

National Council of Women Tasmania Inc.

Affiliated with the National Council of Women of Australia and the International Council of Women through the National Councils of Women Coalition of Tasmania

Motto: "Do unto others as you would they should do to you"

Submission on the Future of Gaming in Tasmania.

From the National Council of Women of Tasmania.

Looking specifically at Poker Machines.

The National Council of Women of Tasmania was established in 1899. Its core reason for being has always been to promote the best interests of women, their families and people in general as it works for equity, social justice and improvements in the quality of life in a sustainable environment for everyone.

NCWT has always had concerns about gambling in our community. Members followed the Wrest Point Casino licence referendum in 1968. The argument put forward in favour of granting this was that the casino would only be a small one and was part of an entertainment complex and convention centre and that it would attract tourists. The gambling would be strictly monitored and there were to be no poker machines. Then a second casino was built in Launceston in 1982.

Since that time we have seen other operators establish high end tourism ventures and convention centres. There really is no evidence that tourists continue to come to Tasmania for its casino(s).

Poker machines were introduced into the casinos in 1986, and then they were extended to pubs and clubs throughout Tasmania in 1997. Although they are in the pubs and clubs, all EGMs in Tasmania are owned by Federal Hotels, the owner of the casinos. Federal Hotels continues to have a monopoly on gambling but it has been extended well beyond the small casino that was to be a part of a world class entertainment and convention centre. Moreover there has been no community consultation with regard to this expansion as there was in 1968.

Further, it is important to note: the EGMs are largely concentrated in lower socio economic areas. So not only are the EGM losses suffered by players, greater in these areas, people are far less able to afford the losses, and the impact on the community is greater. The insidious nature of the EGMs has been well documented by the Social and Economic Impact Study of Gambling in Tasmania, 2017. The results of the 2020 Study should be released soon, and it would seem in the best interests of the community to wait for those results before finalizing the Bill so that the study's findings can be taken into account.

Whatever, it is high time the EGM situation was reviewed and we thank you for giving us the opportunity to present a submission and have a say in the Future Gaming Market. In particular, our focus is on EGMs.

One of the stated aims of the draft *Gaming Control Amendment (Future Gaming Market) Bill 2021* is to **continue to minimise harm caused by problem gambling**. Unfortunately NCWT cannot find any real evidence to minimise harm contained within the Bill. NCWT believes that consumer protection must be entrenched within the proposed legislation.

This is the opportune time to introduce consumer protection measures and require industry to comply. Such measures could include reducing bet limits to \$1, reducing spin speeds as well as reducing jack pots. These measures would scarcely be noticed by the recreational player but they would have a significant impact on slowing down the losses of the problem gambler. Mandatory machine shut downs would help break the cycle of automatic pilot that compels problem gamblers to continue. They would need to make a conscious decision to change machines and continue. And having the EGMs celebrate near misses and wins that are actually part of a net loss should be banned, thus help reduce the mesmerising enticement that the EGMs present. This is not to be taken as an all-inclusive list but these are some basic consumer protection steps to try and minimise the losses suffered by problem gamblers, their families and their communities. They could be made part of the licencing arrangement.

Apparently the Bill also aims to **ensure returns from gaming industry are appropriately shared among industry, players and Government representing the community**. A fair distribution is fundamental otherwise there is very little return to the community for the players' losses. We have already established that gambling is not necessary to sustain entertainment and convention centres. Moreover there does not seem to be any evidence that it encourages tourism, particularly in the clubs and pubs. So there needs to be some return for the losses suffered other than the burden of the effects of problem gamblers' losses on themselves, their families and their communities.

If there is to be an appropriate sharing, NCWT cannot understand why the Bill proposes a flat tax over 20 years and why there are different rates between the casinos, pubs and clubs. There is no rationale for distinguishing between the tax rates of the different venues. A much more appropriate and fairer system would be to impose a stepped tax system according the level of profit made by each venue. This is the sort of tax that is required from other businesses. The flat tax for 20 years amounts to a long standing hand out to venues that achieve a high turnover. Venues with high turnovers would stand to make super profits, that is super profits at the expense of vulnerable problem gamblers and their communities. It is crucial to understand this: their profits would come from their players' losses. So to guarantee a flat tax for 20 years encourages venues to encourage their players to lose more so that they can gain more super profits at the expense of others, placing a greater burden on the community with no increased support through taxes. Why should high turnover venues be able to gain untied super profits? It beggars belief that they should be able to place an

increasing burden on their communities without paying some sort of recompense. Clearly higher profits should be taxed at a higher rate.

Moreover, why should venues be granted 20 year leases? Electronic Gaming Machines do not represent a new and valuable industry that needs 20 years long term certainty to encourage initial investment. The costs associated with EGMs are well known. A licence for 5 to 7 years should be sufficient for venues to recoup their investment.

As regards the Community Service Levy. It needs to be made very clear in the legislation that this is not a gift from the venue holders. The venues are merely remitting the money on behalf of the punters, and as such it should be levied at the same rate across the venues. It is good to have the CSL paid into a dedicated community fund with half going to gambling support and half to the community. However the Fund needs to have an independent, robust and transparent administration making its determinations on evidence based criteria. Otherwise it is likely to be regarded as a slush fund, perceived or real.

The Bill also purports to aim to **provide highest standards of probity**. Unfortunately the proposal to allow for 20 years licences with a flat rate of tax and no concrete consumer protection undermines any idea of probity. To give the process some integrity, it is important that industry is not seen to be given handouts.

As regards the aim to **create a sustainable industry**, this will not be achieved with the current Bill that allows venues to maximise super profits over 20 years, profits that come from the losses of people who have no real consumer protection to look after them. This is not sustainability. Rather it amounts to giving out untied grants to venues with large turnovers. Untied grants do not make for sustainable industry. Electronic Gaming Machines are well established in clubs, pubs and casinos. They do not need ongoing subsidies.

The National Council of Women of Tasmania humbly submits that if EGMs are to continue in Tasmanian casinos, pubs and clubs, then the stated aims of the Bill must be met; that is: **minimise harm caused by problem gambling, ensure returns from gaming industry are appropriately shared, provide highest standards of probity and create a sustainable industry**. However NCWT does not believe that the Bill, in its current form, can meet these aims. Members of NCWT urge you to consider our suggestions.