

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE IMPACTS OF GAMING MACHINES MET IN THE TRAINING ROOM, BURNIE CITY COUNCIL, BURNIE ON THURSDAY 18 APRIL 2002.

PAUL O'HALLORAN WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mrs Silvia Smith) - Thank you, Paul, and welcome, albeit in your lunch hour. I'm glad we could accommodate you.

You haven't sat in on any of the submissions so what happens is that you can make your comments to the committee and committee members will ask questions intervening through it if that's okay with you. Then you can sum up at the end if that's a need and we'll leave it up to you to talk to us and we'll go from there.

Mr O'HALLORAN - My name is Paul O'Halloran. I'm a teacher at the Don College. You probably also know that I'm the lead candidate for the Greens in Braddon but I'm a doing this because I'm an individual sort of person really with strong opinions about particular issues. So I'm representing myself and others that I know who feel the same way.

CHAIR - Good.

Mr O'HALLORAN - You'll see that also I'm sort of representing education in a sense and as I go through it you'll see that I believe that poverty in Tasmania is closely linked to education outcomes for kids. So I'll sort of tie it in as a teacher as well. In my own view not in anybody else's.

I basically hadn't intended to make this submission. In fact I only decided about two hours ago.

CHAIR - We did note that.

Mr O'HALLORAN - I'm sorry about that.

CHAIR - That's okay.

Mr O'HALLORAN - I did read the editorial in the *Advocate* this morning -

CHAIR - Another one.

Mr O'HALLORAN - and I thought well you know you need to stand up and be counted. If you really want to bring about change then you need to do something about it and I'm in a position to be able to do that and so I did.

CHAIR - Good. We're pleased you did.

Mr O'HALLORAN - If you don't mind I've thrown this together really quickly -

CHAIR - Fine go for it. If you want to add lib to it do so.

Mr O'HALLORAN - I'll just read to it and speak to it as well and if you'd like a copy, I have a copy here for you if you'd like to have one.

CHAIR - Thank you, we'd appreciate that.

Mr O'HALLORAN - Basically what I'm doing is trying to link together entrenched poverty in Tasmania with poker machines and with education. So they'll be the threads that I'll try and work through if you like.

North-west Tasmania is the fourth most economically depressed and socially depressed region in Australia and other regions in Tasmania are not far behind.

We've got 20 per cent of our people on the north-west on unemployment benefits. We've got very low retention rates, we've got very low university enrolments and coupled with those factors we've also got very high attrition rates. So we've actually got kids and young adults dropping out of education. I believe - and all the research would support it - that one of the reasons why this happens, in fact the primary reason, is because of poverty.

So I'll go through a few of the indicators of poverty and you'll see what I mean about poverty in this particular area.

Mr SQUIBB - Can you give us a reference of one of those reports?

Mr O'HALLORAN - I will as I go through. For all the indicators I'll actually give you a reference so you can reconcile.

The number of wage-earning Tasmanians qualifying for health care cards on the basis of low income but not receiving any other Centrelink benefit has increased by more than 2 500 since 1999 to more than 11 000 in September of 2001. These figures come from an Anglicare report which was released very recently and also they're based on the most recent ABS figures.

CHAIR - What Anglicare report was that?

Mr O'HALLORAN - There was an Anglicare report released about three months ago, which I'll refer to a couple more times as we go through, about poverty in Tasmania.

Mr SQUIBB - Not their one on gaming; it was the one in relation to poverty?

Mr O'HALLORAN - That's right. I'll refer to it -

CHAIR - *'The Dead Man's Shoes'* is that the one?

Mr O'HALLORAN - Yes.

Tasmanians' high level of income poverty is accompanied by a very high cost of basic essentials. For example, our energy costs for low income earners are some of the highest in Australia.

Coupled with the high levels of poverty we've also got a high cost for really basic items in Tasmania. We've still got a pretty high cost of living. Groceries, for example, is a good example of that but there are lots and lots of others as well.

Over 13 per cent of the Tasmanian budget comes from gambling revenue. You've probably heard these figures before because that was in the Anglicare report. Poverty, unemployment and the working poor is the world of 40 per cent of Tasmanian households and that comes from Australian Bureau of Statistics figures in an article called '*Australian Social Trends 2001*'.

I'll make reference now to the Anglicare report which was released on 14 March which shows that 42 000 Tasmanian students are living in a poverty situation and I'll link that to education in a minute, the retention, involvement and engagement in education.

We are the State with the highest needs index with an average of 38.2 per cent of students on student assistance - that's in 2000 up from 36.4 per cent in 1997. So it's 38.4 per cent the average across Tasmania right now so these are students who, based on their carer's income, can't afford the basic necessities of life basically and so they need to be assisted in terms of payment of levies, payment for books, payment for excursions and those sorts of things. Now if I were reporting this 15 years ago I feel fairly sure that that average would have been below 30 per cent because I've been teaching at schools in this area now for 25 years. And it's up from 1.8 per cent since 1997 and it's increasing.

The big change that's happened in schooling in terms of ability to meet payments at school like levies and things like that is that it used to be fairly localised like there were little pockets of suburbs that had very high needs index in terms of students being on student assistance but now it's more evenly spread throughout the whole community right across Tasmania. But this area has a fairly high needs index as well, particularly Burnie.

Some schools are as high as 60 per cent so they have 60 per cent of their students on student assistance and they're Department of Education figures which are accessible on the DOE web site.

These levels continue to increase as Tasmania continues to fall into economic demise and as there's increase casualisation of the work force. Now it's not just the economic situation in Tasmania, it's also a change in trends in employment so casualisation, more temporary status, more part-time status and basically workers, that is kids' parents, are more vulnerable in the present-day workplace; they're not as protected as they probably were even five years ago.

We have 80 per cent - this is a really important figure for me and I do use it a lot - but our average income in Tasmania is only 80 per cent of the national average income and it's the lowest it's been for 50 years. And I think that's a pretty good indicator of the economic situation in Tasmania really that figure right there.

CHAIR - Where does that figure come from?

Mr O'HALLORAN - That comes from the ABS.

The impact on costs and charges across a range of subject areas as regards to education is having a really worrying impact on participation because parents are being asked to cough up for levies, they're being asked to cough up for excursions, they're being asked for books and if you're parents of kids you would know that you're always putting your hand in your pockets for something that's needed with school. And that is excluding a lot of kids and their families from participating in education. I think it is one of the reasons - and I work in this area in education myself, students at risk - why we have very high attrition rates from grade 10 to grade 11. So retention rates are fairly low but they are improving.

Also, once they get to, for example, the college where I am there is a high attrition rate and I think one of the reasons for that is the necessity for money. So they go out and they pick up the first part-time job that's available and they drop out of the education system, the very thing that could actually improve their lot in life. So, once again, I sort of link it to poverty. So the need for money both individually, the kids, and also their families not being able to support them.

The link between socioeconomic disadvantage and educational outcomes has been well established and there's a lot of literature which establishes this. They include - and all these indicators are in schools for sure - low level of literacy, numeracy and comprehension, low retention rates, lower rates of participation in higher education and particularly in north-west Tasmania where the ability to be able to access particularly tertiary education is more difficult here and more costly because our kids need to go away to access those opportunities. Higher levels of problematic behaviour and truancy, negative attitude to school and certainly less successful transitions from school to labour markets and the area that I work in a lot is trying to ease these transitions for kids from education into labour markets and also further education.

This is a very real issue in Tasmania with high levels of youth unemployment, low levels of participation in education by 15 to 24 year olds and extremely low participation rates in TAFE and university and that comes from a report *Australian Social Trends 2001* that data.

High levels of poverty are affecting access to education opportunities. As I've already mentioned, levies, college, TAFE, excursions, some subjects have additional subject levies, sport like just being able to participate in sport is a cost that some parents can't bear - footy jumpers, for example - especially in areas outside Hobart and Launceston.

And a report by a guy called Flanagan - it's not Richard Flanagan but another Flanagan - in 2000 identified school levy charges as a major cause of financial concern and he points out that there is a major link between levy charges, school attendance, course choices and participation in school programs. Now I will relate that back to poker machines, if you like, which is really what I'm here about.

No doubt people have said these figures to you again but I'll say them. They come from the Anglicare report mostly.

Poker machines turnover in Tasmania is \$3 540 per head which amounts to a \$350 loss per person in Tasmania, up 25 per cent in 2001.

CHAIR - From?

Mr O'HALLORAN - 2000.

Total poker machine turnover is \$1.664 billion and \$750 million of that comes from pubs and clubs. It's outside casinos.

Total punter losses on gaming machines if \$166 million - that's 2000-2001.

Total gambling in Tasmania - this is adding in now total gambling which includes horses and so forth - is \$2.065 billion.

Government gaming revenue is \$72 million, \$46 million of which comes from gaming machines and only \$500 000 is spent on problem gambling.

Seventy-nine per cent of Tasmanians believe that Tasmania has not benefited from poker machines in pubs and clubs. *Tasmania Together* echoes this view. It's all through *Tasmania Together*.

Retail traders have very legitimate concerns and no doubt you've heard those over the last couple of days. If you're actually sucking money out of communities then it's not going back into the retail traders for a start but it's not going back into lots and lots of other things either like education, for example, for their kids.

I know - and it's really come home to me in the last couple of months - some families who are affected by a problem gambler in the family and most other people I talk to also know somebody. So it's a really big issue in Tasmania.

Mr SQUIBB - So you wouldn't regard hotels as being a retail trader unlike ABS who links it all together in its figures?

Mr O'HALLORAN - I certainly object to gambling revenue being linked to retail revenue; I didn't know that was the case so when you release retail trading figures, what's spent on poker machines is included in that. That just seems ridiculous to me because it's not factoring in the social cost of gambling.

Mrs SUE SMITH - If I might, in fairness then you should take that leisure and entertainment activity totally out of retail, shouldn't you? You shouldn't just take the gaming gambling part of it, you should take the leisure and entertainment away from retail as such.

Mr O'HALLORAN - Well, you somehow, I think, Sue, need to be able to identify what the social cost of all those activities is and it's quite clear that there is a social negative cost with gambling. I know there's a social positive as well, in fact to some people it's entertainment, but the trouble is it's also very addictive and that's the big worry to me. What it's costing families is the big issue of concern for me and the fact that it's been made so readily available now is a major issue. When it was stuck in casinos it probably

wasn't quite so bad but once you open it up to pubs and clubs like your corner pub's got poker machines in it then it's just so accessible and the trouble is the people who are most affected are those who are most vulnerable, for lots of reason and they're well published as well.

CHAIR - Yes.

Mr O'HALLORAN - It's not people like me, for example, who frequent poker machines, it's other people who can least afford to do it for various reasons.

Community welfare service - and I know that they've made presentations as well to you - have identified large increases in poker machine-related poverty. Local councils are increasingly concerned. One concern to me is that the current Government recently increased the number of poker machines by 222 in pubs and clubs and not only that, they also increased the betting limit and there were warnings everywhere by different community groups of what the implications of increasing that limit might have been and sure enough, we've now got increased levels of problem gambling.

Mr SQUIBB - I think in fairness rather than blaming the currently Government it was in accordance with the deed which was attached to the legislation which goes back some years.

CHAIR - I believe that I'd be right in saying that the betting limit hasn't been increased, it's just been removed.

Laughter.

CHAIR - Just to get it politically correct.

Mr O'HALLORAN - It's playing with words.

CHAIR - Yes. That's the point there on those two issues just to clarify that.

Mr O'HALLORAN - It hasn't been removed because there's still a limit, isn't there, on most machines? I mean if there was an open-ended limit you could bet a million dollar on one -

CHAIR - Well you could do.

Mr O'HALLORAN - But you can't.

CHAIR - Perhaps they're being more responsible and not doing such.

Mr O'HALLORAN - No, I think there is a limit. I think there is a betting limit.

CHAIR - Is the limit still there?

Mr SQUIBB - Obviously there's somebody in the room who could tell us precisely but that's probably not possible at the moment. I'll see if I can find it while you're still talking.

Mr O'HALLORAN - So there are my concerns. There are no easy solutions because I know there are winners and losers in everything -

CHAIR - I was going to ask you if you had any suggestions.

Mr O'HALLORAN - Okay.

So I know that certainly pubs and clubs have benefited from it. I know that probably employment in that sector has benefited but I just think to base a tax system around human misery is probably not the way to go and I think that's exactly what this does.

So then what do I think should happen? I think there needs to be certainly a capping of revenue from poker machines. I think there needs to be a capping of the number of machines in pubs and clubs; in fact I'd even go further than that: in fact I think there needs to be a reduction in numbers of poker machines in pubs and clubs.

CHAIR - You are aware, of course, of the terms of the deed that gives the ability for the owners of the machines to have a staged roll-out over a period of years which, if my memory serves me correct, finishes at 30 June 2003?

Mr O'HALLORAN - Yes, all right.

CHAIR - You're not aware of all that?

Mr O'HALLORAN - No, I'm not.

Mr SQUIBB - From what I can gather from reading the deed, it was a maximum bet limit up until December 1998.

CHAIR - That's right. That's what I thought.

Mr SQUIBB - And there isn't any now.

Mr O'HALLORAN - Apologies. Okay, sorry about that.

CHAIR - I thought I was on the right track.

Mr O'HALLORAN - So that's basically what I had to say.

I don't think there's been enough research into the implications of problem gambling.

CHAIR - Do you support more research into the implications?

Mr O'HALLORAN - Absolutely. And what you're doing here I think is a fantastic thing because it seems to me that it hasn't whipped up a lot of enthusiasm from making submissions and I can't understand why that is.

CHAIR - We've had a lot of submissions.

Mr SQUIBB - A tremendous increase today.

Mr O'HALLORAN - That's good then.

CHAIR - About 200 per cent overnight here.

Mr O'HALLORAN - I guess like me people just sat back and thought other people would it.

Mrs SUE SMITH - I think in fairness we have to acknowledge that hotels have been covered by their association, local governments have been covered by theirs and some have been proactive like Burnie City and have come out in their local area to put forward submissions. Anglicare, for instance, at a State level but it's the opportunity for people on the ground like yourself.

Paul, you come to us as a teacher of I think you said 25 years' experience. Do you have any concerns amongst young people in particular or something that you haven't seen in your arena?

Mr O'HALLORAN - I've only seen it in terms of parents seem to be struggling a lot more to fund educational activities. I've seen that probably particularly since poker machines - I can't say that for sure because I certainly haven't done any study on it so it's only anecdotally that I would say that.

In terms of young people having concerns about poker machines, I must say that I haven't heard a student express that view to me.

Mr SQUIBB - What about those of your students who are of 18 years, have you noticed or are you aware of any addiction or any problems from their own participation?

Mr O'HALLORAN - Certainly not to gambling. And I'm probably in a position to be able to know too because I'm actually a teacher in charge of a group at college called the Social Justice Club and it hasn't even been raised by them as an issue. Lots of other issues have been but that one hasn't, which really is quite strange.

CHAIR - Even as a significant other -

Mr O'HALLORAN - Yes.

CHAIR - you've talked about parents who are having less disposable incomes and struggling to meet the needs of education so it's interesting that you haven't had any comments.

Mr O'HALLORAN - It is, yes.

Mr SQUIBB - It wouldn't be strange in this year in that you haven't been back all that long, but it wasn't raised last year?

Mr O'HALLORAN - No. We have a very vibrant club really - I'm talking about 30 or 40 young people in the club - and no, it's never been raised as an issue as something they really want to dig in their heels about and do something about. There's lot of other issues but not that one.

CHAIR - That's an interesting point.

Mrs SUE SMITH - Your submission, Paul, is very highly indicated towards the lower income stream and yet many of those people who have appeared before us to tell us their private, personal stories have been professionals, middle class income people who have been caught in this particular loop. Have you got any comment to make on that or any observation?

Mr O'HALLORAN - I work at college on a program for students at risk so I'm almost exclusively working with those types of families and trying to make easier transitions for them, whatever transition that might be. So I sort of come with a focus and it's certainly an interest area of mine. Maybe the higher income end, maybe it can be hidden a bit more at that end of it. I don't know if that would be right or not. But it certainly wouldn't be reflected in terms of education, for example, educational opportunity I wouldn't think because the ability is probably still there to be able to afford the essentials of education, whereas for lower end income people that ability is not there.

Mr SQUIBB - And also the ability to first of all to know about the inquiry and the confidence to be able to come and actually present - we have had some -

Mr O'HALLORAN - That's a big point I think you've made there, Geoff. In terms of the confidence and the ability I guess to be able to go into all - it would be a fairly intimidating situation for a lot of people. They wouldn't do it.

Mr SQUIBB - Some have indicated to us that it's very much part of coming to grips with the problem; in fact we were probably the first that they've even spoken to about it - even before family in some cases.

CHAIR - That's right.

Thank you very much for dashing across to bring us that information. Could we have a copy of your writing there and Sue will copy for us.

Mr O'HALLORAN - There about four copies there I think, Silvia.

CHAIR - Thank you.

Mr O'HALLORAN - It was hobbled together at really short notice so I hadn't done a lot of research.

CHAIR - It's all right; it will give us another angle and another point of view.

Mr O'HALLORAN - Thank you very much.

CHAIR - Thank you.

THE WITNESS WITHDREW.