



Tasmanian Council of Social Service Inc.

Submission to Fifth Study into the Social and Economic Impact of Gambling in Tasmania

November 2020



**INTEGRITY
COMPASSION
INFLUENCE**

About TasCOSS

TasCOSS' vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to low-income Tasmanians living in vulnerable and disadvantaged circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

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Introduction

Thank you for the opportunity to make a submission to the Fifth Social and Economic Impact Study of Gambling in Tasmania.

A key part of TasCOSS' mission is to challenge the systems, behaviours and attitudes that create poverty, inequality and exclusion – challenges that are experienced disproportionately by Tasmanians who experience harm from gambling. Addressing issues related to gambling requires changing the regulatory systems and legislation that control gambling in the state, the behaviours of gambling venue staff and gamblers, and attitudes towards gambling. The triennial Social and Economic Impact Studies of Gambling in Tasmania (SEIS) present important opportunities to effect these changes, offering as they do the chance for a comprehensive review of continuing patterns and emerging trends in relation to gambling-related harm. The Fifth SEIS comes at a particularly important time, given the impacts of coronavirus-related gambling venue closures and restrictions.

This submission will focus on two aspects of the SEIS discussion paper: benefits and costs of gambling (the costs of gambling harms, regional differences in the concentration of activities, social and economic impacts of gambling); and the impact of COVID-19 on gambling participation.

Gambling harms in Tasmania

According to the prevalence survey conducted in the context of the 2017 SEIS, around 2% of Tasmanian adults – some 7,800 people as of 2016¹ -- either are experiencing harms from gambling or are at moderate risk of such harms.² Meanwhile, for every person who experiences problems with gambling, another 5 to 10 people are affected,³ meaning that up to 78,000 Tasmanians may be at risk of being affected by harms from gambling.

Some families are torn apart. I was talking to a community member who advised that their mum stayed out nights gambling; she and their stepdad have since split up. [Neighbourhood House manager]

Harm from gambling has an impact on all areas of life. As detailed in a range of TasCOSS submissions⁴ and noted by Tasmania's Gambling Support Program Strategic Framework 2019-2023⁵, harmful gambling can result in relationship and family breakdown, alcohol and drug use, anxiety, depression, poor health outcomes, financial difficulties, and criminality. Financial difficulties can further lead to housing, food and transport insecurity and non-criminal legal problems. Beyond the person experiencing gambling problems, family members, friends, employers and colleagues can be affected.⁶

¹ ABS Census 2016.

² <https://www.treasury.tas.gov.au/Documents/Vol%20%20-%20SEIS%202017%20-%2022%20DECEMBER%202017%20-%20FINAL.pdf>.

³ Law, Margie (2005), *House of Cards*. Anglicare, pp. 1, 3.

⁴ See, for example, TasCOSS (2020), Submission to *Future of Gaming in Tasmania: Public Consultation Paper 2020*.

⁵ https://www.communities.tas.gov.au/disability-community-services/gambling/about_gsp#:~:text=The%20Gambling%20Support%20Program%20Strategic%20Framework%20guides%20the%20delivery%20of,prevent%20and%20reduce%20gambling%20harms.

⁶ https://www.communities.tas.gov.au/__data/assets/pdf_file/0018/43623/Gambling-Support-Program-Strategic-Framework-2019-2023-Final-WEB.pdf

Harms from gambling are disproportionately acute for people on low incomes, who have few resources to buffer themselves against gambling losses. As a consequence, people living in poverty who have gambling problems often end up cutting back on necessities—food, clothing, heating—for themselves and their families.⁷

In consultations for this submission, TasCOSS members told us of the harms that they see in their clients.

We see people who will take out payday loans in order to enable themselves to keep gambling. Or are forced into a payday loan after the last of their money has been lost on gambling. We occasionally see people who have spent their food money on gambling. [Emergency relief service manager]

[A community member] has been gambling heavily. He is in extreme debt now and owes a lot of community members money. He has had to relocate for fear of retribution. He said that if it wasn't for one of his close friends supporting him at this time he 'would not be here.' [Neighbourhood House manager]

Harms from gambling are also disproportionately associated with electronic gaming machines (EGMs, or 'pokies'). High-loss electronic poker machines – and Australia has the fastest, highest loss machines in the world⁸ -- are designed to be addictive, and are easily the most addictive form of legalised gambling available today.⁹ As previous SEIS reports have indicated, Tasmanians who are experiencing problems with gambling are disproportionately likely to use EGMs or to cite EGMs as their main cause of problems.¹⁰ As one service provider told the 2017 Tasmanian Parliamentary Joint Select Committee on Future Gaming Markets, "Of the clients who come to us because they have a problem with gambling, the majority cite gaming machines in clubs and pubs as part or all of their problem."¹¹

These harms are magnified in Tasmanian communities of socio-economic disadvantage, where there are high concentrations of poker machines and where moderate risk/problem gambling is highest.¹²

⁷ Law 2005, p. 43.

⁸ Stop the Loss factsheet.

⁹ Harrigan, Kevin (2010) "Why are pokies so addictive?" Monash University presentation, <http://www.med.monash.edu.au/healthsci/news/why-are-pokies-so-addictive.html>

¹⁰ See for example <https://www.treasury.tas.gov.au/Documents/20150109SEISVolume1FINAL.PDF> p. 34; <https://www.treasury.tas.gov.au/Documents/Volume%20-%20Industry%20Trends%20and%20Impacts.PDF>, p. 80.

¹¹ https://www.parliament.tas.gov.au/Ctee/Joint/Reports/FGM/fgm_rep.170927.reportfinalforprinting.sw.pdf, p. 45.

¹² The Allen Consulting Group, *Social and Economic Impact Study of Gambling in Tasmania*, 2011, p 7 <https://www.austgamingcouncil.org.au/sites/default/files/secondgamblingSEISsummary.pdf>; SEIS 2011, Vol. 2, p. Xi.

Table 1: Number of poker machines by Legislative Council electorate

Legislative Council Electorate	Poker machines ¹³	SEIFA quintile of advantage/disadvantage (relevant LGAs) ¹⁴
Murchison (Burnie, Smithton, Wynyard, Somerset, Queenstown, Strahan, Rosebery, Zeehan)	305	1 (Most disadvantaged)
Mersey (Devonport, East Devonport, Port Sorell, Latrobe)	280	1
Montgomery (Ulverstone, Burnie, Sheffield, Penguin)	180	1-2
Windemere (George Town, Ravenswood, Launceston CBD, Mowbray, Rocherlea)	180	1-2
Elwick (Moonah, Glenorchy, Derwent Park)	180	1
McIntyre (Scottsdale, St Helens, Bridport, Westbury, Deloraine, Longford, Perth)	165	1
Launceston (Launceston CBD, Kings Meadows, Newstead)	161	2
Prosser (Campbell Town, Dodges Ferry, Dunalley, Sorell, Orford, Bicheno, Brighton)	150	1-3
Rosevears (Launceston, Exeter, Beauty Point, Prospect, Riverside)	145	3
Hobart (Hobart CBD, North Hobart, West Hobart)	139	5 (Most advantaged)
Derwent (New Norfolk, Claremont, Bridgewater, Berriedale)	138	1
Pembroke (Lindisfarne, Mornington, Howrah, Bellerive)	120	4
Rumney (Midway Point, Lauderdale, East Risdon)	85	4
Huon (Dover, Snug, Huonville)	57	3
Nelson (Kingston)	30	5

The impact of COVID-19

In April and May 2020, Tasmanians lost no money on EGMs due to venue closures.¹⁵ However, EGM gambling expenditures have risen sharply since pubs and clubs reopened, to levels not seen prior to the pandemic. In the month of July 2019, Tasmanians spent \$15,412,281 on gaming machines in the state. In the month of July 2020, they spent \$19,428,375 – 26% more, even though the total number of

¹³ <https://www.google.com/maps/d/u/0/viewer?mid=1vEnabUMhNcwJkuBgyJUufhdlodrsZtZT&ll=-42.18037216385536%2C146.3836931445312&z=7>

¹⁴

<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2033.0.55.001~2016~Main%20Features~IRSAD%20Interactive%20Map~16>

¹⁵ <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/electronic-gaming-machine-expenditure-by-municipality>

gaming machines in the state had dropped by 15%.¹⁶ Gamblers in Glenorchy, the municipality with the highest losses, spent \$2,271,439 in July 2020, compared with \$1,881,564 in July 2019 – an increase of 21%.¹⁷

Since the initial rush back into gambling venues, some of these increases have begun to subside. However, in a few municipalities, expenditures continue to grow. In some cases (Dorset, West Tamar), expenditures still are below or close to those of a year ago. In others, however (West Coast, Sorell, Launceston, Northern Midlands, Clarence) expenditures continue to grow above pre-COVID levels. Particularly in municipalities where the average monthly spend per machine is above or close to the state municipality average (Clarence, Launceston), these trends warrant following.

Table 2: Breakdown of expenditure post-reopening by LGA¹⁸

Municipality	# of EGMs ¹⁹	July 2020	July 2019	Percentage increase between July 2019 and July 2020	August 2020	Percentage increase between July 2020 and August 2020	Percentage increase between July 2019 and August 2020	Average spend per machine, August 2020
Burnie	210	\$754,517	\$673,701	11.9%	\$681,442 ↓			\$3244
Central Coast	135	\$752,973	\$590,212	27.5%	\$752,322 ↓			\$3350
Clarence	180	\$974,906	\$850,210	14.7%	\$987,894 ↑	1.3%	16.2%	\$5488
Devonport	230	\$1,124,142	\$965,640	16.4%	\$1,091,362 ↓			\$4745
Dorset	45	\$89,117	\$108,676	-21.9%	\$109,448 ↑	22.8%	1%	\$2433
Glenorchy	240	\$2,271,439	\$1,881,564	20.7%	\$2,158,122 ↓			\$8992
Hobart	124	\$438,010	\$390,990	12%	\$393,237 ↓			\$3171
Launceston	366	\$1,782,476	\$1,460,109	22%	\$1,792,128 ↑	1%	22.7%	\$4896
Northern Midlands	60	\$119,867	\$112,018	7%	\$130,920 ↑	9.2%	16.9%	\$2182
Sorell	90	\$311,638	\$271,449	14.8%	\$336,500 ↑	7.9%	24%	\$3738
Waratah-Wynyard	110	\$548,489	\$529,503	3.6%	\$505,861 ↓			\$4598
West Coast	65	\$145,045	\$140,602	3.2%	\$182,505 ↑	25.8%	29.8%	\$2807
West Tamar	65	\$194,079	\$207,660	-7%	\$198,532 ↑	2.3%		\$3054
Remaining municipalities combined	380	\$2,028,503	\$1,685,457	20.3%	\$1,983,830 ↓			\$5220
Total municipalities	2300	\$11,535,209	\$9,867,797	16.9%	\$11,304,110 ↓			\$4914
Combined casinos	1185	\$7,893,166	\$5,544,483	42.3%	\$7,250,325 ↓			\$6118
Tasmania	3485	\$19,428,375	\$15,412,280	26%	\$18,554,435 ↓			\$5324

¹⁶ <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/electronic-gaming-machine-expenditure-by-rolling-year>

¹⁷ <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/electronic-gaming-machine-expenditure-by-municipality>

¹⁸ <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/electronic-gaming-machine-expenditure-by-municipality> ; <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/electronic-gaming-machine-expenditure-by-financial-year>

¹⁹ <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data/gaming-and-wagering-industry-data> ; <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data>

Gambling problems are frequently linked to social isolation, loneliness and boredom.²⁰ The enforced isolation of coronavirus-related social distancing measures has left many Tasmanians more vulnerable to the impulse to gamble. Indeed, an Australian Gambling Research Centre Australia-wide study of gamblers found that almost 1 in 3 survey participants signed up for a new online betting account during COVID-10, and the proportion of participants gambling 4 or more times a week increased from 23% to 32%.²¹ TasCOSS members have expressed concerns that during lockdown, a substantial proportion of gambling clients who regularly used gaming machines may have turned to other forms of gambling, including on-line gambling and the range of Tattersalls gambling products (scratchies, TattsLotto); one study suggests that the proportion may have been as high as 50%.²²

At the same time, some Tasmanians have used venue closures as a circuit-breaker to address their problems with gambling, particularly since the Coronavirus Supplement of \$550/fortnight has helped address financial issues. As the piece above suggests, around 50% of gambling clients may NOT have turned to other forms, leading to an overall improvement in their situations during this period.²³

Recommendations

As a state, Tasmania needs to come up with more effective solutions to address the harms caused by gambling. This means putting gambling harm, the people it affects, and the inequities it is driven by and creates—rather than the current ‘informed choices’ and ‘support’—at the heart of Tasmania’s approaches to addressing harms caused by gambling.²⁴ New Zealand’s Strategy to Prevent and Minimise Gambling Harm, for instance, has as its first object the reduction in gambling-harm-related inequities between population groups.²⁵

To reduce the harms caused by gambling and to permit Tasmanians to participate in decision-making about activities in their communities that prevent and minimise gambling harm, Tasmania needs:

Stronger harm minimisation measures. TasCOSS is pleased that the Tasmanian Government has continued in recent years to extend harm minimisation measures in venues. Nevertheless, TasCOSS members who provide gambling support services tell us that aspects of the regulatory environment still need strengthening. In particular, the Responsible Gambling Mandatory Code of Practice, under the *Gaming Control Act 1993*, even in its latest form, still does not appear to give staff sufficient authority to intervene where they see possible harm occurring. At the same time, staff codes of conduct are subject to human error and interpretation, particularly in the absence of clear-cut provisions such as automated interventions.

²⁰ Law 2005, p. 27.

²¹ https://aifs.gov.au/agrc/sites/default/files/publication-documents/2009_gambling_in_australia_during_covid-19.pdf

²² See, for instance, Lovrin, M (2020) “Snapshot of Tasmania: gambling trends during COVID.” National Association for Gambling Studies Bulletin, August, p. 3.

²³ *Ibid.*

²⁴ https://www.communities.tas.gov.au/_data/assets/pdf_file/0018/43623/Gambling-Support-Program-Strategic-Framework-2019-2023-Final-WEB.pdf

²⁵ <https://www.health.govt.nz/system/files/documents/publications/hp7137-strategy-minimise-gambling-harm-jun19.pdf>

[Our client] goes to Launceston and Hobart to gamble at the bigger casinos. She has tried [unsuccessfully] getting herself barred. [Neighbourhood House manager]

We believe the Code should be reviewed with the aim of mandating intervention where staff see harm occurring. In addition, and as detailed in previous TasCOSS submissions,²⁶ there is growing evidence to suggest that pre-commitment, one-dollar maximum bets or other machine design changes may yield significantly more effective harm minimisation effects than in-venue practices.²⁷ Restricting opening hours of EGM venues has also shown to reduce harms from gambling.²⁸ Many of these measures indeed have been recommended by entities including the TLGC and the Productivity Commission.²⁹

- **Recommendation:** EGMs should be subject to:
 - Mandatory pre-commitment to bet limits. Norway has found that bet limits both help people with gambling problems to adhere to pre-set limits and assist them in avoiding loss-chasing.³⁰
 - Maximum \$1 bets, which would reduce a player's potential hourly losses to 20% of their current \$600.³¹ Tasmania's current maximum bet is \$5; for poker machines in clubs and pubs in the UK, the maximum bet is less than AUD\$2.³²
 - Slower spin speeds. Tasmania's spin speed is 3.5 seconds, compared to Western Australia's 5 seconds.³³
 - Set win limits in clubs/hotels. Tasmania current has no limits on wins; by contrast, South Australia has win limits of \$10,000 and Queensland has win limits of \$10,000/\$25,000 (Jackpot).
 - Delivery of winnings over \$500 by cheque, as in the Northern Territory, compared to Tasmania's \$1000.³⁴
 - Increase in the minimum payout percentage (return to player, or RTP), which in Tasmania stands at 85% in clubs, hotels and casinos. In clubs and hotels, Western Australia returns 90%, South Australia 87.5%, Victoria/ACT 87%, and Queensland 85%-92%; in casinos, Queensland returns 90%, and the Northern Territory 88%.³⁵

- **Recommendation:** The Tasmanian Government should:
 - Review the Responsible Gambling Mandatory Code of Practice to mandate staff to intervene where they see gambling harm occurring.

²⁶ TasCOSS (2017) *Submission to the First Review of the Responsible Gambling Mandatory Code of Practice for Tasmania*.

²⁷ Livingstone, C., Rintoul, A. and Francis, L., 2014, 'What is the evidence for harm minimisation measures in gambling venues?' Evidence Base. no. 2, p.17.

²⁸ Eg McMahon et al., 2019, "Effects of prevention and harm reduction interventions on gambling behaviours and gambling-related harm: an umbrella review." *Addictive Behaviours*, Vol. 90, March, pp. 380-388.

<https://www.sciencedirect.com/science/article/pii/S0306460318311444>

²⁹ Productivity Commission *Gambling*, 2010 <https://www.pc.gov.au/inquiries/completed/gambling-2010/report/gambling-report-volume1.pdf>

³⁰ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5323476/>

³¹ https://www.anglicare-tas.org.au/content/uploads/dlm_uploads/2019/07/SARC-Pokies-Cause-Harm-Key-Facts.pdf

³² https://www.anglicare-tas.org.au/content/uploads/dlm_uploads/2019/07/SARC-Pokies-Cause-Harm-Key-Facts.pdf

³³ https://www.anglicare-tas.org.au/content/uploads/dlm_uploads/2019/07/SARC-Pokies-Cause-Harm-Key-Facts.pdf

³⁴ <http://www.onlinepokies.com/state-regulations.htm>

³⁵ <http://www.onlinepokies.com/state-regulations.htm>

- Reduce access to gaming machines to a maximum of 12 hours a day.

A stronger role for the SEIS: Ongoing monitoring and study of the social and economic impact of gambling on the Tasmanian population is a key to ensuring that policy, regulatory and legislative settings are achieving their aims. While the reports from each Social and Economic Impact Study are valuable, there is no requirement that the Government act on their findings; this makes them less effective than they should be at prompting policy change.³⁶

- **Recommendation:** The Tasmanian Liquor and Gaming Commission, in consultation with stakeholders, should be tasked to provide recommendations to government on each Social and Economic Impact Study, and the State Government should be required to respond to the TLGC recommendations in Parliament.

Empowered communities: The Tasmania Gambling Support Program Strategic Framework has Tasmanian communities at the heart of its third desired outcome: Tasmanian communities are able to identify and respond to gambling related harm and issues.³⁷ To support this outcome, Tasmanian communities should be empowered to decide whether they want poker machines in local venues.

- **Recommendation:** The Community Interest Test should apply to all venues, including those in place prior to March 2016, with consultations to be repeated every five years and/or when a venue changes ownership and/or on application for a new EGM licence.

Better data: At the moment, the Department of the Treasury provides expenditure summaries for only 13 selected municipalities, with the remaining 16 grouped together. As the table above shows, the average expenditure per machine for the 16 combined municipalities is in fact higher than the average municipality expenditure (\$5220, compared to \$4914).

- **Recommendation:** To help local governments understand gambling expenditures in their municipalities, expenditure summaries should be provided for all municipalities individually.

³⁶ Shortcomings of the SEIS process were identified in the Tasmanian Parliament's *Future Gaming Market* inquiry. See *Joint select Committee on Future Gaming Markets Final Report 2017*, pp.67-75.

³⁷ https://www.communities.tas.gov.au/_data/assets/pdf_file/0018/43623/Gambling-Support-Program-Strategic-Framework-2019-2023-Final-WEB.pdf