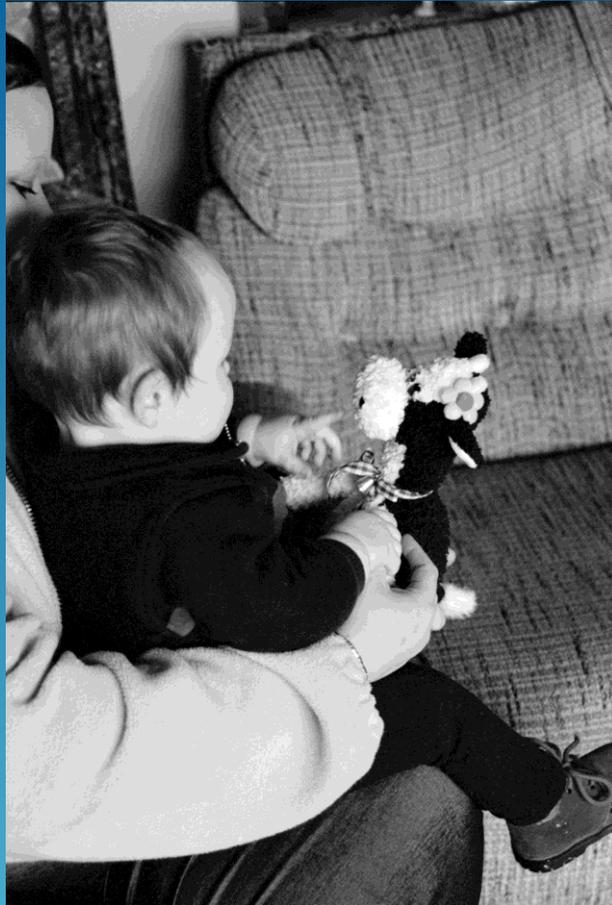


SUBMISSION

Future of Gaming in Tasmania

Response to Public Consultation Paper 2020

March 2020



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About Anglicare Tasmania

Anglicare is a large not-for-profit community service organisation in Tasmania with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport, Burnie, Sorell and Zeehan and a range of programs in rural areas.

Anglicare Tasmania's services include crisis, short-term and long-term accommodation support; NDIS disability and mental health support services; support services following a motor vehicle accident; aged and home care services; alcohol and other drug services; financial and gambling counselling; and programs for children, young people and families.

Anglicare's Social Action and Research Centre conducts research, policy and advocacy work on issues affecting Tasmanians on low incomes.

Anglicare Tasmania is committed to achieving social justice for all Tasmanians. It is our mission to speak out against poverty and injustice and offer decision-makers alternative solutions to help build a more just society. We provide opportunities for people in need to reach their full potential through our services, staff, research and advocacy.

Anglicare's work is guided by the values of compassion, hope, respect and justice.

Anglicare believes:

- *that each person is valuable and deserves to be treated with respect and dignity;*
- *that each person has the capacity to make and to bear the responsibility for choices and decisions about their life;*
- *that support should be available to all who need it; and*
- *that every person can live life abundantly.*

Our work on gambling

Anglicare has more than 20 years' experience delivering services to help people who have been harmed by gambling. Gamblers Help clients tell our workers that the gambling environment, including advertising, player loyalty schemes and venue inducements, as well as gambling product features such as lights and sounds, encourages them to gamble.

Anglicare also conducts research on the effects of gambling and has lobbied State and Federal politicians and the industry urging them to implement measures to reduce harm caused by gambling.

Poker machines are the cause of the vast majority of harm for our clients and research participants. Despite the Government introducing measures aimed at reducing harm, Anglicare continues to see people in our services and through our research who say the industry has failed to protect them as consumers.

Our service and research experience shows that poker machines are a dangerous product. The focus of gambling policy for Parliament should be prioritising public health. To do this, the Government needs to tackle the risk factors that lead to people being harmed. In the case of poker machines, these risk factors are known to be the ease of accessibility, speed and intensity of play and inadequate product disclosure (Productivity Commission 2010; Hare 2015).

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Introduction to this submission

Anglicare's views on the harms caused by gambling, and in particular the design features that are purposely used by industry to keep people gambling longer, are well known (for example, Law 2005; Anglicare 2014, 2016, 2017).

Anglicare is disappointed the Consultation Paper states that any matters specific to the Government's policy intentions are out of scope for this consultation process. In 2017, the Treasurer, now Premier and Treasurer, told the Parliamentary Inquiry into the Future of Gaming: 'The Parliament will have a role, the legislation will need to be agreed to by the Parliament in terms of the positions we take... The Parliament will be the ultimate arbiter of our policy on this' (Hansard 25 June 2017, Peter Gutwein, p. 52).

Anglicare believes the most important focus for the proposed changes to the Gaming Control Act 1993 should be to prevent harm, and to this end we continue to urge Parliament to remove poker machines from our communities. We will, however, restrict this submission to the boundaries set by the Consultation Paper. Anglicare believes there is still room to reduce harm to individuals and communities within the Government's framework, and we urge the Government to include strong consumer protection measures in the proposed legislative changes from the outset.

Recommendations

1. *Poker machines should be removed from hotels and clubs.*
2. *The new gaming regime should prioritise consumer protection.*
3. *Enhanced harm minimisation measures need to be introduced immediately as per the recommendations of the TLGC, reducing hours of operation, enforcing shutdowns after a set period of uninterrupted use, reducing the maximum bet to \$1 and maximum cash input to \$20, slowing the spin speed and prohibiting losses disguised as wins.*
4. *The functions of the TLGC should be extended so that they are responsible for all consumer protection measures relating to gaming in Tasmania.*
5. *Casinos, clubs and hotels should all pay the same rate of CSL. If there is any tiering of the CSL, casinos should pay the highest unless their machines are required to have the same consumer protection measures as those in hotels and clubs.*
6. *There should be more extensive advertising of the harms of gambling and the value of seeking help, with programs that encourage people not to gamble or to gambling less operating out of office hours in areas of high poker machine density.*
7. *Training for brief interventions and referral pathways about gambling harm should be provided for a wide field of health care and social services.*
8. *100% of the CSL should be allocated to activities that can show how they support people not to gamble or to gamble less.*

9. *The Gambling Support Program should oversee all funding distributed from the CSL and should have an advisory group to assist in this work.*
10. *A new license for casinos should focus on consumer protection, which at the minimum should see a substantial decrease in the number of poker machines permitted in the casinos and \$1 bet limits and mandatory pre-commitment operationalised on all machines.*
11. *Casinos should pay at least the same rate of Community Support Levy as hotels, at 5%. If consumer protection measures in casinos remain more relaxed than hotels, casinos should pay a higher rate of CSL than hotels.*
12. *Information about proposed changes to the types of games and poker machines permissible in the casinos should be publicly available prior to parliamentary debate on the issue.*
13. *Poker machines in the casinos should be monitored by the Licensed Monitoring Operator,*
14. *Any consideration for a high-roller casino should undergo both a cost-benefit analysis for the Tasmanian community and a public tender process to ensure the best economic and social returns to Tasmania.*
15. *Penalties for breaches of the residency restrictions for high-roller casinos must be strong enough to be a deterrent.*
16. *The requirement for no poker machines in proposed high-roller casinos should be explicit in the legislation.*
17. *Poker machines should be removed from hotels and clubs. Failing this, the number of poker machines should be reduced, particularly in low SES areas.*
18. *All businesses wanting to operate poker machines after 30 June 2023 should be required to apply for a license through the Community Interest Test.*
19. *Penalties for breaches must be strong enough to be a deterrent.*
20. *Licenses for operating poker machines should be for a maximum of 10 years.*
21. *Information about how licenses are to be reissued should be developed and made public prior to Parliamentary debate on the legislation.*
22. *Requirements for multi-venue businesses needs to be explicitly included in the legislation, with opportunity for the public to provide comment.*
23. *The LMO should be prohibited from operating poker machines in Tasmania.*
24. *The TLGC should be required to present for Parliament a review of the findings of each SEIS for harm minimisation and gambling policy. The review should include priorities for consumer protection and research, including proposing areas the next SEIS should address.*
25. *The GSP should be required to provide publicly available advice to the Minister for Communities on implications of each SEIS for its public health approach to harm minimisation. This advice should be based on the SEIS and in consultation with the TLGC.*

26. *The Government should provide to Parliament an annual report on the actions it has taken to prevent and reduce harm, based on the advice and actions of the TLGC and GSP.*
27. *A review of capacity for both the TLGC and the Liquor and Gaming Branch should be carried out to ensure they have sufficient resources to provide the guidance, inspection and monitoring roles required under the new gaming regime.*
28. *A minimum of one month should be given for the public to comment on the legislation exposure draft.*

Response to “Key changes in the future model”

Enhancing consumer protection

The Government’s future model says Tasmania’s harm minimisation framework is ‘regarded as best practice’ (p. 5) and ‘the objective to minimise harm from problem gambling will remain unchanged’ (p. 10). The paper suggests that the legislation and regulatory measures will not require any specific changes but rather will monitor and ‘act quickly to address any harm concerns’ (p. 5).

Anglicare argues the current harm minimisation framework does not focus enough on prevention of harm. Prevention of harm is the key focus of government approaches to tobacco, alcohol and other drugs, road safety and diet and exercise, but not to gambling.

While the most effective policy to prevent poker machines from causing harm is to remove them from communities, much can be done to make using them less harmful. The Liquor and Gaming Commission has consistently provided advice that stronger harm minimisation and consumer protection are needed, including reducing hours of operation, enforcing a shutdown after a set period of uninterrupted use, reducing the maximum bet to \$1 and maximum cash input to \$20, slowing the spin speed and prohibiting losses disguised as wins (TGC 2008, TLGC 2016). However, the Government’s policy and consultation paper has not followed this advice.

While the current Act does not permit the Minister to interfere with the Commission’s statutory functions such as granting, cancelling, suspending or refusing a gaming license, the Minister is permitted to restrict the Commission’s powers over consumer protection. Anglicare would like to see the TLGC have enhanced powers to directly influence consumer protection across all areas. Anglicare believes the TLGC is the authority best placed to utilise expertise and contemporary research in setting more consumer protection measures, including maximum bet limit, pre-commitment and spin speeds.

Recommendations

1. *Poker machines should be removed from hotels and clubs.*
2. *The new gaming regime should prioritise consumer protection.*
3. *Enhanced harm minimisation measures need to be introduced immediately as per the recommendations of the TLGC, reducing hours of operation, enforcing shutdowns after a set period of uninterrupted use, reducing the maximum bet to \$1 and maximum cash input to \$20, slowing the spin speed and prohibiting losses disguised as wins.*
4. *The functions of the TLGC should be extended so that they are responsible for all consumer protection measures relating to gaming in Tasmania.*

Community Support Levy

Anglicare supports extending the Community Support Levy to casinos, but we believe they should be charged at least the same rate as hotels. If consumer protection measures remain weaker in the casinos than in hotels, Anglicare argues the casinos should contribute more to the CSL.

We know that only a small number of people harmed by gambling, about 10%, ever seek help and while treatment does not prevent people from developing a problem, it can help people stop or reduce gambling (Productivity Commission 2010; ACIL Allen Consulting et al. 2017). As such, the Community Support Levy and the activities it funds are an important public health “demand reduction” measure. Anglicare believes there is much more that can be done to encourage people to seek help, such as better and more extensive advertising of the harms of gambling and the benefits of seeking help and running programs with community-based organisations such as neighbourhood houses.

Certain members of our community are particularly vulnerable to gambling harm due to their proximity to poker machines and their geographic or social isolation from other activities and services. There should be greater targeting of programs to work deliberately with communities whose exposure to poker machines is increased because of the lack of other activities and services, particularly after office hours. This could include funding neighbourhood houses or other community centres to open regularly in the evening to offer activities and a safe social gathering point. The Tasmanian Audit Office review of gambling revenue and gambling harm supports this proposal, recommending that DHHS ‘reviews the Neighbourhood House (NH) model, as it relates to helping people affected by gambling: to allow it to better cater for gamblers’ need for a “third place” ... in the evening [and] in relation to the proximity of support facilities to gambling venues’ (Tasmanian Audit Office 2017, p. 19).

Programs and activities seeking funding from the CSL should be required to incorporate suitable gambling harm prevention/reduction activities. The current requirement for the small and community grants is for the grants to enhance the wellbeing of vulnerable groups and communities, but we propose that the prevention and reduction of gambling harm should be explicitly required. This fits with the Government’s aim for the grants to be relevant and effective. It also fits with the findings of the 2017 Audit Office that ‘due to insufficient evidence, I am unable to make any conclusion as to the effectiveness of activities funded by the CSL to reduce the risk of harm from gambling’ (Tasmanian Audit Office 2017, p. 4).

Anglicare argues that all CSL grants and funding should be used to prevent and reduce harm. Our proposal should not stop any local group from applying for funds, but may change the purpose for which they apply.

If this model is implemented, Anglicare sees merit in the Gambling Support Program overseeing all grants and programs funded through the CSL. Further, it may assist the targeting of grants if the GSP had an advisory group.

All health care and social services have a role to play in encouraging people not to gamble or to gamble less, in a similar way that they are proactive in providing key messages and screening about alcohol, tobacco and other drugs. The expanded CSL funds should provide training and information across a wide field of health care and social services.

Recommendations

5. *Casinos, clubs and hotels should all pay the same rate of CSL. If there is any tiering of the CSL, casinos should pay the highest unless their machines are required to have the same consumer protection measures as those in hotels and clubs.*
6. *There should be more extensive advertising of the harms of gambling and the value of seeking help, with programs that encourage people not to gamble or to gambling less operating out of office hours in areas of high poker machine density.*
7. *Training for brief interventions and referral pathways about gambling harm should be provided for a wide field of health care and social services.*
8. *100% of the CSL should be allocated to activities that can show how they support people not to gamble or to gamble less.*
9. *The Gambling Support Program should oversee all funding distributed from the CSL and should have an advisory group to assist in this work.*

The end of the Deed and casinos

Although out of scope for this consultation, Anglicare wishes to put on record again that as of 30 June 2023, the license for all gaming in Tasmania comes to an end and Parliament should be free to decide whether, how and to whom any future licenses are granted.

While we welcome the imposition of a casino cap for poker machines¹, the Government's proposed cap of 1,180 machines is just five machines fewer than they currently operate. We therefore call for a greater restriction in the number of poker machines permitted in the two casinos. This restriction should be based on specific harm reduction targets.

Anglicare believes that the inherent harm of a poker machine is the same whether a person gambles in a hotel, club or casino, and therefore poker machines should be required to have the same consumer protection measures regardless of the venue. This is particularly so given Tasmania's two casinos are large poker machine venues: in 2018-19, 83% of casino takings came from their poker machines (TLGC 2019). This has been the trend for at least 20 years. The proposed new licensing of poker machines means pokies will continue to be easily accessible across Tasmania and there will not be special gambling "destination venues". Anglicare is therefore calling for poker machines in casinos to be required to meet the same consumer protection measures as hotels and clubs. This was an issue raised by the Tasmanian Liquor and Gaming Commission in 2008:

the TGC sees these different rules as anomalous when harm minimisation and consumer protection matters are considered. Given the large numbers of EGMs in casinos and their high rate of turnover, any further policy responses targeting problem gambling or consumer protection should be applied consistently to all venues (TGC 2008, p. 7).

Further, as mentioned previously, the proposed 3% Community Support Levy is too low; casinos should have to pay at least the same rate as hotels, and more if their consumer protection measures remain more relaxed.

The Consultation paper does not provide sufficient information to gauge the impact of the proposed fully automated gaming tables and a new definition of gaming machines. Anglicare would be concerned if the fully automated tables replace existing tables without need for human interaction, or if the new definition allows consumers to engage with the machine from home as well as on site. It is also not clear whether the newly defined gaming machines are for the casinos only or would be permitted in communities. These issues were

¹ The casinos do not currently have a cap but are restricted in numbers by the difference between the statewide cap and the hotel/club cap. Current figures would allow casinos another 380 machines, which they have not taken up.

not debated during the Parliamentary Inquiry and no research has been provided with the Consultation paper as to their effects.

We are also concerned about the proposal for casinos to continue with their own monitoring system for their poker machines. There has been no reason provided as to why the casinos' poker machines would not be monitored by the proposed Licensed Monitoring Operator. At the very least, Anglicare expects the performance of the casino's poker machines to be externally audited and for the TLGC to have access to this information.

High-roller casinos

Anglicare does not want to see any further gambling opportunities granted in Tasmania and believes that if the Government persists with extending licenses to high-roller casinos the process needs to have both a cost-benefit analysis and a tender, regardless of where the proposed casinos are to be located.

Further, Anglicare urges the Government to ensure the legislation clearly states that no poker machines allowed in the high-roller casinos, explains how residency restrictions will be enforced and ensures strong penalties for breaches.

Recommendations

10. *A new license for casinos should focus on consumer protection, which at the minimum should see a substantial decrease in the number of poker machines permitted in the casinos and \$1 bet limits and mandatory pre-commitment operationalised on all machines.*
11. *Casinos should pay at least the same rate of Community Support Levy as hotels, at 5%. If consumer protection measures in casinos remain more relaxed than hotels, casinos should pay a higher rate of CSL than hotels.*
12. *Information about proposed changes to the types of games and poker machines permissible in the casinos should be publicly available prior to parliamentary debate on the issue.*
13. *Poker machines in the casinos should be monitored by the Licensed Monitoring Operator, or at minimum the casinos' system must be externally audited with information provided to the TLGC.*
14. *Any consideration for a high-roller casino should undergo both a cost-benefit analysis for the Tasmanian community and a public tender process to ensure the best economic and social returns to Tasmania.*
15. *Penalties for breaches of the residency restrictions for high-roller casinos must be strong enough to be a deterrent.*
16. *The requirement for no poker machines in proposed high-roller casinos should be explicit in the legislation.*

The end of the Deed and hotels and clubs

Anglicare believes the best interests of Tasmanians would be served by removing poker machines from all hotels and clubs at the expiry of the current Deed. At the very least, there should be a significant reduction in the number of poker machines, particularly in low SES areas, as recommended by the Parliamentary Inquiry (Joint Select Committee on Future Gaming Markets 2017, p. 20). It is well known that 'EGMS tend to be concentrated in Local Government Areas that have low socioeconomic status (SES). Expenditure in low SES areas is significantly higher than in comparison areas. Problem gambling, moderate risk gambling and low risk gambling are all higher in low SES areas' (Allen Consulting Group 2011 p. 7).

Further, all licenses for poker machines should undergo the Community Interest Test (CIT). The Future of Gaming proposal is for each individual venue to set their own Return to Player (RTP) and choose their own games and machines, all within broad parameters set by the Government and the TLGC. It also provides the potential for each venue to run its own loyalty scheme and compete for customers.

However, current harm minimisation measures, including the Mandatory Code, were developed under a monopoly system where individual venues had no say over how volatile or addictive their machines were. Thus the proposed new regime significantly changes the gaming environment and as such the local community should be invited through the Community Interest Test to comment on whether their existing local venues are suitable for poker machines in this new environment. Opening the CIT to all licenses would also put all businesses in the same position whether they previously had pokies or not.

Anglicare notes that while the new regime would see greater returns to individual venues, the increased requirements of the regime may not be something the current licensees have expertise in, an issue identified by the Gaming Commission (TLGC 2016, p. 5-6). This could lead to poor decisions or cutting corners and we therefore call for the proposed legislation to have strong penalties for breaches.

The process for the change of licensee at a hotel or club should also undergo greater scrutiny under the proposed new regime. Under the current system, a licensed premises gaming license is not transferable but the TLGC may grant a provisional license to enable gaming to continue while the new licensee applies for a full license. Application for a license requires both the venue and the licensee to pass specific probity issues. With individual licensing, Anglicare expects the probity test for both the venue and the licensee will be stricter than present. It is therefore Anglicare's view that a change of ownership/licensee should trigger the Community Interest Test.

Further, Anglicare is concerned the Government wants to lock Tasmanians in for another 20 year license, which is not best practice. For example, the license in Victoria is 10 years (Hansard 27 June 2017, Cate Carr & John Walter, p. 7-8). The 'process to enable the license to

be reissued (subject to assessment) prior to its expiry' requires more details for public discussion, as does how licenses and regulations will work for businesses that own more than one poker machine venue, including whether there should be a cap on the number of machines one business is permitted to own.

Recommendations

17. *Poker machines should be removed from hotels and clubs. Failing this, the number of poker machines should be reduced, particularly in low SES areas.*
18. *All businesses wanting to operate poker machines after 30 June 2023 should be required to apply for a license through the Community Interest Test.*
19. *Penalties for breaches must be strong enough to be a deterrent.*
20. *Licenses for operating poker machines should be for a maximum of 10 years.*
21. *Information about how licenses are to be reissued should be developed and made public prior to Parliamentary debate on the legislation.*
22. *Requirements for multi-venue businesses needs to be explicitly included in the legislation, with opportunity for the public to provide comment.*

The end of the Deed and the Licensed Monitoring Operator

Anglicare supports the intention of putting the Licensed Monitoring Operator out for tender. However if the LMO will have access to venue-specific data, which it must given that one of its roles is to 'calculate and advise monthly State EGM tax and CSL liability' (LMO Fact Sheet #4), it must be prohibited from operating any poker machines.

Recommendations

23. The LMO should be prohibited from operating poker machines in Tasmania.

Miscellaneous issues

Anglicare supports the SEIS occurring every five years rather than every three, but we hope much more can be done with the findings of the studies. This should include both the TLGC and the Gamblers Support Program providing publicly available advice on the implications of each SEIS.

Anglicare is concerned that both the TLGC and the Liquor and Gaming Branch may not have adequate resourcing to carry out their functions adequately under the new gaming regime. With individual licensing and the possibility of two more casinos, it is important that sufficient funds and personnel are provided, especially to ensure compliance with consumer protection measures. There is no guarantee that the increased financial returns to individual hotel and club venues under the new regime will result in adequate management of their new compliance requirements.

Anglicare appreciates the Government providing a public consultation period for the proposed regulatory model, but is concerned the ten days proposed for comment on the legislation exposure draft is too short (Consultation Paper, p. 2).

Recommendations

24. *The TLGC should be required to present for Parliament a review of the findings of each SEIS for harm minimisation and gambling policy. The review should include priorities for consumer protection and research, including proposing areas the next SEIS should address.*
25. *The GSP should be required to provide publicly available advice to the Minister for Communities on implications of each SEIS for its public health approach to harm minimisation. This advice should be based on the SEIS and in consultation with the TLGC.*
26. *The Government should provide to Parliament an annual report on the actions it has taken to prevent and reduce harm, based on the advice and actions of the TLGC and GSP.*
27. *A review of capacity for both the TLGC and the Liquor and Gaming Branch should be carried out to ensure they have sufficient resources to provide the guidance, inspection and monitoring roles required under the new gaming regime.*
28. *A minimum of one month should be given for the public to comment on the legislation exposure draft.*

Conclusion

Anglicare's preferred position is for poker machines to be restricted to the two casinos and for there to be no new casino licenses.

If Parliament passes individual licensing of poker machines in hotels and clubs, we call for stronger consumer protection measures including a significant reduction in the number of machines, particularly in low SES areas, as well as the introduction of the \$1 bet limit, mandatory pre-commitment, reducing maximum cash input to \$20, slowing the spin speed, prohibiting losses disguised as wins, reducing operating hours and enforcing a shutdown after a set period of uninterrupted use. Without these measures, there is little hope for gambling harms to be reduced.

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