

Submission to the Productivity Commission Australia's Gambling Industries Report October 1999

At its ordinary Council Meeting 5 October 1999 Council resolved to make the following submission to the Productivity Commissions Inquiry into Australia's Gambling Industries (1999).

Preamble

The City of Whittlesea is located on the metropolitan fringe approximately 20 kilometres to the north of Melbourne. Covering an area of approximately 487 square kilometres, the City is physically one of the largest municipalities in Metropolitan Melbourne. The 1999 population is estimated to be 115,000. More than 50% of the residents of the City of Whittlesea come from a Non English Speaking Background. The residents of the City are also diverse in their levels of socio-economic advantage. Unemployment in the City is comparable with the national average but significantly higher in pockets of disadvantage. The City has sustained substantial growth rate with over 1,100 new homes being started in 1998 and a consequent high proportion of mortgagees (38.5% 1998).

Whittlesea has a relatively high number of electronic gaming machines and is ranked 17 among metropolitan municipalities, with 609 machines approved as of early 1999. Current planning applications have been issued for an additional 170 machines in clubs which, when installed, will increase Whittlesea's metropolitan ranking to ninth.

The Costs of Gaming to the Community

A range of research has been completed and more is underway in Victoria into issues such as the recreational value of gaming venues, the local economic impact both individual and at a community level, the social impact both generally and on vulnerable sectors of the community. There is growing anecdotal evidence in the City of Whittlesea of an increasing negative impact from problem gambling. The gambling counselling agency Breakeven has recently extended its services and appointed counsellors in languages other than English in response to an increased demand. The Community Information Whittlesea emergency relief service reports a substantial increase in demand which it links to problem gambling.

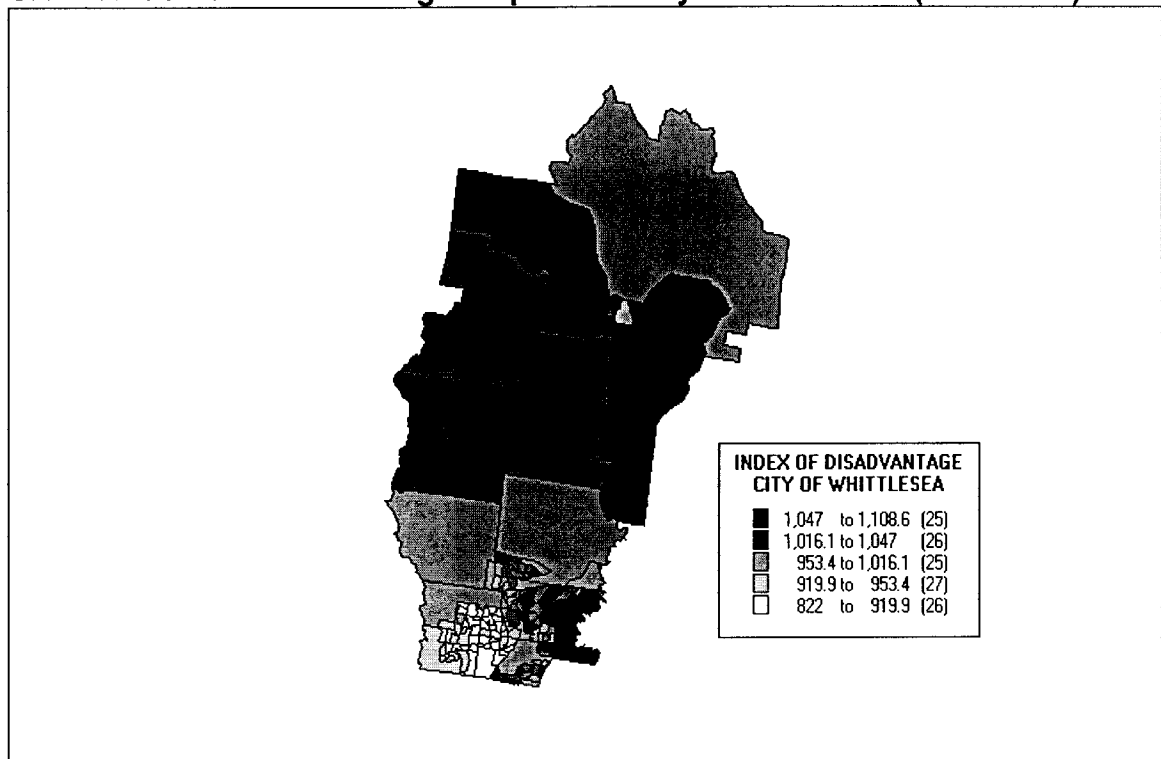
The City of Whittlesea is also concerned that research has shown that people who are socially or economically disadvantaged tend to have higher levels of participation in gambling and therefore spend more than others. Research has identified the following groups as being over represented in studies of problem gamblers; recent migrants, unemployed people, isolated women and the people with disabilities. These groups are likely to be financially disadvantaged and are therefore less able to absorb gambling losses without negative impact on non-disposable income. This will have a negative impact on themselves, their families and the wider community.

The City of Whittlesea is also concerned that research by the City of Maribyrnong has shown that municipalities with a higher proportion of low-income earners have a disproportionate number of EGMs. The relationship between the distribution of EGMs and the ABS generated SEIFA index of socio-economic disadvantage shows a clear trend of an apparently strategic placement of machines in disadvantaged areas. This coupled with the demonstrated higher proportion of spending by the poor on gaming machines as a proportion of income and the consequent impact on such communities is of great concern. Although a cap exists to limit the total number of machines within Victoria, there is no restriction on the distribution between municipalities. The City of Whittlesea recommends that regional based capping of EGMs be introduced to reduce the proliferation of EGMs in areas of socio-economic disadvantage.

The chart below represents the distribution of EGMs in metropolitan Melbourne in relation to the SEIFA index. There is a clear correlation between socio-economic disadvantage and the placement of EGMs.

The map below represents the Socio-Economic Index for Areas (SEIFA) generated by the Australian Bureau of Statistics for the local government area of the City of Whittlesea. It is clear from the map that the City of Whittlesea has a number of precincts, particularly Thomastown, Lalor and parts of Epping, which may be more vulnerable to negative impact from EGM access than others.

SEIFA Index of Disadvantage map of the City of Whittlesea (ABS 1999)



SEIFA Index of Disadvantage map of the urban precincts of the City of Whittlesea (ABS 1999)

A Monitoring Role for Local Government

The City of Whittlesea believes there is an important role for local government in monitoring and researching local gambling issues. In fact local government is best placed because it has the most intimate understanding of the community and the interplay between the social and economic relations which impact on both residents and businesses. Local government monitors social indicators and constantly profiles its community as a normal part of service and facility planning. It is therefore well positioned to monitor the impact of gaming.

A Greater Planning Role for Local Government

The City of Whittlesea is concerned that in Victoria there are few planning control options available to local government to limit the proliferation of gaming machines within the municipality. The Victorian Gaming Machine Control Act requires that a planning permit is required if the floor area occupied by EGMs is 25% or more of the area where liquor is sold. This provision allows venues in areas that may otherwise be restricted, such as hotels in shopping centres, to install EGMs.

Recent successful appeal decisions in Victoria have been on the basis of the potential negative impact on both amenity and importantly socio-economic grounds. In particular the case of City of Maribyrnong vs Cascall Pty Ltd established that the onus was on the venue operator to demonstrate that social and economic effects of extended hours would not be detrimental.

The discrepancy between the planning requirements in different States and the reticence of state governments to increase planning controls due to their increasing dependence on a gaming tax based revenue suggest the need for a degree of Commonwealth co-ordination. It is important that a national body receive input from the community and local government via some appropriate mechanism such as the Community Consultative Committee proposed by the VLGA.

The Community Support Fund

The City of Whittlesea supports the conclusion of the Productivity Commission Draft Report (1999) that the process by which the revenue raised as a result of

gaming needs to be clear and transparent. The City of Whittlesea is concerned that without a clear and accountable process the residents of the City cannot be confident that the proportion of the Community Support Fund (CSF) that is generated within the municipality is returned as benefits to the local community. The distribution process for the CSF should be made with reference to a group such as a Community Consultative Committee with representation from local government. The City of Whittlesea believes that CSF funds should be made available for Gambling counselling and written materials in languages other than English.

Socio-economic Benefit of EGMs

The City of Whittlesea acknowledges that EGMs in community based clubs such as Returned Services League Clubs and sporting clubs can have a positive net benefit by returning a significant proportion of EGM generated revenue to the local community. Council believes that any policy on capping or restriction on the proliferation and distribution of EGMs should be made in light of the benefits to the local community.

Commitment by the City of Whittlesea

The City of Whittlesea is firmly committed to ameliorating the negative impacts of convenience gaming on the community developing a Responsible Gaming Strategy. The Strategy will include the development of a Charter for Responsible Gaming in conjunction with both the venue operators and the wider community. The development of this strategy is about to commence and will build on the research conducted by the VCGA, Victorian Local Government Association (VLGA), Victoria University of Technology and various local governments and community agencies.

Conclusion

The City of Whittlesea does not advocate the prohibition of EGMs but it does have a strong commitment to mitigation of the negative impacts on the community. Council does not wish to reduce any net benefit to the community particularly but it is concerned that the proliferation of EGMs has caused increasing demand on welfare services and well-being of residents.

The City of Whittlesea invite any comment or further queries be directed to Jon Rawlings, Social Planner, Strategic Planning Unit, City of Whittlesea.