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Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
Canberra ACT 2600
Australia
29 March 2012

Dear Secretary

Please find attached our submission in relation to the Inquiry into the prevention and treatment of problem gambling.

In particular, Term of Reference (e) data collection and evaluation issues.

We would welcome an opportunity to meet with the Committee and discuss our submission which presents the Propensity to Gamble Index as tool to determine inappropriate locations for gambling activities.

Yours sincerely

Beverley Kliger
Director

Beverley Kliger & Associates (BKA) is a social policy and planning consultancy operating since 1998 with a focus on the research and development of a range of policies for local governments and non-government organisations.

BKA has prepared a number of research, policy and strategy papers for Victorian local governments with regard to the impacts of gambling on electronic gaming machines. These include most recently the Moonee Valley City Council Gaming Background Paper 2012, City of Brimbank Gambling Policy and Action Plan 2010-2013, City of Knox Gaming Policy 2010

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

BKA recognises that there is inadequate data available on the propensity to gamble and susceptibility of populations. Further, that there is a fundamental flaw in how the gambling analysis is currently carried out. This is why BKA has developed an innovative tool which can be adapted to any municipality within Australia. This tool is available for a fee.

In 2010 BKA developed the ground-breaking and innovative Propensity to Gamble Index (PGI)©.¹ This Index allows agencies to ascertain the level of risk of problem gambling facing residents within a local government municipality. An application of the Index can be to identify areas within a local government municipality where there is a high proportion of residents with characteristics indicative of a vulnerability to problem gambling.

The Index can be applied to a local government area and indicates the propensity to gamble for different areas within the municipality. The Index has enormous potential and could be applied and mapped across all Australian states to all local government areas.

Propensity to Gamble Index Methodology

It is based on collection districts, which are the smallest level of geographical classification the census provides.

The (current) Index has been developed for all of metropolitan Melbourne. The Index is based on the following common attributes of problem gamblers:

I. Education

Less educated than the average adult. Both international research and a Victorian survey show that problem gamblers are more likely to have left school early²

¹ The Propensity to Gamble Index differs from the index established by “SGS Economics and Planning – Melbourne” which is calculated on the basis of five demographic variables identified as corresponding to overspending on EGMs by Worthington et al in 2003. These variables are obtained from Census data.

² McMillen and Marshall, 2004

2. Income
Receiving low incomes, both statutory income and earned income³
3. Employment
Employment in semi-skilled or unskilled occupations.⁴

The data used for the Index is drawn from the 2006 Australian Bureau of Statistics Census. When the 2011 Census data becomes available the Index will be updated

Indicator		Age Range
1.	Education Completed up to a maximum of Year 10 or did not go to school	18 and over
2.	Income Individual income - falls in the lowest 25% of individual income for Melbourne	18 and over
	Statutory incomes - in receipt of Centerlink income	
3.	Employment: Semi-skilled Occupations Sales workers, labourers, machinery operators and drivers	18 – 64 years

Example (a)

Following is an example of the application of the propensity to gamble index for a selection of metropolitan Melbourne local government areas. The areas selected had the highest expenditure (losses) on electronic gaming in 2010, and comparing them to the 2006 Socio-Economic Indexes for Areas (SEIFA).

Propensity to Gamble Index and SEIFA Rank for various metropolitan Melbourne municipalities June 2010 ©

Local Government Area	Propensity to Gamble Index	SEIFA Rank
Brimbank	30	29
Greater Dandenong	31	31
Hobsons Bay	24	24
Maribyrnong	21	30
Melton	19	21
Moreland	20	25
Wyndham	18	17

Source: Victorian Casino and Gaming Authority and Australian Bureau of Statistics

³ Based on 2006 census date, the proportion of the population whose earned income falls in the lowest 25%, of the income earned in metropolitan Melbourne

⁴ National Institute of Economic and Industry Research, 2000 and KPMG 2000

Example (b)

This example illustrates the next step in applying the Index to a municipality. The figures set out below show the propensity to gamble for collector districts for the City of Brimbank.⁵

Figure 1 sets out the Propensity to Gamble Index as applied across the City of Brimbank. The level of the propensity to gamble shown in Figure 1 is a comparison of Brimbank to the **propensity to gamble for metropolitan Melbourne**. The very highest propensity is the top 10%; the high propensity is top 20%-10%; the fourth is above average; and the third is equal to the average propensity to gamble for metropolitan Melbourne.

Please note that each gaming venue is indicated below by a number as given to the venue by the VCGR, refer to the following table.

⁵ Draft Electronic Gambling Policy Review, Background & Issues Paper, 2010, Brimbank City Council.

Figure 1. Brimbank City Council Propensity to Gamble Index - 2010

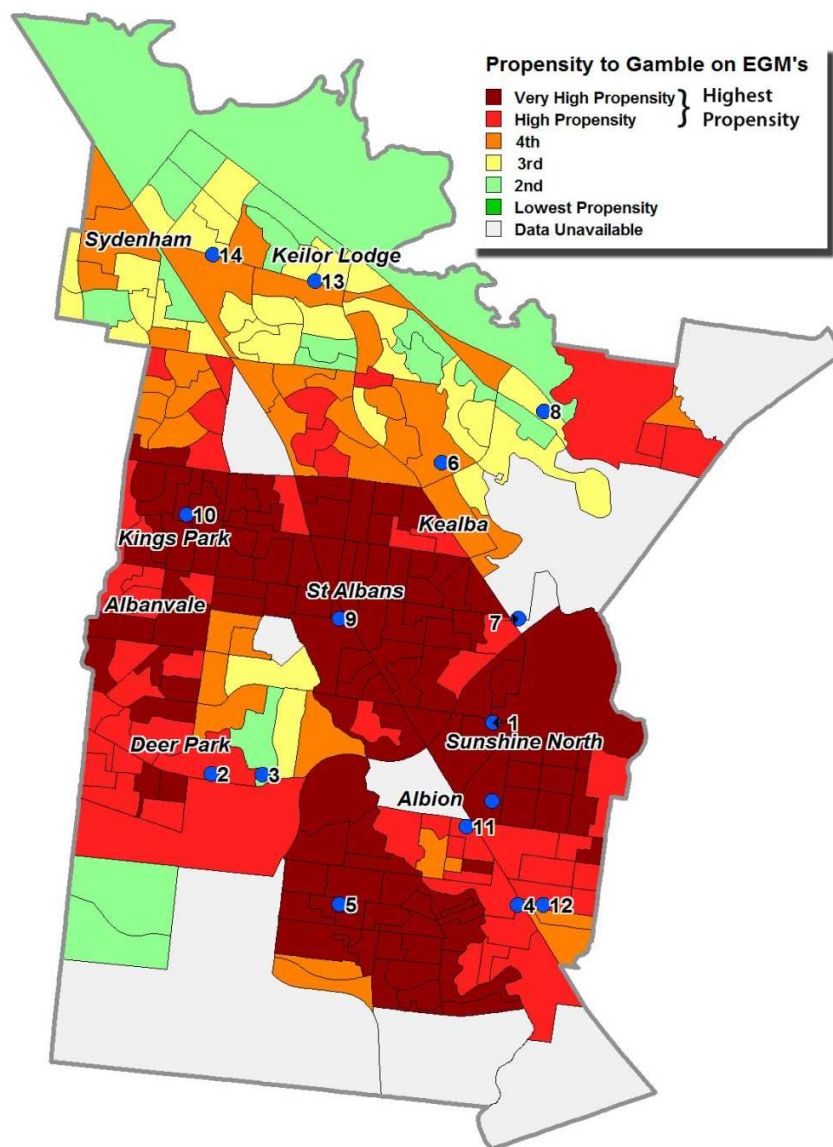


Figure 1 indicates that there are areas within Brimbank that have a very high propensity for the population to gamble: Kings Park; St Albans;Ardeer; Sunshine North;Albanvale; and Sunshine West. The areas with a high propensity to gamble and which are at risk of high levels of problem gambling are in: Keilor Downs; Delahey; Keilor Park; Deer Park;Albion; and Sunshine.

Electronic gaming venues in the City of Brimbank at 2010

	Venue	Address	EGMs	Expenditure 2008/9
14	Watergardens Hotel	431 Kings Road Taylors Lakes	70	\$14,963,632
13	Taylors Lakes Family Hotel	Lot 1357 Keilor-Melton Road Taylors Lakes	105	\$16,967,059
6	Green Gully Soccer Club	Green Gully Reserve , Lot 2 Green Gully Road Keilor Downs	70	\$6,490,009
8	Keilor Hotel ⁶	670 Old Calder Highway Keilor	50	\$6,311,801
7	Kealba Hotel	Cnr Sunshine Avenue & Main Road East Kealba	86	\$15,922,898
9	St Albans Hotel	5 Mckechnie Street St Albans	50	\$9,472,591
10	St Albans Sports Club	Kings Park Reserve, Gillespie Road St Albans	30	\$4,566,234
2	Deer Park Club	780 Ballarat Road Deer Park	68	\$6,302,081
3	Deer Park Hotel	760 Ballarat Road Deer Park	100	\$16,740,508
5	Glengala Hotel	214 Glengala Road Ardeer	60	\$7,945,175
1	Club Italia Sporting Club	128-152 Furlong Road North Sunshine	38	\$3,934,316
12	Sunshine RSL	99 Dickson Street Sunshine	60	\$2,386,883
4	Derrimut Hotel	132 Durham Road Sunshine	55	\$7,166,410
11	Sunshine City Club	24 Talmage Street Sunshine	23	\$1,262,605
15	Westend Market Hotel	47 McIntyre Road Sunshine	88	\$16,016,129
TOTAL			953	\$136,448,331

⁶ This hotel is outside the capped area

Key Personnel

Beverley Kliger the director has a Master of Urban Policy and Planning and has worked in the areas of social, community and government policy and planning for over twenty years. She has extensive experience in research and policy development with regard to social policy and an interest in gambling on electronic gaming machines policy and strategy. She was an Adjunct Research Fellow at Swinburne Institute for Social Research from 2001 to 2006. Beverley was acting CEO at the Victorian Council of Social Service from February to September 2005.

Liss Ralston the statistician, quantitative and qualitative data analyst, has a Graduate Diploma in Mathematics (Statistics) and is a demographer with extensive experience in demographic profiling, data collection and data analysis. In collaboration with the Swinburne Institute for Social Research, Liss developed the *Housing in Victoria* website which has established a number of benchmarks and guidelines for research regarding needs analysis. She also undertook the demographic profiling for the *Hard to Reach Project*, a project which sought better access to hard-to-reach groups in local community consultations. Liss works with BKA as a sub-contractor on numerous local government projects.

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