

Tabled and Incorporated
into Hansard
L. Hiscott 29.10.24

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Phase 1: Gathering the views of key stakeholders

In this phase we will conduct consultation to gauge the views of key stakeholders, include large organisations, peak

bodies and a sample of regional venues. We will be guided by you on the specific stakeholders with which we consult but

can commit to a maximum of 8 sessions. To the extent possible we will conduct these sessions in-person, however,

where that is not possible, given the tight timeframes of the project and regional base of some stakeholders, we will

conduct them virtually.

Phase 2: Understanding how gambling behaviour might change

This phase will draw on available literature to understand what effect the reforms are likely to have on reducing the use

of EGMs, and to what extent there is a move towards other forms of gambling.

We would undertake a detailed literature review to understand the extent of potential shifts between gambling modes –

whether EGM players would play less, whether they'd substitute to other types of gambling, and whether these have

the same propensity for high-risk gambling.

Phase 3: Estimating the degree to which harm will be minimised

In this phase we will leverage the substitution impacts that would be estimated in phase 2 (described above) – namely

the change in spending on EGMs towards other types of gambling and/or other types of consumption not relating to

gambling. Using these substitution effects we will use two channels to consider the social impact:

- Option 1 would consider the substitution towards gambling activities that are less likely to result in harm (as

measured by the Problem Gambling Severity Index (PGSI)). For example, if substitution from EGM towards

sports betting results in a lower average PGSI score, this will result in savings from a social and wellbeing

perspective (see costing below). Alternatively, if the move to cashless gaming results in safer gambling

behaviours while using EGMs (i.e. through the introduction of limits and/or mandatory breaks) then the

average PGSI score may reduce this way. We would be measuring a change in PGSI and the resultant social and

wellbeing savings derived below.

- Option 2 would look at the total change in gambling spend and the average relationship between gambling

spending and social harm. If the policy reduced overall gambling spend, this approach would demonstrate

additional savings from a social impact perspective.

Phase 4: Assessing the likely flow-on economic impacts

Based on the findings in phase 2 and 3 of this work, we will model the potential economy-wide impacts of the reform

using our in-house Computable General Equilibrium (CGE) model. The model would be calibrated to represent the

Tasmanian economy, split into 15 discrete regions (lining up with SA3s) and sectors, with particular focus on those

directly affected like Accommodation and Food Service, Public Administration and Defence, etc. The model would be

calibrated to a baseline path which follows the official Tasmanian government forecast/projections. We would then

simulate the impact of changes to EGM use and associated in-venue activity (proxied through recreation services)

alongside any potential uplift in activity associated with a shift in consumption to non-gambling goods and services.

Depending on the findings available, the modelling could also include the avoided cost from reduced problem gambling.

Phase 5: Reporting

This project will culminate in the delivery of:

- A Deloitte Access Economics branded, public facing report demonstrating the social and economic impacts of

the proposed reforms to EGM use.

- An executive presentation of main findings. The presentation will be shared with DSG as part of the deliverables.

The report will incorporate a one-page graphic and visualisations summarising key findings. It will be written with a

broad audience in mind, and will include a clear and transparent description of the methodology.

We will provide DSG with a draft report for comment. Once feedback is received on the draft report, we will address the

comments and proceed to finalise the report. We will work closely with DSG, ensuring that final deliverables match your

objectives.

The beginning and the end of the report will include content which clearly outlines the scope of this report, and the

limitations and interpretation of the modelling framework and results. In this content, we will acknowledge that the

report is a social and economic impact study, and as such, it does not seek to characterise or estimate regulatory

impacts, fiscal impacts or present the findings in a Benefit-Cost Framework.

Any work we provide to you may be used only by you for the Purpose and in the manner described in the Terms.