

# **Gambling Strategy Update**

**4 December 2017**

*Gambling in Moreland 2015-2020* is Council's strategy to reduce the harm from gambling.

This is the second annual progress report on implementation of the Strategy and provides an overview of key activities undertaken since February 2017.

## **1. Divestment from investments that fund the gambling industry**

In March 2017 Council resolved (DSD6/17) to explore how it can divest from investments that fund the gambling industry and (request that) a further report come to Council with advice about a suggested approach for gambling industry divestment.

Council does not have any direct investments in accordance with section 143 *Local Government Act 1989* (the Act). This section of the Act outlines the entities/instruments into which Councils are permitted to invest funds. Essentially, these are government securities (government bonds) and approved deposit-taking institutions (banks). The only possible way to divest Council's investments is indirectly, by not investing funds in approved deposit-taking institutions that have a strong connection via the gambling industry.

It is proposed Council adopts a similar approach to the Council's Fossil Fuel Divestment Strategy in terms of 'positively screening' approved deposit-taking institutions. This would be done via the use of publically available information to increase the level of investments in non-gambling aligned approved deposit-taking institutions.

## **2. Advocacy for gambling reforms**

Advocacy for increased protection for gambling industry consumers continued as a key focus during 2017. Council highlighted the need for the State Government to improve regulatory control of poker machines and poker machine venues in formal representations and via local media and in public protest actions.

## **3. The Gambling Regulation Amendment Act 2017**

Despite strong opposition from Council and other partners in the Alliance for Gambling Reform, the *Gambling Regulation Amendment Act 2003* (the Bill) was passed on 1<sup>st</sup> December 2017.

A Bill to amend the *Gambling Regulation Act 2003* (the Bill) was introduced into the Victorian parliament on 20 September. It facilitated allocation of new 20 year gaming machine license entitlements following expiration of current licenses in 2022. This move was strongly condemned by gambling harm advocates.

The *Gambling Regulation Amendment Act 2017* was the catalyst for strong advocacy for poker machine reforms by Council and other members of the Alliance for Gambling Reform. The Bill included measures foreshadowed in the Gaming Machine Harm Measures Review earlier in the year that were opposed by Council. In its submission to the review in January 2017, Council called for a \$200 daily limit on EFTPOS cash withdrawals in suburban gambling venues. The bill allows for \$500 cash to be withdrawn in a 24 hour period.

The Bill also makes provision for cashless gambling which Council has advocated against. In correspondence to the Minister for Consumer Affairs, Gaming and Liquor Regulation and the Victorian Commission for Gaming and Liquor Regulation in August 2017, the Mayor advised that the only circumstance in which a cashless or ticket in ticket out (TITO) gambling transaction could be made in Council's view was in an appropriately defined, evidence-based mandatory pre-commitment regime.

A statement released on 10 October 2017 to the *Moreland Leader* newspaper provides a succinct summary of the key issues, contextual factors and Council's concerns about the proposed *Gambling Regulation Amendment Act 2017*. In it, the Mayor, Cr Davidson dismissed proposed changes to regulation of pokies venues in the Bill as 'inadequate at best'. Cr Davidson stated:

*Last month, before this bill was tabled, the Government extended pokies license terms until 2042. If we are to reduce the harm these dangerous machines will do over the next 25 years a substantial reform package is needed. This bill falls far short of that.*

*Reducing maximum bet limits from five dollars to one dollar must be the cornerstone of any meaningful reform package. Yet this, and other sensible consumer protection measures we have called for, are absent in this bill. \$1 bet limits would limit losses from high use pokies players with little to no impact on low use recreational consumers.*

*It's time to introduce controls to poker machine design that address their misleading and unsafe features. The federal court is now deliberating on exactly this matter and may well force the hand of Government regulators.*

The *Gambling Regulation Amendment Act 2017* passed the Victorian Legislative Assembly on 2 November, with 81 votes to 3 against. The Rev. Tim Costello, on 5 November 2017, called on MPs to consider the package of amendments (D17/ 421433) proposed by the Alliance for Gambling Reform before the legislation is passed by the Legislative Council. He also called for a parliamentary inquiry into gambling regulation similar to what has recently occurred in Tasmania.

On November 27 Mayor Cr Kavanagh wrote to Victorian Upper House Members of Parliament outlining Council concerns that the Bill presents significant risks to consumers and the wider community. This action supported similar representations made to MLCs by the Alliance for Gambling Reform and other of its local government partners.

The Mayor's letter cautioned against undue haste to pass the legislation before the artificial deadline of Christmas 2017, and stressed the need to ensure adequate time to properly consider the implications of the Bill. It highlighted the following elements of the Bill as being of particular concern to Council:

New 20 year gaming machine license entitlements from following expiration of current licenses in 2022.

"The prospect of a further 20 years of harm from electronic gaming machines, which this Bill facilitates, is alarming. As there are five years before current arrangements lapse, there is ample time to properly assess the potential for this measure to increase harm to consumers. If examination by a parliamentary standing committee is not feasible, Council urges as a minimum a deferral of the passage of this Bill to enable due consideration."

The bill allows for \$500 cash to be withdrawn in suburban gaming venues within a 24 hour period.

"During the period when ATM machines were allowed in gaming venues, a \$400 daily cash withdrawal limit was in place. The removal of ATM machines has been proven as a very positive harm reduction measure and delivered a significant 9% reduction in gaming losses.

Given this, it is of considerable concern to Council that that this Bill provides for a further \$100 on top of the daily cash limit of the ATM era via provision of \$500 daily EFTPOS withdrawals. This 20% increase is well over inflation and will facilitate risky gambling by those most vulnerable to harm.

Council urges the introduction of a \$200 daily limit on EFTPOS cash withdrawals in suburban gambling venues. This recommendation was made in our submission to the Government's Gaming Machine Harm Measures Review in January this year."

#### Cashless gaming

"The Bill makes provision for cashless gambling which Council strongly opposed in correspondence earlier this year to the Minister for Consumer Affairs, Gaming and Liquor Regulation and the Victorian Commission for Gaming and Liquor Regulation. The only circumstance in which a cashless or TITO (ticket in ticket out) gambling transaction should be made, in Council's view, is in an appropriately defined, evidence-based mandatory pre-commitment regime.

The Mayor also highlighted two absent measures that will reduce the harm from gambling, protect those most vulnerable to it, and have little impact on occasional recreational gamblers:

1. Maximum one dollar bet limits as recommended by the Productivity Commission
2. Increase the minimum closing hours of suburban gaming venues from four hours in a 24 hour period to 10 hours per 24 hours.

Despite submissions from Council and other partners in the Alliance for Gambling Reform, the Bill was passed on 1<sup>st</sup> December following a four hour debate in the Legislative Council.

### **3. Federal Court action against Crown casino and Aristocrat Leisure**

Then Mayor, Cr Davidson addressed a large media contingent outside the Federal Court on 12 September 2017, the first day of a 3 week trial involving Crown casino and pokies manufacturer, Aristocrat Leisure brought by Maurice Blackburn. Organised by the Alliance for Gambling Reform, the event highlighted the addictive nature of poker machines and alleged deceitful and misleading conduct by the industry bodies.

If the court finds in favour of the litigant the case will have profound implications for the industry and regulatory bodies and is expected to trigger significant reforms to eliminate harmful design elements of poker machines. It is not known when the court will determine the matter.

### **4. Glenroy RSL Supreme Court appeal**

Also pending, is a matter heard in the Supreme Court on 10 and 11 October 2017 relating to the Glenroy RSL's application for planning permission to operate 10 additional electronic gaming machines (EGMs). Council appealed a Victorian Civil and Administrative Tribunal (VCAT) decision in April 2017 which gave planning permissions, among other things, for the 10 additional EGMs. Council relied on 2 grounds:

- That the VCAT constructively failed to exercise its jurisdiction by failing to undertake its own assessment of the social and economic impacts of amending the permit and instead treating the findings of the Victorian Commission on Gambling and Liquor Regulation (Commission) as correct until proven otherwise; and
- That the VCAT erred in law in finding that clause 10.04 was 'a consideration, and not a test'.

It is anticipated that the Court's decision will be made in 3 to 4 months.

## 5. Advocacy and community engagement

In the latest Moreland Community Indicators survey (2016) 67% of local residents surveyed agreed with the statement:

*“There are too many electronic gaming machines (poker machines) in your local area.”*

This is a significant increase on the 50% result in 2014. The table below indicates that community awareness of the harm from poker machines has increased substantially especially in the southern half of Moreland, in Oak Park and Pascoe Vale South.

<b>Moreland Community Indicators Survey</b>			
<b>Suburb</b>	<b>% Agree 2012</b>	<b>% Agree 2014</b>	<b>% Agree 2016</b>
Brunswick	66	63	87
Brunswick East	85	32	59
Brunswick West	65	36	75
Coburg	63	50	88
Coburg North	63	58	39
Fawkner	57	39	53
Glenroy	58	43	45
Gowanbrae	36	33	22
Hadfield	57	68	63
Oak Park	48	25	80
Pascoe Vale	65	68	58
Pascoe Vale South	67	48	71
<b>Moreland</b>	<b>63</b>	<b>50</b>	<b>67</b>

Raising community awareness of gambling harm and the risks of EGMs has continued throughout 2017.

The Mayor wrote to the President of Community Clubs Victoria on 3 March 2017 in response to a campaign opposing local governments' partnerships with the Alliance for Gambling Reform. In the letter the Mayor acknowledged that, in addition to the provision of club facilities (class B benefits) 2.4% of total gaming revenue in Moreland's 6 community clubs was expended on direct (class A) community benefits. These included:

- Donations;
- Gifts and sponsorships;
- Sporting activities;
- Voluntary services to community members; and
- Support services to RSL members and their families.

The letter also affirmed Council's strong support for its partnership with the Alliance for Gambling Reform and for regulatory reforms such as the \$1 maximum bet limit to which Council remained strongly committed. These actions are also noteworthy:

- 5 March 2017 - *Play Music Not Pokies* fridge magnets were handed out at Sydney Road Music Festival. This provided a trigger for engagement with local community by officers and Kelvin Thompson of Alliance for Gambling Reform.
- 31 October 2017 – Womens’ protest for pokies reform at Victorian Parliament House. Mayor Helen Davidson addressed a large media contingent on the steps of parliament and joined other local government Councillors, MPs and gambling survivors calling for pokies reform. The event was organised by the Alliance for Gambling Reform.

## **6. Libraries After Dark: from the gambling lounge to the community lounge**

In communities with few accessible indoor social/recreational options at night, such as Glenroy, gambling venues are often a compelling but risky option. This is particularly so for those with fragile mental health: those without adequate support networks, those of limited economic means, and those seeking refuge from unsafe home environments. *Libraries After Dark*, is a regional partnership project designed to respond to this challenge in the northern metropolitan region. It was launched at Glenroy library on 2 November 2017.

The project will encourage prospective/at-risk gamblers in Glenroy, Broadmeadows, Mill Park and Preston, to seek company, stimulation or diversion in their local library – a facility offering the attractive features of gambling venues (safe, dry, warm, inclusive) without the inherent risks of harm. Each community faces complex economic and social challenges and has in its midst a high loss gambling venue. The local library in each area will be promoted as a ‘community lounge’ - positioning it as an alternative to the ‘gambling lounge’ nearby. With substantial support from the Victorian Responsible Gambling Foundation each participating library will open late once a week for 18 months offering events and activities designed (and marketed) to attract those who may otherwise be tempted by the pull of ‘the pokies’.

The program is led by Council as one element of a multi-pronged public health approach to reducing gambling harm. It is delivered as a regional partnership initiative, co-designed and delivered with the Darebin, Hume and Whittlesea Councils, the Yarra Plenty Library Service and the Victorian Local Governance Association.

A presentation on the project will be made to the International Gambling Conference in Auckland in February 2018.