Act 1993* requires that an independent review of the social and economic impact of gambling in Tasmania be undertaken every three years. The reports from the first study were released in 2008 and the reports from the second study were released in 2012.

You can download the previous reports from the Tasmanian Government Department of Treasury and Finance, Liquor and Gaming branch website (<http://www.gaming.tas.gov.au>), and select 'Social and Economic Impact Studies' from the left side of the screen.

Volumes 1, 2 and 3 of the second study were released in 2012. Volumes 1 and 2 updated the first *Social and Economic Impact Study of Gambling in Tasmania* and introduced a focus on local impacts in eight selected LGAs.

A new feature in the second study was that Volume 3 evaluated the appropriateness and effectiveness of harm minimisation measures in place or proposed for Tasmania after the 2008 report. This evaluation found the harm minimisation measures were evidence based, sensitive to context, formulated through a consultative process, emphasised prevention and demand reduction, and had been implemented in a way that ensured stakeholders understood that harm minimisation was the norm.

### Key findings from previous studies

The first study was released in July 2008. This reported that the net impact of gambling on Tasmania was uncertain, with net benefits ranging from -\$62.7 million to \$75.5 million. The study also found that electronic gaming machines (EGMs) were the main source of gambling problems in Tasmania and represented the greatest risk to vulnerable gamblers.

The second study undertaken by the current consortium and released in March 2012, included the following findings:

- up to 4,780 people were directly employed in the Tasmanian gambling industry, with many of these employees having duties beyond gambling
- the gambling industry makes a positive contribution to the Tasmanian economy of approximately 0.5-1 per cent of Gross State Product, with this positive contribution largely attributable to exports to non-Tasmanians
- EGMs tended to be concentrated in LGAs with a low socio-economic status
- of Tasmania's total adult population, 34.8 per cent were estimated to be non-gamblers, 57.4 per cent to be non-problem gamblers, 5.3 per cent were low risk gamblers, 1.8 per cent were moderate risk gamblers, and 0.7 per cent were problem gamblers
- problem and risky gambling were all higher in low SES areas than in other areas.

## This study

This third study has three overarching components:

- an update of the components from the first and second studies with an analysis of key trends in the Tasmanian gambling industry, and of the social and economic impacts of gambling in the same eight LGAs that were examined in the second study
- a gambling prevalence study to enable comparisons with previous Tasmanian prevalence studies
- building upon the findings of the second study, the current study is undertaking a wide ranging evaluation of the harm minimisation measures introduced by the Tasmanian Government in the five years following the 2008 study.

While the focus of the third study has much in common with the previous two, there is a greater emphasis on the local economic and social impacts of gambling in each of the eight LGAs being examined. Table F1 below indicates the eight LGAs examined in the second study and also in the current study.

Table F1 **Focus LGAs**

Break O'Day	Devonport
Brighton	Glenorchy
Circular Head	Launceston
Clarence	Sorell

## Harm minimisation measures introduced

Following the first *Social and Economic Impact Study of Gambling in Tasmania*, the Tasmanian Government introduced a range of harm minimisation measures to address problem gambling in Tasmania. These measures have been implemented in a phased process, culminating with the *Responsible Gambling Mandatory Code of Practice for Tasmania*.<sup>25</sup> The Code of Practice took effect in a phased process from 1 March 2012 with all provisions applying by 1 September 2012.

Harm minimisation measures being evaluated as part of the current study are identified in Table F2 below.

<sup>25</sup> See <http://www.treasury.tas.gov.au/domino/df/df.nsf/v-liq-and-gaming/5CCEAA61FC7DB164CA2578880019C076>

Table F2 Gambling harm minimisation measures

Classification	Measures
Inducements	<ul style="list-style-type: none"> <li>Limiting free vouchers for gambling to less than \$10</li> <li>Not requiring an individual to gamble more than \$10, to receive an inducement, obtain a prize or enter a prize draw</li> <li>Not requiring an entrant in a promotional prize draw to attend the draw when the prize is worth more than \$1,000</li> </ul>
Player loyalty programs (currently only applicable in casinos)	<ul style="list-style-type: none"> <li>Player loyalty programs must provide player activity statements and responsible gambling information, and be operated in a socially responsible manner</li> <li>Rewards to player loyalty programs members for use in gambling must not exceed \$10</li> </ul>
Traditional consumer protection measures	<ul style="list-style-type: none"> <li>Information must be provided to players about responsible gambling, help for gambling problems, exclusion from gambling and chances of winning</li> <li>Persons appearing intoxicated must be prevented from gambling</li> </ul>
Advertising	<ul style="list-style-type: none"> <li>Advertising of gambling must be socially responsible, and take into account the adverse impacts of gambling</li> <li>Radio and television advertising is not to be shown at peak children's viewing and listening times</li> </ul>
Electronic gaming machine venue features	<ul style="list-style-type: none"> <li>Clocks are required to be clearly visible to persons participating in venue-based gambling, with analogue clocks in gambling areas</li> <li>Minimum lighting requirements and improved signage standards must be met in EGM areas</li> <li>Food or alcohol is not to be served to people playing or seated at EGMs between 6pm and the close of the gambling day</li> </ul>
Electronic gaming machine operational features	<ul style="list-style-type: none"> <li>Reduced bet limits per spin on EGMs, with maximum bet limit of \$5 per spin across all venues</li> <li>The number of maximum lines played on EGMs is reduced from 50 to 30 lines</li> <li>Reduced cash input limits on EGMs, from \$9,899 to \$500</li> </ul>
Access to cash	<ul style="list-style-type: none"> <li>Ban on having ATMs in venues operating EGMs, Keno or totalizator wagering</li> <li>No more than one cheque per day, with maximum amount of \$200, is able to be cashed for gambling purposes</li> <li>Cash advances from credit accounts are not permitted in casinos</li> <li>The amount able to be withdrawn from venue EFTPOS facilities, casino ATMs, and cheque cashing facilities is reduced (\$400 in casino ATMs, \$200 for EFTPOS withdrawal for gambling purposes in all venues)</li> </ul>
Payment of winnings	<ul style="list-style-type: none"> <li>Restricting the amount of cash for EGM and Keno payouts to \$1,000</li> <li>Cheques for the payment of winnings must not be cashed on the same trading day they are issued</li> </ul>
Enhanced staff training	<ul style="list-style-type: none"> <li>Enhanced Responsible Conduct of Gambling training of gaming staff (with a specific focus on problem gambler identification and appropriate intervention by venue staff)</li> <li>Requiring at least one person who has completed the Enhanced Responsible Conduct of Gambling training to be on duty at all times in areas where EGMs operate</li> </ul>
Restricting access to gaming venues	<ul style="list-style-type: none"> <li>Strengthening and extending penalties to all gaming staff for allowing minors to enter a restricted gaming areas</li> </ul>

Source: Tasmanian Gambling Commission 2013b, *Implementation of gambling harm minimisation measures: updated 5 July 2013*, see [http://www.treasury.tas.gov.au/domino/df/df.nsf/LookupFiles/TGCprogress5July2013.pdf/\\$file/TGCprogress5July2013.pdf](http://www.treasury.tas.gov.au/domino/df/df.nsf/LookupFiles/TGCprogress5July2013.pdf/$file/TGCprogress5July2013.pdf); and Tasmanian Gambling Commission 2013, *Responsible Gambling Mandatory Code of Practice for Tasmania*, see <http://www.treasury.tas.gov.au/domino/df/df.nsf/v-liq-and-gaming/5CCEAA61FC7DB164CA2578880019C076>.

## Invitation to make a submission

We are inviting submissions from the public on a range of issues associated with the social and economic impacts of gambling, alongside the harm minimisation strategies introduced by the Tasmanian Government in the five years since the 2008 report.

You may comment on any matter you think is relevant to this study and we have provided a list of suggested questions below (you do not need to comment on all these questions). Where relevant, please provide evidence (e.g. data and documentation) to support your submission – we are able to give views more weight if you can provide evidence to support them.

Consultations will also be taking place with gambling providers and venues, support services, and local government during the course of the study.

## Discussion questions

### General

- What relationship do you have with gambling in Tasmania? e.g. 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?
- What do you consider have been the social and economic impacts of gambling in Tasmania over the previous three years?
- What do you consider to be the benefits of gambling in Tasmania? i.e. financial, employment, social, or to the community.
- What do you consider to be negative impacts of gambling in Tasmania? Do you consider that these negative impacts are outweighed by the benefits?
- If gambling was not available in Tasmania, what alternative activities would individuals spend their money on?
- Are support and other services meeting the needs of consumers experiencing difficulties with gambling?
- Do you think that advertising and media coverage about the risks associated with gambling has been beneficial?
- Do you think that advertising by gambling providers is having a negative or positive impact upon Tasmanians?

### Harm minimisation measures

The next questions relate to harm minimisation measures introduced over the five years since 2008 (see Table 3 above).

Please comment on the questions below according to each measure where you are able.

- What is your general level of awareness of the introduced measures?
- Which ones were you not aware of?
- How do you think these measures help reduce negative impacts of gambling (e.g. reduced excessive gambling frequency, duration or expenditure)?
- How do you think these measures affect the overall enjoyment of gamblers?
- Do you consider that the introduced measures impinge upon individual freedoms? Do you think that they are appropriate, given the risks associated with gambling?
- Do you think these measures are targeted to those who need help?
- Are there other examples of successful initiatives to reduce problem gambling that you are aware of?
- What more can be done to reduce the harm associated with gambling?

## Contact details

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If you wish to make a written submission please forward your submission directly to ACIL Allen Consulting by 18 April 2014. The contact details are as follows.

Tasmanian Gambling Study  
ACIL Allen Consulting  
Level 9, 60 Collins Street  
Melbourne VIC 3000

Email: [tasgamblingstudy@acilallen.com.au](mailto:tasgamblingstudy@acilallen.com.au)

Phone: (03) 8650 6000 Facsimile: (03) 9654 6363

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.

If you have any queries about making a submission, please contact Andrew Wade on (03) 8650 6000.

Further information on the study is available by contacting:

Mr Damien Jarvis  
Department of Treasury and Finance  
80 Elizabeth Street, Hobart, 7000

Phone: (03) 6166 4040

Email: [damien.jarvis@treasury.tas.gov.au](mailto:damien.jarvis@treasury.tas.gov.au)

## Appendix G Advertisement for public submissions

Box G1 provides a copy of the advertisement published in The Mercury, The Examiner and The Advocate newspapers on 1 March 2014 to invite submissions to the study. A list of submissions received is provided in Appendix H.

### Box G1 Advertisement for submissions

#### Invitation to make a Written Submission

The Department of Treasury and Finance has engaged ACIL Allen Consulting, in collaboration with the Problem Gambling Research and Treatment Centre and the Social Research Centre, to undertake an updated Review of the Social and Economic Impact Study of Gambling in Tasmania, following the first and second studies in 2008 and 2012, respectively. The third study will also consider the appropriateness and effectiveness of harm minimisation measures introduced over the five years since 2008.

The scope and objectives of the updated study, a discussion guide and further information on submissions can be viewed at the Tasmanian Government Department of Treasury and Finance, Liquor and Gaming branch website (<http://www.gaming.tas.gov.au>), and select 'Social and Economic Impact Studies' from the left side of the screen.

Written submissions are invited for consideration by the consultant and should be forwarded directly to:

Tasmanian Gambling Study  
ACIL Allen Consulting  
Level 9, 60 Collins Street  
Melbourne VIC 3000

Email: [tasgamblingstudy@acilallen.com.au](mailto:tasgamblingstudy@acilallen.com.au)

All submissions will be published on the website detailed above, unless specifically requested otherwise due to the inclusion of commercial-in-confidence information.

**SUBMISSIONS CLOSE 18 APRIL 2014**

Source: ACIL Allen Consulting 2014

## Appendix H List of public submissions

This appendix provides a list of public submissions received as part of the Social and Economic Impact Study of Gambling in Tasmania.

- Andrew Wilkie, Independent Member for Denison (Parliament of Australia)
- Anglicare Tasmania
- Anonymous
- Betfair Pty Ltd
- Derwent Valley Council
- Federal Group.

# Appendix I    Tasmanian gambling venue survey

# Tasmanian Gambling Venue Survey

## About this survey

ACIL Allen Consulting has been engaged by the Tasmanian Government Department of Treasury and Finance to undertake the third Social and Economic Impact Study of Gambling in Tasmania. The findings of this study will inform the Tasmanian Government on the role of gambling and its economic contribution in local communities.

As part of the study, we are undertaking a survey of hotels and clubs offering gambling across eight Tasmanian municipalities:

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

We are seeking information about the number of staff employed, revenue sources, and other relevant information.

The Tasmanian Hospitality Association and Network Gaming have assisted in the development of this survey.

**This is an opportunity for you to contribute to the future development of gambling policy by the Tasmanian Government.**

If you have any questions about the project or would like assistance with the survey, do not hesitate to contact the project team.

Email: [tasgamblingstudy@acilallen.com.au](mailto:tasgamblingstudy@acilallen.com.au)  
Telephone: Andrew Wade on 03 8650 6000

**Thank you for your support with this important work.**

## Important information about completing this survey

# Tasmanian Gambling Venue Survey

- Unless otherwise stated, data should be provided for the **2012-13 financial year**.

- Information should be **aggregated by licensees with multiple venues within the relevant municipalities only**.

For example, Licensee A has 4 venues across Tasmania:

- two venues in Brighton,
- one venue in Sorell and
- one venue in Huon Valley.

To complete the data request correctly, Licensee A should complete two separate surveys:

- one survey that provides aggregated data for the two venues in Brighton; and
- a second survey that provides data for the venue in Sorell municipality.
- Data from the venue in Huon Valley municipality is not relevant to this study.

- Throughout the survey, venues located within the specified municipalities are referred to as "relevant venues".
- You may be contacted to clarify information provided in your response.
- The survey closes on **Wednesday 11 June 2014 at 5pm**.
- Please refer to the PDF Support Document for the information you will need to provide in the survey. Having this information handy will ensure you limit your time in the online survey.

## Part A - Your venues

Part A requires you to provide information on the venue(s) that are relevant to this particular survey. Specifically:

- The municipality this survey form will cover
- The venues located in that municipality
- Activities/facilities at these venues.

### 1. The venue(s) that are the subject of this survey are located in which municipality?

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

# Tasmanian Gambling Venue Survey

## 2. Please enter:

- **The name of your venue(s) located in this municipality (please list each venue if you have more than one venue in this municipality)**
- **The type of venue (i.e. Hotel, Club, etc)**
- **The year the venue was established.**

**For example, The Royal Hotel, Hotel, 2003.**

Venue 1	<input type="text"/>
Venue 2	<input type="text"/>
Venue 3	<input type="text"/>
Venue 4	<input type="text"/>
Venue 5	<input type="text"/>

## Part B - Venue facilities

Part B requires you to provide information on facilities at your venues.

### 3. How many other facilities are operated by or through your relevant venues?

**For example, your venue may operate two bars and one restaurant; these numbers should be entered into the corresponding boxes.**

Bars	<input type="text"/>
Bottleshops	<input type="text"/>
Bistros/restaurants	<input type="text"/>
Entertainment venues/halls	<input type="text"/>
Meeting rooms/halls	<input type="text"/>
Playgrounds	<input type="text"/>
Accommodation (please identify the number of rooms)	<input type="text"/>
Other (please specify)	<input type="text"/>

## Part C - Employment and training

Part C requires you to provide information (as at 30 June 2013) on:

- The number of employees at your venues
- The job categories of these employees
- The number of contractors.

# Tasmanian Gambling Venue Survey

Part C also requires you to provide information (number and cost) of employees participating in:

- Formal workplace training
- Informal workplace training.

## 4. Please specify the number of full time, part time, casual, trainee and apprentice employees in the relevant venues as at 30 June 2013.

*(Note: do not include contractors.)*

Full time	<input type="text"/>
Part time	<input type="text"/>
Casual	<input type="text"/>
Trainee (engaged under traineeship)	<input type="text"/>
Apprentice	<input type="text"/>

## 5. How many Full Time Equivalent staff were employed at your venue(s) as at 30 June 2013?

## 6. Please specify the number of Full Time Equivalent staff working at the relevant venues as at 30 June 2013 across each of the following categories.

*(Note: The sum of these allocations should equal the total number of Full Time Equivalent staff identified in the previous question.)*

Manager and administrators	<input type="text"/>
Gambling	<input type="text"/>
Bar service	<input type="text"/>
Bottleshop	<input type="text"/>
Catering	<input type="text"/>
Maintenance	<input type="text"/>
Cleaning and housekeeping	<input type="text"/>
Other (please specify)	<input type="text"/>

## 7. On 30 June 2013, how many contractors were working in your relevant venues?

## Tasmanian Gambling Venue Survey

**8. Did any of your employees of relevant venues participate in formal workplace-related training in the 2012-13 financial year? (E.g. Responsible Service of Alcohol certificate, Responsible Conduct of Gambling.)**

*(Note: Formal training leads to a qualification or certification.*

*Apprenticeships or traineeships should not be included.)*

Yes

No

**9. How many employees participated in formal training?**

**10. What was the total cost of the formal training provided to these employees?**

**11. Did any of your employees of the relevant venues participate in informal workplace-related training in the 2012-13 financial year? (E.g. On the job training.)**

Yes

No

**12. How many employees participated in informal training?**

**13. What was the cost of the informal training provided to these employees?**

# Tasmanian Gambling Venue Survey

**14. Please provide any additional comments about the training of employees at your relevant venues.**

## Part D - Gambling Activity

Part D requires you to provide information on different types of gambling offered at your venue, specifically:

- Electronic gaming machines
- Keno
- Tote.

**15. Approximately what proportion of your patrons gamble at your relevant venues?**

## Electronic gaming machines

**16. Are electronic gaming machines offered by at least one of your relevant venues?**

- Yes
- No

**17. Approximately what proportion of patrons play electronic gaming machines at your relevant venues?**

**18. Over the past 3 years, what happened to the total revenue (inclusive of GST) from electronic gaming machines in your relevant venues?**

- Increased
- Decreased
- No change
- Don't know
- Don't want to say

## Keno

# Tasmanian Gambling Venue Survey

**19. Is Keno offered by at least one of your relevant venues?**

- Yes
- No

**20. Approximately what proportion of patrons play Keno at your relevant venues?**

**21. Over the past 3 years, what happened to the total revenue (inclusive of GST) from Keno in your relevant venues?**

- Increased
- Decreased
- No change
- Don't know
- Don't want to say

## TOTE

**22. Is TOTE offered by at least one of your relevant venues?**

- Yes
- No

**23. Approximately what proportion of patrons play TOTE at your relevant venues?**

# Tasmanian Gambling Venue Survey

## 24. Over the past 3 years, what happened to the total revenue (inclusive of GST) from TOTE in your relevant venues?

- Increased
- Decreased
- No change
- Don't know
- Don't want to say

## Importance of gambling revenues for your venue(s)

### 25. Does the presence of gambling allow for your relevant venues to do any of the following?

	Yes	No
Offer longer opening hours	<input type="radio"/>	<input type="radio"/>
Offer a more extensive food service	<input type="radio"/>	<input type="radio"/>
Offer lower prices for food services	<input type="radio"/>	<input type="radio"/>
Offer lower prices for beverages	<input type="radio"/>	<input type="radio"/>
Provide live music	<input type="radio"/>	<input type="radio"/>
Host trivia nights	<input type="radio"/>	<input type="radio"/>
Contribute more to community events and activities	<input type="radio"/>	<input type="radio"/>
Contribute more to sporting teams and clubs	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="text"/>	

## Part E - Financial information

Part E requires you to provide LIMITED information on:

- Total revenue (% received from activities)
- Total operating expenditure (% attributed from activities)
- Capital expenditure (\$ spent on different facilities)
- Taxes paid
- Suppliers (number and % of total expenditure)

Please note that, in the interest of confidentiality, we have not requested dollar amounts for revenue and operating expenditure.

Please remember that the financial information you provide will remain Commercial-in-Confidence to ACIL Allen Consulting. Individual data and information will not be released to the Tasmanian Government, or any other individual or organisation.

# Tasmanian Gambling Venue Survey

**26. In 2012-13, what proportion (%) of TOTAL REVENUE received by your relevant venues came from the following activities:**

*(Note: the allocations should add to 100 per cent.)*

Food and  
beverage

Bottleshop

Accommodation

Electronic  
gaming  
machines

Keno

TOTE

Facilities and  
venue rental

Other revenue  
(please specify)



# Tasmanian Gambling Venue Survey

**28. Please provide the CAPITAL EXPENDITURE (\$) across your relevant venues over the past three years (i.e. 2010-11 to 2012-13) for the following items:**

General refurbishment	<input type="text"/>
Gambling facilities	<input type="text"/>
Restaurants	<input type="text"/>
Fields/grounds	<input type="text"/>
Sporting infrastructure (grand stand, stadium, change rooms)	<input type="text"/>
Equipment	<input type="text"/>
Other capital expenditure (please specify major items)	<input type="text"/>

**29. Please provide the following TAXES PAID (\$) across your relevant venues in 2012-13.**

*(Note: If your venue does not pay a particular tax, please enter "0")*

*(Note: Do not include 'PAYE income tax' paid by the employer on behalf of employees.)*

GST	<input type="text"/>
Payroll tax	<input type="text"/>
Fringe benefits tax	<input type="text"/>
Corporate income tax	<input type="text"/>
Council rates and taxes	<input type="text"/>
Other taxes paid (please specify major items)	<input type="text"/>

## Suppliers

## Tasmanian Gambling Venue Survey

**30. If you are able, for 2012-13 please provide the number of suppliers to the relevant venues by location.**

**For example, Respondent A has:**

- **24 suppliers located within their venues' municipality,**
- **13 suppliers located in other parts of Tasmania,**
- **10 suppliers in other parts of Australia, and**
- **Zero suppliers from overseas.**

**These numbers should be entered into the corresponding boxes below.**

Suppliers from within the specified municipality	<input type="text"/>
Suppliers from the rest of Tasmania (i.e. Tasmania excluding your venue's municipality)	<input type="text"/>
Suppliers from the rest of Australia	<input type="text"/>
Suppliers from overseas	<input type="text"/>

**31. If you are able, for 2012-13 please record the proportion (%) of total supplier expenditure that the suppliers indicated in the previous question provided.**

**For example, Respondent A's:**

- **24 suppliers located within their venues' municipality represented 25% of total supply expenditure,**
- **13 suppliers located in other parts of Tasmania represented 25% of total supply, and**
- **10 suppliers in other parts of Australia represented 50% of total supply expenditure.**

**These proportion should be entered into the corresponding boxes below.**

*(Note: proportions of total supplier expenditure should add to 100%.)*

Suppliers from within the specified municipality	<input type="text"/>
Suppliers from the rest of Tasmania (i.e. Tasmania excluding your venue's municipality)	<input type="text"/>
Suppliers from the rest of Australia	<input type="text"/>
Suppliers from overseas	<input type="text"/>

## Part F - Community support

Part F requires you to provide information on the contribution made by your venues to different community categories, in particular:

- Financial contributions
- In kind contributions.

# Tasmanian Gambling Venue Survey

**32. Please provide the FINANCIAL CONTRIBUTIONS (such as grants and donations) made by your relevant venues in 2012-13 for each of the following categories of community support.**

Health and social services

Education

Sport – professional

Sport (non-professional) and recreation

Emergency services/Disaster relief

Other (please specify)

**33. Please identify IN-KIND CONTRIBUTIONS (such as volunteer time, use of facilities) made by your relevant venues in 2012-13 to each of the following categories of community support.**

Health and social services

Education

Sport – professional

Sport (non-professional) and recreation

Emergency services/Disaster relief

Other (please specify)

**34. Please provide any additional comments about the community support activities undertaken by your relevant venues, such as examples of community support.**

## Part G - Future development and expansion plans

Part G requires you to indicate if there are plans to develop or expand your venues in the next 3 years.

# Tasmanian Gambling Venue Survey

## 35. Are there plans for any of the following redevelopments or expansions at your relevant venues over the next 3 years?

	Development	Expansion	No plans	Not applicable
General refurbishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gambling facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restaurants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bottleshop	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accommodation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fields/grounds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sporting infrastructure (grand stand, stadium, change rooms)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Equipment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

## Part H - Conclusion

### 36. Please provide any additional information or comments you think may assist this study.

ACIL Allen Consulting may need to follow-up on some of your survey responses. You will not be contacted for anything other than research purposes.

### 37. Please provide your name, email and telephone contact details in the space provided so ACIL Allen can contact you if needed.

Name	<input type="text"/>
Email address	<input type="text"/>
Telephone number	<input type="text"/>

## Thank you

Thank you for taking the time to complete this survey. Please click the "Submit Survey" button to send your response to ACIL Allen Consulting for analysis and be redirected to more information about ACIL Allen's study.