

Queensland Parliament Legal Affairs and Community Safety Committee

Submission

Construction and Tourism (Red Tape Reduction) and Other Legislation Bill 2014

Contact

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Introduction

The Social Responsibilities Committee of the Anglican Church of Southern Queensland (the SRC)¹ welcomes an opportunity to make a submission to the Legal Affairs and Community Safety Committee (the Committee) on the *Construction and Tourism (Red Tape Reduction) and Other Legislation Bill* (the Bill).

In particular the SRC is concerned to address the gaming, or poker machine, related aspects of the Bill. To this end the SRC has previously provided an extensive submission on the Department of Justice and Attorney-General (DJAG) discussion paper: *Red Tape Reduction and Other Reform Proposals for Regulation of Liquor and Gambling* (Feb 2013) (the Discussion Paper).

The SRC also notes:

1. The strong support of the Anglican Church to combat problem gambling and the harm it creates. In March 2012, the Australian Anglican Bishops released a statement urging the Federal Government to press ahead with gambling reforms in line with the findings of the Productivity Commission reports (2010). They stated strongly that:

Despite a cashed up campaign against reform, as Church leaders, we know the costs of problem gambling for the individuals and their families: suicide, depression, marriage breakdowns, job losses, bankruptcy and crime. Through our parishes and Anglicare programs we continue to provide assistance to problem gamblers and their families, seeking also to educate against addiction. Our work indicates that often people drift into addiction out of their loneliness and social isolation ...²

2. The Anglican Church of Southern Queensland (the Diocese of Brisbane) has also strongly supported national gambling reform on the basis of a compelling and ever increasing body of evidence, drawn from both academic research and direct service experience. This recognises that:
 - The social and economic costs of poker machine addiction are high, including relationship breakdown, mental health problems, unemployment, debt, financial hardship, theft and other crime, social isolation and suicide;
 - A business model that depends to a large extent on losses from problem gamblers and the subsequent harm to individuals and families is unethical.

1 The Anglican Church of Southern Queensland, is also known as the Anglican Diocese of Brisbane.

2 Anglicare Southern Queensland, "Media Release on Gambling Reform", www.anglicaresq.org.au/2012/03/media-release-on-gambling-reform/ ; Anglican Diocese of Melbourne "Bishops urge persistence on gambling reforms", 2 April, www.melbourne.anglican.com.au/NewsAndViews/TMA/Pages/2012/2012-04/Around-Melbourne-Bishops-urge-persistence-on-gambling-reforms-001273.aspx

Executive Summary

The Economist magazine confirmed in February 2014 that Australia remains the greatest gambler in the world – with the bulk of losses coming from pokies (see graph below). Not only are we the biggest gambler per capita, but we also rank 6th overall, behind the much more populous countries of China, US, UK, Italy, and Japan (which range between about 61 million - 1.3 billion in populations).

The SRC does not oppose gambling, nor the opportunity for people to have access to poker machines for recreational use; however this submission does suggest, that the proposed changes may have significant implications beyond ‘red tape reduction.’ That individually and/or cumulatively, they have the potential to increase the incidence and extent of harm from problem gambling — for those who are addicted or at high risk, their families and friends, and the community more broadly.

This submission makes some general comments about issues that relate to gaming changes in the last 18 months, and then addresses the three specific areas of concern related to the Bill.

The SRC views the gaming related aspects of the current Bill with great concern, and asks the Committee to:

- request the Government to undertake and make public a rigorous analysis of the cumulative effect of the gaming industry changes, and until that is complete;
- recommend that Parliament reject the three gaming proposals discussed below, in their current form; and
- seek public release of the report of the Expert Panel and Government Response; and
- request the Government provide assurances, and evidence, to support the effectiveness of the current system of community impact assessment and licensing (as per our questions at the end of the General Comments); and
- recommend to Government that support be given to communities to explore innovative business models and options for fostering sustainable clubs, that are not reliant on pokies revenue for their survival. This may include government also examining red tape reduction options unrelated to the gaming industry.

Facts about poker machines and problem gambling

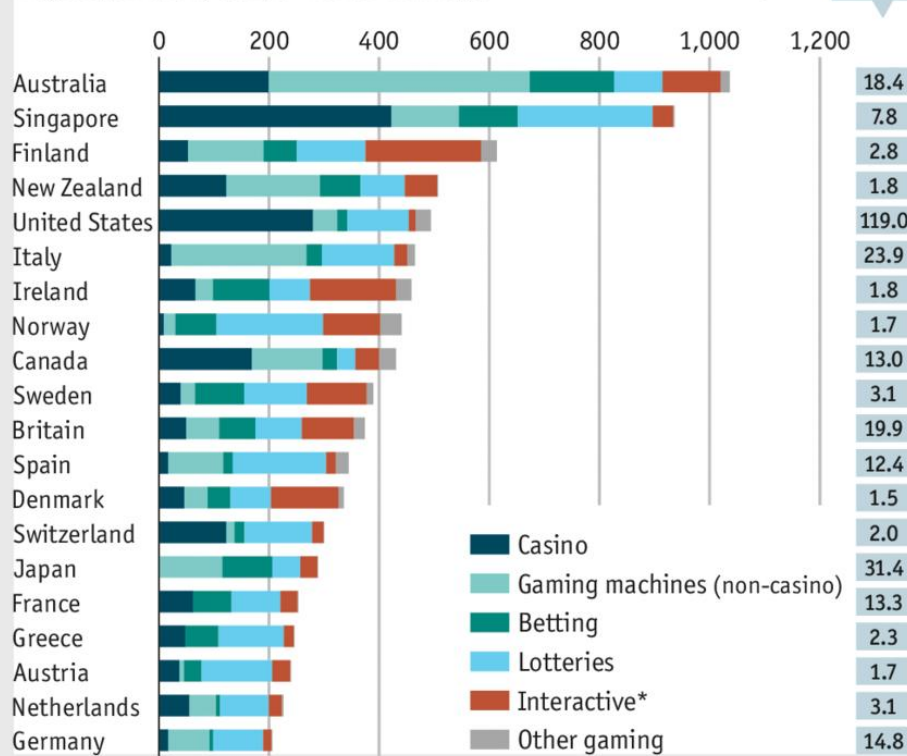
- Australian adults have by far the highest gambling losses in the world each year, losing an average of US\$1,300 each a year gambling. The United Kingdom, by comparison, is around US\$400.
- Australia has around 200,000 poker machines, the seventh highest number in the world. This is an enormous amount considering our small population, only comparable to places such as Macau, Monaco and the Caribbean resort islands.
- The economic cost of problem gambling in Australia is around \$4.7 billion a year.
- 600,000 Australians (4% of the adult population) play poker machines at least weekly. Around 95,000 people in this group of weekly players are ‘problem gamblers’ and a further 95,000 are at risk.
- Poker machines account for around 75–80% of ‘problem gamblers’.
- Weekly players spend on average around \$8,000 a year, a sizeable share of household incomes, and this is a primary source of harm.
- Average revenue per machine is around \$60,000 a year and average revenue per venue around \$2.1 million a year.
- Problem gamblers account for approximately 40% of total poker machine spending.
- Random and intermittent payouts and the rapid repetition of games encourage sustained gambling.

Source: Productivity Commission 2010, Gambling, Report no. 50

Global gambling

2013

Biggest gamblers, loss per resident adult, \$

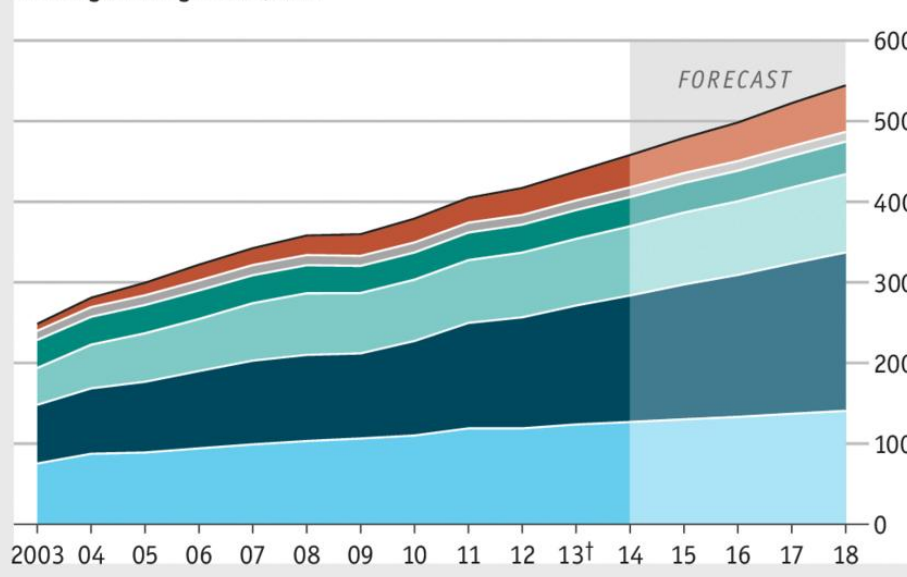


Total, \$bn: Losses

Biggest losses by country



Global gambling losses, \$bn



Source: H2 Gambling Capital

*Computer, mobile phone or interactive TV †Estimate

Economist.com/graphicdetail

Accessed and extracted 9 April 2014: <http://www.economist.com/blogs/graphicdetail/2014/02/daily-chart-0>

General comments

Issues with the gaming “red tape reduction” process

There are some concerning aspects to the manner in which legislative and regulatory change has taken place to the gambling, in particular the gaming (pokies) industry, in the last 18 months.

Timeline of key dates

- 20 September 2012 – An expert panel to reduce gaming red tape was announced
- February 2013 - *Red Tape Reduction and Other Reform Proposals for Regulation of Liquor and Gambling, Discussion Paper (Not Government policy)* – was released
- 15 March 2013 - The closing date for submissions to the Discussion paper
- June 2013 – submissions were made available on the OLGR website
- 23 May 2013 - the *Liquor and Gaming (Red Tape Reduction) and Other Legislation Amendment Bill 2013* –announced by Attorney General
- 21 November 2013 - *Liquor (Red Tape Reduction) and Other Legislation Amendment Act 2013* – announced by Attorney General
- 19 March 2014 - *Construction and Tourism (Red Tape Reduction) and Other Legislation Bill* - announced

Concerning trend of change

We note that this Bill represents at least the third tranche of legislation, and coincides with two more regulatory amendments for 2014 (of several), which have dealt with changes to the gaming industry since September 2012.

Yet no report has ever been made public from the Expert Panel, and no formal policy position has been announced from the Government, arising from the work of the Expert Panel or Department of Justice and Attorney General (the Department).

Certainly it is the prerogative of Government to announce policy changes via Media Statements and through legislative channels. However, this latest Bill now **signals a trend towards a lack of transparency with regards to gaming changes**. The titles of the last two Bills have not explicitly referred to gaming, despite containing significant gaming changes, and the current Bill before the Committee was announced via a Media Statement which did not even refer to the fact that it contained substantive changes related to gaming. Many significant changes have also been quietly enacted through regulatory change, with little to no advance notice *actively* given to the community.

The SRC concern is that these measures are not simply “housekeeping” and represent more than mere “red tape reduction”. They are substantive and significant changes which have already taken place, such as:

- Abolishment of the Queensland Liquor and Gaming Commission replaced by a single commissioner, who took on the powers of the previous commission and CEO.³
- The abolishment of the Community Investment Fund (CIF) - in which it is unclear whether there has been a commensurate commitment to maintaining the level of funding for community benefit grants and the like.⁴
- The introduction of a cashless system (“ticket-in-ticket-out” or TITO) for pokies.⁵

³ See the Explanatory Notes to the Gaming Machine and Other Legislation Amendment Regulation (No. 1) 2012

⁴ See Liquor and Gaming (Red Tape Reduction) and Other Legislation Amendment Bill 2013 and Gaming Legislation Amendment Regulation (No. 1) 2013

- The reported change to allow \$50 & \$100 note to be used in pokies⁶ - despite the Government's own research suggesting the success of this 12 year ban.⁷
- Removing the \$250 payout / jackpot cash out limit (in which the balance had to be paid out in cheque) and lifting it to a maximum of \$5000.⁸
- Raising poker machine limits from 280 to 300 per venue.⁹

Not only do these appear to have been done with little to no public scrutiny or transparency, but they are also being introduced in a piecemeal fashion. This makes it very difficult for members of the community to carefully consider their impacts for themselves, or for the cumulative impact to be properly understood (and see further comment on this below).

Reliance on the Expert Panel

The SRC has long held concerns about the Expert Panel which only had a single person appointed who might reasonably be considered representative of a "community" perspective on gaming. Of 20 positions announced on the Expert Panel, **at least 17** appear to be industry representatives and government personnel (see Appendix A).

Such concern was the basis of correspondence to the Attorney General, from the Chair of the SRC as early as 7 March 2013, when he wrote:

"We are just concerned that not enough may have been done to reach the community on these issues.

Given the significance of some of the proposed changes I urge the government to extend the timeframes for submissions, and to enlarge the Expert Panel to include more community interest groups"

Yet it is precisely this Expert Panel the Department relies upon in its explanation to the Committee in its Briefing Note (28 March), to explain the consultation that has been undertaken justifying the Bill.

Notably, the Briefing Note states that a majority of (but not all), members of the Expert Panel supported the proposed gaming changes. Given the grossly inadequate composition of the Panel and lack of community representation contained, we suggest that the Committee seek clarification about areas of debate or dissent within the Panel, and the evidence base relied upon to support these gaming measures. In addition we would urge the Committee to seek the public release of the full report of the Panel and Government response, as has been reported would be the case.¹⁰

⁵ See Liquor and Gaming (Red Tape Reduction) and Other Legislation Amendment Bill 2013, and Gaming Machine and Other Legislation Amendment Regulation (No. 1) 2013

⁶ See: <http://www.theguardian.com/world/2013/dec/16/queensland-premier-lifts-ban-on-using-50-and-100-notes-in-poker-machines>

⁷ The Office of the Government Statistician (OGS) produced a report in 2003 which found that the policy decision instigating the \$20 limit on the maximum note denomination was successful in its aim of reducing harmful gambling behaviours; and particularly effective for those in the high risk to problem gambling group. This is consistent with the view of the Productivity Commission, also cited in the discussion paper (p. 76), that "there is sufficient evidence to support the notion that limiting gaming machine use to low denomination notes would be a useful harm minimisation measure"

⁸ See the Gaming Machine Amendment Regulation (No. 1) 2014. This change runs directly counter to the advice of evidence-based, responsible gambling strategies and Productivity Commission recommendations - see 13.3 and 13.4 Productivity Commission Inquiry Report (2010) Gambling Volume 1, No. 50, 26 February.

⁹ See the Gaming Machine Amendment Regulation (No. 2) 2014.

¹⁰ See for instance, The Guardian, 16 Dec 2013, which suggested that 'The government is expected to release its full response next year' at: <http://www.theguardian.com/world/2013/dec/16/queensland-premier-lifts-ban-on-using-50-and-100-notes-in-poker-machines>

Limited analysis of real impacts on community

In the submission to DJAG the SRC noted that the Discussion Paper addressed each of the proposed initiatives individually, without any serious consideration of the cumulative impact on individuals and the community if various combinations or all of these initiatives were to be implemented.

With no Expert Panel report, analysis or policy statement having been released, and changes quietly introduced in a piecemeal manner, this remains a significant concern. Certainly it raises the question as to whether any such analysis has been or is yet to be done? It is especially concerning given that the changes noted above, **tend to be inconsistent with or contrary to, recommendations emanating from the substantial report the Productivity Commission produced** in its comprehensive 2010 inquiry into gambling.¹¹

Consideration of these regulatory changes should be accompanied by a much more rigorous and systemic analysis of the social impacts, and the extent to which the real short and long term costs of gaming-related harms will be passed on to Queensland families and the State.

Increasing reliance on gambling related revenues

The recent and currently proposed changes to gaming gives rise to two serious concerns:

- Firstly, the increasing reliance by Government on sustained or increased gambling profits, in particular from poker machines, to increase its own revenue base. Hence the danger of being unduly influenced by the gambling industry. Further of being placed in a position of conflict (as reliant on gaming revenues but also responsible for delivery of social and health programs);
- Secondly, that the Government may be willing to consider increased community poker machine expenditure — including the expenditure of problem gamblers — to compensate the industry for measures such as raised gaming taxes (as was suggested might be the case, in the Discussion Paper). In particular when the social benefits returned to the community are so low (see further below). In fact the Productivity Commission report noted that:

*... there are strong grounds for the phased implementation of significantly lower levels of gaming revenue tax concessions for clubs, commensurate with the realised community benefits.*¹²

The purported “benefits” of gambling

The Explanatory Notes to the Bill state that the relevant objective of the Bill is to ‘further reduce regulatory burden on the gaming industry.’ The implication from the outset of this process has been that responding to requests from industry, and relaxing the regulations on pokies, will result in greater benefits for the industry and community.

The value or benefit delivered by pokies is in our view represented inaccurately. The impacts of pokies are quite different from the overall profile of the gambling industry, as poker machines account for around 75–80% of problem gamblers; and problem gamblers account for approximately 40% of total poker machine spending.

The former Chairman of the Productivity Commission clearly pointed out that gambling in general does not generate new and original economic activity *per se* but in fact displaces local economic activity:

The Commission did not separately measure ‘production’ benefits since the evidence is that these are small. The major reason is that gambling displaces other production and

¹¹ See the full report at: <http://www.pc.gov.au/projects/inquiry/gambling-2009>

¹² Productivity Commission Inquiry Report (2010) *Gambling* Volume 1, No. 50, 26 February, Chapter 6. At: www.pc.gov.au/data/assets/pdf_file/0004/95692/09-chapter6.pdf

*employment, which would benefit from any contraction in it (and this is confirmed by empirical models of the economy).*¹³

The Productivity Commission report itself reinforces this point in relation to employment:

*[T]he presence of jobs in an industry does not mean that those jobs are additional in a net sense, since most if not all the people concerned would have been employed in other industries were the gambling industries smaller. As one industry grows, others contract ... The people employed by the gambling industry have skills that are highly valued in the service sector as a whole, and they primarily work in large population centres where there are many other employment options. As a result, the longer-term employment effects of the gambling industry are likely to be negligible (a finding supported by analysis commissioned by the industry itself).*¹⁴

This suggests the economic benefits of gambling (in particular as they apply to poker machines) are often incorrectly assumed or exaggerated.

The claim that gambling venues “support communities” is overstated

While the Productivity Commission report noted that “Many people enjoy gambling and the associated activities in the venues where it takes place”, it also clearly pointed out that the social benefits claimed by the gambling industry are overstated, and **that this is particularly the case for the ‘super clubs’**.¹⁵

The Productivity Commission report notes that:

- many of the benefits claimed by gambling venues are to members, not to the public at large
- the claimed benefits of gambling revenue on sporting activities and volunteering do not appear strong, and that the presence of gambling may in fact adversely affect volunteering rates
- the (gross) value of social contributions by clubs is **likely to be significantly less than the support governments provide to clubs through tax and other concessions**.

Similarly, a report from Monash University and Uniting Care Australia highlighted that:

*... the actual level of community support provided by poker machine operators, and documented by their official reports to regulators, is miniscule in comparison to the amount of money lost by poker machine users within local communities.*¹⁶

The latter report points out that the amounts claimed as community benefit contributions in Queensland in 2010–11 **were only 2.3% of the amount actually expended by poker machine users**.¹⁷

13 Banks, G. (2011) “Evidence and social policy: the case of gambling”. Productivity Commission Chair’s speech to South Australian Centre for Economic Studies in Adelaide, 30 March, p. 10. At: www.pc.gov.au/speeches/evidence-and-social-policy-gambling

14 Productivity Commission Inquiry Report (2010) Gambling Volume 1, No. 50, 26 February, Chapter 6. At: www.pc.gov.au/data/assets/pdf_file/0004/95692/09-chapter6.pdf

15 Productivity Commission Inquiry Report (2010) Gambling Volume 1, No. 50, 26 February, Chapter 6. At: www.pc.gov.au/data/assets/pdf_file/0004/95692/09-chapter6.pdf

16 Livingstone, C. et al (2012) Assessment of Poker Machine Expenditure and Community Benefit Claims in Selected Commonwealth Electoral Divisions, p. 8. Monash University and Uniting Care Australia. At: www.unitingcare.org.au/images/stories/resources/120412_research_poker_machine_expenditure_and_community_benefit.pdf

17 Livingstone, C. et al (2012), p. 7.

Understanding community impacts

Both the Discussion Paper released by DJAG and the Explanatory Note to the current Bill placed significant emphasis on the existing licensing and community impact statements (CIS) as sufficient mechanisms for understanding and managing potential community, social and economic impacts from poker machines.¹⁸

The two concerns, raised in our original submission to DJAG in relation to this, remain:

- Firstly, there were questions as to the effectiveness of the existing regime.
- Secondly, an assumption is being made that this same regime will be sufficient, even as the 'playing field' potentially changes around it.

We are unconvinced that sufficient consideration has been given to whether existing processes for determining community impact will be adequate in a changing regulatory environment.

Case Study – Logan

It was reported in 2012 that Logan city has the most 'money hungry' poker machines in the state, with each machine 'taking nearly 40 per cent more than a Brisbane machine each month'. Despite this, the number of machines in Logan had 'grown 63.7 per cent in three years; from 1300 machines in 2009, to 2128 in July 2012'.¹⁹ At February 2014:

- Logan had 2148 operational pokies (including 9 venues with <50 pokies and 4 venues with <100 pokies)²⁰
- The total average metered win was around **\$11,176,000** per month over the previous 36 months.
- This equates to an average loss of **\$5254** (per pokie). By comparison the same average loss for Brisbane was \$4063, for the Gold Coast \$3878, and for Ipswich \$4186.²¹

This is a staggering situation considering Logan's challenge as an area of high disadvantage, and *one of just five locations in the whole of Australia* chosen by the Commonwealth Government, in consultation with the Queensland Government, to pilot place based income management because of its entrenched disadvantage.²²

Outstanding questions

Where is the evidence that existing processes are sufficient? Questions such as the following need to be addressed openly:

- Can the Government provide evidence as to the efficacy of the community impact statement?
- What plans does the Government have in place to measure, monitor and evaluate the ongoing cumulative impacts of these proposals?
- How can the community be assured that indirect costs from gambling related harms, as they manifest on a regional or state level, are being captured and understood, when the CIS is only a local area assessment?

18 See Explanatory Note.pp.4-5., including 'Existing provisions within the Gaming Machine Act will still provide for an assessment of social impacts and for limits to be set on the number of gaming machines allowed'

19 Moore, T. (2012) "Logan Queensland's pokies capital", Brisbane Times, 28 Aug.

www.brisbanetimes.com.au/queensland/logan-queenslands-pokies-capital-20120827-24wrn.html

20 Taken from the Office of Liquor and Gaming database – *All Gaming Sites*, accessed 10 April 2014

21 Taken from the Office of Liquor and Gaming database – *EGM statistics by LGA*, accessed 10 April 2014.

22 Department of Families, Housing, Community Services and Indigenous Affairs (2012) "Place based income management". Content updated: 28 Nov. www.fahcsia.gov.au/our-responsibilities/families-and-children/programs-services/place-based-income-management

Key changes to gaming regulation proposed in the Bill

1. Reduce the regulatory burden on gaming machine licensed clubs by removing 'entitlement boundaries' from the Gaming Machine Act

Research from the Centre for Gambling Education and Research at Southern Cross University has identified that geographic factors play a significant role in the socio-spatial patterns of problem gambling, and that:

*Modification of the geographic distribution of EGMs warrants serious consideration as a tool in the management of local gambling outcomes.*²³

The SRC is extremely concerned about any measures that may result in:

- increased numbers of large poker machine venues in suburban settings (see further below);
- an increased concentration of poker machines in areas of disadvantage or high risk populations.

Monash University research has revealed the propensity for poker machine operators to target lower socioeconomic areas.²⁴ Media in recent years has also highlighted this trend in both Queensland and Victoria, under headlines such as “Queensland's most profitable poker machines in state's most disadvantaged suburbs”²⁵ and “Pokies hit city's poorest”.²⁶

The same figures demonstrate higher losses in mining communities as poker machine operators target the increased disposable income of residents in these areas (also reflected in the greater demand for entitlements in the coastal region outlined in the Discussion Paper). A report from the Mackay *Daily Mercury* notes, for example:

Bored miners are fuelling an unprecedented splurge on Mackay poker machines with the region's monthly pokies losses surging past \$6 million ...

*Last month alone gamblers frittered away \$6.33 million on poker machines in the region, much more than last year's average monthly loss of \$5.193 million.*²⁷

Emerging evidence indicates that mining communities can be considered high risk for problem gambling, with the combined factors of high income, boredom and/or loneliness contributing to significant and growing gambling losses. Research carried out for the Victorian Department of Justice has demonstrated that people with few alternative entertainment options are more likely to have problematic gambling behaviour.²⁸ This may also suggest implications for any aggressive push of

23 Young, M, Markham, F & Doran, B 2012, 'Too close to home? the relationships between residential distance to venue and gambling outcomes', *International Gambling Studies*, vol. 12, no. 2, pp. 257-273. At: http://epubs.scu.edu.au/cger_pubs/77/

24 See Livingstone, C. et al (2012) *Assessment of Poker Machine Expenditure and Community Benefit Claims in Selected Commonwealth Electoral Divisions*, p. 8. Monash University and Uniting Care Australia. www.unitingcare.org.au/images/stories/resources/120412_research_poker_machine_expenditure_and_community_benefit.pdf

25 MacDonald, A. (2011) “Queensland's most profitable poker machines in state's most disadvantaged suburbs” *The Courier-Mail*, 16 September. At: www.couriermail.com.au/news/queensland/pokies-stealing-from-the-poor/story-e6freof-1226138254056

26 Butt, C. (2012) “Pokies hit city's poorest”, *The Age*, 1 August. At: www.theage.com.au/victoria/pokies-hit-citys-poorest-20120731-23d89.html

27 Grant, M. (2011) “Boredom behind rise in gambling”, *Daily Mercury*, 20 Oct. At: www.dailymercury.com.au/news/boredom-behind-rise-in-gambling-miners-mackay/1143863/

28 Thomas, A. et al (2010) *Problem Gambling Vulnerability*. Melbourne: Department of Justice. Report prepared by Swinburne University of Technology, Aug, p. xiv. At: [www.justice.vic.gov.au/home/liquor+gambling+and+racing/research+and+statistics/report+-+problem+gambling+vulnerability+\(pdf\)](http://www.justice.vic.gov.au/home/liquor+gambling+and+racing/research+and+statistics/report+-+problem+gambling+vulnerability+(pdf))

pokies into Greenfield development sites, where recreational options may yet to be developed, or are made dependent on introduction of pokies.

We suggest extreme caution is needed in making any structural changes such as the removal of entitlement boundaries. It is not clear that enough has been done to model or understand the potential impacts, or to put in place mechanisms to ensure that such a measure does not result in the concentration of pokies in disadvantaged or at risk communities.

2. Removing the 'near' rule for gaming machine licensed clubs

3. Allow a different maximum number of gaming machines to be prescribed based on the number of premises operating under a category 2 (club) licence

The Explanatory Note states in relation to 2 that:

'removing the 'near rule' will facilitate larger clubs to establish new club premises in greenfield areas and provide sporting and other facilities to these new communities, and to take over smaller struggling clubs to prevent their closure.'

In regards to 3 it will provide:

'an amendment to the Gaming Machine Act to provide a regulation making power to prescribe the maximum number of gaming machines that may operate at each individual venue under a Category 2 licence. The head of power will also permit a different maximum number of gaming machines to be prescribed based on the number of venues.'

In effect this latter provision may also allow for the circumventing of the "single license rule" which has till now provided that:

*'While a club may establish additional premises to which its gaming machine licence relates, the maximum number of gaming machines that it may operate across all of its premises cannot exceed 300, regardless of the number of premises relating to the licence.'*²⁹

These proposals essentially create the conditions for existing clubs to expand in both size and geography, allowing for even further development and the possible proliferation of *mega-clubs* operating like *urban casinos*.

This is despite the latest emerging evidence, as Australian researchers continue to suggest that:

*Bigger venues such as large clubs and casinos are more dangerous than their smaller counterparts – other clubs and pubs...
Government and regulators need to be aware that gambling in larger venues is more dangerous, and take steps to limit, not increase, venue size.*³⁰

This Bill also continues to perpetuate the flawed rationale of the Discussion Paper, in that it:

- Appears to accept that if the clubs are struggling, the solution is to increase revenues through pokies, rather than undertaking reform to other aspects of their business model, or the regulatory environment;

29 Explanatory Note p. 7

30 The Conversation, Size really does matter: Big pokie venues are the most dangerous, 25 July 2013. The researchers were responding to moves by states to expand casino licensing though their commentary encompassed large style clubs. See: <http://theconversation.com/size-really-does-matter-big-pokie-venues-are-the-most-dangerous-16350>

- Does not suggest any kind of red tape reduction or other support that might be provided to help establish or sustain new locally based, struggling or “fledgling” clubs;
- Presupposes and further entrenches that in order to establish or have a successful local club pokie revenue is necessary (whereas the example of Western Australia proves to the contrary);
- Appears to favour a form of mega-club dominance over the development of a strong, local club culture, in relation to the development of Greenfield sites
- continues to conflate “entertainment options” for communities with the mass provisioning of poker machines. (Certainly clubs provide other forms of entertainment, but these are *not* the subject of the existing rules that these proposals seeks to displace.)
- relies heavily on the appropriateness of existing licensing processes and community impact statements (CIS), even as this very Bill and previous reforms change “the playing field”
- fails to put in place the commensurate responsible and appropriate mechanisms in place to protect vulnerable members of the community from gambling harm, such as those outlined in the Productivity Commission report (2010).³¹

Local clubs and emerging communities

The DJAG Discussion Paper asserted that establishing “a new and successful club requires resources generally not available to fledgling community clubs”. By its framing of the term “successful club” and it’s conflating of “entertainment” with poker machines, the discussion paper implicitly favoured and promoted the expansion of mega-clubs acting like urban casinos. The current Bill appears to simply maintain these assumptions.

If the policy is aimed at decreasing red tape then it may be more effective to examine the barriers preventing smaller, “fledgling community clubs” from becoming a sustainable, active presence in their community.

Allowing clubs, societies and other community organisations to emerge organically is in itself a community building exercise. Importing large gaming facilities attached to an existing mega club, which may have no geographic or local connection, into an emerging community may supplant local motivation and initiatives which reflect local needs and aspirations. **In effect, favouring mega-clubs, as this proposal does, could crowd out local innovation and entrepreneurship.**

This submission supports local clubs and the benefits they generate in their local communities.

However this submission strongly opposes the proposals to change gaming laws related to additional club premises, in particular to remove the “near rule” and the effectual removal of the “single license rule.”

Local club... or mega club?

- The 141 premises with the highest number of approved pokies in Queensland (i.e. < 45) are all clubs (hotels are limited in their pokies numbers). Combined these venues average 129 pokies each and account for approximately 41% of all approved pokies in the State.
- Of these, the top 73 premises have 100 or more approved pokies. That is, approximately 6% of all sites contain approximately 31% of all approved pokies.
- There are 9 venues in Logan with 50 or more machines. Of just 34 venues across the state with over 200 or more pokies approved, 3 are located in Logan.
- There are approximately 1,400 community clubs operating in Queensland

Data from OLGR database – *All Gaming Sites*, accessed 10 April 2014 & Clubs Queensland

³¹ Productivity Commission Inquiry Report (2010) *Gambling* Volume 1, No. 50, 26 February.

Conclusion

The changes to the gaming laws in this current Bill, taken as they should be with other recent gaming related changes, continue the underlying message of the Discussion Paper that a “greater good” will be served by enabling the ‘State, industry and community as a whole to benefit from gambling’ (p. 58 DJAG Discussion Paper), while downplaying or ignoring the harms that might arise from pokies addictions.

Even proceeding on the erroneous assumption that harm is in fact limited to a “small percentage” of the population, this approach effectively validates the great harm done to a few, for the mild pleasure, financial benefit and convenience of the majority. There are many historic precedents where this has proven to be a deeply destructive path for societies.

It is important to emphasise that the small percentage of problem gamblers is not an isolated group whose inability ‘to control their gambling expenditure’ affect only themselves.

The direct social and economic costs of poker machine addiction are devastating for the individual problem gambler. Those costs are multiplied when current and future impacts on family, friends and colleagues (including those outlined in the DJAG Discussion Paper, such as substance abuse, mental health issues and loss of employment) are taken into account. They are multiplied even further when broader effects on lost business productivity, crime, pressure on the health and welfare systems and other social and economic impacts are considered.

These costs may be downplayed or ignored, and cast up against exaggerated benefits; but ultimately the real costs of pokies are borne by families and friends, the community more broadly and ultimately the State.

Appendix A - Expert panel to reduce gaming red tape

Joint statement of The Honourable Campbell Newman and The Honourable Jarrod Bleijie

Thursday, September 20, 2012

Panel members include:

1. Geoff Harley	Consultant, Clayton Utz Lawyers, Brisbane
2. Chair	
3. David Ford	Department of Justice and Attorney General
4. Paul Martyn	Tourism Division, Department of Tourism, Major Events, Small Business and Commonwealth Games
5. Linda Woo	Office of Regulatory Policy, Department of Justice and Attorney-General
6. Mike Sarquis	Office of Liquor and Gaming Regulation, Department of Justice and Attorney-General
7. Daniel Gschwind	Queensland Tourism Industry Council
8. TBA	Local Government Association of Queensland
9. Justin O'Connor	Queensland Hotels Association
10. Doug Flockhart	Clubs Queensland
11. John Hart	Restaurant and Catering Industry Association
12. Sarosh Mehta	Cabarets Queensland
13. Bill Darby	Sunshine Coast Destination Ltd Advisory Panel
14. Derek Tuffield	Lifeline Darling Downs and South West Qld Gambling Help Toowoomba South-West
15. Colette McCool	Social Planning and Development Branch, Gold Coast City Council
16. Commissioner or representative	Queensland Police Service
17. Angela Driscoll	Gold Coast Chill Out Zone
18. TBA	Australasian Casino Association

Available at: <http://statements.qld.gov.au/Statement/2012/9/20/expert-panel-to-reduce-gaming-red-tape>