

Beach Amusements

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Sir Robert Smith
6 Dee Street
Banchory
AB31 5ST

Dear Sir Robert

PROPOSED GAMBLING BILL

As I am sure you are aware the proposed Gambling Bill was recently published by DCMS and written evidence requested by the Joint Scrutiny Committee whose task it is to review the Bill.

We operate a seaside family amusement centre at the above, employing 7 people. As our local MP we have decided to write to you to express both some general and some specific concerns that we have with the proposed Bill in its current Format. These we have listed below and hope that you will feel able to make representation to either John Greenway MP (Chairman of the Scrutiny Committee) or any of its members, details of whom are attached.

General Concerns:

1. Fairness and Equality

We believe that opportunities and controls should be equally applied between the market sectors and not, as is currently being proposed, only favour the new emerging sectors (large casinos and remote gambling). Many of the traditional machine market sectors (seaside arcades, pubs, bingo etc) are facing restrictions relating to machine numbers, stakes and prizes, whilst new sectors (casinos and remote) will be able to offer a multiplicity of gaming products with virtually unlimited stakes and prizes.

It should be remembered that whatever the new entrants may generate in terms of economic benefits and jobs, the existing machine marketplace employs in excess of 22,000 people directly and generates circa £400M per annum in tax revenue. Businesses range from large multi-national subsidiaries to third and fourth generation family businesses who provide pleasure and entertainment to millions and form an important part of the UK's social infrastructure.

2. Social and Economic Consequences of the Bill

a) Problem Gambling:

The existing gaming industry has evolved successfully and responsibly over many years and the current measured regime is key to the relatively low levels of problem gambling experienced in the UK. The 0.8% quoted in the 2001 prevalence study is one of the

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the lowest rates in the world.

The Bill imposes insufficient restrictions upon the expansion of the new style casinos producing a very real risk of over-supply to the market in the short to medium terms. The recently published Nera Report, based upon research from the USA And Australia into casino gaming, predicts a figure of 1 million problem gamblers in the UK as a result of the likely increase in the number of casinos once the Bill becomes law. Apart from a multiplicity of gambling and leisure activities all being on offer under one roof, conservative estimates suggest that an additional 50,000 machines with unlimited stakes and prizes will enter the market. (This compares with the circa 235,000 limited stake and prize machines on offer today). Negative publicity ensuing from the likely increase in problem gambling will fall disproportionately upon the existing traditional machines market.

b) Economic Impacts:

New style casino resort complexes will be so vastly superior in terms of size, range of product offering etc that new and existing visitors will naturally gravitate towards these 'emporiums' slowly destroying much of the existing seaside economy. Resort and large casinos will be adult gambling environments providing scant impetus for social and tourism led regeneration.

Town/City centres:

Casino operators will site the new casinos on the edge of prosperous towns rather than areas needing urban regeneration. These large casinos sited on the outskirts of towns and cities have the ability to transform the night-time economy of local town centres. Large casinos offering food, drink, entertainment and several forms of gambling under one roof (betting, bingo, gaming tables and machines) could herald the demise of town centre businesses in exactly the same way that large out of town supermarkets have damaged the vibrancy of town centres for retailing.

Remedy: Follow cautious approach and allow the phased introduction of a limited number of new style resort and large casinos within a controlled number of designated areas of clear economic and social benefit is deemed likely. This compromise would allow this exciting new product to be market tested in the UK without risking the potentially disastrous social and economic consequences illustrated above.

Specific concerns:

Family Entertainment Centres/Category D machines. The Bill allows a discretion to introduce an age restriction for Category D machines by means of secondary legislation*. Such a move would appear likely to 'wipe out' the seaside entertainment industry. There are no grounds for this measure as our research (ORB) has shown. This potential change will make future investment in the industry an unrealistic prospect. This position is totally unacceptable to BACTA as it will significantly affect many members who have for many years provide much needed investment into the coastal resorts.

*The draft currently contains wide discretion for the introduction of many restrictions which would fundamentally undermine the industry and appear not to be the subject of consultation.

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Remedy: Remove the enabling clause, allowing an age restriction for Category D machines only through Primary Legislation with full consultation, should evidence from research prove that change is required.

Stake and Prizes

The Bill reduces stakes and prizes for section 34 machines from 30 pence stake/ £8 prize to 10 pence stake/ £5 prize with the exception of cranes, which will be allowed to retain the 30 pence stake. In the case of the latter machines paying out only non-monetary prizes BACTA believes that it is illogical to allow the stake to remain at the same level (30p) but reduce the prize from £8 to £5. this will erode established customer value. BACTA believes that there is a good case for operating non-monetary prize machines marginally higher stake and prize tier. The ORB survey shows strong customer support for the existing Family Entertainment product.

Remedy: Allow category D machines paying out non-replayable, non-monetary prizes to operate on 30 pence/ £8 prize.

Summary/Conclusions

We welcome the principles of the proposed changes to the UK's out dated gambling laws but have some significant concerns with the detail of the proposed Bill. Apart from the specific issues outlined we do not believe that the Bill treats existing businesses in the market with fairness and equity and neither do we believe that the Bill, as written, takes sufficient account of the economic and social consequences that it could trigger.

I apologise for the lengthy list of concerns highlighted, but I am sure that you will appreciate just how worried we are that the draft Bill being proposed could ruin our business unless changes are made.

I do hope that you feel able to help us by contacting members of the Scrutiny Committee and look forward to hearing from you in due course.

Yours Sincerely



Denis Stewart