

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

INTRODUCTION

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

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

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

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

PURPOSE OF THIS SURVEY

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

CURRENT CSL MODEL

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

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

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PROPOSED CSL MODEL

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

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

SURVEY QUESTIONS

Categories for distribution of the CSL

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

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

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

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

1. Do you support the proposed categories? YES / NO

Glenorchy City Council (Council) does not support the recommendations in their entirety.

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

Council is of the view that the funding currently being directed to sport and recreation clubs and charitable organisations remain, with proposed additional funding to be allocated to the CSL used specifically for the purpose of gambling harm minimisation

While Council is a strong advocate for community capacity building projects and initiatives, unless they have a direct link to gambling harm minimisation it is Council's view that these should be funded from sources other than the CSL. The “community capacity building projects or initiatives” proposed category is very broad and could result in well intentioned projects being funded which do not have a direct link to gambling harm or harm minimisation. Harm minimisation can include projects that provide alternatives to gambling (for example community projects that build community connections and address social isolation).

Council is also concerned that as the categories as listed are broad and that local government areas with large losses on EGMs (such as the City of Glenorchy) will continue to receive a comparatively low amount from CSL funding which is out of proportion to the losses sustained by the community (see response in “considerations for the distribution of the CSL for further information).

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3. Do you think that one or more of the categories should receive a greater proportion of funding over any of the others? YES / NO

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

Council's position is for additional funding to the CSL to be used on harm minimisation. The distribution of this (i.e., for research, support, community education, diversionary projects etc) to be dependent on the submissions received which show a direct link to how the funding will be used for harm minimisation. Council supports an independent, evidence-based allocation of the CSL such as through the Tasmanian Liquor and Gaming Commission rather than the current method which relies on the government of the day's discretion.

5. Do you believe that the percentages should be more flexible at the margins, eg "not more than x per cent" or "no less than x per cent", rather than a set percentage? YES / NO

As per above.

6. Are there any other comments you wish to provide regarding the proposed categories for the distribution of CSL funds?

Council's view continues to be that the CSL directly relates to harm minimisation and remain in legislation rather than Regulations to ensure the intent is clear, is less prone to amendment, that there is effective implementation and that the process is transparent.

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Considerations for the distribution of the CSL

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

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

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

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

1. **Do you support the above considerations? YES / NO / NOT ALL**
2. **If you answered “NO” or “NOT ALL” for question 1, please provide details of the considerations you would suggest for determining the allocation of CSL funds and why?**

Council broadly supports the proposed considerations and believes that there should be clear and stringent criteria for organisations seeking funding through the CSL which are linked to harm minimisation.

Council does not agree with the stated intent that a project, program or grant needs to be consistent with “at least one” consideration as this is very broad and could lead to funding of activities in any location that doesn’t necessarily link to the people or communities experiencing gambling harm.

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While the first consideration is “creating a link between the location of gambling losses and CSL spending,” this is not mandatory. Therefore, projects may get funded in areas that experience no significant gambling losses/harms.

The SEIS shows that there is a prevalence of electronic gaming machines in low socio-economic areas such as the City of Glenorchy, as well as the fact that electronic gaming machines are a significant risk factor for problem gamblers. Council’s view is that areas that are demonstratively experiencing high gambling losses and thus gambling harm should be prioritised with CSL funding.

Another proposed consideration is “investment in programs, infrastructure and activities that enable greater community engagement and healthy lifestyle opportunities (as a diversion from gambling)”. This is very broad and as already noted may be used to fund a range of projects that do not address harm minimisation or have an impact in communities experiencing gambling harm. If this consideration remains it needs to be a requirement that is linked to the first consideration (“creating a link between the location of gambling losses and CSL spending”).

The final stated consideration “ensuring the distribution of the CSL is subject to regular review (e.g., to be reviewed every five years following the Social and Economic Impact Studies)” while important per se, is not a suitable criterion for allocation of CSL funding in the context of an individual application.

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

As part of receiving funding through the CSL, Council advocates for a reporting requirement to ascertain effectiveness, i.e., that organisations receiving funding commit to reporting back on outcomes and how their project/activity met the stated aims of the CSL. This should be in addition to auditing requirements. Information on effectiveness of funded projects etc should be made publicly available so that other organisations and communities can benefit from any learnings, ensuring that the CSL process is transparent and meeting its aims.

Council advocates that once feedback from this consultation is reviewed and there is a proposal for the CSL distribution that a broader community engagement process be undertaken to allow broader stakeholder input.