

# **Reducing the harm from gambling in Moreland**

## **An Issues Paper**

**Community Development and Social Policy Unit  
Social Policy and Early Years Branch  
City of Moreland**

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## 1. EXECUTIVE SUMMARY

This Report presents a review of the achievements of the *Moreland Responsible Gaming Strategy 2010-2014*. Informed by that review the Report identifies issues and opportunities that have informed the design of *Gambling in Moreland 2015-2020: A draft Strategy to Reduce the Harm from Gambling* which is proposed to replace it.

The report is informed by:

- consultation with internal and community stakeholders conducted between March and May 2015;
- an assessment of contemporary research on gambling and its impacts;
- an evaluation of strategic policy and program interventions impacting on gambling in Moreland;
- significant developments in the Victorian policy and regulatory environment since Council adopted the current Responsible Gaming Strategy.

The timing of the Review of the Strategy was delayed to 2015 to align with the timeline for community and Council consideration of Amendment C157 that seeks to introduce a Local Planning Policy on Gaming into the Moreland Planning Scheme. It should be noted that the Local Planning Policy on Gaming is itself a major achievement of the Responsible Gaming Strategy 2010-2014.

### 1.1 Council's leadership reputation

Moreland City Council is acknowledged as a leader in local government gambling policy, advocacy, community education and support. It was the first Victorian Council to adopt a Gambling Policy in 1998 and the first to levy differential rates on gaming venues to fund initiatives to reduce the harm from gambling. The achievements of the *Moreland Responsible Gaming Strategy 2010-2014* have enhanced this record of innovation. Community consultation revealed a strong desire for Council's next Gaming Strategy to maintain, if not enhance, Council's leadership reputation.

### 1.2 Policy settings still broadly relevant

Stakeholder consultation confirms that the principles and action areas of the *Responsible Gaming Strategy 2010-2014* continue to provide a relevant and appropriate framework to implement Council's Gaming Policy. As a consequence *Gambling in Moreland 2015-2020: A Strategy to Reduce the Harm from Gambling* proposes to guide future Council action by building on these policy settings. Adjustments have been made to reflect contemporary circumstances and address emerging challenges. The architecture of the policy framework is, however, broadly unchanged.

### 1.3 Resource constraints a key challenge in future

A key challenge impacting on implementation of Council's Responsible Gaming Strategy since 2013 was the loss of a discrete fund to support projects sourced from through differential rates on gaming venues. The Local Government Minister at the time issued a directive that local governments could no longer levy differential rates on gaming venues from 1 July 2013. Along with future funding challenges anticipated from rate capping, resource constraints are expected to remain a key factor affecting delivery of Council's next Gambling Strategy. In this context, creative and practical partnerships with other local governments, public health and community organisations are vital to implementing the proposed *Gambling in Moreland 2015-2020 Strategy*.

## 2. INTRODUCTION

Gambling is a legal activity in Victoria, providing opportunities for recreation and entertainment. The industry is regulated due to the risks it poses to the local community especially to 'problem gamblers' and those close to them. Evidence of these risk is steadily growing with research demonstrating gambling's negative impact on the health and wellbeing of the wider community, particularly in areas of significant social and economic disadvantage.

Moreland City Council seeks to ensure a balance between providing for responsible recreational gambling opportunities locally and minimising harm from gambling - especially for those at risk of problem gambling. Council's policy position on gambling is therefore based upon a public health approach that aims to minimise the harm from gambling. The precautionary principle that underlies this approach also confirms the logic of a continued focus on electronic gaming machines (poker machines) as the source of greatest harm. According to a Productivity Commission (2010) evidence suggests that 40 per cent of poker machine losses come from 'problem gamblers'.

## 3. STRATEGIC CONTEXT

### 3.1 Legislation

Council's mandate in relation to gambling and its legal obligations is set out in Victorian legislation:

#### *Local Government Act 1989*

Council represents and advocates for the local community and "*must endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions*"

#### *Public Health and Wellbeing Act 2008*

Council seeks "*to protect, improve and promote public health and wellbeing within the municipal district*". The Act states that the 'precautionary principle' should be applied in decision-making affecting public health.

#### *Gaming Regulation Act 2003*

Council is a "responsible authority" with a role in *representing its community's interests in relation to Gaming License applications* considered by the Victorian Commission on Gaming and Liquor Regulation (VCGLR).

#### *Planning and Environment Act 1987*

Council is a "responsible authority" with a key role in *regulating the use and development of land*. It does so as a "planning authority" through its Planning Scheme; its Municipal Strategic Statement (MSS) and Local Planning Policies. In line with these approved Planning Policies Council *grants or refuses planning permit applications for the installation or use of electronic gaming machines (EGMs)*.

Recent Developments in Federal legislation:

#### *National Gambling Reform Act of 2012*

The Act introduced poker machine regulation measures setting out requirements for voluntary pre-commitment, a trial of mandatory pre-commitment, dynamic machine warnings, and ATM withdrawal limits in gaming venues. The legislation followed unsuccessful negotiations towards introduction of mandatory pre-commitment legislation. Most provisions of the Act were repealed by the current Federal Government through the effect of the Social Services and Other Legislation Amendment Bill 2013.

#### *Social Services and Other Legislation Amendment Bill 2013*

Passed in March 2014, this Bill repealed most of the National Gambling Reform Act 2012. Only the voluntary pre-commitment measures remained.

### *Interactive Gambling Act 2001*

This Act regulates online and mobile methods of sports betting which are a growing, though still small, proportion of the Australian gambling industry. A Report of a Review of the Act in March 2013 recommended modest controls to minimise harm from online gambling. A Review of the Act was recently announced by the Social Services Minister.

## **3.2 Changes in the regulatory environment**

Since Council adopted its current Gaming Strategy, in July 2010 a number of significant changes have occurred affecting regulation of the Victorian gambling industry and Council's capacity to deliver strategic action in line with its Gaming Policy. They include:

- In 2012 arrangements for the management and regulation of poker machine licenses were restructured by the Victorian Government ending the longstanding Tatts and Tabcorp license duopoly. This was replaced with a licence application process open to hotel and club gambling venues across the State. A new regulator was established to determine license applications. The Victorian Commission for Gaming and Liquor Regulation (VCGLR) was formed through a merger of the previously discrete liquor and gaming control functions.
- On July 1 2012 the Victorian Responsible Gambling Foundation was established as a statutory authority with responsibility to provide research, treatment and community education. The Responsible Gambling Advocacy Centre was discontinued at this time, along with a focus on advocacy for policy reform designed to address gambling harm.
- In June 2013 the Victorian Minister for Local Government issued an Order in Council prohibiting the declaration of differential rates on land of gaming venues operating EGMs (electronic gaming machines). Prior to this order, Council raised \$369,994 in revenue from differential rates in the period 2010-2011 to 2012-2013 (around \$120,000 p.a). This revenue enabled Council to fund actions and projects in line with the objectives and priorities of the Responsible Gaming Strategy 2010-2014. The loss of a dedicated fund to support future Council action to prevent the harm from gambling is a significant challenge for the future Strategy. In August 2015 Council wrote to the Local Government Minister seeking restoration of local government's ability to levy differential rates.

## **3.3 Moreland Policy Framework**

### Council's Policy Position on Gaming (adopted July 2010)

Moreland City Council will adopt a primary prevention and harm minimisation approach to reducing the negative impacts of gaming, whilst recognising that Electronic Gaming Machines (EGMs) are part of a diverse range of entertainment available to the community.

Council will work in partnership with community, service providers and venue operators to promote responsible gambling and minimise harm. Council will inform and empower the community about the choices available to it in relation to gaming.

The policy addresses Council's wider strategic policy context, outlined below. It should be noted that the proposed Gambling in Moreland 2015-2020 Strategy includes an expanded text to better articulate Council's policy position.

### Council Plan 2013 – 2017

Outcome 1 of the Council Plan 2013 – 2017 is that Moreland community members are mentally and physically healthy and active. It identifies as a key strategy; to enhance and support health and wellbeing through implementation of the Health and Wellbeing Plan. A Review of the Responsible Gaming Strategy 2010-2014 is an item under this strategy.

## Moreland Municipal Public Health and Wellbeing Plan 2013 – 2017

One of the outcomes of the Moreland Public Health and Wellbeing Plan 2013-2017 (item 3.7.17) is that “people reduce the significant harm caused by problem gambling.” The plan identifies three key strategies to that end:

- develop and implement the Moreland Responsible Gaming Strategy 2014-2018 (now proposed, as per this report, as Reducing Harm from Gambling Strategy 2015-2020
- advance new Gaming Local Planning Policy through an amendment to include it in the Planning Scheme (now prepared as Amendment C157)
- improve availability of information on the social and economic effects of problem gambling

Performance measures to monitor progress are identified as:

- resident responses to the on the proposition that “there are too many gaming machines in my area” (Moreland Community Indicators)
- frequency and type of gambling
- gaming machine expenditure
- number of gaming machines
- distance to gaming machines
- access to electronic gaming machines

### Local Planning Policy on Gaming (Amendment C157)

Amendment C157, when approved by the Minister for Planning will introduce a Local Planning Policy on Gaming into the Moreland Planning Scheme at Clause 22.09. An objective of the State Planning Framework (at Clause 22.09) is to ensure the location of gaming machines takes into account local characteristics which make a community more vulnerable to the negative effects of gaming.

The new Local Planning Policy on Gaming will enhance Council’s planning controls under the Victorian *Planning and Environment Act 1987*. It will guide planning decisions for the installation and use of a gaming machine or the use of the land for the purpose of gaming in the City of Moreland. A key objective is to ensure the location, design & operation of a gaming machine minimises the social and economic impacts caused by gaming machines and delivers a net community benefit. The Policy will provide guidelines to assess the Social and Economic Impact of gaming machines. It will discourage the location of gaming machines in close proximity to vulnerable communities and disadvantaged areas. It will minimise opportunities for convenience gaming across the municipality.

Amendment C157 was on public exhibition in April and May 2015. No submissions were received. Following endorsement by Council in July 2015 (DED60/15) the Amendment has been submitted to the Minister for approval to integrate it into the Planning Scheme. It should be noted that preparation of the C157 Local Planning Policy on Gaming is a significant achievement of the Responsible Gaming Strategy 2010-2014.

### Council endorsed Poker Machine Regulation Reforms

In May 2014 Council resolved to support a resolution advocating for Electronic Gaming Machine reform that was submitted by the Monash City Council for the Municipal Association of Victoria State Council meeting. The resolution called for advocacy for systematic reform of poker machine regulation ahead of the 2014 Victorian Election. The key plank of the advocacy campaign was a call for improvements to the poker machine license application process to strengthen local governments’ capacity to effectively represent community interests, and protect those most vulnerable to harm. These became known as the ‘Enough Pokies’ reforms and are detailed elsewhere in this report. A notable inclusion was advocacy of \$1 maximum bet limits and \$120 per hour maximum losses as recommended by the Productivity Commission.

### **3.4 Strategy focuses mainly on Poker Machines (EGMs)**

Council has sustained a strong focus on poker machines since its first Gambling Strategy in 1998. This is due essentially to the dominant role of poker machines in generating gambling harm, and to the extent of the harm they can cause to individuals and the wider community.

Poker machines are designed to addict and represent a significant threat to users. People can become compulsively attracted to the feeling of unreality or “zoning out” that the machines are designed to create. Product designers are informed by neuroscience and psychology to create sophisticated technologies and systems that very often succeed in locking gamblers (especially vulnerable consumers) into a destructive cycle of loss and addiction.

The Productivity Commission Report no. 50 in 2010 estimated that:

- 75-80% of problem gamblers use poker machines
- 40% of losses on poker machines come from problem gamblers
- \$19 billion was gambled by Australians in 2008/2009. Of that \$12 billion was lost on electronic gaming machines.

The Economist in 2013 published figures that showed that half of Australia’s per capita gambling losses came from electronic gaming machines excluding those in casinos. Australia’s poker machines have very fast spin rates by world standards, with consumers seduced by “losses disguised as wins” and able to lose in excess of \$1000 per hour.

The emergence and growth of online and sports gambling in recent years is a concern and requires monitoring and strong regulation. However, these new forms of gambling represent a very small percentage of the legalised gambling industry - just 3 per cent. Poker machines remain the source of greatest harm to consumers, and therefore continue to be the principal focus of Council’s strategic policy interventions.

## **4. MORELAND GAMBLING PROFILE**

### **4.1 Residents’ gambling behaviour**

The Moreland Household Survey 2013 presents the pattern of gambling behaviour of Moreland residents. It found that:

- 23% of households reported that a member gambles (at least occasionally) on pokies; 53% on scratchies/Tattslotto, 26% on horse racing and 8% on sports.
- Scratchies/Tattslotto gambling was the most frequently engaged in gambling activity, with over one-quarter playing weekly. The remaining forms of gaming were most likely to be engaged in occasionally.
- Of those who gambled, pokies were accessed at multiple locations including hotels (47%), the casino (25% down from 31% in 2011), RSL clubs (42% up from 37% in 2011) and sports clubs (22%).
- Sports gambling was most likely to be accessed online (53% up from 38% in 2011) followed by at a hotel (18% down from 33% in 2011).
- Online gaming was a common way to gamble on horse racing (28% up from 22% in 2011) followed by at the track (27%) and hotels (24%).
- Gambling on the pokies was most prevalent amongst residents in Glenroy and Oak Park (38% each) and most who gambled on pokies did so at least occasionally.
- Participation in gambling on sports was marginally higher amongst residents in Pascoe Vale South (18%), with 11% participating occasionally.
- Residents in Pascoe Vale South (71%) were more also more likely to play Scratchies/Tattslotto, with over half of those who play doing so on a weekly basis.
- Gambling on horse racing was most prevalent in Pascoe Vale South (42%) and Oak Park (36%).

Table 1 below highlights statistically significant shifts in the data that are noteworthy. The rise in online gambling is significant especially in sports betting which has been aggressively advertised and embedded in sporting events in recent years.

Also significant is the increase in pokies use at RSL clubs (up 5.2 %) and sports clubs (up 4.1 %). This may help to explain the 5.8% reduction in pokies consumption at the casino.

## Gambling Options: *What do residents gamble on...?*

Base: Respondents who gambled	<i>The Pokies</i>		<i>Sports</i>		<i>Scratchies/ Tattslotto</i>		<i>Horse racing</i>	
	2011 (n=257)	2013 (n=231)	2011 (n=67)	2013 (n=61)	2011 (n=471)	2013 (n=442)	2011 (n=235)	2013 (n=195)
	%	%	%	%	%	%	%	%
Online	0.7	0.2	37.9	52.9	5.7	8.3	21.8	28.4
Casino	31.0	25.2	0.0	2.6	0.5	1.0	0.0	1.3
Hotel	47.8	47.2	33.4	18.3	1.1	1.0	27.2	23.8
Sports club	17.4	21.5	10.2	10.8	0.2	0.8	4.5	5.4
RSL club	36.6	41.8	7.7	6.1	0.4	1.4	3.0	2.7
At the track	0.9	1.7	0.7	1.3	0.3	0.2	28.9	27.0
Other	4.2	5.1	20.2	26.3	94.0	89.4	34.5	28.1

**Table 1**

Table 2 below highlights a shift in poker machine use that is concerning. Despite a decline in occasional and monthly poker machine use between 2011 and 2013, weekly poker machine use has increased in the period.

While the percentage increase from 2.0 to 3.2% is small it is significant and represents an increase of more than a third in weekly gambling on the pokies. It is well established in the literature that weekly pokies users are more likely to be problem gamblers, or be at risk from problem gambling.

## Gambling Frequency: *How often do members of this household gamble on...?*

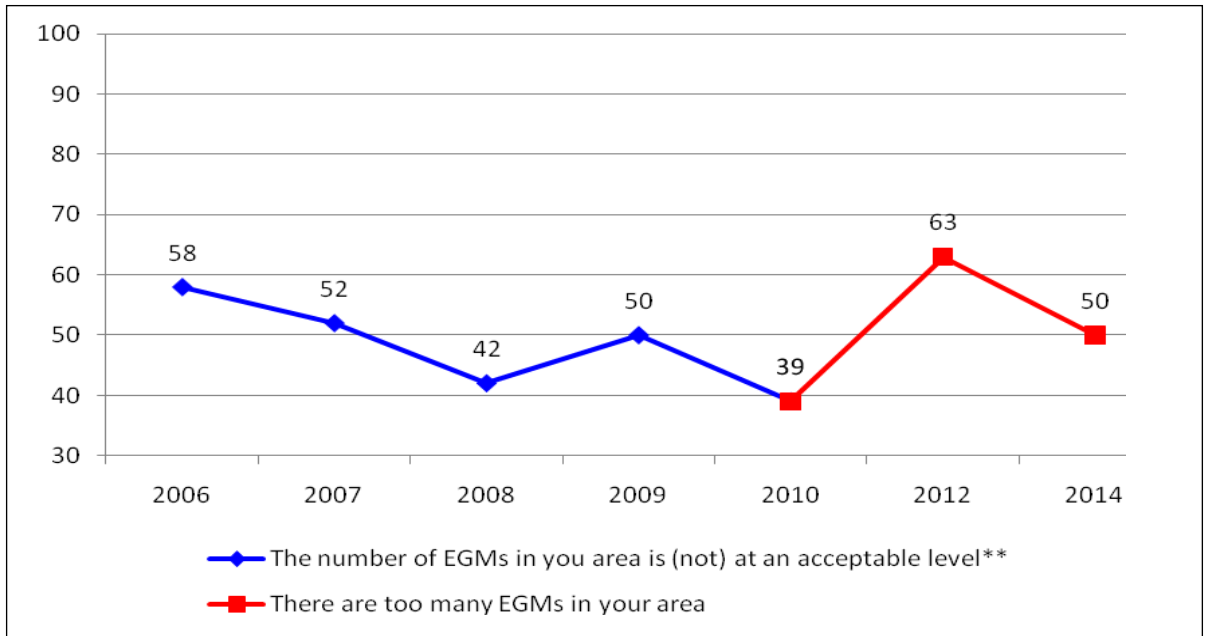
Base: All households answering	<i>The Pokies</i>		<i>Sports</i>		<i>Scratchies/ Tattslotto</i>		<i>Horse racing</i>	
	2011 (n=918)	2013 (n=915)	2011 (n=781)	2013 (n=804)	2011 (n=986)	2013 (n=973)	2011 (n=846)	2013 (n=876)
	%	%	%	%	%	%	%	%
Daily	0.0	0.0	0.0	0.1	0.2	0.2	0.5	1.0
Weekly	2.0	3.2	1.7	1.2	26.8	23.9	4.4	5.0
Monthly	1.8	1.7	0.6	0.6	3.3	4.5	1.1	1.2
Occasionally	20.4	18.0	6.2	6.5	25.4	24.2	22.3	19.3
<b>TOTAL gamble</b>	<b>24.2</b>	<b>23.0</b>	<b>8.5</b>	<b>8.3</b>	<b>55.7</b>	<b>52.7</b>	<b>28.3</b>	<b>26.4</b>
<b>NEVER gamble</b>	<b>75.8</b>	<b>77.0</b>	<b>91.5</b>	<b>91.7</b>	<b>44.2</b>	<b>47.3</b>	<b>71.8</b>	<b>73.6</b>

**Table 2**



## 4.2 Residents' attitudes to poker machines

The biannual Community Indicators Survey measures the attitudes of Moreland residents. In relation to gambling respondents are asked whether they agree or disagree with the statement: "there are too many Electronic Gaming Machines (EGMs) in your area". It is proposed that future surveys use the term 'poker machines'.



**FIGURE 2\*\*** To allow for comparisons with the changed wording in 2012, results used for 2006 to 2010 are those who "strongly disagree" or "slightly disagree" with the statement "The number of EGMs in your area is at an acceptable level".

In 2014 50% of Moreland residents agreed with the statement, down from 63% in the previous survey conducted in 2012. A suburb breakdown of the data also reflects (broadly) an apparent decrease in residents' concern about the number of machines in their area. The exception is Hadfield and Pascoe Vale where more residents agreed with the statement in 2014 than in 2012.

In Brunswick East in 2012 85% of residents agreed there were too many EGMs in their area while in 2014 only 35% agreed with the proposition. This very wide discrepancy may be explained in part by the large (47%) proportion of "don't know" responses recorded in 2014 compared with 11% across other suburbs. Also, there were a significantly higher proportion of younger respondents in this suburb. It may be that younger people have a different perspective of the nature or value of "gaming machines" with the term gaming applied widely to digital (non-betting) games that have high cultural cachet among younger generations.

The higher 'concern' rating in 2012 may also reflect the generally higher media profile on poker machines associated with significant restructuring of the industry in Victoria in 2012, and negotiations at the national level between then Prime Minister, Julia Gillard and Tasmanian Senator Wilkie towards mandatory pre-commitment legislation to improve the safety of poker machines. An analysis of data from the past two surveys also reveals that:

- 55% of people aged 44 to 64 agreed "there are too many Electronic Gaming Machines (EGMs) in your area".
- 40% of people over 65 agreed with the statement. This is an age group that is disproportionately represented among poker machine users.
- Only 25% of people under the age of 44 years agreed with the statement.
- 44% of people with a disability agreed with the statement compared with 37% that agreed who did not identify as having a disability.
- 52% of blue collar workers agreed with the statement.

### 4.3 Local Impacts of EGM Gambling in Moreland Research Report

In 2010 Council commissioned research to better understand the economic and social impacts of poker machine gambling within Moreland. The Report included both quantitative and qualitative assessments of the Moreland community and analysed prevalence rates, perceived community impacts of poker machine gambling and motivations to gamble. Conducted by the Social Research Centre in conjunction with the Problem Gambling Research and Treatment Centre, the research was the first of its kind to be undertaken at a local government level. Published in July 2011, the Report was a significant achievement of the 2010-2014 Responsible Gambling Strategy. Its key findings were:

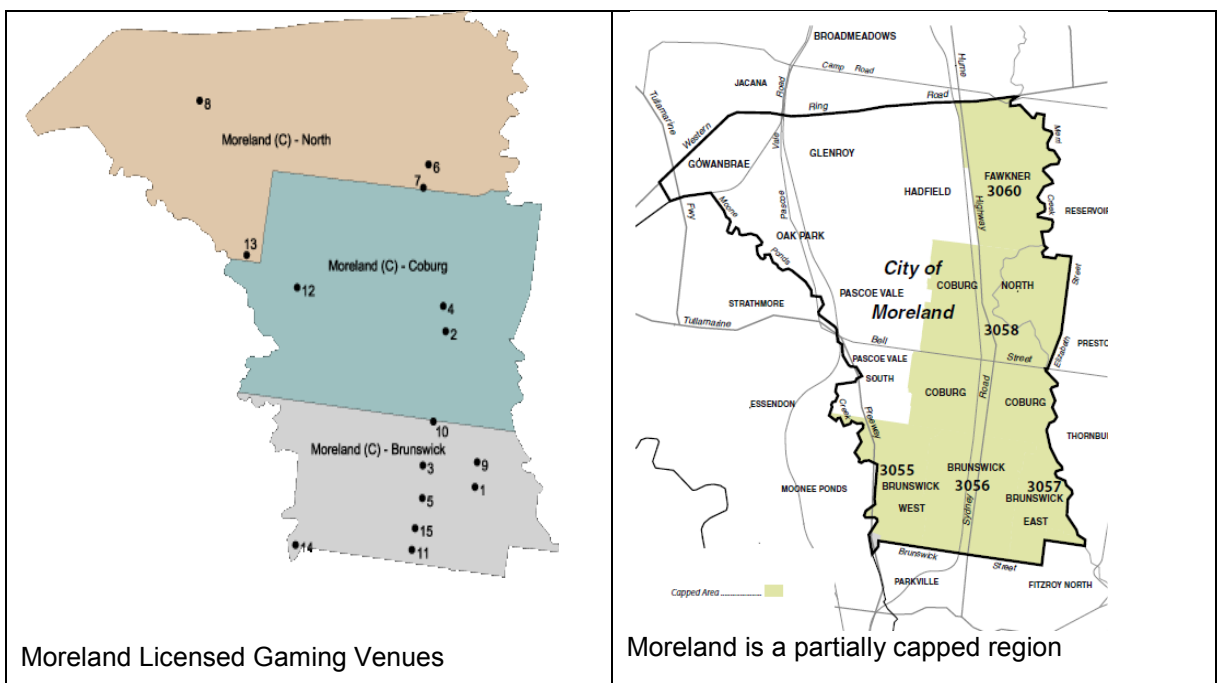
- 63% of participants had gambled in the last 12 months, and 19% of those had used poker machines (EGMs).
- EGM gamblers spent on average \$12,500 a year or \$100 each session.
- 74% of respondents believed EGMs had a net negative impact on the Moreland community and 9% believed it had a net positive impact.
- Negative impacts reported included financial problems, family neglect, addiction and social isolation.
- Positive benefits reported included entertainment, social outlet, gets people out of the house and revenue to local sports teams.

The research highlighted the connections between risky gambling and other health risk factors (co-morbidities) and the need for integrated solutions to address these:

*“There is a correlation between being an at-risk or problem gambler and having a poorer quality of life. In some instances, this reduced quality of life may be due to gambling, whereas in others it may lead to taking up gambling (co-morbidities). This finding will need to be taken into account when planning services to assist gamblers, as they will need to also address the quality of life issues faced by these people, including social isolation and mental health.”* (Report Author, Christy Arnott)

### 4.4 Moreland Licensed Gaming Venues

Moreland is a partly capped region as shown in the shaded area of the map below. In August 2012 the total permissible number of EGMs in this region was capped at 640 in accordance with the Gaming Minister’s orders. A municipal limit applies to the area of Moreland not covered by this cap which allows for a maximum of 445 EGMs, This brings the total allowable EGMs in Moreland to 1085. The potential for growth in EGMs in parts of Moreland of higher relative social and economic disadvantage is a concern.



Moreland Licensed Gaming Venues

Moreland is a partially capped region

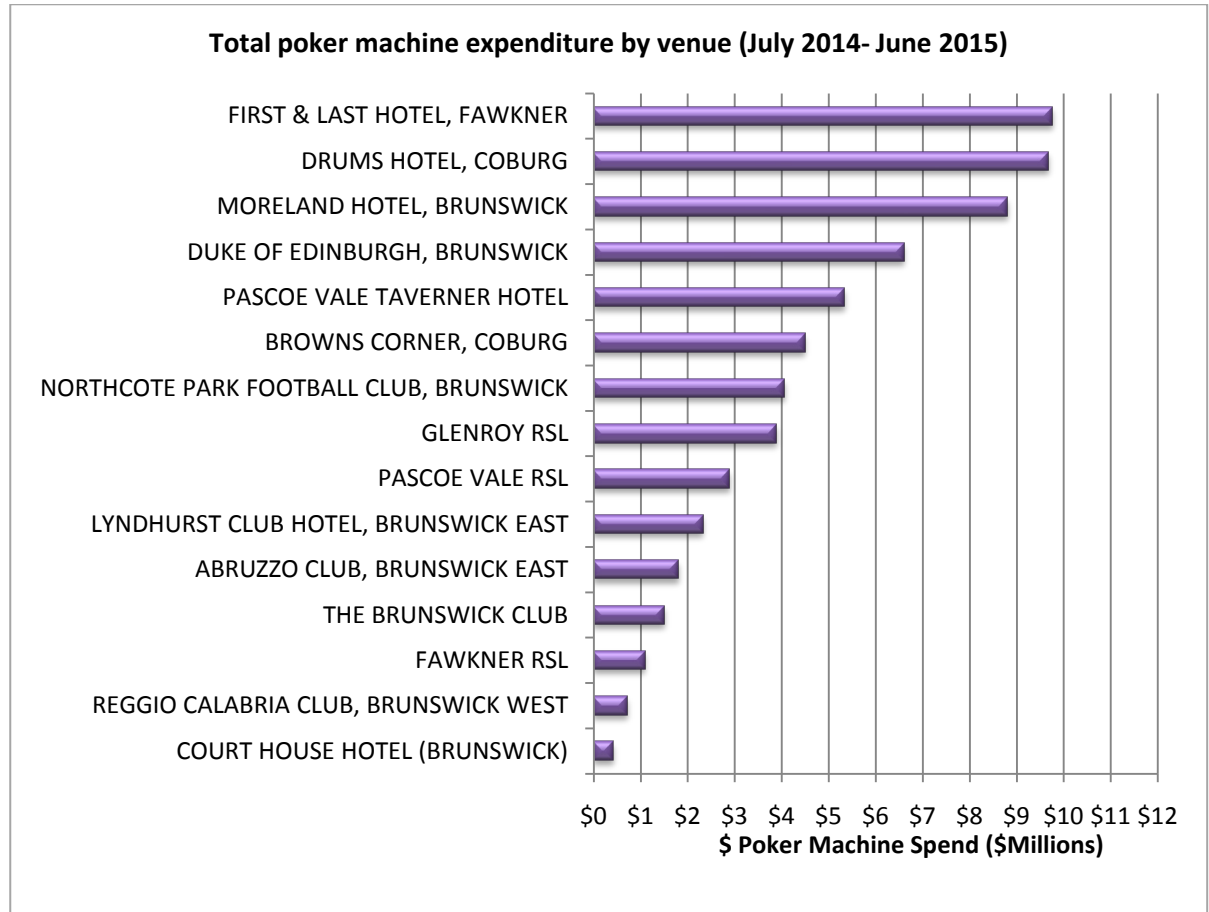
**FIGURE 2** see legend overleaf

1	Abruzzo Club	377 Lygon Street, East Brunswick
2	Brown's Corner Hotel	502 Sydney Road, Coburg
3	Court House Hotel	615 Sydney Road, Brunswick
4	Drums Hotel	613 Sydney Road, Coburg
5	Duke of Edinburgh	430-436 Sydney Road, Brunswick
6	Fawkner RSL	135 Lorne Street, Fawkner
7	First & Last Hotel	1141 Sydney Road, Fawkner
8	Glenroy RSL	186 Glenroy Road, Glenroy
9	Lyndhurst Club Hotel	513 Lygon Street, East Brunswick
10	Moreland Hotel	882-888 Sydney Road, Brunswick
11	Northcote Park Football Club	71 Sydney Road, Brunswick
12	Pascoe Vale RSL	40 Cumberland Road, Pascoe Vale
13	Pascoe Vale Taverner Hotel	12 Railway Parade, Pascoe Vale
14	Reggio Calabria Club	476 Brunswick Road, West Brunswick
15	The Brunswick Club	203 Sydney Road, Brunswick

**FIGURE 2**

Source VCGLR – 2015

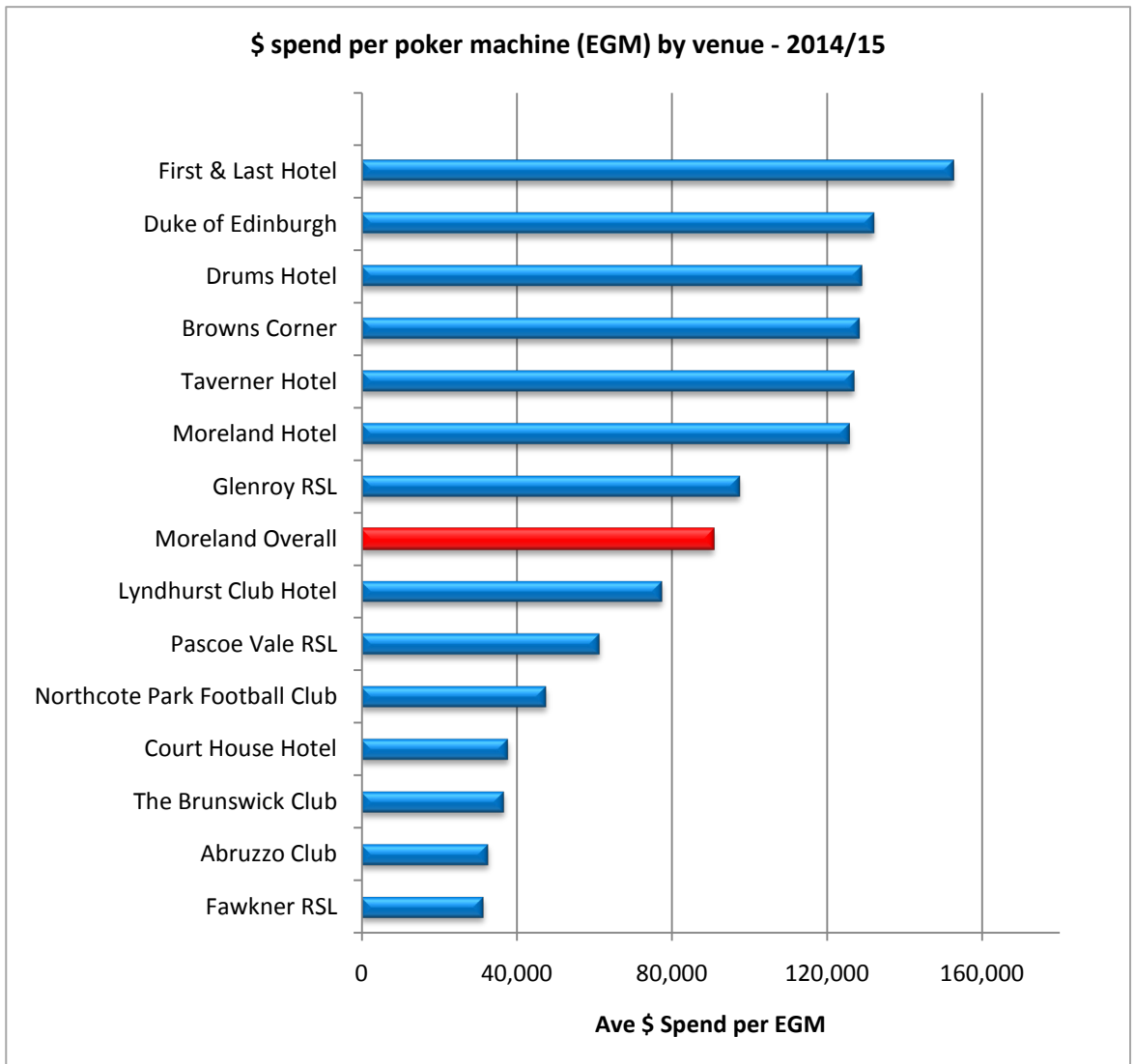
In 2014-2015 more than \$63.5 million was lost on poker machines in Moreland. In this financial year period Moreland had 671 operating poker machines in 15 local gambling venues (8 hotels and 7 clubs)\*. This equates to a density of 4.9 machines per 1,000 adults and losses per adult of \$468.00. The Victorian Government announced a review of poker machine license entitlements including the term of such licenses and the allocation of new licenses in August 2015. A report will go to the Minister for Gaming in June 2016.



**Figure 3**

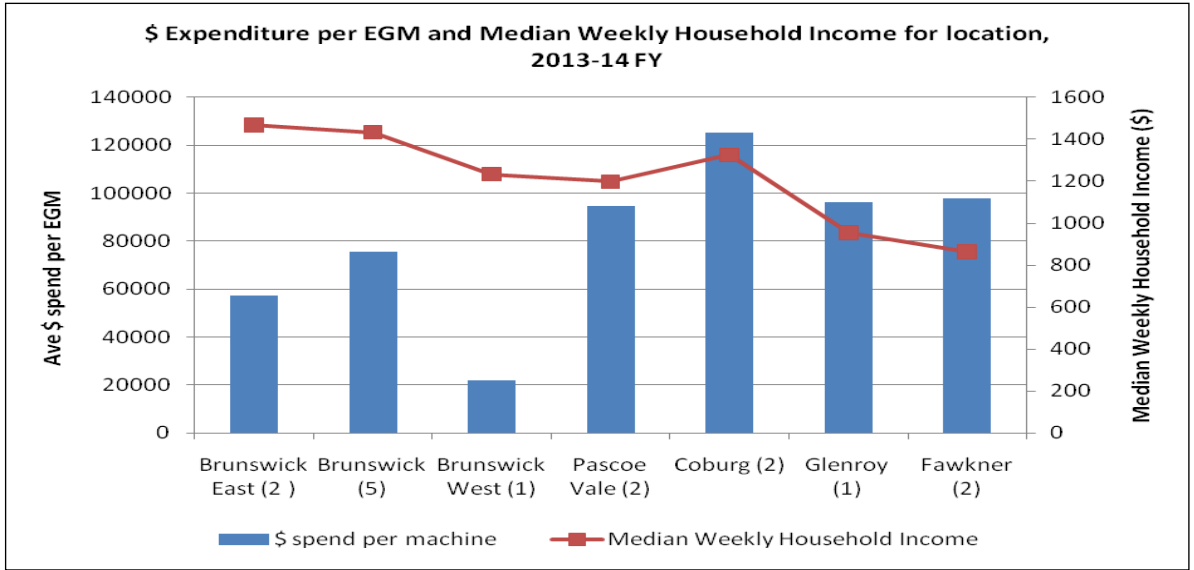
\*During 2015 the Reggio Calabria Club and Court House Hotel ceased operation of their licensed machines, bringing venue numbers down to 13. The Lyndhurst Club Hotel in East Brunswick will close in September 2015 following the owner's receipt in May 2015 of planning approval for expansion of the existing bottle shop on the site and redevelopment as a bulk liquor outlet. This will result in a reduction in the number of operating poker machines by 54. The Glenroy RSL currently has a planning permit pending for a variation in its EGM license to operate an additional ten machines. Although these factors will result in a net reduction of 44 poker machines across the municipality as a whole, they involve the redistribution of poker machines in areas of relatively low disadvantage (i.e. the Brunswick Statistical Local Area) to areas of relatively high disadvantage (i.e. the Northern Statistical Local Area).

Drums Hotel, the First and Last Hotel and the Moreland Hotel are the source of greatest losses per venue by a significant margin. Well over \$9 million was lost on poker machines at each of these venues in 2013-14. This is almost certainly the result of a combination of: 1) their high machine numbers 2) venue locations are highly accessible and 3) high losses per machine which may be symptomatic of higher rates of problem gambling in these locations. The Browns Corner Hotel, Duke of Edinburgh Hotel and the Pascoe Vale Taverner Hotel also have high loss per machines as is evident in Figure 4.



**Figure 4**

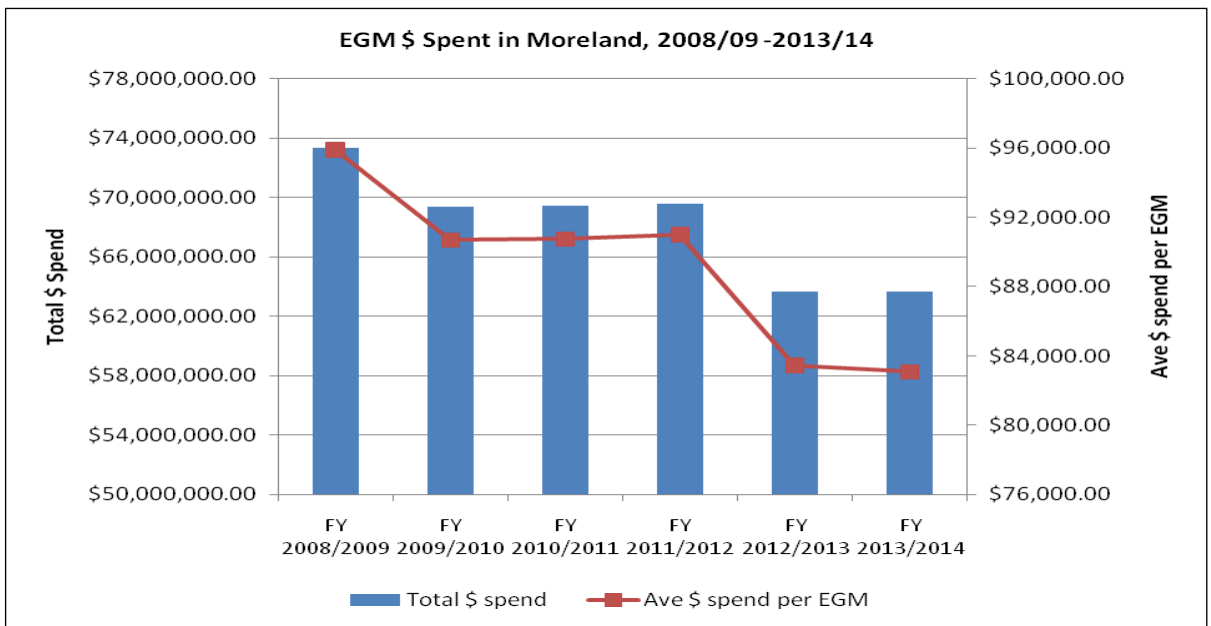
Total losses at the Glenroy RSL are also relatively high compared with the generally low loss rates for most club venues in Moreland and metropolitan Victoria as is evident in Figures 3 and 4. The Glenroy RSL has a daily loss rate per machine of \$263. This is significant and it is the third highest of the 38 RSL clubs in Melbourne that have with gaming machines. Only machines in the Frankston RSL and Dandenong RSL clubs have higher daily loss rates, each serving areas of high relative social and economic disadvantage.



**Figure 5**

Figure 5 reflects the relationship between disadvantage (measured in this instance by the simple measure of household income) and, average expenditure per poker machine in that area. The number of EGM venues in each suburb is identified in the brackets.

The complex interrelationship between high losses on poker machines and socio-economic disadvantage in metropolitan Melbourne has been the subject of research by Rintoul et al in 2013. Using the SEIFA index of disadvantage the researchers identified a graded and increasing level of loss as disadvantage increases across SEIFA quintiles. They produced a predictive spatial model of gambling vulnerability that identified the contribution that poker machine density (machines per 1000 adults) makes to the gradient. It demonstrated that 40% of the disadvantage was explained by the density of poker machines.



## Figure 6

Figure 6 (above) illustrates a decline in losses at Moreland gaming venues in recent years. This is consistent with a decline in real net gaming revenue noted across Victoria's poker machine venues since a peak in 2001/2002. In 2009-10 the maximum bet limit per spin was reduced from \$10 to \$5 and was associated with a reduction in poker machine expenditure of 5.7 % on the previous year. Reduced overall household expenditure as a result of the global financial crisis is also a factor.

The removal of ATMs (automatic teller machines) in gaming venues in clubs and hotels in 2012 is a significant factor in a 7% reduction in expenditure in 2012/2103 according to an evaluation of the measure by Dr Anna Thomas commissioned by the Department of Justice. It should be noted that the restructuring of license arrangements for gaming machines also occurred in 2012 with an impact on the number of licensed poker machines in the State.

While poker machines losses overall have declined in Moreland and across Victoria, gambling researcher, Dr Charles Livingstone has demonstrated that losses from problem gamblers, by contrast, have not declined and may even have increased. Commenting recently on evidence relating to prevalence rates from 2003 to 2008 in a Report he prepared for the Municipal Association of Victoria in 2014, Dr Livingstone said:

*“There has been a steady decline in the proportion of the population using EGMs, and this has led to a decline in the total number of people using EGMs (despite population increases). There has been a steady decline in real terms in EGM expenditure as a consequence of this and some regulatory measures. However the observable rate of problem gambling over the period from the 1990s to the late 2000s suggests that there are more people with problem gambling as a proportion of those using EGMs and the amounts this group is spending have increased.”*

The net effect can be compared with rates of cigarette smoking. In his report, Dr Livingstone makes the point:

*“Although smoking rates have declined significantly, amongst those who continue to smoke the prevalence of disease is unaltered.”*

## 5. THE SOCIAL AND ECONOMIC IMPACT OF GAMBLING

The gambling industry in Australia is regulated due to the potential its products and services have to harm consumers and its potential to be harnessed as a source of tax revenue. While a legitimate and benign recreation for many (scratchies and lotteries for example are widely used), gambling for some is an activity that threatens their health, wealth and wellbeing, with negative impacts on their community as well as family and others close to them. Figure 7 illustrates this.

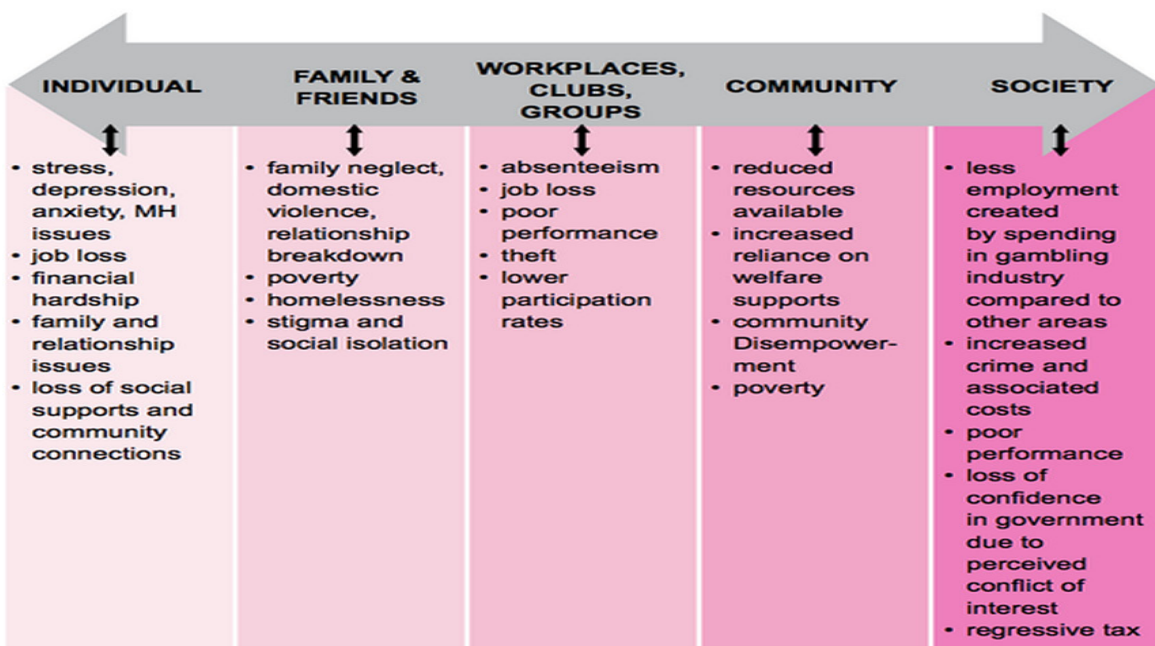
The large body of evidence demonstrating the harmful effects of gambling in general and poker machines in particular continues to grow. Research published since 2010 has enriched the comprehensive picture of the nature and impact of gambling outlined in the Productivity Commission Inquiry's Report (No. 50) into Gambling in 2010. The Report is an update of its earlier landmark investigation into gambling in 1999, and represents the most comprehensive independent assessment of the industry and its impacts undertaken.

### 5.1 Gambling can be fatal

At worst problem gambling can be fatal. A Victorian Coroner's Report in 2013 noted 128 gambling related suicides between 2000 and 2012. In two cases a gambler murdered their partner before killing themselves. According to a 2010 Alfred Hospital Study one in five suicidal patients who presented to its emergency department was a problem gambler.

Other serious personal impacts of risky gambling noted in the literature include: bankruptcy, family violence, crime, family stress, employment difficulties, legal problems and mental and emotional ill-health. Some of these factors are themselves contributors to individuals being vulnerable to gambling harm. In addition there is considerable shame and stigma that constrains many problem gamblers disclosing, or seeking help. It is estimated that as few as 15 % of problem gamblers contact Gamblers Help. For each individual experiencing

problem gambling it is estimated that at least seven other people are affected (*Productivity Commission 2010*).



Source: Health promotion resource guide for problem gambling prevention in Melbourne North<sup>9</sup>

**Figure 7**

## 5.2 Gambling and families

The impact of gambling problems on families is the subject of a Report published in November 2014 by the Australian Gambling Research Centre. While most of the available evidence assessed by researcher Nicki Dowling addressed the significant effects on intimate partners she noted that children, parents, grandparents and siblings are also affected by gambling problems. Common family impacts noted include:

*“.. financial hardship, impaired family relationships, diminished emotional and physical health, family conflict, mistrust, family neglect, communication breakdown, and confusion about family roles and responsibilities”.*

Dowling also highlighted:

*“... consistent evidence that gambling problems are associated with family violence and that they are transmitted from one generation to the next”*

## 5.3 Gambling and Family Violence

Evidence of a link between family violence and problem gambling in the academic literature has been noted with concern recently by public health practitioners and advocates in both women’s health and problem gambling sectors. These concerns are reflected in a number of submissions to the Victorian Royal Commission into Family Violence including from Moreland City Council, the Municipal Association of Victoria, the State network of Primary Care Partnerships and Women’s Health in the North (WHIN). An international study reported in *Asian Journal of Gambling Issues* in 2013 that included Australian data has been frequently cited. It found that 52.5% of 120 help-seeking family members of problem gamblers reported some form of family violence in the previous year.

The State Minister for Family Violence addressed a forum on the topic hosted by WHIN in June 2015. The Forum heard evidence of the correlation between family violence and problem gambling demonstrated in a review of published research conducted by Suomi et al, and Dowling et al published in 2013 and 2014. It was noted that there is lack of definitive evidence of a causal link between these two destructive social phenomena. This has prompted WHIN to call for further research into the topic. In its submission to the Royal Commission into Family Violence WHIN also called for:

- Legislation to make poker machines safer in Victoria
- Greater integration between problem gambling and family violence sectors
- Professional development of service providers
- Problem gambling to be included as a risk factor in the Family Violence Risk Assessment and Risk Management Framework and family violence to be included in problem gambling assessment tools.
- Problem gambling to be included as a contributing factor in the prevention of violence against women frameworks

In implementing its Responsible Gaming and Family Violence Prevention Strategies Council applies the precautionary principle that underpins sound public health policy. Along with the social determinants of health model that underpins its Health and Wellbeing Strategy, this principle is an important driver of Council action to minimise negative impacts of poker machines – especially in areas where other risk factors that contribute to family violence are present. By reducing the harm from poker machines, Council seeks also to reduce a contributing factor to burgeoning reports of family violence incidents in Moreland.

#### **5.4 Economic Impacts**

Gambling is a major driver of household debt leading some victims to develop risky relationships with payday lenders. Other costs to individuals and families impacted include bankruptcy, fraud, loss of employment and housing (among others). The Productivity Commission's report, *Australia's Gambling Industries*, in 1999 noted that more than 8 per cent of problem gamblers in counselling had been bankrupt, and almost 8 per cent had lost their house. 13 per cent had obtained funds to gamble through pawnbrokers and 8 per cent had borrowed from unscrupulous lenders or 'loan sharks'. One in three had sold property to finance gambling. For people in these situations the impacts of gambling have been especially devastating.

This hardship also generates costs that are borne by the wider community. Funding of services to address the fallout including social support services or those delivered through the criminal justice system are examples. The 2010 Productivity Commission's Inquiry into Gambling conservatively estimated that these costs amount to \$4.7 billion a year. As well as the cost of negative impacts on social cohesion there are opportunity costs incurred through revenue lost to non-gambling businesses.

### **6. REVIEW OF RESPONSIBLE GAMING STRATEGY 2010-2014**

Attachment 1 (D15/205769) provides an overview of the Review of the Responsible Gaming Strategy 2010-2014 and was informed by feedback from officers and external stakeholders.

Desk top research encompassed:

- a review of relevant literature and research
- an analysis of national, state and local policy directions and legislation
- a review of relevant Moreland City Council strategic plans and policies
- a review of relevant VCGR, VCAT and Supreme Court decisions related to gaming
- an analysis of local gambling statistics and EGM data
- a review of the key issues impacting on Council's position on gaming in Moreland



## 6.1 Stakeholder Consultation

A number of consultations have been held in 2015.

- 6.1.1 Council officers met on 18 March 2015 to consider the outcomes of latest research impacting on local gambling issues and to inform a desk-based evaluation of the effectiveness of the Responsible Gaming Strategy 2010-2014. The principal outcome of this consultation was a recognition that Council efforts to develop capacity, connections and resilience in local communities (especially those facing social and economic challenges) are essential to the multi-pronged, long term response required to address the challenge of preventing gambling harm.
- 6.1.2 A small stakeholder forum of public health service providers, advocates and local government representatives was convened on 31 March 2015 to explore the impact of Council action in the past four years; identify explore support requirements of at risk gamblers – especially in disadvantaged areas; and to identify outstanding challenges to be addressed. The forum was attended by representatives from:
- Merri Community Health Services
  - Primary Care Partnerships (North East & Inner North West Regions)
  - Womens' Health in the North
  - Lentara Uniting Care, Hume / Moreland
  - Arabic Welfare
  - NW Mental Health Service
  - Salvation Army (Gamblers Help)
  - Chrysalis Insight (Dare to Connect NW)
  - Re Spin Gambling Awareness Speakers Bureau
  - VLGA
  - City of Moonee Valley
  - City of Whittlesea
  - City of Maribyrnong Council
- 6.1.3 A public forum '*Risky Business - Preventing Harm from Gambling in Moreland*' was held on 22 April 2015 to draw out local community views and priorities. Mayor Meghan Hopper opened the forum and highlighted Council's long record of leadership as an advocate for, and investor in, action to reduce the harmful impact of gambling (especially the pokies). Dr Mark Zirnsak, Chair, Victorian Inter Church Gambling Taskforce also addressed the forum highlighting the social costs of problem gambling and the personal and community dislocation caused by poker machines especially.
- A panel of former gamblers then shared their 'lived experience' of triumphs and tragedies associated with breaking the cycle of gambling addiction. Outcomes of a brainstorming session that concluded the forum were consistent with those of the service providers forum held in March. The principal outcome from this discussion was a consensus that there was a need for a 'coalition of concern' in Moreland (and beyond to neighbouring municipalities) that could advocate to make gambling products safer and ensure vulnerable communities are better protected from gambling harm.
- 6.1.4 On June 30 2015 an ideas workshop at the East Coburg Community House was convened that brought together Community Development and Social Policy staff and community agencies in a planning exercise to tackle multiple social determinants of health (including problem gambling) in an integrated and creative way.
- Two key outcomes of the session included the need to: increase understanding about the place of gambling in wider public health and community development agendas at the local level, and to strengthen connections between services and advocates in these areas with those involved in gambling harm prevention. Participants highlighted the capacity for creative (including arts-based) interventions to carry public health messages to wider audiences and to engage those affected in positive action to tackle problems at source.

It should be noted that these consultations were planned to align with the exhibition in April / May 2015 of Amendment C157 which included a draft Gaming Policy to guide land use planning. It was expected that this Local Planning Policy would engage the interest of the local gambling industry. No submissions were received. In July 2015 Council adopted the Amendment (for Ministerial approval) for inclusion in the planning scheme.

## 6.2 Key Achievements

The Evaluation Report (attachment 1) details the achievements of the Responsible Gaming Strategy 2010 to 2014. It identifies substantial progress that was made towards prevention of gambling harm in Moreland in the past five years. Through initiatives in the four key action areas of research; advocacy; planning control; community education and support, achievements were significant. In many cases, these initiatives were strengthened through delivery with external local and regional partners. Of particular note are the following major achievements of the Strategy:

- Local Impacts of EGM Gambling in Moreland Report commissioned (2011)
- Social and Economic Impact Assessment Framework developed; an online (website) tool to assist local governments' assess poker machine license applications
- *More Connect* gamblers support program developed over three years into State funded, region-wide *Dare to Connect North West* program
- *Quit Pokies* Smartphone App developed to provide gamblers with practical support while they are in (or near to) pokies venues. The apple version alone attracts around 50 downloads per month
- Arts-based community awareness projects including: *Reclaim the Game* (sports betting short films) and *Life's a Gamble*, theatre project with international students.
- *Enough Pokies* – Moreland played a central role in this local government sector policy reform and advocacy campaign that supports reforms to the Gambling Act undertaken in partnership with VLGA and Municipal Association of Victoria.
- Local Planning Policy on Gaming (part of Amendment C157) endorsed by Council in July 2015 for approval by the Minister for Planning and integration into the Moreland Planning Scheme

## 6.3 Enough Pokies – A reform platform to build upon

In May 2014 Council resolved to support a resolution advocating for electronic gaming machine reform at the Municipal Association of Victoria State Council meeting. The resolution called for advocacy for systematic reform of poker machine regulation ahead of the 2014 Victorian Election. Improvements to the poker machine license application process (known as the 'Enough Pokies' reforms) were sought to strengthen local governments' capacity to effectively represent community interests and protect those most vulnerable to harm. Advocacy of \$1 maximum bet limits and \$120 per hour maximum loss rates as recommended by the Productivity Commission in 2010 were also included.

Following adoption of the resolution on 16 May 2014 at the MAV State Council, MAV together with a core group of Councils (including Moreland) invested in a coordinated strategy to implement the resolution. Expert technical and legal advice was commissioned (including from Dr Charles Livingstone) to inform development of a package of amendments to the Gambling Regulation Act 2013. The legislative reform package, branded *Enough Pokies*, attracted significant support from local governments and community organisations through a commissioned communications strategy (the full tag line is *Enough Pokies in Vulnerable Communities*). Amendments sought to:

1. Remove 'fostering competition' as an argument in favour of more machines, and require the VCGLR (the Commission) to judge that an area already has enough poker machines
2. Extend timelines to allow the Commission enough time to make an informed decision
3. Allow councils enough time to develop comprehensive submissions

4. A stronger requirement for the Commission to take council submissions into account
5. Make the applicant meet social and economic impact tests
6. Only grant applicants that benefit the community (in contrast with the current 'no net detriment' test)
7. Consider the specific community, not just a municipality-wide approach

Following the State Election in November 2014, the reform package has continued to focus the advocacy efforts of the MAV and Councils that participated in the 'Enough Pokies' working group (including Moreland).

#### 6.4 Outstanding Challenges and Wicked Problems

Despite the achievements of the 2010-2014 Strategy persistent challenges remain as major obstacles to achieving a significant and sustained reduction in gambling harm in Moreland. Not the least of these is the difficulty in securing even modest regulatory reforms in an industry controlled by powerful vested interests. The industry is huge; larger than the alcohol, tobacco, or illicit drugs industries which also impact on public health. Data below is supplied by Alliance for Gambling Reform, a newly formed national organisation to promote poker machine reform.



**Figure 8 Investment in industries associated with high public health risks**

Unlike cigarettes which are recognised as dangerous and addictive and regulated accordingly; the responsibility for managing poker machine risks is placed largely on users of the technology. This 'responsible gambling' paradigm is the conscious creation of the gambling industry determined to minimise controls on its product design, marketing and operations. Notwithstanding the legislative and regulatory controls that are in place, the 'responsible gambling' mantra and its emphasis on personal responsibility has traditionally been supported by government.

The gambling industry lobbyists are among the most influential in Australia. The demise of mandatory commitment legislation (for poker machines) at the national level since 2012 is a notable case in point. At the state level too, the gambling industry is understood to exercise a persuasive (if not dominant) role in informing government policy, regulation, research funding, and public awareness programs.

Victorian Governments across the political spectrum have been reliant on gambling (especially poker machine) revenue. In 2014-2015 9.78 per cent of Victorian taxes came from gambling taxes. Of the \$1,791 million collected in gambling taxes in that period \$1,067 million (almost 60 per cent) came from poker machines. Around 78 per cent of total gambling revenue will be transferred to the Hospital and Charities Fund, the Mental Health Fund and the Community Support Fund (around \$100 million), including funding for the Victorian Responsible Gambling Foundation. It is not known what impact this expenditure has on ameliorating the costs borne by the community of problem gambling. In 2012 the Victorian Competition and Efficiency Commission, estimated these costs to Victorians as somewhere between \$1.5 billion and \$2.8 billion.

Seen in this context, reducing problem gambling in Moreland and elsewhere is clearly a 'wicked problem'. Solutions will therefore require multi-pronged responses; will need to be sustained over a long period and, be measured by meaningful indicators and milestones. Focussed and coordinated action from Moreland City Council (and other local governments) and community agencies will be important, especially in the current climate of resource constraints.

## **6.5 Principles**

The principles underpinning the Responsible Gaming Strategy 2010-2014 were:

- Primary prevention and harm minimisation
- Transparency of information & a clear evidence base
- Improving health and wellbeing
- Engagement, partnership and advocacy

These were endorsed during consultation as relevant and appropriate. Therefore they have been retained for the proposed Gambling in Moreland Strategy 2015-2020. They articulate the values upon which Council's actions and priorities are founded.

## **6.6 Strategic action areas**

The strategic actions (and objectives) of the Responsible Gaming Strategy 2010-2014 were:

### *Research:*

Conduct research to better understand the full range of local impacts of gaming and problem gambling on the Moreland communities, in particular CALD communities, to develop transparent and evidence based policy on gaming.

### *Planning control and policy*

Enhance Council's planning control over the location of gaming machines within the municipality and provide transparent decision making guidelines within a regional partnership approach.

### *Partnership and advocacy*

Increase local engagement, build trust and support relationships between stakeholders involved in gaming and those involved in addressing problem gambling.

### *Community awareness and education:*

Take a primary prevention approach to increasing community awareness about the impacts and prevalence of problem gambling.

The new Local Planning Policy on Gaming introduced through Amendment C157 achieved substantially the Planning Control and policy objective. The other three action areas were endorsed during consultation as relevant to the next phase of Council's gambling harm minimisation strategy. They have informed the objectives of the draft Gambling in Moreland 2015-2020 Strategy proposed to guide Council investments for the next five years.

## **7. GAMBLING IN MORELAND 2015-2020: A STRATEGY TO REDUCE THE HARM FROM GAMBLING**

Gambling in Moreland 2015-2020 is a Strategy to Reduce the Harm from Gambling. The Strategy is proposed to guide Council action on gambling in the next five years. Directions proposed are informed by a strategic analysis of issues and opportunities informed by expert research and local government sector experience and advice.

The Strategy reflects the priorities of local stakeholders who participated in community consultation forums. Their view (supported by officers) is that while Council's current policy settings generally provide a relevant and coherent basis for future strategic action some updating is required.

Gambling in Moreland 2015-2020 therefore reflects minor adjustments to the principles of the 2010-2014 Strategy and a reframing of the strategic action areas into themes and priorities outlined below. These will focus Council effort and investment for the rest of the

decade. A revised Council Policy Statement is proposed to better articulate Council's risk management approach to gambling and its continuing focus on poker machines.

## **7.1 (Revised) Council Gambling Policy**

### **Gambling Policy Statement**

To reduce the harm from gambling Moreland City Council applies a primary prevention and harm minimisation approach. Council will work in partnership with the community, service providers and gambling venue operators towards vigilance in delivering safer gambling services. An evidence-based approach to planning, regulation, advocacy and community education will seek to reduce the negative impacts of current and emerging forms of gambling.

Council recognises that electronic gaming machines (poker machines) are legal technologies used at least occasionally by 20 – 25 % of Moreland residents. Council is concerned about their potential to harm those at risk from problem gambling. Advocacy for enhanced consumer protection measures for poker machine users is therefore a central policy objective.

### **7.2 A framework for future action**

**Leadership** Council will strengthen its reputation as a leader in local government gambling policy reform and program development through advocacy.

**Partnership** Council will work in partnership with community, government, and industry bodies at all levels to implement this Strategy.

**Innovation** Council will promote deeper and wider views on local impacts of gambling; to reduce stigma for those affected; and to facilitate community support for those at risk from, or trapped in, the cycle of gambling addiction.

**Evidence** Council affirms a transparent, evidence-based approach to decision making in planning, industry regulation, policy and program development, advocacy and community education.

### **7.3 Strategic action priorities**

#### **Leadership**

Council will strengthen its leadership in local gambling policy reform and program development through advocacy for:

- increased consumer protection measures for gambling industry consumers especially poker machine users
- safer gambling products and operations
- more effective industry regulation
- restoration of local government rights to levy differential rates on gaming venues

#### **Priorities:**

- \$1 maximum bets & \$120 per hour maximum losses on poker machines
- *Enough Pokies* legislative reforms to enhance poker machine license regulation

#### **Partnership**

Council will work in partnership with community, government, and industry bodies at all levels to implement this Strategy.

## **Priorities:**

- Advocate for poker machine reform as a foundation partner of Alliance for Gambling Reform (AGR), a newly established national coalition of local government and community organisations.
- Advocate for 'Enough Pokies' regulatory reforms in Victoria with the MAV and VLGA
- Participate in the VLGA Local Government Working Group on Gambling.
- Collaborate with local government, public health and community development organisations in inner north west of Melbourne to strengthen problem gambling prevention efforts in the region.
- Support development of a local 'coalition of concern' to enhance community understanding and action in relation to the risks of gambling.

## **Innovation**

Council will promote deeper and wider views on problem gambling to reduce stigma for those affected, and to enhance community support for those at risk and those closed to them.

## **Priorities:**

- Collaborate with those with a lived experience of problem gambling and with agencies that support them.
- Support creative projects that explore/share stories and raise community awareness. A partnership with Snuff Puppets community arts company (pictured) and neighbourhood houses, is a priority.
- Focus on gambling risks and problem gambling prevention in local community development and public health partnership initiatives

## **Evidence**

Council affirms a transparent, evidence-based approach to decision making in planning; industry regulation; policy and program development; advocacy and community education on gambling.

## **Priorities:**

- Monitor application of the Local Planning Policy on Gaming to regulate the location and operation of gambling venues.
- Assess the social and economic impact of poker machine license applications and represent community interests in regulatory processes.
- Monitor research on existing and emerging forms of gambling and their impact on local communities.
- Support independent research on gambling that has local relevance or direct application by Council. Fine grained spatial analysis of social and economic impacts at the local level is a priority.
- Enhance understanding of the role of problem gambling among the multiplicity of social determinants impacting on community health and wellbeing especially those impacting on disadvantaged and cultural and linguistically diverse communities; and the link between problem gambling and family violence.