



Supplementary Submission to the

**Independent Pricing and
Regulatory Tribunal**

*Review of Gambling Harm
Minimisation Measures*

January 2004

Services Clubs Association Limited

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The Services Clubs Association welcomes the opportunity to provide comment on the recently released ACNielsen 2003 "Evaluation of the Impact of the Three Hour Shutdown of Gaming Machines".

The Association notes that the research relates to the three-hour shutdown and not the subsequent six-hour shutdown which commenced in May 2003.

As a general comment, the results tend to ignore the fact that the overwhelming majority of people who play gaming machines do so without a problem. However, it highlights the need for more resources to be put into research projects that either identify people with a propensity to become problem gamblers or counseling services.

Importantly, the research supports anecdotal evidence and the generally held belief that the shutdown is not an effective method of stopping problem gambling and was not evidence-based – a result backed up by problem gamblers (who rarely play during the shutdown hours) and co-ordinators of liquor accords. Interestingly the shutdown provisions encouraged a small percentage of problem gamblers to increase their gambling activity within the hours leading up to the start of the shutdown. Others simply went to alternative venues due to the inconsistency in the application of the shutdown across gaming venues (eg. Star City Casino), something that continues to occur with the current six hour shutdown.

While gamblers and their families were found to support a shutdown of gaming machines at more popular times, such a move would deprive the vast majority of club patrons who enjoy gambling as a form of entertainment. Further, in keeping with the results of this survey, it appears that if that were the case, many problem gamblers would readjust the hours in which they choose to gamble, again leading any restrictions ineffectual.

That said, the Association finds it difficult to reconcile the support for some form of shutdown by counselling agencies when others feel that clients will simply change the times they gamble or go to another venue that is open to continue to play gaming machines.

Significantly, support agencies believe the shutdown is not an effective as other harm minimization strategies such as G-line and its effectiveness in raising awareness of problem gambling and encouraging problem gamblers and their family to seek help.

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While supporting agencies nominated poker machines as the gambling activity causing the most problems for their clients, TAB betting on horses or dogs, for which there are no gambling harm minimization measures, rated second.

The research, in several aspects, supports the view that the shutdown has had a negative impact on club venues with almost half of the number of venues interviewed changing their overall operating hours. This would obviously be to the detriment of those patrons who previously frequented these venues in those early hours, due largely to their lifestyles as shiftworkers. The research has also shown that the people most likely to be impacted on by the shutdown are in fact shift workers or hospitality workers who may be recreational gamblers and by their lifestyle are being potentially deprived of these facilities due to changes in clubs operating times.

This impact has also led to a loss of employment for club and hotel workers with over 72% of venues reporting that they have lost staff or reduced their hours. Significantly, more than two-thirds of venues experienced a reduction in non-gaming revenue which had contributed to a reduction in staff numbers or hours. The research has also backed up anecdotal evidence of the effect of the shoulder period either side of the shutdown on the overall financial performance of the venue.

Of those club venues which previously traded 24-hours and have been forced to shutdown the impact has been quite severe with:

- 62% agreeing the shutdown has made it difficult for them to maintain services;
- 61% agreeing the shutdown has meant they can't donate as much to charities or the community;
- 60% agreeing they had had to lay off staff because of the shutdown.

It would appear that the researchers have failed to draw the distinction between loss of gaming revenue and overall operational profits. While the research shows that gaming machine profit has increased marginally for those clubs known to be affected by the shutdown it would appear that this has been largely offset by more than two thirds experiencing a reduction in non-gaming revenue through loss of customers due to the shutdown.

Recommendation

In view of the results of the research the Association would recommend that consideration be given to repealing the mandatory shutdown provisions and that a greater concentration of resources be directed to counselling services.

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In line with the Association's initial submission, this recommendation is based on:

- the negligible impact the shutdown has in curtailing problem gambling and the associated reasoning by problem gamblers;
- the need for clubs in certain areas to be responsive to the needs of all patrons, particularly shiftworkers, to ensure they are not disadvantaged;
- the current inconsistency in shutdown provisions between clubs and hotels and the casino.

Again, thank you for the opportunity to comment on the research.

Graeme Carroll
Chief Executive
30 January 2004

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