

Stop exploitation of vulnerable communities

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Big operators are targeting disadvantaged communities

The current system of pokies license allocation in Victoria is broken, with big operators far too easily able to take advantage of our most vulnerable communities. Victoria’s pokies are concentrated in areas of social and economic disadvantage. These are the communities that can least afford to carry the burden. More pokies attract a higher level of gambling, and greater damage to the lives of those already struggling.

A simple, inexpensive solution

The changes we are seeking are simple, are easily implemented, and aren’t nearly as expensive as some of the election pledges the major parties are throwing around. We are seeking amendments to the Gambling Regulation Act that will help councils to protect vulnerable communities from inappropriate placement of pokies. More information on these changes is on page 4 of this document.

Alleged community benefits trump social cost

The so-called ‘community benefits’ of more pokies in vulnerable communities are a sham. Big operators are claiming extra parking, a refurbished bar-room, or a small community donation as a ‘community benefit’ to satisfy the VCGLR. One venue even tried to pass off a ‘donation’ to a defunct school as an offset to install more pokies.

The great divide

Municipality	Disadvantage rank (SEIFA)	\$ spent in pokies 2013-14	Pokies per 1000 people	\$ spent per adult per year
City of Greater Dandenong	Most disadvantaged council of the 31 metropolitan councils in Melbourne	\$110,134,643	8.4	\$984
City of Boroondara	30th least disadvantaged council out of 31 metropolitan councils in Melbourne	\$19,414,919	1.5	\$140

Stat Snapshot

July 2008-September 2014

VCGLR decisions	154
Granted in full	140
Partly granted	3
Opposed by local council	68
Successfully opposed	8

Overwhelming support from Victorian Councils

Over 40 local councils across Victoria have joined forces with the Municipal Association of Victoria (MAV) and the Salvation Army to say Enough Pokies in vulnerable communities. Local councils know their communities best and know that we all need to work together to protect vulnerable communities from the predatory conduct of the big operators.

Exorbitant costs with little chance of success

The cost to councils to oppose applications to the VCGLR is prohibitively expensive. Councils pay up to \$100,000 to oppose an application. That can more than double if an appeal is required. And success is rare. Since 2008, in 154 VCGLR decisions, 140 have been granted in full.

Victoria's councils say Enough Pokies. Enough Pokies in vulnerable communities. Enough Pokies causing ongoing harm to families. Enough Pokies taking money from problem gamblers and filling the pockets of big operators. Enough Pokies where there are too many pokies already.

Victoria's councils and community groups are calling for pokies reform. The state government must take action.

Top performing pokies venues in vulnerable communities

TOP 6 high loss venues in the State	Venue Name	Municipality	Losses 1 July – 31 Dec 2013	Number of Pokies
1	Epping Plaza Hotel	Whittlesea	\$11,342,170	100
2	Gladstone Park Hotel	Hume	\$9,769,576	86
3	Bundoora Taverner	Whittlesea	\$9,373,372	90
4	Werribee Plaza Tavern	Wyndham	\$9,211,525	80
5	Keysborough Hotel	Greater Dandenong	\$9,204,809	87
6	Plough Hotel	Whittlesea	\$9,131,533	85

Operators are targeting vulnerable communities

Across metropolitan Melbourne, our most disadvantaged municipalities also have the highest density of pokies. There is a clear correlation between the number of pokies in a community and its socio-economic circumstances.

This is a deliberate business strategy of the big operators and it needs to stop.

There is a clear connection between the disadvantage of a community and the number of poker machines located within it.

The City of Greater Dandenong, which is the most disadvantaged metropolitan local government area, has

8.4 EGMs per 1000 people. Our two least disadvantaged metropolitan municipalities, Boroondara and Nillumbik, have 1.5 and 1.6 machines per 1000 people respectively.

Concentrating gambling machines in this way guarantees that social space will be saturated with pokies. And because pokies are carefully designed to be addictive, many people will end up spending far too much money on them.

In Greater Dandenong, each adult spends on average \$984 per year in pokies. In Boroondara, that amount is \$140.

These numbers make clear that our most vulnerable communities, with the least to spend, are faced with more machines and are spending much more money than our wealthier communities.

Pokies harm everyone

Each year, over \$2.5 billion is lost in pokies across Victoria. That's almost \$7 million per day out of the pockets of Victorians and into gaming machines.

And even if you don't use pokies yourself, your community is feeling the pain.

Gambling machines are the greatest cause of gambling harm in Australia – 80% or more of those with a gambling problem have it because of their use of poker machines.

Amongst people who use EGMs regularly, 30% have some level of gambling problem – half of these very serious.

Problem gamblers typically spend \$25,000 or more per year on gambling, money diverted from other more

important uses, often including mortgage payments or rent.

Gambling is associated with mental and physical health issues, with divorce, separation and the neglect of children.

Poker machine expenditure is also associated with increased crime rates, including crimes of violence.

Each problem gambler affects between five and ten other people – family members, other relatives, employers, workmates and society at large.

Gambling problems and gambling harm are not trivial. They affect every member of the community.

A system that favours the applicant

The current system of approval heavily favours the applicant and discourages councils from objecting.

There were 154 VCGLR decisions on new venues or increases to venue size between 5th July 2008 and 26th Sep 2014.

Of these, 140 were granted in full, 3 were partly granted, and 11 were unsuccessful. The success rate was 93%.

Of the 68 instances where councils opposed the application, on only eight occasions was the council successful – a failure rate for councils of 88%.

That means that the success rate of the applicant is almost the same whether local councils oppose it or not.

It costs councils up to \$100,000 each time they oppose an application, win or lose – this is ratepayers' money that is in great demand for use elsewhere.

Of course, a successful applicant quickly recoups their application costs and legal fees through an operational poker machine.

When community benefit only benefits the operator

Current VCGLR rules rely on a 'no detriment test.' All a large hotel needs to do is prove that there will be no detriment to the community.

That could be as simple as refurbishing their own facility to attract more customers (for 'community amenity'), or a promise to divert some profits to local causes. Under the current rules, this can be ruled as offsetting the harm of more pokies in a community, allowing more gambling machines in a vulnerable community.

Other offsets made by big operators include enlarging their own carpark, or small donations to local clubs and causes.

Who is behind this campaign?

This campaign is backed by over 40 Victorian councils, the Municipal Association of Victoria, the Salvation Army, the Inter-Church Taskforce on Gambling, and other community groups around Victoria.

What can I do?

Ask your local candidates for the upcoming state election how they intend to help protect vulnerable communities from the inappropriate placement of electronic gaming machines.

More information

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Changing the legislation

The changes we are seeking are simple, are easily implemented, and aren't nearly as expensive as some of the election pledges the major parties are throwing around.

We are seeking amendments to the Gambling Regulation Act that will help councils to protect vulnerable communities from inappropriate placement of pokies.

An overview is provided below – specific legislative language has been developed for discussion with the next Victorian Government.

In summary, the changes we are seeking to specific sections of the existing legislation are:

1. Remove 'fostering competition' as an excuse for more machines and require the VCGLR to judge that an area already has enough pokies

Section 3.1.1:

There are two amendments here. One is intended to remove the provision about fostering competition, in order to permit the Commission to decide that an area already has enough EGMs and that no more are required. The second is to require the Commission to decide whether the EGM facilities in the area are sufficient to meet the needs of those who gamble without hurting themselves or others.

2. Allow the Commission enough time to make the right decision

Section 3.3.8:

This amendment is to remove the obligation from the Commission to make decisions within 60 days – this is likely to allow for more reflection on applications and give the Commission more room for better decisions.

3. Allow councils enough time to develop comprehensive submissions

Section 3.3.6:

This amendment is to allow the responsible authority (local councils) 90 days for submissions regarding EGM applications, on the basis that they use their best endeavours to complete the application within that time.

4. A stronger requirement for the Commission to take council submissions into account

Section 3.3.7(3):

This amendment is to require the Commission to 'have regard to' rather than 'consider' any submission by the responsible authority. The effect of this change is to increase the extent to which the Commission must take the submission into account in determining the application.

5. Make the applicant meet social and economic impact tests

Section 3.3.7(1):

This amendment is to require the Commission to be satisfied by the applicant that the economic and social impact test has been met, thus placing the onus on the applicant to demonstrate this.

6. Only grant applications that benefit the community

Section 3.3.7(1)(c):

This amendment is to modify the social and economic impact test to require the effect of the application to be beneficial to the local community.

7. Consider the specific community, not just a municipality-wide approach

Section 3.3.7(4):

This amendment is to require the Commission to have particular regard to the social effects of the application on the immediate vicinity of the venue – not just the 'municipal district'.



Campaign officially launched

The Enough Pokies campaign was officially launched on 16 October at The Salvation Army in Melbourne’s CBD.

Almost fifty Mayors, Councillors and council officers participated in a panel discussion featuring The Salvation Army’s Dr Bruce Redman, City of Monash Mayor Geoff Lake, problem gambling expert Dr Charles Livingstone (Monash University), and MAV President Cr Bill McArthur.

The passion and enthusiasm of the group was very encouraging for the future of the campaign, and we are grateful to The Salvation Army for their support and the use of their venue.



We’re saying Enough Pokies because big operators are targeting vulnerable communities, and that’s not reasonable or fair.

*Cr Geoff Lake
Mayor, City of Monash*



Main image

A strong turnout of passionate campaign advocates and supporters

Images at left

Upper: Cr Nam Quach (City of Maribyrnong) raises a point from the floor

Lower left: Dr Charles Livingstone, Monash University, explains the over-representation of pokies in vulnerable communities

Lower right: Cr Bill McArthur officially launches the campaign on behalf of the MAV

State election Social harm appeal

Councils call for rethink on pokies

Richard Willingham
State Political Correspondent

The social and economic damage poker machines do to communities, especially in disadvantaged areas, must be given greater consideration when assessing new pokies, local councils are urging both sides of politics.

In the lead-up to the November 29 state election nearly 30 councils, the Municipal Association of Victoria and church groups are calling on whoever wins government to bolster the gambling commission's rules around assessing the impact of new poker machines.

Central to the Enough Pokies campaign is to place the burden of proving community benefit on the applicant. Currently applicants must prove there is no "net economic or social detriment" and councils say that too often the needs of communities are ignored with the process heavily weighted in favour of applicants.

Campaign spokesman Monash mayor Geoff Lake said the group was not about banning pokies. The net detriment test, he said, needs to take into consideration the social and economic status of an area.

"There needs to be safeguards for suburbs in poorer areas when assessing new areas," Cr Lake said.

Importantly, Cr Lake, who is a Labor Party member but says his position is not party-related, said the changes would not affect the state's gambling tax revenues.

"We are just asking to curb the predatory behaviour and reduce pokies moving from wealthier areas to poorer ones."

A government spokesman said the commission could currently only approve an application if satisfied the community will not suffer economic or social detriment.

Cr Lake gave the example of a Clayton venue that wanted to increase the number of machines it had. The council opposed it but the venue argued at the Victorian Commission for Gambling and Liquor Regulation that the money raised from the pokies would pay for an upgrade of the drinking and gaming areas, which would benefit the wider community.

Monash University public health expert Charles Livingstone said there were 154 commission decisions on new venues or increases to venue size between July 2008 and September 2014.

"Of these, 140 were granted in full, three were partly granted, and 11 were unsuccessful," he said.

In 68 instances the local government opposed the application yet 57 applications were successful, with three more partly successful. "We need to consider more local issues. At the moment it is focused on the whole local government area, not the local suburb."

Labor's gaming spokesman, Martin Pakula, said if Labor were fortunate enough to be elected he would be prepared to sit down and discuss the proposal.

Anyone can become a problem gambler, and problems can develop quite quickly. This is not a problem that discriminates based on age, income, education, or ethnic background. This is a problem the entire community faces.

*Dr Bruce Redman
The Salvation Army*



Images

Top: Cr Geoff Lake (Mayor, City of Monash) addresses a question from the audience

Middle: The Salvation Army temple was a fitting venue

Bottom: Dr Bruce Redman welcomes the panel and guests on behalf of The Salvation Army

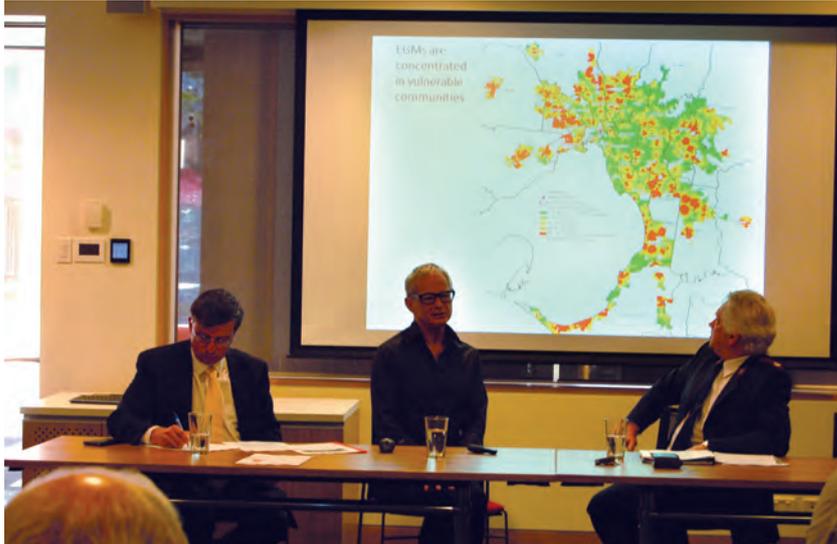
Talking Enough Pokies in Greater Dandenong

The first of our two community forums was held on 12 November, with around 30 representatives of community groups, political parties, media and interested community members in attendance at the City of Greater Dandenong.

Speakers including City of Greater Dandenong's new Mayor Cr Sean O'Reilly and Cr Matthew Kirwan, Dr Charles Livingstone, and the Salvation Army's Major Brad Halse provided guests with an informative, insightful and passionate discussion of the challenges and opportunities facing the Victorian community as a result of pokies gambling.

MC'd by the host Council's Manager of Community Development, Facilities and Recreation Lynette While, the panel discussion concluded with a valuable question-and-answer session.

The campaign would like to thank the City of Greater Dandenong for accommodating and organising the event.



Images

Top: Lynette While introduces our expert panel

Middle: Dr Livingstone (centre) discusses the over-representation of pokies in vulnerable areas

Bottom: Major Brad Halse talks about the Salvation Army experience

Pokies' tax cut jackpot

Parties and TVs among claims

POKIE clubs are claiming staff bonuses, Christmas parties and cash stolen in robberies as "community benefits" — and earning huge tax breaks in the process.

Victorian clubs receive an 8.33 per cent tax cut from the State Government if they prove they give back to their community. But the *Herald Sun* found everything from "bad debt", death notices, travel and accommodation, plasma TVs and urinals were claimed for the discount.

Of the \$273 million declared by 246 clubs for community purposes in the 2014 financial year, \$209 million or 77 per cent was for costs including staff wages, loans, renovations and rent. Just \$3632, or 0.001 per cent, was spent on responsible gambling provisions not required by law, while gaming revenue totalled more than \$845 million.

Dr Charles Livingstone, a

ASHLEY ARGOON

gambling researcher at Monash school of public health, called for a review into the scheme "so we can work out what actually constitutes a community benefit".

"What I think is needed is a revision of these guidelines so it actually reflects what an ordinary member of the community might consider a community benefit, and that's certainly not money stolen in a robbery," he said.

Two venues claimed stolen money — \$472 by Altona Sports Club, and \$498 by Clayton Bowls Club, which also declared \$65,329 in beer, wine and spirits.

Dandenong Club claimed \$207 in "bad debt" and \$790 for its staff Christmas party, while Club Ringwood listed \$6947 for staff bonuses.

Death notices were a common claim, the highest figures

from Phillip Island RSL (\$2645), Rye RSL Club (\$2366) and Cranbourne RSL (\$499).

Moonee Valley Racing Club declared more than \$43 million in community benefits, covering its new website and domain name, plasma TVs, HD digital cameras, travel and accommodation.

Renovations and loans were recurrent in the year's community benefit statements — a \$699,490 renovation for Steeples in Mornington and \$742,135 in loans for Box Hill Golf Club.

City of Monash Mayor and Enough Pokies campaigner Geoff Lake called the community benefit scheme a "complete sham".

"These clubs are laughing all the way to the bank as they manage to simultaneously rip off Victorian taxpayers and problem gamblers," he said.

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City of Monash Mayor and Enough Pokies campaigner Geoff Lake called the community benefit scheme a "complete sham."

Whittlesea community says Enough Pokies

The second in our series of Enough Pokies community forums was held at the City of Whittlesea on November 19.

More than 60 community members and government representatives heard from a panel hosted by new City of Whittlesea Mayor Ricky Kirkham.

The very active Whittlesea Interagency Taskforce on Gambling participated in a very informed debate that demonstrated the passion in the community and within Council for better policies in the gambling space.

The panel featured Cr Sam Alessi and Cr Mary Laliros from the City of Whittlesea, as well as panel regulars Dr Charles Livingstone, Cr Bill McArthur (MAV), and Major Brad Halse of the Salvation Army.



Images

Left: City of Whittlesea's Cr Mary Laliros, Mayor Ricky Kirkham, and Cr Sam Alessi

Top right: The panel waiting to begin

Lower right: Dr Charles Livingstone and Major Brad Halse listen to questions from the community

Main image

City of Whittlesea Mayor Ricky Kirkham outlines the issues Whittlesea faces

