

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE IMPACTS OF GAMING MACHINES MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON 16 APRIL 2002.

Mr ERIC LOCKETT, CHAIRMAN OF PUBLIC QUESTIONS COMMITTEE, AND **Mr WAYNE McARDELE**, BAPTIST CHURCHES OF TASMANIA WERE CALLED, MADE THE STAUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mrs Silvia Smith) - Thank you very much, Eric and Wayne, for coming before this committee. We look forward to you expanding on your written submission that you have given us and adding anything else you want to say and if you are happy as we go through it, committee members will ask any questions that they see at that point in time that they would like to ask. Is there a preference to direct them to you, Eric?

Mr LOCKETT - If you wish so. Wayne will field anything. I will lead off if you like and then Wayne may wish or may not wish to add something.

CHAIR - Okay that sounds terrific, thanks.

Mr LOCKETT - Firstly, I would just like to say that we serve on this committee on a voluntary capacity and speaking for myself, I do not know about Wayne but I am not a problem gambler. I do not have any problem gamblers in my family. Nor do I own shares in Federal hotels, so I think we can speak fairly impartially and we are here because we believe in what we are doing and saying. So you might wonder what is the interest of the Baptist Churches in this matter and I will probably echo a bit what Bishop Harrower said earlier on.

CHAIR - You have explained it in the introduction as well, so please let us know for the record as well.

Mr LOCKETT - You will hear quite a bit of facts and figures and statistics and quite a bit about money but of course the church's real interest is not in the money or the statistics, it is in the people behind the statistics, and we are not prepared to say, 'Am I my brother's keeper? If people are silly enough to squander their money on gaming machines that is their problem. It is not our problem'. As Christians, the Scripture calls us to 'seek justice, encourage the oppressed, defend the cause of the fatherless, plead the case of the widow' and probably, in this current context, we could add to that 'speak up for those exploited by gaming machines'.

So that is why the Baptist Churches are concerned, and you have no doubt read our submission so I will not go through that step by step, but there are a few points that I would pick up and like to emphasise. If we are going over familiar ground, I am sorry. There are some things that I think bear repeating.

CHAIR - No, that is fine. We need everyone's point of view.

Mr LOCKETT - I could be corrected on this, but I suspect this is the first occasion when Parliament has offered an open invitation to the community to express its opinion on gambling in Tasmania since the referendum that was conducted prior to the establishment of the Wrest Point Casino about 30 years ago, and if that is the case then I think it is probably informative to consider the situation that prevailed then and how it has changed since then. Wrest Point was sold to the people as a glamorous place to whose roulette and blackjack tables all these wealthy and sophisticated James Bond types would come from overseas, bringing stacks of money which they were perfectly happy to leave behind for the benefit of Tasmania. There was no mention at that stage of anything as down-market as poker machines. And let us look at the situation now. The official gambling turnover for 2000-2001 was \$1.9 billion - one thousand nine hundred million dollars. That is well over \$5 000 for each man and woman in the State. Some people, ourselves included, have expressed concern at the risk that the gambling industry tail might wag the government dog, but if we look at the fact that the last State government budget was \$2.3 billion, the tail is threatening to become the dog and wag the government tail.

Let us just have a look at where this money goes. In fact, a measly 2.5 per cent of gambling turnover goes over those gambling tables approved by the people 30 years ago or thereabouts. If you add all other forms of gambling such as lotteries, TAB, bingo and so on, everything other than gaming machines only accounts for less than 11 per cent of total turnover, so that means more than 89 per cent of turnover goes through gaming machines - this is the official turnover; we do not know how much unofficial gambling goes on - and clubs and pubs are rapidly overhauling the casinos with respect to the amount of money that goes through gaming machines. So if we are talking gambling in Tasmania we are talking electronic gaming machines, with clubs and pubs being the big growth area.

That was not what people were led to expect when they approved the establishment of Wrest Point, and in the light of the Productivity Commission's 1999 findings, for example that zero per cent of Tasmanians supported any increase in the number of machines and more than 45 per cent wanted a large decrease, you might well ask what would have been the outcome of that referendum if people had had any inkling at the time of what was to come, or indeed what would be the outcome if such a referendum were conducted now, so we are talking about an entirely different scene. We might then ask what have been the consequences of these developments.

Interestingly the Gaming Commission annual report doesn't directly state the magnitude of gross profits, which is another euphemism for gamblers' losses, but we can infer that it was well over \$500 for each man and woman in the State or \$1 500 for the third of people who actually play gaming machines or, according to the Productivity Commission's figures for those who are problem gamblers - and we recognise the problem of definition here - the problem gamblers lose more like \$12 000 a year.

Given that the telephone survey conducted by the Morgan organisation last year found that the biggest losers in clubs and pubs were people on incomes between \$10 000 and \$20 000, it's clear that the present-day gambler is not the wealthy, glamorous international high roller. If you go and visit some of these clubs and pubs particularly, as I did during the afternoon last week, you come to the conclusion that was reinforced by

the previous presentation that in the daytime at any rate it's more likely to be a middle-aged or elderly woman and the young men probably take over in the evenings.

One of our problems, of course, is that the State Government perhaps due to its dependence on gambling income itself has been distinctly ostrich like regarding problem gambling. It seems likely that the 1 per cent of the population who they refer to as being problem gamblers - and that figure is drawn from that survey last year of course by the Roy Morgan organisation - seems likely to be not just the tip of the iceberg but probably the tip of the tip.

The first thing is that problem gamblers are notoriously reluctant to acknowledge even to themselves much less to anyone else that they have a problem and as the Productivity Commission and some other researchers that I've spoken to have pointed out, any such survey is inevitably an underestimate of the incidence of problem gambling.

The second point in relation to that particular survey which used the Southoaks Gambling Screen is that although the questions are designed to ascertain whether people are showing the symptoms of being problem gambling and they are probably quite good questions, of course you can set the bar as high or as low as you like and they set the bar at 5 yeses before people were acknowledged at being at risk and 10 yeses before they were a confirmed problem gambler.

In our submission I gave some examples, if I can quickly look them up, of the sort of questions concerned. I would suggest if we went down the street and asked a hundred people if you knew of someone who said yes they missed work or study to gamble, yes they hide evidence of their gambling, yes they've borrowed gambling money and they couldn't repay it, yes they would like to stop but didn't feel they were able to but answered no to the remaining questions, I don't think very many members of the public - I'd be surprised if there would be more than one in a hundred - would say that person is not even at risk of becoming a problem gambler but that's what this survey said.

So this means that whatever the academics or the people who have studied this might like to make of that continuum between a very small and a really serious problem, the fact is that what the Government refers to as problem gambling is not what the general public understands by the term. So in that sense the public is being deceived when it is being told that only one per cent of the population are at risk or already problem gamblers. I think hence the fact that in that same survey family members identified a 160 per cent increase between 1996 and 2000 in the incidence of problem but the Government did not recognise that increase.

CHAIR - Just while you are talking about SOGS there, are you suggesting perhaps that is not giving a true and accurate picture then because of the types of question or the tone of the questions?

Mr LOCKETT - I am not suggesting there is anything wrong with the type of the question but as we saw in their preceding presentation, there is a continuum there so you could draw the line at any point on that continuum.

CHAIR - That is the real problem.

Mr LOCKETT - Where you draw the line decides the figure that you come up with. So that is the dilemma and I do not suppose there will ever be any hard and fast definition because it is a continuum. But we need to understand that we are talking the same language and I believe those who set the bar at five questions or yeses or more are not talking the same language as the general public when they refer to problem gambling.

Despite a lot of popular mythology, gambling in present-day Tasmania clearly does not by and large constitute relatively benign private wagers between friends or an occasion ticket in Tattslotto or the Melbourne Cup sweep but nor does it constitute the provision of a harmless community service to meet an existing demand for recreational facilities as its promoter would claim. It constitutes in fact a shameless attempt by big business to exploit the covetousness of those who are often the poorer members of society by deceiving them into parting with their money in pursuit of false promises of instant riches with who knows what ultimate consequences. It is a clear case of Robin Hood in reverse. The deceptiveness of the industry is apparent in its advertising, in its psychological devices it uses to entice people to keep parting with their money and the lack of objective consumer information on their real prospects of success.

It is an industry that relies for its very existence on taking money from people and yet its advertising suggests that it is only there to give it away. I had a walk through and picked up a few pamphlets last week and you read what they say, win more reward with goldrush, free gaming machines tournaments. That is an attractive come on, is it not? Win a great lucky door prize, \$1 000 guaranteed game. Become a Wrest Point weekly winner. Wrest Point rewards, it pays to play. Join today, membership is free. All that glitters can turn into gold. What are we dealing with, philanthropic societies here? Not likely.

CHAIR - It is quite some time since I have been into one of these venues. I am amazed at the amount of pamphleteering that you were able to pick up.

Mr LOCKETT - Yes. So surveys have shown that the main enticement to people to play the machines is the prospect of a big win. It is not the opportunity to spend a pleasant afternoon or evening in front of a gaming machine. It is interesting to observe people who are playing the machines. There is really very little laughter and conviviality going on there, and you see poker faces in front of poker machines. The thing that struck me was that even when people do get a win they are still very grim about it. I did not see anyone rejoicing. Yet consumers are not provided with even basic information about the probability of winning or the likely costs of playing.

We could talk about this at length, and there is more detail in some of the submissions you have, I am sure, but it seems to me that as a bare minimum each machine should carry some information along the lines of, for example, 'for each hour you spend playing this machine in such and such a manner you are likely to lose on the average x dollars', and that would give some people some information on the likely costs of the entertainment, if that is what it is, they are experiencing. I visited New South Wales late last year, and I noted there that all the machines in the place that I went into, the RSL club, had a little sticker saying, 'Your chances of striking the jackpot in this machine are approximately one in a million'. I am not sure how effective that is because I do not think the average person has any real concept of the magnitude of one million. If it had said 'If you play this machine for eight hours a day five days a week you will have to

play for five months before you strike the jackpot and then you will have lost 1.5 times what the jackpot is worth', that might have had some more impact. We need the advice of people who understand the psychology of gambling with respect to what sort of information is not given, and probably even that sort of information in the case of the real problem gambler may not be effective.

CHAIR - It probably would not be a deterrent anyway.

Mr LOCKETT - But what we are talking about here is putting fences at the top of the problem gambling cliff rather than ambulances at the bottom. We want people to stop sliding down from the top of the cliff. And perhaps if I just diverge here a little bit, because just before Christmas 2000 Pat Curran, who was the then President of the Baptist Churches of Tasmania, and I had a letter published in the daily papers asking people to spare a thought for problem gamblers at Christmas time. In response to that we got a reply from someone who was himself a problem gambler, and I read through that letter again this morning before I came here. His story was that he started gambling at Wrest Point ten years previously, and for a long time he just went along there every few weeks or every month or two and he spent perhaps \$10 or \$20 and that was it. He was the classic example of what the industry would describe as a responsible gambler. Then, after six or seven years, one night he lost \$250. Then it happened again. Then a while later he lost \$750. Then he lost \$1 800 in one night. He was no longer a responsible gambler, and he went to seek help. He went to GABA, and after some time he thought he had it under control. He had not gone to the casino for quite a long while, and then gaming machines extended into clubs and pubs and it all started over again. In the three months prior to writing that letter he said he had lost \$3 000.

I think this just illustrates the fact that we never know what the end result is going to be. We need more hard data as to the current impact, but I do not know now because that person did not sign his letter. He had a responsible position, and he did not want his name to be known. He was not prepared to sign his letter. I do not know what has happened to him, whether he got the help he needed, whether he has overcome his problem, whether he's gone bankrupt, resorted to crime or in an extreme case whether he's one of the people who's taken his own life and we know nothing about it. I hope that isn't the case. The end result may be five, ten years or more down the line extraordinary enough.

CHAIR - Just while you're on that letter, I know it's more anecdotal but was there any indication of what triggered him to go over the line, so to speak, and to gamble more excessively?

Mr LOCKETT - The only indication I had was that one night he lost I think it was actually \$270 the figure he quoted and we know, of course, that when people have a loss like that the temptation is to go back and recover it. So I suspect that may have been the thing that pushed him over the line from responsible gambling to being a problem gambler.

Given this lack of consumer information - and incidentally in New South Wales they also had labels on their machines similar to what they have on cigarettes saying gambling may cause you to lose your house, gambling may cause family break-up and all those sort of little stickers were stuck on the machines.

CHAIR - Were they working?

Mr LOCKETT - I don't know but it's something that's worth looking into.

In summary I doubt that our consumer legislation would let any other industry get away with the sort of deception and lack of consumer information that the gambling industry gets away with.

I also picked up this little booklet which includes the Tasmanian gambling industry code of practice and it also has some useful indicators as to what might indicate that you are at risk of becoming a problem gambler. It has four questions for people to ask themselves there and they are similar to some of the questions in the SOGS test but of course people could answer yes to all four of those questions and still not cross the bar in the SOGS test. So the industry itself is acknowledging that if people answer yes to those questions they may well have a problem but they would not be recognised in the test that was applied last year.

Given these concerns, we believe it's imperative that for one thing the Government recognises the moral indefensibility of relying on the losers of society to fund its programs and takes steps to wean itself from reliance on gambling revenue in favour of more socially responsible sources of income and that a genuinely independent body whose main charter is to protect the interests of the community at large is established to oversee gambling in Tasmania.

CHAIR - You're talking about a commission that's totally independent, I presume, there and commissioners?

Mr LOCKETT - Yes. Certainly the Anglicare submission emphasised that point and -

CHAIR - Many submissions have emphasised that - in fact the majority.

Mr LOCKETT - We also think - and you've probably heard this before too - we're convinced that we need more comprehensive, rigorous, in-depth research into the social and economic consequences of the expansion of gaming machines immediately because we are relying so heavily on anecdotal evidence -

CHAIR - The evidence from interstate et cetera.

Mr LOCKETT - and indicative figures from surveys such as that one that was conducted last year and they useful but they are by no means adequate.

We think that it is imperative that more constraints are put on the misleading advertising of gambling as a means of self-enrichment and that better or at least some information is made available to EGM players on their likely losses from playing particularly the machines.

We feel that the current phased increase in machine numbers in pubs and clubs needs to be reviewed in the light of objective information on its consequences and if necessary, it is frozen or reversed. I do not want to get into a debate about whether the act can be amended and override the provisions in the deed for this escalation to continue, that is

not my field, but I would suggest to the committee that it is something that would stand looking closely at and that if it is possible to halt the projected increase at 30 June this year, it might be appropriate to freeze it until we can get that more rigorous data we need.

So in conclusion, we believe that the Government needs to be honest enough to acknowledge that the playing of gaming machines is not a family friendly, financially enriching social activity as some might claim. It is in fact a family unfriendly, financially impoverishing antisocial activity. Above all, let us not forget the message of the symbol we see outside our pubs and clubs so often these days, the brightly coloured whirlpool with a large black hole at its centre. Let us put a brake on the number of people being lured into the whirlpool and sucked down the black hole of problem gambling. We believe one measure of a civilised society is the willingness of its members to accept some constraints on their personal freedom in the interests of the weaker and less fortunate and more vulnerable members of society and we believe that is what should happen.

CHAIR - Thank you. Do you wish to add anything there? All right, I will open up for questions. Not a single one?

Mr SQUIBB - Not a single one.

CHAIR - You have all the information you require?

Mr SQUIBB - I think a lot of the information obviously at this time of the day has been covered previously and where there was a query, I think it has been well explained.

Mrs SUE SMITH - The only question I have is that your submission relies heavily on the fact that you believe the main users are people on low incomes. Have you anything to substantiate that or is that the sector that you tend to see come through your particular organisation?

Mr LOCKETT - In that I am mainly relying on the Roy Morgan survey that was done last year but I was interested to find that the presentation preceding this one also tended to back that up. Other studies have shown that gaming machines do appeal to lower income earners than the table gaming in casinos, for example.

CHAIR - Do you agree with the statement that has been made to us that realistically there is no removability at this foreseeable time to remove the gaming machines? So we have gaming machines there and we need to deal with it and in dealing with it, you are suggesting an in-depth survey to see what the impact, the real social and economic impact is and you are, along with a whole lot of other people who are suggesting exactly the same thing, the independent commission and whatnot. In the meantime, you suggest in your submission that there are some high minimisation methods that could be put into place if the Government wanted to assist those people who are likely to become addicts or are now addicted and become the problem gamblers. One of the considerations was to put a notice on the machines about specific payouts and the realities of how much you are likely to win or how much you are likely to lose too and we have had suggested to us a thing like every hour or half an hour or so the machine has evidently the electronic capability of printing out a statement to the current player that you are, at this time,

losing or winning a certain amount. The Victorian Government, for example, have just introduced no smoking in gaming areas to allow that breaking of the cycle. Have you any further thoughts on what we could suggest to government, for example, that could be put in to protect people that is not already there, and there appears to be very little there to do that? With your advertising examples there it seems that there is more encouragement in some places, perhaps, rather than responsible service of gaming. Would you like to comment on what things you think could be done to assist at this point of time while all these other things could be put into place and happen?

Mr LOCKETT - Firstly I would support the notion that the state of play is displayed on the machine in dollars, not in credits.

CHAIR - Yes, that has been suggested too.

Mr LOCKETT - I think that is a very worthwhile idea. And the notion that some mechanism is put in place - various things have been suggested. Some people have suggested that you should only be able to play a machine for a certain period of time before it shuts down and says, 'I won't play with you anymore. You've got to go away and come back later'.

CHAIR - And even licences to access a machine have been suggested as well.

Mr LOCKETT - Yes. If people have to have a card, for example, to put in the machine to play it - the person that wrote this letter had self-excluded but that self-exclusion was not enforced. If you had come to the point of recognising that you have a problem, then you cannot get a card, therefore you cannot play the machine. That would be hopefully a much more effective means of enforcing exclusions. And breaking the play, I was one of the people who lobbied for the addition of gaming areas to areas from which smoking was excluded, but unfortunately that did not go through, but if it could be put back on the agenda -

CHAIR - I know somebody else who tried that, too.

Mr LOCKETT - that would certainly be helpful. I also noted in the industry code of practice some measures which from my quick pub crawl last week would seem to be a voluntary code of practice, and one of the problems with voluntary codes of practice is that it seems people regard observance of them as being voluntary as well. It says, for example, that a clock must be placed in a clearly visible position within the gaming machine areas. I only recall one gaming area of the six or seven that I went to that had a clock visible, and it certainly was not visible from all the machines. I had to hunt for it to find it. So I think perhaps better enforcement of the existing code of practice would be helpful. But once again I come back to the point that stopping people getting on that slippery slope in the first place is the best way to deal with problem gambling.

CHAIR - Yes, being more proactive rather than reactive.

Mr LOCKETT - Yes.

CHAIR - And you do comment in your submission on extending education processes to educate, and I presume you are meaning not only to educate those that are of an age to

become gamblers if they wish to, but you are looking at children in schools as well, I would imagine.

Mr LOCKETT - Definitely. Yes, much broader education. There are a couple of levels, I suppose: the education of the community at large about the risks in general of gambling, and to destroy some of the myths about gambling, such as if you play the poker machine long enough eventually you must get in front, and then you will stop and everything will be okay.

CHAIR - What is the determination of long enough? That would be a question, wouldn't it.

Mr LOCKETT - Yes. If people were aware that by the time they reached - well, if they were simply aware of the fact that statistically the longer they play the closer they are likely to come to the average losing percentage. That is something that needs to be recognised.

CHAIR - Yes, an interesting comment, that one.

Thank you very much for your input into this. As Mr Squibb said, it has been a long day, and you reiterated that we have already received so much information anyway, but you have certainly added your points of view and we do appreciate that, and we do appreciate your advising us of the advertising material that you have spotted over the last little while. Well, I do, because I did not realise that sort of advertising was available as well as the obvious advertising in newspapers and television and whatnot. So your information has been very beneficial, and the submission you put before the committee as well.

Mr LOCKETT - Thanks very much.

Mr SQUIBB - That promotional material was pulled from a casino, was it?

Mr LOCKETT - It was from different places. Most of it I think came from Wrest Point, but some came from other places. This one, I think, came from the Carlyle Hotel. It seems that most of them have some sort of scheme of their own, some rewards for regular players, some sort of lure.

CHAIR - Do you think eliminating those sorts of rewards and incentives might be of benefit?

Mr LOCKETT - I do not know. That is something where maybe once again we need the advice of people who are better versed in the psychology of gaming, and I know there are people in the Psychology Department at the university who are studying this right at this moment. I think that would be worth looking into.

CHAIR - We could get some information from them. Thank you very much, Eric.

Mr LOCKETT - Thank you, and thanks very much for the opportunity to be here.

CHAIR - Thank you for taking up the opportunity.

Mr LOCKETT - It is good that you were able to get this inquiry established, and we hope that it -

CHAIR - Let us hope we come out with some results.

Mr LOCKETT - Thank you.

CHAIR - With the amount of information we are getting we are hopeful of that.

THE WITNESSES WITHDREW.