

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE IMPACTS OF GAMING MACHINES MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 17 APRIL 2002.

Mr DANIEL LEESONG, STATE DIRECTOR, AUSTRALIAN HOTELS ASSOCIATION TASMANIA, **Mr PAUL JUBB**, **Mr JOHN DABNER** AND **Mr DONALD McQUESTIN** WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mrs Silvia Smith) - Welcome all. As I said earlier, top prize for the size of the submission, there's no doubt about that. Daniel, I guess you are taking the lead in this so we will get you to talk to your submission and make the points that you wish to make and I'm sure committee members will have some questions. I know I have one burning question myself, but if you would like to take the lead and we'll go from there.

Mr LEESONG - Sure. I know that there's a lot of information in this submission and I guess the first 40 to 50 pages are really the AHA's writings and the rest is reference material for you when you're writing reports and so forth.

I guess that the format of this hearing, with your indulgence, Madam Chair, is if I go through a brief description of what our submission is. Feel free to interrupt any one of us at any time because everybody has got the own particular expertise of dealing with it on the grounds I think that they are probably best placed to answer any of your operational type questions.

CHAIR - All right.

Mr LEESONG - I guess the first point we would like to make is, and it should come through in the submission, that the AHA is extremely committed to ensuring that gambling is delivered responsibly and ever since its inception we have actually taken a very proactive approach to ensuring that Tasmania remains best practice and certainly Tasmania remains at the forefront of plant protection and consumer protection mechanisms in a whole range of areas, including the training of staff, the actual laws governing the actual regulation of gaming machines and the advertising code of ethics and a whole range of other initiatives that are outlined in the submission.

Just by way of capping off what the AHA is and who it represents, we are an organisation that represents about 75 per cent to 80 per cent of the hotels in the State and over 200 hotels. There's approximately 300 hotels in Tasmania employing about 15 000 people directly and indirectly an additional 15 000.

Mrs SUE SMITH - If I might just interrupt there, 200 hotels? What percentage of those would have gaming machines?

Mr LEESONG - Of the 300 hotels in the State?

Mrs SUE SMITH - No, of your 200 members?

Mr LEESONG - I haven't done the exact thing but it would be a similar sort of percentage to that of the statewide distribution of about a third. In the past 12 months we have done some survey work in conjunction with Network Gaming. Obviously the people who have access to this sort of data, it appears that there has been \$12.2 million spent, just in the last 12 months alone, in upgrading of premises around the State with an additional 95 jobs created. That is on top of the jobs that already existed in those premises, so it has significantly increased the work force.

Since its inception the figures that we've been able to collate include \$24 million of refurbishments in the last few years since gaming virtually came in. So we are talking about a fairly large capital investment, the flow-on effects are quite large as well and, as I said before, about one third of hotels in the State have gaming machines.

One thing I would like to point out, and other people have dealt with it for the last few days, is the Productivity Commission report into Australia's gambling industries -

CHAIR - I wish I had your small copy. Mine takes up three big files.

Mr LEESONG - We've got some spare copies and we'll provide them if you like. We could add it to the attachments.

CHAIR - I wish I hadn't spoken.

Laughter.

Mr LEESONG - It is a very, very detailed, in-depth report and some very, very high-calibre minds, both in the social and the economic areas, were involved in putting it together. It has been used as a basis for regulators all throughout Australia since it was released in November 1999 and I would urge committee members, when they do get a chance, to read through some of the key findings because they are actually relevant to Tasmania and they're actually very enlightening. A lot of the questions that have been raised such as the profile of gamblers, how we compare to the rest of Australia, the likelihood of problem gambling in each type of gambling mode, including the TAB, the gaming machines, the table games are dealt with in this report in very big detail.

CHAIR - Would you say relative to Tasmania there wasn't a lot of study done of Tasmania?

Mr LEESONG - It was a national study with a national focus but there were comparisons drawn between each State and Territory, so it's certainly worth looking at.

One of the key findings that hasn't been widely publicised in that report is that the Productivity Commission did find that the net benefit or the consumer enjoyment of gambling in Australia is actually a range between \$2.7 billion and \$4.5 billion a year. If you actually equate into the consumer negatives as well you would be looking at \$1.2 to \$4.2 billion a year in actual consumer surplus which takes into account the social and the economic costs of gambling. So net impact is a positive in Australia and that was, as I say, the definitive report by the Productivity Commission and Australia's best economic and social minds were working on it.

In all measurable instances in Tasmania we remain the leader in responsible delivery of gambling and I will go through a bit later with the actual measurable instances, things like household disposable income, the per cent spent on gambling, things like the rate of problem gambling in Tasmania and every other measure that is used to develop arguments of whether we are doing well or doing as badly as the rest of Australia.

Studies done on a national level again show that hotels with gambling facilities on average are much more appealing and we believe that the industry has gone a long way towards providing what the customers actually want. It's certainly an industry that changes if you look at the history very regularly and has to reinvent itself regularly to actually remain abreast of what the consumer demands are and recent studies done by the Australian Gaming Council suggest that those with gaming facilities spend much more on live entertainment, so the live music industry has had a flow-on effect of benefit up to three times more than non-gambling hotels. They also turn over significantly more in meals and, again, almost three times the amount in meal turnover and that's been attributable, we believe, to the increased quality of meals that have happened since gaming and the increased amenity of facilities, so it's become a much more enjoyable place for people to actually go and have a quiet meal.

CHAIR - Have you had some way of measuring that statement that the quality of meals has improved or is this just anecdotal?

Mr LEESONG - Aside from looking around every venue that has gaming, no, but there's certainly been a vast majority - in fact some of the venues here might be able to testify to that.

CHAIR - Maybe some of the venues could make a comment here?

Mr JUBB - I think probably one way of measuring it is the food critiques that we get now. I think counter meals were traditionally known as a greasy spoon type of operation and I think venues such as out at the Carlyle, the Shoreline and Kings Meadow now provide a very good range of meals equal to probably the bottom end of the restaurant sector.

CHAIR - Just while I am on that question, there was some comment the other day about the incentive costing of the food, especially in the areas where there are gaming machines. Has there been a noticeable change there like - I'm taking figures straight out of the air - say, 10 years ago before the advent of gaming machines especially into hotels, meals would have cost, say, in today's figures relatively between \$10 and \$14, has there been a marked move to actually drop the cost of those figures down to entice people in so that they will then move on into the gaming area?

Mr McQUESTIN - Perhaps I could answer that for you. Just from our hotel's point in Launceston, it's a very competitive food market at the moment. The other complicating factor with meals in hotels is the smoking regulation that has basically killed the counter meal anyway so you've really got a snack you can eat with your fingers, which nobody really wants to be honest, or you've got to provide a meal in the dining room that's non-smoking. But getting back to the price, I know definitely in South Australia a couple of years ago they were advertising \$2 counter meals and this sort of thing in gaming venues. If I could just speak for our venue, our meals are averaging about \$15. We try to get something down around \$10 or \$11 but we are just driven by the market as well

because people do want to be able to eat reasonably cheaply and they want lighter meals these days, especially the lunch trade and particularly women. They want lighter meals and they really want to have something they can have for \$8 to \$10, in that range, and certainly in our hotel it's nothing to do with trying to get people into the hotel to gamble.

Mr SQUIBB - So you're not providing them at low cost?

Mr McQUESTIN - No. In our hotels we gross about 50 per cent to 55 per cent gross food profit. That is to try to cover the wages but, to be honest, that is very difficult. I am happy if we crack square on meals to provide a service but we certainly don't run it at a loss; we try not to run at a loss but we do sometimes.

Mr JUBB - In the main I think the industry in Tasmania runs those individual operations as a profit centre, so food is a profit centre and has to contribute to the bottom line. South Australia is slightly different. I think you would probably see a much cheaper range of meals over there. They have gone into the discounting of meals.

CHAIR - That is what I was aware of it and I didn't know whether it was happening here in the hotel industry.

Mr JUBB - Not to my knowledge. It is a very competitive market and people deal with it differently: some use the shopper docket to buy one at full price and you might get one for \$2 but, in the main, I think everyone treats their food as a profit centre and it must contribute to the running of the hotel.

Mr LEESONG - Another key finding of the Productivity Commission was that the introduction of gaming machines around Australia, and that includes every State in Australia, has had limited effects on our industry sectors. There has been some evidence given saying that there have been major effects on other industries. We don't believe that to be the case; in fact the Productivity Commission found that the example of the retail sector grew more than the gambling sector over the same period of time. So we do dispute claims that the retail sector has been adversely affected. Certainly there is more competition there for the discretionary dollar but I would have thought that there is nothing wrong with competing for the discretionary dollar. But certainly the retail side of things have gone through the same sort of growth, in fact more growth on a national basis than the gaming sector.

Mr SQUIBB - Daniel, you may have been here the other day when it was pointed out to us from the ABS figures, and I guess that is what the Productivity Commission have used, that in fact gaming and retail are linked together in the one sector.

Mr LEESONG - I understand the Productivity Commission was aware of that because they specifically made reference to the retail sector excluding gaming and -

Mr SQUIBB - So they were able to dissect that?

Mr LEESONG - That is right. The Productivity Commission does have access to a whole range of pure data sets that the general public probably don't have access to.

The other point that we would like to make is that another common theme coming through is that there is a lack of research out there. We again dispute there is a lack of research. There has been a lot of research in lots of States and Territories, including Tasmania, on the incidence of problem gambling. The Productivity Commission was an incredibly detailed report that actually dealt with every single possible component you could possibly think of on gambling and has been used as a basis for regulatory controls. We don't believe ad hoc studies and studies that aren't fully considering what has already been done in the past to be beneficial. It does take up a lot of time and money from industry and from government and other groups to actually come up with studies that often will not be of the same calibre as the Productivity Commission's report would have been.

CHAIR - Surely you must have an opinion then; you have been sitting here in the audience and listening to the continuous comments from various people and groups to say that there needs to be, in Tasmania in particular, a social and economic impact, that the two or three studies that we have don't really give us that true picture and that something needs to be done. We are hearing continuous stories, as you have heard, about the need for more services et cetera and the blame is coming back to this particular area all the time of the gambling dollar.

Mr LEESONG - We will come to services a bit later on, if we could, because it is a separate area. The actual studies that have been done, it is in black and white, there is a baseline study that has been done - 1993, 1996 and 2001.

CHAIR - Only one of those comes after the impact -

Mr LEESONG - That is right. That is the key component because what that found was that since the introduction of gaming machines there has not been any measurable increase in problem gambling. There may have been some distributional change between different gambling modes but percentage of population there certainly hasn't been an increase in problem gambling. That is what the black and white studies find that were commissioned by government that the community groups actually sat on the steering committee for. So there was no dispute as to the actual validity of the results, it was based on data with again Professor Mark Dickerson who is probably one of Australia's most well-respected gambling researchers and other consultants involved in the process, too. We certainly dispute that that study wasn't valid. It would have to be one of the more detailed studies out there in Australia.

CHAIR - I don't think anyone said it was not valid, I think they were concerned about some of the findings.

Mr LEESONG - Well, I say again it finds that the same level of problem gambling exists now to what it did in 1996 and that is a good point to actually make, the fact that again the Productivity Commission found that in every gambling mode problem gamblers exist. I believe they found no bias towards gaming machines versus other forms of gambling as to where the problem gambler reside. In fact I think the only bias they actually found was on TAB on-course betting and that was where they found the highest percentage of problem gamblers.

Mr SQUIBB - That's contrary of course to a lot of what we've heard during this inquiry. I think I made the point yesterday at one stage that the sample that we were given was extremely small, but there seems to be conflict there with what we have been told. I'm just wondering if you could -

Mr LEESONG - Are you referring to the Benevolent Society?

Mr SQUIBB - In particular yes, but that was a small sample, but many of the other submissions told us a similar story either through their actual records or anecdotal.

Mr LEESONG - The majority of things that I've heard have been anecdotal and everybody knows of some sort of issue with problem gambling. It's very easy to have anecdotal, one-off case studies. I'm sure that probably most venues out there at some stage come across a problem gambler. If you're dealing with one per cent of the population you're sure to come across people with problems. The Benevolent Society study certainly hasn't been submitted to the gambling industry groups. We haven't had a chance to review that study that I'm aware, however I understand it was based on a very small percentage of the population and it was actually based on their people coming to them for help. So you're dealing with someone that's already in crisis and who's already got a major problem and I think they said 11 per cent of them were problem gamblers or something.

CHAIR - Yes, I think that was the figure.

Mr LEESONG - Well, I don't know what the significance is of that actual figure when you're actually dealing with people who are already in crisis. If you're dealing with a general geographic spread, that's a separate issue altogether done in an open and transparent manner, but they certainly haven't asked for input from industry as to what studies have been done in the past and what would be some of the better methodologies to follow. So I can't comment exactly on their findings because I haven't seen the report.

CHAIR - Okay.

Mr LEESONG - Moving on, Tasmania continues to spend the lowest amount per head of population on gaming than anywhere else in Australia of any State that has gaming machines. I understand that in the most recent studies done, which was last year, Tasmania per head of population spent about \$518 and that's compared to New South Wales of \$1 002 so we're talking about less than half what New South Wales actually spend.

Mr SQUIBB - It's interesting the ACT one, which from memory is \$823 and from memory they don't have gaming machines in hotels?

Mr LEESONG - That's right, yes. They have a very large club -

Mr SQUIBB - Is this spending by ACT people within ACT or does it take into account that they may go over the border?

Mr LEESONG - I understand that it's the people within ACT but I'd have to get clarification on that. But what that does show is that - the ACT is a good example; the casino doesn't have gaming machines, it's only tables games and no hotel has gaming machines. But

they've got a very large club sector with very large venues with a thousand machines available -

CHAIR - Similar to New South Wales.

Mr LEESONG - Yes, and they've been around for a long time. In addition, Tasmania continues to spend 2.3 per cent of household disposable income on gambling and that's compared with the national average of 3.04 per cent. So that's a very useful measure I think when looking at regulatory changes because household disposable income is money they actually have in their pocket - 2.35 versus 3.04 is a fairly significant difference and it's still not talking a huge percentage of the household disposable income.

CHAIR - But is there a shift to that spending discretion from other sectors? It is being spent in the gambling arena. Is it being shifted out of another sector - for example, food, clothing, other entertainment?

Mr LEESONG - The Productivity Commission and the reports that the Government has commissioned both found that the biggest bias was out of savings but there was some marginal shift between - the money comes from different places, different people - but it was generally spread pretty much across the board.

CHAIR - It was interesting, I looked at a graph - and I don't know whether it was in your submission or what - there is a comment there that the spending on gambling had gone up by 1.4 per cent and the spending on food had gone down by 1 per cent and I wondered if there was any correlation of any sort there. There were other indicators of course there as well. We are hearing that anecdotally.

Mr LEESONG - All those statistics have to be taken a little carefully because there has also been a very large increase in entertainment, food, so there is a trend towards people eating out a lot more. That has resulted in food being bought from supermarkets perhaps declining or remaining fairly stagnant and people spending much more on restaurant meals, on general eating out, takeaways.

Mrs SUE SMITH - That, surely, is relevant to all our statistics. For instance, in your submission you pointed out that the ACT per capita was \$823, as against Tasmania's \$518, and yet in the household disposable income one is 2.35 and one is 2.37.

Mr LEESONG - That is right, yes.

Mrs SUE SMITH - All that shows is that people in the ACT are better paid. The average of disposable income runs very close to the same thing and yet you have \$300 per head difference virtually in your per capita spending. You can do whatever you like with statistics -

Mr LEESONG - That's why we've provided both figures, to give you a clear indication of the true picture too. As I say, the industry has absolutely nothing to hide when it comes to problem gambling and gaming in Tasmania. We are very proud of the achievements we have had to date and we will continually work to improve them.

Mr SQUIBB - Just to further expand on those figures, the figures on page 19 relate to the 1999-2000 financial year - the source is statistics from 1974 to 1985, through that period of time. Is there anything in a trend over that period of time or are those figures for other years included in the attachments?

Mr LEESONG - I could certainly provide that; I would have to extrapolate them - there is no graph of it. I understand that household disposable income, the amount spent has increased over time. I am not sure exactly how much, I would have to check, but not a huge percentage that would, in our view, require a huge amount of concern to be generated through the regulators. I could find that out if you require that information.

Mr SQUIBB - If it is not too much trouble, particularly in the period, say, from 1990 onwards.

Mr LEESONG - We will provide that.

Another question that was being raised over the last couple of days was the percentage returns - I know there were suggestions that there should be competition between percentage returns between venues and a whole range of measures such as displaying odds and so forth. I have actually done a summary of the play returns of different types and for the record I can quickly provide that. Blackjack, table games, 97 per cent return to player; craps, 97 per cent return to the player; roulette, 97.3 per cent; two-up, 97 per cent; card poker, 96.9 per cent; card machines, 90 per cent; poker machines varies between the type of actual gaming machine you are talking about, from 88 per cent to 96 per cent. The lower the denomination generally, the lower the return. So you are talking about a two cent machine, for example, you might be down to 88 per cent; if you are talking the \$2 machine, you are up to 96 per cent return to player.

Horsereading, TAB, you are talking about 84 per cent; sportsbet and footy tab and those sorts of products nationally average 75 per cent; keno, 70 per cent; lottery, 64 per cent; and lotto, 60 per cent. So in the actual rate of return, gaming machines are very much mid-range - in fact one of the new forms of gambling, one of better value for the actual player.

CHAIR - Not necessarily, I would suggest, in those figures. Is that a return to an individual player - that is an overall figure?

Mr LEESONG - Obviously they are averaged out, yes, but that is the theoretical return of the machines.

On problem gambling, Tasmania's problem gambling rate, as I mentioned before, does remain at 0.9 per cent according to the most recent study of last year. We believe that to be accurate in the figures that we have in our office with the numbers of people who are involved in self-exclusions, in the people who are utilising the gambling help-line services and the Break Even services but the one thing that is worth noting there is that it is less than half the national average of 2.3 per cent. I think actually the Productivity Commission found that the rate of problem gambling was 0.44 per cent in Tasmania, which is significantly lower than the national average, however the other studies that have been done have been around the 0.9 per cent so again for conservative estimates we've taken the largest of the -

CHAIR - I suppose the question that needs to be asked is when is x , y , z percentage sufficient or enough, I guess that's probably where we have to come with that one.

Mr LEESONG - Well, essentially what they're based on is the SOGS tests which you are probably aware of. The SOGS test, from my understanding, is that they are designed to pick up problem gamblers, even though they don't know they're problem gamblers, through a whole range of questioning. The Productivity Commission actually adapted the SOGS test and added an extra layer to it and they call it the National Gambling Survey - a national household gambling survey - and that was slightly adapted for Australian conditions and that was they believed more accurate. However we believe that both those tests were actually quite accurate in determining the rates of problem gambling.

CHAIR - Before we pass along this, with three on the ground industry representatives I guess we might be able to ask some questions here. We've heard a lot of evidence that indicates that the self-exclusion program is not working. I just wonder if you could advise this actually from the other end, how does it work in your belief at perhaps each of your venues, I don't know. We don't know how you promote and implement that program at the venue. We're only hearing anecdotal evidence that it's not working so perhaps somebody would like to take the lead and give us an explanation of how it works in your estimation from your venues?

Mr McQUESTIN - I'll tell you how it actually works physically. We get notification at the hotel from the AHA that a self-exclusion deed has been taken out with a photograph of the person and the actual copy of the deed and we keep our photograph album - for want of a better word -

CHAIR - I know what you mean.

Mr McQUESTIN - in the licensed gaming area and our operators - first of all we identify if they are people that we know and then that enables them to implement the exclusion even if the person happens to come in which I think is extremely rare if ever that I can think that that has happened. So that's how it works in practice and I would've thought - you can talk to the other guys as well - but I suppose I think it must work okay because once they take it out it must be a circuit breaker for them not come back in because it's very rare to have somebody - in fact I can't think of an occasion that's somebody come in - Kate will see someone and say, 'Is that anybody we know or we should know?' and we check it out but I don't think I've ever had one come in and had to say, 'Sorry, you've signed the deed'.

The other thing that happens is they can come off self-exclusion, get a release or whatever and then we take them out because they're allowed to come back in. I don't think I've ever seen any of them come back.

Mr SQUIBB - So if they were to front, if one of these persons were to front and you are able to identify them as being a person of self-exclusion, what would you do?

Mr McQUESTIN - We'd ask them to leave the gaming area and probably the hotel.

Mr SQUIBB - And if they didn't want to?

Mr McQUESTIN - Well, as a licensee you've got the power to remove them from the premises if necessary - I mean, hopefully it wouldn't come to that.

Mr JUBB - We have had one instance where we identified the person who was self-excluded and we did ask them to leave and they accepted that they shouldn't be there and they left without putting up an argument.

Mrs SUE SMITH - So your only role in self-exclusion is if a gambling organisation makes contact with the AHA and introduces a client who wishes to go through that process and then you facilitate that information out -

Mr LEESONG - It's a bit more than that. We maintain all the databases. We maintain all the files of who's self-excluded and what venues and where. We write to all the venues advising them as well as providing photos whenever there's a self-exclusion entered into or when there's ones revoked. We also provide constant feedback and then continual communication with the Break Even service providers to make sure that if there is an issue it is immediately resolved. It is something that we pride ourselves on taking very seriously. If one of the Break Even service providers becomes aware of someone who managed to get in, they immediately ring us and we immediately contact all the venues that have got them self-excluded and advise them straightaway to watch out for this particular person, make sure that they have not lost the photo, make sure that all administration is up to date.

Mrs SUE SMITH - And if the person wants to revoke their self-exclusion?

Mr LEESONG - They have to go through their Break Even service provider.

Mrs SUE SMITH - So it is the Break Even process only that you facilitate. Unlike Queensland, where we were given instances of where the manager may note that a person has had a substantial loss and is quite distressed there at that time and actually takes them in, involves them in a process, 'you can do this', makes the links straightaway with somebody.

Mr LEESONG - That also happens as well, as part of the training, that every person who works in gaming areas goes through. They are taught to, firstly, try to keep an eye out - which, again, is sometimes difficult to identify - for people who display signs of problems and they will make contact with them and say, 'Do you realise that you have gambled x amount? There are these services available. Do you want me to call them for you?' That is certainly in the procedures and in fact the recent changes to the laws, which have just come in recently, actually allow the hotel to exclude them automatically.

Mrs SUE SMITH - Yes, family members can -

Mr LEESONG - That's right. That's an Australian first. That is a very big step that has got all sorts of administrative hassles we are trying to implement but is a very worthwhile way of actually increasing the ability for people to control problem gambling.

Mrs SUE SMITH - We received some evidence through our inquiry of an individual case where they made an enormous number of self-exclusions, evidently running around venues in a particular area to put these self-exclusion processes into place, and yet somewhere nothing triggered that they could do it once and once only.

Mr LEESONG - I personally find that surprising.

Mr JUBB - A lot of people self-exclude statewide. We get self-exclusions from Customs House and we have only have a little keno operation and that's it.

Mr DABNER - The majority of the self-exclusions that come through are for statewide.

Mrs SUE SMITH - I notice significantly the self-exclusions for 2001, the highest rate is on the north-west coast. Am I to interpret that perhaps now there is the access on the north-west coast, that in years gone past you had to get in a car and physically drive at least to Launceston or Hobart, now it is on the doorstep so the access has created an acknowledgement with some people that they have problems and thus have gone into the self-exclusion process?

Mr LEESONG - You'd probably have to ask the Break Even service providers for it exactly, but my understanding is that the phone numbers have always been available statewide toll free. In the smaller communities generally it is easier for people to be identified, I guess, because people are known whereas in the metropolitan area it would be quite easy to bunny-hop, so to speak, from different venues and not really ever get to know anybody. In the regional community the licensee or staff or even other customers would start picking it up.

Mrs SUE SMITH - So is it just as easy to bunny-hop even when you're self-excluded and get into areas?

Mr LEESONG - Theoretically no, because at the start of each shift the staff members actually familiarise themselves with the photos and, theoretically, checking everyone who comes through to make sure that they don't recall. Admittedly it's not a perfect system and it never will be -

Mrs SUE SMITH - There's no such thing as a perfect system.

Mr LEESONG - but we've found it's been very effective. In my time with the AHA in Tasmania, which has been over two years now, I can count on one hand how many people actually got in when they were self-excluded.

Mrs SUE SMITH - Is there any reason why the self-exclusions for hotels aren't printed in the Gaming Commission's report in the same way as casinos are? Do you have any information on that?

Mr LEESONG - No, it's never been raised, to be honest. We certainly provide all the figures every month to the Government and to the Break Even service providers and any community group that asks. It has remained relatively stagnant between 100 and 130 each year for a number of years now.

Mr SQUIBB - So it is not possible - and I may have misunderstood a witness earlier on - but I understood that a person told us that it was possible to actually enter a licensed premise and to withdraw the self-exclusion there and then.

Mr LEESONG - No, that's not possible. Actually there's a cooling-off period as well.

CHAIR - No, you're recalling that quite correctly, that was the evidence.

Mr LEESONG - It's a problem that we often find with gaming because it is a fairly emotional sort of topic and there's a lot of misinformation out there. There's certainly no ability for people to withdraw their self-exclusion deed there and then. They have to go through another counselling process. They have to then have a cooling-off period and usually it takes up to a week to actually get rid of their self-exclusion because the gaming counsellor writes to the AHA and lets us now. We then write to the venue and let them know so it's a slow process and that's again designed specifically so that if they get a rush of blood to the head they can -

Mrs SUE SMITH - But that's amongst your members only.

Mr LEESONG - No, it's the entire industry. We're completely self-funded. We don't receive a single dollar from government and we trained every single staff member as well in the provision of responsible service for gaming. They have to do that to get the right to work in a venue and that's all fully industry funded.

CHAIR - Could you just explain that responsible service for gaming training program, what is part of it?

Mr LEESONG - I will refer you to an attachment.

CHAIR - I haven't got that far into it.

Laughter.

CHAIR - Just a brief overview then if you wouldn't mind for the record.

Mr LEESONG - Well, essentially it's got a few focuses. All of our staff in the office are trained in delivering the course. We spend a significant amount of time in ensuring that they're fully up to date with the way that the law is actually run, so each person is given a bit of a recap on what problem gambling is, how it fits into the gaming sector in particular, the prevalence, what the symptoms are - a bit like the responsible service of alcohol, a similar sort of thing, the symptoms of problem gambling, what you can do legally and what you can't do legally, what processes are involved to help you and help the problem gambler -

CHAIR - Who does the training for the responsible service of alcohol?

Mr LEESONG - That's done through liquor licensing.

CHAIR - I was just wondering, the question I'm obviously coming to is, do you believe that there could be considered out there an opinion that because you do that service training

or the responsible service of gaming that there is a vested interest here and that it should be done by an outside provider, so to speak?

Mr LEESONG - We strongly believe that a reason for its continued success, that the rate of problem gambling, 0.9 per cent, being stagnant is because industry has taken such a proactive lead in training the staff. But the staff training is absolutely a key element to the whole responsible service of gaming provisions in the whole of Tasmania and we believe it's our single biggest achievement and something that we spend a lot of time and effort and money to actually maintain. It's something that I believe TAFE, as part of their certificate in hospitality, can offer that particular subject and some people choose to take that out, however we still train, I would guess, 95 per cent of the industry.

Mrs SUE SMITH - So if I might give a practical instance that was put to us that people have self-exclusion and you've said that the staff coming on duty familiarise themselves with those photos, et cetera. You've got a young chap behind the bar who's 21 or 22 - this is probably your arena, Don or Paul - a big fellow comes in who's self-excluded, the barman doesn't feel he has the confidence and the capacity to deal with this person. What happens, is there a manager on duty who he refers to? Is this what the training is telling them? What would you do if in comes an 18-stoner, self-excluded, who says, 'I'll have a beer and then I'm into the machines' and you've got an 18-year-old there serving the alcohol, knowing this person -

CHAIR - Make it an 18-year-old female.

Mr McQUESTIN - We have junior staff who are licensed but we always have a duty manager, a senior responsible person 99.9 per cent of the time we're there, but the odd occasions - for instance, to talk of both of our hotels, we have four senior staff one of whom is on the premises all the time. I feel more comfortable like that. It's never happened on gambling but occasionally you get the customer who, for one reason or another, needs to be asked to leave the premises and it's the same type of principle that's applied then to persuade them to leave the premises of their own volition if necessary and that's what the managers are trained to do. I could speak for my hotel. We'd never leave an 18-year-old in charge of the hotel at all or responsible at the bar. They might be working in the bar which is part of the traineeship as well but there'd always be a senior person there, except in extremely exceptional circumstances.

Mrs SUE SMITH - I gather that's the issue of the protocol, too.

Mr JUBB - It is a difficult situation when you're faced with that but, believe me, we deal with it every day from an alcohol perspective and it's just becoming more and more professional we're becoming and we have to deal with it.

CHAIR - And the training provides you and your staff with that expertise.

Mr JUBB - They identify the person and management, sometimes at a staff level you might have a supervisor level but management would normally deal with it.

Mr LEESONG - What would be worth pointing out there is that the responsible service for gaming course that the gambling industry group has developed is considered Australia's best practice. It's used as an example of the success and possible successes in all sorts of

national forums and regulatory forums. We're continually updating and developing it as laws change and also as we try to figure out things that can be improved and it's open to anyone who wants to do the course. So if you have any questions on it I'd certainly encourage - it's a three-hour course - any members of the committee to actually participate in one. It's quite an enlightening sort of process.

Mr McQUESTIN - Just as a personal comment, from my observation it's often the female staff who are best at handling those situations.

Mrs SUE SMITH - It's the sharp tongues.

Laughter.

Mr McQUESTIN - No, they just seem to have a way of being able to diffuse it.

Mrs SUE SMITH - Can you tell me how many of your members have actually made application for licence for gaming machines, say, in the last five years and had those applications rejected by the Gaming Commission?

Mr LEESONG - I'm not aware of that. Generally as a rule the AHA doesn't get involved in individual licence applications because -

Mrs SUE SMITH - So that's between the commission, the facilitator of the machines and the hotel itself?

Mr LEESONG - That's right. The other thing that would be worth pointing out while we're talking about support services and the responsible side of things is that we've heard evidence that suggests that the recognition isn't high amongst the community of the support services. We certainly again dispute that because the findings of this very detailed survey of the general population found that there was a 71 per cent recognition of the Break Even services. That's a very high percentage on any account.

CHAIR - This is the Productivity Commission service?

Mr LEESONG - No, this is actually the localised Tasmanian baseline study. Obviously it can always be improved.

Mrs SUE SMITH - This is the Roy Morgan research?

Mr LEESONG - That's right. It can always be improved and we work actively to do that. Every venue actively displays the responsibility of gaming brochures - little signs saying these numbers are available for you to call, a whole raft of information. Every staff member is also briefed on who's best to call, so we believe that the message is definitely out there.

CHAIR - You mentioned the little signs. Where are they displayed? I know in casinos, for example, that they're in the toilets.

Mr JUBB - In the toilets in various positions and the actual commission when they come to do an inspection check that all signage is appropriate at the door, at the point of entry regarding under-age -

CHAIR - Obviously there's some guidelines there we need to -

Mrs SUE SMITH - How often would you see an inspector in, say, three months?

Mr DABNER - Three times.

Mr JUBB - One every three weeks or so and they do an audit of the signage, your tills -

CHAIR - Are you pre-advised of their visit?

Mr JUBB - No.

Mr McQUESTIN - I'm just trying to think; they seem to come in bursts at mine.

Mr JUBB - And they come at varying times. They come on a Sunday, a Saturday, lunchtime on a Friday -

CHAIR - Perhaps to buy lunch?

Mr JUBB - Perhaps not, too.

CHAIR - What about the after-hours sector, they're not out after-hours, are they?

Mr JUBB - Yes.

Mrs SUE SMITH - That's the interesting phenomenon. The inspectors are out 24-hours a day, seven days a week and yet the gambling services and telephone services are not available after hours.

Mr LEESONG - That's an issue that has been raised by the industry in the past. We'll leave it at that.

Mrs SUE SMITH - You acknowledge it.

Mr LEESONG - Yes.

Mrs SUE SMITH - Thank you. Also there were questions raised that we don't know much about the profile of a gambler per se. Again, the Productivity Commission went through some very detailed research as to what the nature of a person is and the biases between different types of gambling modes and what it found is that gaming machine players in particular, since it was the focus of the inquiry, have no gender bias but are slightly biased towards middle-income earners and it is the younger people who play the machines - 18 to 24 - which dispels some of the myths. People think that it is the retired - I think one former member of parliament actually mentioned that they were the less intelligent people, but that certainly isn't the trend and that has been demonstrated time and time again by different studies.

It also found that the gambling in different regions and the effects of gambling and the participation rates are not that different between rural, regional and metropolitan places, so that is another key finding. It has been said that regional areas appear to have more prevalent problem gamblers and more prevalent facilities. I am not aware of a State study but on a national basis, taking into consideration Tasmania as well, there appears to be little difference between country and metro.

On that also, the explanation between some areas having more concentration of gaming machines than other areas, it is often mentioned that there is an increase in numbers in the lower socioeconomic areas. Our response to that - and it is fairly logical if you look at the actual geographic spread of hotels generally - the lower socioeconomic areas are those that have high population density and the low to middle-income earners are where the largest hotels have always been built, so before gaming came along those large hotels always had a much larger turnover than other smaller hotels in potentially higher-income areas. All it comes down to is demand for service and hotels generally - and this is a very big generalisation - are more popular in those lower socioeconomic areas.

CHAIR - It would be interesting if you could extrapolate the figures of the numbers of machines in those particular lower socioeconomic areas as opposed to those in the other areas.

Mr LEESONG - For the exact numbers I think you'd have to ask - because we don't have access to that commercial information - probably Network Gaming.

Mrs SUE SMITH - What sort of presumption should I make when every hotel, say, in Ulverstone - one of the communities in my area - is at their limit of machines at 25 and one of the local clubs - probably the only one that would put them in - is on 20 and they can go higher if they wish? Every hotel in that community is at its upper limit.

Mr JUBB - I'd say that community is under-pubbed. Per head of population they've got a very good ratio of pubs to people.

Mrs SUE SMITH - What would your rationale be then when in another of my communities that has two hotels and two sports clubs they have only just put in machines in one of those hotels? What should we read into that?

Mr LEESONG - There is a number of different factors. One is that hotels have to put up their hands and say they want machines and I am aware of a number of hotels that haven't and don't intend to because they believe that what they want to do with their business does not require gaming machines.

Mrs SUE SMITH - We have one who actively promotes that - 'Come and visit us - no poker machines' - on the outskirts of town.

Mr JUBB - Yes - and there are several in town.

Mrs SUE SMITH - So they're looking to capture a particular market.

Mr LEESONG - That's right. I would have to check the exact situation with that area you're talking about.

Mr JUBB - Is that Penguin?

Mrs SUE SMITH - Yes. They had the licence but didn't put them in until the last 12 months.

Mr JUBB - I think the operators have changed, though, haven't they?

Mrs SUE SMITH - Yes, twice.

Mr LEESONG - Just on the productivity report - and I know I've talked about it a lot but we believe it is the definitive report - there was one comment made that it wasn't a relevant report to use for Tasmanian legislators. We certainly dispute that. The information it based its studies on were actually studies they did themselves; the national household survey they did was information they did all around Australia, so to suggest that that isn't actually relevant to Tasmania's community I think is drawing a fairly long bow.

Mrs SUE SMITH - I think somebody suggested that the research material, et cetera, they used and stats, et cetera, was pre-1994 and as such was -

Mr LEESONG - I'm not actually aware of that.

Mrs SUE SMITH - I will have to check that because I couldn't sustain that particular comment one way or the other but I think that was their rationale on that particular issue.

CHAIR - Because the report was 1999, wasn't it?

Mr LEESONG - That's right, and the key findings were based on surveys done in 1999. You would have to check. There may be one or two statistics talked about but certainly the key findings were based on their national household survey.

CHAIR - Which was a total household survey, did you say, or a snapshot?

Mr LEESONG - Yes, it was a snapshot because I think it was 15 000. It was a very large statistically significant survey.

CHAIR - It was 15 000 out of 18 million, was it?

Mr LEESONG - I'm not an economist so I should preface my comments -

CHAIR - I was just trying to drop down a quick percentage there.

Mr LEESONG - They say it's statistically significant after 300 or 400, I think it is. The survey sample size becomes - you have to get much, much larger to get any greater degree of accuracy. I think you'd have to speak to an economist about it but that's I think what the situation is.

Mr SQUIBB - It's better than 600 out of 400 000, though.

CHAIR - I suppose one could work out the statistics on that one, too. I'm not thinking about statistics at the moment, I'm not doing my own.

Mr LEESONG - We've touched briefly on the third party exclusions. That's a big step in the right direction, we believe. That's something that will require some significant retraining of staff. Any changes like that make a huge difference as to how it impacts on the ground staff. What we would urge the committee to consider when they are actually looking at different player protection mechanisms is there has to be an actual proven effect of actually implementing something. It's no good implementing certain things that will make the actual entertainment option unenjoyable when there's no demonstrated fact that it will actually have any impact on the actual problem gambler. After all, when you do look at the figures even if we take the worst possible figure that I've seen, which is 2.3 per cent of the population, that's still 97.8 per cent of the population that use it as a valid entertainment option and I think that just needs to be kept in front of the mind when people are making legislation, the fact that it is a very, very small minority that have a problem. And we fully admit that there is a problem out there for that minority and we do everything we can to help them but disadvantaging the vast majority by measures that are not necessarily going to have any real impact we don't believe is the best way to go.

Mrs SUE SMITH - But you would accept that if there is no intrusion on the entertainment for that 98 per cent and you can facilitate some assistance to the other 2 per cent that is acceptable?

Mr LEESONG - Certainly. We've been again proactive in implementing things along with gaming - things like clocks in venues. Every venue has a clock. I know someone said that they couldn't find clocks in venues. I've since done a scout around and I can't see a single venue without a clock. I now they've been provided by Network Gaming.

CHAIR - We might have to go and check that out.

Mr LEESONG - Yes. Things like that that are said to make a difference. We have been the first to implement player protection mechanisms in Tasmania. There's no ATM at a gaming venue in hotels.

CHAIR - But there are EFTPOS facilities.

Mr LEESONG - Yes, but you're allowed to have one transaction a day.

Mr SQUIBB - We have been given again anecdotal evidence of people being able to get access to cash up to a dozen amounts in the one day.

Mr LEESONG - Again the system isn't perfect. I'm aware of two situations in two years that that's occurred and I'm aware of one person getting breached for it as in action being taken against them. So certainly everybody is aware of it. It's a very hard law to police but what we're doing is streaks ahead of anywhere in Australia. Everywhere else in Australia they're talking about limiting per transaction to I think \$200 is the latest one in New South Wales where you can go and have five transactions, whereas in Tasmania you've got one transaction and that's it per day.

Mr JUBB - The EFTPOS is physically outside of the gaming room. For instance, we have one at the food counter so on a Friday night with 100 people queuing up to order their food those people can come out of the venue.

CHAIR - Difficult to police then, otherwise.

Mr SQUIBB - Do you have a procedure in place to try to overcome that problem?

Mr McQUESTIN - The staff are well aware that they are not to give repeat EFTPOS - within a hotel. Normally it's pretty obvious if somebody tries to do it.

Mr JUBB - At each station generally the government guidelines are there so they know.

Mr SQUIBB - If you have a number of staff working at that counter the understanding was that the problem gambler would wait till one person went off to serve somebody else or change shifts and would then go up and deal with another person.

Mr JUBB - It would be much better to have the actual EFTPOS machine in the gaming room so we could see exactly -

Mr SQUIBB - Yes, I could see that was coming but that's not allowed. But working under the current arrangement, can you see a way?

Mr JUBB - Some venues have registers.

Mr LEESONG - I am aware of a lot of venues that have had a heap of different initiatives they have implemented themselves - things like one person having access to the EFTPOS machine per shift. Each venue is different so one size doesn't fit all but that's the sort of thing people have.

Mr JUBB - I think the underlying thing too is that people have a huge investment here. We're not putting at risk that investment for one person to cash ten times and make \$100 out of that person; we've got multimillion dollar investments and I think that's responsible. I think in South Australia when they first started they were going to the bottleshop, buying a bottle of Moet for \$50 then going back and refunding it and getting money and quite honestly, I don't see any of that happening in our situation.

CHAIR - Being aware of the time and knowing I am going to lose two members of my committee at 1 p.m. and then I will not have a committee, Daniel, I will give you an opportunity for anything else you have left unsaid here.

Mr LEESONG - Just one last point that I think is a very welcome step and something I think will develop into a very worthwhile body is that there is a new gambling consultative committee that has been set up and that has taken members of the gambling industry group and all parts of the welfare sector to actually meet regularly. That has been done on an informal basis historically. The gambling industry group certainly is formal but this is formalising that particular arrangement so again it allows everybody to have a say into the way things happen.

Mrs SUE SMITH - Are you referring to the one that met in 1999 and hasn't met since that that minister set up?

Mr LEESONG - It's not that particular group but it's a new group, an industry initiative essentially, that has said, 'We recognise there is a need to meet with these people regularly to talk about ways of harm minimisation'. It is the same sort of group but industry driven.

Mrs SUE SMITH - Again, two questions. If we want you to come back at some time, are you happy to do it because I feel we haven't got very far down the track. You made the comment that there was no actual snapshot of a particular lower socioeconomic area versus middle class or whatever. Again, the self-exclusion chart showed females much more readily self-exclude than do males and I think it is fair to say that females feel much more comfortable now about coming into some of these venues because they are much nicer to be in and are secure and safe. You don't have a concern as an industry - I mean, you are there from day to day seeing who is coming through - younger, older, middle-aged, female, male - you don't see a growing trend or have any concerns that the female sector may be over 50 per cent?

Mr McQUESTIN - Personally - and maybe it's something to do with shift work and I'm thinking particularly of the Kings Meadows area - I wouldn't think it'd be 50-50; often there are more men than women in there. That's just my personal observation so I couldn't say for sure.

CHAIR - The demographics might change there.

Mr McQUESTIN - Yes. I suppose there's this theory going round that it was more women playing and maybe traditionally they've had more time and maybe things have changed - I don't know, but there's not much in it I don't think.

CHAIR - Just picking up on Sue's comment, Daniel, and of course the members with you, we just feel we have not got to everything we wanted to. Would you be prepared to come back and talk to us again? I think we still have lots more questions and I'm sure that various members might have questions and if they can't participate they might allow you to participate on their behalf.

Mr LEESONG - Yes, any time and I am sure that everybody agrees.

CHAIR - I just don't feel we have had enough time.

Mrs SUE SMITH - You are representing the major industry and it is fair from your point of view too, I think, that you have ample time and that we have the same.

Mr LEESONG - We're more than willing.

CHAIR - In the meantime is it possible or are you able to provide us with a list of the members that you have in the AHA in the hotels?

Mr LEESONG - I actually have a problem with that because of privacy legislation.

CHAIR - Right, okay - I thought that probably was the case. You said approximately a third of the members have machines and you said there were approximately 200. Can you quantify just those numbers for us so that out of the x number of hotels in Tasmania - I think you said 300 and something -

Mr LEESONG - Approximately, yes.

CHAIR - Do you think you could define those figures? How many hotels are there in Tasmania, how many are under your umbrella and how many have machines in the venues - I mean, it's only a number, not names or anything.

Mr LEESONG - Yes, I can certainly provide that.

CHAIR - That would give me a more accurate picture because I was getting approximations and I just wanted to get it in my head how many members you have out of the total number and how many have venues. One question I will ask you on your return will be about your opinion on the advertising that you probably overheard this morning, so I'll flag that as a question and you can prepare an answer. Sue will make contact with you about when we meet again. Thank you very much for the time you've given us this morning and I hope you don't mind that we want to call you back.

Mr LEESONG - No, that's a pleasure.

THE WITNESSES WITHDREW.