

SUBMISSION

Prepared by Springvale Monash Legal Service on behalf of the 'Greater Dandenong Taskforce for Gambling Reform' for the

Victorian Commission of Gambling and Liquor Regulation

In response to Dandenong Cranbourne RSL Sub Branch application for a licence to install and operate 11 electronic gaming machines at the Dandenong RSL.

Date submitted: 30 August 2018

About Us:

The Greater Dandenong Taskforce for Gambling Reform was established in May 2018. The group members are united by a shared concern regarding the adverse health, social and economic effects of gambling (particularly poker machine gambling) within the Greater Dandenong community; and a desire to see gambling harms addressed through effective legislative reform.

We aim to reduce gambling related harm reduce in the City of Greater Dandenong.

Membership:

Cambodian Association of Victoria

Connect Health and Community

South East Community Links

Southern Migrant Resource Centre

Springvale Indo Chinese Mutual Assistance Association

Springvale Monash Legal Service Inc.



The Greater Dandenong Taskforce for Gambling Reform urges this Commission to consider the social and economic consequences that flow from the location of gaming machines, and reject the application made by Dandenong Cranbourne RSL Sub Branch application for a licence to install and operate 11 EGMs at the Dandenong RSL.

Dandenong RSL

The overall losses in the 2.5 kilometre radius around Dandenong RSL have jumped from \$42.1 million to \$43.3 million annually. In addition, Dandenong RSL saw one of the biggest jumps in profit in the City of Greater Dandenong, going from \$6.98 million to \$7,656,714 annually.¹ This profit is already causing significant harm to our community and we strongly oppose any increase of EGMs that would compound this.

We are extremely concerned with elements of the RSL's application to the VCGLR, indicating that a welfare worker will be employed with a small amount of the profits gained from the EGMs. Witness statements included in their application claim that \$65,000.00 will be spent on this welfare worker. Of the alleged \$868,984 generated from these EGMs, this represents 7.5% of the profits from the new machines, and less than 1% of the RSL's overall profits. Another witness statement stresses the RSL's current budget issues, stating that 'our ability to maintain our levels of welfare service to veterans and to their wider community is now threatened and our welfare funds are exhausted'. The nature of this statement indicates that welfare spending may be reduced or stopped all together if new machines are not installed. The practice of Gaming venues using 'community contributions' as part of their applications is extremely problematic, as this can be interpreted as a venue *purchasing* an application (at minimal actual financial cost), with little overall community benefit to outweigh the significant losses experienced. In 2015/16, in the City of Greater Dandenong, the total paid by club venues as gifts, donations, sponsorships, volunteer expenses and veterans support only amounts to a mere 6.3% of the total losses experienced by our community. 'Community contributions' drawn from the community's losses is in fact not a contribution at all.

Therefore, little weight should be given to this claim, as it represents an insignificant 'community benefit' in relation to the overall harm from losses the community faces from these machines. It has been estimated that 28% of regular EGM gamblers experience severe gambling-related problems.²

In the City of Greater Dandenong, EGM users lose approximately 21.7%³ of their annual income each year.⁴ The financial impact on individuals, their families and their community is a serious concern given the high levels of disadvantage within our Local Government Area (LGA). Our residents have little or no ability to incur gambling losses without harm. If people who use these machines lose on average 21.7% of their income, yet the promised community contribution is less than 1% of Dandenong RSL's total profit from EGMs, the detriment far outweighs any alleged benefits to the community.

¹ Monthly LGA EGM Statistics, July 2018, Victorian Commission for Liquor and Gambling Regulation, accessed August 2018: <https://www.vcgr.vic.gov.au/CA256F800017E8D4/VCGLR/2C4FB00D26AF1EFFCA257B320078D3F5?OpenDocument>

² McMillen, J. and Marshall, D. 2004. 2003 Longitudinal Community Attitudes Survey. Gambling Research Panel Report No. 6, Melbourne, Victoria.

³ The Pokies Play You, 2018, citing the Victorian Commission for Gambling & Liquor Regulation 2017 (EGM gambling losses and EGM numbers) and the Victorian Department of Environment, Land, Water and Planning 2017 (population).

⁴ Brown, 2018, Gambling Related Issues for Local Government, City of Greater Dandenong, accessed August 2018: <http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

Electronic Gaming Machines (EGM) cause harm. This is well known and due to a range of reasons:

1. Poker Machines/ EGMs are prone to cause harm due to:
 - (a) The random nature of each game;
 - (b) Losses disguised as wins, creating a positive reinforcement effect for losses;
 - (c) The overall chance of winning (being misled about how EGM's work through communication and marketing strategy can lead to people making spending decisions that significantly underestimate the price they are paying for the entertainment. ⁵
 - (d) The fact that EGM's are designed to prolong play and maximize losses through a variety of design features. ⁶

Dandenong RSL Location

The location of the Dandenong RSL is of considerable concern. The venue shares a car park with Dandenong Plaza, where local families do their shopping. Community services are nearby such as the Southern Migrant and Refugee Centre, South East Community Links, Life without Barriers, Wellsprings, Brand New Day, Red Cross, AMES, Foundation House, Beyond Blue, Dandenong Maternal and Child Health Services, Dandenong Youth Hub and Dandenong Neighbourhood house. Dandenong Magistrates court is also close by. All of these services provide support to people in our community who experience some form of disadvantage or vulnerability. In addition to community services, Dandenong RSL is alarmingly close to Dandenong Primary School, and school children can see the RSL while they study and play.

Problem Gambling

The Productivity Commission estimates that costs such as suicide, depression, relationship breakdown, job loss, bankruptcy and crime are estimated to cost at least \$4.7 billion across Australia,⁷ far outweighing any financial gains made by state and territory governments through gambling. ⁸ In Dandenong, a community that has already been made vulnerable and considerably disadvantaged through successive government policy and generational poverty, this impact is even more detrimental. Research indicates that gambling related harm is a social issue on 'a similar order of magnitude to major depressive disorder and alcohol misuse and dependence'. ⁹

Gambling causes significantly greater harm on families in Melbourne's more disadvantaged suburbs, than it does in wealthier areas. ¹⁰ In 2016-17, \$118 million was lost to EGMs in Greater Dandenong, \$956 per

⁵ Productivity Commission, 2010, Gambling: Productivity Commission Inquiry Report - Volume 1

⁶ Neal, P.; Delfabbro, P. & O'Neal, M., 2005, Problem Gambling and Harm: Towards a National Definition, Gambling Research Australia. Retrieved September 21, 2012 from <http://www.adelaide.edu.au>

⁷ Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

⁸ Financial gains for state and territory governments have been estimated to be between \$12.1 and \$15.8 billion - Productivity Commission, 2010, Gambling: Productivity Commission Inquiry Report - Volume 1

⁹ Browne, M. et al., 2016, Assessing gambling-related harm in Victoria: a public health perspective, Melbourne: Victorian Responsible Gambling Foundation

¹⁰ Australian Institute of Family Studies, 2016, Tale of two suburbs: Gambling in suburban Australia, Media Release, accessed August 2018:

<https://aifs.gov.au/media-releases/tale-two-suburbs-gambling-suburban-australia>

adult.¹¹ The losses that the community of the City of Greater Dandenong experience, outweigh those of other LGAs- in fact we experience the highest rate of EGM losses in Victoria. The City of Greater Dandenong has the second highest number of pokies in any Victorian municipality, and represents almost 8 EGMs per 1,000 adults compared to the Victorian average of 5.5 per 1,000 adults.¹² Research demonstrates that people on lower incomes, those in unskilled work, the unemployed, and people of limited educational attainment suffer the highest gambling losses compared with people with more skilled occupations, higher incomes or educational attainments.¹³

The prevalence of problem gambling increases with increasing density of EGMs.¹⁴ Every increase in EGM numbers increases their accessibility to the community, and will therefore have a detrimental impact on people experiencing problem gambling in the local community. Dandenong RSL, as a particularly visible and accessible venue contributes to this.

It is clear that disadvantage and vulnerability (such as generational poverty, trauma, mental health issues, family violence or substance abuse) can contribute to and compound gambling harm. Communities such as ours, already among the most vulnerable in Victoria, are experiencing further harm by greater exposure to gambling opportunities.

Despite knowing the harms that this will perpetrate on the community, Dandenong RSL is choosing profit over people, and willingly contributing to the increase of disadvantage and gambling related harm to a community that is already under significant pressure.

Gambling Related Harm in Our Community

Gambling related harm has been described as ‘any initial or exacerbated adverse consequence due to an engagement with gambling that leads to a detriment to the health or wellbeing of an individual, family unit, community or population’¹⁵, and requires a public health approach to address these harms.

The total economic and social impact of the new EGMs must not be detrimental to the well-being of the community where the venue is located. 2010 estimates indicate that 4% of the population gamble on EGM’s at least once per week.¹⁶ Of the people who are playing every week, almost one in three (30%) are either problem gamblers or moderate risk gamblers.

Losses on EGM’s by problem gamblers are estimated by the Productivity Commission at 40%, with a further 20% from moderate risk gamblers. In the City of Greater Dandenong, this means almost \$80 million was generated from people having problems with their gambling last year.¹⁷

¹¹ Brown, 2018, Gambling Related Issues for Local Government, City of Greater Dandenong, accessed August 2018: <http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

¹² Brown, 2018, Gambling Related Issues for Local Government, City of Greater Dandenong, accessed August 2018: <http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

¹³ *ibid*

¹⁴ Evidence, 2014, Ms Kirsten Shannon, Clinic Manager, Gambling Treatment Clinic, University of Sydney, p 16, as quoted in New South Wales. Parliament. Legislative Council. Select Committee on Gambling, 2014, The impact of Gambling / Select Committee on Gambling. [Sydney, N.S.W.], report accessed August 2018: <https://www.parliament.nsw.gov.au/lcdocs/inquiries/1974/Final%20Report.pdf>

¹⁵ Langham, E. et al., 2016, Understanding gambling related harm: a proposed definition, conceptual framework, and taxonomy of harms, BMC Public Health 16, no. 1

¹⁶ Productivity Commission, 2010, Gambling: Productivity Commission Inquiry Report - Volume 1

¹⁷ As calculated from over all losses.

Children are deeply impacted by adult gambling losses.¹⁸ The impact is both physical and psychosocial. Studies have shown that feelings of abandonment, loss of trust, security, sense of home, emotional deprivation, poor role modelling, destructive behaviour problems, inadequate stress management skills, poor interpersonal relations, diminished coping abilities, greater risk of negative health outcomes, and psychological disruption due to the chaotic and unpredictable environment within the home can occur when children have a parent who experiences problem gambling. It also impacts their educational outcomes and they can become socially isolated because they cannot attend normal social events.¹⁹ Increasing the number of EGMs in Dandenong will increase the harms felt by children in our community.

Challenges Facing Greater Dandenong

MENTAL HEALTH

Increasing the number of EGMs in the City of Greater Dandenong will compound the negative impacts of mental health issues in the community. In addition to the mental health related harms experienced by people with a gambling problem, many people experiencing mental health problems or with drug dependency issues may be more susceptible to gambling problems.²⁰ Studies have found that people with gambling related problems were much more likely than others to face depression or to engage in problematic alcohol or other drug use.²¹ It has been estimated that 11.5% of problem gamblers reported that they had seriously considered or attempted suicide, compared with 1.1% of non-problem gamblers.²²

In the City of Greater Dandenong, our community already faces high levels of mental illness and drug dependence, with one of the highest rates of psychological distress in the state.²³ Our resilience scores are less than the Melbourne average, in fact the lowest score in Victoria.²⁴ Levels of illicit drug-related ambulance attendances, hospital admissions and drug treatment episodes among Greater Dandenong residents are higher than average Victorian levels.²⁵

SOCIO ECONOMIC STATUS

The City of Greater Dandenong is a community facing a high level of financial disadvantage, and increasing the number of EGMs will exasperate the harms faced by people who are already struggling. A report from the Australian Gambling Research Centre encapsulates the issue:²⁶

¹⁸ Browne, M. et al., 2016, Assessing gambling-related harm in Victoria: a public health perspective, Melbourne: Victorian Responsible Gambling Foundation.

¹⁹ Derbyshire et al (2001b), as quoted in Browne, M. et al., 2016, Assessing gambling-related harm in Victoria: a public health perspective, Melbourne: Victorian Responsible Gambling Foundation.

²⁰ McCready, J., Mann, R., Zhao, J. and Eves, R., 2008, Correlates of Gambling-related problems among older adults in Ontario. Journal of Gambling Issues, Vol. 22, Accessed June 2018: www.camh.net/egambling/issue22/02mccready-mann.html

²¹ Science Alert, 2008, Depressed gamblers Risk Addictions. Science Alert. Accessed June 2018: www.responsiblegambling.org/staffsearch/library_news_results_details.cfm?intelID=11513.

²² According to The Centre for Gambling Research at the Australian National University (cited in Stone, C., Yeung, K., and Billi, R., Technical Report Four: Social Determinants and Co-Morbidities: Multivariate Models of Co-Morbidities, The Victorian Gambling Study: A Longitudinal Study of Gambling and Health in Victoria 2008–2012 (2016). Melbourne

²³ Beyond blue, 2017, Media Release, Accessed August 2018:

<https://www.beyondblue.org.au/media/news/news/2017/06/02/beyondblue-targets-mental-health-in-greater-dandenong>

²⁴ Brown, 2018, Gambling Related Issues for Local Government, City of Greater Dandenong, accessed August 2018:

<http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

²⁵ ibid

²⁶ Australian Institute of Family Studies, 2016, Tale of two suburbs: Gambling in suburban Australia, Media Release, accessed August 2018:

“Socioeconomic disadvantage [...] magnifies the harm from gambling. For example, one gambler in the east said losses meant their family had to go without repairing the dishwasher for six months, while several gamblers in the west said gambling losses meant they literally could not afford food for their children”

Despite being a reference to western suburbs, the significance of this statement is true for our community. In 2016, the median individual weekly income in Greater Dandenong the lowest in Melbourne, only \$476. Also, in 2016, 31% of families with children in Greater Dandenong had no parent in paid employment, also the highest level in metropolitan Melbourne. Our community has the third highest number of Health Care Card holders (9.7% of the population).²⁷

HOUSING STRESS

According to the 2016 census, 81% of renting one-parent families, and 90% of older sole person households, face housing stress. In addition, 51% of renting families with no young children were living in rent-related financial stress. Overall, 68% of renters in Greater Dandenong faced such financial stringency after paying their rent. Our housing services are already under considerable strain. Rising gambling losses in our community would lead to higher numbers of people accessing such services – increasing an already significant burden on our community.

FAMILY VIOLENCE

Similar to substance abuse, gambling can often be interconnected with family violence, increasing its frequency and severity. There is a statistical relationship between numbers and density of EGMs and police-recorded family violence rates.²⁸ This is further backed up by evidence from Family violence crisis response service Safe Steps, whose data reveals that calls to their service spiked during times of significant gambling activity.²⁹ According to the Centre for Innovative Justice, ‘gambling can be one of the factors which function as a barrier and make it harder for a perpetrator to choose non-violence’.³⁰

Studies have demonstrated that the prevalence of family violence increases in families where a member is experiencing problem gambling. They reveal that significant numbers of people getting help for problem gambling problems report using physical violence against their partners and children.³¹ In addition to physical violence, gambling can contribute to economic abuse, trapping victims in poverty and

<https://aifs.gov.au/media-releases/tale-two-suburbs-gambling-suburban-australia>, as quoted in Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018:

<https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

²⁷ Brown, 2018, Gambling Related Issues for Local Government, City of Greater Dandenong, accessed August 2018:

<http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

²⁸ Markham, F., Doran, B., and Young, M., 2016, The relationship between electronic gaming machine accessibility and police-recorded domestic violence: A spatio-temporal analysis of 654 postcodes in Victoria, Australia, 2005–2014, Social Science & Medicine 162

²⁹ Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018:

<https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

³⁰ Citing Rodney Vlasis, submission from Centre for Forensic Behavioural Science and Forensicare, "Understanding and responding to complex criminal behaviour resulting in family violence: submission to the Royal Commission on Family Violence," (2015), as quoted in Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018:

<https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

³¹ ibid

undermining post-separation recovery. Economic abuse can take the form of taking a woman's pay or Centrelink money to gamble, getting joint loans or loans in a woman's name and gambling the money away, or victims being constantly fearful based on the success or failure of their partner when out gambling.³²

Family violence is a serious issue in the City of Greater Dandenong and surrounds. The City of Casey, located a mere one kilometre from Dandenong RSL, has the highest actual numbers of family violence related police call outs in Victoria.³³ In the City of Greater Dandenong, our community also experiences extremely high rates of family violence, with 1571 police callouts per 100,000 residents, putting us well above state averages. In 2015, Police stated that South Eastern local government areas Greater Dandenong, Casey and Cardinia make up nearly 10 per cent of the state's total of family violence related police call outs.³⁴ These figures are only representative of police intervention, and do not include women and children who are suffering from family violence have not felt confident to report it.

Increased access to EGMs and the losses associated, will contribute to an already horrific family violence problem. When considering the social and economic impact of any proposal, particular emphasis should be given to family violence. So called 'benefits' the RSL argues may stem from installing these machines, cannot be given weight in comparison to the harms stemming from family violence. Its prevalence in our society and the destruction of the lives of women and children must be at the forefront of all considerations relating to increasing access to EGMs in the City of Greater Dandenong.

CRIME

There is evidence that problem gambling connects with criminal behaviours. It can be both a driver of crime and a risk factor for recidivism.³⁵

The Centre for Innovative Justice report "Compulsion, Convergence or crime?" found that gambling; gambling venues or gambling related debt can:

- *"increase the risk of recidivism upon release for people convicted for non-gambling related offences;*
- *propel people from disadvantaged socio-economic status into crime just to feed their families;*
- *lead people (including a gambler's partner or family members) to be coerced into offending;*
- *manifest as a form of economic abuse in the context of family violence;*
- *draw victims of family violence into criminogenic environments as a way of seeking respite;*
- *lead to theft and deception of extended family by adult children in the context of elder abuse."*³⁶

³² Citing Rodney Vlasis, submission from Centre for Forensic Behavioural Science and Forensicare, "Understanding and responding to complex criminal behaviour resulting in family violence: submission to the Royal Commission on Family Violence," (2015), as quoted in Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

³³ Crime Statistics Agency, 2016, Family incidents, year ending 31 March 2016. State Government of Victoria. Accessed on 6 September 2016 from: <https://www.crimestatistics.vic.gov.au/crime-statistics/latest-crime-data/family-incidents>

³⁴ <https://www.heraldsun.com.au/leader/south-east/city-of-greater-dandenong-casey-and-cardinia-have-almost-10-per-cent-of-states-total-family-violence-cases/news-story/0c9ee3a3a80e1c9b258e1c421f716e41>

³⁵ Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

³⁶ Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

In the City of Greater Dandenong, our crime rate is 1989 per 100,000 residents, far above state averages.³⁷ Increasing the number of EGMs in our community will increase gambling related crime.

At Springvale Monash Legal Service, we provide free and confidential legal assistance to people made vulnerable and disadvantaged. Our service is already stretched. We are concerned that the inevitable increase in demand for our services will not be met. Other services in the Greater Dandenong Taskforce for Gambling Reform share the same concerns. We call upon the Victorian Commission of Gambling and Liquor Regulation to reject this application, based on the damage EGMs continue to do in our community.

³⁷ Rate of Recorded Offences by Category: 2010/11 to 2016/17 - and 2004/5 to 2016/17 for time trends
From current and previous records of offences by category from Victoria Police; and from Australian Bureau of Statistics: 3218.0 - Regional Population Growth, Australia 2015-16