

SUBMISSION

Programmed to addict: why poker machines should be removed from our communities

Submission to the Joint Select Committee on Future Gaming
Markets

December 2016

Contents

Introduction to Anglicare Tasmania	4
Our work on gambling	4
Executive summary	7
Summary of recommendations	7
Context of the Parliamentary Inquiry.....	9
A short history of poker machines in Tasmania.....	9
The coming of the machines	9
Research into impacts.....	10
Negotiating the current Deed	11
The role of the Gaming Commission.....	12
Scrutiny of the 2003 Deed.....	13
Studies, inquiries, reports and committees	14
The MONA effect	15
Community Voice	15
What we know about the harm poker machines cause Tasmanians	16
Consideration of community attitudes and aspirations relating to the gambling industry in Tasmania with particular focus on the location, number and type of poker machines in the State: response to Terms of Reference (a)	18
Community attitudes	18
Community aspirations.....	21
Conclusions.....	22
Recommendations	22
Review of the findings of the Social and Economic Impact Studies conducted for Tasmania: response to Terms of Reference (b)	23
Studies before poker machines were introduced into communities.....	23
Studies after poker machines were introduced into communities	23

The 2000 Roy Morgan Research study	23
The 2005 Roy Morgan Research study.....	24
The 2007 SA Centre for Economic Studies study.....	24
The 2011 Allen Consulting Group study.....	25
The 2013 ACIL Allen Consulting study.....	27
Conclusions.....	28
Recommendations	29
Consideration of the document entitled “Hodgman Liberal Government post-2023 Gaming Structural Framework”: response to Terms of Reference (c)	30
Guiding Principle (1): lawful entertainment.....	30
Guiding Principle (2): probity and sustainability	31
Guiding Principle (3): sharing financial rewards.....	31
Guiding Principle (4): public interest in the placement of poker machines.....	32
Guiding Principle (5): duration of gaming license.....	32
Proposed policy position for casino and keno operations	32
Proposed policy position for hotels and clubs EGMs.....	33
Conclusions.....	33
An assessment of options on how market-based mechanisms, such as a tender, to operate EGMs in hotels and clubs could be framed: response to Terms of Reference (d) .	35
Consideration of future taxation and licensing arrangements, informed by those in other jurisdictions: response to Terms of Reference (e) & Consideration of the duration and term of licenses for the various gaming activities post 2023: response to Terms of Reference (g)	36
Recommendations	36
A review of harm minimisation measures and their effectiveness, including the Community Support Levy: response to Terms of Reference (f)	38
Conclusions.....	40
Recommendations:	41
Any other matters incidental thereto: response to Terms of Reference (h).....	42

Poker machines are a dangerous product.....	42
Our State Government doesn't need the revenue from poker machines.	42
Most businesses in Tasmania do not benefit financially from poker machines.	42
Removing poker machines will not affect employment overall.	42
Most sports teams and community groups do not rely on funding from the gambling industry.....	43
Poker machines are a much bigger problem than sports betting or online gambling. ..	43
Our government has a responsibility to ensure our communities are safe.	43
Conclusions.....	44
Summary of recommendations	45
References.....	46

Introduction to Anglicare Tasmania

Anglicare is the largest community service organisation in Tasmania with offices in Hobart, Glenorchy, Sorell, Launceston, St Helens, Devonport and Burnie, and a range of programs in rural areas. Anglicare's services include emergency relief and crisis services, accommodation support, employment services, mental health services, acquired injury, disability and aged care services, alcohol and other drug services and family support. In addition, Anglicare's Social Action and Research Centre conducts research, policy and advocacy work with a focus on issues affecting Tasmanians on low incomes.

Anglicare Tasmania is committed to achieving social justice for all Tasmanians. It is our mission to speak out against poverty and injustice and offer decision-makers alternative solutions to help build a more just society. We provide opportunities for people in need to reach their full potential through our services, research and advocacy.

Anglicare's work is guided by a set of values which includes these beliefs:

- *that each person is valuable and deserves to be treated with respect and dignity;*
- *that each person has the capacity to make and to bear the responsibility for choices and decisions about their life;*
- *that support should be available to all who need it; and*
- *that every person can live life abundantly.*

Our work on gambling

Anglicare has 19 years' experience delivering services to help people who have been harmed by gambling. Gamblers Help clients tell our workers that the gambling environment, including advertising, player loyalty schemes and venue inducements (gambling and non-gambling) encourage them to gamble. We see family relationships suffer and people unable to afford to eat and heat their homes because of a gambling problem in the family.

Anglicare also conducts research about the effects of gambling and lobbies State and Federal politicians and the industry to reduce harm caused by gambling. Significant pieces of Anglicare's research work on gambling include *House of cards* (Law 2005), which looked at the impacts of gambling addiction on low-income Tasmanians; *Nothing left to lose* (Law 2010), which looked at cases in the Supreme Court where the defendant had a gambling problem; and 'The relationship between gambling and family breakdown' (Maheswaran 2014), which looked at the way the Family Law Court treats cases where a family member has a serious gambling problem.

While Anglicare's clients and research participants have experiences with a variety of forms of gambling, they overwhelmingly tell of their experiences with poker machines. This is because gambling problems escalated in Tasmania after the Tasmanian Government introduced the machines into hotels and clubs in 1997, massively increasing accessibility and changing the social focus in local communities (New Focus Research 2003). Further, it is well known that problems develop more frequently with poker machines because they are designed for high intensity play at a high hourly cost (Productivity Commission 2010, p. 11.1). For this reason, this submission focuses on the impacts of poker machines.

Anglicare research shows that many people who develop a gambling problem start using a poker machine to escape problems with their home life or other stress, to relieve boredom, as a way to get money, or as a social outing.

"It [using a poker machine] was the novelty. It was on our back doorstep. [I was] bored. Friends asked us to join them" (Law 2005, p. 27).

Research participants describe how they thought their early gambling on poker machines was helping them relieve their problems, but they came to realise gambling had created a new problem for them when they felt unable to control the time and money spent at the machines. Participants list personal experiences of family breakdown, divorce, suicide, depression, interactions with legal and corrective services, lack of money, and problems with their health and work as the social and economic impacts of their gambling.

"I maxed out the credit card and then had to mortgage the house and I sold shares and lost all my super. Thank god I stopped. I got help. I sold the house to cover the debts. If I added it up today I'd die! I was paid nearly an accountant's income and now I'm on social security. And that affects your health, the stress of it all" (Anglicare Tasmania 2014, p. 11)

Despite the Tasmanian Government introducing measures claimed to reduce harm, Anglicare continues to see people in our services and through our research who feel the industry has failed to protect them as consumers. Many of the reforms introduced have tried to balance the need to protect people with the claim that recreational gamblers have the right to enjoy gambling (Tasmanian Gaming Commission 2008, 2012, 2013). However, as research participants addicted to poker machines point out, the "entertainment" features are the same features that lead to addiction.

"I like the little sounds of the machines. I like visual things. I feel that they are friendly. The free games are a genius to keeping you there playing because it is like Christmas, opening a package wondering what you are going to get." (Law 2005, p. 30)

However, Anglicare believes that poker machines are a dangerous product and the focus of gambling policy should shift to strong consumer protection and public health priorities. We believe that if public health priorities guided public policy on gambling, the Government

would tackle the risk factors that lead to people being harmed. In the case of poker machines, these risk factors are known to be ease of accessibility, speed and intensity of play and inadequate product disclosure (Productivity Commission 2010; Hare 2015). Anglicare believes the best approach to protect consumers is to remove poker machines from our communities and improve consumer protection for the machines that would remain in the two casinos.

In making this submission, Anglicare also supports the submissions made by Community Voice on Pokies Reform and its individual members.

For further information about this submission please contact:

Rev. Dr Chris Jones
Anglicare Tasmania
GPO Box 1620
HOBART TAS 7001 Phone: (03) 6231 9602
Email: c.jones@anglicare-tas.org.au

Executive summary

This inquiry is being held as a result of the wide-spread public engagement in public policy about gambling as the current deed for the license for the two casinos, all poker machines and keno approaches its expiry date. This public interest is no surprise.

Every time the population has been polled about poker machines, 80% have said they believe poker machines cause harm and they want fewer or no poker machines in their local communities.

Anglicare sees this Inquiry offering a once-in-a-generation opportunity for Parliament to implement public policy that will protect Tasmanians from a dangerous product. We urge the Parliament to listen to community attitudes and aspirations on this issue and remove poker machines from hotels and clubs.

Poker machines are designed to addict and rigged to win. They are designed to take money quickly from people who use them; about 40% of the total amount of money taken comes from people who are unable to control their use of the machines. The Productivity Commission says the best indicator of effective harm minimisation is a reduction in the amount of money taken by the machines. Given the relative stable expenditure on poker machines over the past ten years, Anglicare argues that current harm minimisation measures have failed to protect people who regularly use the machines.

Summary of recommendations

- 1. Given the clear community attitudes and aspirations about poker machines, the State Government should give notice to Federal Hotels by no later than 30 June 2019 that the current Deed will not be renewed, and, on its expiration, poker machines will be removed from hotels and clubs and a transition plan offered to hotels and clubs that currently have machines.*
- 2. The State Government should request a policy response from the Tasmanian Gaming Commission to each Social and Economic Impact Study.*
- 3. The current license holder for the two casinos and keno should not automatically be granted a new license.*
- 4. Parliament should debate the terms for any new license for the two casinos including the value of the license and its term as well as taxation rates, license fees and consumer protection.*
- 5. Any new license for the two casinos should allow the Government to respond to changes in the markets, technology, community attitudes and the need for improved consumer protection with no fear of penalties.*
- 6. Any new license for the two casinos should not permit an increase in the number of poker machines in the casinos and should impose a maximum \$1 bet limit and a system that requires people to set an enforceable limit on their losses. It should also*

be made mandatory for license holders to intervene where customers are experiencing harm.

- 7. Any new license for the two casinos should introduce the equivalent of the existing Community Support Levy onto all poker machines in casinos.*
- 8. Any renegotiation for keno should firstly investigate its use of "hot" and "cold" numbers and the listing of winning "heads" or "tails" against consumer law and, secondly, if the product is deemed fit for purpose, Keno should be completely removed from all dining areas.*
- 9. The State Government should request the Tasmanian Gaming Commission evaluates Federal Hotels' Premium Player Program so that elements that are deemed effective are introduced for all customers of casinos.*
- 10. Any further proposals for casino licenses should undergo a public interest test that investigates the attitudes of the community and the value of the license to the community. Should a proposal for any further casinos pass this test, applications should undergo a tender process that is assessed independently.*
- 11. The Gambling Support Program investigate programs that could be funded to reach out to the estimated 90% of people who are experiencing harm from gambling but who have not yet sought help.*

Context of the Parliamentary Inquiry

A short history of poker machines in Tasmania

In December 1968, a referendum was held to see if Tasmanians approved of a proposal to establish Australia's first legal casino at Wrest Point. Despite concerns about the non-competitive issuing of a single licence (concerns which persist today), the referendum was narrowly carried and the casino commenced trading in 1973. The community was assured at the time this was a high roller casino and there would be no poker machines (E Lockett 2016 pers. comm., 16 March).

The coming of the machines

Other states then licensed their own casinos, undercutting Wrest Point's "competitive tourist advantage". In 1982, Federal Hotels opened the Launceston Country Club casino and in 1986 the Government allowed the company to install poker machines in their two casinos.

In 1993, after lobbying from Federal Hotels, the State Government introduced legislation to allow poker machines and keno into hotels and clubs for a 15 year term, largely on the basis that it was seen as the only option to significantly increase state taxation revenue and address the State's budget crisis (Hansard 1 December 1993, Part 3).

The Legislative Council was told that any attempt to amend the bill would see the whole deal fall over. As a former senior government staffer put it, "In the past few weeks alone we have seen some of the worst examples of political expediency... The Legislative Council has been told it can't change key aspects of the controversial poker machine legislation which extends Federal Hotels monopoly on the machines because of an agreement already reached between the company and the Government" (*Sunday Tasmanian*, 5 Dec 1993).

The issue was considered by a Legislative Council Select Committee, which recommended that the legislation be passed subject to a number of conditions, including an open tender for the licence to maximise government revenue, limits on the technology to be employed and strict bet limits.

In late 1993, after three days of negotiations, the Government announced that it had signed a Deed which granted monopoly ownership of all poker machines in Tasmania to Federal Hotels in return for taxation revenue and investment guarantees. Part of the agreement was that existing constraints on the type of poker machines allowed in Tasmania were to be abolished.

The final passage of the Gaming Control Act through the Legislative Council was secured with only three legislative safeguards and three parliamentary guarantees. The safeguards achieved by the Legislative Council were:

- The creation of an independent Tasmanian Gaming Commission (TGC) which would regulate gambling and “investigate and make recommendations to the Minister on matters relating to gaming policy”. This advice was to be informed by regular research. So extensive were the powers for the TGC envisaged by Parliament under the Gaming Control Act that one MLC, Ray Bailey, noted that “almost everything in relation to this bill is totally at the discretion of the Gaming Commission” (Hansard 2 December 1993).
- Expenditure on the new Community Support Levy was to be hypothecated and administered by the independent TGC to prevent political interference in its expenditure.
- One of the areas of hypothecated expenditure of the Community Support Levy was to be gambling research. Thus the TGC would control the funds and have the legal mandate to fund the research needed to inform its policy advice to the Minister.

The guarantees made by the Government to Parliament were:

- While bet limits were only specified for a two year period under the Deed, after this time they would be set by the TGC.
- While the then Secretary of the Department of Treasury and Finance would hold the Chair of the new TGC, this would only be an interim arrangement for a maximum of one year.
- A gambling prevalence study would be completed to provide baseline data for future research.

The Gaming Control Act (1993) granted Federal Hotels a 15-year exclusive licence to operate poker machines until 2008.

Two baseline studies were conducted by Government to establish the current level of gambling problems (AIGR 1997) and the industry started operating poker machines in hotels and clubs in 1997.

Research into impacts

As part of the preparations for the introduction of the new laws, Anglicare Tasmania was commissioned to conduct research and make recommendations regarding ‘patron care’ (Anglicare Tasmania 1997). Anglicare developed its recommendations in close consultation with industry and proposed a self-regulatory model with one strict condition – that this model should be implemented on a trial basis and that the code of self-regulation be evaluated between June and December 1998.

In 1999, the Productivity Commission investigated gambling in Australia. Amongst many other observations, the Commission considered the harm caused by poker machines to be unique for the speed with which they operate and the ease of accessibility to them in all states except Western Australia.

The considerable publicity associated with the 1999 Productivity Commission inquiry into gambling produced a brief flurry of activity, including the commissioning of a research report from Anglicare, *Tasmania Responds*, which was never publicly released by the Government (Anglicare undated). Its recommendations, like the Productivity Commission findings, were ignored. The TGC's position in response to both reports was that no change was necessary. The industry, after nearly a year of consensus-style negotiations, eventually accepted one recommendation and clocks were thereafter placed in all gambling venues.

Negotiating the current Deed

During the 2002 state election campaign both the Government and Federal Hotels made a number of public statements that the Tasmanian market had now reached "maturity" and that there would be little or no further increase in the number of poker machines. This claim seemed to be borne out by the fact that in both of the previous two financial years there had in fact been a slight decrease in the number of poker machine venues (TGC 2002, 2003).

Five years after poker machines had been permitted into hotels and clubs, the Legislative Council commissioned a select committee to look into the impacts that poker machines were having on the community. Anglicare, amongst many other organisations and individuals, raised its concerns through a submission and participation in a hearing.

In 2002, the Select Committee recommended that the State Government immediately commission an independent social and economic impact study, the Gaming Commission be restructured to ensure total separation from government and a community board be established to oversee distribution of the Community Support Levy.

The 1993 deed required an independent review of the limits on machine numbers in hotels and clubs in the first half of 2003. Anglicare wrote to the Gaming Commission asking about opportunities to contribute to the review. We received a reply two days after the Government announced it had negotiated with Federal Hotels for a further 15 year deed (D Challen [Tasmanian Gaming Commission] 2003, pers. comm., 17 April). The Chairman of the Gaming Commission, who was also the Secretary of the Department of Treasury and Finance and who had signed the deed as a witness for the Government, stated that as the new Deed would put a state-wide cap on machine numbers (representing an increase of 300 machines), there was now no need for consultation. As a result, TasCOSS, Anglicare, the Interchurch Gambling Taskforce and concerned citizens formed a coalition called CAPiT, Community Action on Pokies in Tasmania, to lobby for a reduction in the number of poker machines in the State.

The Government said that unless the new Deed and its accompanying Bill was passed by the Legislative Council there could be no cap on the number of poker machines and Tasmanians would have to accept a further 50 licensees and the rollout of a further 1500 machines (PSCPA 2003, p. 18). This was despite Federal Hotels stating less than a year previously that the Tasmanian market was 'near maturity' and unable to support many

more machines (Hansard 17 April 2002, G Farrell, p. 21). However in 2003, Federal Hotels had changed their tune and threatened to deliberately flood the market to prevent competition after 2008 if Tasmanians did not accept the Deed (Hansard 16 July 2003, G Farrell, p. 10).

The new Deed gave a further 15 year license to Federal Hotels with an optional five year rolling term. The community was told this would provide a further round of capital investment, tax and regulatory changes, harm minimisation and a cap on machine numbers (PSCPA 2003, p. 3).

It was subsequently found that the Government had not sought independent advice for the 2003 agreement, had failed to consult and had not considered the value of the license it gave to Federal Hotels for free (PSCPA 2003, p. 3). Meanwhile, the annual profits for Federal Hotels increased from \$0.5 million in 1993 to \$32 million in 2004 (Way 2006).

The role of the Gaming Commission

Calls for a full social and economic study of the impact of poker machines were repeatedly vetoed by both the Premier and the Minister for Gaming, without reference to the Gaming Commission.

Following criticism from the Auditor-General in 2004 that millions of dollars of the CSL had remained unspent (Law 2005), the Department of Health and Human Services, who had been given the responsibility for administering part of the Community Support Levy, formalised the existing administration arrangements through the establishment of the Gambling Support Bureau (now Program). Part of the under-spending issue was addressed by funding all of the new public service positions for the Bureau out of the CSL (an arrangement that continues today) and diverting some of the remaining funds to other areas of the stretched DHHS budget.

The Gaming Commission had also devolved responsibility for regulatory change to an industry consultative body, the Gambling Industry Group. Gambling regulation reform in Tasmania was thus pursued according to a consensus model with industry, and, not surprisingly, there was not a single example of any regulatory change being implemented since 1 January 1997 that impacted on turnover, with the exception of the ban on smoking in all Tasmanian venues, which was developed through a separate policy process.

The TGC continued to insist that Tasmania was a model for other states and was leading the nation in regulatory reform (TGC 1997-2006), despite the fact that the critical recommendation from Anglicare's 1997 report, that the code of industry self-regulation be evaluated between June and December 1998, was ignored. The industry refused to consider a review, and the TGC not only accepted their veto but continued to express full confidence in the effectiveness of what was an unmonitored, unevaluated code. Meanwhile, feedback from people harmed by gambling bore out the finding of the Productivity Commission in 1999 – that real regulation, not voluntary codes of conduct, is required if governments are serious about controlling poker machine turnover.

The guarantee made to Parliament in relation to bet limits had also been forgotten. On 1 January 1999 the bet limits on Tasmanian poker machines specified under the Deed expired. In the three months leading up to that date the Minister for Racing and Gaming, Paul Lennon, publicly vetoed the possibility of new bet limits, wrongly claiming that this was impossible under the Deed. The TGC, which Parliament had been assured would set the new bet limits, made no public comment on the Minister's policy position.

Not surprisingly, given the regulatory environment, turnover on poker machines grew much faster in Tasmania than the modelling provided to Parliament in 1993 had predicted. This modelling had estimated that total annual expenditure on gambling would increase by between \$42 million and \$76 million (Hansard 1993). In reality, the Tasmanian State Budget papers from 1997 to 2004 indicate that the increase consistently exceeded Treasury's forward estimates. In response, community concern about the effects of poker machines also grew. The Government's position had been that nothing could be done until the 1993 Deed expired in 2008 because of sovereign risk issues. Clear undertakings were given that the community could have its say prior to this date, and that the social and economic impacts of poker machines would then be fully considered.

Scrutiny of the 2003 Deed

Anglicare opposed the 2003 renegotiation of the Deed. We did so for a number of reasons. No research had been conducted into problem gambling in Tasmania other than one telephone survey, which was now three years out of date and which had highlighted very disturbing trends. No social or economic impact study had been done to determine the socially or economically sustainable number of machines. The most valuable public licence in Tasmania was being given away ex gratis without any modelling on its market value. The agreement did not impose a 'cap' but further increased the number of machines in what the industry had already admitted was a fully 'mature' market.

Further, there had been no opportunity for community consultation, despite earlier commitments, and public input into this question was now to be put off for another 15 years, extending the total time in which 'sovereign risk' would prevent the Tasmanian people from having their views heard to three decades. There was concern, therefore, both with the outcome and the process used. The specific failure of the TGC to take any independent action or inform community groups of the real reason for the delay in the promised consultation was final confirmation to most in the community sector that the TGC operated as a part of the public service.

The National Competition Council in its examination of the veracity of the claim made by both the Government and Federal Hotels to Tasmania's Legislative Council that unless they passed the legislation unamended, poker machine numbers would increase by 1500, pointed out that

in 2001-02 and 2002-03, more gaming machine licences were surrendered than new licences issued. This suggests that the gaming machine market had reached

saturation point, at least under current licensing requirements. In the event that it did not gain an extension of exclusivity, Federal Hotels foreshadowed changes to its business model (presumably a relaxation of the conditions imposed on new licensed venues) in order to expand gaming machine numbers. However, if Federal Hotels faced the prospect of losing exclusivity in 2008, expansion of machine numbers would be a strategy of doubtful merit, as it would result in the company owning a large number of near new gaming machines without certainty about the right to operate them in future (NCC 2004).

The only Parliamentary scrutiny the Deed received was a very brief inquiry by Parliament's Public Accounts Committee which was "unable to determine from the submissions whether or not the increased financial return to the State flowing from the renegotiated Deed meets the test of quality" (Standing Committee of Public Accounts 2003). The reason that the Committee was unable to come to an opinion on the financial quality of the contract was, as the Secretary of the Department of Treasury and Finance openly admitted, that the Government had not done any modelling on the value of the licence or even completed an interstate taxation comparison (Standing Committee of Public Accounts 2003).

Studies, inquiries, reports and committees

This is the license currently in place. We now have regular social and economic impact studies, a Gaming Commission that is independent of Government but which relies on Treasury staff, and a mandatory code to guide the industry. These changes have led to some improvements in consumer protection such as lighting and clocks in gambling areas and reduced incentives for people to keep gambling, particularly with the loyalty scheme which provided greater rewards per dollar spent as the member's losses increased, whereas the reverse should be true of any responsible scheme.

In 2005 there was a further study of the impacts of gambling and a Public Accounts Committee investigated the Community Support Levy. Three years later, the first social and economic impact study was conducted and a policy response to this study was provided by the Gaming Commission. This study has been repeated every three years since but without a policy response.

The 2010 State election again saw the community questioning the harm caused by poker machines and the role of Government. The Productivity Commission produced another report on gambling and recommended the introduction of a \$1 bet limit and a pre-commitment scheme. This led to a House of Assembly Select Committee recommending the Parliament does not introduce a \$1 bet limit but with the Committee's Chair offering a dissenting view in support of the introduction.

At the same time there were a number of Federal Parliament inquiries into pre-commitment, online gambling and harm minimisation measures.

The MONA effect

The 2014 State election preceded an intensification of the community debate about gambling. David Walsh, the owner of the Museum of Old and New Art (MONA), announced in September 2014 his intention to build a high-roller casino at MONA (Glaetzer 2014). Holding an exclusive license for casinos in the State, Federal Hotels offered to accommodate this request as long as they were granted a new license for their casinos, keno and poker machines. Treasury was requested to model the proposed new gambling landscape. In September 2015, Walsh withdrew his request because it might be used to extend the license for poker machines, saying “it is up to us who think that pokies are a problem (apparently 80% of us) to give a clear indication of the direction we want” (*The Saturday Paper*, 19 May 2015).

Community Voice

At this time, Anglicare developed a map to show people how much money each local community was losing to poker machines (Anglicare 2015b). We found there are 16 local government areas where a poker machine “earns” the same or more than the local average wage (Break O’Day, Brighton, Burnie, Central Coast, Circular Head, Clarence, Derwent Valley, Devonport, Glamorgan Spring Bay, Glenorchy, Huon Valley, Latrobe, Launceston, Meander Valley, Northern Midlands and Waratah-Wynyard).

With the amplified community voice on gambling, and following two more social and economic impact studies showing ongoing harm, Anglicare helped establish Community Voice on Pokies Reform in November 2015. Starting with 15 organisations, there are now 42 organisations standing together as a voice for the community calling for the removal of poker machines from hotels and clubs and ensuring that the machines that remain in the two casinos have stronger consumer protection measures and contribute to the Community Support Levy. There are also two community-based Facebook pages that actively debate the issues and a national alliance that is campaigning for reforms of the gambling industry, particularly regarding poker machines.

This current inquiry is therefore being conducted as a result of and at a time of wide-spread public engagement in public policy about gambling and as the current deed for the license for the two casinos, all poker machines and keno approaches its expiry date. This public interest is no surprise to Anglicare:

- this is the first time the community has been asked to influence the future of gambling in Tasmania since the 1968 referendum;
- every time the population has been polled about poker machines, they have said they believe poker machines cause harm (Roy Morgan Research 2001, Anglicare 2003, SACES 2008, EMRS 2009, Anglicare 2015a); and

- Tasmanians have consistently said they want fewer or no poker machines in their local communities (SACES 2008, EMRS 2009, Anglicare 2015a).

This inquiry is also occurring at a time when poker machines are being tested in the Federal Court (Willingham 2016) and the gambling industry is making record profits (Clark 2013 and Stensholt 2016).

What we know about the harm poker machines cause Tasmanians

Tasmanian government research estimates approximately 0.5% of the adult population are “problem gamblers” with a further 1.8% considered to be “moderate risk gamblers” and 3.9% “low risk gamblers” (ACIL Allen Consulting 2014, vol. 2, p. 74-75). Using the data from the Third Social and Economic Impact Study of Gambling in Tasmania and from the 2011 Census, Anglicare estimates this means there are:

- 2,000 adult Tasmanians considered to be “problem gamblers”;
- 6,000 adults who are “moderate risk gamblers”; and
- 15,000 adults who are “low risk gamblers”.

The 8,000 adults who are considered to be “moderate risk” or “problem” gamblers are described as people who are more likely to use poker machines at a hotel or club than at a casino, participate in more than 80 sessions of gambling in a year and lose \$3000 or more to gambling each year (ACIL Allen Consulting 2014, vol. 2, p. 74-75). Of great concern are the 3 to 4 sessions of gambling a week by “problem gamblers” (190 sessions a year) with losses averaging \$14,000 a year (ACIL Allen Consulting 2014, vol. 2, p. 75-76).

However, it is also concerning that 15,000 adults considered to be “low risk gamblers” are losing \$3,000 to the machines on average every year (ACIL Allen Consulting 2014, vol. 2, p. 74), which is more than the average spent by a Tasmanian household on health and clothing combined and more than double what is spent on alcoholic beverages and tobacco (ABS 2011).

These social and economic impacts bring into question the notion that gambling is simply a form of entertainment that, according to Managing Director of Federal Hotels, Greg Farrell, “plays an important role in the entertainment and recreation of many Tasmanians who participate as part of an afternoon or evening outing” (Glaetzer 2015).

Given “moderate risk” and “problem gamblers” together lose about 40% of the total spent on gambling, this means that every year, approximately 8,000 Tasmanians collectively lose \$90 million to the poker machines (Tasmanian Gaming Commission 2016). It is of further concern that about nine in ten of people who experience harm from gambling do not seek professional help, as it means that about 7,000 Tasmanians are struggling on their own with huge financial losses (Productivity Commission 2010). This reluctance to seek help is a result of the stigma of gambling addiction (Productivity Commission 2010).

Anglicare welcomes this Inquiry as we see it offering the community a once-in-a-generation opportunity to influence public policy to protect Tasmanians from a dangerous product.

Consideration of community attitudes and aspirations relating to the gambling industry in Tasmania with particular focus on the location, number and type of poker machines in the State: response to Terms of Reference (a)

Community attitudes

Every time Tasmanians have been polled about poker machines since 1994, three years before machines were rolled out into communities, Tasmanians have said that poker machines cause harm and deliver no social or economic benefits (Roy Morgan Research 2001; Anglicare Tasmania 2003; SACES 2008; EMRS 2009; Anglicare Tasmania 2015). Furthermore, every time a poll has asked about the number of machines, Tasmanians have overwhelmingly wanted fewer or no poker machines in their local communities (Anglicare Tasmania 2003; SACES 2008; EMRS 2009; Anglicare Tasmania 2015).

In 1996, one year before poker machines were permitted into hotels and clubs, a baseline study of 1200 Tasmanian adults found that less than 20% of the respondents thought that permitting poker machines in hotels and clubs would benefit the community (AIGR 1997, p. 10). Most notably, the percentage who thought the community would benefit from poker machines was lower in rural than in metro areas (AIGR 1997, p. 10).

In 2000, three years after poker machines were rolled out into hotels and clubs, a poll of 1200 Tasmanian adults found 80% of respondents thought the Tasmanian community had not benefited from having poker machines in their communities (Roy Morgan Research 2001, p. 87). Only 10% thought the community had benefited with the same number undecided. There was very little difference in attitudes across gender, region or age range.

Roy Morgan Research conducted a further poll of the community in 2005 to complete the fourth in the series of studies into the extent and impact of gambling in Tasmania. This poll, of 6048 adult Tasmanians, found once again that more than 80% of respondents thought the Tasmanian community had not benefited from the introduction of poker machines to hotels and clubs (Roy Morgan Research 2006, p. 104). The study found that the increase in unfavourable opinion of the impact of poker machines came from people who had formerly been undecided (Roy Morgan Research 2006, p. 104). As was the case for the 1994, 1996 and 2000 studies, there were minimal differences across gender and regions.

In 2007, the first social and economic impact study of gambling in Tasmania was conducted. Once again, over 80% of the 4051 surveyed said the community had not benefited from poker machines being located in hotels and clubs and once again there were minimal differences between regions and genders (SACES 2008, p. 48).

Further, “both the 2005 and 2007 surveys consistently show that the majority of Tasmanians did not believe that EGMs yielded financial or social benefits to Tasmania”, with the proportion of people believing there had been financial benefits significantly lower in the 2007 poll (SACES 2008, p. 49).

Over 80% of respondents in the 2007 poll believed gambling was “too widely accessible”, poker machines were a “serious social problem” and that the number of machines should be reduced (SACES 2008, p. 49). Only 6% of people thought poker machines were “good” for their local community, only 9% thought the machines had “increased social life” in their community, and less than one in five respondents believed gambling had increased employment locally (SACES 2008, p. 53).

The government has chosen not to poll community attitudes in its studies since 2007. However, community groups have contracted the polling company EMRS to include questions in their broader population surveys and the results support those found previously:

- In 2009, in the lead up to the 2010 State election, 90% of the 1000 people polled by EMRS supported stronger customer protection for poker machines as well as cutting the numbers of them in the community (EMRS 2009, p. 18).
- In 2015, the most recent poll publicly released, almost 85 percent of the 1000 Tasmanians surveyed thought the Tasmanian community had not benefited from having poker machines in hotels and clubs (Anglicare Tasmania 2015). One in two people surveyed thought poker machines should be completely removed from hotels and clubs with a further one third of respondents calling for a reduction in numbers. Only 16% of respondents thought numbers should remain the same.
- The 2015 result echoed the results of an earlier EMRS poll twelve years previously which also found that 80% of the 1000 people surveyed wanted fewer machines in their communities and only 1% wanted more machines (Anglicare Tasmania 2003).

The following tables summarise community attitudes from 2001 to 2015.

Table 1: Percentage of people who believe the Tasmanian community has not benefited from having poker machines in hotels and clubs

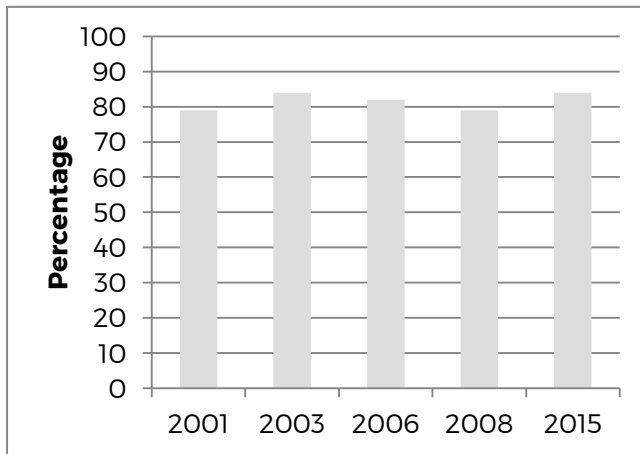
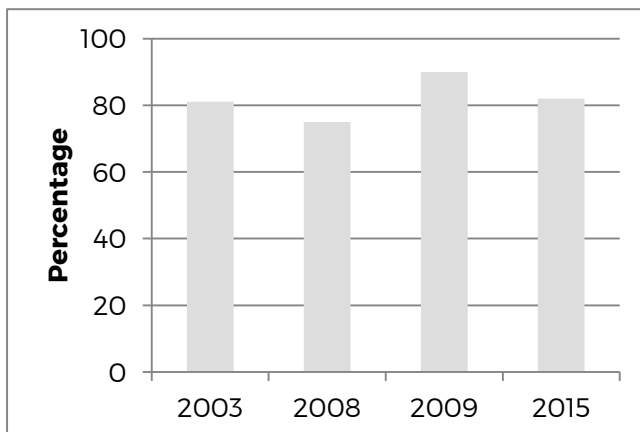


Table 2: Percentage of people who want the number of poker machines in Tasmania to be reduced



Since their introduction Tasmanians have used every opportunity to express their rejection of poker machines, particularly during times when Parliament gave them no avenue to do so. For example, in 2003 a snapshot conducted by *The Examiner* found that gambling was identified as a major issue of concern for local communities (*The Examiner* 19 July 2003, p. 5) and an Advocate poll in May of the same year found residents in North-West Tasmania were not happy with the new license that had been given for the casinos, poker machines and keno (*The Advocate* May 2003).

Other examples of community attitudes can be seen by the 1500 supporters of the two Facebook pages that have been created to discuss the impacts of poker machines in Tasmania (Rein in the Pokies, Put People Before Pokies) and the 3000 people who have signed an open letter to the Premier calling for the removal of poker machines from hotels and clubs (Community Voice on Pokies Reform 2016). As a reflection of this community sentiment, a coalition of organisations, of which Anglicare is a founding member, formed in late 2015 to call for the removal of machines from communities. The rapid growth of this

coalition from its initial 15 organisations to now 42 members is also evidence of the level of concern and interest in achieving significant change in gambling policy in Tasmania.

As can be seen from these polls and groups, the Tasmanian community's attitude towards poker machines is clear: they are overwhelmingly disliked and rejected. Tasmanians understand the harm caused by poker machines and do not want them in their communities.

Community aspirations

The wider community attitudes about poker machines is clear, including a strong and consistent aspiration to see poker machines either reduced in number or removed entirely from community venues (Anglicare Tasmania 2003; SACES 2008; EMRS 2009; Anglicare Tasmania 2015).

People who use poker machines and have been harmed or who have a family member who has been harmed are equally clear that their aspiration is for the government and industry to do more to protect people.

As a participant in Anglicare's research into the lived experience of people with a gambling addiction said, "The system is encouraging us to keep going with our addictions because they want our money. They don't want us to put our money into our children's health, education, bus fares, groceries, electricity bills and rents because the pubs and the clubs, they want our dollars. They don't care whose lives they ruin and whose kids' lives they ruin, they just want our money" (Law 2005, page 57).

Despite numerous harm minimisation measures being introduced by the State Government, Anglicare finds time and again that people have been unable to avoid the lure of poker machines. For example, a woman in her sixties recently returned to Gamblers Help services for assistance after she started gambling on poker machines again. She had successfully stayed away from them for nine years but she found herself gambling again after having lunch at a gambling venue and hearing the "sounds of winning": "it was that noise, that familiar sound that you hear when someone wins. Why can't they make a noise when you lose?" (Anglicare Tasmania & Relationships Australia 2016, p. 16).

Our clients tell us they are concerned that operators of the machines do not do enough: "The employees that work at the places, they can see how much money people spend but they are not allowed to go up and say to someone 'Do you think you have spent too much money?'" (Law 2005, p. 60).

"Not once did anyone say anything to me. I gambled for years - 10 to 11 years. Not every day but for eight years solid I only went to two venues. I could walk from one to the other. One closed at 4am. I'd go home, shower, do some housework and go back again at 8am" (Anglicare Tasmania 2014, p. 19).

Anglicare argues that given that the vast majority of Tasmanians (80%) have no contact with the machines (Allen Consulting Group 2011, vol. 2, p. 68) and 70% of those who do use a poker machine use them less than once a month (Allen Consulting Group 2011, vol. 2, p. 71), strong public policy can be implemented to limit the harm caused to regular users with little impact on the rest of the community, and that this would in fact faithfully reflect community aspirations (see Recommendation 1).

Conclusions

The attitudes and aspirations of the community are clear:

- *80% of the Tasmanian population believe the community has not benefited from having poker machines in hotels and clubs (Roy Morgan Research 2001; Anglicare Tasmania 2003; Roy Morgan Research 2006; SACES 2008; Anglicare Tasmania 2015).*
- *80% of the Tasmanian population want poker machines either reduced or completely removed from their communities (Anglicare Tasmania 2003; SACES 2008; EMRS 2009; Anglicare Tasmania 2015).*

Recommendations

1. *Given the clear community attitudes and aspirations about poker machines, the State Government should give notice to Federal Hotels by no later than 30 June 2019 that the current Deed will not be renewed, and, on its expiration, poker machines will be removed from hotels and clubs and a transition plan offered to hotels and clubs that currently have machines.*

Review of the findings of the Social and Economic Impact Studies conducted for Tasmania: response to Terms of Reference (b)

Studies of the prevalence and impacts of gambling, including poker machines, were conducted for the State Government in 1994, 1996, 2000, 2005, 2007, 2011 and 2013. While the Gaming Act simply required the Government to table these reports in Parliament, it was expected by the community that these studies would inform the Government's public policy on gambling. Anglicare argues that these studies have shown significant harm to the Tasmanian people and overwhelming public support for much stronger public policy than has been implemented.

This section details the findings regarding the social and economic impact of poker machines from each of these studies.

Studies before poker machines were introduced into communities

In 1994, with about 1000 poker machines located in the two casinos but before any poker machines were allowed into hotels and clubs, 1% of respondents to a survey of 1220 people reported that they or a family member had experienced problems with gambling generally in the previous 6 months (AIGR 1997, p. 57). The number of people experiencing difficulty was estimated to be about the same two years later (AIGR 1997, p. 57).

Both these studies found only 18% of people surveyed thought that poker machines would benefit the community (AIGR 1997, p. 12).

Studies after poker machines were introduced into communities

The 2000 Roy Morgan Research study

In 2000, three years after the Government permitted poker machines into hotels and clubs, a follow up study of gambling prevalence was undertaken. By now there were 100 hotels and clubs with a total of 1388 machines between them. The maximum per venue was 15 machines for hotels and 25 for clubs.

The number of Tasmanians reporting that they or a family member had experienced problems with gambling in the previous 12 months had risen to 6% (Roy Morgan Research 2001, p. 108), up from the 1-2% reported in 1994 and 1996. At the same time, one in four

respondents said they knew someone personally who had “experienced serious problems” with any form of gambling (Roy Morgan Research 2001, p. 108).

This study found that one in five adults gambled at poker machines in a hotel or club and 70% of poker machine users said they used them less than once a month. Anglicare argues that this shows the vast majority of Tasmanians, everyone who never uses a machine plus 70% of the people who do, have very limited contact with the machines and therefore public policy could take a strong consumer protection approach with little impact on the rest of the community.

However, despite the reported increase in the prevalence of harm and without any further research or community discussion, over the next two years the Government of the day rolled out a further 600 machines, allowed the number of machines per hotel to increase from 15 to 30 and signed a new long-term license for the machines.

The 2005 Roy Morgan Research study

More than 6,000 adult Tasmanians were interviewed in November 2005 for the fourth study of the extent and impact of gambling in Tasmania (Roy Morgan Research 2006). This study found that 2% of the population were “heavy poker machine (club/hotel) gamblers” (Roy Morgan 2006, p. 23). It was also found that 2% of the population were at risk of developing a gambling problem (Roy Morgan 2006, p. 130).

Once again, more than 4 in 5 Tasmanians in 2005 thought that the community had not benefited from the introduction of poker machines to hotels and clubs (Roy Morgan 2006, p. 104).

The 2007 SA Centre for Economic Studies study

The first Social and Economic Impact Study, and the fifth gambling prevalence study since 1994, was conducted in 2007, with a survey of 4051 Tasmanian adults. Approximately 1.4% of the adult population were found to be “problem gamblers” or “moderately at risk” (SACES 2008, vol. 1, p. 177). These are people who reported they “bet more than they could afford to lose” most of the time or always, have often “gone back to win money lost in previous sessions” and sometimes “borrowed money or sold something to gamble” (SACES 2008, vol. 1, p. 179). One third of this group “felt guilty” about their gambling most of the time or almost always, with a further 50% feeling guilty sometimes (SACES 2008, vol. 1, p. 179).

The survey found that the people it identified as being “problem gamblers” or at “moderate risk” were more likely than the overall population to have no money left for bills and to experience substantial debt (SACES 2008, vol. 1, p. 182). They were also more likely than the general population to experience relationship breakdown, feel that people do not trust them, suffer depression and think about suicide (SACES 2008, vol. 1, pp. 182, 183).

This report calculates there were 2,030 Tasmanian adults who were “problem gamblers” and a further 3,233 adults being “moderately at risk” (SACES 2008, vol. 1, p. 183).

In evaluating the economic costs and benefits of gambling in Tasmania, the study found that:

- the investment by the Federal Hotels Group in the development of tourism facilities was “quite small compared to the overall level of private investment in Tasmania” (SACES 2008, vol. 1, p. 102).
- “it is unlikely... that any investment related to gaming machines would be a net increase” because, for example, “a hotel owner who invests a million dollars for an EGM facility upgrade is likely to be diverting some or all of that construction activity from other projects” (SACES 2008, vol. 1, pp. 102-103). Further, that “the net effect is likely to be that capital investment spending has switched sectors in response to the economic incentives (and disincentives) created by changes in gambling behaviour” (SACES 2008, vol. 1, p. 103).
- in relation to poker machines “claims that tourists are attracted to venues/regions/areas and thus benefit the tourism industry are not able to be substantiated” (SACES 2008, vol. 1, p. 106).

At the time of this study, there were 2385 machines in hotels and clubs and the maximum bet limit was \$10 (Tasmanian Gaming Commission 2007).

The Tasmanian Gaming Commission responded with a report of policy responses they believed could improve consumer protection in Tasmania (TGC 2008). This report stated:

- “the current estimates of the numbers of problem and at risk gamblers are likely to be significantly less than actual numbers” (p. 5);
- “of the current popular modes of gaming, EGMs represent the greatest risk to vulnerable gamblers” (p. 6);
- “there are more problem gamblers using EGMs than other gaming modes” (p. 6);
- “problem and at risk EGM users contribute disproportionately to turnover and losses” (p. 6);
- “further considered interventions could be put in place without unreasonably diminishing the enjoyment of recreational gamblers” (p. 7); and
- “there is no group within Government providing ‘whole of government’ social policy advice on gaming issues” (p. 8).

The Gaming Commission provided a long list of potential consumer protection measures that could be considered by Government, however Anglicare considers the Government’s response fell well short of research findings and community expectations.

The 2011 Allen Consulting Group study

The second Social and Economic Impact Study focused on the impacts of gambling and, once again in particular poker machines, in selected low socio-economic areas. It also established a framework for assessing harm minimisation measures and for monitoring and evaluating policy responses.

The telephone survey of 4,300 adults found that:

- People with a “gambling problem” or “at moderate risk of a gambling problem” are more likely to gamble alone, spend all available money including winnings in a session, drink alcohol while playing, play for bonus features and use machines that have linked jackpots (The Allen Consulting Group 2011, vol. 2, p. 160). Compared to people who do not experience harm when gambling, this group are more likely to gamble because of difficulties with others, being worried about debt, having unpleasant, sad or bad feelings or the need for excitement (The Allen Consulting Group 2011, vol. 2, p. 175).
- Half of the money taken by poker machines comes from people who have a “gambling problem” or are “at moderate risk of a gambling problem” (The Allen Consulting Group 2011, vol. 2, p. 134). The average annual amount of money taken from individuals was found to be \$14,300 for “problem gamblers” and \$4,900 for “moderate risk gamblers”¹ (The Allen Consulting Group 2011, Summary Report, p. 11).
- A further 25% of the annual amount spent on poker machines is from people considered to be at “low risk” of experiencing harm (The Allen Consulting Group 2011, vol. 2, p. 134). People in this group were found to lose \$2,600 per year to the machines.
- Less than one third of the money collected by poker machines comes from people who do not experience harm (The Allen Consulting Group 2011, vol. 2, p. 134).

This study also found that people who are harmed by gambling are less likely than people who do not gamble or who do not experience harm from gambling to consider themselves as having a good quality of life or good health, are more likely to experience disability, more likely to miss, skip or avoid paying a bill, have lower satisfaction with their ability to perform daily activities, have lower meaningfulness of life and satisfaction with personal relationships, less support from friends and limited access to health services. They are also more likely to be younger, to smoke daily and to have not finished Year 12 (The Allen Consulting Group 2011, vol. 2, pp. 189-219).

In keeping with Anglicare’s service experience, this study found that most people don’t seek professional help for at least a year after problems set in, with most people waiting two years or more, 20% of people not seeking help for at least 5 years and 20% waiting for at least 10 years (The Allen Consulting Group 2011, vol. 1, p. 32). It was also found that people might eventually seek financial help but without identifying gambling as being a problem (The Allen Consulting Group 2011, vol. 1, p. 35). When taken with the Productivity Commission’s finding that only 10% of people ever seek help (Productivity Commission 2010, p. 7.3), it is likely that the extent of the problem is severely under-reported with most people harmed by gambling struggling alone.

It is significant to Anglicare and our colleagues in Community Voice on Pokies Reform that this study found that poker machines are concentrated in lower socio-economic areas (The

¹ Average individual losses for all forms of gambling.

Allen Consulting Group 2011, vol. 2, p. 5) and rates of gambling problems are higher in lower socio-economic areas (The Allen Consulting Group 2011, vol. 2, p. 118). While people on low incomes can least afford to have money taken by poker machines, they are also highly susceptible to using the poker machines because of personal hardships.

This study attempted to quantify the economic costs of gambling (all forms), which its “moderate scenario” found to be between \$51 million and \$144 million, 80% of which was deemed to be caused by poker machines alone (The Allen Consulting Group 2011, vol. 1, p. 136).

While the gambling industry claimed it had assisted 200 organisations at a value of \$200 million, there was no verification in the report of these figures. It was instead acknowledged by the report that these contributions often form part of a broader venue marketing and advertising strategy (The Allen Consulting Group 2011, vol. 1, p. 80).

Regarding harm minimisation measures, the report found that despite a formal training program, venue operators were often confused about what they can and cannot do under current regulations and venue staff reported feeling burdened by the harm they knew was occurring (The Allen Consulting Group 2011, vol. 3, p. 49). Anglicare notes that five years on from this study and despite ongoing training for gaming staff, we still come across staff who feel confused and burdened. For example, one staff member told Anglicare they were concerned about the number of hours and amount of money a patron had been spending at the poker machines but asked, “how can I tell him to stop, that it has become a problem?” (Anglicare Tasmania & Relationships Australia 2016, p. 35).

People who experienced harm from gambling believed the harm minimisation measures that would have the most impact were reducing the amount they can withdraw from EFTPOS and ATMs, restricting payment of cash for payouts from the machines, highly visible clocks and allowing only socially responsible advertising (The Allen Consulting Group 2011, vol. 3, p. 83). They were not asked if reducing the accessibility of the machines would likely have an impact.

At the time of this study, there was community support for lowering the maximum bet limit to \$1 and introducing a mandatory pre-commitment scheme. Although this study found that most people (two-thirds) spend less than 50 cents per spin while people with a gambling problem often spent more than \$1 and put all their “winnings” back into the machine in that session (The Allen Consulting Group 2011, vol. 2, pp. 160, 164), the State Government refused to implement these measures.

The 2013 ACIL Allen Consulting study

The most recent SEIS was completed in 2015, with the prevalence survey being conducted in 2013. The study found that 6% of the population are considered to have been harmed by gambling or be at low to moderate risk of harm (ACIL Allen Consulting 2014, vol. 2, pp. 74-75). People harmed by gambling were most likely to gamble on poker machines in hotels

and clubs: 84% of “problem gamblers” do so, almost twice the number who gamble on poker machines in casinos, and 57% of “moderate risk gamblers” (ACIL Allen Consulting 2014, vol. 2, p. 86).

Once again, this report found that about half of the money taken by the machines comes from people who experience harm or are at risk of harm from gambling and that more people experience harm in low socio-economic areas than for Tasmania as a whole (ACIL Allen Consulting 2014, vol. 2, pp. 74-75, 81).

The 2013 study also looked at the prevalence of internet gambling and found 7% of the adult population had gambled on the internet in the past year (ACIL Allen Consulting 2014, vol. 2, p. 103). While Anglicare argues this shows that poker machines should remain the primary focus of public policy, it is, however, important for the State Government to continue to monitor this form of gambling and to work with the Federal Government, whose jurisdiction it is to regulate internet gambling, on initiatives to reduce harm.

At the time of this study, public debate was focused on a proposal for a new casino and the expiry of the current deed for the two existing casinos, poker machines and keno (Glaetzer 2014; Paine 2015).

Conclusions

These studies show that poker machines cause harm and the industry has chosen to concentrate them in communities of greater socio-economic disadvantage. Not surprisingly, more than 80% of total gambling expenditure by people with “moderate risk gambling” or “gambling problems” is on poker machines (Allen Consulting Group 2011, vol. 1, p. xiii). It is also not surprising given the concentration of machines in low socio-economic areas that there are more people experiencing “moderate risk” and “problem gambling” in these areas (Allen Consulting Group 2011, vol. 2, p. xi).

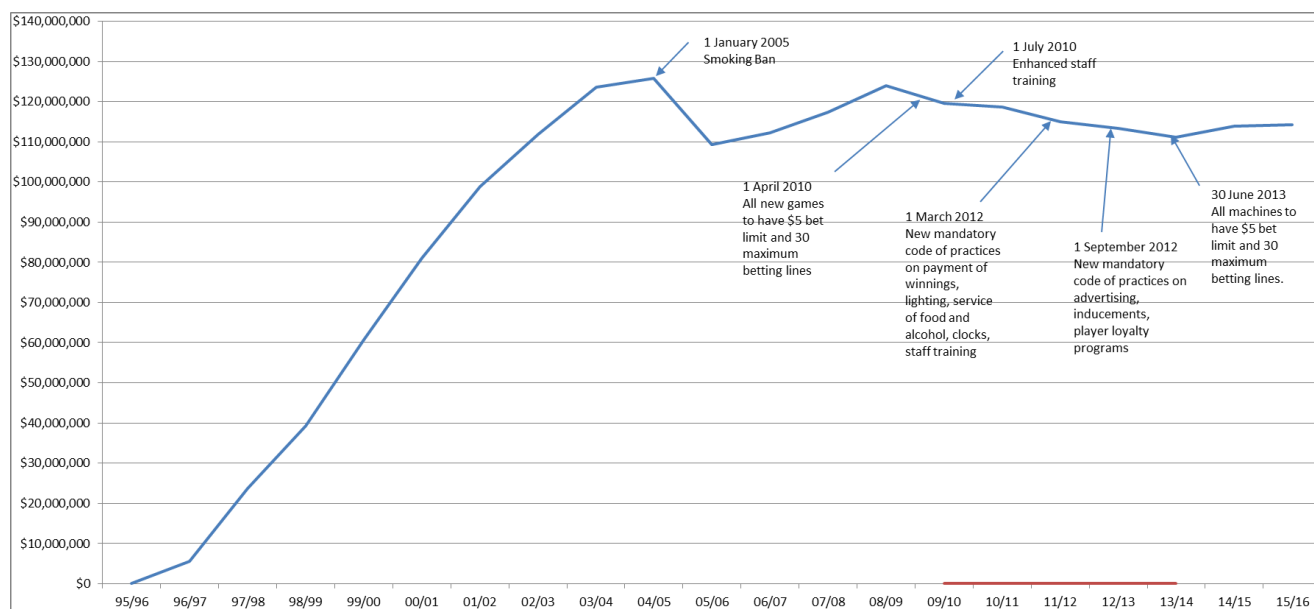
There is a high cost to the community from gambling, including ill-health, relationship breakdown, loss of productivity, loss of employment, crime, legal costs and treatment, with the costs estimated to range between \$51 and \$144 million, the majority of which are caused by poker machines (Allen Consulting Group 2011, Summary, pp. 23-24).

In contrast, the Government collects just \$50 million per annum in taxation from all of Tasmania’s poker machines (\$30 million of which is from machines in hotels and clubs), which only just meets the lowest cost to the community of this policy (TGC 2016, p. 10). Further, business claims regarding the economic benefits have been found to be weak or over-stated (Allen Consulting Group 2011, vol. 1, pp. 78, 109).

Anglicare is concerned that despite all the studies commissioned by the Government, the policies they have introduced to reduce harm have failed to have a real impact in reducing the problems caused by poker machines. Successful harm minimisation measures must reduce expenditure (Productivity Commission 2010, vol. 1, p. 3); however expenditure on

poker machines in hotels and clubs has remained steady and above \$110 million, as can be seen in Graph 1.

Graph 1: Expenditure on poker machines in hotels and clubs and introduction of harm minimisation measures



In summary, these studies have shown:

- an increase in harm since poker machines were permitted into hotels and clubs;
- people harmed by gambling are most likely harmed by poker machines in hotels or clubs;
- about 5,000 adult Tasmanians experience harm or are at moderate risk of experiencing harm;
- most people who are harmed do not seek help and if they do seek help they do not do so for at least a year after problems set in;
- half of the money taken from communities comes from people experiencing harm or at moderate risk of experiencing harm;
- poker machines are concentrated in low socio-economic areas;
- business investment related to poker machines is not a net increase in investment;
- contributions to the community made by the gambling industry usually form part of a broader marketing and advertising strategy;
- venue staff feel confused and burdened by their responsibilities; and
- the costs of harm caused by the gambling industry likely outweigh the revenue collected by the Government.

Anglicare is concerned that there was only one formal policy response to all the studies (see Recommendation 2).

Recommendations

2. The State Government should request a policy response from the Tasmanian Gaming Commission to each Social and Economic Impact Study.

Consideration of the document entitled “Hodgman Liberal Government post-2023 Gaming Structural Framework”: response to Terms of Reference (c)

The “Hodgman Liberal Government post-2023 Gaming Structural Framework” raises some important principles to guide public policy, but its policy positions fail to deliver on community expectations. Anglicare argues there has been sufficient debate in the public arena as well as opinion polls and research for the Government to remove poker machines from hotels and clubs.

Guiding Principle (1): lawful entertainment

The guiding principle (1) of gambling being a form of entertainment has long been questioned because of the large proportion of the money lost to gambling, and especially to poker machines, by a small population of people who have been unable to control their expenditure (Productivity Commission 1999; Law 2005).

Entertainment is defined by the Oxford Dictionary as “providing or being provided with amusement or enjoyment”. However, Anglicare argues that for the people who use the machines the most there is no amusement or enjoyment. Rather, for thousands of Tasmanians, the difficulty they experience in controlling their gambling is now recognised as a disorder in the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders.

Anglicare finds that many people who are harmed by gambling first came to gambling to ‘anaesthetise’ themselves to their problems. Anglicare’s research participants tell us that when people are lonely, emotionally or financially stressed, or experiencing trauma, it is difficult to find something that helps. They say the attraction of gambling at this time, and especially gambling on poker machines, is that it gets you out of the house and into a social environment but without having to interact with other people. Unfortunately, our research participants subsequently realised that the gambling was masking their existing problems and causing new problems.

As one research participant said, “I used to gamble in the winter time something shocking because I couldn’t garden when it rained all the time. When I couldn’t get out of the house because of rain I would go to the pokies and ‘bang’ there went 18 to 20 hours a day! I’d be there from 8am to 2am, same venue, over and over. Sometimes I lost four or five thousand dollars in a day” (Anglicare Tasmania 2014, p. 14).

It is a community expectation that lawful activities are regulated (Productivity Commission 2010, vol. 1, p. 3.1). Poker machines are currently being tested by consumer law in the Federal

Court of Australia (Han 2016). This case alleges the design features of poker machines “engage in conduct that is misleading or deceptive or is likely to mislead or deceive” (Alliance for Gambling Reform 2016). The lawyers argue that the machines are rigged because the symbols are not evenly distributed across the five reels: “It’s like playing a game of cards without knowing that the deck has four aces of spades, three queens of hearts and seven ten of diamonds” (Han 2016). The test poker machine for the court case is Aristocrat’s Dolphin Treasure, which is also located in Tasmanian venues. Dolphin Treasure has also been a subject of research for some years (Harrigan et al. 2014) and the features in question exist in many other poker machine games.

Anglicare argues that poker machines are designed to addict, not to entertain. As a research participant told Anglicare in 2005, “There’s something that draws me to the machines. There’s always that chance you can get that big jackpot ... I know I can’t beat the machines but something keeps drawing me back, I don’t know what it is. The jackpot has to come my way sometime ... I can’t stop. I know I am doing the wrong thing every time I go in to the machines. Maybe it is the noise or the hope I will get the big jackpot” (Law 2005, p. 29).

Guiding Principle (2): probity and sustainability

Anglicare does not question the probity of the gambling industry, but we question the sustainability for the State Government and for the gambling industry in relying on a product that is designed to addict people who are then unable to control their gambling and who suffer enormous personal harm.

Tourism Australia uses the definition of sustainability provided by the World Commission on Environment and Development, which says sustainability is “about considering the social and economic impact of what we do and how we do it” and that, “The challenge for Australia is to encourage the development and management of tourism products and services that will provide economic and social benefits to local communities while protecting and enhancing our natural and cultural attributes” (Tourism Australia 2015).

The cost to Government of the harm caused by gambling is significant and is likely to outweigh the financial benefits, thereby making gambling revenue unsustainable (SEIS 2011). Further, with 40% of poker machine taxation and industry profits being taken from people who experience harm, Anglicare argues the poker machine industry cannot be considered sustainable in its provision of “economic and social benefits to local communities” and, rather, it is evident the industry erodes our cultural attributes.

Guiding Principle (3): sharing financial rewards

People who gamble are rarely “rewarded” commensurate to the time and money they put into the industry. Compared to entertainment such as sport, live music, theatre, film or community-based activities, where a consumer pays a set price and has an expectation of what they will get for that price, poker machines provide no set price, no invoice and no

receipt. Anglicare therefore argues that in the absence of adequate consumer protection, poker machines should be removed from hotels and clubs and the ones that remain in the two casinos should be required to strengthen consumer protections to the level that is expected by the community.

Guiding Principle (4): public interest in the placement of poker machines

Anglicare supports the proposal that public interest should guide the placement of poker machines in Tasmania. Tasmanians have made their opinions on this clear: they want fewer or no poker machines in their communities (Anglicare Tasmania 2003; SACES 2008; EMRS 2009; Anglicare Tasmania 2015). Anglicare therefore supports the removal of poker machines from all hotels and clubs in Tasmania.

Guiding Principle (5): duration of gaming license

Anglicare and the wider community have been at a disadvantage in participating in the debate about the terms of a gaming license because the majority of the information required to provide analysis has been kept by the Government and industry as commercial in confidence. While acknowledging the need for businesses to protect their interests, unless sufficient information is provided to the community the Government will continue to exclude an important voice on the principles that should guide the terms of a gaming license.

In the absence of access to this detailed information, however, Anglicare believes it is not appropriate for this Government to lock today's citizens into a long-term license for the operation of a product that is currently the subject of a consumer court case with a mounting body of evidence that demonstrates it is an inherently harmful product.

Proposed policy position for casino and keno operations

Anglicare believes there is public interest in making significant changes to the operation of the two casinos and keno (Community Voice on Pokies Reform 2016).

In the first instance, Anglicare argues that Parliament should not automatically award a new license to the current license holder and should publicly debate the terms for any new deed including the value of the license and its term as well as taxation rates and license fees for casino gambling and keno (see Recommendations 3, 4, 5, 6). This should specifically include the introduction of the equivalent of the existing Community Support Levy on all machines in the casinos (see Recommendation 7).

Anglicare also argues that any further casino licenses should undergo a public interest test that investigates the attitudes of the community and the value of the license to the

community, and involves both community consultation and the opportunity to provide submissions. Should a proposal for any further casinos pass this test, applications should undergo a tender process that is assessed independently (see Recommendation 10)

Anglicare also suggests the Federal Hotels Premium Player Program be reviewed so that elements that are deemed to be effective are expanded to all patrons of casinos (see Recommendation 9).

Further, Anglicare believes keno's listing of "hot" and "cold" numbers and winning "heads" or "tails" mislead members of the public into thinking there is a pattern involved when the product is in fact entirely random. We urge these consumer issues be reviewed and, if the product is deemed to be suitable for consumers, keno should be completely removed from all dining areas and restricted to gambling-specific areas only (see Recommendation 8).

Proposed policy position for hotels and clubs EGMs

Anglicare's policy position is for the removal of poker machines from our hotels and clubs. We believe that the level of harm, the failure of "harm minimisation" measures introduced over many years to have a significant impact and the strong community attitudes about poker machines all support our position.

The reduction in the state-wide "cap" offered by the Government is disappointing. The market is already saturated, with the number of venues and number of poker machines stable for the past ten years (Federal Group Tasmania 2014, p. 34) and the reduction simply holds the status quo.

Given Anglicare's position of removing poker machines from hotels and clubs, we will not comment on future tax rates, license fees, contributions to the Community Support Levy or a public interest test for them.

Anglicare calls instead for a transition plan for the removal of all machines in hotels and clubs, to be instigated in 2019 so that the required four years' notice to Federal Hotels is met and to give affected venues ample time to plan and respond to the changes.

Conclusions

If implemented, the proposed Framework will result in harm continuing at the current level, which Anglicare deems unacceptable and inappropriate given strong community support for change.

The Productivity Commission made it clear that for harm to be reduced, financial returns to industry and government must decrease (Productivity Commission 2010, vol. 1, p. 3). However, the Tasmanian Treasurer endorsed the current levels of harm when he stated that "returns should be the same as today" (Hodgman & Gutwein 2016).

Anglicare urges the Committee to make recommendations to Parliament that will see consumer protection implemented to protect people from being harmed by poker machines. Anglicare argues the best way to reduce harm is to remove poker machines from hotels and clubs (see Recommendation 1).

An assessment of options on how market-based mechanisms, such as a tender, to operate EGMs in hotels and clubs could be framed: response to Terms of Reference (d)

Anglicare argues for the removal of poker machines from hotels and clubs and therefore does not support a market-based mechanism to operate poker machines in hotels and clubs (see Recommendation 1).

Consideration of future taxation and licensing arrangements, informed by those in other jurisdictions: response to Terms of Reference (e) & Consideration of the duration and term of licenses for the various gaming activities post 2023: response to Terms of Reference (g)

Again, Anglicare argues for the removal of poker machines from our hotels and clubs and therefore will only comment on future taxation and licensing arrangements for casino-based poker machines and keno. As explained in our response to the proposed policy position for casino and keno operations, Anglicare believes there is public interest in significant changes being made to their operation.

Anglicare argues that the terms for operating poker machines in the two casinos should include a levy being charged to the gross profits, because poker machines cause harm to the community wherever they are located (see Recommendation 7). This would be to replace the levy that is currently being collected from poker machines in hotels and clubs and which would no longer be collected once poker machines are removed from hotels and clubs. We believe there would be minimal impact on the Community Support Levy budget.

Further, Anglicare is concerned that the Hodgman Government's framework states the duration of the license should be fair for the level of investment provided by the industry, but does not consider that the duration of the license should also be fair for consumers and the general community. Given that markets, technology, consumer needs and community attitudes change over time, any license granted by government should allow such changes to influence public policy. The Government should not lock the community into a license that cannot be adjusted according to community attitudes and aspirations and the need for improved consumer protection (see Recommendation 5).

Recommendations

- 3. The current license holder for the two casinos and keno should not automatically be granted a new license.*
- 4. Parliament should debate the terms for any new license for the two casinos including the value of the license and its term as well as taxation rates, license fees and consumer protection.*

5. *Any new license for the two casinos should allow the Government to respond to changes in the markets, technology, community attitudes and the need for improved consumer protection with no fear of penalties.*
6. *Any new license for the two casinos should not permit an increase in the number of poker machines in the casinos and should impose a maximum \$1 bet limit and a system that requires people to set an enforceable limit on their losses. It should also be made mandatory for license holders to intervene where customers are experiencing harm.*
7. *Any new license for the two casinos should introduce the equivalent of the existing Community Support Levy onto all poker machines in casinos.*
8. *Any renegotiation for keno should firstly investigate its use of "hot" and "cold" numbers and the listing of winning "heads" or "tails" against consumer law and, secondly, if the product is deemed fit for purpose, keno should be completely removed from all dining areas.*

A review of harm minimisation measures and their effectiveness, including the Community Support Levy: response to Terms of Reference (f)

Anglicare considers that evaluations of harm minimisation measures in Tasmania have failed to provide adequate information as they have relied on the views of industry, services and consumers rather than on independent criteria that can assess effectiveness.

Using the Productivity Commission's criteria for effectiveness, that effective harm minimisation would decrease expenditure (Productivity Commission 2010, p. 3), it is clear that measures to date have been ineffective. It was not until 2005 that a significant drop in expenditure occurred. In January that year, gaming venues banned smoking and gambling expenditure in hotels and clubs dropped by more than \$10 million over one year. However, the fact that this was not introduced to reduce harm caused by gambling and that the reduction to harm in gambling was short-lived reduces its relevance to public policy about gambling.

Subsequent measures that have been introduced as specific gambling harm minimisation measures have had little impact on expenditure. For example, the prevalence survey and group interviews conducted as part of the 2011 Social and Economic Impact Study found there was no change to spend or enjoyment as a result of the reduction in maximum bet limit from \$10 to \$5 or the reduction in lines allowed to be played, both of which had been implemented since April 2010 as "harm minimisation measures" (The Allen Consulting Group 2011, vol. 3, p. 72).

Tasmanians surveyed for the 2011 report predicted they would spend less as a result of the Mandatory Code of Practice that would ban the serving of food or alcohol to people at a machine after 6pm, reduce the amount that can be withdrawn from a venue's EFTPOS for gambling, restrict payment of cash for machine payouts, require highly visible clocks on venue walls and allow only socially responsible advertising of gambling (The Allen Consulting Group 2011, vol. 3, p. 73-74). Despite this, after the measures were introduced in May 2013, expenditure on machines in hotels and clubs has remained steady, hovering above \$110 million for the past ten years, and is currently at \$114 million (TGC 2010, 2011, 2016).

Not surprisingly, hotels and clubs considered the new food and alcohol rules would have negligible impact on their revenues as few venues had served food or alcohol at the machines prior to this rule being introduced. Meanwhile, Federal Hotels claimed a 25% loss of income as a result of this ban and the loss of 15 "tray host" positions in their two casinos as

a result of this measure (ACIL Allen Consulting 2015, vol. 3, p. 195). It is worth noting that no proof was recorded for this claim.

It is Anglicare's view that the evidence demonstrates harm minimisation measures have failed to protect people who use poker machines. Despite the measures introduced by the State Government since poker machines were permitted in hotels and clubs, the amount of money taken from individuals by poker machines continues to have a major negative impact on too many individuals, families and communities.

As participants in the Tasmanian Government's Gamblers Support Program's *My Story* project wrote, "Gambling meant that I felt dirty all the time. I resigned from my job, the family home was lost and I didn't really care about anything" and "I lost my husband and my children and my grandchildren and I felt that the world had come to an end for me. I thought I've already lost everything so what have I got to lose" (DHHS 2006).

The 2015 SEIS also interviewed people about the effectiveness of harm minimisation measures and was unable to define what measures worked. It did, however, find that large numbers of people who gamble:

- never keep track of the time when gambling (37%); and
- do not plan their gambling so it would not interfere with work or family priorities (31%); but
- get cash out at the venue for gambling (31%); and
- return to the gambling venue to try to make up the money they had lost (35%) (ACIL Allen Consulting 2015, vol. 3, p. 173).

Anglicare argues that it is the easy accessibility of machines that is the greatest barrier for effective harm minimisation. Indeed, the location of poker machines across the State was raised "continually" in the survey conducted in 2011 (The Allen Consulting Group 2011). "In a context where venues are relatively small and widely dispersed, it was considered that the current approach means there are limited opportunities for patrons to move to non-gaming areas" (The Allen Consulting Group 2011, Summary, p. 29). Further, "the large number of EGM venues and subsequent ease of access to gambling opportunity was seen as having impacts on... the range of leisure choices available... and the quality of EGM venues as a social amenity, where priority is seen to be given to gaming rather than achieving a balance with other facilities and entertainment options" (The Allen Consulting Group 2011, vol. 3, pp. 68-69).

An important area of harm minimisation is how effective a licensee is in assisting patrons who are experiencing harm. Anglicare notes that whereas with alcohol there is a legal requirement for the licensee to not serve alcohol to someone who is intoxicated, no such clarity is provided in the responsible service of gambling. Indeed, the social and economic impact studies found "there was some consensus between stakeholder groups on issues such as improvements to staff training and the burden placed on venue staff" and "venue operators expressed confusion about what they can and cannot do" when they suspect a patron is being harmed (The Allen Consulting Group 2011, vol. 3, pp. 53, 55). As mentioned

previously, Anglicare also observes the difficulties for venue staff when they are faced with someone experiencing harm from gambling.

Of interest to the consideration of stronger consumer protection is that people interviewed in 2013 perceived the impact on individual freedoms of gambling harm minimisation measures such as limiting access to cash, providing annual activity statements and not serving food or alcohol at poker machines to be less than the impact on individual freedoms of wearing a seat belt or bicycle helmet or of smoking bans in public buildings, film censorship of violent or sexually explicit films and limiting access to firearms (ACIL Allen Consulting 2015, vol. 3, p. 183). It would appear from this that the argument that strong gambling regulation would create a “nanny state” is ill-founded: it is unlikely that public opinion will be reversed on such issues as seat belts and bicycle helmets, despite them being perceived as restricting individual freedom more highly than gambling reforms.

Another element of the harm minimisation measures is the Community Support Levy (CSL). Anglicare alerted the Government to problems with the CSL in its early days as we were concerned about gross underspending of the fund. This led to a Parliamentary Inquiry and to the Fund being near-to-fully expended each year. We are presently pleased with the mix of projects and programs supported, including major investment in Neighbourhood Houses, but we believe that a lot more needs to be done for the estimated 90% of people who are experiencing harm but who are unlikely to seek help (see Recommendation 11).

Conclusions

Since the first SEIS, published in 2008, the Tasmanian Government has introduced a number of reforms it hoped would reduce the negative impacts of gambling (Tasmanian Gaming Commission 2013). These reforms include the first mandatory code of practice for the industry (published 1 March 2012, with all reforms implemented by 1 March 2013); and reducing the maximum bet limit per spin for poker machines from \$10 to \$5, reducing the maximum number of lines that can be played on poker machines from 50 to 30, and reducing the cash input limit for poker machines to \$500 (phased in, fully effective 1 July 2013) (Tasmanian Gaming Commission 2013). Anglicare welcomed these measures but believes they fall well short of potential strategies suggested by the Tasmanian Gaming Commission in their response to the first SEIS (Tasmanian Gaming Commission 2008) and they have not had an impact on gambling expenditure. Meanwhile, public discourse has also focused on harm minimisation measures for poker machines and debated the efficacy of a proposed \$1 maximum bet limit and pre-commitment system.

Anglicare argues that the poker machines in the two casinos need much stricter consumer protection measures, including reduction of the maximum bet limit, a system that requires people to choose before they are in the venue the maximum daily amount of money they are willing to lose and a monitoring system that requires venue staff to intervene when it is suspected the customer is experiencing harm. We believe that much of this is already in

place for the casino's "premium players program" and request the Committee review this program and investigate rolling it out to all customers of the casinos.

Recommendations:

9. *The State Government should request the Tasmanian Gaming Commission evaluates Federal Hotels' Premium Player Program so that elements that are deemed effective are introduced for all customers of casinos.*
10. *Any further proposals for casino licenses should undergo a public interest test that investigates the attitudes of the community and the value of the license to the community. Should a proposal for any further casinos pass this test, applications should undergo a tender process that is assessed independently.*
11. *The Gambling Support Program investigate programs that could be funded to reach out to the estimated 90% of people who are experiencing harm from gambling but who have not yet sought help.*

Any other matters incidental thereto: response to Terms of Reference (h)

Poker machines have only been in Tasmanian communities for 19 years, since January 1997. Anglicare argues there are sufficient reasons to remove them, as follows.

Poker machines are a dangerous product.

Poker machines are computers that are programmed to pay out prizes at random intervals while keeping a percentage of the money put into them. The programming of the machines is done in such a way as to trick people into thinking they are winning when in fact they are losing. The machines are designed to excite and entice using flashing lights and sound effects. One in six people who use a poker machine regularly are likely to develop a gambling problem (Productivity Commission 2010, p. 5.25).

The rules for the operation of poker machines in Tasmania state that games must “not give the player a false expectation of odds” and “not be misleading, illusory or deceptive – such as a near miss design” (Gaming Machine National Standard 2016, p. 12). Machines which are currently allowed under these standards, and are found in Tasmania, are now under investigation in the Federal Court against consumer law.

Our State Government doesn't need the revenue from poker machines.

The money the State Government receives from poker machines is less than 1% of the State's revenues. The Treasurer has said that “any decisions will be made with the best interests of Tasmanians at the centre, not be driven by tax revenue” (*The Examiner*, 3 November 2015).

Most businesses in Tasmania do not benefit financially from poker machines.

There are more than 37,000 small businesses in Tasmania. There are less than 90 small businesses with poker machines.

While businesses that have poker machines have benefited from an increase in economic activity, this has come at the expense of economic activity at venues without poker machines (SACES 2008, p. 135).

Removing poker machines will not affect employment overall.

The Productivity Commission found that the impact of the gambling industry on employment is neutral because if the gambling industry did not exist or was smaller, money would be spent in other industries where employment would be created (Productivity Commission 2010, p. 6.27). Indeed, Victorian research found that for every million dollars

spent on gambling, just over three jobs are created, compared to eight jobs per million spent on beverage sales and 20 jobs per million spent on restaurant and take-away meals (SACES 2005, p. 51).

Most sports teams and community groups do not rely on funding from the gambling industry.

Only a few sports clubs and community groups are sponsored by the gambling industry or apply for grants through the community support levy that is charged on the profits from poker machines in hotels and clubs. Many more are sponsored by businesses that do not have poker machines.

Poker machines are a much bigger problem than sports betting or online gambling.

Sports betting and online gambling are currently minor forms of gambling with just 7% of Tasmanian adults gambling online (ACIL Allen Consulting 2014, vol. 2, p. 101). However, the Federal Parliamentary Joint Select Committee on Gambling Reform reported in 2011 that internet gambling is growing and is expected to continue to grow and that it has higher rates of causing harm than all other forms of gambling except poker machines (Commonwealth of Australia 2012, p. 14).

Tasmanian Government surveys show that most people who currently use a poker machine would not reallocate their money to other gambling if they were not able to access poker machines and instead they would spend their money on food, entertainment, family expenses, etc. (The Allen Consulting Group 2011, p. 91). However, sports betting and online gambling do need to be closely monitored by both Federal and State governments for harm. Anglicare will continue to advise both levels of government on the need for tighter regulation regarding online gambling.

Our government has a responsibility to ensure our communities are safe.

The Tasmanian Government legislated for poker machines to be introduced into our communities. Every study into the effects of poker machines in Tasmania shows a large social and economic harm and every poll of the Tasmanian community shows Tasmanians know poker machines cause harm and they do not want them in their communities. It is responsible public policy for the Tasmanian Government to require poker machines to be withdrawn due to the harm they cause to the Tasmanian community.

Conclusions

This inquiry is being held as a result of the wide-spread public engagement in public policy about gambling as the current deed for the license for the two casinos, all poker machines and keno approaches its expiry date. This public interest is no surprise. Every time the population has been polled about poker machines, 80% have said they believe poker machines cause harm and they want fewer or no poker machines in their local communities (Anglicare 2003, SACES 2008, EMRS 2009, Anglicare 2015a).

In this submission, Anglicare has made a number of recommendations that we hope the Committee will use to protect Tasmanian communities from the harm caused by poker machines. Our major recommendation is that poker machines should be removed from hotels and clubs.

In support of our recommendations, Anglicare emphasises the following five key policy principles to the Inquiry:

- 1. poker machines are designed to addict and rigged to win;*
- 2. harm minimisation has failed to protect people who regularly use poker machines;*
- 3. poker machines are overwhelmingly disliked by the general community;*
- 4. most Tasmanians do not want poker machines in their communities; and*
- 5. the best indicators of effective harm minimisation is a reduction in the amount of money taken from the community by the gambling industry.*

Anglicare sees this Inquiry offering a once-in-a-generation opportunity for Parliament to implement public policy that will protect Tasmanians from a dangerous product. We urge the Parliament to listen to community attitudes and aspirations on this issue and to consider the following recommendations.

Summary of recommendations

1. *Given the clear community attitudes and aspirations about poker machines, the State Government should give notice to Federal Hotels by no later than 30 June 2019 that the current Deed will not be renewed, and, on its expiration, poker machines will be removed from hotels and clubs and a transition plan offered to hotels and clubs that currently have machines.*
2. *The State Government should request a policy response from the Tasmanian Gaming Commission to each Social and Economic Impact Study.*
3. *The current license holder for the two casinos and keno should not automatically be granted a new license.*
4. *Parliament should debate the terms for any new license for the two casinos including the value of the license and its term as well as taxation rates, license fees and consumer protection.*
5. *Any new license for the two casinos should allow the Government to respond to changes in the markets, technology, community attitudes and the need for improved consumer protection with no fear of penalties.*
6. *Any new license for the two casinos should not permit an increase in the number of poker machines in the casinos and should impose a maximum \$1 bet limit and a system that requires people to set an enforceable limit on their losses. It should also be made mandatory for license holders to intervene where customers are experiencing harm.*
7. *Any new license for the two casinos should introduce the equivalent of the existing Community Support Levy onto all poker machines in casinos.*
8. *Any renegotiation for keno should firstly investigate its use of "hot" and "cold" numbers and the listing of winning "heads" or "tails" against consumer law and, secondly, if the product is deemed fit for purpose, keno should be completely removed from all dining areas.*
9. *The State Government should request the Tasmanian Gaming Commission evaluates Federal Hotels' Premium Player Program so that elements that are deemed effective are introduced for all customers of casinos.*
10. *Any further proposals for casino licenses should undergo a public interest test that investigates the attitudes of the community and the value of the license to the community. Should a proposal for any further casinos pass this test, applications should undergo a tender process that is assessed independently.*
11. *The Gambling Support Program investigate programs that could be funded to reach out to the estimated 90% of people who are experiencing harm from gambling but who have not yet sought help.*

References

ABS – see Australian Bureau of Statistics

ACIL Allen Consulting, The Social Research Centre & the Problem Gambling Research and Treatment Centre 2014 *Third social and economic impact study of gambling in Tasmania*, volume 1 and 2, report prepared for the Tasmanian Department of Treasury and Finance, ACIL Allen Consulting.

ACIL Allen Consulting, The Social Research Centre & the Problem Gambling Research and Treatment Centre 2015 *Third social and economic impact study of gambling in Tasmania*, volume 3, report prepared for the Tasmanian Department of Treasury and Finance, ACIL Allen Consulting.

AIGR – see Australian Institute for Gambling Research

Allen Consulting Group, Problem Gambling Research and Treatment Centre & The Social Research Centre 2011, *Social and economic impact study of gambling in Tasmania*, prepared for the Tasmanian Department of Treasury and Finance, Allen Consulting Group.

Alliance for Gambling Reform 2016, *Pokies on trial*, <http://www.pokiesplayyou.org.au/pokiesontrial>, viewed 2 December 2016.

Anglicare Tasmania 1997, *Patron care policies and programs for the Tasmanian gambling industry*, Anglicare Tasmania, Hobart.

– 2003, *Anglicare questions on poker machines*, preliminary results, <http://www.anglicare-tas.org.au>, viewed 2 December 2016.

– 2014, *It's the light, the music, the jingles, the free drinks et cetera: Submission to the Third Social and Economic Impact Study of Gambling in Tasmania*, Anglicare Tasmania, Hobart.

– 2015a, *Community views on poker machines 2015*, poll conducted by EMRS, Anglicare Tasmania, Hobart, <http://www.anglicare-tas.org.au>, viewed 2 December 2016.

– 2015b, *Poker machines cause harm in your local area*, <http://pokermachinescauseharm.org.au>, viewed 2 December 2016.

– undated, 'Tasmania Responds', in possession of Anglicare Tasmania, Hobart

Anglicare Tasmania & Relationships Australia 2016, *Gamblers Help Management Report 2015-16*, Gamblers Help, Hobart.

Australian Bureau of Statistics 2011, *Household expenditure survey, Australia, 2009-10*, cat. no. 6530.0, Australian Bureau of Statistics, Canberra.

Australian Institute for Gambling Research 1997, *The extent and impact of gambling in Tasmania with particular reference to problem gambling*, a follow up to the baseline study conducted 1994, Australian Institute for Gambling Research.

Clark, N 2013, 'Federal Hotels' profit rises, despite a significant fall in revenue, as the company looks to unload properties' *Mercury*, 7 November 2013, viewed 8 December 2016, <<http://www.themercury.com.au/news/tasmania/profits-up-as-federal-unloads/news-story/50607afe6fd1b87c32a0c1baabbbb0e6>>.

Commonwealth of Australia 2012, *Interactive and online gambling and gambling advertising*, Interactive gambling and broadcasting amendment (online transactions and other measures) Bill 2011, second report, Parliamentary Joint Select Committee on Gambling Reform.

Community Voice on Pokies Reform 2016, Submission to the joint select committee on future gaming markets, in possession of the Joint Select Committee on Future Gaming Markets, Hobart.

EMRS 2009, *Our island, our voices: State issues*, EMRS, Moonah.

Federal Group Tasmania 2014, *Social and Economic Impact Study Report*, prepared by D Hanna, Federal Group.

Gaming Machine National Standard 2016, *Australian/New Zealand gaming machine standard 2016*, final version, [http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/GMNS2016.pdf/\\$file/GMNS2016.pdf](http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/GMNS2016.pdf/$file/GMNS2016.pdf), viewed 2 December 2016.

Glaetzer, S 2014, 'Philanthropist David Walsh wants to build casino at MONA', *Mercury*, 29 September, <http://www.themercury.com.au/news/tasmania/philanthropist-david-walsh-wants-to-build-casino-at-mona/news-story/6fe9bbaef28098ae4be3fbd8b829e30d>, viewed 2 December 2016.

Glaetzer, S 2015, 'It's game on for the key players in Tasmania's pokies power struggle', *Mercury*, 15 November, <http://www.themercury.com.au/entertainment/its-game-on-for-the-key-players-in-tasmanias-pokies-power-struggle/news-story/b6cbbba06ae21bbe6367c84ebfc6fa69>, viewed 2 December 2016.

Han, M 2016, 'Aristocrat, Crown Resorts face poker machine test case', *Australian Financial Review*, 26 October, <http://www.afr.com/news/aristocrat-crown-resorts-face-pokie-machine-test-case-20161026-gsas7q>, viewed 2 December 2016.

Hare, S 2015, *Study of gambling and health in Victoria*, report prepared by Schottler Consulting for Victorian Responsible Gambling Foundation, Melbourne.

Harrigan, K, MacLaren, V, Brown, D, Dixon, M & Livingstone, C 2014, 'Games of chance or masters of illusion: multiline slots design may promote cognitive distortions', in *International Gambling Studies*, vol. 14, no. 2, pp. 301-317.

Hodgman, W & Gutwein, P 2016, *Government outlines a new gaming paradigm for Tasmania*, media release, 17 March 2016, Tasmanian Government, Hobart.

Law, M 2005, *House of cards: problem gambling and low income earners in Tasmania*, Social Action and Research Centre, Anglicare Tasmania.

– 2010, *Nothing left to lose: problem gambling and crime*, Social Action and Research Centre, Anglicare Tasmania.

Maheswaran, D 2014, 'The relationship between gambling and family breakdown', in *Law Letter*, The Law Society of Tasmania, no. 122, pp. 22-24.

National Competition Council 2004, *Assessment of governments' progress in implementing the National Competition Policy and related reforms: 2004*, Vol. 1: Assessment, National Competition Council, Melbourne.

New Focus Research 2003, *The experience of problem gamblers, their families and service providers: Study of clients of problem gambling services, stage one report*, Gambling Research Panel, Victoria.

Paine, M 2015, 'Federal Group unveils \$100m plans and defends its stance on MONA casino deal', *Mercury*, 16 September, <http://www.themercury.com.au/news/tasmania/tasmanian-greens-slam-libs-over-mona-casino-plan-withdrawal/news-story/08c41290305cbff054e2d0bb258accdf>, viewed 2 December 2016.

Parliamentary Standing Committee of Public Accounts 2003, *Inquiry into the Federal Hotels agreement*, final report, PSCPA, Hobart.

Parliamentary Standing Committee of Public Accounts 2003, *Inquiry into the Federal Hotels Agreement*, transcripts of evidence 16/7/03, PSCPA, Hobart.

Productivity Commission 1999, *Australia's gambling industries*, report no. 10, AusInfo, Canberra.

– 2010, *Gambling*, report no. 50, AusInfo, Canberra.

PSCPA – see Parliamentary Standing Committee of Public Accounts

Roy Morgan Research 2001, *The third study into the extent and impact of gambling in Tasmania with particular reference to problem gambling: follow up to the baseline studies conducted in 1994 and 1996*, Roy Morgan Research, Melbourne.

– 2006, *The fourth study into the extent and impact of gambling in Tasmania with particular reference to problem gambling: follow up to the studies conducted in 1994, 1996 and 2000*, Roy Morgan Research, Melbourne.

SACES – see South Australian Centre for Economic Studies

South Australian Centre for Economic Studies 2005 *Community impacts of electronic gaming machine gambling*, report prepared for the Victorian Gambling Research Panel, Office of Gaming and Research, Melbourne.

South Australian Centre for Economic Studies 2008, *Social and economic study into gambling in Tasmania*, SACES, Adelaide.

Stensholt, J 2016, 'BRW Rich Families 2015', *Financial Review*, 3 March 2016, viewed 8 December 2016, <<http://www.afr.com/leadership/brw-lists/rich-families/brw-rich-families-2015-20160303-gn9flu>>.

Tasmania, House of Assembly 1993, *Hansard*, December 1993.

Tasmania, Legislative Council 1993, *Hansard*, December 1993.

Tasmania, Legislative Council Select Committee on the Impacts of Gaming Machines 2002, *Hansard*, 17 April 2002, p. 21

Tasmanian Gaming Commission

– 1997, *Annual report 1996-97*, TGC, Hobart.

– 1998, *Annual report 1997-98*, TGC, Hobart.

– 1999, *Annual report 1998-99*, TGC, Hobart.

– 2000, *Annual report 1999-2000*, TGC, Hobart.

– 2001, *Annual report 2000-01*, TGC, Hobart.

– 2002, *Annual report 2001-02*, TGC, Hobart.

– 2003, *Annual report 2002-03*, TGC, Hobart.

– 2004, *Annual report 2003-04*, TGC, Hobart.

– 2005, *Annual report 2004-05*, TGC, Hobart.

– 2006, *Annual report 2005-06*, TGC, Hobart.

– 2007, *Annual report 2006-07*, TGC, Hobart.

– 2008, *Social and economic impact study into gambling in Tasmania – Policy responses*, report to Treasurer, TGC, Hobart.

– 2010, *Annual report 2009-10*, TGC, Hobart.

– 2011, *Annual report 2010-11*, TGC, Hobart.

– 2012, *Responsible gambling mandatory code of practice for Tasmania*, version 1.0, TGC, Hobart.

– 2013, *Annual report 2012-13*, TGC, Hobart.

– 2016, *Annual report 2015-16*, TGC, Hobart.

TGC – see Tasmanian Gaming Commission

Tourism Australia 2015, *What is sustainability?*, <http://www.tourism.australia.com/industry-advice/what-is-sustainability.aspx>, viewed 2 December 2016.

Way, N 2006, 'A sure bet', in *Business Review Weekly*, 18 May, p. 98.

Willingham, R 2016, 'Crown Casino Aristocrat face lawsuit alleging deceptive conduct over poker machines', *The Age*, 5 September 2016, viewed 8 December 2016, <<http://www.theage.com.au/victoria/crown-casino-aristocrat-face-lawsuit-alleging-deceptive-conduct-over-poker-machines-20160904-gr8ad5.html>>.