

Contact: Susan Gibbeson

Your Ref:

24 March 2009

Gambling Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Sir/Madam

SUBMISSION TO GAMBLING INQUIRY 2009

Background and Overview - Fairfield City

Fairfield local government area (LGA) is located in the south western area of the Sydney metropolitan region and covers approximately 104 square kilometres with 27 suburbs. It has approximately 179,000 residents. Of these residents, over half (55.6%) are born overseas, and of these, 95% are from Non English Speaking Countries. Statistics show that in the 2004-2008 period, Fairfield LGA had the highest intake of family migration and people arriving on Humanitarian Visas of any area in Australia. Fairfield is also one of the most culturally diverse areas in the nation with the highest number and proportion of people speaking languages other than English (72%). There is no expectation of any significant increase in population in the next twenty years, as part of the Metropolitan Plan, although there is an expected increase in the number of dwellings which will be required due to the ageing of the population.

Fairfield has a high level of economic disadvantage compared to the rest of Sydney and Australia. Fairfield is formally ranked as an area of high disadvantage by the Australian Bureau of Statistics. The 2006 SEIFA Index of Relative Social-economic Disadvantage shows a score of 876 for Fairfield local government area. A score of 1000 is considered average. Only two other areas in NSW had a lower SEIFA index and these were in non metropolitan areas.

In 2008, the unemployment rate for the general population was 10.1% which was double the national average. The unemployment rate for people aged 15 -24 years was 25%. The percentage of jobless families with children younger than 15 years is 28.9% compared to the Sydney rate of 15.6%. It is expected that given the current economic environment, these statistics would have worsened and will continue to deteriorate. Newcastle University released research in March 2009 identifying 'employment vulnerability' during the current economic downturn. This research ranks suburbs in the Fairfield LGA as 'high risk' of vulnerability for high unemployment.

The 2006 census shows that the median weekly income in Fairfield LGA is \$873 compared to the national average of \$1027. Of concern is the longitudinal data which shows that the gap between income levels in Fairfield and the national average has been steadily widening for a number of years during the period of economic prosperity. It is likely that the gap will increase more during the current down turn in the economy.

The NSW Casino Liquor and Gaming Authority classified Fairfield local government area as a 'Band 3' area in the amendments to the gambling regulations and legislation released in January 2009. Band 3 Councils, rank in the top 25 percent of metropolitan councils, and are characterised as having high numbers of gaming machines, high gaming machine expenditure or a low index of relative socio-economic disadvantage. Requests for any increase in gaming machines by any operator within these LGA's must demonstrate that these increased machines will result in "an overall positive impact on the local community." Applications for increases in the numbers of poker machines by operators located in LGA's classified as Band 1 only have this requirement if a request is for more than 40 machines and Band 2 Councils must demonstrate benefit to this level when requesting increases of more than 20 machines.

Fairfield has a significant number of community organisations to address the social needs and support the community. A 'Problem Gambling Centre' was established in Fairfield in 2005 by the Salvation Army with initial support from a local club to support local problem gamblers.

Population growth and the role of clubs in building social capacity.

The population of Fairfield underwent a rapid and significant population expansion during the 20th century. The population increased from 2,500 in the 1900's to 38,000 in the 1950's. By 1979 the population had increased to 120,000 people. This increase was a result of post war planned migration, followed by waves of humanitarian arrivals.

The expansion of housing to accommodate the increasing population was not accompanied by investment in social infrastructure necessary to encourage social interaction or community activities. Clubs were established throughout western Sydney generally, as local communities created organisations and facilities that could organise sport and provide 'family friendly' places for socialisation and support when necessary. Clubs continue to fulfil this role.

Due to the lack of social support from government, a number of clubs grew to keep pace with the increasing demand for services and facilities from their constituent communities. Gambling provided an income stream to the clubs to finance the needs of the community.

Funding for community activities, projects and sporting activities through CDSE

Clubs clearly have played a critical role in the development of the area and the provision of community infrastructure for their members in particular. In some instances funding has been provided to activities outside of the local community and funding has also provided to public institutions such as schools. Clubs primarily provide funding for organisations, programs and activities that otherwise would not have support from the private or public sectors. Therefore, they assist in filling a gap in social support and leisure activities for their members, and with the introduction of CDSE, a broader constituency.

The amount of funding provided from clubs through the CDSE program in Fairfield has increased in the past six years. This level of financial support is a significant amount of money to be raised locally, within a community which has such low levels of income and high levels of social disadvantage.

In 2001, the amount of funding provided for community support through CDSE in the Fairfield LGA was \$997,269.72. In six years this increased by approximately \$478,500 in 2007 to be \$1,475,895.23. It is estimated that in 2008/9 the amount available to CDSE will be \$1,784,628 or an increase of \$308,733 in a one year period. This shows a sharp increase in the level of gaming undertaken in a one year period in Fairfield.

Then estimated \$1,784,628 available in CDSE funding in 2008/9 in Fairfield is the highest level of CDSE funds available in any NSW Local government area. This can only mean that Fairfield residents are spending significantly more on gambling in clubs than people in any other LGA. The LGA with the next highest level of funds available is Bankstown with \$878,602 estimated. Another neighbouring area, Blacktown LGA follows with \$839,582 expected to be available. Both of these LGA's also score poorly on the SEIFA index. On these figures, funding to the Fairfield CDSE program is more than double any other LGA. Conversely, Leichhardt local government area has a SEIFA score of 1082.8. It is also similar to Fairfield in its cultural diversity, however, the estimated funds available through CDSE is estimated to be \$68,685 in 2008/9. Fairfield will have approximately 26 times the amount of funding for CDSE than will Leichhardt.

The low level of incomes in the Fairfield LGA along with the amount of funding available through the CDSE program indicates that Fairfield residents are spending a much higher percentage of their income on gambling than is expended in other LGA's. Areas with higher SEIFA scores are more likely to be able to attract sponsorship from private companies to support sporting groups and community activities rather than relying on gambling.

The historical role of clubs makes them well placed to provide support and assistance to groups which are connected to their constituency. Clubs have ongoing pressure to support the local community and support can only be provided if funds

are available to the clubs. The necessity of gambling to support community activity by the clubs, results from the lack of funds from other sources such as public funds or private sponsorship. The fact that gambling revenue is raised from the incomes of the local residents provides a double edge sword.

Relative capacity to increase funding for community support.

In Fairfield, funding for the community from gambling represents the major funding source in the area. LGA's with higher SEIFA scores have a higher possibility of sponsorship from private firms to provide an alternate funding stream to support the community. Additionally, in most other LGA's a higher level of individual resources exists and this results in less need for support generally.

A more equitable approach to community support and community benefit in the Fairfield context would be for specific and additional income to be made available to community and sporting groups to encourage active, healthy and culturally appropriate leisure activities and undertake community development initiatives. Increased public funds, or funds redirected from CDSE schemes in areas of wealth rather than being reliant on increasing contributions from a community which is already struggling would enable gaming to be a recreation option rather than a funding source.

Regulations and access to data relating to electronic gaming machines

The NSW Office of Liquor, Gaming and Racing has introduced a new regulatory regime and legislative changes in 2009. This process requires local government to be notified of applications for any increase in gaming machines. This is similar to the process now in place for liquor licence applications. In each case, local government can comment and provide advice relating to the specific local context in which assessment of applications should be undertaken.

The liquor licensing section of the Office of Liquor, Gaming and Racing (OLGR) has recently released a social profile of each LGA, including maps showing hot spots of alcohol related violence to assist local government, the sector and the general community. The Liquor section of the OLGR has also developed tools to assist local government to assess the likely community impact of any new or expanded licences. While improvement could always be made, the level of communication, information and assistance is superior to the current position relating to the new regime to assess applications relating to gambling machines.

Upon application for an increase in gaming machines, the OLGR has undertaken to provide to the applicant a profile with data on a range of items including machine density, expenditure per capita. It is not available to local government on a general basis to assist with social planning or at the time of an application being made unless a fee is paid to the OLGR.

Relevant information and data relating to gambling is helpful in developing strategies and policies which may assist in mitigation of undesirable behaviour or

problem gambling. Access to this data on a longitudinal basis would also be most useful in developing trend information and policy. Provision of information held by the OLGR, free of charge to local government, would at a minimum, provide some assistance to local government and enable local government to provide more informed and better supported advice for the assessment process to be undertaken.

Relationships and cooperation between local government and state and federal governments have generally improved over time and data to assist achieving better outcomes for the community and information relating to social issues and health is increasingly shared. 'Networked Government' has been identified as a method to enhance public policy and to improve efficiency of the public sector. Making information on gambling machines and gambling in general available to all local governments, free of charge, would greatly assist local government and the community.

Some guidance to local government on expectations from the OLGR as well as some tools to assist local government provide appropriate advice would be most welcome and would provide a consistency between applications for liquor licences and gaming machine applications.

Conclusion

Council's Gambling Policy encourages a diversity of leisure activities and acknowledges that gambling is a recreational activity enjoyed by many. Council's policy also aims to mitigate the causes and effects of problem gambling.

History demonstrates that clubs in Fairfield played a critical role in building social capital, connections and support during the growth periods of the LGA. Clubs were established to address the needs of the community that had been left unaddressed and not funded by the government during this population and housing expansion. This approach to development no longer occurs with social planning taking place along side development of new housing.

It is clear that with an estimated \$1.7 million being available to support community projects in the 2008/9 year and a total of \$7,328,555 between 2001 and 2007 through the CDSE fund, that gaming provides a significant level of support to the Fairfield communities and sporting clubs. This level of funding is not forthcoming from any other source and is essential in a community which has such a high level of social disadvantage. It is, however, suggested that this level of income from gaming indicates a high level of gaming within a community that can not afford the level of problem gambling that statistically must exist at this level of participation.

In Fairfield, the clubs have been instrumental in supporting organisations, the community and sporting groups to a very high level and in many cases are the only funding source for these activities. As such, the role of clubs is of great significance, although it is suggested that the reliance on local clubs to raise funds to support the

community through gaming is inequitable in an area that has such a high level of disadvantage.

Please contact Council should you wish to discuss any matter in this submission.

Yours sincerely

Susan Gibbeson

Senior Policy Advisor: Social, Health and Housing