8.3 MAV NOTICE OF MOTION - REDUCING INEQUITIES AROUND PROBLEM GAMBLING

Submitting Councillor: Mayor Cr. Perri

NOTICE OF MOTION

That Council endorses the submission of the following motion to MAV State Council Annual Meeting on 17 May 2012:

As a result of the higher densities of Electronic Gaming Machines (EGMs) being located in vulnerable communities in Victoria, the MAV undertakes systemic advocacy that:

(1) Requires decision-makers to consider the impact of increasing densities of EGMs in vulnerable communities at the local level or Census Collector District level;

(2) Community benefits be genuine (i.e to benefit those at most risk of harm from EGM gambling) and requires the applicant to prove that there is positive community benefit if increasing the number of EGMs (as opposed to the current ‘will not be detrimental’ test);

(3) Ensures that decision makers will not increase the number of EGMs in communities with below average SEIFA scores when the EGM density is currently above or will become above the state average.

BACKGROUND

In 2010/11 Monash hosted the highest number of EGMs per LGA in metropolitan Melbourne and the third highest expenditure in Victoria ($122 million). The spread of EGMs and venues across the City of Monash is disproportionately weighted towards Monash’s vulnerable suburbs, including Clayton, Oakleigh, Mulgrave and Ashwood. These are identified as ‘Monash A’ under the State Government regional caps. There are 11.42 EGMs per 1000 adult population currently in the Monash A: capped region. Furthermore, 76% of EGM expenditure lost in Monash is lost in this capped region.

The purpose of this report is to seek Council’s endorsement of a Motion to the MAV State Council Meeting on 17 May 2012. The deadline for the receipt of motions was 19 April 2012.

DISCUSSION

The following discussions elaborate on the three advocacy points in the MAV Notion of Motion:
Requires decision-makers to consider the impact of increasing densities of EGMs in vulnerable communities at the local level or Census Collector District level;

The need to reduce harm from EGMs in disadvantaged communities is directly related to Councils’ responsibilities under the Public Health and Wellbeing Act 2008, “to seek to protect improve and promote public health and wellbeing within the municipal district.” While EGMs are a legal form of entertainment, they are also developed to maximise profits and have features that can condition people into behaviour not in their own interests (Productivity Commission Report, 2010). The inequitable distribution of EGMs toward areas of disadvantage, increases the risk of harm to those who can least afford the burden. This includes consequences of gambling impacting on costs of daily life (e.g. food insecurity or children not being able to go with their friends to school activities etc) to problem gambling. Research shows that 40% of EGM expenditure is from problem gamblers (Productivity Commission Report, 2010). EGM problem gambling has been linked to an increase in crime, domestic violence and suicide with 1 in 5 suicides linked to problem gambling (Gerstein et al. 1999 cited in Reith, 2006; Wheeler, Round & Wilson, 2010; Hagan, 2010). Communities that already have high rates of crime, food insecurity, and low levels of English are especially vulnerable to harm from EGMs.

Community benefits be genuine (i.e. to benefit those at most risk of harm from EGM gambling) and requires the applicant to prove that there is positive community benefit if increasing the number of EGMs (as opposed to the current ‘will not be detrimental’ test);

There are two means for the EGM industry to prove community benefit and for which there are respective issues:

i. The Victorian Commission for Gambling and Liquor Regulation (VCGLR) process currently requires the applicant requesting an increase or transfer of EGMs to prove ‘no net detriment’ to the community:

- This does not ensure a positive benefit to the community.
- The VCGLR process allows the respective LGA to put forward the level of disadvantage within the Social Economic impact Assessment. However, much of the quantifiable data required by the VCGLR around disadvantaged communities is not available at a local level or is not academically rigorous. Furthermore, values are used to weigh the benefits and detriments, for example new hotel facilities are weighted against the health and wellbeing of community members in an already disadvantaged area.
- The community must invest huge amounts of resources and finances to be represented equally alongside the applicant at a VCGLR hearing.
ii. The Community Benefit Scheme for Clubs, whereby Clubs must prove contribution to the community in return for being exempt from the 8.33% tax hotels pay to the Community Support Fund (i.e. State Government):

- The benefit from this is questionable as the majority of benefit is claimed under ‘Class B’ which includes, for example, business operating costs such as Salaries & Wages Gaming/Bar Overheads, Travel expenses, General Expenses. This benefit to the community existed when clubs were small community organisations, but most are now large organisations operating as successful businesses.
- More of the benefits should be directed to ‘Class A’ which are direct benefits to the community such as: donations, sponsorships, sporting activities, support and services provided by RSL to ex-service personnel.
- ‘Class C’ expenses include auditing expenses and the provision of responsible gambling measures, excluding those required by law. In 2010/11, no clubs in Monash claimed benefit for provision of responsible gambling measures (VCGLR, 2012).
- These benefits funded from EGM expenditure, do not currently ensure the money is being used to benefit those community members most at risk of harm from EGMs or to reduce harm from EGMs.

The EGM industry should be expected to prove genuine benefits to the community, especially to those at most risk of problem gambling and the flow on effects.

Ensures that decision makers will not increase the number of EGMs in communities with below average SEIFA scores where the EGM density is currently above or will become above the state average.

The correlation between high density of EGMs and low SEIFA ranking communities is occurring state-wide. The average density of EGMs in the most disadvantaged four metropolitan localities (using the SEIFA index of relative social-economic disadvantage) was 7.3 machines per 1000 adults, compared to 2.8 in the wealthier localities.¹ This inequitable distribution of EGMs toward areas of disadvantage, increases the risk of harm associated with problem gambling, to those who can least afford the burden.

CONCLUSION

This MAV Notice of Motion will create a collaborative approach to working within a complex system of interests and profits, to generate the best outcome for the health and wellbeing of local Victorian communities. Local Government has a priority to achieve the best outcomes for the community having regard to the long term and cumulative effects of decisions (Local Government Act 1989, Part 1A, 3C Objectives of a Council). For this to occur, Local Government needs to work in partnerships across the State.
Notice of Motion: MAV State Council Meeting 17 May 2012

MOTION
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(1) Requires decision-makers to consider the impact of increasing densities of EGMs in vulnerable communities at the local level or Census Collector District level;

(2) Community benefits be genuine (i.e. to benefit those at most risk of harm from EGM gambling) and requires the applicant to prove that there is positive community benefit if increasing the number of EGMs (as opposed to the current ‘will not be detrimental’ test);

(3) Ensures that decision makers will not increase the number of EGMs in communities with below average SEIFA scores where the EGM density is currently above or will become above the state average.

RATIONALE
In 2010/11 Monash hosted 1000 EGMs, the highest number per LGA in metropolitan Melbourne. The Monash community lost $122 million on these machines in 2010/11 – the third highest amount in Victoria. In 2010/11, Monash had an EGM density of 6.97 EGMs per 1000 adults, compared to the state average of 6.19 and the Melbourne metro average of 6.06. More concerning is the fact that the spread of EGMs and venues spread across Monash is disproportionately weighted towards the most vulnerable suburbs (ranked by SEIFA index) including: Clayton, Oakleigh, Mulgrave and Ashwood. The disadvantage in these suburbs has been identified by both Local and State Governments, and have been defined as ‘Monash A’ under the State Government regional caps. There are 11.42 EGMs per 1000 adult population currently in the Monash A: capped region. Furthermore, 76% of EGM expenditure lost in Monash, is lost in this capped region. This phenomenon is occurring state-wide with the average density of EGMs in the most disadvantaged four metropolitan localities (using the SEIFA index of relative social-economic disadvantage) being 7.3 machines per 1000 adults, compared to 2.8 in the wealthier localities.1 This inequitable distribution of EGMs toward areas of disadvantage, increases the risk of harm associated with problem gambling, to those who can least afford the burden. Currently the industry and regulatory body are both undergoing much change. However, with these changes and momentum towards recognising the impacts of problem gambling, the harmful environment of high density EGMs in disadvantaged areas continues to increase. EGMs are located to increase business revenue, in turn increasing the taxes received by the State Government. Local Government does not have a conflict of interest through receiving gambling taxes, therefore, can advocate on behalf of the community for systemic change. The need to reduce harm from EGMs in disadvantaged communities is
directly related to Councils’ responsibilities under the Public Health and Wellbeing Act 2008, “to seek to protect, improve and promote public health and wellbeing within the municipal district.”

The EGM industry should be expected to prove genuine benefits to the community, especially to those at most risk of minor through to severe impacts of problem gambling.