

Our File: HCC05/437-05
Enquiries: Kristine Mueller
Telephone: 9205 2463



1079 PASCOE VALE ROAD
BROADMEADOWS
VICTORIA 3047

Postal Address:
PO BOX 119
DALLAS 3047

Telephone: 03 9205 2200
Facsimile: 03 9309 0109
www.hume.vic.gov.au

Wednesday 18 March 2009

Ms Roberta Bausch
Administrative Matters
Gambling Inquiry
Productivity Commission
GPO Box 1428
Canberra City
ACT 2601

Dear Ms Bausch

RE: HUME CITY COUNCIL SUBMISSION TO THE PRODUCTIVITY COMMISSION

Hume City Council welcomes the opportunity to be able to contribute towards the Productivity Commission's Inquiry into Gambling in Australia. The report produced by the Productivity Commission in 1999 became a critical reference document in regards to gaming related matters.

Council's submission concentrates on the gaming activities based on electronic gaming machines and focuses on those matters on which Council has knowledge and experience in regards to the gaming industry.

The attached document entitled: *Strategic Reference Document for Gaming in Hume City (Attachment 1)* was adopted in 2008 for the purposes of informing Council's local planning policy on gaming (Report CN315). This *Strategic Reference Document* contains information which is relevant to the terms of reference of the Productivity Commission and the concerns raised in the *Issues Paper*. A schedule of gaming related matters has been compiled for the Commission, together with its relevant reference points within the *Strategic Reference Document*, collectively acting as Council's submission to the Commission (**Attachment 2**).

Council also provides a list of potentially relevant submissions (**Attachment 3**), which it has prepared for the Victorian Department of Justice and the Victorian Commission for Gambling Regulation (VCGR). These documents can be made available to the Commission upon request.

Council looks forward to the Commission's draft report and avails itself to provide evidence on its submission at the Public hearings later this year. If you have any questions regarding the above matters, please do not hesitate to contact me on 9205 2437.

Yours sincerely

A handwritten signature in cursive script that reads 'Denise Shearer'.

**DENISE SHEARER
MANAGER SOCIAL DEVELOPMENT**

ATTACHMENT 2

Hume City Council welcomes the opportunity to submit comments to the Gambling Inquiry by the Australian Government Productivity Commission.

Council's submission is based on a schedule of gaming related matters which was compiled (together with the relevant reference points) from a document entitled *Strategic Reference Document for Gaming in Hume City (Attachment 1)*, that was prepared in 2007 for the purposes of informing Council's local planning policy on gaming. The gaming related matters respond to the Commission's Terms of Reference and the issues raised *Productivity Commission Issue Paper: Gambling* released in December 2008.

Commission's Terms of Reference: <i>The social impacts of the gambling industries, the incidence of gambling abuse, the cost and nature of welfare support services of government and non-government organisations necessary to address it</i>	
Gaming related matter extracted from Strategic Reference Document relevant to the Inquiry:	Page reference
Gaming expenditure from EGMs in Victoria and metropolitan Melbourne increased rapidly in relation to other forms of gambling, with 56% of all gambling revenue coming from EGMs in 2005	30-31
Increasing trends in gaming expenditure in Hume City, which has been consistently higher than Victorian growth (at times 3 fold such as in 1994-95)	38-39
According to YourPlace data in 2001, Hume City residents were spending more of their weekly household incomes on gambling than the State average. It is also evident that Hume's household spending on gaming was higher than spending on education, health and leisure- averaging \$50.77 per week on gaming and \$14.20 on health.	39
Key social and economic associated with gaming, including:	
<ul style="list-style-type: none"> Research identified that early disengagement from school has been attributed to adolescent participation in health risk and antisocial behaviours, and that there are substantial associations between under-age gambling and engagement in antisocial behaviours. (Department of Justice, 2006) 	53
<ul style="list-style-type: none"> There is also increasing recognition that gaming should be viewed as a public health issue. In the State Government's strategy '<i>Taking action on problem gambling- a strategy for combating problem gambling in Victoria, 2006</i>' it is acknowledged that problem gamblers often have other health or lifestyle problems. 	53
<ul style="list-style-type: none"> Location of gaming venues has been identified to correlate to the level of problem gambling. People who gamble at accessible venues (through co-location with other everyday activities where people congregate) are more likely to have higher expenditure, gamble more regularly and play for longer periods of time (ANU, 2004). 	53
Possible social impacts from gaming (including consumption patterns correlate to higher levels of disadvantage, those in close proximity to gaming more regular gamblers, and lack of information on gaming product and in turn lower levels of consumer protection)	12 of attachment
Possible health impacts from gaming (including higher levels of anxiety, depression and suicide, higher levels of substance abuse, public health issue, reduce household income impacts on health)	13 of attachment
Possible economic impacts from gaming (including individual debt and leakage from local economy, loss of trade from other entertainment venues)	14 of attachment

<p>Comments from health and wellbeing service providers in regards to the Gambling Planning Framework consultation sessions:</p> <ul style="list-style-type: none"> • Triggers related to problem gaming including mental health, time of significant life change e.g.- retirement, loss of family member • Problem gambling services within the region are currently stretched and are not located in the most appropriate locations • Majority of problem gambling services that serve Hume are located in City of Moreland which are difficult to access for many residents, particularly those who use public transport • Connections between mental health and problem gambling; different cultural groups and problem gambling • There is a need for more community infrastructure within Hume 	3 of attachment
---	-----------------

<p>Commission's Terms of Reference: <i>The contribution of gambling revenue on community development activity and employment</i></p>	
<p>Gaming related matter extracted from Strategic Reference Document relevant to the Inquiry:</p>	<p>Page reference</p>
<p>Hume City attains lower 'Community Benefit' than the metropolitan Melbourne and Victorian average, for example in 2005/06 clubs within Hume City contributed 5.1% of <i>community benefit statement</i> expenditure to the direct community benefit.¹ This contribution was below the Melbourne metropolitan average of 12.4% and the State wide average of 11.5%.</p>	39-40
<p>Hume City attains low levels of return to the community from gaming demonstrated through reports from Community Support Fund and Community Benefit Statements.</p>	15 of attachment
<p>Given the dual planning permit and gaming license approval system that now operates in Victoria, it is appropriate that councils also consider issues of net community benefit to ensure both sides of any socio-economic assessment are examined.</p>	67

<p>Commission's Terms of Reference: <i>The participation profile of gambling, including problem gamblers and those at risk of problem gambling</i></p>	
<p>Gaming related matter extracted from Strategic Reference Document relevant to the Inquiry:</p>	<p>Page reference</p>
<p>High concentration of EGMs found in areas where residents are vulnerable to harm from gaming (including residents with higher levels of disadvantage, higher unemployment, lower proficiency in English, high mortgage repayments)</p>	52, 59, 61 and 64
<p>There are some states within Australia which have introduced legislation that prohibits against venues being located within close proximity to 'gambling sensitive areas', such as community facilities, banks, churches, problem gambling service providers and pawn shops. The Victorian government does not have such system in place.</p>	53-54
<p>Gaming machines should be accessible (because it is a legitimate activity) but not be convenient</p>	60 - 63

¹ Categories include: Category 2- Gifts of funds, Category 3- Sponsorships, Category 4 – Gifts of goods to the community Category 5- Voluntary services provided to the community, Category 6-Volunteer Expenses.

2003 Victorian Longitudinal Community Attitudes Survey found that more than 57% of EGM gamblers travelled less than 5km to the last venue where they played machines, 32.3% travelling less than 2.5 kilometres - accessibility is a major contributing factor to gaming consumption.	65
Why people use EGMs as a form of gambling: <ul style="list-style-type: none"> • Social contact in a non-confrontational environmental • A social environment that allows for privacy and non-participation in organised activity • Affordable food and beverages provided in many of the venues • Accessibility by location and opening hours • Personal security (New Focus Research 2005). 	10 of attachment
Issues of gambling underpinned by gender and ethnicity, including social isolation	10 and 11 of attachment

Commission's Terms of Reference:

The effects of the regulatory structures – including licensing arrangements, entry and advertising restrictions, application of the mutuality principle and differing taxation arrangements – governing the gambling industries, including the implications of differing approaches for industry development and consumers

Gaming related matter extracted from Strategic Reference Document relevant to the Inquiry:	Page reference
Partial Regional Gaming Cap introduced into Hume City with 32 EMGs removed in December 2007 (expenditure in 2008/09 still higher than 2007/2008 minus the affected 32 machines in the capped area and a gain of 5EGMs in Sunbury).	34 - 35
Decrease gaming expenditure due to the implementation of smoking bans in gaming venues in 2001/2002	31
Due to widespread community discontent with the Community Benefit Statement system, a review of the system was initiated in 2007 by the Office of Gaming and Racing. Among the recommendations made was that hotels no longer submit a Community Benefit Statement in light of their contributions to the Community Support Fund.	40
Precautionary approach needed in the establishment of EGMs in growth areas and should not occur in an unconstrained manner, namely that gaming machine numbers are not excessive in newly establishing communities. This will mean that a growth area is not saturated with EGMs in its early years.	66
Need for greater fairness and transparency in gaming industry, including access to information and data – underpinning the Victorian Governments gaming objective of <i>ensuring that the legitimate financial benefits [and costs should be included as well] of gambling are transparent appropriately recognisable and fairly distributed to the Victorian community.</i> Thus as part of Council's draft planning permit requirements was included, among other things:	17
<ul style="list-style-type: none"> • Details of the nature and extent of community benefits expected from the proposal and how the benefits are to be secured and distributed to the local community (community benefits derived from existing contractual agreements that the applicant is obliged to undertake are to be detailed separately). 	73
<ul style="list-style-type: none"> • Details of existing gaming expenditure at the venue (over a 3 year period prior to the application) and a 12 month forecast of the anticipated expenditure at the venue if the proposal was to be approved. 	73

Commission's Terms of Reference: <i>The effectiveness of the measures used by state and territory governments</i>	
Gaming related matter extracted from Strategic Reference Document relevant to the Inquiry:	Page reference
Higher concentration of EGMs tend to occur in and near areas of disadvantage	36 - 37
Need for fair and equitable share of machines within the metropolitan Melbourne	71
Local Government has new responsibility in location of gaming machines through planning permit system (in addition to having to submit a Social and Economic Impact Assessment to the VCGR on applications for new venues or increases in gaming machines at venues).	6 and 8 of the attachment

<i>Other matters for consideration by the Commission</i>	
Gaming related matter extracted from Strategic Reference Document relevant to the Inquiry:	Page reference
Need for alternative social facilities to clubs and hotels with gaming machines	61, 64-65, 66
Low access to supporting health and wellbeing services in the growth areas of Interface Councils (communities at risk of not receiving the necessary problem gaming support when required which can be exacerbated by housing stress of which Hume has a higher percentage of residents in housing stress than metropolitan Melbourne)	50-51 and 44
Gaming should not be the primary use in a social facility	68
Higher losses generally generated from Hotels than Clubs (approximately twice)	14 of attachment

ATTACHMENT 3

Council also provides a list of potentially relevant submissions, which it has prepared for the Victorian Department of Justice and the Victorian Commission for Gambling Regulation (VCGR) since 2000. These documents can be made available to the Commission upon request.

- *Council Responsible Gaming Policy (2001)*
- *Council Conducted, in partnership with Gamblers Help, an Early Intervention Problem Gambling Project to develop bi-lingual self help material (December 2002)*
- *Hume City Council Submission on the Social and Economic Impact Assessment on the following Gaming Venue Applications and their subsequent Public Hearings:*
 - *Roxburgh Park Hotel (submission on 2000)*
 - *The Meadows (January 2001)*
 - *Craigieburn Sporting Club (July 2001)*
 - *Roxburgh Park Hotel (May 2002)*
 - *Meadow Inn Hotel (February 2005)*
 - *Craigieburn Sporting Club (September 2005)*
 - *Olive Tree Hotel (December 2006)*
- *Hume City Council Submission to the Regional Electronic Gaming Machine Caps Review Panel (August 2005)*
- *Supplementary Information from Hume City Council to the Regional Electronic Gaming Machine (Egm) Caps Review Panel (August 2005)*
- *Hume City Council Submission to the Review of Gaming Machines Licence Arrangements Post 2012 (May 2006)*
- *Hume City Council Submission to the Legislative Council's Inquiry into Gaming Licensing in Victoria (May 2007)*
- *Hume City Council Comments on Proposed Changes to the Process For Consideration Of Gaming Applications – Changes to Key Data Subsequent to Lodgement (May 2007)*
- *Hume City Council Submission on Community Benefit Statements (June 2007)*
- *Hume City Council Comments on Proposed Changes to the Process for Consideration Of Gaming Applications – Notification Of Surrounding Municipalities (June 2007)*
- *Hume City Council Comments on the Review of the Gaming Machine Approval Process (July 2007)*
- *Hume City Council Comments on Proposed Responsible Gambling Codes Of Conduct And Self-Exclusion Programs (June 2008)*
- *Hume City Council Comments on the Gaming Review's Competitive Bidding Process (July 2008)*
- *Hume City Comments on The Exposure Draft Bill 2009 (January 2009)*