

LIQUOR AND GAMING BRANCH

3 AUG 2021

## The Religious Society of Friends (Quakers) in Australia

**Submission on the Future of Gaming in Tasmania, specifically electronic gaming machines from the Peace and Justice Committee of Tasmanian Quakers**

Quakers have always struggled with the concept of gambling in particular, the concept of profiting from someone else's loss. However we recognise that for practical purposes there are many forms of legal gambling in today's society so we appreciate the opportunity to respond to the draft *Gaming Control Amendment (Future Gaming Market) Bill 2021*. Specifically we wish to comment on the Electronic Gaming Machines.

The Social and Economic Impact Study of Gambling in Tasmania (SEIS), 2017, found that poker machines are still the main cause of gambling harm and that at least half of the losses on poker machines comes from at-risk gamblers, who gamble more frequently. Indeed it might be useful to consider the results of the 2020SEIS once they are released before finalizing the Bill.

Looking at the aims of the Bill:

*Ensure returns from gaming industry are appropriately shared among industry, players and Government representing the community.*

First and foremost, we need to recognise that the *returns* come from people's losses. So it is hardly appropriate to allow *industry* to gain super profits, that is profits well over and above what the hospitality industry would normally expect from normal bar and food service.

The proposed flat rate of tax for 20 years will give venues with higher EGM turnovers a much larger share of gambling returns. We cannot think of any other business that is not taxed on what it earns. The potential for super profits is just a hand out to businesses and we are not aware of any evidence to suggest that these super profits will be invested in the local community. We think that there need to be stepped tax rates so higher profits would attract more tax, whether the venue be a pub, club or casino. They do not need the windfall that super earning venues will receive.

We think that the Community Service Levy should be levied at the same rate across pubs, clubs and casinos. Moreover we would like to see Community Fund (from the CSL) to be allocated through an independent authority that uses evidence based support to justify its decisions to allocate funds to both gambling support and community organisations; otherwise we fear that there is a danger of it being used as or at least seen as a slush fund.

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*Continue to minimize harm caused by problem gambling.*

The current legislation has a *community interest* requirement triggered by new venues to determine whether it is in the community's interest to have a new venue. Given that all venues will be seeking new licences in 2023, there is a case for requiring that community interest test to be applied to each new licence application. This would highlight whether or not a new licence is in the public's best interest.

Furthermore there needs to be consumer protection built into the legislation. This could include \$1 bet limits, reducing spin speeds, bringing down the maximum jack pot. Also *losses disguised as wins* and the machines celebrating *near misses* should be banned as these are clearly designed to encourage punters to continue. Regular machine shut downs would provide people with an interruption that will force them into making a conscious decision (rather than an automatic one) about continuing to play. Also a maximum time on which gaming rooms can be open should be introduced, e.g. 12 hours.

With the new licensing to come into effect in 2023, now is the time to integrate harm minimisation into the licensing regulations.

EGMs do not play to a national market; there is no national standard. So it is beholden on our legislators to build in as much consumer protection as they can.

*To create a sustainable industry.* As previously stated, we have difficulty with an industry that relies on the losses of others, with no real return. We do not think that it is a sustainable industry for the community. Aside from this, we struggle to see how 20 year licenses with flat tax rates can be considered sustainable. What other businesses receive this kind of subsidy? Those venues that have a high turnover will generate super profits with no obligation as to how to spend those profits. Stepped tax rates and much shorter licence periods would make for a much more sustainable industry.

*Provide highest standards of probity.* We find it very difficult to understand how there can be any probity in an industry that profits from other people's losses. And the concept of enabling businesses the potential to earn super profits over a 20 year period is simply reprehensible.

In conclusion, if the Tasmanian Government is going to continue to licence EGMs in casinos, pubs and clubs, then there needs to be much more clearly defined consumer protection built in to the legislation as well as providing for further protection should it be required. Also, all clubs, pubs and casinos should be taxed on their profits in the same stepped rate. Their tax rates should depend on their rate of profits, with higher tax if there is greater profit. There should not be any special tax concessions granted to one form of venue over another.

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On behalf of the Peace and Justice Committee of Tasmanian Quakers

