



Quaker Action on Alcohol and Drugs

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RESPONSE TO THE CONSULTATION OF THE TREASURY ON THE TAXATION OF GAMING MACHINES

Quaker Action on Alcohol and Drugs (QAAD) is a listed group of the Religious Society of Friends (Quakers). QAAD is an independent national charity and has a concern with the use and misuse of all substances, and with gambling. Trustees give their time to QAAD freely, and bring voluntary and statutory experience from settings that include prevention, treatment, medical services and criminal justice. QAAD does not represent the Religious Society of Friends as a whole, but the views we express are grounded in our Quaker principles.

QAAD was one of the faith bodies that gave oral evidence to the Joint Parliamentary Select Committee when it scrutinised the Gambling Act in 2004. Since that time we have been actively involved in contributing to discussions and consultations as a stakeholder.

We make this submission on the basis of our experience and concerns about problem gambling. We believe the proposed measures have not been considered sufficiently from the problem gambling perspective, and note that public health impact does not seem to have been assessed. The costs of problem gambling are being increasingly recognized; there is now one specialist NHS facility (the Soho Clinic) and other pilots are being proposed. We hope that in the spirit of 'joined up government' the feedback to this consultation will be evaluated more fully in relation to public health, and the third objective of the Gambling Act 2005 'to protect children and vulnerable people.'

General observations

- The consultation document implies that Gross Profit Tax may result in 'more machines being made available' overall, including in marginal locations where they are not economically viable at present.
- The assumption seems to be that if DCMS and Gambling Commission standards are abided by, problem gambling concerns will have been addressed.
- However, this disregards the substantial evidence that the accessibility and availability of gambling opportunities are significant influences on problem rates. This was accepted at the time the Gambling Act was passed, and it was promised that no further significant changes would occur until the impact of the Act had been assessed after two Gambling Prevalence Studies. The second is scheduled for 2010.
- Risks of problem gambling are higher when machines are widely dispersed, casually accessed, and/or available in non-gambling venues.

- Evidence from the last Prevalence Study indicates that ease of access is a particularly significant factor for problem gamblers.
- Gaming machines play was recorded by 17% of the callers seeking help from Gamcare in 2008, while Fixed Odds Betting Terminals (B2s) were mentioned by 30%.
- FOBT machines have many of the structural features associated in research with problem play, are widely dispersed in accessible High Street locations, and account for a high percentage of those seeking help – particularly given the fact that they account for only 27,000 of the total 190,000 machines in the UK.
- The arguments in the consultation document about competition and equity must be balanced - and we would argue subordinated to - risks of increased problem gambling.
- Nowhere is this more overwhelmingly important than in relation to Category D machines, which can be played by children - particularly given the recent rise in stakes and prizes and the fact that the impact of these changes has yet to be assessed.
- Fruit machines and FOBTs were the main form of gambling cited by those under 18 who called Gamcare for help with problem gambling.
- As regards adults, there have been particular concerns about high-stake, high-prize machines in relation to problem play. An expert panel has been convened to look at this subject by the Gambling Commission. In view of the complexity of the evidence and risk factors that affect many kinds of gaming machines, it is extending its scope to look at other forms of gaming machine.
- We have concerns about the impact of any new tax regime on numbers of C and D machines in pubs, given the evidence of co-morbidity between alcohol and gambling problems and the fact that there is no upper limit on numbers as long as the relevant permits are gained.

Specific conclusions/recommendations

We are not in a position to make comments about the suggested change to GPT in comparison with the current tax regimen, and we appreciate that the Treasury may not be able to assess the full position in relation to the concerns we raise until it has assessed the results of this consultation. However, we would like to see that any decisions are made with full reference to problem gambling issues, and recommend that:

- The Treasury proposals and the information garnered from this consultation be considered in detail in relation to problem gambling.
- A health impact assessment be conducted to stand alongside the competition assessment.
- This process be assisted through consultation with the Gambling Commission's expert panel.
- Category D machines be given specific attention, and no changes to VAT or taxation be made that would be likely to result in a wider dispersal, particularly in casual locations.
- Category C and D machines in pubs be considered and measures that would result in a proliferation of numbers be avoided.
- Similarly, that particular attention and a precautionary approach be adopted to FOBT (B2) machines in the tax regimen that is selected. Competition and equity should be subordinated to evidence of social and health harm.

Finally, we gather that some skills and quiz machines work very similarly to gaming machines in terms of presentation and attraction, speed of play, and reward systems associated with repetitive play. For some of these machines the skill element appears to be negligible, while the core feature is gambling. This is a timely juncture for a review of what constitutes a gaming machine, given that these skills and quiz machines are differently regulated. If machines effectively act as gaming machines, they should be subject to the same restrictions and tax regimen.

We appreciate the opportunity to contribute to this review.