

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

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**Mr PAUL MORGAN** , VICE PRESIDENT SOUTH, AND **Mr PETER FEHRE**, EXECUTIVE DIRECTOR, RETAIL TRADERS ASSOCIATION OF TASMANIA WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**Mr FEHRE** - Paul Morgan is the Vice President South of the Retail Traders' Association of Tasmania and I am here supporting him.

**CHAIR** - You're a very good support agent. I will hand it over to you, Paul, to make your submission to us in whichever way you wish. If it's all right with you, as you go along if you come across things for the committee to ask questions ON can we ask them as we go along?

**Mr MORGAN** - Sure.

**CHAIR** - Sometimes it's easier to do that than wait until the end of the submission.

**Mr MORGAN** - I'd like to open up by saying that it's interesting to compare the safeguards that protect the community with shopping as opposed to those with gaming. I'll just list some of those on one side shopping and the other side gaming and I say this because, obviously, shopping is an area in which we represent the retail traders and it's representing or putting forward members' viewpoint on this issue as opposed to other issues.

The whole raft of protection mechanisms in place to protect the unwary shopper such as the product has to be dated, has to be in good condition. The shop assistant has to have good product knowledge. If there are problems with the items purchased the buyer has recourse to consumer protection, such as replacement of the item or total refund. People often shop for necessities of life and thus budget available money.

Now on the other side with gaming there seems to be very few protection mechanisms that we see in place to protect the gambler unwary or otherwise. Often an environment is created to relax the gambler and dull the usual restraints people have - music, alcohol, good food, relaxing environment et cetera. Thus a culture has developed, we submit, which encourages people to gamble more than they can afford.

There is a community perception here that we believe the community has a double standard where they say a fool and his money are soon parted.

Just coming back to the shopping side, often the public can be on the point of purchase after all the build-up and the look at the goods et cetera and for some reason or other they don't proceed and they walk away from it. Now with gaming I don't think you'd say that occurred. Consequently we believe there needs to be a balance between responsible

gaming and gaming that preys upon the community. Governments need to protect the weak and vulnerable in the community, particularly the family and dependants of irresponsible gamblers. We believe government should support values that strengthen the community and discourage trends which attack the basis of society.

Being the RTA we also believe that open slather trading is another example of a trend in the community that undermines our sense of community. So that is an opening statement I just wanted to put in context our view of the issue.

**CHAIR** - Are you going to broaden with any suggestions those final comments that you made about various things that should be put into place to protect the gambler?

**Mr MORGAN** - Yes. It is very difficult for us to do that. I have consulted with a number of our members and asked their view of this. We had an executive meeting last week and had a discussion on this issue to determine what our policy would be in light of the inquiry or the hearing. One of our ladies was saying that the discretionary dollar now is - well, she quote the example of a hairdresser friend of hers, where a particular woman would come in and every week or couple of weeks would have a hair treatment et cetera. Now that lady goes to a neighbouring town which has gaming machines and she just never sees her. We get a lot of anecdotal comments like that, where the discretionary dollar which a lot of small retailers would have access to previously, impulse things I suppose you would say -

**Mr SQUIBB** - So with that example you are giving, you are saying she is going to another community to have her hair done, or to use that dollar to put in gaming machines?

**Mr MORGAN** - To use that dollar to put in the gaming machines. She is not so concerned about her hair and she is more concerned about spending her money at the gaming machines, basically.

**Mr FEHRE** - I think it is fair to say, Geoff, that the woman concerned at the meeting last week was talking about a regional part of Tasmania, not about an urban area. She named the area. We will not do that.

**Mr SQUIBB** - It is probably the same person referred to earlier this morning.

**Mr FEHRE** - Yes, same example.

**Mr SQUIBB** - Right.

**Mr FEHRE** - And the point was made by this very responsible member of the executive that the change occurred once the gaming machine came into that community. So it has happened in recent times -

**CHAIR** - Into a hotel or club, sort of thing?

**Mr FEHRE** - Hotel or club in that local area, and therefore the pattern of retail spending has changed. That was shared by a hairdressing colleague, but the feeling was that it would be repeated to a degree across other retail sectors of that community -

**CHAIR** - Yes, that is what I was going to ask you.

**Mr FEHRE** - and I have to repeat the point that it was in a rural setting away from the urban area, and I think it would have related - Paul, quite clearly you heard what she said - to the introduction of the gaming machines into the area.

**Mr MORGAN** - We thought it was a good example, because it is very hard to put a value on people's appearance; I have a chemist shop and people come in and a lot of our sales are hair colours, various products, and it is a feel-good sort of thing. I have represented the RTA on the Retail Tenancy Board for 10 years or so, so I have had a fair bit to do with rights of the consumer and how the law picks up where people have got themselves into difficulty. It appears to us that with gaming those protection mechanisms do not seem to be there, and you ask how that is remedied? I do not think we are probably qualified to comment on that, but I think we see the trend in the community. I spoke to a number of our members on this issue, and every retailer I spoke to was negative about gaming. They believe in people have a good time, and I do not think anybody would dispute that, but they were concerned that there were some people who - and I was thinking about it this morning - you cannot protect people from themselves.

**CHAIR** - It is difficult.

**Mr MORGAN** - I suppose what I am trying to say is there is a safety-net with shopping. It appears to us there is no equivalent safety-net with gaming, and we believe that measures should be put in place. On the shop trading hours issue I spoke to a number of religious groups and they were all very concerned. I am sure they will put or have put their concerns to you. Obviously they would have ideas, Anglicare and groups like that. They may have more constructive suggestions than us.

We are getting the feeling loud and clear from our members - most of our members are in close contact with the community, in the sort of communities that Pete was talking about but also right across the State - that this is a trend which can be quite a big negative for the community. Used responsibly, I think it is fine but I think a lot of our members feel that it has got to the stage where there are minimum safeguards and they are not really addressing the difficult gamblers, I suppose you would say.

**Mr FEHRE** - I think it is fair to say as well and repeat what Paul said: there is a right for gaming machines and we are not here to oppose the gaming machine movement. I think it is fair to say that the anecdotal evidence that has been given is valid. I also think we are seeing a social change with the gaming machines. It takes time. I wrote something here as I was listening to Paul. That social change is reflected in the comment I made in the earlier presentation about the major facility changing. It is social environment because there was a demographic that had been driven away from their place by gaming. They have recognised the need for a social change to accommodate that demographic and therefore, they are making a structural change. I talked about Wrest Point. They are making significant changes there. The same in some of those rural communities. When gaming machines come in it is changing behaviour. If I am not a gambler and my club now has gaming machines it is going to impact on my social activity. I am not going to go there and expose myself to it. I am not going to impose them but it means I have to change my social pattern. Not because I am a gambler but because I am not a gambler. I think for the community to accommodate that change will take time. While there may

seem to be a negative at the moment that is not to say that over time, if we change, it may become a more positive environment.

**Mrs SUE SMITH** - The Gaming Control Act has been in since 1993 so it has ramped up over a period of nine years. Has the Retail Traders Association looked at doing some sort of quantitative research to see whether there has been proven movement from, say, compulsive shopping to gaming machines? I believe you are linked to TCCI. Have they looked to a larger body that they are linked with to do any of that particular work over those years?

**Mr FEHRE** - That is a fair question. Maybe if I can just preface that with something I think you were saying earlier and if I can come back to you, Sue. I have had extensive talks with the Australian Retailers Association, as they are now. Are they putting a submission to you, the major shops?

**CHAIR** - No, you are the only one that is covering that area. We would be most interested to hear the broader impact if you have any information to give.

**Mr FEHRE** - I am quite surprised to hear that.

**CHAIR** - You are mentioning hairdressers but we have heard that one answered before.

**Mr SQUIBB** - We have been too busy in recent months.

**Mr MORGAN** - Maybe they expect our resources in other directions.

They are very concerned about this. In fact, I would say it is one of the areas in which our interests coincide because they are concerned. We disagree on the issue of trading hours but they have spoken about how trading hours for the major shops have been regulated against, have been defined, whereas with gaming they have not been defined. They have been very strong on that so I am really surprised they are not putting a submission to you. I cannot really speak on their behalf but I know that that is really an area of concern. I can say that our concerns coincide on this issue.

Now you were saying, Sue, about the effects of gaming on retailing and have we studied that. My response to that would be that most of our members are small businesses and a lot of them would be dealing with necessities of life - you know, prescriptions or food. Some are jewellers - some people would argue -

**CHAIR** - Clothing.

**Mr MORGAN** - Clothing, there is another good example. But often, I think it is probably more the majors where people go for the shopping experience. The centres, people would go to the centres for the shopping experience. To answer your question directly, Sue, we have not commissioned a study on this. We are concerned about it and I am sure it is a nation concern and I suppose Retail Traders is a small body with limited resources. We know that gaming affects our members adversely. I am sure many of our members go and have a good time at where ever, you know, gambling. So we are not knocking it, it is obviously here to stay, but I think many of our members see it as out of control, I think you would say. The support is not there.

**Mrs SUE SMITH** - I asked the question because over a period of years I have had retailers blame gaming machines in the community. They have taken the compulsive shopper, who may go shopping Wednesday, Thursdays with the extra dollar, out of the shops into the gaming arenas has been their rationale. There has been some anecdotal evidence. I am always quite surprised the number of women, for instance, who may be at gaming machines in my own communities during the day. But I had heard that scenario for several years. We were presented with a paper on the impact of gaming machines on small regional economies in South Australia and it was prepared by the Provincial Cities Association of South Australia. It was prepared by the Adelaide and Flinders universities. I am trying to reason why, if there is no capacity to have it done, has there been any lobbying to the Government to have the Government perhaps fund economic and social impacts on your retailers throughout Tasmania in part of the processes? I mean the Government talks about partnerships all the time. I would have thought this was a very good avenue of partnership between retail traders and State Government perhaps, knowing limited funds, times and capacities of your association.

**Mr FEHRE** - Can I make a brief comment while Paul thinks back through those years because I am a newcomer to the arena. But it is very clear from what reading I have done, since there is no baseline study available that tells us what the world looked like in 1993 and what the world is looking like today, and I think that has to happen, as I said in an earlier presentation. I think that is pretty vital. The gaming aspect of the State and its community is a pretty significant issue and we do not know enough about it. I do not think we know enough about what impact it has had upon retail, therefore we need some money invested in research. I think we have a statewide network of retailers that could provide an interesting population upon which to work. So I think that is valid. Again, as I said earlier, I do not think we know enough about some of the demographics of those gamblers themselves. So, no baseline study. Yes, there is a need. I do not sense - we certainly in recent months have not approached the Government about research.

**Mr MORGAN** - I think the way I would answer what you said, I mean it is a valid question and it is an interesting question but I think the way I would answer it is to say that we are a small body with limited resources. I know that the Australian Retailers Association have a lot of concerns in this area. I have seen statements that are put out from time to time on it. Their resources are much greater than ours and I know that they have been quoting from studies like you have mentioned, the South Australian one, and I suppose that there are so many areas in which small retailers are pressured that this is one and it is an important one, but it is probably one of about 10. After all, I run my own business. I have somebody working there this morning while I am here. I think I would say we just do not have the resources to do this and I take your point about partnership with government. I think for a lot of the small retailers there's probably a bit more to it than that. We tend to be a bit sort of independent and we tend to think that we can stand on our own two feet and we haven't got the culture of what you're saying.

If we have a problem put upon us we think well, how can we handle that. I just happened to hear yesterday on the radio a chap talking about - it was to do with Geeveston and banking and when the bank pulled out, I don't know whether you happened to hear it. He was saying how when a bank pulls out of a country town, I think he said overnight he lost 30 per cent of his turnover and he had to adjust his business to cater for that drop in turnover. He did it by adjusting his staffing, adjusting his range and

he said he had to move quickly and he said it took him, I think, two or three years to get back to the same level of profitability that he had before that changeover which he had no control over happening.

That is a good example of what happens in small business all the time. If something over which you've got no control and as an independent person you've got to say gee how do I handle that?

What you say is valid and should be done. I suppose most small business people are so busy trying to juggle all the sorts of pressures that we have that we haven't and obviously it's something we should take on board.

**Mrs SUE SMITH** - If the State Government or another body like the Tasmanian Gaming Commission could be convinced to look at social and economic impact studies in communities and in particular in the retail area, would the Retail Traders Association of Tasmania support studies such as that?

**Mr MORGAN** - Absolutely. I mean, it's interesting again. As I said, we had an executive meeting last Tuesday and it was the first time we formally discussed this issue. The reason was because we knew that this hearing was on this morning. We have discussed it informally at meetings. It's not a burning issue among small retailers because there are so many burning issues. I suppose it hasn't been identified - and Sue to some extent by her line of questioning has done that - as impacting severely on small retailers.

We've always seen the major threat to our livelihood for all different reasons as the extension of trading hours because particularly with our food members it has such an impact on their survival. I suppose now on a scale of one to a hundred we've seen that it's probably by far the top priority and then there is a whole range of other issues. Retail tenancy is a very important issue for small retailers particularly in shopping centres. I know that Geoff and many members of the upper House have had concerns about that. We still have concerns about that with this change in legislation incidentally.

As Peter says, he is newly with us and I can see that this is an area that Peter would probably be good at addressing. Anyway, I'd say yes we would see it as an important area of concern and something that we should get involved in.

**CHAIR** - There's been some comment in Victoria on this particular issue over the last 12 months or so. Various retailers, small retailers - I think the examples were fruiterers and butchers - were saying that they believe that the discretionary dollar of the person in the community, the spending of that discretionary dollar has changed from necessities or -

**Mr MORGAN** - The basics of life.

**CHAIR** - Yes, the basics of life or the 'I need to go out and get something special' -

**Mr MORGAN** - An impulse.

**CHAIR** - Yes, the impulse, that's the word, that's the one I want, the impulse spending, and it's changed and gone down - they would go down in Victoria obviously to the casinos or

to the pubs and clubs and whatnot and spend their money that way. But the balance was different before when there were only casinos or only smaller casinos and it is changing. The money in all those little slots, for example, has changed out of those slots and gone in and the slot of gaming has increased and it was a concern to the viability of their businesses.

You've mentioned the hairdresser but you're not mentioning anyone else and I'm just wondering if there's any anecdotal evidence to this point. I think that's some of where Sue was pointing her question from, that within the Tasmanian community the spending of that discretionary dollar is changing and that small retailers are being affected.

**Mr MORGAN** - I have heard a number of our members, particularly on the north-west coast, talking about exactly what you have just said. It is some time ago, so I cannot give you the examples, but I know that particularly in the smaller communities exactly what you have just said is going on, and I am sure it is going on throughout the State. Coming back again to the nature of small retailers, we all know it is happening, and I suppose we feel we cannot control it and we have to try and manage it the best way we can. The gaming sort of ocre or movement just seems to be something which is almost too big to cope with. Another thing is you are talking about anecdotal episodes. If somebody does not come into your shop you do not really know what they are doing. In my business you might have somebody who is a regular customer, and then you do not see them for six months, and sometimes you never see them again, but you do not know why. Many times the shopping patterns change for all sorts of reasons, and obviously some of those are gaming. I know a woman said to me once 'I don't come near your shop anymore'. I said -

**Mr SQUIBB** - You made it too healthy probably.

**Mr MORGAN** - That did happen with one. I thought of it, actually, but I thought it was not relevant to this. But with this lady it was a change in the one-way streets. She said 'I can't come the way I used to come to your shop, so I don't come there anymore because of the change in the one-way streets'. So there are all sorts of reasons why people change their shopping habits.

**CHAIR** - So you would see the value in the study that Sue is suggesting, that we could flesh out some of this?

**Mr MORGAN** - Absolutely.

**Mr FEHRE** - Can I add to that too? Sitting listening, following on from Sue's comment, it is easy when something goes wrong with your turnover to look for a scapegoat, and at the moment we have no evidence to say who is the scapegoat. And to a degree we have anecdotal stuff which says 'That arrives, and this is the impact', and therefore I am 100 per cent behind some research, as I said earlier this morning. It struck me that at the moment the two organisations that I am looking after represent, I guess, about 700 small businesses directly, and I know around those 700 there are at least 1 000 supplier small businesses, so there are 1 700 small businesses that we have in a network, whether it be retail traders or restaurant and catering, to get to those people to get some feedback, and I think that becomes vital in terms of what we talk about.

The other thing about it is that both of those groups, and I think it is probably characteristic of small business, is that small business by its very nature is action-driven. If you run a restaurant and a freezer goes down at 11 o'clock at night and your staff have gone, you have to do something about it or your business goes under. The same with the pharmacy or the other small business. The people who run those small businesses find it difficult to devote time to relationships with government and with other people, because when you deal with bureaucracies, Geoff and I know from past lives, by the nature of the organisation it takes longer. So they get on with running their business, which is their mini-world, and so on, and until they get, I guess, a broader strategic view of their industry area. They handle those priorities as and when they hit them and not in a strategic way. I think for both the bodies that I am wearing hats for today - or I am wearing one different one now - some research would really help both of them plan not only for how they deal with the gaming bit and address that, but for many other aspects of what they do.

**Mr SQUIBB** - Particularly from the small retailers' point of view, because your roll-out of gaming machines started just before extended trading hours of a Saturday, so which one or both.

**Mr FEHRE** - Yes.

**CHAIR** - It would be very valuable.

**Mr MORGAN** - One comment I wrote down here earlier was when you were talking about Victoria, Silvia. I remember Jeff Kennett speaking about a gaming-led economic recovery. I think most small business people would laugh at that because we see it as an artificial comment. I know it is economic activity but it is not what we would call economic activity.

It reminds me of something that we have been very concerned about for some time. I do not know if you are aware that this business with retail sales reflects gaming figures. Do you know? Are you aware of it? When the statistician puts out the retail figures for the quarter or for the period the figure that is normally quoted includes gaming. So that when you hear that retail sales are up and we hear it nearly all the time and that is because the gaming revenue is included under retail sales. We have tackled the statistician on this because we feel it is very misleading.

**CHAIR** - It is interesting.

**Mr MORGAN** - Yes, and we have been told that in the quarterly bulletin there is a breakdown but the actual figure which is quoted in the media lumps retail sales and gaming revenue together.

**CHAIR** - I did not know that.

**Mr MORGAN** - Sue was asking earlier if we had tried to quantify this. We have had great difficulty with the statistician. We said to him, 'We know from our members that retail sales are down', in a particular period. It might have been two Decembers ago. Everybody was saying how poor the trading figures were leading up to Christmas and



yet the official figures were saying that it was a bumper Christmas trading period. But this was the gaming. If you took that gaming out of it, the retail sales were down.

**Mr SQUIBB** - So are there other services, hospitality and leisure type services, that are included in retail as well or is it just the gaming?

**Mr MORGAN** - I know we went into this quite thoroughly some three or four years ago and I cannot remember the upshot of it but my understanding is that the figures are retail and gaming.

**Mr SQUIBB** - Entertainment?

**Mr MORGAN** - Sorry, Geoff, but I cannot remember, but it is easy enough to find out. We feel it is wrong and it is misleading to the community. The community is being told that retail sales are up -

**CHAIR** - ABS.

**Mr MORGAN** - ABS - and members telling us that they are not. Then we have to try and put out a media release saying that things are not as rosy as we are being told they are. That is very misleading. I feel quite strongly.

Again, Sue was asking what have we done about this issue and it is a good comment. We have been trying to get that changed for about seven or eight years.

**CHAIR** - That long.

**Mr MORGAN** - To try and have the gaming figures stand alone so they can be compared period to period and retail sales figures compared separately. Because of the way the statisticians put out their report they say that it cannot be done. It is too hard.

**Mr SQUIBB** - And one would assume that gaming includes all forms of gambling?

**Mr MORGAN** - No. I remember there is some difference there. I do not know if anybody else in the room knows the distinction but I think the actual gaming in the two casinos is separate. I am only going on memory but that is my recollection, all gaming outside the two casinos.

**Mr SQUIBB** - With lottery tickets you could probably understand the rationale. They are being sold through retail outlets.

**Mr MORGAN** - It is probably historic. I do not know what it is but it is something that we have been very concerned about and is very misleading. When you hear of economic trends the Treasurer stands up and says that retail sales in the country are up, housing commencements are up and so on. We know from our members that retail sales are not up. You get this quarterly report of economic activity from the banks and all that and we thought these are flawed because they do not represent what they are supposed to represent. So that is an aside but it is something that we have been concerned about for a long time. We feel it is misleading and with a lot of representation to the Commonwealth Government that we have not been able to get it changed. We feel it is -

**CHAIR** - It is an interesting fact though.

**Mr MORGAN** - It is highly misleading to the community. My perception is that a lot of the community are not happy with what is happening with gaming. But I think that is blunted a bit by the fact that gaming a retail figures are lumped together and gaming is an economic activity. If gaming stood on its own two feet, basically, the figures were announced and retail sales, there would be no confusion and retailers would be much happier with that than the way it is currently done.

**CHAIR** - The community's perception of what retail means would be clarified a little bit more too, would it not?

**Mr MORGAN** - I would say that at the moment when the public hear the retail sales for the quarter up, they would assume that is retail sales, nothing to do with gaming and that is not the case.

**CHAIR** - Retail does not mean gaming to the general public though I would expect. It means shopping.

**Mr MORGAN** - That is right. I would say most retailers, any retailer we have ever spoken to on that issue has felt that is wrong. That is, you know you think some things are basically okay, some things are basically wrong. That is wrong, that is misleading. We feel that gaming is hiding behind, I nearly said a respectable activity -

**CHAIR** - Another industry.

**Mr MORGAN** - another industry and that it should stand on its own two feet. People can then compare. The three of you have been saying, what can we suggest to try to put gaming in perspective to get a clearer view of what is happening with gaming> I would say retailers, that would probably be our number one concern, that the gaming activity be identified in its own right, separate and distinct to retail. You mentioned about Tattslotto and some of those things. That is a grey area I can see but that is not the major area. The major area obviously is what is going through the gaming machines. The grey area might be - I do not think it would be 10 per cent.

**Mr FEHRE** - I think it becomes important if you do make that split. I think that is important. But then the public which includes the retailers would be able to very clearly see what that redistribution of wealth is going to do back in their community. That comes back to the discussion we had earlier about the support fund.

**CHAIR** - The support levy.

**Mr FEHRE** - In terms of the public being aware that if gambling is continuing and if it is going up then we are getting some back to the community because for it to be a legitimate activity they have to feel good about it and feel it is doing something good for the community. So I think the awareness of the split there has to be balanced by an enhanced awareness over here about what the support fund is doing.

**CHAIR** - Yes, I take your point. Right, I will let you go on.

**Mr MORGAN** - Also, since I knew we were coming here this morning, I have been speaking to people and trying to get a view of what they think. A number of people have mentioned to me about free buses to casinos. That is seen in the community, again it probably depends who you speak to but as a negative, a day's outing to the Launceston Casino for somebody in Hobart. I do not know exactly the details of that, whether it is completely free. It is certainly subsidised. But I know there are free buses from outlying suburbs of Hobart to Wrest Point.

**Mr SQUIBB** - Does that still occur?

**Mr MORGAN** - I believe so. This was put to me a few days ago. This is anecdotal. Earlier I was talking about safeguards in the community. That is an example of safeguards not being there for the community that these buses are there. It is interesting; I was thinking about this. There are sometimes free buses for shopping for people to park their car on the Domain, for example, and they get a free shuttle bus at Christmas time into the city.

**Mr FEHRE** - It's almost in a retailing sense like a lost leader product, isn't it? Free buses are almost like the lost leader.

**Mr MORGAN** - It's kind of a gimmick.

**CHAIR** - Yes, it is.

**Mr MORGAN** - But that's the sort of thing that people in the community are saying. That wasn't put to me by one person, it was put by a couple of people. It's a marketing strategy but it's the sort of thing that - when I was thinking about this and I mentioned earlier - when you are selling something to somebody and this is more, say, a discretionary thing rather than a necessity, you go through a series of steps and you get to the point of yes or no basically and occasionally the person will say no, thanks very much and turns and walks away. But that doesn't happen with gaming.

I know the nature is different but with gaming there's a compulsion with it and one could argue that the free bus is part of that process. It leads a person down a path to parting with their money and I'd say that the community perception would be that free buses are probably a bit over the balance of what people would see as a fair thing.

**CHAIR** - An extra enticement sort of thing.

**Mr MORGAN** - Yes.

**CHAIR** - But, as you say, it's a marketing tool.

**Mr MORGAN** - It's a marketing tool. But if you're thinking of a series of steps that leads up to somebody going and gambling we've got to go and catch a bus, pay money to catch a bus get off at the stop and walk to the gaming venue but a free bus cuts all that out. It's an example of the fact that as retailers we say there are all these safeguards for the community with shopping, whereas with gaming there seem to be very few safeguards there. It seems to us lopsided. That's our perception of it.

**CHAIR** - Yes, that's a point of view.

**Mr MORGAN** - And as retailers I'm sure other people would have a different point of view but as retailers we see there is a number of hurdles that retailers have to surmount to carry out their business whereas with gaming those hurdles not appear to be there or aren't there.

**Mr SQUIBB** - Some, of course, would argue that it's an opportunity that previously wasn't available to them and therefore it's an advantage.

**Mr MORGAN** - You mean in spending their money?

**Mr SQUIBB** - Well, the opportunity to get a free bus to go to something that they see as legal entertainment.

**Mr MORGAN** - Yes. Then you start asking questions - there is no such thing as a free lunch so why do you have a free bus? It's a bit like in a shop if you say such and such is free but it's only free if you buy something. Now you could put that argument back on the bus. You've got a free bus but it's only free because there's an expectation that you will spend money.

**CHAIR** - Spend money when you get there.

**Mr SQUIBB** - How do you justify the free one for shoppers though?

**CHAIR** - I knew that was coming.

**Mr MORGAN** - A hit on the chin there, didn't I.

**Mrs SUE SMITH** - Solve the transport problems in the City of Hobart at busy periods. I'll give you the answer.

*Laughter.*

**Mr MORGAN** - Thanks very much.

**Mrs SUE SMITH** - Keep the cars out of the city, honourable member.

**Mr MORGAN** - I don't know the frequency of these buses but one woman I spoke to is an older lady, my sort of age, and she said, 'The free buses I just feel that is beyond the pale'. Anyway it was a comment an interesting comment.

**Mr FEHRE** - I've got to say I did spend some time looking at some of the leagues clubs in Queensland, some of the gaming facilities, and I take Geoff's point to a degree. Some of those facilities can put their hand over their heart and point out that we're providing a community service. I visited one at Tweed Heads and in the particular area of their establishment were several hundred people who were older than me, as not many of the community are. I wandered around and had a talk to them. They had a social outing. They talked about being picked up at the corner, and it was a day a week that they went. I wondered whether any research into gaming and addiction shows that in that aged sector we have a gaming problem because weighing against that is the entertainment,

social isolation value of getting them out of their homes and mixing with others, so it is a real dilemma. But, as Paul quite rightly says, it is one of those things that can start people down a particular path, but I think there are pros and cons.

**CHAIR** - Oh yes, and there is also discussion today about getting them out of their home and their social isolation. We have other people who have commented that people who are sitting in front of gaming machines are socially isolated anyway because they are not interacting with the people around them, so I do not know whether there has been any broad-based study done on weighing those two up and seeing which is the better way to go.

**Mr FEHRE** - I do not know how much further into the future it will be before the three of you and Paul and I can sit at home, and we will just program our credit card number and, through the box that most people look at nightly, gambling will happen in our loungeroom. That is virtually with us now.

**Mr SQUIBB** - We can do that now.

**Mr FEHRE** - How do we combat that, and what impact is that going to have on gaming machines as well? If someone says to me I would prefer to have Silvia - excuse me coming to you - coming out of her home into a social context where she is having contact with people, to socialise and maybe gamble but at least have some social interaction, than leaving her sitting in front of her television.

**Mr SQUIBB** - She does not need the free bus for encouragement though.

**Mr FEHRE** - Okay.

**CHAIR** - I do not frequent them.

**Mr MORGAN** - What comes to my mind - the comment that Peter made just then was interesting - was we would have no problem with responsible gaming, and I can think of some older relatives of mine in Launceston who once a week go to the local casino and have a meal and spend a bit of money, and I don't think most people would have a concern with that.

**CHAIR** - Well, 90-plus per cent of people are responsible gamblers, aren't they.

**Mr MORGAN** - Yes. The problems we see are the ones who are not responsible. Again I come back to what I was saying about safeguards. We believe the safeguards are not there for the people that gamble responsibly, and this is not restricted to Australia, it is world-wide, but there are 10 per cent or less of people who are not responsible, and as a community we need to protect those people or put measures in place. I was thinking of door-to-door salesmen. There is legislation there to protect people, if somebody knocks on the door - it does not happen so much these days - and sells you something and there is cooling-off legislation and that sort of thing. There need to be some safeguards. We see it, and we are not really competent enough, but the impact study on the community that you referred to - and we would obviously be very happy to be involved with - I would see as an important way of trying to put a handle on what is happening to that group in the community that needs some safeguards.

**CHAIR** - Similarly to people who smoke and drink alcohol, those sorts of safeguards?

**Mr MORGAN** - People who smoke are very difficult. I have spent many, many years talking to people about smoking. I have not spoken to many people about alcohol, I must admit. One interesting thing about smoking is - getting off the subject slightly maybe but it is to do with compulsion and addiction - that most people I speak to about smoking tell me they would really genuinely want to stop. I think the figures say that the average is four attempts before a person gives up smoking. I used to spend a lot of time with people encouraging them to give up smoking. Women in particular, it is a very difficult thing, I find, to give up smoking. I think weight control is one of the things. There are many areas.

**CHAIR** - In fact, that is one of the areas the Victorian Government is putting, if they have not already put, the amendment to ban smoking in areas of gaming which obviously breaks the cycle and allows people to move away if they wish to have a cigarette.

**Mr MORGAN** - I heard you speaking about that to the media and I think that would be -

**CHAIR** - That is sort of safeguards that one could consider.

**Mr MORGAN** - Exactly. The Government have, I am not sure exactly at this stage, controlled smoking in hotels where food is served.

**CHAIR** - Here.

**Mr MORGAN** - I think to ban smoking in gaming areas would be an excellent - they are the sort of safeguards. There is a series of things with shopping that are there. They are similar. As retailers we look at our industry and look at an industry such as this and compare them. We would say that the safeguards, the standards, the guidelines are not there to support gamblers that are there in the retail industry. Smoking in a gaming area is, I would say, one of those.

**CHAIR** - And picking on the smoking one again. I am not specifically picking on it. The safeguards in your outlets, for example, advising customers of the rules and regulations for serving cigarettes to persons under the age of 18. Would you consider at a gaming venue, on the gaming machines or widely displayed within the venue the potential for addiction?

**Mr MORGAN** - I think Peter Schulze mentioned something like that.

**CHAIR** - Yes, he did. Those sorts of things as safeguards?

**Mr MORGAN** - That would be a similar sort of safeguard, as I see it. Just on smoking. It is really interesting, as a quick aside; I reckon over twenty years ago we first put signs up in our pharmacy, 'No Smoking', and we got a lot of comment from the public who were really unhappy about the fact that they could not come in and smoke. If they did we would ask them to leave. We would ask them to go outside and finish their smoke; leave their prescription and finish their smoke. After probably five years, we got no comments whatsoever. Now, people just accept the fact that they cannot smoke in the pharmacy.

**CHAIR** - It becomes the norm.

**Mr MORGAN** - That is an education sort of a thing. We did it with humour. We have a sign there with an Indian sending smoke signals and he says, 'I'd like to die of natural causes'. Humour is a very powerful tool with education.

**CHAIR** - It is. Just mindful of the time and I do not want to limit you on any further comments that you wish to make in support of your submission -

**Mr MORGAN** - I do not really have anything to add.

**CHAIR** - Peter, anything to add?

**Mr FEHRE** - Only to reinforce the point, I do not think we know enough about the impact and therefore I think research -

**CHAIR** - Comprehensive research.

**Mr FEHRE** - and if that can be done in a way that allows a number of business sectors across small business to be involved and I can legitimately say that the restaurant and catering industry would be happy to combine with retail traders to involve themselves in that. I think that is important.

The other point that I made earlier and Paul, to a degree, touched on is that there needs to be greater awareness of the things that you, the gambler, can do if you are in difficulty. You talked about things on machines and compared it to cigarette boxes. I am still a little bit of a cynic about those sorts of things if they are done in isolation. There has to be other educational awareness things done in the community and I think they need to be pretty targeted.

**CHAIR** - Fair enough. Thank you both very much, Paul and Peter, for coming and giving us your thoughts on this matter. You have been extremely useful and very helpful with your comments and your suggestions and we do appreciate them.

**Mr MORGAN** - I would just like to thank you for the opportunity and say that we are more than happy to work on some study on impact on the community and I am sure our members would be very happy to be involved also.

**CHAIR** - That is very good, thank you.

**Mr SQUIBB** - Your point on the ABS figures was interesting.

**CHAIR** - Yes, a most interesting comment on the ABS figures, certainly something we will follow up.

**THE WITNESSES WITHDREW.**