

**HANSARD
HOUSE OF ASSEMBLY**

Thursday 5 November 2009 - Part 2 - Pages 35 - 160

GAMING CONTROL AMENDMENT BILL (No. 2) 2009 (No. 101)

Second Reading

[1.10 p.m.]

Mr WHITELEY (Braddon) - Mr Speaker, can I advise you that I will have carriage of this bill as it is a matter that goes to the heart of harm minimisation when it comes to the issue of gambling and gaming and we will deal with it as such.

The title of this bill is about gaming control, yet in terms of tackling the problem gambling that exists in Tasmania there are many initiatives that would go further, in our view, in mitigating the problems of gambling addiction that are not included in this legislation. We think this is very disappointing given that so many reports and so much research have shown without doubt the significant social and economic impact of problem gambling in this State, and that the number-one culprit is poker machines. As the Tasmanian Gaming Commission said in its submission to the Productivity Commission - and I quote:

'Features are developed and refined to attract gamblers to the machines and keep them engaged with the machines. Vulnerable gamblers are captured by these specifically-designed features.'

The representative of the Treasurer, Mr Llewellyn, today said in his second reading speech that it is not practical to think we can deal with problem gambling through prohibition. We can acknowledge that gaming machines account for the majority of gaming revenue to the State or gaming expenditure by the punter and that problem gamblers disproportionately account for a significant share of total gambling expenditure on the part of the punter, and revenue on the part of the company that owns them, and the Government in turn. That means we need to concentrate on mechanisms to hose down the negative impact that arises from electronic gaming machines. We need to concentrate on poker machines and how we minimise the risk to problem gamblers. I am pleased to see that this legislation goes some way to tackling this conundrum.

The Liberals will be supporting the initiatives contained in the bill but we will point out where additional initiatives should be considered and we will be proposing today that a new section be inserted into the bill **related to bet limits and ensuring that these limits are further reduced not just from \$10 to \$5, but to \$1**. I foreshadow that and I will deal with it in the committee stage. We believe we have found a mechanism under which that can be done. Advisers would be quickly coming to an assessment if it is done by another mechanism, but we have had a look at that and we feel that we can attend to it through this amendment bill.

It is time for action. A few days ago it was revealed that a staggering - a massive, in fact - \$224 million was lost on poker machines alone in the past financial year in Tasmania. We have a population of 500 000 and in one year's activity on electronic gaming machines in the suburbs and cities of this State there was a staggering \$224 million lost. This is despite a small reduction, that the Government has made much of, in the number of gaming machines being down from 2 397 to 2 372. Poker machines were by far the biggest cause of losses,

with an additional \$70 million spent on other forms of gambling such as lottery tickets, Keno or roulette. The significance of this spend cannot for one millisecond be underestimated. This is not money circulating in local communities, the retail sector, or the corner shop, and impacting on the discretionary spending of ordinary Tasmanian families and often ultimately impacting on the health and wellbeing of vulnerable children throughout this State; this is serious money being gobbled up by machines and lost to the Tasmanian economy, to Tasmanian families and to the significant majority of Tasmanian businesses.

[...]

This is a staggering amount of money. We get this money in return but the cost is indeed great. The recent Productivity Commission report noted that poker machines were the most harmful form of all gambling. About 15 per cent of poker machine players were problem gamblers and this addiction is the key driver of fraud, relationship breakdown, mental illness, bankruptcy and suicide.

I will put this on the record for the umpteenth time. Before I came to this place, as a member of the local city council in Burnie I led the charge in relation to the problem gambling issue in our home city. We always hear from the Treasurer that there has not really been an increase in the number of problem gamblers. We believe there has been and I think the facts of the Productivity Commission will show there has been, but we said this: that there does not necessarily have to be an increase in the number of problem gamblers for gambling to be a problem.

I reiterate that today. Even if you came in here with empirical evidence that said that there had not been an increase from yesterday to today in the number of problem gamblers, I would say to you, Minister, and to your Government, that that does not necessarily mean that gambling is not a problem in this State. It is.

The Productivity Commission report stated, and I quote:

'Many of these problems ripple throughout the community to family members, friends and work colleagues, but they also tie up police, courts and health resources. For every single problem gambler, the Commission found five to 10 others were affected.'

This is the preventative economics I refer to. You cannot just on one side say that if you hose down demand you will lose taxation revenue, you have to look at the opportunity cost, or opportunity lost, of what that part of community activity - in this case the use of electronic gambling machines - actually costs. No-one wants to talk about that; no-one wants to say, Minister, 'We earned \$53 million over there' and then just jab us because they think we have a hole in our budget. On the other hand, where is the cost in real terms of the police - these are not my words, these are the Productivity Commission words - the courts, the health resources, the challenges that come from mental illness, the cost of Relationships Australia counsellors who are trying to rectify and mediate relationship breakdowns. There is also the issue of fraud, and the ultimate cost to a shopowner when one of their employees has an addiction and steals \$5 000 or in some cases \$100 000 over 12 months. Do they ever get their money back? Are they insured?

[...]

The Treasurer has said publicly that his Government's policy position balances the availability of gambling for recreational purposes against the need to protect those in the community from gambling obsession or addiction. Evidence from the Productivity Commission is that one of the keys to protecting those in the community from gambling

addiction with no evidence of unintended negative consequences is to reduce the maximum **bet** size. The Government understands the importance of this concept because it moved in July by ministerial direction to reduce the maximum **bet limit** per game from \$10 to \$5. So if it agrees that lowering **bet limits** will help problem gamblers it may agree today to go further and reduce the **bet limit** to one dollar. With a \$10 **bet limit** Anglicare research shows that it is possible for a problem gambler to lose \$60 a minute, as each spin takes 3.5-4 seconds. By extension it is therefore possible for someone to lose an entire family's weekly income in under an hour.

How disgraceful is that - I do not want any part of it. Reducing betting **limits** slows down the rate of loss and would not hinder activity by those who are not problem gamblers and fit into the category of what you call recreational enjoyment. If it is recreational enjoyment they are after it will not matter one zip if the **bet limits** are reduced. If they are about recreational enjoyment it will not stop them going to a hotel or club; they will probably still spend the same amount of money so there will not be a problem there, but what it will do is hose down the problems for those with gaming addictions.

A **bet limit** of one dollar is broadly in line with the 50p **limit** for each individual game in the United Kingdom and will not impact on recreational gambling, in my view, nor in any report's view, because those gamblers prefer lower denominational models. A one-dollar **bet limit** has already been trialled in New South Wales. The Productivity Commission report released last month also has a lot to say on the matter. It states that governments have introduced many measures to address the harms associated with gambling machines but the effectiveness of these is questionable, including lowering the maximum **bet limit** from \$10 to \$5. That means that the value of **bets** laid per hour will fall from a maximum of \$1 200 to \$600, which remains very high.

Current **bet limits** imposed are set too high to be effective in constraining the spending of problem gamblers, given the speed and intensity of play that a modern gambling machine allows. The maximum **bet** needs to be low, enough to constrain the spend rate of problem gamblers but not so low as to adversely affect recreational gamblers, who typically **bet** at quite low levels. **In all jurisdictions the maximum bet limit on gaming machines should be set at \$1, in our view, bringing the total spend per hour back to \$120.**

There is a strong case on net social benefit grounds that a bet limit of \$1 would reduce harm from high-intensity gambling without unduly affecting recreational gamblers. The Productivity Commission research shows there is a vast variation in the average cost of playing poker machines. For example, on a one-cent machine, one hour of play at the maximum game speed permitted by State regulations can cost as little as a dollar per hour, rising to as much as \$600 to \$1 200 per hour. It states that the \$10 **bet limit** in Tasmania at the maximum rate of spins per minute could cost a gambler \$1 200 per hour. The study concluded that a reduction in the **bet limit** was and I quote:

'... The only modification likely to be effective as a harm-minimisation strategy. Speed of play was found to be an important element in player enjoyment and slower spin rates were perceived as less exciting and less enjoyable, and this would affect recreational and problem gamblers alike without any clear benefits.'

The study found that relatively few participants **bet** above \$1 spins so only a small number of players would be affected by the **limit** and those were relatively more likely to be problem gamblers. It found that 2.3 per cent of non-problem gamblers and 7.5 per cent of problem gamblers typically **bet** more than \$1 per game. **So what is the problem? Let us agree to the amendment today, get on with it and under ministerial direction have a maximum of a \$1 bet limit.**

Most importantly, it found that players gambled for shorter periods, made fewer **bets**, lost less money, sessions were not prolonged and fewer players noticed the lower **bet limit**. There is little harm to most players from a significant reduction in that maximum **bet limit** but a considerable reduction in the harm that is dealt out.

[...]

In accordance with that evidence I foreshadow an amendment, under ministerial direction, to set maximum **bet limits** of more than \$1. We will support the bill but we will move just that one amendment in the interests of problem gambling and in the interests of the community. We do not believe that it will have a significant impact on the industry as they often say it will.

[1.44 p.m.]

Bill read the second time.

GAMING CONTROL AMENDMENT BILL (No. 2) 2009 (No. 101)

In Committee

Clauses 1 to 35 agreed to.

New clause A -

(Section 127 amended (Power of Minister to give directions to Commission))

New clause A presented by **Mr Whiteley** and read the first time.

Mr WHITELEY - Mr Chairman, I move -

That new clause A be now read the second time.

New clause A is to follow clause 35. It reads:

'Section 127 of the Principal Act is amended by inserting after subsection (1) the following new subsections (1A) and (1B):

- (1A) Notwithstanding any other provision of this act, the minister has no power to make a direction to the commission that sets a **bet limit** higher than \$1 per spin for a gaming machine in any gaming venue.
- (1B) The commission must ensure that any standards, directions or other instructions it applies in Tasmania set **bet limits** on gaming machines of no higher than \$1 per spin.'

Mr Chair, this amendment will make clear that ministerial directions issued by the minister under section 127 of the act may not set a **bet limit** higher than \$1 per spin for gaming machines in all venues. The Gaming Commission administers the Tasmanian appendix of the Australian and New Zealand Gaming Machine National Standard. The minister issued a direction on 13 July directing the commission to instigate amendments to that appendix to reduce the **bet limits** from \$10 per spin to \$5 per spin in all gaming venues. We have no power to change the appendix by amending this bill, so instead **this amendment will remove the power of the Treasurer to set a higher bet limit than \$1 per spin, and will**

further provide that the commission must ensure that any standards, which means the appendix to the National Standard, directions or other instructions it applies in this State bet limits on gaming machines at no greater than \$1 per spin. This is the view of TasCOSS, Anglicare and many others who have to deal with the problem gambling scourge in Tasmania and its effect on families in our communities. **It is also the strong view of the State Opposition.**

[...]

[2.30 p.m.]

Mr BOOTH - In getting up to support this amendment it is one we were intending to do as well, therefore we will be supporting the Liberals' amendment and we thank them for bringing it forward... We obviously totally support the amendment. I think I said enough in the second reading debate to not have to go through that again and tie up the time of the House. It is a very worthy measure that will restrict the ability of any future Treasurer to increase the **bet limit** and therefore cause the social harm that everybody agrees these machines cause. I cannot see that there should be any problem if the Government is committed to harm minimisation from these things, it is simply going to be one of the measures necessary to control the losses that occur as a result of these addictive machines. It is a very worthy amendment as a first step.

[...]

The Committee divided -

AYES 8

Mr Booth
Mr Gutwein
Mr Hidding
Mr McKim
Mr Morris
Ms O'Connor
Mr Rockliff
Mr Whiteley (Teller)

NOES 10

Mrs Butler
Mr Butler
Mr Cox
Ms Giddings
Mr Green
Mr Hulme (Teller)
Mr Kons
Mr Llewellyn
Mr Polley
Mr Sturges

PAIRS

Mr Michael Hodgman
Mr Will Hodgman
Mrs Napier

Mr Bartlett
Ms O'Byrne
Ms Singh

New Clause A so negated.