



Enquiries to: Kimbra Parker

☎: 6238 2723



parkerk@hobartcity.com.au@hobartcity.com.au

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The Secretary
Joint Select Committee on Future Gaming Markets
Legislative Council
Parliament House
HOBART TAS 7000

Dear Sir/Madam,

SUBMISSION IN RELATION TO FUTURE GAMING MARKETS

At its meeting of 21 November 2016 the Council resolved to provide a submission to the Joint Committee in relation to the future of gambling within Tasmania.

Please find attached the Council's submission in respect to this matter.

Should you wish to discuss the Council's submission further please contact the Manager Community and Cultural Programs, Kimbra Parker on the details provided.

Yours sincerely

(Heather Salisbury)
ACTING GENERAL MANAGER

Submission to the Joint Select Committee on Future Gaming Markets

The Hobart City Council makes the following submission to the Joint Select Committee on Future Gaming Markets.

The submission is in accordance with the identified Terms of Reference to inquire into and report upon community attitudes to gambling and potential structural features of the Tasmanian Casino, Keno and Electronic Gaming markets from 2023 onwards.

The Hobart City Council is Tasmania's capital city with a population of 48,703. The median age of the Hobart population is 38 years. The number of people aged over 65 years is increasing as the post war baby-boomers' reach retirement age. (ABS data 2011)

The Hobart population is made up of a mix of cultures, however the prominent nationality remains Australian. The number of people born overseas has gained momentum since 2006. The number of Indigenous persons has steadily increased, even during the period of population decline in the mid nineties.

Hobart's unemployment rate has been steadily falling since 1991. Recent figures indicate that this trend is still continuing and with the current economic climate being positive, it is expected that this trend will continue in future years. The most recent unemployment rate for Tasmania (September 2015) shows a fall from 7.5 to 6.6% over the last 12 months.

The key industries in Hobart are:

- 9,082 (19.7%) workers employed in public administration and safety: the largest employer by industry
- 7,472 (16.2%) workers employed in health care and social assistance
- 4,576 (9.9%) workers employed in education
- 4,145 (9%) workers employed in retail

The Council at its meeting of 26 April 2016 resolved to become a member of the Community Voice on Pokies Reform (CVPR) (former known as the Tasmanian Community Coalition) which has a focus on the "adverse impacts of poker machines" and is comprised of "welfare organisations, community groups, local government and people concerned at the adverse impacts of this form of gambling and interested in alleviating the consequential suffering in our community.

The Council made this resolution in recognition of the alignment of the CVPR with the City of Hobart Social Inclusion Strategy. By way of background, the Council's first Social Inclusion Strategy was adopted in 2012 with the City of Hobart Social Inclusion Strategy 2014-2019 being adopted at the Council meeting held on 25 August 2014.

In essence, the Strategy focuses on the fundamental right of every individual to have the opportunity to participate equally, socially, culturally, economically, physically and politically in society. The exercise of this right benefits everyone and is the fundamental building block for healthy and whole communities. When an individual experiences disadvantages in areas of their life, social exclusion occurs which makes it difficult for them to participate in community life. Disadvantage can include discrimination, unemployment, low income, low literacy or numeracy, lack of access to services, disability, poor health, mental health issues and locational disadvantage.

The Social Inclusion Strategy 2014-2019 states that like all cities, Hobart must respond effectively to key social issues and do our part to build capacity, strength and resilience in our community. Through the Strategy the City of Hobart is committed to several guiding principles including: "identifying and understanding the underlying causes of social exclusion and giving priority to supporting early intervention and prevention approaches".

The Strategy also defines the Council's role, including: Leadership - Hobart has a unique role as the capital city and regional hub. Many people who live outside the municipal area look to the City of Hobart as a key driver in addressing social issues; and Advocacy - there are many issues and opportunities where the City of Hobart can use its voice to advocate for outcomes that will benefit all.

By resolving to become a member of the Coalition, the Council agreed to support the following Public Policy Principles:

- (i) Gambling problems are a public health issue that should be treated in the same way as other public health issues. This would see a public policy framework that prioritises prevention of harm across the whole population through effective consumer protection measures.
- (ii) Parliament should use the data from Tasmania's three Social and Economic Impact Studies (SEIS) to guide its public policy approach on gambling.
- (iii) Public policy on gambling should recognise that higher gambling frequency is an indicator for developing gambling problems and should therefore address both the risk factors that lead people to gamble more frequently and the gambling features that are attractive to people who subsequently develop a gambling problem.
- (iv) Public policy on poker machines should recognise that 98 percent of the adult population either never touch a poker machine or spend less than 12 hours per year at a machine.
- (v) Public policy should therefore focus on the people who face harm because of their intensified daily or weekly visits to the machines.

The focus on reducing the adverse impacts of poker machines on the Hobart community also aligns with the Council's *Capital City Strategic Plan 2015-2025*, specifically Goal 4 - Strong, Safe and Healthy Communities, "Our communities are resilient, safe and enjoy healthy lifestyles" under which are the following outcomes:

"4.1. Community connectedness and participation realises the cultural and social potential of the community; and

4.3 Build community resilience, public health and safety."

The City of Hobart has a Community Sector Reference Group (CSRG) whose role it is to: monitor and provide feedback to the City of Hobart on the implementation of its Social Inclusion Strategy ensuring that the needs of disadvantaged people are addressed; to identify new and emerging social inclusion issues; and where appropriate to propose strategies to address issues in an effective and collaborative manner.

The membership of the CSRG comprises representatives from the key community sector organisations in Hobart. It is important to note that problem gambling is an ongoing issue being raised by this group and that many CSRG members are also members of Community Voice.

The Council provides the following comments on the questions asked in the Terms of Reference.

- (a) *consideration of community attitudes and aspirations relating to the gambling industry in Tasmania with particular focus on the location, number and type of poker machines in the State;*

In response to this question, the Council references independent polling commissioned by the Social Action and Research Centre (SARC) and conducted by EMRS where it was found that:

- 84% of Tasmanians believe that the community does not benefit from having poker machines in local pubs and clubs.
- Four out of five Tasmanians want poker machines reduced in number or removed entirely from local venues.

The EMRS poll surveyed 1,000 Tasmanians aged 18 years or over.

Since the Hobart City Council joined the CVPR in April 2016, the number of member organisations has increased from 18 to 41. Many of these organisations operate in the Hobart municipal area. It is also noted that some of Hobart's neighbouring councils have now also joined the coalition.

The local losses to poker machines is also money foregone by local businesses through money not spent on entertainment, dining, services and in local retail.

It is noted that many of the pubs and clubs that now have gaming areas have converted rooms that were previously utilised as communal social gathering spaces into gaming rooms that could be seen to result in increased social exclusion.

According to the SARC data 2014/2015, the Hobart municipal area has 169 poker machines (excluding Wrest Point Casino). Each poker machine in the Hobart municipal area takes \$35,329 from the local community each year. This is a total annual loss of \$5.97 million. This equates to an average loss of \$150 per adult. This is a significant loss for a city the size of Hobart when it is taken into account that this does not include the figures from Wrest Point Casino.

In addition, there are an additional 650 poker machines at Wrest Point Casino. There is a total loss of \$79,770,682 each year from both Tasmanian casinos and the casino on the Spirit of Tasmania.

The impacts of problem gambling can also not be underestimated with it being noted that for every person who develops a problem with poker machines, up to seven other people are also affected.

(b) *review of the findings of the Social and Economic Impact Studies conducted for Tasmania;*

The Council reviewed the Social and Economic Impact Studies (SEIS) whilst consideration was being given by the Council to join Community Voice. It is noted that a SEIS of gambling in Tasmania is required every three years under the *Gaming Control Act 1993*.

The study does not include the City of Hobart Local Government Area. The study considering the impacts of gambling instead focuses on eight Local Government Areas (LGAs) featured in the 2011 SEIS - low socio-economic status (Brighton, Break O'Day, Glenorchy and Devonport), and comparison LGAs (Sorell, Circular Head, Launceston and Clarence). Although the Hobart municipal area itself is not included, much of the data produced has strong relevance across the whole Tasmanian community.

It was noted that in the study as at December 2013, 3,526 electronic gaming machines (EGMs) were available in 102 hotels, clubs and casinos. Other gambling forms include Keno, race wagering, lotteries, and casino table games. The study states that in 2012 - 2013, total real gambling expenditure in 2011-2012 prices was \$310 million, equating to \$789 per adult, with expenditure focussed on EGMs in hotels, clubs and the two casinos. It was further noted that the Tasmanian Government received \$91.3 million (real, 2011 - 2012 prices) in gambling taxes and licence fees in 2012-2013.

It is acknowledged that the report estimates that there were approximately 4,061 people employed in Tasmania's gambling industry in 2013, though the report notes that it needs to be considered that a sub-set of these employees have duties that extend beyond gambling, such as bar tending. The majority (94 percent) are employed in the gaming, casino and race wagering industries. The remainder are employed by Betfair or in businesses selling lottery products. Based on this estimate, the study indicates that Tasmania's gambling industry employs about two percent of total Tasmanian workers.

It is further acknowledged that there may be flow on positive impacts on employment and associated economic benefits in related service and support industries.

The study also links the role of the Federal Group role as a provider of casino games and EGMs in Tasmania, and its significant contribution and involvement in the State's tourism industry, to the proposition that Tasmania's gambling industry has an important role in promoting tourism in Tasmania. Here the long standing profile of Wrest Point Casino as important visitor destination is acknowledged.

The proportion of the Tasmanian adult population identified as being either moderate risk or problem gamblers is 2.4 percent. It was noted in the report that there is a clear difference in problem gambling category status between the low SES and comparison focus LGAs - among the low SES LGAs, 3.5 percent of the adult population is identified as a moderate risk or problem gambler, contrasting to 1.9 percent in the comparison LGAs. It is noted that the Hobart City Council would most likely be similar to the comparison LGAs at 1.9 percent of the adult population.

(c) *consideration of the document entitled "Hodgman Liberal Government post-2023 Gaming Structural Framework";*

The Guiding Principles contained with the document are appropriate and supported especially the inclusion of taking into account the public interest and views of the community.

The proposed policy position relating to Casino and Keno operations is also appropriate taking into account that the tax rates and license fees for casino gaming are to be reviewed against the broader Australian market with a view to ensuring that returns to players, the licensed entity and the community via the Government are appropriate.

We note, however, that the proposed policy positions assume that the community wants an ongoing presence of poker machines in their local areas. This assumption has, however, been shown to be questioned by all community polls on this issue.

(d) *an assessment of options on how market-based mechanisms, such as a tender, to operate EGM's in hotels and clubs could be framed;*

The Council is not in a position to provide comprehensive comment on this question but would like to see the views expressed through this consultation process taken into account when mechanisms are being developed.

(e) *consideration of future taxation and licensing arrangements, informed by those in other jurisdictions;*

Again the Council is not in a position to provide comment on this question but would like to see the views expressed through this consultation process taken into account when arrangements are being considered.

(f) *a review of harm minimisation measures and their effectiveness including the Community Support Levy;*

The Assessment of Gambling Harm Minimisation Measures within the SEIS was seen to provide relevant data. The study notes that an assessment of the measures aimed at reducing the harms caused by problem gambling found that most gamblers (62.8 to 98.8 percent) were aware of at least one measure. The study further notes that in regard to the perceived impact of the measures, a significant proportion of at-risk gamblers (6.0 to 57.9 percent) reported a decrease in expenditure on their gambling as a result of at least one measure.

The study states that the overall finding was that the suites of harm minimisation measures for gambling activities, such as EGMs, terrestrial wagering, online wagering, Keno, and casino table gaming, were generally found to be effective in reducing the expenditure of at-risk gamblers while not affecting the enjoyment of large numbers of non-problem gamblers.

While noting these findings, the Council also notes the experience of the many services that operate within our jurisdiction in trying to assist people impacted by gambling and who find EGMs are too easily accessible.

(g) *consideration of the duration and term of licences for the various gaming activities post 2023;*

Council submits that governments need to be responsive to changes in markets, technology and community attitudes. For this reason, Council recommends that the durations and terms for any licenses for gaming activities allow current and future governments to respond to such changes.