

Review of the Responsible Gambling Mandatory Code of Practice for Tasmania

Glenorchy City Council Submission June 2022



Glenorchy City Council (Council) welcomes the opportunity to contribute to the Review of the Responsible Gambling Mandatory Code of Practice for Tasmania. Council has a long-standing position on gaming and its impact in the community and has previously made submissions to the Joint Select Committee on Future Gaming Markets in Tasmania, stage one and two public consultations on Future Gaming in Tasmania and the fifth Social and Economic Impact Study of Gambling in Tasmania.

The *Local Government Act 1993* (section 20) states that it is a function of councils to provide for the health, safety and welfare of the community, and to represent and promote the interests of the community. Council has a role in advocating on behalf of its residents to other levels of Government if it believes there is a significant issue that impacts the community such as gambling. As part of this advocacy, Council adopted a Statement of Commitment on Gambling in September 2020.

Whilst gambling is a legal activity enjoyed by many, for some people and their families it can cause financial, social, health and legal hardships.

Council has particular concern regarding the number of electronic gaming machines (EGMs) in the community, specifically in the Glenorchy local government area, and is a strong advocate for increased consumer protection and harm minimisation measures.

Council shares the concerns raised in the Stenning Report provided as part of the *Responsible Gambling Mandatory Code of Practice for Tasmania Stakeholder Consultation Paper* that “the new individual venue licensing model, and resulting increased competitive gambling environment, may lead to increased promotion and gambling on gaming machines. Increased gambling promotion could be detrimental to the welfare of players and also threatens the sustainability of each gambling business.”¹

In the Tasmanian Government’s fact sheet regarding the Future of Gaming in Tasmania Policy in 2020, it was stated: “While the Government’s Future Gaming Market policy does not propose any specific changes to the harm minimisation framework, harm minimisation has continued to be front of mind during the development of the changes to be introduced under the new arrangements.”² As the Future of Gaming in Tasmania Policy provides a completely new framework for gaming in Tasmania, this is a critical time to review harm minimisation and consumer protection measures.

With 240 electronic gaming machines (EGMs) across eight venues (approximately one machine for every 156 adults) the City of Glenorchy has the unenviable distinction of being known as the “pokies golden mile”. The municipality also leads the way annually in expenditure on EGMs, with figures from the Department of Treasury and Finance showing that a significant amount of money is lost each month.

¹ Second Review of the Responsible Mandatory Code of Practice for Tasmania Stakeholder Consultation Paper

² Future of Gaming in Tasmania – Public Consultation Paper 2020

Glenorchy has the highest EGM losses of all municipalities over the last four financial years, with a loss of over \$21M in the 2020/2021 financial year. In April 2022 alone there was EGM expenditure of \$1,727,444.³ Given the magnitude of losses sustained by its community members, Council believes that both Council and the City of Glenorchy are important stakeholders in relation to gambling.

As such, Council has commented on the three areas of the Code that are part of the current consultation – advertising, inducements and player loyalty programs.

Whilst not part of the review of the Code, Council strongly recommends that the Tasmanian Liquor and Gaming Commission also considers other elements of the Code, specifically staff training in recognising people with gambling problems and information to players.

As noted in Council’s submission to the Future of Gaming in Tasmania stage two consultation, with venue operators being responsible for almost all aspects of EGM operations in their venue, operators may require additional support in being able to effectively manage compliance on top of their other functions.

With an increased competitive gambling environment Council also feels that more general information to players should be available so that people can make informed choices about gambling.

Council also notes that the Code uses terminology of “problem gambling/gamblers”. Service providers who work with people experiencing harm from gambling have expressed that people don’t always believe that this terminology applies to them, and that this branding stigmatises people. It also can put the onus on gamblers rather than products. Council advocates for research in this area and consideration of changing this terminology so that those experiencing harm may better identify with messaging.

Further to the above, it could also be argued that it is not helpful to classify people into groups of “problem gamblers” and “others” as people’s needs and experiences change depending on circumstances, and they can be affected by gambling at different times. Harm minimisation measures therefore need to apply across the board and not just be targeted at so called “problem gamblers”.

³ Department of Treasury and Finance

Council's response to the questions asked re: advertising, inducements and player loyalty programs aspects of the *Responsible Gambling Mandatory Code of Practice for Tasmania*

Question One - Gaming machine advertising:

1. Ban all outdoor signage/displays advertising or promoting gaming machines; or
2. Limit the ban on outdoor signage/displays advertising or promoting gaming activities within proximity of where children frequently gather, for example, near schools, childcare centres, bus stops/shelters

The following points are offered as guidance when considering these initiatives: what are the benefits or harms caused by allowing venue operators to advertise gaming machines external to the premises? Are children or other vulnerable persons appropriately protected from the potential harms?

Response:

Council's position is that there should be a ban all outdoor signage/displays advertising or promoting gaming activities. This would not impact on recreational players, however, would be a valuable tool in terms of harm minimisation.

As noted, with the move from a single gaming operator to multiple licenced venues, there is strong possibility of increased advertising of gaming machines to encourage patronage.

In a research paper commissioned by the Victorian Responsible Gambling Foundation, *Identifying effective policy interventions to prevent gambling harm*, the authors stated: "Accessibility and exposure to gambling production, and to the promotion of these, is a key determinant of propensity to use and thus of propensity for harm."⁴

With high levels of gambling harm already evidenced in the Glenorchy community, there is great concern that further advertising will exacerbate an already serious problem and lead to increased harm for individuals and families.

As noted in the Stenning Report, there are several jurisdictions that have stronger restrictions than Tasmania regarding advertising of gaming machine products. Therefore, it would not be setting a precedent to prohibit external signage and advertising and bring Tasmania in line with other states.

The talking point provided as part of this consultation contemplates the protection of vulnerable persons. When considering this, it should be noted that there is no single definition of "vulnerable persons". Vulnerability does not just extend to young people, so the effectiveness of banning signage and advertising "within the proximity of where children frequently gather" whilst important, does not offer protections to all areas of the community.

It could be argued that the whole Glenorchy municipality can be seen as vulnerable when considering the high monetary loss on electronic gaming machines. There are also other factors in the local government area which impact on vulnerability including low income, a high level of youth disengagement, a growing population of people over 65 years, a large number of lone person

⁴ Research Report – Identifying effective policy interventions to prevent gambling harm, Charles Livingstone et al, p 5

households and a high proportion of people with a disability. SIEFA scores indicate that the City of Glenorchy has some of the most disadvantaged communities in the country.

People can also move in and out of “vulnerability” depending on life circumstances. As a Council, we would like to see as much done as possible to protect the community from increased risk of gambling harm and believe that banning gambling advertising is a step toward this.

From a public health perspective, given there is no public tobacco or alcohol advertising this same approach could be applied to gambling.

As the *Identifying effective policy interventions to prevent gambling harm* research paper states: “There is evidence that the principal use of advertising for products such as tobacco, alcohol or gambling is, apart from recruiting new consumers, to ‘normalise’ the product and associate it with enjoyable and desirable activities, such as sport. There is evidence that proliferation of gambling advertising has achieved this, particularly with children and young people. Some moves are underway to restrict the visibility of advertising on mass media, such as free to air broadcast media, during sporting broadcasts. However, there are multiple additional opportunities to modify access to advertising to limit the extent of normalisation, and thus of reducing the uptake of gambling and associated harms.”⁵

There are other ways for venues to attract customers than to advertise gambling, for example through good customer service and meal quality. As already noted, the lack of gambling advertising will not impact on recreational gamblers who are already in the venue but may act as an early intervention for those experiencing (or at risk of) gambling harm.

Inducements can also be linked to advertising, which will be looked at under question two.

Finally, with the new gaming framework, there is an opportunity for networks of licensed EGM holders to come together and extend their advertising boundaries. Implementing a ban on all outdoor signage/displays advertising or promoting gaming machines now would provide a clear framework for licensees and allow for a competitively neutral market.

It is unclear from the discussion paper if social media advertisements, television and radio advertising is also being considered. Council advocates for this to be included as part of the review and included in the ban for the reasons listed above.

Question Two – Inducements and loyalty program

1. Prohibit venue operators from offering free vouchers (or tokens and the like) and rewards points to be used for gambling purposes; or
2. Prohibit venue operators from offering free vouchers for any purpose

The Commission also intends to review the player loyalty program with the aim of:

3. Determining what measures are required to ensure a loyalty program offered by a venue operator or third party does not lead to increased gambling, for example, prescribing the accumulation points that can awarded (e.g. 1 point per \$1 spend).

⁵ Research Report – Identifying effective policy interventions to prevent gambling harm, Charles Livingstone et al, p 7

The following points are offered as guidance when considering these initiatives:

- What are the benefits or harms of promotional offers like free vouchers? Are there different considerations for player loyalty programs?
- What measures could the commission introduce to mitigate its concerns about competitive behaviour between venues and increased gambling?

Response:

Council's position is that venue operators should be prohibited from offering free vouchers for any purpose. In relation to loyalty programs, there are no player loyalty programs currently operating in hotels and clubs and Council's view is that it should remain this way.

As stated in the *2010 Productivity Report*, "Governments should prohibit venues from offering inducements that are likely to lead to problem gambling."⁶ Council strongly advocates against any form of inducement that encourages further gambling and is of the view that prohibiting free vouchers for any purpose is the most effective way to achieve this.

It is noted that the Stenning Report found that Tasmania's inducement and loyalty program provisions compare less favourably to most other jurisdictions, with the ACT, NSW, Queensland, Southern Australia and Victoria all having stronger measures in place to restrict the type of inducements that can be offered to players of electronic gaming machines. This should be of concern to the Tasmanian Liquor and Gaming Commission as well as the broader community. Again, with the new gaming model being implemented this should be an opportunity to review and strengthen harm minimisation and consumer protection measures.

Both inducements and player loyalty programs are designed to get people to gamble more and increase venue revenue, and ultimately benefit the venue owner, not the player. Inducements can be seen to be targeted at people who are already losing money and should not be used as a mechanism to provide a false perception that players are gaining something rather experiencing losses.

Even if inducements are not specifically targeted at gambling, they could have a cumulative effect – by encouraging patrons at risk of gambling harm to spend longer at venues and ultimately increase gambling spend. For people who have stopped or reduced their gambling (or who would like to), incentives could be a trigger to encourage them to continue.

As already noted, there are other ways for venues to encourage patronage. The only real way to mitigate the Commissions' concern about competitive behaviour between venues and increased gambling is to establish a level playing field for all and not allow advertising and inducements.

If loyalty programs are available, there are questions about how easy it would be to leave and whether advertising would be targeted at members which would consequently lead to increased gambling.

⁶ Productivity Commission Enquiry Report Gambling 2010, Volume One, Section 12.6, P537

Council encourages the Tasmanian Liquor and Gaming Commission to consider the measures applied by other jurisdictions in relation to inducement and player loyalty and work to strengthen harm minimisation measures in Tasmania in line with other states.

Conclusion

It is well evidenced that EGMs are a significant risk factor for problem gamblers, and particularly in lower socio-economic areas. The *Fourth Social and Economic Impact Study of Gambling in Tasmania* released in 2017 notes that: “The observed relationships between demographics, mode of play, and consumption and gambling related harm are in line with expectations and previous findings regarding predictors of risk of gambling problems. Regarding mode of play, the strongest risk factor for gambling harm is EGM play, which is also consistent with prior research (Dowling, Smith & Thomas, 2009).”⁷

The Fifth Social and Economic Impact Study of Gambling in Tasmania reports “There is a clear inverse correlation between socio-economic status (as measured by the Index of Relative Socio-Economic Disadvantage (IRSD) and per adult expenditure on EGMs across Tasmanian local government areas (LGAs). The available evidence supports the view that spending on gambling through EGMs tends to be higher in regions with lower levels of economic and social resources than in more advantaged areas.”⁸

Council and other organisations advocated for increased gambling harm minimisation measures to be considered as part of the Future of Gaming legislation changes given the changes to EGM licensing and operation. As referenced numerous times, there is great concern that an increased competitive environment when the changes are implemented will encourage increased advertising and inducements resulting in targeting of and increased harm to those experiencing or at risk of gambling harm.

Whilst no changes were introduced, there is currently the opportunity through the Review of the Responsible Gambling Mandatory Code of Practice to further consider the increased risk of gambling harm that the new model may bring and take action to introduce stronger consumer protection measures. As there will not be another review for a further five years, Council urges the Tasmanian Liquor and Gaming Commission to act within this current opportunity and strengthen the Code to increase regulatory measures in relation to harm minimisation.

⁷ Fourth Social and Economic Impact Study of Gambling in Tasmania, ACIL Allen Consulting, Deakin University, Central Queensland University and the Social Research

⁸ Fifth Social and Economic Impact Study of Gambling in Tasmania, South Australian Centre for Economic Studies, p iii