



St. Mark's Emerald

Echo Inc. Youth Ministries

REGISTERED NO: A0015004J

6 November 1998

Commissioners,
Gambling Inquiry,
Productivity Commission,
P.O. Box 80,
BELCONNEN 2616.

Dear Commissioners,

RE: PUBLIC INQUIRY INTO AUSTRALIA'S GAMBLING INDUSTRY:

I write on behalf of the St. Mark's Anglican Church, Emerald and its youth ministry arm, the Emerald Club for Hope and Outreach Incorporated (ECHO Inc).

Currently the Emerald area is gaming free due to strong community opposition and the campaign led by St. Mark's and ECHO.

As part of that campaign both organisations prepared a joint submission to Cardinia Shire of the adverse effects gaming would have on our community. This report has not been updated since March 1997 as the then gaming threat subsided.

A copy of this report was given to the Inter Church Gambling Task and the Anglican Diocese of Melbourne Social Responsibilities Committee. Both groups described this report at the time as the most extensive they had seen on this issue.

On behalf of St. Mark's Anglican Church Emerald, and ECHO, I submit the attached report and commend the Federal Treasurer for commissioning this inquiry.

Yours faithfully,

ALAN ASHMORE
ADMINISTRATOR OF ST. MARK'S AND ECHO.

Att.

JOINT SUBMISSION BY
THE EMERALD CLUB FOR HOPE AND OUTREACH INCORPORATED,
(ECHO)
AND
ST. MARK'S ANGLICAN CHURCH, EMERALD
TO
CARDINIA SHIRE
REGARDING THE EMERALD RSL PROPOSAL FOR A GAMBLING
VENUE

SYNOPSIS

We will advance evidence to show that:

- 1. The communities of the Emerald district are communities that are particularly vulnerable.**
- 2. Increased local access to gambling machines will cause a significant increase in problem gambling.**
- 3. This will in turn cause a downturn in local business, (as it has in Bairnsdale, Benalla, Kyneton, Moe, Morwell, Tatura, etc), and**
- 4. Major social dislocation, and**
- 5. An increase in local crime.**

As a result we will ask the Shire to reject the Town Planning Permit.

1. INTRODUCTION:

ECHO and St. Mark's, Emerald first became aware of the Emerald RSL concept for a new clubrooms complete with gaming machines in early 1996.

It was not until an article on this subject appeared in The Trader on 4 June 1996 that we became aware of some of the details of their plans, "to equip proposed club rooms with 25 gaming machines". (Appendix 1) In October 1996 the Emerald RSL applied to Cardinia Shire to rezone the land known as 'Pepi's land'. In the Pakenham Gazette of 16 October 1996 it said, "To support the rezoning proposal, architects for the RSL have submitted indicative plans for 33 gaming machines". (Appendix 2).

There have been numerous articles, (not ours), in all three local papers that have used the figures of first 25 and now 33 as the number of poker machines proposed by the RSL.

ECHO, the youth arm of St. Mark's, a registered charitable organisation working with around 400 teenagers and their families, and St. Mark's Church are both involved in an extensive amount of counselling. In any one year approximately 800 individuals would receive free counselling. Therefore these two organisations have an extensive knowledge of the vulnerability of many of the residents of the Emerald and surrounding areas. Emerald's current population is approximately 5000.

It is on this basis of this knowledge of the hills communities, information in the press over the last 9 months on the social consequences of gaming machines on the community, plus the potential financial loss to the area and consequent unemployment, these two organisations have taken their stand against poker machines coming to the Emerald area. For example it has been reported:

- : "Every day a Tattersalls machine makes \$200 profit". The Lilydale and Yarra Valley Express, 22 July 1996. (Appendix 3)
- : "Mr. Ruzzier said statistics from Breakeven show the average loss on every Tabaret machine in Victoria is \$144 a day and \$200 on every Tattersalls machine" Free Press 17 July 1996. (Appendix 4).
- : Mr Ruzzier again, "Based on figures from the Victorian Casino and Gaming Authority if 25 machines are installed in Emerald, people will lose \$5,000 per day on them". Free Press 17 July 1996. (Appendix 5).
- : In the Pakenham Gazette on 21 August 1996, and in relation to the Emerald gaming debate, it highlighted the winners, the losers and the spenders. This article claimed the Emerald RSL's estimated annual turnover of \$16,425,000. This article acknowledged, "Figures supplied by Breakeven" (Appendix 6). The estimated annual turnover confirms the figures we presented to Emerald RSL 7 weeks earlier and have been using consistently since June 1996.

While ECHO and St. Mark's may have initiated the "no pokies" campaign the Emerald Salvation Army and Cockatoo Anglican Church were involved from the start. Soon after the Emerald Uniting Church, St. Joseph's Catholic Church and the Emerald Assembly of God offered their support in trying to prevent poker machines coming to the district. Therefore all the churches in Emerald and Cockatoo are opposed to the Emerald RSL pokies proposal.

Despite public comments to the contrary by the Emerald RSL, refer to Trader article of 25 June 1996 (Appendix 7 & 8), the Emerald RSL has been advised at meetings and in writing, 2 July 1996, the Anglican church, "is opposed to the gaming aspects only of your proposed new club rooms". (Appendix 9). In the same letter to the RSL the Church offered, "ideas to assist in funding your capital costs should the gaming aspect of your proposal be cancelled" (Appendix 10).

This clearly demonstrates that while we are opposed to poker machines in our area, we genuinely want to see the Emerald RSL develop a fitting memorial to those who lost their lives in service to Australia. It is unfortunate that over 50 years have elapsed since World War 2 and there remains no public memorial to our fallen servicemen and women in Emerald.

It is worthwhile to note that the Secretary of Emerald RSL stated in the Trader on 25 June 1996, "we concur the statistics regarding the affects of gambling on addicted households are particularly damning" (Appendix 11) although he goes on to claim that the Emerald RSL hope to be able to control this problem even though larger clubs in New South Wales have been unable to.

It must be a concern to every Australian when our Prime Minister in The Age on 3 March 1997 produced figures to show that Australians lost \$9,400,000,000 gambling last year. (Appendix 12)

1.1 DETAILED RESEARCH ON GAMBLING:

Up until 1996 it was unfortunate that little data was available on the community problems of the gaming industry in Victoria. It is a surprise to ECHO and St. Mark's that human impact studies were not undertaken prior to the introduction of gaming machines to Victoria. Despite this, both organisations believe there is now significant data available to prove a direct link between poker machines and negative social consequences, the weakening of the family unit, increased crime, increased bankruptcies, the failure of local businesses and increased local unemployment

1.2 COMMUNITY PERCEPTIONS OF POKER MACHINES:

The churches have been opponents of the "gambling culture" in Victoria. Both Anglican and Roman Catholic Archbishops of Melbourne visited the Premier early in 1996 to discuss the churches concerns at the level of institutionalised gambling in Victoria. (Free Press 9/8/96 - Appendix 13).

The Synod of the Anglican Diocese of Melbourne, in October 1995, with over 700 delegates present, unanimously passed a resolution condemning the gambling culture sweeping Victoria. Therefore the churches have been at the forefront of the debate about the gaming problems being observed in Victoria.

Victorians are concerned about the level of gambling. A Victorian Casino and Gaming Authority study claimed, "84% believed gambling was a real social problem" (The Age 4/9/96 - Appendix 14). This is, according to Bronwyn Pike of the Uniting Church, an increase from 63% when the Authority conducted a similar study in June 1995. (Appendix 15). In the same survey more than half, (56%), of Victorians believed gambling was too readily available. (The Age 4/9/96 - Appendix 16).

We believe that local politicians are supportive of our position. For example, when the Rev. Mike Flynn and Alan Ashmore, visited Mr. R. MacLellan on 26 July 1996, in response to our comment that we would like Cardinia Shire to conduct a referendum to declare our area a "gaming free area", Mr. MacLellan said, "It would go 80/20" (our way) although he believed it was due to a case of "not in my backyard" syndrome.

Mr. N. Lucas, MHR for Eumemmerring, said in a letter to St. Mark's that "I am happy to advise you that I have not been persuaded gaming machines should be introduced into Emerald". This comment was also reported in the Free Press on 24 July 1996 (Appendix 17).

Australia's Prime Minister was critical of the gaming industry when he ordered an investigation into the level of gambling in Australia, suggesting its growth is threatening to become a "national blight". The Age 1 March 1997 (Appendix 18). On the same day and in a separate attack on the gaming industry the Federal Treasurer, Peter Costello warned that state governments could become addicted to another sin tax and said, "As far as I can see gambling is basically a licenced opportunity for the owners to take money off the punters. It's set up for that reason". The Age 1 March 1997. (Appendix 19).

In The Age on 18 February 1997, it said, "The Victorian Local Governance Association has warned candidates in next months council elections to be aware of community concerns about the spread of gaming after reports that the issues is dominating campaigns in some municipalities. The secretary of the association, Cr. Mike Hill, said yesterday the electorate was beginning to demand that local councils take steps to curb the negative social and economic effects of gambling on local communities. (Appendix 20)

Regarding the "no pokies" petition, of the 25 local traders approached to have the petitions in their shop 22 accepted, 2 said it was their policy not to have petitions and then commented that they agreed with the Church's stand. Only one trader rejected the petition and said she thought pokies would be good for the community. That trader has now ceased business.

The petition resulted in 2393 people signing the petition. All signatories were collected in the area. Those signatories collected from outside the immediate area were rejected.

A breakdown of signatories collected:

Emerald	1019
Other 3782 postcode	385
Cockatoo	385
Menzies Creek/Selby	157
Other hills residents/visitors to the area	447

Whilst over one-third of the Emerald adult population signed the "no pokies" petition this percentage could have been much higher as only about 10% of Emerald streets were "door knocked". Most members of St. Mark's who collected petitions from their street had a signature rate of 100%. Based on discussions with these members it is our conclusion that over 90% of Emerald residents are opposed to the introduction of gaming machines to this area.

2. VULNERABLE SOCIO-ECONOMIC FACTORS OF EMERALD DISTRICT:

The following is an extract of a report prepared by Sarah Watson, an Honours graduate in Statistics, the details of which are included in this report as *Attachment 1*.

The age profile of the population of Emerald shows that Emerald mainly consists of families with children. The area is very much Anglo-Saxon. Compared to the State average, Emerald's household income is slightly higher, but home ownership is lower and the incidence of households with two or more cars is significantly higher: therefore the amount of discretionary expenditure for the typical Emerald family is below the state average. This means that the district is more likely to be adversely affected by readily available gambling machines.

2.1 AGE PROFILE:

The age profile and family types of:

- * State of Victoria (N= 4,244,211)
- * Emerald (N= 4,687)
- * Melbourne (N= 227,420; includes Collingwood, Fitzroy, Melbourne, Port Melbourne, Prahran, Richmond, St. Kilda and South Melbourne).
- * Outer Eastern (N= 299,565; includes Croydon, Knox, Nunawading and Ringwood) and,
- * Eastern Fringe (N=141,275; includes Healesville, Lilydale, Sherbrooke and Upper Yarra).

Table 1

age range	State		Emerald		Melbourne		Outer Eastern		Eastern Fringe	
	number	%	number	%	number	%	number	%	number	%
0 - 4	317,001	7.47%	457	9.75%	11,592	5.10%	22,839	7.62%	12,656	8.96%
5-14	618,086	14.56%	931	19.86%	17,039	7.49%	45,256	15.11%	25,690	18.18%
15 -19	334,458	7.88%	353	7.53%	14,285	6.28%	25,408	8.48%	11,693	8.28%
20-24	353,927	8.34%	238	5.08%	28,550	12.55%	24,767	8.27%	9,560	6.77%
25-34	695,657	16.39%	754	16.09%	54,260	23.86%	48,774	16.28%	23,150	16.39%
35-44	643,754	15.17%	897	19.14%	33,688	14.81%	47,681	15.92%	25,066	17.74%
45-54	456,794	10.76%	475	10.13%	22,269	9.79%	34,657	11.57%	14,810	10.48%
55-64	355,011	8.36%	259	5.53%	18,463	8.12%	22,670	7.57%	8,677	6.14%
>65	469,523	11.06%	323	6.89%	27,274	11.99%	27,513	9.18%	9,973	7.06%
TOTAL	4,244,211	100.00%	4,687	100.00%	227,420	100.00%	299,565	100.00%	141,275	100.00%

Table 1 shows that Emerald has the highest proportion of people aged 0-14 years (29.61%) and the highest proportion of 34-44 year old persons, (19.14%) of the five population groups considered.

Emerald also has the lowest population of people aged 20-24 years and of people aged 55 years or greater. Only 12.42% of the Emerald population is aged 55 or over compared to 19.42% for the State.

Of the Emerald population 37.14% are aged 0-19 years and 35.23% of the population are aged 25-44. This profile suggests that Emerald is a population consisting mainly of family groupings.

Data collected by ECHO shows that since the 1991 census the number of school age students at local Government schools has increased. By aggregating the four primary schools that feed into Emerald Secondary College, plus the latter, total attendances have increased from 2278 in 1992 to 2380 in 1996, an increase of 4.5%.

2.2 FAMILY TYPES:

Table 2 shows the profile of family types for Emerald and the State.

Table 2

	State		Emerald	
	number	%	number	%
one parent families	89064	12.00%	104	11.30%
two parent families	496674	66.90%	687	74.67%
families with no dependants	156661	21.10%	129	14.02%
	742399	100%	920	100%

Table 2 shows that 75% of family groupings in Emerald are two parent families with dependants compared with 67% for the State. Emerald has a similar percentage of single parent families compared with the State and significantly fewer families with no dependants.

2.3 ANNUAL PARENTAL INCOME:

Table 3 shows the annual parental income for the State of Victoria and Emerald.

Table 3

	State			Emerald		
	number	%	cumulative %	number	%	cumulative %
\$0-\$12,000	72138	9.72%	9.72%	53	5.76%	5.76%
\$12,001-\$20,000	113573	15.30%	25.01%	104	11.30%	17.07%
\$20,001-\$30,000	113489	15.29%	40.30%	130	14.13%	31.20%
\$30,001-\$40,001	102838	13.85%	54.15%	167	18.15%	49.35%
\$40,001-\$60,000	151211	20.37%	74.52%	224	24.35%	73.70%
over \$60,000	79877	10.76%	85.28%	103	11.20%	84.89%
partial income stated	83843	11.29%	96.57%	96	10.43%	95.33%
no income stated	25430	3.43%	100.00%	43	4.67%	100.00%
TOTAL	742399	100%		920	100%	

It can be seen in Table 3 that Emerald has a lower proportion of families with incomes less than \$20,000 than the State average, approximately the same proportion in the \$20,000 to \$30,000 range and more families with incomes in the range \$40,000 to \$60,000, (Emerald 24.35%, State 20.37%).

2.4 HOME OWNERSHIP:

Table 4 below shows the profile of home ownership for Emerald and the State of Victoria.

Table 4

	State		Emerald	
	number	%	number	%
owned	603995	42.30%	543	36.52%
being purchased	428888	30.03%	748	50.30%
rented	331692	23.23%	115	7.73%
other*	63415	4.44%	81	5.45%
TOTAL	1427990	100%	1487	100%

Table 4 shows that 50% of Emerald households are purchasing their home, which is significantly greater than 30% for the State. Emerald however has a lower proportion of families who own their own home, 37% compared with 42% for the State. Only 8% of Emerald households rent, compared with 23% for the State.

2.5 CAR OWNERSHIP:

It can be seen from Table 5 below that 66% of households in Emerald have 2 cars or more compared with 48% for the State. This is due to the lack of public transport and local employment; most Emerald residents are forced to travel to work by car.

Table 5

	State		Emerald	
	number	%	number	%
Households with 0 cars	164759	11.48%	69	4.55%
1 car	537532	37.45%	423	27.88%
2 cars	508639	35.44%	748	49.31%
3 or more cars	195190	13.60%	247	16.28%
not stated	29046	2.02%	30	1.98%
TOTAL	1435166	100%	1517	100%

2.6 CONCLUSIONS ON THE EMERALD PROFILE:

The statistics presented in Tables 1 - 5 show that Emerald mainly consists of families with children.

It is widely acknowledged there is a considerable difference in household incomes when comparing the city to the country. Emerald is under the Melbourne average. This becomes more significant when it is remembered that retirees generally have a significantly lower household income. Emerald therefore has a lower household income than the city despite having only 12.42% of the Emerald population being over the age of 54 or over compared to 19.42% for the State.

When this lower than average income is coupled with high outgoings of household expenditure with a higher proportion paying mortgages, households running 2 or more cars and high outgoings on dependent children, there is a low level of discretionary expenditure.

2.8 ABOUT THE AUTHOR OF THE EMERALD PROFILE:

Sarah Watson has completed an Honours degree in Statistics from Monash University in 1992 and was a Research Assistant in the Statistical Consulting Centre, the University of Melbourne. Sarah currently holds the position of Assistant Manager (Planning and Analysis) at Monash University in the Research Grants.

2.9 VULNERABLE SOCIO-ECONOMIC FACTORS OF EMERALD'S NEIGHBOURS:

It has been established above, that despite few people over the age of 54, Emerald's household income is below the Melbourne average. Despite this Emerald is comparatively well off compared to Cockatoo.

The previous M.H.R. for Eumemmerring, Mr. Bob Ives, whose electorate included Springvale and Doveton, regularly described Cockatoo as "Doveton with trees". Another indicator of the poverty in Cockatoo relative to Emerald is that almost twice the percentage of children at Cockatoo Primary School have parents in receipt of Education Maintenance Allowance than at Emerald Primary School.

Education Maintenance Allowance is payable to a family holding a health card and is an indicator of people at the very low end of the socio-economic spectrum.

Therefore an RSL venue in Emerald that contained gaming machines would, on the evidence to be presented in this report, be a destructive magnet for people from Cockatoo. This has the likelihood of leading to even more social dislocation than already exists in Cockatoo.

3. THE SIGNIFICANCE OF LOCAL ACCESSIBILITY OF GAMBLING MACHINES ON VULNERABLE PEOPLE:

3.1 THE TYPICAL CLIENT:

Breakeven Southern, in a summary of their clients revealed they were in their early 40's, Australian born and both male and female. (Appendix 21). Note this closely mirrors the profile of Emerald which consists of Anglo-Saxon families with children.

Breakeven, quoting from a Victorian Casino and Gaming Authority survey of 200 players of poker machines, claims that 87% of lower white collar workers gamble, compared to 22% of upper white collar workers. (Appendix 22).

The Victorian Council of Social Services in a survey of 119 gamblers who sought aid over one fortnight in 1996 found that almost 50% had a fortnightly income of between \$309 and \$462 and 82% had sought charity help before. (Appendix 23).

Breakeven Southern, in a survey of 205 clients found that almost 80, close to 40%, claimed that they had racked up gambling debts up to \$20,000; and 3 gamblers said they owed more than \$100,000. The survey also revealed that 87 had risked or lost a job or a close relationship because of their gambling habit. Herald Sun 16/10/96. (Appendix 24).

The Age stated that in the late 1980's only 5% of callers to Gamblers Anonymous were women, today 70% of callers are women and 90% of these play the pokies. The Age 3/2/96. (Appendix 25).

Anna Doganieri, who runs the country financial services division of the Mission of St. James and St. John said, "More and more, I am seeing people coming to us with gambling problems - and for every person I see, you can bet there are another 10 I don't see. This is a very hidden problem". The Age 18/5/96 (Appendix 26).

The same article says, "Anna Doganieri speaks about poker machines almost as if they are alive. She sees them as insidious, starting as a hobby, something to do when you're bored - then developing a hold, becoming an obsession, often ruining lives. She says, "We see people who say they can't get out of the environment. The pubs and clubs provide a sense of belonging, a place where they are surrounded by people but don't have to socialise. It is perfect for those who have trouble interacting socially - all they have to talk about is the machines. It's very artificial and superficial, yet comfortable relationship". The Age 18/5/96. (Appendix 27)

In another article Anna Doganieri said, "Many people were embarrassed to be seeking help and said they had never had to do so before". Herald Sun 13/10/96. (Appendix 28)

Anna Doganieri claims that people who have been retrenched and receive lump sums of \$10,000 or \$20,000 which were available on the Friday were gone by the Monday - blown on the pokies". The Age 18/5/96. (Appendix 29)

Neil Horbury, Director of Gippsland Lifeline, states, "Lifeline has registered a 400% increase in the number of people calling because of gambling problems. The rate shot up when gaming machines came here (late 1992) and has stayed at that rate ever since". The Age 18/5/96. (Appendix 30)

Kerilyn Wyatt from the Mission of St. James and St. John said, "People are vomiting as they walk out of the (gambling) venue because they know they have no money left". Herald Sun 13/10/96. (Appendix 31)

St. Vincent de Paul at Kyneton tells of the damaging effects on the community since the introduction of poker machines at Kyneton. Some shops have closed and there has been a massive increase in the number of people seeking assistance from St. Vincent's. They have had to change the way they provide assistance to those requesting it. Previously food vouchers for Safeway were given to people requesting assistance. As many of these people were addicted gamblers they immediately sold the food voucher, at a discount on the face value, then immediately returned to a local pokie venue to gamble the proceeds of their food voucher. St. Vincent de Paul has now ceased this method of providing assistance to problem gamblers.

An article in The Weekly Times on 1 January 1997 stated, "When problem gamblers try to explain their obsession with electronic gaming machines some mention the hypnotic effect according to rural financial counsellor Sue Devereaux. Sue is co-ordinator of Maryborough's Community House, a welfare drop-in centre". Sue Devereaux said a lot more people were seeking assistance since gaming machines came to the town. In the same article she claimed, "Of the families I see a lot of their kids aged 15 and 16 are actually withholding their board money so they can buy food for their brothers and sisters". (Appendix 32)

Breakeven Southern recently advised they had just employed 5 new counsellors because of increased demand for services.

Some specific comments from gamblers:

- : John, a 33 year old divorcee, "I left my wife to be free to gamble. I loved her but I loved gambling more". Herald Sun 1/6/96. (Appendix 33)
- : John, (again), "one of the payoffs of gambling is you don't have to feel anything - you are just numb" Herald Sun 1/6/96. (Appendix 34)
- : Maureen, 45 years old and separated recently after 15 years of marriage, "I never wanted children because they'd stand in the way of my gambling. Herald Sun 1/6/96. (Appendix 35)
- : Maureen, (again), "When I lost I needed sex desperately. I wanted to feel close to someone". Herald Sun 1/6/96. (Appendix 36)
- : A middle age man on leaving a country gaming venue, "I beg them to close down the place" Herald Sun 13/10/96. (Appendix 37)
- : Betty Little, a 64 year old war widow, said, "I'm very sorry they (poker machines) ever came to Victoria". The Age 11/6/96. (Appendix 38)
- : "Jill", a 28 year old office worker, estimates she has lost more than \$35,000 on the pokies in two years. "I never thought I would end up in this situation. It makes me want to be sick when I think about it". Herald Sun 16/10/96. (Appendix 39)

Chris Lobsinger, from Relationships Australia in Queensland says, "Gambling is not just about spending money, it is about expenditure of time and energy. It saps libido and this is having an alarming effect on relationships, as gaming machines and casinos become more accessible around the country". Herald Sun 1/6/96. (Appendix 40 & 41)

Country M.P. Keith Hamilton said, "Gambling is a problem for many people" and "Our community must recognise the alarming potential social problems that can occur if we do not act to address the problem gambling" West Gippsland Trader 30/5/96. (Appendix 42 & 43)

In a survey of female pokies players by researcher Sarah Brown said, "The survey had provided a unique insight into women's thoughts and fears on the spread of poker machines and what motivates them to gamble". The two main concerns raised were that, "Automatic teller machines are often located too close to gaming venues and concern at the location of pokies venues in residential areas and next to shopping centres". Herald Sun 12 February 1997. (Appendix 44)

Bishop Cumow, "claimed that gambling was driving a wedge into the community, further separating the rich from the poor". The Melbourne Anglican, December 1996. (Appendix 45)

Thus Emerald would have many people, who would fit into the "typical problem gambler category", and the effects on young families would be enormous if the authorities allow gaming machines into Emerald.

3.2 THE NUMBER WHO GAMBLE:

The information available on the number of problem gamblers points to the problem being significant.

In *The Age* on 20 March 1996 it claimed that 150,000 Victorians, spend more than 25% of their gross income on gambling. (Appendix 46). The same article claimed that a further 1 in 10 adult Victorians spend more than 10% of their gross income on gambling. (Appendix 47). Anyone spending in excess of 10% of their income is considered to have a gambling problem, 350,000 adult Victorians and therefore claimed to be problem gamblers. *The Age* 20/3/96. (Appendix 48).

According to a report by addiction expert Paul Symond, 750,000 people nationwide are estimated to be problem gamblers and between 75 to 90% of these are sexually dysfunctional - three times that of the general population. *Herald-Sun* 1/6/96. (Appendix 49).

Danny Blackford, a counsellor with Breakeven Gippsland claims 840,000 Victorians are affected by problem gambling. *West Gippsland Trader* 30/5/96. (Appendix 50)

Diane Jenkins, an employee of Breakeven Southern, in an article in *'The Trader'* on 2 July 1996 claimed, "I don't know if the RSL is aware that 22% of problem gamblers attempt suicide and the percentage is even higher for the family members of the gamblers". (Appendix 51) Jenkins also claimed that for every one problem gambler, ten people in the community are affected, resulting in worker absenteeism as a result of family breakdown; employee absenteeism, increased crime, unemployment and small business failure. (Appendix 52)

Lidia Pennington of Relationships Australia, Manager of the Breakeven Gambling Program in Brisbane says, "It is estimated that 8 to 10 others are adversely affected by each problem gambler - partners, children and work colleagues. *Herald Sun* 1/6/96. (Appendix 53)

Dr. M. Seiffert, Anglican Diocese of Melbourne, claims the state government's figures of one percent of gamblers were problem gamblers was a "massive understatement". Dr. Seiffert, from his research, believes a more accurate figure is in the range of five to eight percent. *The Melbourne Anglican*, December 1996. (Appendix 54).

Mark Dickerson, Executive Director of the Australian Institute for Gambling Research at the University of Sydney in a contribution to *Place your bet - gambling in Victoria*, pp 92 and 94, claims, "If gambling over-expenditure occurs with regularity, the individual may experience a loss of self-esteem and dysphoria. The player's relationships with family and friends may become disrupted, primarily from the attempts of the player to hide the true extent of his or her gaming.

Surveys have consistently shown that this group of people, comprising about 10% of the adult population, commonly experience difficulties in controlling their expenditure on gambling. For example, a recent study in NSW concluded that about one-quarter of these regular players had reported gambling-related difficulties in the previous 6 months".

Les Twentyman, a youth worker in Melbourne's inner western suburbs claims that children as young as 13 have been forced to steal or prostitute themselves to support their parents' gambling problems. *Herald Sun* 7/8/96. (Appendix 55).

G-Line recently reported the number of calls to its Victorian gambling crisis service, "has jumped by 183 per cent over the last 12 months to almost 10,000. *The Age* 20 February 1997. (Appendix 56).

This article claimed, "In the most detailed picture of Victorian gamblers yet revealed, figures obtained by The Age show that the number of calls to the service had increased from 3480 in 1995 to 9852 in 1996. This figure compiled by the Addiction Research Institute, showed that poker machines are the biggest cause of gambling problems for men and women affecting almost three-quarters of all gamblers who called the service". The Age 20 February 1997. (Appendix 57).

These figures have been withheld by the Department of Human Services which, "has refused to release data collected by the ARI for 1995 and 1996, saying the raw figures have yet to be fully analysed". The Age 20 February 1997. (Appendix 58)

3.3 UNDER AGE USE OF GAMBLING MACHINES:

According to Mr. Paul Symond, the President of the New South Wales Council for Problem Gambling, there is now growing evidence that children as young as 15 are using arcade video games as a stepping stone to gambling addiction. He claims that, "up to 8% of the clients seeking his help for problem gambling were under 18". The Age 4/10/96. (Appendix 59).

Mr. Rob Wootton, the Executive Director of the Victorian Council for Problem Gambling, said, "The council believed youth gambling was a growing phenomenon" The Age 4/10/96. (Appendix 60).

Research by the department of psychology at Victoria University of Technology found that, "Three-quarters of Victorians aged 13 to 25 have gambled, suggesting a social climate that encourages youth gambling". This research also said that 66.9% of 13-25 year olds believe there is too much gambling. The Age 10 January 1997 (Appendix 61).

In November 1996 ECHO received a letter from a Club poker machine venue to its north offering its services to ECHO, a charitable organisation working with around 400 teenagers and their families.

In part the letter said, "As Secretary of the Bowling Club, I am very much aware of the need to provide members with opportunities of being involved in a variety of things as well as raising funds for your club. We are offering an opportunity to do both.

The Monbulk Bowling Club, is the latest, and only Tabaret Gaming Room in the Ranges District. We have 30 of the latest coin and card slot machines, available for use seven days a week". (Appendix 62)

ECHO's co-ordinator, Wayne Collins has written to the Gaming Minister and the Victorian Casino and Gaming Authority about this blatant targeting of teenagers.

Based on the above evidence we believe that should poker machines be introduced into Emerald, there will be major teenagers gambling problems.

3.4 ACCESSIBILITY TO POKIES VENUE IS THE PROBLEM - LLOYD WILLIAMS:

Leading authorities claim that accessibility to a gaming venue is a significant factor in people becoming problem gamblers. Perhaps one of the most knowledgeable people in Australia on gambling, Crown Casino's significant shareholder and CEO said, "I think the problem gamblers are at the pokie venues, where they can walk out of their house and they are there in five minutes from home". Herald Sun 17/10/96. (Appendix 63)

3.5 LOCAL GOVERNMENT RESPONSES:

Two municipal councils have moved to ban poker machines in some areas amid rising concerns at the impact of gambling on the community.

The City of Yarra has decided to ban the further introduction of poker machines in council-controlled venues after mounting fears that the rapid spread of pokies has:

- : Led to a drop in retail trade.
- : Resulted in a 12 per cent increase in the number of people with gambling problems seeking help from financial and crisis counselling over the last six months.
- : Had an negative impact on the cultural life of the city. (Appendix 64)

The City of Banyule has decided that the wealth of an area should be a key factor in deciding whether permits should be granted for pokies. They will knock back applications for permits for poker machines in areas where there is heavy dependence on welfare. (Appendix 65).

Before granting permits for gaming machines the council now wants:

- : Income indicators of the surrounding community.
- : Details of any increase in the level of dependence on social welfare.
- : Promises to promote responsible gambling, such as warnings about addiction. (Appendix 66).

In a response in the Herald Sun 23 December 1996 to the question, "should poker machines be limited to affluent suburbs?" Mr. Julian Stock, Chief Commissioner, City of Banyule said, "Yes".

Is the gaming industry deliberately targeting the poor? It now appears that way". (Appendix 67).

The distorted half-truths peddled in the promoters' slick advertising seem to be targeted at those who can least afford to lose any money.

People who cannot afford to gamble should be protected. Those that can afford to lose their money need no protection. Local Government must use its planning powers to ensure that new gaming venues are located in areas where any adverse social or economic input is minimised.

Only then will counsellors and commissioners have fulfilled their moral and legal responsibility to their communities". (Appendix 68).

3.6. THE PROBLEMS OF ACCESSIBILITY:

Breakeven counsellor, Tim Loughlin said, "More than half the people I saw at Llydale never had a gambling problem before the introduction of poker machines". L/Dale & YV Express 22/7/96. (Appendix 69)

Chris Freethy, Manager Breakeven Southern claims that 70% of pokie players are turning over \$200 three days per week and the, "accessibility of machines in the community" is the reason why. This is not just the finding of Breakeven Southern but all Breakeven offices throughout Victoria. (Appendix 70)

Diane Jenkins of Breakeven Southern said that approximately 70% of gamblers seeking support only became problem gamblers when poker machines were introduced to their local area. This comment supports both Crown Casino boss, Lloyd Williams and Tim Loughlin's personal experiences at Lilydale. This could mean that the number of problem gamblers in the Emerald district could treble if the R.S.L. application is approved.

Commenting on an increase in the number of crisis calls to Victoria's gambling crisis service, G-Line, the co-manager of G-Line, Mr. Greg Coman said, "The rapid spread and accessibility of gaming, especially poker machines, has also played a part. It's the attractiveness of the machines themselves, and the distribution and the rapid increase with which they were introduced into, dare I say it, an unsuspecting Victorian market". The Age 20 February 1997 (Appendix 71)

It is the accessibility factor of the current gaming machine application for Emerald that concerns St. Mark's and ECHO. As stated earlier in this report these two organisations see 800 different individuals for counselling each year. They know first hand of the vulnerability and fragile nature of many of the residents of the district.

The head of ECHO, Wayne Collins, believes that local poker machines will "devastate the Emerald area". The Vicar of St. Mark's, Rev. Dr. Peter Crawford is on record as saying, "I would prefer an Ash Wednesday bushfire any day. The destruction was swift and the next day you could commence the recovery. I consider poker machines a greater threat to the community as the damage caused will keep going".

3.7 GAMBLING RELATED SUICIDE:

In evaluating the cost of gambling to the community Breakeven, quoting Dr. Alex Blaszczyński, claim 22% of problem gamblers have attempted suicide". (Appendix 72)

Kate Legge a journalist with The Australian wrote in that paper on 6-7 April 1996 that, "records kept by the State Coroner show that gambling-related suicides have risen from 4 deaths in 1993 to 9 last year", that is 1995.

Dianne Jenkins of Breakeven advised there has been a significant rise in the number of gambling related suicides over the last 2 years. Whilst exact figures are hard to come by Dianne Jenkins believes the number of gambling suicides in Victoria, personally known to Breakeven, would be at least 20.

Gambling related suicides have now become such an issue that the Breakeven organisation has set up a working party to develop suicide protocol. Despite this some regions of Breakeven have developed their own minimum guidelines with regard to the protection of clients presenting with suicidal tendencies. Breakeven Southern have developed their guidelines, "Given the greater risk of suicide amongst gamblers than other populations of clients presenting for counselling". (Appendix 73).

With the vulnerability of the people in the Emerald and Cockatoo area and the number of gambling related suicides reported by Breakeven there will be a real possibility of an Emerald gaming venue, should it eventuate, being the major contributing cause of a suicide of an Emerald or Cockatoo resident. This comment is not made lightly as ECHO's female youth workers has for the last 12 months spend a considerable amount of time counselling female teenagers openly contemplating suicide.

4. THE EVIDENCE OF THE IMPACT ON HOUSEHOLD DISCRETIONARY EXPENDITURE AND ON LOCAL BUSINESS

Our Prime Minister was quoted in The Age on 1 March 1997 he was worried that, "Gambling can place a lot of hardship on people who can't afford it and it can have very deleterious effects on small businesses". (Appendix 74)

A survey carried out in 1995 and reported in Place your bet - gambling in Victoria, p72, states, "Gambling outlay is drawn from household and personal budgets. In summary:

- : 45% comes from housekeeping/living costs.
- : 22% comes from personal/household entertainment budget.
- : 18% comes from savings.
- : 3% comes from a specific gambling budget.
- : 12% comes from other sources".

4.1 OVERSEAS EXPERIENCE:

Bronwyn Pike, Director, Justice and Social Responsibility, Uniting Church of Australia, in a report to the Uniting Church Synod in February 1996 said, "Research from the United States is already showing that the gambling industry brings large and unseen costs to the community". B. Pike Synod Papers 2/96. (Appendix 75)

Bronwyn Pike claims that, "Only 4 years after the introduction of gaming machines into Atlanta city 40% of local businesses had folded". B. Pike Synod Papers 2/96. (Appendix 76)

It is examples like the Atlanta experience that frighten many traders and those employed in the retail industry. There are many isolated country towns which will attest to something like the Atlanta experience.

The question is whether similar devastation will be inflicted upon Emerald, Cockatoo, Avonsleigh, Macclesfield, Clematis and Gembrook?

4.2 THE PAKENHAM EXPERIENCE:

The Emerald RSL vaguely speaks of the benefits that poker machines could bring to Emerald. In their letters and comments in the press not one of their statements or figures has been sourced.

Fred Danby, in a letter to the editor, Trader 2 October 1996 (Appendix 77) attacks Leonie Lewis. Mr. Danby, a Commmitteeman of the Emerald RSL, said, "I see a letter in the Gazette, September 4, from Leonie Lewis of Pakenham, where they have "pokies" and some of our money, and would suggest to her that she look in her own backyard before condemning Emerald". (Appendix 78)

Leonie Lewis is a financial counsellor in the Pakenham area and is very critical of the effect pokies have had on Pakenham. She is also seeing clients from Cockatoo and Emerald.

Mr. Danby, in the same letter said, "I read where Pakenham is riding a retail boom". (Appendix 79) Mr. Danby seems unaware that in November 1996, Pakenham had 12 vacant shops. At the same time only one Emerald shop was vacant.

Leonie Lewis, in a letter to the Editor of The Trader dated 14 January 1997, said, "That Pakenham is in a retail boom is another statement Mr. Danby makes in his letter. I find this particularly a fascinating statement in its absurdity and have spent much time pondering it as I wander down Main Street, (Pakenham), and look at the number of empty buildings. Then I am forced to recall the proprietors of some of those businesses when they have come to see me as they consider bankruptcy. This, Mr. Danby, is not the result of scaremongering. This is a reality of gambling". (Appendix 80)

Discussions with a member of the Pakenham Chamber of Commerce on 20 November 1996 would also indicate Mr. Danby is wrong. The member of the PCC, claimed that while there was no hard data available there had been an impact on traders following the introduction of poker machines to Pakenham.

This same trader also believes the vacancy rate for shops in Pakenham is the highest it has been for many years: "Shops are remaining empty in Pakenham and this didn't happen before". She also quoted the Pakenham butcher who said his business is "bloody dreadful. Customers are only buying mince, they used to buy steaks.

This trader also commented there was only one opportunity shop in Pakenham and, "as of next week there will be 3". The increasing number of opportunity shops in Pakenham mirrors experiences in Kyneton, Morwell, Moe and now Baimsdale where they are, after the pokies venues, one of the few boom retail outlets.

Please note that the above comments from an unnamed member of the Pakenham Chamber of Commerce is the only case in this submission where the author of comments has not been named. It is regretted we cannot name the Pakenham trader but believe her comments are significant as they support the comments of Pakenham's financial counsellor, Leonie Lewis.

Mr. Ron Tomlinson, President of the Retailers Traders Association (Victoria) said, "the Australian Bureau of Statistics, (ABS), only provides retail figures by State". Therefore we don't know where Mr. Danby of the Emerald RSL is getting his information that, "Pakenham is riding a retail boom", when the neither the ABS or anyone else is producing any town-by-town data. Mr. Tomlinson also said, "the ABS figures of percentage increases by State in retail spending can be misleading as margins are dropping and profits are falling. Therefore the overall retail sales figures are not a good indicator of business health".

4.3 A LETTER FROM A FORMER MORWELL SHOP KEEPER:

In the towns of Moe, Morwell and Traralgon there were 4 wool shops in 1993. Two years later all four had closed. The last one to close was owned by John Eyre and his wife and "had been established for about 30 years at the one location" (in Morwell). (Appendix 81).

A letter from Mr. Eyre to us said, "Seven years ago we bought a retail wool shop in Morwell. Last November (1995) we walked away from it.

When we started, we were able to produce an income from the shop. There was one other wool shop in Morwell, and others in the two nearest major towns of Traralgon and Moe.

The dismembering of the SEC, which was the largest local employer was the beginning of the decline in local business.

However, it was the introduction of gambling on a large scale which contributed to our final closure.

Knitting wool is something which is purchased from discretionary income. Therefore, it is an item which can be done without, if income is reduced.

The wool shop had been established for about 30 years in the one location. It had a cliental of regular knitters. Slowly, they were knitting less and less. At the same time, many of these ladies were known to be spending more and more time playing the poker machines.

In the two years prior to our closure, the other shops closed. First the Morwell shop; then Traralgon, followed by Moe. The owners of the Traralgon and Moe shops are adamant that gambling was a major cause of them going out of business.

We cannot give you any quantitative figures, but the simple fact of millions of dollars being taken out of the local economy by gambling means less money for other things". (Appendix 82).

4.4 COMMENTS FROM PROFESSIONALS AND SHOP KEEPERS IN MORWELL AND MOE:

A member of our staff visited Moe and Morwell on 27 November 1996 to speak to Jan Maxwell who is employed by local Government to promote business in Moe. Jan was previously in retail and from 1991 to 1996 was employed as a real estate agent in Morwell.

Jan Maxwell said Morwell had been "devastated by the introduction of poker machines". She said that whilst the Mid Valley complex, some 3 km's east of Morwell had experienced a 6% increase in retail sales in the last financial year the old Morwell shopping complex, despite a significant amount of beautification, was a wasteland.

A drive up Tarwin Street, Morwell revealed one block where five of the seven shops were vacant. In the next block all seven shops were vacant. In the same street the Morwell RSL is extending its building.

Four poker machine venues were visited in the period between 11am and 12 noon. At all four venues around 60% to 65% of the forty machines at each venue were occupied by mainly elderly women. Only one of the venues visited was a club and our staff member and Jan Maxwell were able to walk into the Moe RSL gaming room without being questioned, let alone being requested to sign their visitors book as is required by law.

In relation to the Moe retail trade Jan Maxwell said that, "with Moe it is difficult to tell, it's a struggle. Over the last 3 months whilst they had not gained any new retailers, we hadn't lost any either. We may have bottomed". This comment is interesting as the Emerald RSL at our meeting with their executive on 18 November 1996 said, in relation to Moe retail, "that it was improving". This comment is not supported by Jan Maxwell.

During this day discussions were also held with Nina Burke, President Moe Development Group, a group that encompasses all commercial traders, education and community service groups within the former City of Moe. Nina's comments about the effects of poker machines being introduced to Moe were:

- : "A survey of Moe shop keepers found that 95% of them attribute a down grading of business and profit to gaming machines.
- : On the types of shops most affected - It appears to be the food retailers, butchers, bakers, cake shop or lunch shop have been the hardest hit.
- : Traders generally have found it harder to make ends meet.
- : Traders can pin point when gambling came to Moe via reduced sales. They can name it to the day and can verify it via their Sales Book".

In a letter to the editor, Latrobe Valley Express dated 4 November 1996, a group of Newborough residents claimed, "The central business districts of Moe/Newborough now have 40 vacant shops". (Appendix 83).

Traders and community workers in Moe made comment in a feature article in The Age on 18 May 1996. Listed below are some of their comments:

Moe Butcher Bruce Neilson said when times are good customers buy fillet steak but when money is tight it's "20 ways with mince". Bruce has now closed his credit book, "too many people leave his Moe store with an unpaid-for parcel of meat only to go across to the pub to play the pokies, to spend the rent and the housekeeping on gambling rather than spending it on their kids' meals". The Age 18/5/96. (Appendix 84 & 85)

John Battista, once the owner of The Gala nightclub and restaurant in Moe said the introduction of gaming machines to the area had made it difficult for him to survive. John Battista who recently opened Gypsy's Pizza Shop in an effort to grab back some of his lost clientele said, "Pokies, I hate 'em. Basically because I haven't got them. They've affected the whole town, the retail dollar is gone".

The Age article said, "Speak to any small shop owner in town and you'll hear that there are only two booming industries in town - pubs and clubs and second-hand clothing shops. The St. Vincent de Paul and Life Line shops are huge - three in one street alone and all practically department store in size" The Age 18/5/96. (Appendix 86)

Bill Walker, President of the St. Vincent de Paul Centre in Moe, who runs one of the largest second-hand clothing stores in Moe, said, "Second-hand clothing stores are a booming business here". There are as many here as pubs - everything else is going down". (9) The Age 18/5/96. Bill Walker claimed the increase in emergency relief, "started roughly when the pokies came here. The Age 18/5/96. (Appendix 87)

Peter, from Moe and a regular participant at Gamblers Anonymous meetings said, "A lot of people now have a real problem with gambling - the gaming machines are sapping the life out of the place". The Age 18/5/96. (Appendix 88 & 89).

4.5 EMERALD SHOP KEEPERS' FEELINGS:

We believe that over 95% of the tra local traders are against the introduction of poker machines to the Emerald area. As explained earlier in this report, of the 25 traders approached to have the "no pokies" petition in their shop, 22 accepted, 2 said it was their policy not to have petitions and then commented they agreed with the Churches' stand.

The owner of Kaleidoscope Crafts is one Emerald trader who requested the "no pokies" petition for her shop. She said, "We have lived here for 14 years and I am very concerned about the impact pokies will have on our community. We are in business and we are also very concerned about what will happen to the economy of the town". Free Press 19/6/96. (Appendix 90).

Other Emerald shop keepers have offered to assist in this submission who are not members of St. Mark's or other church in the area.

The proprietor of Satis House Nursery, Marney Jones, a nursery in Main Street Emerald says, "I have no doubt that if Poker Machines are introduced into Emerald this family business will cease to operate". (Appendix 91).

Mamie Jones makes a number of interesting and relevant comments, namely:

- : "Before owning this nursery I was the Executive Officer of Independent Garden Centres, many of the nursery belonging to this group are situated in country towns and I have seen first hand the effect the poker machines have had on towns such as Tatura and Benalla. The effect on business in these towns has been severe.

Pressure of competition is already severe....but is expected in commercial life. Whilst as a trader I am prepared for competition and I am prepared to update the business and myself on the latest in customer service, I feel that this will not be of use against such a destructive force as poker machines.

I feel very strongly that the introduction of poker machines will sound the 'death knell' of this town.

Many of our customers are elderly and walk to town, this will not be possible if businesses cease to operate necessitating driving long distances to one of the suburban shopping complexes. I also fear that when the town has lost its major services such as nurseries, super markets, computer outlets, etc. and is suffering with all the social problems associated with a community based on gambling, that it will be realised what a mistake it was to have installed poker machines into a small community. It will then be too late to bring back to life what was a thriving business centre".

We believe these comments are very telling comments considering Mamie is Secretary of the Emerald Traders Association.

The proprietors of Emerald Village Kids Wear, Peter and Mary Harris, were also eager to assist in this submission. Whereas Mamie Jones applied a macro view of the effect on traders should pokies be introduced to Emerald, Peter and Mary Harris have made specific comments on how they perceive the introduction of poker machines to Emerald will affect their business. They comment that:

- : As new owners of this business we, "continually seek to increase our sales as any increase has a positive impact on our bottom line profit.
- : Conversely anything that impacts on reducing our sales will, as many costs to our business are fixed, seriously erode our profit.
- : In running a business you take for granted the cut and thrust of competition. What owners of businesses like us don't want are other external factors to threaten their sales, their business and ultimately their livelihood.
- : We believe it is common sense the introduction of poker machines to Emerald will have an adverse impact on local businesses like ours.
- : **It is our intention to use the eventual re-sale of our business as our retirement income. Should our profits decrease this will impact severely on us when we sell and ultimately reduce our retirement income". (Appendix 92).**

We believe these submissions from Emerald Traders highlight the fears they have regarding the introduction of gaming machines to Emerald. Mamie Jones believes, "this family business will cease to operate" (Appendix 93) while Peter and Mary Harris believe it will affect their profit and ultimately their retirement income.

The Emerald traders are against the threat of poker machines which will divert household expenditure to the pokies. This will have a double impact on Emerald traders as not only will their profits, (the money they need for their day-to-day living), be reduced but the re-sale value of their business will be adversely affected. The latter will result in them being unlikely to re-coup their initial investment. For Emerald's traders it is a double blow.

4.6 AN ECONOMIC EVALUATION OF THE EMERALD RSL PROPOSAL:

Our Administrator, who holds a Business Degree with an Accounting major, prepared an economic evaluation of the Emerald RSL gaming proposal. This was presented to their executive on 1 July 1996. The figures were sourced from the Victorian Casino and Gaming Authority, The Victorian Council On Problem Gambling Inc. and The Age. The Victorian Council on Problem Gambling for example was set up more than a decade ago and is one of the oldest and most respected problem gambling organisations in the state. (Appendix 94)

The evaluation showed that 25 machines:

- : Will require a yearly turnover of \$16,425,000.
- : Will result in \$1,6425,000 being collected in State Government gaming taxes each year.
- : With 295 members and 70% of the gaming by local Emerald members, each member will loose on average \$3,911 p.a.

At our meeting with the Emerald RSL executive on 18 November 1996, at which their Solicitor was present, they refused to talk about the financial losses to Emerald via the legislated State Government Gaming taxes, and have been unable to contradict any of our data.

Breakeven has checked and confirmed as correct all the figures our representatives have publicly used.

The Emerald RSL President has accused Church staff of defaming the Emerald RSL "by the misuse of these figures". St. Mark's representatives were threatened with legal action by the Emerald RSL's Solicitor, letter dated 7 November 1996, on the grounds that we were arguing that the RSL Executive would cause social problems to the hills communities. This shows a misunderstanding of our position and of the law of defamation.

The economic evaluation has been prepared on a conservative basis. For example while Breakeven claim the average loss on every Tattersall machine is \$200 per day, we have used \$180 in our figures. It also assumes 25 machines and not 33 as reported in the Pakenham Gazette of 16 October 1996 where it said, "To support the rezoning proposal, architects for the RSL have submitted indicative plans for 33 gaming machines". (Appendix 95).

Based on 25 machines, and a gaming tax of 10%, (it can be as high as 13%), gambling patrons will lose \$1.643 million each year. Of this one third will be returned to the Emerald RSL.

The net loss to the Emerald area, will be initially be approximately \$1,095,548 p.a.

If there were 33 machines the initial loss to Emerald will be between \$1,446,123.

The Emerald RSL, out of their "gambling return", will have to pay the following costs, all of which will leave the Emerald area, namely:

- : **Repayment of the bank loan, including interest.**
- : **Utilities.**
- : **Salary on-costs.**
- : **Payment for goods and services to non-Emerald traders, (e.g Butchers, green grocers, bread shop, supermarkets, liquor outlets, general repairs etc.)**
- : **Advertising.**
- : **Promotions and Public Relations costs.**
- : **Insurances.**
- : **Gaming licences.**
- : **Security, and**
- : **Staff training.**

In addition income tax paid by employees in the gaming section of the Emerald RSL will also leave Emerald. Therefore very little of the gambling money received by the Emerald RSL will remain in the town.

TABLE OF ANNUAL LOSSES:

MACHINE NUMBERS	10% TAX	13% TAX
25	\$1.245M	\$1.574M
33	\$1.600M	\$2.030M

Note: The above loss includes an annual repayment of \$150,000 to the Bank.
The above does not include further losses paid to utilities, salary on-costs or payments to other non-Emerald traders.

The following table lists the detailed calculations of the impact of losses by way of gaming taxes to the Emerald community.

REVIEW OF EMERALD RSL PROPOSAL - 25 GAMING MACHINES:

NUMBER OF MACHINES	DAILY TURNOVER	YEARLY T/O	GAMING TAX (Legislated)	GAMING TAX (Current)	TAX RET. TO CLUB (Current)	NET LOSS TO AREA (Current)	NET LOSS TO AREA (Potential)
	\$	\$	\$	\$	\$	\$	\$
1	1,800	657,000	85,410	65,700	21,878	43,822	56,968
5	1,800	3,285,000	427,050	328,500	109,391	219,110	284,842
10	1,800	6,570,000	854,100	657,000	218,781	438,219	569,685
15	1,800	9,855,000	1,281,150	985,500	328,172	657,329	854,527
20	1,800	13,140,000	1,708,200	1,314,000	437,562	876,438	1,139,369
25	1,800	16,425,000	2,135,250	1,642,500	546,953	1,095,548	1,424,212

Source:

1. Victorian Casino and Gaming Authority.
2. Victorian Council On Problem Gambling Inc.
3. The Age.

4.7 GAMING LOSS PER MEMBER OF THE R.S.L.:

As part of the economic evaluation of the Emerald RSL gaming proposal our Administrator prepared data on the average loss per member per year.

As the Emerald RSL Executive said they would be happy with 300 members even though they currently have less than 80 members, and assuming 30% of the gaming revenue came from visitors, the average annual loss per Emerald RSL member would be \$3,833.

If only 10% of gambling revenue come from visitors, the average annual loss per Emerald RSL member would be \$5034.

Should the Emerald RSL install 33 and not 25 machines, as used in the calculation of the gaming loss per member, the above figures can all be increased by 32%.

MACHINES

**GAMING TAX
(Current)**

**EMERALD
POPULAT'N
18+**

Gaming tax - Current - 10% 25 \$ 1,642,500 2,948

LOSS PER YEAR PER EMERALD MEMBER:

NOTE	NUMBER OF EMERALD MEMBERS	MEMBER/ NON MEMBER 70/30 (loss \$1.6425M) (\$1.15M/\$0.49M)	MEMBER/ NON MEMBER 80/20 (loss \$1.6425M) (\$1.31M/\$0.33M)	MEMBER/ NON MEMBER 90/10 (loss \$1.6425M) (\$1.48M/\$0.16M)	MEMBER/ NON MEMBER 30/70 (loss \$1.6425M) (\$0.49M/\$1.15M)
1	80	\$ 14,375	\$ 16,375	\$ 18,500	\$ 6,125
2	147	7,823	8,912	10,068	3,356
3	295	3,911	4,456	5,034	1,678
4	442	2,602	2,941	3,356	1,119

NOTE:

1. Current Emerald RSL membership
2. Assumes 5% of Emerald population as members
3. Assumes 10% of Emerald population as members
4. Assumes 15% of Emerald population as members

4.8 THE EMERALD RSL RESPONSE:

The Emerald RSL states that our sourced figures are wrong. They cite examples where the turnover of \$1,800 per machine per day is not being met, and one of their examples where this is clearly the case is Beaconhills Golf Club.

This was put to a number of experts and these were the responses:

Mr. Rob Wootton, Director of the Victorian Council for Problem Gambling Inc, claimed that the daily turnover of pokies is dependent on a number of variables.

- : If they have few pokies there will be correspondingly low throughput.
- : If they are in a "remote" place, i.e. you have to drive to get there they will also have a low turnover and they don't perform well at all.
- : For the average complex size of about 30 machines these do much better than machines at venues in remote places and their daily turnover would be within plus or minus 10% of the State average, i.e. \$1800 per machine per day.

Mr. Ron Ruzzier, of Breakeven, was surprised at the low turnover figure but cited the gaming location as not in a built up area as being the key factor. He also said that with such a low turnover they risked losing the machines to an area with a higher demand.

Beaconhills Golf Club has only 5 machines and is clearly in a remote location and a lengthy drive from the neighbouring towns.

Therefore the Beaconhills Golf Club cannot be used as a reliable precedent.

The Emerald RSL believes their gaming venue would be a mecca for tourists who would flock to Emerald to play the machines. Their President in the Free Press of 19 June 1996 claimed the club was focusing on tourists, not residents. (Appendix 96).

For city dwellers to travel to Emerald to play the pokies is a misunderstanding of the "gaming culture". Breakeven claim that one of the main attraction to gaming venues is the close proximity to their home.

4.9 WHAT THE STATISTICS SAY ABOUT GAMBLING:

- : "Australians have demonstrated an unusual cultural acceptance of gambling with the highest per capita gambling expenditure in the western world".
Place your bet - Gambling in Victoria p 51.
- : "Australians are now spending almost as much on gambling as they save"
Place your bet - Gambling in Victoria p 57. This comment was in relation to household disposable income in 1994-95.
- : In 1994-95, Victorians lost \$2.2 billion or \$489 per head to all forms of gambling.
The Age 2 December 1995 (Appendix 97)
- : In 1989-90, Victorians lost \$200 per head to all forms of gambling. The Age 2 December 1995. (Appendix 98)
- : In 1994-95 gambling comprised 17.6% of the national entertainment and leisure dollar. The Age 2 December 1995 (Appendix 99).
- : Expenditure on legal gambling in Victoria rose by 19% in 1995-96, reports the Victorian Casino and Gaming Authority. The Australian Financial Review 20 January 1997. (Appendix 100).

- : The Victorian Casino and Gaming Authority in its 1995-96 annual report said non casino electronic gaming machines had a participation rate of 33 per cent. The Australian Financial Review 20 January 1997. (Appendix 101).
- : Breakeven claim that 77% of problem gamblers lied to conceal their gambling. The Age 27 November 1996. (Appendix 102)
- : The Victorian Government has budgetted to receive \$1,152,000,000 in gambling taxes in 1996/97. Sunday Age 9 March 1997. (Appendix 103)
- : Tabcorp revenues jumped 11 per cent to \$409,600,000 as revenues from gaming machines surged 21 per cent. The Age 28 February 1997. (Appendix 104)
- : Executive Director, Licensed Clubs Association of Victoria claims, "Electronic gaming machines return an average \$1,500 per day". The Age 2 December 1995 (Appendix 105)
- : Net revenue per Tabcorp Gaming machine is up 6.8% to \$142 per day, in 1994/95 The Age 30 October 1996. (Appendix 106)
- : Gambling spending in Victoria is forecast to reach \$3,045,000,000 in 1996-97, an increase of 18.5%. The Age 30 October 1996 (Appendix 107)
- : 23,415 gaming machines have been approved for installation by 30/6/96. The Age 28 October 1996. (Appendix 108).
- : Tabcorp daily turnover per machine is \$1,440, a Tattersalls machine is \$1,800. The Age 5 March 1996. (Appendix 109).
- : A June 1995 survey by the Victorian Casino & Gaming Authority, revealed that 63% of Victorians believe that gambling is a serious social problem. Bronwyn Pike, Director, Justice and Social Responsibility, Uniting Church. (Appendix 110).
- : The latest survey by the Victorian Casino & Gaming Authority, revealed that 84% of Victorians believe that gambling is a serious social problem. The Age 4 September 1996. (Appendix 111)
- : A Victorian Casino & Gaming Authority survey revealed that 63% of gamblers use household funds and savings. The Age 3 February 1996. (Appendix 112)
- : Only 4 years after the introduction of gaming machines into Atlanta city, 40% of local businesses had folded. Bronwyn Pike, Director, Justice and Social Responsibility, Uniting Church. (Appendix 113)
- : Pokies take toll - Yarra Ranges punters lose \$1.4 million a month on the Shire's 257 poker machines. Lilydale and Yarra Valley Express, 22 July 1996. (Appendix 114)
- : Everyday, a Tattersalls machine makes \$200 profit, while Tabcorp machines net \$144. Lilydale and Yarra Valley Express, 22 July 1996. (Appendix 115). (note, the Emerald RSL plan to install Tattersalls machines).
- : Gambling cited over retail losses as Lend Lease, "Slash \$57 million from the value of its shopping centres at Greensborough and Dandenong. The Age 4 December 1996. (Appendix 116)
- : "Punters are set to lose a staggering \$1,350,000,000 playing Victoria's 23,000 poker machines this financial year (1995-96)". Herald Sun 12 March 1996. (Appendix 117)

: "Poker machine losses are running at around \$3.7 million a day". Herald Sun 12 March 1996. (Appendix 118)

: "An incredible \$13,500,000,000 will be put through Victoria's (poker) machines in 1995-96". Herald Sun 12 March 1996. (Appendix 119). Note ten percent of this throughput will be creamed off in gaming taxes, (\$1,350,000,000)

: "Whilst at least 87% of turnover must be returned to players, stiff competition is seeing about 90% returned to punters as machine operators strive to lure new gamblers" Herald Sun 12 March 1996. (Appendix 120).

: Jan McMillen in Place your bet - Gambling in Victoria says, "Preliminary research suggests that gambling taxes are regressive and that the facilities provided by gambling taxes frequently cater for an elite middle class" p 66

4.10 WHAT THE EXPERTS SAY:

: Tabcorp CEO claims, "Tabcorp has every right to compete in this discretionary leisure market". The Age 2 December 1995. (Appendix 121)

: Breakeven's Mr. Ruzzier says, "The average daily loss on every Tabaret machine in Victoria is \$144 a day and \$200 on every Tattersalls machine. Free Press 17 July 1996". Free Press 17 July 1996. (Appendix 122)

: Mr. Ruzzier again, "Based on figures from the Victorian Casino and Gaming Authority if 25 gaming machines are installed in Emerald, people would lose \$5,000 per day on them". Free Press 17 July 1996, (Appendix 123)

: The Victorian Casino and Gaming Authority public relations officer, Anne Rahilly, said, "At least 87% of the money played at a pokie venue over 12 months must be returned in winnings. The remaining 13% is divided between the government, the gaming operator, (Tattersalls or the TAB) and the venue operator". Free Press 31 July 1996. (Appendix 124)

: The Age editorial, "The dollars that go into a poker machine or on a gaming table are dollars that could have gone into savings or some other sector of the economy". The Age 3 September 1996. (Appendix 125)

: Claude Forell in a feature article in the Sunday Age 9 March 1997 states, "Gaming machines are relentless. Just keep feeding and they will continue to swallow. Only rarely do they spew up more than you have sunk in their multi-colored maws. This is licensed banditry in the guise of entertainment". (Appendix 126).

: Kate Legge, a journalist with The Australian in a book titled Place your bet, expresses her sense of gambling as a culture which provides little nourishment for the soul. For Legge, the multiplication of gaming machines throughout suburban Australia is a symptom of aimlessness and suffering.

4.11 WHAT THE EMERALD RSL SAY:

"We concur the statistics regarding the affects of gambling on addicted households are particularly damning, but the figures quoted refer to Casinos, Hotels and large Clubs of the NSW variety, and are out of context and hypothetical nonsense as far as the Emerald RSL situation is concerned". The Trader 25 June 1996. (Appendix 127) This last comment is contradicted by Breakeven and the Victorian Council for Problem Gambling Inc.

5. THE CONSEQUENCES OF DIVERSION OF HOUSEHOLD DISCRETIONARY EXPENDITURE TO GAMBLING:

5.1 REDUCED RETAIL SALES:

Currently the Victorian Government derives over \$1 billion dollars of revenue per annum from the various forms of gaming in Victoria. As Bronwyn Pike of the Uniting Church said, "the Government relies on gaming for 14 per cent of revenue". (Appendix 128).

We have contacted Mr. Ron Tomlinson, President of the Retail Traders Association, (Victoria), who has authorised the following comments. "Reports are coming in from my members, (retailers), in Bairnsdale that business is suffering following the introduction of poker machines to Bairnsdale. The traders claim the money previously spent on retailing are being siphoned off to the pokies. There are now numerous vacant shops in Bairnsdale. It is interesting to note that where there was one financial counsellor employed by local government in Bairnsdale, there are now five".

The Age editorial on 3 September 1996 said, "Gambling is not a magical method to create new community wealth. The dollars that go into a poker machine or on to a gaming table are dollars that could have gone into savings or some other sectors of the economy". The Age 3 September 1996. (Appendix 129).

Very few businesses have benefited from the introduction of poker machines. Two such groups have been pawnbrokers and opportunity shops.

Paul Jones is a pawnbroker at Morwell, whose shop is next to a hotel with 40 poker machines. He describes business as, "real good" and said, "The number of people selling their stuff has increased. It is certainly because people are addicted to the pokies". Herald Sun 13 October 1996. (Appendix 130) Mr. Jones said he saw the same people in his store and they regularly sold and redeemed the same possessions, especially jewellery, televisions, videos and tools. "People come in here with their video, go to the pokies and come back to pick it up" he said. "If they don't win, they bring in their television and then their jewellery". Herald Sun 13 October 1996. (Appendix 131).

The Manager of the Morwell Mid Valley Shopping Centre, Mr. Ron Harper, said its turnover had increased 6% on the previous financial year and the Centre had not felt any adverse effect from gambling machines. Herald Sun 13 October 1996. (Appendix 132) Whilst this comment of increased sales is obviously correct for the Mid Valley Shopping Centre, the rest of Morwell has been devastated by the introduction of poker machines.

Nina Burke, President of the Moe Development Group, a group that encompasses all commercial traders, education and community service groups within the former City of Moe, said, "Traders can pin point when gambling came to Moe via reduced sales. They can name it to the day and can verify it via their Sales Book".

Bronwyn Pike of the Uniting Church said, "Whilst there have been shifts in the gambling expenditure itself we are talking about the new money that is now being spent on gambling and not on clothing, footwear, (47% less by regular gamblers), entertainment, holidays and even donations". Bronwyn Pike, Director, Justice and Social Responsibility. (Appendix 133). Bronwyn Pike in another paper comments, "An executive of a well known Melbourne chain store has said that they can chart the introduction of an Electronic Gaming Machine venue in a local community by the retail figures and in each case the trading never recovers to its pre EGM level". (Appendix 134).

It was reported in the Herald Sun on 18 December 1996 that, "Two municipal councils, (Yarra and Banyule), have moved to ban poker machines in some areas amidst rising concern at the impact of gambling on the community. The City of Yarra has decided to ban the further introduction of poker machines in council-controlled venues, after mounting fears the rapid spread of pokies has led to a drop in retail sales". (Appendix 135).

In a report, the 1996 Monitoring Melbourne publication co-authored by Professor Kevin O'Connor of Monash University claims, "That while Victoria has 25% of the national population its share of Australia's total retail spending slipped to 22.7 per cent, from 26.2 in 1988. Sharp declines in clothing expenditure in recent years and the post 1991 trends in retailing both match closely the rise in gambling activity". Herald Sun 14 December 1996. (Appendix 136).

The Herald Sun on 18 October 1996 reported that, "For every extra dollar spent on gambling, department store revenue fell 10% and clothing sales by 40%". (Appendix 137).

The head of the Retail Traders Association, Mr. Ron Tomlinson said there was a mountain of anecdotal evidence from retailers who have been hurt by gambling, particularly the casino and the spread of pokies in country areas. Herald Sun 18 October 1996. (Appendix 138).

Mr. Tomlinson said he believed there had been, "very serious leakage of consumer dollars away from traditional retailers". Herald Sun 18 October 1996. (Appendix 139).

The Moe experience according to Nina Burke, President of the Moe Development Group, was that:

- : "A survey of Moe shop keepers found that 95% of them attribute a down grading of business and profit to gaming machines"
- : "On the types of shops most affected - It appears to be the food retailers, butchers, bakers, cake shop or lunch shop have been the hardest hit".
- : "Traders generally have found it harder to make ends meet".

5.2 REDUCED HOUSE VALUES:

There are two reasons why housing values will fall should poker machines be introduced to Emerald.

Diane Jenkins of Breakeven Southern said that approximately 70% of gamblers seeking support only became problem gamblers when poker machines were introduced to their local area. With the accessibility of poker machines being a major factor in claiming new problem gamblers, more members of the Emerald community will become problem gamblers and suffer from financial stress and consequent family breakdown.

As more houses come onto the market , and without any increase in the number of buyers, the law of supply and demand will ensure that housing prices will fall. Bill Walker, the President of the St. Vincent de Paul Centre in Moe said, "It is possible to buy a three bedroom brick house for \$20,000 to \$30,000". The Age 18 May 1996. (Appendix 140).

Another issue that will cause house prices in areas surrounding a pokie venue is well articulated by Emerald resident, Mr. David Berger, he said, "We are concerned about the hours of operation, noise and traffic levels, security for surrounding homes, lighting, parking and the impact on property values". Free Press 3 July 1996. (Appendix 141).

5.3 AN INCREASED DEMAND FOR WELFARE:

A number of professionals and welfare organisations have made specific comments on the effects gambling is having on the community, some of these comments are:

- : Bill Walker from St. Vincent de Paul, Moe said, "The local St. Vincent de Paul Society has registered a 55 per cent increase in emergency relief. We don't ask or judge here as to why people need help but the increase started roughly when the pokies came here" The Age 18 May 1996. (Appendix 142).

- : Neil Norbury, Director Gippsland Lifeline said since 1994 Lifeline has registered a 400% increase in the number of people calling because of gambling problems. "The rate shot up when gaming machines came here and has stayed at that rate ever since". The Age 18 May 1996. (Attachment 143).

- : Ruth McDonald, West Gippsland Care Director, said the increase in demand for financial and aid assistance since the arrival of poker machines in Warragul had been "significant". Trader (Warragul). (Appendix 144).

- : Emergency relief figures from the Uniting Church at Footscray/Yarraville saw a five fold increase from 2592 cases in 1990 to 12928 cases in 1995. Uniting Church document. (Appendix 145)
The increase at the Prahran Mission was from 1565 cases in 1990 to 5129 cases in 1994. Uniting Church document. (Appendix 146)

- : Lt. David Simpkin of Emerald Salvation Army, said, "I can see my welfare budget going through the sky if poker machines come to Emerald." Free Press 19 June 1996. (Appendix 147).

- : Lt. Simpkin said, "We see 200 families per annum and spend \$12,000 just in the local area, and my welfare team is concerned that the need in the local community will be greater than the resources available". Free Press 21 August 1996. (Appendix 148).

- : The latest survey from the Victorian Council of Social Services said the number of gamblers seeking help from Victorian charities had more than doubled in four months. The Age 4 September 1996. (Appendix 149)

- : A welfare worker in Morwell quotes case history after case history of desperate people who have found themselves addicted to the town's 236 gaming machines. Herald Sun 13 October 1996. (Appendix 150).

The same article said, "The effects of gambling have been felt by many, including welfare agencies, police, the church and retailers". Herald Sun 13 October 1996. (Appendix 151).

- : Gippsland Family Services have had to put a notice on the door which reads, "Important Notice. Emergency relief has run out of funds. There is no emergency relief money available". Herald Sun 13 October 1996. (152). This is at a time when Anna Doganieri, Manager of financial services, Gippsland Family Services, claims, "unemployment is decreasing". Herald Sun 13 October 1996. (Appendix 153).

- : Rev. David Pargeter, the Morwell Uniting Church Minister said, "We are not talking about emergency relief now. We are talking about sustained and continued poverty, perpetual poverty". Herald Sun 13 October 1996. (Appendix 154).

- : The Uniting Church's Care agency located in Broadmeadows has seen a 500% increase in requests for funds due to gambling losses. Bronwyn Pike, Director, Justice and Social Responsibility, Uniting Church. (Appendix 155).

- : Linda West, Director, Mission of St. James and St. John, in their 1995/96 Annual Report and under the heading, "Disturbing social trend", comments, "The problem is being made worse by the continued expansion of the gambling industry, with its unprecedented level of seductive advertising. To seduce the poor and unemployed in this way, when it is clear that most will lose money that they can ill afford, is exploitative and immoral". (Appendix 156)

6. EVIDENCE OF GAMBLING RELATED CRIME:

There is now much evidence of gambling related crime. According to County Court Judges, police and professionals in the welfare area three most striking features of gambling related crime are:

- : Those convicted previously had an unblemished record.
- : The amounts defrauded were very significant, mostly over \$100,000.
- : In some cases a high level of violence was used.

6.1 WHAT THE COURT JUDGES SAY:

Judge Campbell said gambling addiction was a "burgeoning problem" in the courts and ranked the consequences of such an addiction alongside those of drugs. Herald Sun 12 October 1996.(Appendix 157).

This comment followed the case **The Queen v Caron Margaret Culross**. Culross, a former ANZ Bank Branch Manager was convicted of theft charges from her employer of \$1,367,000. Aged between 22 and 25 when the offences took place, Culross had no prior convictions and came from a respectable middle class family of unblemished reputation. Culross used the proceeds of her thefts on gambling and lost.

Judge Campbell said Culross, "used the banking system to fraudulently transfer funds from clients accounts. To disguise such deficiencies, you would distribute money between internal bank facilities such as bank warrants and the bank's international accounting systems, by means of a round robin procedure". Victorian Government Reporting Service. (Appendix 158). Once the losses were detected Culross was remorseful and co-operated with the authorities to reveal full details of her web of deceit.

In another recently publicised case before Judge Ross in **The Queen v Julia Davis** where the latter pleaded guilty to stealing \$130,000 belonging to her quadriplegic Ssn, the evidence presented was, "that the bulk of the money (stolen) was put into electronic gaming machines". Victorian Government Reporting Service. (Appendix 159). Like the Culross case above, Julia Davis, age 54 also had an unblemished record with no prior convictions.

In his judgement Judge Ross said, "Anecdotal evidence is accruing that suggests that the proliferation of electronic gaming machines is unearthing large numbers of problem gamblers. Advertising of the pleasurable benefits associated with gambling and the prospects of return on these machines is, I believe, illusory and misleading, and I suspect this material has its impact on the weak-willed and gullible".Victorian Government Reporting Service. (Appendix 160)

Another damning comment on gambling related crime came from the former Chief Magistrate, Nick Papas said most people in the criminal justice system believe gambling had a marked impact on crime. He said as a magistrate he had noticed an increasing number of defendants who claimed they had turned to crime because of gambling. Herald Sun 16 October 1996. (Appendix 161).

In a case before Magistrate, Mr. Brian Barrow, he convicted an ANZ Bank executive was convicted for stealing \$86,188 from his employer by way of two false bank loans which he gambled on poker machines and the TAB. The Age 27 November 1996. (Appendix 162)

6.2. GAMBLING RELATED DOMESTIC VIOLENCE:

In a case heard by The Deputy Chief Magistrate, Mr. Dan Muling, a 45 year old male was sentenced to 5 months jail after pleading guilty to accidentally striking his three month old baby son on the head and punching his de facto wife while demanding money from her. The court also heard how the accused "had debts of \$12,800, mainly gambling related". The Age 25 January 1996. (Appendix 163) Mr. Dan Muling described the attack as, "unforgivable, reprehensible and inexcusable". He said that while gambling may explain what occurred, "it doesn't excuse your behaviour". Herald Sun 25 January 1996. (Appendix 164)

6.3 GAMBLING RELATED CRIME - WHAT THE EXPERTS SAY:

: Ms. Wyatt of the Mission of St. James and St. John said she had heard many sad stories from clients, ranging from stealing from children's piggy banks to..." Herald Sun 13 October 1996. (Appendix 165)

: In a survey commissioned by the Victorian Casino and Gaming Authority almost two-thirds of those surveyed believed that an expanded gambling industry had led to an increase in crime. The Age 4 September 1996. (Appendix 166).

: "It accords exactly with what we have been hearing. People are saying they are being driven to crime because of gambling": Rev. Tim Costello in response to a Government funded survey where 25% of gambling addicts admitted turning to crime to feed their habit. Herald Sun 16 October 1996. (Appendix 167)

: "Almost one in four gambling addicts surveyed by a State Government funded agency admit turning to crime to feed their habit". Herald Sun 16 October 1996 (Appendix 168) This survey was hotly disputed by Crown Casino CEO, Lloyd Williams who said, "I wonder whether you get problem gamblers caught up with drug-related crime, I just wonder". Herald Sun 13 October 1996. (Appendix 169).

6.4 GAMBLING RELATED CRIME -WHAT THE GAMBLING ADDICTS SAY:

: "Mr. Long, a former insurance agent who admits defrauding his former employer to fund his gambling habit". Trader (Warragul) (Appendix 170)

: Maureen, 45 years old and separated recently after 15 years of marriage, "I never wanted children because they'd stand in the way of my gambling. Then I needed money so I started selling my body for sex". Herald Sun 1/6/96. (Appendix 171)

6.5 GAMBLING RELATED CRIME - A POLICE RESPONSE:

It has been difficult to get Police to publicly comment on gambling related crime but one senior officer at Morwell has. Senior Sergeant John Brooks said, "opportunistic crime increased soon after gaming machines were introduced to Morwell. Crimes such as shop-lifting and snatch-thefts from cars have become more widespread". Herald Sun 13 October 1996. (Appendix 172)

A Police prosecutor, Sergeant Bob Hodge, said that in his six years as a police prosecutor there had been a perceptible increase in the number of magistrates making comments in open courts about the adverse social impact of gambling. The Age 28 October 1996 (Appendix 173).

A telling comment about the Monbulk Tabaret, which opened in October 1996, was, "The number of calls to Police has gone up 2 or 3 times, usually after hours". This comment was made by a service Police officer to Rev. Dr. Peter Crawford on 5 January 1997.

6.6 EMERALD AND GAMBLING RELATED CRIME:

Our local Police are proud that, relative to other townships in the area, Emerald has a low crime rate. They attribute much of this to ECHO's work with teenagers.

With the clear evidence of an increase in serious crime elsewhere we are worried about this aspect should gaming machines be introduced into Emerald.

Currently Emerald Police Station is staffed until midnight and until 2am on Friday and Saturday nights. This is always conditional on them not being called to an emergency away from Emerald or being required to provide staff on short notice at other locations, e.g. Belgrave. When Emerald Police Station is unattended the nearest available police are stationed at Knox or Boronia, almost 30 minutes away.

Therefore in the light of the comments from Morwell Police, (see 6.5 above), and the uncertainty, due to reasons outside their control, of Emerald Police being able to provide adequate patrolling in Emerald, the proposed pokies venue could be a major added security risk for Emerald residents. There is a likelihood of increased domestic violence, thefts, traffic offences, traffic accidents, drink driving and alcohol related crime.

7. CONCLUSION:

A review of the sourced information in this report we believe clearly demonstrates that the introduction of gaming machines to Emerald will:

- : Damage the social structure.**
- : Weaken the family unit.**
- : Increase crime.**
- : Increase bankruptcies.**
- : Destroy local businesses, and**
- : Increase local unemployment.**

To allow gaming machines in a community that includes many vulnerable people would be an experiment with extreme risks.

We also have concerns that the Emerald RSL:

- : Will be unable to deal with problem gamblers whilst openly acknowledging that larger Clubs in New South Wales have been unable to.**
- : May not be able to financially manage the venue. (If it closes like the Mordialloc and Carrum RSL's then what controls will there be over subsequent operators?)**

We are clearly very worried when a review of the Warragul Country Club Inc. (previously Warragul Golf Club) Annual report highlights that of its 2400 members only 500 are Golf members, most of the balance are "gaming members". (Appendix 174). We believe that the Emerald RSL, like the Warragul Country Club, will need to actively solicit membership to maintain their gaming machines should they be introduced. As Mr. Danby, an Emerald RSL member claimed, "get behind a local organisation which will be there for all of us". Trader 2 October 1996. (Appendix 175).

The response from the State President of the RSL, Mr. Bruce Ruxton has also been disappointing and he is clearly ignoring the strong community opposition to the Emerald RSL pokies proposal. His response on receiving almost 2400 signatories to the "no pokies" petition was, "I filed it in the waste paper basket". Herald Sun 26 September 1996. (Appendix 176) He was also reported in the same article as saying, "My reaction to that (petition) was to put it right into the filed and flushed".

We clearly do want a viable RSL in Emerald but one without gaming machines. We do not think the new club with pokies, "will be a fitting memorial to the serviceman and women who gave everything for the freedom we enjoy today". Trader 2 October 1996. (Appendix 177)

We suggest that any memorial to our fallen that damages the social structure, weakens the family unit, increase crime, increase bankruptcies, destroys local businesses and increases local unemployment, is a totally inappropriate memorial. It would be the ultimate irony that our fallen who fought for the freedom and prosperity of this country will be remembered by a machines that enslave and impoverish local citizens.

The Emerald community cannot afford the losses of **"\$5,000 per day"**. Free Press 17 July 1996. (Appendix 178).

The Emerald community cannot risk the effect on the community the "accessibility issue" will have when approximately 70% of gamblers seeking support only became problem gamblers when poker machines were introduced to their local area,

Welfare agencies attached to the Uniting Church and Salvation Army and the Mission of St. James and St. John and St. Vincent de Paul all claim a significant increase in the number of people seeking welfare assistance when gaming became available at a local level.

Even the Secretary of Emerald RSL acknowledged in his letter to the Trader on 25 June 1996, "we concur the statistics regarding the affects of gambling on addicted households are particularly damming". (Appendix 179).

We request you note again the comments from Mr. Julian Stock, Chief Commissioner, City of Banyule, whose Council has rejected the introduction of gaming venues in poor areas claiming, "Only then will councillors and commissioners have fulfilled their moral and legal responsibility to their communities". Herald Sun 23 December 1996. (Appendix 180).

ECHO and St. Mark's formally request the application by the Emerald RSL for any gaming machines be rejected. For you to approve the Emerald RSL application we believe would be a slap in the face to organisations which are currently working hard to make the local communities more robust. You will also be ignoring the above evidence of the destruction poker machines has reaped upon other small country towns, and above all, you will be going against the strong wishes of the Emerald community.

May we conclude with a comment by Kate Legge in a feature article in The Australian 6-7 April 1996, "The middle-aged man I see cursing the Casino's change machine with an angry 'F*** you' is a depressing salute to the notion that gambling is the future face of leisure".

ABOUT THE AUTHOR OF THIS REPORT:

The above report has been prepared on behalf of ECHO and St. Mark's, Emerald by Alan Ashmore, an employee of ECHO.

Alan has an Accounting Degree and extensive financial background having been previously responsible for the preparation of annual budgets and the financial reporting against budgets for an enterprise whose annual budget exceeded \$100M p.a.

Alan is a returned serviceman, having served in South Vietnam as an Infantryman with 7th Battalion.

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