

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE IMPACTS OF GAMING MACHINES MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON THURSDAY 6 JUNE 2002.

Mr GLENN LENNOX WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Ms Silvia Smith) - Right, we can get started. Welcome, Glenn. We have no written submission, so we need to listen to what you have to say and then various members of the committee will perhaps ask questions as we go, if that is okay with you. We have allocated a half-hour time spot for you.

Mr LENNOX - That is fairly short, but that is okay. First of all I would like to be able to make a further written submission on the role and membership of the Tasmanian Gaming Commission.

Mr SQUIBB - Do you have that written submission with you, Glenn?

Mr LENNON - No, I do not.

CHAIR - No, he would like to produce it.

Mr LENNOX - There are a couple of outstanding matters between me and the Gaming Commission, some of which I am not that clear about, but I am waiting on a response from them. I have not received that response. I would imagine that when I get that response I will need to take some legal advice, so it could be two to three weeks.

Mr SQUIBB - If it was any longer I think it -

CHAIR - Yes, I think that would be about the limit.

Mr SQUIBB - will miss our report. I think I have responsibility for writing up that section, and I am pretty well down the track.

CHAIR - If we could have it in within the two-week time frame would that be acceptable?

Mr SQUIBB - Well, get it to us. If it is much beyond the two weeks there is a chance that it will be too late, but there again we may even get held up with other things on.

CHAIR - That would be appreciated.

Mr LENNOX - Okay. I would like to start off perhaps with talking about the immediate and long-term social and economic impacts in relation to gaming machines.

CHAIR - Perhaps just before you get started, for the benefit of the committee, could you give us an indication of where your expertise comes from.

Mr LENNOX - I am not fully qualified in relation to anything. I do have a new minor gaming activity that has recently been approved by the Gaming Commission. I deal a lot in psychology. I am not qualified in psychology, but you would see from the new gaming activity that there is a lot of psychology involved in it. I extensively read on psychology, philosophy and all sorts of different materials.

Mr SQUIBB - So are you a programmer of software or something?

Mr LENNOX - No.

Mr SQUIBB - So is your machine is in the marketplace?

Mr LENNOX - No, there are no machines attached to this game.

Mr SQUIBB - Al right.

Mr LENNOX - If I could just perhaps go along the lines of talking in relation to firstly the gaming machines and then secondly what I would do so I shall impart some knowledge in relation to the new gaming activity so that you can see both. Okay?

CHAIR - Yes.

Mr LENNOX - There were a couple of things. One of the things that did concern me was an article I read the other day because it attracted my attention and it relates to Victoria - I am always cutting articles out of the paper.

When I had a look at that and did a few estimates myself, I came up with this scenario here and I think there is a lot of misinformation in relation to whether gaming is a problem in Tasmania or whether it is not. Given that information in there and if we put that aside we could see from that that there is a stark difference and I have based those figures for Tasmania on figures provided to me from the Tasmanian Gaming Commission.

The figures as far as Victoria is concerned are provided basically via that so that would need to be looked at and suggested because there is a very stark difference there which would show that Tasmania could very well have a problem in the gaming industry.

CHAIR - Where do the Victorian figures come from?

Mr LENNOX - They come from that article there.

CHAIR - Oh, okay, right.

Mr LENNOX - Particularly the last section where they say that \$6.5 million is lost per day in Victoria which is a massive amount but they also state that 42 per cent of that comes from problem gamblers.

Mr SQUIBB - Yes. I think you've used two different lots of figures here. In this one you're using for Victoria, the percentage of the turnover is attributed to problem gamblers, when

you come to the Tasmanian figure of 3 per cent to 5 per cent that is the percentage of population of problem gamblers but it is also -

Mr LENNOX - The 42 per cent is stipulated as 42 per cent in Victoria as being problem gamblers.

Mr SQUIBB - Not what it says here. It says, 'Victorian pokey punters lose about \$6.5 million a day, about 42 per cent from the pockets of problem gamblers', which would mean - the way I read it - that is 42 per cent of the turnover.

CHAIR - Yes, 42 per cent of the \$6.5 million is from the pockets of problem gamblers. It does not mean that there are 42 per cent of problem gamblers.

Mr SQUIBB - And I would say it is a similar -

Mr LENNOX - I agree with that. All I am saying is there seems to be a lot of misinformation in relation to figures. I am not saying that what I have presented to you there is correct in any way, shape or form; what I am suggesting is that the figures are perhaps misrepresented in a lot of different areas and I believe that it is something that this committee should delve into. And that is all that I would ask you to do.

CHAIR - Right.

Mr LENNOX - I don't want to go too much into the impact of gaming, but I do wish to note the following things that I have observed in relation to why gaming is expanding and part of the reasons why it expands. You will also note in that thing from there that Vicky Flannery stated that if we stigmatise this it is not really going to fix the problem. I tend to agree with that actually. She has also said that we really need to get some research into the psychological side of problem gambling.

That is the side that I have looked at and what I have come up with is that a lot of it comes out of loneliness, boredom, stress, depression, financial pressure, despair, low self-esteem, inability to communicate, lack of job satisfaction, inability to find work, time to oneself, and to some degree also the divisional nature of governments in their pursuit of individual freedom over and above everything else. I do not know whether you wish to agree or disagree.

CHAIR - We have certainly heard similar comments.

Mr LENNOX - That is fine. What we also need to understand, though, is that out in the community there are 20 per cent who suffer from depression, 20 to 30 per cent who suffer from stress, and in Tasmania, in particular, recent reports indicate that we have four out of 10 out of work, and that we have an ageing community that are probably sitting on \$20 000 to \$30 000 in their retirement, which would possibly not sustain their long-term living standards, which could only further add to isolation, stress and depression. So what we are talking about is whether we are getting into a vicious circle.

My other concern and the only other comment I wish to make in relation to poker machines, is whether they contribute to the rich getting richer and the poor getting poorer, and I think that is a very relevant comment, because they are highly directional in

where the money goes. So I think that is a very significant point. I am a very firm believer, and I am possibly not the only one who believes that - I took the liberty of cutting out something which I went along to, and I have highlighted a couple of comments - Dr Bruce Felmingham, and I might have another one there for that. I thought it was a very relevant article.

CHAIR - And you wish to comment on this article, do you?

Mr LENNOX - I have highlighted the points that I see as relevant to the fact that I think as a society we really need to start addressing some of these issues, because if we do not address these issues then we are merely feeding the whole system, if you know what I mean.

The other thing I wish to make note of, and then I will finish on the subject of the impact of gaming machines because I do not really want to say too much about it, it was noted in the *Mercury* on 21 February under the headline Economic Shake-up Call:

'The Government is intruding on our financial lives and shackling the economy, a new report has found which was done by the Centre of Independent Studies.'

It says that archaic industrial relations coupled with freedom-destroying governments are holding back growth. And I think there is an element of truth in that. That particular body was funded by the Liberal Party slush funds and has warned the Federal Government in particular in relation to that.

Leaving everything aside, I notice there was a lot of debate in the Legislative Council about this new gaming activity advancing dollars.

Mr SQUIBB - We did not know much about it.

Mr LENNOX - I know.

Mr SQUIBB - It is most unusual for us to have a debate on something we do not know much about.

Mr LENNOX - Yes. That is a proposed gaming card. It semi explains the rules. This is a proposed brochure. It is only a draft, because it may get revamped. So I think you would probably get more from the brochure than you could to understand it.

Mr SQUIBB - I can see Jack and Sylvia right in this.

CHAIR - Yes, because we are very good on the soft-shoe shake.

Mr SQUIBB - We noticed that.

CHAIR - If you would like to just explain.

Mr LENNOX - Okay.

Basically what's been highlighted and it's been done originally through the Australian Medical Association back in 1994 and the benefits of social dancing were highlighted to them. As a society, we cannot put this back together. So what I've said and initially did this, I thought how are we going to do it? The only way to do it is to put some money into it and develop it as an alternative fun means of entertainment to create a more cohesive and more social society because I think largely as a society in Australia we have become very unsociable and that is evident quite across the board in things like road rage, phone rage, just people's general attitude.

The interesting part about this game is that pools can actually range from \$900 to \$3 600 basically depending on the size of the venue and how many people fit in. So on that basis of \$900 to \$3 600 that would range from a dispense of say \$100 to \$400 which, as I said, would largely depend on the size of the venue.

You have had the opportunity to have a look at this. The Australian Medical Association when they originally looked at this said it was a good idea both in terms of its psychological effects and its physical benefits, although they would not endorse the game. I have subsequently written back to them - a copy of which is there - and asked them to formally do so.

Basically because we have an ageing population and cultural traits like all the stuff that we've got out here like computers and what's it's name are really tending to make us lazy and what we really need to do is create and change the cultural nature or mentality of people to look after their own welfare over and above anything else.

So from my point of view this game has been approved by the Gaming Commission and I think that is a remarkable thing.

CHAIR - Yes, I noticed it has been approved by the Gaming Commission and my question is where is this game operating?

Mr LENNOX - It will operate -

CHAIR - It's not operating at this point?

Mr LENNOX - It's not operating at this point.

Mr SQUIBB - What is it bingo to music or something? It that how it works?

Mr LENNOX - Basically it is an active form of bingo.

Mr SQUIBB - So they physical draw the numbers out -

Mr LENNOX - You would get up and dance with someone and enter spot numbers and then you would move on.

Mr SQUIBB - I wouldn't do that.

CHAIR - On these sorts of numbers.

Mrs SUE SMITH - If I interpret this correctly, you have a number, your card is 14A in this instance, there is dancing, you pick a partner and they have a number and they might be the lucky numbered partner or what's the story?

Mr LENNOX - Well, you need to accumulate so many different numbers and part of the reason why that is, is because we wish to create a participation rate that would aid and assist the aged.

Mrs SUE SMITH - So what do you do with the people who may have bad hips, arthritis, wheelchair-bound, those sorts of people? This excludes them?

Mr LENNOX - We really can't cater for everyone. We are targeting the 35-plus age group which is after people give up sport generally -

Mr SQUIBB - Oh, not all.

Mr LENNOX - Not all, I agree, but that is generally where it starts, and statistics indicate that.

CHAIR - I am trying to put together the concept in my mind.

Mr SQUIBB - So have you done any market research, Glenn?

Mr LENNOX - I have done quite a bit of market research. I would like to point out the benefits of the game, though, because the benefits of the game - and these have been pointed out to both the Gaming Commission and to the Government, and I have only one copy of these - but there you have dancing dollars, and there you also have the Tasmania Together goals, and how closely these two are linked. It has been systematically argued and debated with the Gaming Commission that there is a very close link to these, and the semi-removal of social dancing from society has undermined a lot of social policy. We cannot sit here and blame one government or another government, it is just the way things get dealt with in an ad hoc manner. Social dancing declined because of 0.05.

We create a participation rate in this game basically to reduce excessive alcohol consumption, but one of the interesting features of the game is the fact that it is quite good in the sense that you just have one dance with someone, regardless of whether it is your friend, whether you have gone along with a group of friends or something like that, but you then need to move on to get a different number. So that person who you get up and dance with, regardless of whether you knew them or do not know them, feels quite safe and secure. There are a few psychological factors that I have to get round, and I believe that the Tasmanian Government or the Bacon Government may be able to assist in that regard. I did notice in yesterday's paper that they have now created a Tasmanian Culture and Wellbeing Fund which is funded through the Department of Health and Human Services, and I thought that was quite interesting, and I will possibly be making an application to them basically to allow me to get it up and market it properly.

Mrs SUE SMITH - So you have to get five numbers, and you need five different partners to do that?

Mr LENNOX - Correct.

CHAIR - And you purchase your ticket on entry at \$15.

Mrs SUE SMITH - How does this assist shy people? If you are a shy person, you are going to say that because they want to win, because they want the money, they are going to get over their shyness.

Mr LENNON - How does this assist shy people? I am glad you asked that question, because what happens is the psychological factors - and this is why the AMA said it is a good idea - indicate that eventually what will happen is that they will all of a sudden realise that they just want that person's number.

Mrs SUE SMITH - In a different form.

Mr LENNOX - So there has been a lot of psychology because, let us face facts, people have become very much introverted in a lot of ways, and I think if we are going to have a cohesive society then we should be helping people to overcome some of their difficulties. If they are shy, it therefore helps and improves their confidence, self-esteem. These were all covered. I may have something here. I am sure I brought this along.

CHAIR - It would be interesting to see how this would be encouraged in the community itself. I can see it working in certain places like nursing homes and those sorts of places.

Mr LENNOX - It will work in clubs. Here is an article that was done -

CHAIR - In *Australia Wellbeing* magazine.

Mr LENNOX - Yes, and that highlights the benefits of dancing, because in my submissions to the Gaming Commission what I said is a lot of these benefits simply aren't realised. We just don't realise what we've done away with. The fact is that a lot of people aged perhaps in the 50s, 60 or 45 plus don't particularly go to the gym; they may go walking or whatever, but this game helps them to maintain agility, it gets them out and about, it gives them something to look forward to as a new form of fun and entertainment.

CHAIR - Renew a form of entertainment.

Mr LENNOX - Yes.

CHAIR - Because it was a very old form of entertainment. It is very much enjoyed and, as you rightly say, some of us thoroughly enjoy it. I don't know that I want to gamble with it though.

Mr LENNOX - I agree.

Mr SQUIBB - The colleague on your left did.

Mr LENNOX - It was put to the Commission and I think the Commission had some doubt in relation to the market power on this game and whether it could overtake the whole dance industry which is a fair enough comment.

But what has been explained to the Gaming Commission is that this game cannot affect the younger generation with their hip hop music and rage music and dark nightclub because you simply can't fill in a little number in pitch black dark with the lights going around. So it has been explained to the Gaming Commission that this game should be operated in a semi-cabaret type style.

Mr SQUIBB - So you'd allow consumption of alcohol?

Mr LENNOX - Yes.

Mr SQUIBB - Have you given it a dummy run?

Mr LENNOX - No, not as yet. I'm not overly concerned about giving it a dummy run and I don't think the Gaming Commission is overly concerned because -

Mr SQUIBB - You could give it a dummy run without using cash, couldn't you?

Mr LENNOX - I could give it a dummy run using cash at the moment because the game has been approved.

Mr SQUIBB - It has, yes, you're right. But even without that, you could've probably given prizes, meals and drinks - although you can't give drinks as a prize, can you?

Mrs SUE SMITH - No.

Mr LENNOX - What has been explained to the Government is that I believe that there are some psychological barriers that would create a very slow start to the game and that is part of the reason why I may be making an application through this source to get this up and going because I think there are enormous benefits for people. We all talk about individual freedom and freedom of choice and stuff like that but I think people in the community also like to have a sense of belonging.

Mrs SUE SMITH - So you're anticipating this as a \$16.50 game?

Mr LENNOX - Yes.

Mrs SUE SMITH - So I come in, I spend \$16.50. I must have five dances with five separate partners which is going to take up the evening. So for \$16.50, I have my entertainment -

Mr SQUIBB - you have a good night out.

Mrs SUE SMITH - music.

Mr LENNOX - So what I'm also saying is that it is very good for the economy because we also know that 50 per cent of people don't go out. It was recently reported in the press that 50 per cent of people stay home sitting on their couches. So we're encouraging people in the long run to take an interest in their own ageing process and make sure that they keep relatively fit. We know that social dancing can keep you fit.

Mrs SUE SMITH - If they are couch potatoes, for the want of a better word now, why is a dancing evening going to encourage them to get off the couch? Firstly, if they're not taking advantage of the physical activities that are there for the ageing now, why are they going to take this sort of avenue? And secondly, how are you going to move them off the stagnant poker machines into this arena to assist their health?

CHAIR - Saved me the two questions.

Mr LENNOX - The game's not designed to create competition with poker machines. The game's designed to offer an alternative because there is this belief out there that there are very few alternatives out there. I've spoken to quite a few people including some younger women aged 35 who sit at poker machines because they have nowhere else to go to meet someone in their own age group. They simply can't find the area. What we do is we actually segregate up the market so in actual fact what you see and I think it's actually written in the brochure we segregate games by age group even, by music types and an array of different things to achieve the pulling together of these people.

CHAIR - Would you see this type of thing being almost co-located in some of the hotels and clubs where gaming machines are?

Mr LENNOX - I've had some opposition from some hotels basically because they don't wish to interfere with their existing operations. I haven't had a chat with the AHA yet but I think when I do, what they will find is that if they can put 200 people into their venue and they sell, say, those 200 people four drinks in three hours - which is not excessive because we don't encourage excessive consumption of alcohol - what they will find is that they can actually make just as much money doing this as the poker machines would do in the same period.

Mr SQUIBB - If I can just relate the concept back to the terms of reference, do you see the potential for addiction or problem gambling?

Mr LENNOX - In this, no.

Mr SQUIBB - Or problems of any sort?

Mr LENNOX - No, because the game also can actually act as a harm minimisation for poker machines at the same time because what you have is a set outlay for a three-hour period.

Mr SQUIBB - You've got the okay from the Gaming Commission, you've had the idea for some time apparently. What do you propose from here? Why hasn't it taken off?

Mr LENNOX - Basically I've got to organise some finance and do a few other things. I've recently gone through a divorce myself. I'd prefer not to talk about that but that has severely damaged my reputation.

The Gaming Commission's approval has only come through on 7 May.

Mr SQUIBB - That recent?

CHAIR - It's only recent.

Mr LENNOX - So I look at that and I say it's a good two, three months down the track before it's possibly up and going. There's still a lot of work to be doing. I'm waiting on correspondence from the Australian Medical Association which I have written to. There is also correspondence to the National Competition Council.

CHAIR - I'm just mindful about time at this point.

Mr SQUIBB - On what basis?

Mr LENNOX - On the basis that what I've said to the National Competition Council upon approval is that I believe that as a proposed manufacturer of franchise there may be an unnecessary restriction of trade between the States and Territories. In other words, if the Government argues that minor gaming is not harmful then why go through this longwinded process of getting a game. It has taken seven years to get legislation through since it first arrived or since the concept was first thought of, it's taken another year to get it actually approved and if I had to do that in every other State it would be sheer lunacy.

So I've asked the National Competition Council to have a look at putting it up to the States and Territories and, if not, refer the matter to the Federal Treasurer basically because we're dealing with aged care. We actually want people to look after themselves.

Quite technically, this game is in a rather unique area because you're in probably an increasing area of demand which is gaming, but we're also into aged care and promoting health. So it is a very, very unique game.

Mrs SUE SMITH - But on the principle of cross-registration from State to State, if you follow your principle through, the West Australian Government have refused to have gaming machines outside of the Burswood Casino. If they follow your principle, the West Australian Government would have no say in it. If somebody had them in South Australia they can roam into Western Australia and put them into facilities. Surely States have the right to open the doors or close the doors on what they believe are the benefits and disbenefits for their communities locally.

Mr LENNOX - Okay. I agree with what you said and I did write a letter and I'll leave that with you which further expanded that because what I've said is that we are dealing with minor gaming. We are not dealing with major gaming which is largely involved with dealing with governments where the governments get money. This is minor gaming which is conducted basically for charitable, non-profit organisations and it would probably be highly hypocritical to sit there and have minor gaming conducted for those purposes and not allow it to expand out.

Mr SQUIBB - Would there be a gaming tax?

Mr LENNOX - No, I think it's just a gaming permit. There is a tax involved but what actually happens is that because there is a GST on it they can get a tax rebate back provided it doesn't exceed the GST or something of that nature.

Mrs SUE SMITH - You would make a presumption, I presume, that because you see it as charitable and non-profit it shouldn't be taxed? Is that a fair presumption, that only charitable and non-profit organisations would be involved in this and therefore they could and should be tax exempt?

Mr LENNOX - Well the whole purpose of minor gaming is to raise money for charitable and non-profit organisations and I think that's a good thing. I believe that whilst I may have trodden on a few toes in trying to get this game through I don't think that's a bad thing. I've had to push this for quite some time because I am actually pushing the benefits of the game which I have given you the details thereof.

I basically came along here today yes, this has potential to offer some harm minimisation in relation to gaming machines because it creates an alternative source.

It was interesting, before I did come here - I noticed there were a lot of people who argue the fact about gaming machines are freedom of choice - you know, people are free to do whatever they want. So, having the Oxford Dictionary of Philosophy, I actually looked up this whole issue of freedom of choice and so on and I'll leave that with you too. I don't want to go into it although I did wish to make this point.

'Even if one accepts the liberal commitment to individual freedom there are questions about social and cultural preconditions. Now all gaming regardless is a precondition because it is a created demand. The capacity to make choices in a rational and informed manner is not unique, it must be developed in the course of one's upbringing and education. Moreover, freedom of choice is only meaningful if individuals have an adequate range of options to choose from - that is, diverse lifestyles, customs existing in society.

Some communitarian critics argue that liberalism has not attended to these wider social preconditions of liberty, indeed critics argue that the unfettered exercise of individual freedom of choice will undermine the forms of family and community life which help people's capacity for choice and provide people with meaningful opportunities.'

Lots of people argue about a freedom of choice and so on but even in submitting this to the Gaming Commission I systematically said all the way down the track that all gaming is a created demand, whether we like it or not.

CHAIR - Fair enough.

We are going to have to wind that up now. Have committee members any more questions?

Mr LENNOX - I'll leave those with you because I -

CHAIR - And we get them copied so each of us get a copy of this. So that is fine, thank you very much, and we do appreciate the time you've given us in giving your idea.

Mr LENNOX - No, that's okay.

Part of the reason I wanted to come in was to show that I believe that the Gaming Commission has made a very good decision. I think the Government's been fairly responsive to it and I think that we need to acquire some balance in society because my philosophy and growing concern would probably go along the same lines as Dr Bruce Felmingham, that in society the rich are getting richer and a lot of things need to be done. The only way we can do that is to try to make a fairer system.

CHAIR - Terrific. Thanks very much for that, Glenn, it's been really good.

Mr LENNOX - Not a problem. Thank you very much.

THE WITNESS WITHDREW.