

# **A Well Hidden Issue**

**A Research Project Commissioned by the City of Monash  
into the Impacts of Electronic Gaming Machine Gambling**

*“It's a well-hidden issue, but it invariably comes out when we talk about finances. We say this doesn't add up and then they admit gambling is impacting them.”* Financial Counsellor

## **Summary of Findings**

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*This report was prepared by Kate Dempsey, summarising quantitative and qualitative research findings provided by Schottler Consulting, Marsh Risk Consulting and the City of Monash Senior Social Researcher.*

## **1. The Aim of the Monash Gambling Research Project**

The aim of the City of Monash gambling research project was to develop an understanding of gambling impacts, behaviours and risk factors within the City of Monash in order to develop a public health strategy for problem gambling in communities within the Local Government Area (LGA). The research was funded through differential rates levied by the City of Monash in 2011.

The objective of the gambling impacts research was to answer the following research questions:

1. What are the impacts of problem gambling in Monash?
2. What are the specific impacts on vulnerable members of the Monash community?
3. What practical health promotion strategies can be developed to prevent harm from problem gambling?

## **2. Why Investigate Impacts of Gambling from EGMs?**

The research project focused on Electronic Gaming Machine (EGM) gambling as this is more highly correlated with harm than any other form of gambling (Productivity Commission, 2010). Understanding the impact of EGMs within Monash is important to Council because the City of Monash has the highest number of EGMs – 990 - per local government area in metropolitan Melbourne (VCGLR, 2012). The EGM expenditure in Monash was over \$122 million dollars in 2011-12 (VCGLR, 2012).

As a Victorian local government area, City of Monash has a legislated responsibility ‘to protect, improve and promote public health and wellbeing within the municipal district’ (Public Health and Wellbeing Act, 2008). As problem gambling is a public health issue, this also includes a responsibility to build the capacity of the Monash community to respond to and minimise problem gambling.

## **3. The Timeframe of the Research Project**

The research project was overseen by a Steering Group comprising four council officers and one community member who has strong experience and expertise in gambling research. The Steering Group was established in October 2012 and developed a tender document, outlining the scope of the project and worked with the consultants to undertake the work. Schottler Consulting was selected to undertake key elements of the work from October 2012 to May 2013. Marsh Risk Consulting investigated the trends of EGM expenditure during May and June 2013. The City of Monash Senior Social Researcher provided executive support to the Steering Group over the course of the research project and supported the work of Schottler Consultants from October 2012 to February 2013.

## **4. Methodology of the Research – What was Studied?**

Both qualitative and quantitative research methods were used to conduct the research. Schottler Consulting was principally concerned with analysing quantitative data sources, Colin Gill of Marsh Risk Consulting analysed the quantum of expenditure on Electronic

Gaming Machines within the City of Monash in recent years, based on data available from the Victorian Commission for Gambling and Liquor Regulation and both the City of Monash Senior Social Researcher and Schottler Consulting worked together to undertake a significant number of interviews and focus group meetings with relevant individuals and groups in Monash and the Eastern region of Melbourne.

#### **4.1 Quantitative Data Collected and Analysed**

- Review of Census 2011 population data to build a demographic profile of the City of Monash
- Review of other Victorian population health studies and related data sets for City of Monash
- Review of EGM expenditure data for City of Monash (including EGM expenditure in each Monash venue)
- Analysis of Monash problem gambling prevalence data from the 2008/09 Victorian Problem Gambling Prevalence Study (A Study of Gambling in Victoria, Hare 2009 Department of Justice Victoria) N=704 respondents
- Analysis of Gambler's Help counselling service presentation data for all Monash postcodes (which provides a demographic profile of people seeking help)
- Analysis of survey data from the 'Monash in 4' community opinion survey conducted by Council (one question explored community views about possible responses to gambling impacts in Monash)
- Analysis of expenditure on Electronic Gaming Machines within the City of Monash in recent years, based on data available from the Victorian Commission for Gambling and Liquor Regulation.
- Commentary and analysis is also provided regarding the impact of changes in the number of EGMs operated at venues, as well as issues impacting the gaming industry within Victoria in recent years.

#### **4.2 Qualitative Data Collected and Analysed**

- Review of gambling literature and problem gambling prevention strategies
- Interviews with key academics in the gambling research field (Monash and Ballarat Universities)
- System mapping of impacts of problem gambling
- Review of Moreland City Council Research Project: *Local Impacts of EGM Gambling in Moreland*.
- Review of Darebin City Council, *Pokie-free places and activities for CALD Communities in Darebin* Project
- Conducted stakeholder consultations with more than 98 community and industry groups.

## **5. Overall Findings**

### **5.1 Amount Spent on EGMs and Number of Gamblers**

The City of Monash has the greatest number (990) of EGMs of any municipal area, except the City of Greater Geelong, which had 1,313 in 2011/2012. The City of Monash had the second highest spend on its machines (\$122 million) after Brimbank, which had \$145 million in that

same year. In terms of total expenditure per annum, Monash ranks third amongst the 70 local government authorities within Victoria that have gaming venues.

Key reasons contributing to the high expenditure within Monash relate to the higher proportion of hotel venues (which generally derive much greater levels of expenditure than clubs) and the substantial experience of the majority of venue operators within Monash.

The current research found that limited change in expenditure has followed the removal of EGMs from venues within Monash in the ‘capped areas’ in 2007. Therefore it does not always follow that fewer numbers of EGMs within Monash will result in lower levels of expenditure.

Except for the Matthew Flinders Taverner in Chadstone, there was no material decline at the other venues that lost EGMs in accordance with regional caps. For example, the Village Green Hotel lost 24 EGMs in the 2008 financial year, however, levels of EGM expenditure of approximately \$14 million per annum have been maintained. EGM expenditure within Monash has been relatively stable since 2006 and the declining trend shown in the data mostly relates to the removal of EGMs from the Matthew Flinders, rather than a general decline impacting all venues. However, there was a material fall in expenditure occurring after June 2012. This fall corresponds with the time ATMs were removed from gaming venues in accordance with State Government regulations. Based on the data collated by Marsh Risk Consulting for this research project, the decline in expenditure was approximately 7% below expenditure in the previous year. With the changes to gaming entitlements<sup>1</sup> (brought in during 2012), this research forecasts that net cash flows derived by venues from EGMs will increase significantly.

*There are (approx)  
42,875 non-gamblers,  
84,654 non-problem  
gamblers, 6,575 low  
risk gamblers, 2,329  
moderate risk gamblers  
and 548 problem  
gamblers in Monash*

## **5.2 Problem Gamblers<sup>2</sup> in the City of Monash**

The nationally accepted definition of ‘problem gambling’ is: *Problem gambling is characterised by difficulties in limiting money and/or time spent on gambling, which leads to adverse consequences for the gambler, others, or for the community* (Neal et al. 2005 cited in Productivity Commission Report, 2010).

Using figures on problem gambling provided by Hare (2009), the current research has found that overall, adults in the City of Monash are about as likely as Victorian adults overall to experience problem gambling. This figure is based on a study of 704 residents of Monash in 2008/09. Hare’s data suggests that the prevalence level of problem gambling on EGMs is 0.4% of the adult population. This is the average figure for Victoria as well as being the figure for the City of Monash.

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<sup>1</sup> The cost of each hotel entitlement within Monash (enabling the holder to operate one EGM) was \$33,350. The cost of each club entitlement within Monash was \$5,500.

<sup>2</sup> The terms ‘problem gambling’ or ‘problem gambler’ were viewed in the consultations as unhelpful as they may increase stigma associated with gambling. This could harm individuals through increasing shame, decreasing help seeking and individualising the problem to personal responsibility only.

While the overall LGA prevalence estimate indicates that problem gambling is - at worst - about the same as Victoria overall, suburb-based analysis suggests that impacts of gambling may be considerably higher than for Victoria overall in a range of Monash suburbs (although small samples naturally imply the need for caution in interpreting findings).

Using Hare’s data in each Monash suburb, and combining those identified as having a moderate risk and those defined as problem gamblers, a different pattern emerges: Wheelers Hill (4.2%) and Clayton (4.1%) are above the average rate for Victoria (where on average 3.1% of gamblers are at moderate risk or are problem gamblers).

Investigating figures for low risk gamblers, impact from gambling may be higher than the Victorian average (5.7%) in

- Wheelers Hill (6.6%)
- Glen Waverley (6%)
- Mulgrave (13.4%) and;
- Chadstone and Oakleigh East (combined) (8.4%)

*Approximately 70% of Monash EGM expenditure is gambled in suburbs with higher concentrations of people from lower socio-economic backgrounds.*

When only gamblers are considered, results suggest that Monash adults may have higher levels of ‘at-risk’ gambling, compared to the overall Victorian population (12.0%) in:

- Mulgrave (16.4%)
- Chadstone/Oakleigh (14.4%)
- Wheelers Hill (13.5%)
- Glen Waverley (12.9%) and;
- Clayton (12.6%).

Clayton, Ashwood and Chadstone were also identified by stakeholders as the suburbs of Monash most impacted by problem gambling.

### **5.3 Who is Most At Risk of Harm from Gambling in Monash?**

Consultation with community stakeholders described the people and groups most at risk of harm from gambling in Monash as:

At Risk Groups	Why They Gamble
People of Asian backgrounds (especially young people)	May gamble due to social isolation, depression or a cultural interest in gambling
International students	May gamble away tuition fees due to loneliness and end up experiencing financial hardship or fail their studies
People from low socio-economic backgrounds	May gamble to raise money for living expenses
Older people experiencing social isolation	May gamble due to loneliness and to socialise with others
Restaurant workers	Often gamble to pass the time during restaurant shift breaks

People with mental health issues/other addictions	Often gamble given the ease of accessing local venues without transport
Trades and manual labour workers (especially shift workers)	Often gamble in venues around industrial areas to get a break after long tiring shifts (also often because nothing else is open)
Young males in football and cricket	Often gamble on sports and combine gambling on pokies with heavy drinking as part of the current youth culture

Young people completed a survey in November 2012, as part of Council’s consultation process to develop the new Monash Youth Action Plan. When asked ‘what are you concerned about’, 16% (33) respondents were concerned about gambling. The top concerns were safety, education, family and money. Six young people chose gambling as the ‘single most important issue affecting young people in 2012’.

#### **5.4 The Impacts of Gambling**

Type of Impact	Evidence
Mental health impacts	<ul style="list-style-type: none"> <li>58% of moderate risk/problem gamblers in Monash were mentally well, compared to 97% of low risk gamblers</li> </ul>
Family disruption	<ul style="list-style-type: none"> <li>36% of moderate risk/problem gamblers in Monash had experienced increased arguments in the past year, compared to 7% of low risk gamblers and only 3% of non-problem gamblers</li> </ul>
Financial Impacts	<ul style="list-style-type: none"> <li>76% of moderate risk/problem gamblers in Monash had bet more than they could afford on gambling, compared to 30% for low risk gamblers;</li> <li>13% of moderate risk/problem gamblers in Monash had borrowed money or sold something to get money to gamble (0% for low risk gamblers) and;</li> <li>48% of moderate risk/problem gamblers in Monash reported that gambling had caused financial problems for their household (compared to only 1% of low risk gamblers).</li> <li>Except for the Mathew Flinders Taverner, the removal of EGMs within Monash in recent years has not resulted in a material decrease in expenditure at venues.</li> <li>There is not a material transfer of expenditure following a decrease of EGMs at a venue, to others located nearby. Following the introduction of a new gaming venue to an area, expenditure at other venues nearby does not always decrease materially.</li> <li>In accordance with recent changes to the gaming regime within Victoria in August 2012, gaming venues will derive a much larger portion of expenditure on EGMs than under the previous system. Whilst venues will incur additional costs, in most instances, net cash flows of venues are expected to be considerably higher.</li> </ul>

## **6. The Human Cost of a Well Hidden Issue**

This section of the research summary highlights the human cost of the impact of gambling in the City of Monash and is derived mainly from the interviews, forums and focus groups conducted as part of the project.

By end December 2012, 98 consultations have been conducted, involving over 250 individuals, through focus groups and meetings. All levels of the community were consulted including: individual community members, community organisations, churches, service providers, material aid services, state welfare, State Government departments, and representatives from the Responsible Gambling Foundation, Gamblers Help and Council. Gaming venues and Industry representatives were consulted independently by Schottler Consulting.

Industry stakeholders were very supportive of Monash Council playing a role in the response to problem gambling, however, only in activities supporting the work of other programs in problem gambling prevention (Council needs to avoid reinventing the wheel). Industry stakeholders were also looking for greater recognition of the role of the industry in providing gambling services in a responsible manner and co-operating with them in their initiatives.

### **6.1 Higher Proportion of Moderate Gamblers**

Key findings of the research clearly indicate that moderate risk/problem gambling is adversely impacting some suburbs in the City of Monash. Findings suggest that moderate risk/problem gambling may be higher in the suburbs of Clayton and Wheelers Hill. Community stakeholders also reported that Clayton, Ashwood and Chadstone are the suburbs of Monash most impacted by problem gambling. With 22% of the Clayton community speaking Mandarin or Cantonese, this also highlights the very high percentage of Asian people (particularly Chinese) within the community (especially given that 23% of moderate risk/problem gamblers spoke Mandarin/Cantonese). The higher prevalence of problem gambling in many CALD communities is well established in problem gambling literature.

*“It’s not just about losing money, it’s about losing life and the impact on the family” – CALD woman*

*“People on pensions don’t have enough money for retirement or a holiday they don’t have a choice to get money except to risk it” – Older adults focus group*

Wheelers Hill is a relatively affluent suburb of the City of Monash, but stakeholders indicated it has a higher share of older people than other suburbs, perhaps suffering social isolation. These results suggest that data on impact needs to be collected on a suburb-by-suburb basis.

### **6.2 Higher Prevalence of At Risk Gambling in Poorer Suburbs**

This research suggests that gamblers in Monash are engaging in gambling in the hope of winning extra money to assist with finances. Interestingly, this was also frequently reported by several Monash community service organisations that felt that many members of the Monash community were socially reliant on gambling for leisure and recreation and gambled for financial reasons.

### 6.3 Co-morbidities of Gambling

*“When we were running the family violence group down there, a lot of that violence was because of gambling” – Community service provider*

Risk from gambling can occur in tandem with other issues: these can be social isolation, mental health problems, alcohol or drug abuse and poverty. The high stigma associated with problem gambling, along with limited skills for assessing gambling as a co-morbidity, present a barrier to professionals screening for problem gambling. Accordingly, there is potential for improved awareness of

problem gambling among health and welfare professionals in Monash (especially screening and referral approaches). Clayton, Chadstone, Oakleigh and Ashwood are reported to be more vulnerable communities in Monash which are relatively more affected by problem gambling, than other Monash suburbs such as Glen Waverley.

The consultations could not determine if gambling was the cause or effect of co-morbidities. For example, excessive gambling could cause domestic violence, or domestic violence could cause a need for gambling as an escape. Nevertheless, the Monash study (and that of Moreland) showed the complexity of dealing with multiple factors in gambling harm.

*At-risk problem gamblers showed higher levels of pain, needing medical treatment, negative feelings, tobacco and marijuana use or financial difficulties.*  
Moreland Study

### 6.4 Data is Difficult to Find

Consideration needs to be given to the many practicalities around accessing formal data sources for problem gambling. For instance, due to problem gambling stigma, it is common that problem gambling may not always be adequately captured in bankruptcy reporting, nor recorded by police in criminal investigations. Senior police officers from the Monash Crime Prevention Unit reported that problem gambling is not recorded in Crime Antecedent forms and thus is unlikely to be available for ‘academic analysis’. The process of undertaking a community based impact analysis (such as the research by the City of Monash) shows the many challenges faced by local governments more generally in collecting information on problem gambling impacts. The stigmatised nature of problem gambling suggests potential difficulty for many health and welfare services in assessing problem gambling in their client base. The data available at the local government area level can mask problems occurring at a suburb level. Currently the VCGLR Economic and Social Impact Assessment form makes several requests for information, which could be very difficult, if not virtually impossible for a Council to reliably obtain, without a very significant or costly research process.

### 6.5 Services See the Tip of the Iceberg

Overall rates of help seeking for problem gambling in Monash showed that use of counselling services was low overall. Only 5% of moderate risk/problem gamblers sought help during July 2011-June 2012, compared to 9% across Victoria. In addition, suburbs of actual help seekers did not align well to areas of risk identified, implying that help seeking needs to be better targeted to communities in need. Findings highlighted a need to design and deliver problem gambling awareness and prevention campaigns across Monash and particularly in the suburbs of Clayton and Wheelers Hill. The Monash

*“It’s the last thing they’ll admit to. They’ll admit domestic violence before gambling” – Material Aid Service*

consultations determined that CALD (Culturally and Linguistically Diverse) communities often deal with gambling issues within their family or community, rather than seeking professional gambling help. This was similar in a City of Darebin study, where CALD communities stated they would communicate with extended family, religious leaders and sometimes with professionals who speak their language. Help seeking outside of the family was reported by Darebin to occur only when the situation had reached crisis.

It was expected that service providers would have quantitative information about the number of people at their service who were harmed by gambling. Unfortunately they were unable to enumerate the effects of problem gambling. There is low awareness of the impacts of problem gambling in many health and welfare professionals working in Monash – Most do not screen for problem gambling and have limited experience in 'looking out' for problem gambling signs in clients.

*“Disclosure is the  
biggest barrier  
really” Church*

## **7. Conclusions of the Research**

Analysis of consultation data shows that many in the community believe strengthening partnerships, advocacy, building community capacity and resilience are important roles for local government. In relation to harm from gambling, the research has shown that:

- 1.** The current gambling assistance in Monash appears to be inadequate to meet the needs of the multicultural community. For example, the Chinese Gamblers Help service is located outside the municipality in Box Hill.
- 2.** Stigma is a real concern, especially as people present to services with a ‘more acceptable reason’ and welfare and community services that may be supporting help seeking for gambling harm (such as churches, CALD groups or community organisations), are not funded or skilled specifically to respond to gambling harm.
- 3.** The impact on the community should also be defined at a community level, not just as an aggregate of individuals with problems. Similarly, quantitative data is required both at the aggregate level and also at small area level (suburbs) to make evident the size of the issues.
- 4.** The difficulty in determining objective measurable evidence for the commission was noted in this research.

In relation to ways that Council may be able to assist, the research suggests:

- Developing and implementing a program to raise professional awareness of problem gambling impacts and the role of problem gambling in health and wellbeing disorders in Monash
- Working with internal business units of Council, together with the Victorian Responsible Gambling Foundation, to implement materials across the Monash community to raise awareness of problem gambling signs and the need to seek help (particularly in Asian communities residing in Monash)
- Developing and implementing health promotion strategies to respond to at-risk gambling behaviour in each of the identified risk segments
- Reviewing Council policy and planning documents to identify the potential to incorporate strategies to respond to problem gambling
- Working together with the Victorian Responsible Gambling Foundation to respond to problem gambling and problem gambling risk factors in Monash.

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