

KENO

SUBMISSION TO THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL OF NEW SOUTH WALES

Review into Gambling Harm Minimisation Measures

INTRODUCTION – THE GAMBLING CLIMATE IN AUSTRALIA

There is little doubt that gambling is a major part of Australia's social and economic fabric.

According to the Productivity Commission's 1999 report into Australia's Gambling Industries, Australians spend more than \$11.3 billion each year on gaming, accounting for an estimated 1.5 per cent of GDP.

Gambling is a growing business with over 7000 businesses providing gambling services across Australia.

The range of gambling products is diverse and, as a long-standing tradition in this country, gambling is now a pursuit that is acceptable to most.

According to the Productivity Commission, it is anticipated that over 82 per cent of Australians participate in gambling activities each year.

For most, gambling is a social and recreational activity.

During the period 2001-02 the real per capita expenditure on gambling in New South Wales was \$1,211.75, compared to \$722.24 for the period 1991-92.

NSW had the third highest recording of per capita expenditure of any Australian state or territory except the Northern Territory and ACT.

The total gambling expenditure in NSW is \$6.047 billion, which represents around 40.2 per cent of total gambling expenditure in Australia in 2001-02.

Seventy per cent of the gambling expenditure relates to gaming machine gambling in clubs and hotels.

As of 2 April 2002, reforms in New South Wales resulted in gaming machines being capped at 104,000 in clubs and hotels.

Racing contributed 12.3 per cent while casino gaming reached 8.8 per cent.

Casino gaming comprises mainly of wagers on table games and gaming machines. Lottery products, with 7.6 per cent of total gambling expenditure, include lotteries, lotto, pools and instant scratch-its.

According to the Tasmanian Gaming Commission 2001-2002, poker machines are the main expenditure form in New South Wales with \$4.307 billion going through those machines annually.

The majority of Australians who participate in gambling are not adversely affected by their gambling activities.

Around 2.1% or 293,000 Australians population over 18 years, are classed as pathological or compulsive gamblers (Productivity Commission, 1999).

SOCIAL RESPONSIBILITY

Keno, like Lotto, has gained a position in the marketplace as primarily a social activity and this is how it was always intended the product would be viewed.

The very nature of Keno promotes social interaction and it should therefore be noted that it is a non-aggressive form a gaming.

The Productivity Commission includes Keno with so-called "minor" gaming activities when examining the levels of expenditure on gaming products.

Keno is one of the lesser aggressive forms of gambling, primarily because it cannot be played on continuous rotation, as Keno provides an enforced break between each game.

The very nature of the game also allows for high levels of social interaction. This is unlike other some forms of gaming, which are solitary by nature.

Another factor that should be considered is the amount of household spend on Keno compared to other forms of gaming.

According to data prepared by Keno, the average monthly spend on Keno is low compared to the more aggressive gaming activities.

In the 2003 fiscal year it was \$7.13, significantly less than most households spend on other forms of gaming, like Lotto, on a weekly basis.

The most common bet on Keno is just \$1.00 with the average ticket cost being just over \$5.

Keno is conducted under the Public Lotteries Regulation 1996, with Clause 7G stipulating that the payment of prize money by cheque is to be made in certain circumstances.

Keno has taken the initiative to comply with Clause 30 of the Gaming Machine Regulation 2002 (GMR), which requires that so much of the prize money as exceeds \$1,000 be paid by cheque in NSW.

These cheques cannot be cashed by the venue.

That is, in the case of a gaming machine prize exceeding \$1000, the player decides whether they are to be paid in cash or by cheque. In the case of a club, there is no option for a player to make a decision when the prize exceeds \$1000.

Keno assumes that the requirement for payment of prizes by cheque for clubs arises primarily from gambling harm minimisation considerations.

It concurs with ClubsNSW, which has failed to source any research to date that can point conclusively to this measure as being effective in reducing harm from excessive gambling.

As Keno is positioned in the marketplace as a so-called "soft" form of gaming in the same category as Lotto, it finds this regulation unnecessary and in no way an impediment to problem gamblers.

In terms of promotion, Keno includes a number of additional harm minimisation initiatives beyond those stipulated in the Responsible Gaming Code of Practice. All point of sale, and advertising material contains an additional safe gaming slogan 'The best bet is the one you can afford.'

In addition to this responsible gaming slogans displayed on all Keno monitors in venues.

CONCLUSION

Keno considers itself to be, primarily, a social activity and therefore, because of the factors outlined above, is one of the most socially responsible forms of gaming in Australia.