

# Joint Select Committee on Gambling Reform

**Submission: Inquiry into the prevention and  
treatment of problem gambling**

March 2012

# Issues facing the City of Moonee Valley regarding gambling on Electronic Gaming Machines

The City of Moonee Valley covers 43 square kilometers, located between 4 and 13 kilometers north-west of Melbourne's CBD. Moonee Valley is a diverse, primarily established residential municipality. Complementing its residential areas, is an eclectic mix of retail strips and centres, combined with offices, some industrial areas and Essendon Airport.

The City of Moonee Valley is home to the AFL's Essendon Football Club at Windy Hill and the Moonee Valley Racing Club with its world famous Cox Plate.

## Snapshot of Moonee Valley and Electronic Gaming

*Population 114,000, Median age 37 years, Average household size 2.5, Proportion Australian born 66 per cent, Open space 528 hectares, Schools 30 primary schools, 10 secondary schools and Number of businesses 10,000.*<sup>1</sup>

In 2009 the number of gaming machines within the Moonee Valley municipality was capped at 746 machines.

Under the new licensing regime which commences in August 2012, only 726 entitlements were purchased for Moonee Valley, therefore leaving a deficit of 20 EGMs without an entitlement.

These 20 gaming machines can be allocated to either:

- a venue with less gaming machine entitlements than its local government planning approval for gaming machines allows. In this case, the transfer of the entitlements will not involve any consultation with Council. It is considered to be an 'arithmetic exercise' for the Victorian Commission for Gambling and Liquor Regulation (VCGLR).<sup>2</sup>
- a venue that seeks to increase its gaming machine entitlements above the number specified in its planning permit. In this instance, the venue will need to submit applications to:
  - Council for a Planning Permit to increase the number of allowable gaming machines at the venue
  - VCGLR for new gaming machine entitlements.

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<sup>1</sup> Moonee Valley Annual Report Summary

<sup>2</sup> Advice provided in phone discussion with representative from Victorian Commission for Gambling and Liquor Regulation (VCGLR) on 13 December 2011

Unfortunately it has not been possible to ascertain the number of gaming machine entitlements per venue proposed as at August 2012, despite requests for information from VCGLR.<sup>3</sup>

The density of gaming machines and the losses in Moonee Valley are substantially higher than the average for Victoria, with:

- 8.46 gaming machines per 1000 adults, as compared to the Victorian average of 6.41 per 1000 adults
- losses of \$261 (or 42.5%) higher per adult.

Gaming losses in Moonee Valley in 2010-11 were \$77,097,074.93 in 2011-12 and appear to be increasing. From July to September 2011 the monthly gaming losses were higher than the monthly losses for the same period in 2010.

The 2009 Victorian Department of Justice research into problem gambling found that '53.74% of players travelled no more than 5 km to their preferred pokie venue.'<sup>4</sup>

In 2010-11 there were 17 gaming venues in close proximity to Moonee Valley, that is, within 2 kilometres of a Moonee Valley municipal boundary. These venues showed total gaming losses of \$89,300,720. This is \$12,203,645 higher than the total losses in Moonee Valley.

The North West of Moonee Valley, that is, the suburbs of Airport West, Avondale Height and Keilor East have the lowest ranking Index of Relative Socio-Economic Disadvantage (SEIFA) within Moonee Valley, and as such it is the most disadvantaged area. At the same time the area has the highest losses per gaming venue in Moonee Valley, substantially higher than the losses for all other venues in Moonee Valley. The venue Skyways Taverner gaming losses in 2010-11 were \$187,345 or \$516 per day per machine. Moreover, Skyways Taverner had the 5<sup>th</sup> highest losses for a gaming venue in Victoria in 2010-11. In 2009-10 it had the 4<sup>th</sup> highest losses for a gaming venue in Victoria.

Clubs in Moonee Valley claim an extremely high community contribution rate of 234% of total income (as a percent of net gaming revenue). This is far in excess of the average community contribution for Victoria (33.7%).<sup>5</sup>

The highest claims for community contributions were made for venue operating costs (181.82%), also far in excess of the state average claim of 24.5%. Moreover, Moonee Valley clubs made no claims for contributions towards responsible gaming measures.

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3 The VCGLR listing of entitlements to gaming machines for August 2012 is set out by each individual entitlement and by the purchaser which includes the Australian Leisure and Hospitality Group. Requests for the information were made on 29 November 2011 and 13 December 2011.

4 This finding was aligned with the 2003 Victorian Longitudinal Community Attitudes Survey which found that in metropolitan areas, travel patterns were localised, with 60% of metropolitan gaming machine players travelling less than 5 kilometers to a venue and 40% travelling less than 2.5 kilometers.

5 As per VCGLR listings.

## **Term of Reference (b) measures which can encourage risky gambling behaviour**

In relation to measures which can encourage risky gambling behaviour the City of Moonee Valley has three issues which it wishes to bring to the notice of the Committee.

### **Use of Inducements/Incentives**

In relation to marketing strategies and the use of inducements/incentives to gamble, the City of Moonee Valley has several issues pertaining to the municipality, which it wishes to bring to the notice of the Committee.

Research has proven that 'If you increase opportunity and access to gambling, you increase the number of regular gamblers - but also the number of problem gamblers, for whom gambling has a negative impact on their life and those around them.'<sup>6</sup>

In relation to inducements, a typical example is, 'Casino [gaming venue] food and drink prices are often subsidized or are 'comped' – given away for free ...'<sup>7</sup> In Moonee Valley, a very large component of the Community Benefit Contributions from clubs expenditure goes to catering, member discount meals and advertising and promotion.<sup>8</sup>

In the UK, the 2007 British Medical Association report on gambling identified the many deceptive and potentially exploitative practices that some gaming operators use to entice individuals to start gambling (such as seductive advertising, free bonus gambles, misrepresentation of winning probabilities), and later to keep the individual gambling again and again, according to Mark Griffiths.<sup>9</sup>

### **Link between Alcohol and Gambling on Electronic Gaming Machines**

In Moonee Valley EGMs are only located in venues that serve alcohol which can affect players' judgement. Mark Griffiths, professor of gambling studies at Nottingham Trent University asserts '...the combination of gambling and drinking is a heady mix that will exacerbate problem gambling. You are more likely to be reckless.'<sup>10</sup> Further, 'unlimited-jackpot slot machines - described as the "crack cocaine of gambling" - give you lots of addictive near-win experiences', says Griffiths.

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6 J McMillan, 1990, *Gambling Cultures: studies in history and interpretation*, Routledge

7 R Goodman, 1995, *The Luck Business, USA*, Free Press Paperbacks, p.22

8 VCLGR

9 Mark Griffiths, *The Guardian*, 19 January 2007

10 *The Telegraph* 24 January 2007 Door opened to 24-hour casino gambling United Kingdom

Research has proven that 'Problematic gambling is more common among people with alcohol use disorders (AUDs) (i.e., either alcohol abuse or dependence) compared with those without AUDs. This association holds true for people in the general population and is even more pronounced among people receiving treatment.'<sup>11</sup>

Further, 'It's no secret that alcohol use and gambling often coexist. Nor is it surprising to hear that people who have gambling disorders (GDs) often have alcohol use disorders (AUDs), and vice versa. New research indicates that the association between the two disorders is even more complex: gamblers tend to think about alcohol more when they are winning; gamblers take more risks and play longer when they are drinking; people with concurrent GDs and AUDs have more suicidal tendencies than people with GDs alone; and gamblers who simultaneously tackle both disorders seem to have the best outcomes.'<sup>12</sup>

In the Australian context, the Department of Veterans Affairs Website, The Right Mix, states that 'Research has shown that just two standard drinks are enough to cloud the judgement of most gamblers, leading to larger bets.'<sup>13</sup>

## **Mandatory Shutdowns for Gaming Venues**

The Productivity Commission proposes that the hours of operation of the gaming venue more significantly affect the losses. It proposed that regulated shutdowns for gaming rooms in hotels and clubs should be longer than the current regime and should commence earlier in the evening. The Commission considers that mandatory shutdowns should occur no later than 2 am and be for at least six hours.<sup>14</sup> Moonee Valley City Council supports shutdowns as they would ensure gamblers had enforced breaks.

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11 Jon E. Grant, M.D., Matt G. Kushner, Ph.D., and Suck Won Kim, M.D, 2002, Pathological Gambling and Alcohol Use Disorder, Vol. 26, No. 2, 2002 Alcohol Research & Health

12 These findings were presented at a symposium on the strong association between GDs and AUDs during the joint June 2002 Research Society on [Alcoholism](#)/International Society for Biomedical Research on Alcoholism meeting [in San Francisco](#). Symposium proceedings can be found in the February issue of *Alcoholism: Clinical & Experimental Research*.

13 <http://www.therightmix.gov.au/www/html/711-alcohol-and-gambling.asp>, accessed 14 March 2012

14 Productivity Commission, 2010, *Gambling*, Report no.50, pages 14, 21, 38

## **Term of Reference (e) data collection and evaluation issues**

In relation to data collection regarding electronic gaming machine gambling the City of Moonee Valley has two issues which it wishes to bring to the notice of the Committee.

### **Data on Problem Gambling Assistance in Victoria**

Gambler's Help is a problem gambling support service operating across Victoria funded by Victorian Government through the Community Support Fund. Gamblers help offers free support, advice and information to people affected by gambling (both gamblers and non-gamblers) and to the broader community.

However, Moonee Valley Council has been unable to access any aggregate data regarding the support provided and/or requested from people in Moonee Valley. Whilst the service providers provide regular data reports to the Department of Justice regarding the program's service users, this information has not been made public nor is it accessible to local communities.

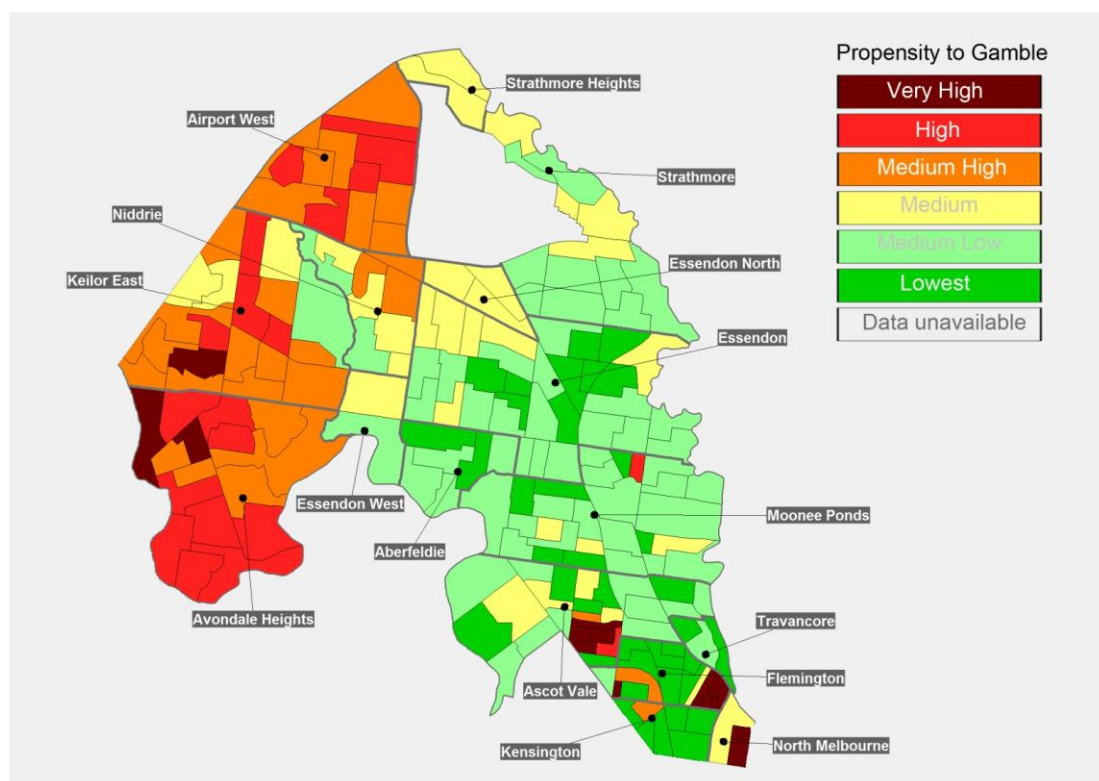
### **Propensity to Gamble Index**

Moonee Valley utilised the Propensity to Gamble Index (PGI)© index developed by Beverley Kliger & Associates to ascertain the level of risk facing residents in the municipality.

The map below indicates population pockets within Moonee Valley with a high to very high propensity to gamble. These pockets are primarily around Airport West and Avondale Heights, with small areas in Ascot Vale and Flemington. The areas with a high to very high propensity to gamble in Moonee Valley are also the most disadvantaged areas in Moonee Valley, as per the 2006 SEIFA Index ranking.

The Propensity to Gamble Index is based on the common attributes of problem gamblers: less education than the average adult; lower incomes; and employment in semi-skilled occupations.

## City of Moonee Valley Propensity to Gamble Index



The data used for the PGI is drawn from the 2006 Australian Bureau of Statistics Census for adults over 18 years of age in relation to the proportion of this population who: completed school in year 10 or below; had low incomes i.e. within the lowest 25% individual income for Melbourne or were in receipt of Centrelink incomes; and, were employed in semi skilled occupations.

This index could be applied and mapped across all Australian states to all local government areas.