

Chapter 2

Getting the framework right

2.1 This chapter covers some key introductory issues, including the importance of a public health approach to gambling and how this may be achieved through reforms to research programs and governance arrangements, before discussion of the effectiveness of particular prevention measures in the next chapter. To illustrate the benefits of a public health approach, it covers evidence of growing signs that communities and local councils are demanding more engagement and control over issues such as the number of poker machines in their local areas, in recognition of the harm that can result.

Importance of a public health approach to gambling

2.2 As with the committee's first inquiry, the importance of a public or population health approach to gambling was emphasised to the committee. Such an approach considers the whole population rather than only the individuals experiencing problems or at high risk. This is particularly important as people can move very quickly in and out of risk categories (low, medium and high) on the gambling continuum.¹

2.3 Ms Kate Roberts, Chairperson, Gambling Impact Society NSW, noted the lack of a coherent, public health based policy on gambling at both the national and state level despite it being recognised by many as a public health issue. This is in contrast to issues such as tobacco, drugs or alcohol.² Ms Roberts noted that the key strengths of a public health approach to gambling are the opportunities to work across many sectors of the community to effect change. In this model gambling is owned by the community and solutions need to be considered and owned by the community. Ms Roberts highlighted that the public health framework:

...enhances a comprehensive and integrated approach to the problem and thereby engages many sectors of the community in working towards solutions. It is not seen as the sole domain of governments, counsellors or an industry but creates the opportunity for all sectors to work towards defined and measurable goals.³

2.4 Ms Roberts spoke on addressing gambling harm using this approach:

...basically we should be looking at the social, political and cultural environment, de-normalising gambling in the community, reducing product

1 Parliamentary Joint Select Committee on Gambling Reform, *First report: the design and implementation of a mandatory pre-commitment system for electronic gaming machines*, May 2011, pp 49–57.

2 Gambling Impact Society NSW, *Submission 30*, p. 1.

3 Ms Kate Roberts, *Committee Hansard*, 2 May 2012, p. 36.

marketing and the dependency of industry and governments on revenue from it, looking at supply and accessibility, building community awareness around gambling risks and developing culturally appropriate programs. We should be looking at the personal aspects: the personal, individual, and also family and community vulnerabilities, health, poverty and social and cultural issues. We believe strongly in building the capacity of communities to build resilience to gambling problems; addressing the underlying socioeconomic disadvantages and strengthening that resilience and those skills through dealing with health issues and educating individuals and communities about risks; screening for the incidence of problem gambling and treating those affected; and basically providing a holistic approach through working with families and communities.⁴

2.5 Dr Jennifer Borrell, Adviser, Australian Churches Gambling Taskforce, spoke about the benefits of a public health approach which the Taskforce supports:

The public health model provides a holistic and meaningful way of thinking about gambling problems and gaming machines. Outsiders can sit outside pathologising individuals and placing the whole problem within the skin of one person. We recommend that the Australian Government adopts a public health approach. The public health approach takes an ecological approach to understanding and addressing health issues. Health or ill health does not just exist within one individual; it occurs within whole systems and communities. Consistent with this, the lines of causality are within whole systems too. The lines of causality for gambling problems come from the design and supply of the machines, venue practices, regulatory frameworks that enable or constrain, industries that have incentives to make profits even while causing harm at the same time and the full range of social and individual malaises that form the customer market niche for gambling industries. As we know it is marginalised and disadvantaged people, people on low incomes or people who have some sort of trauma, who form the market niche that poker machine industries can exploit.⁵

2.6 Dr Borrell used the following metaphor to illustrate such an approach:

A good metaphor is thinking of a community at the bottom of a mountain whose water has been contaminated upstream by a toxic industry. If children were dying, you would not just provide grief counselling. You would not even just provide public information such as, 'Your water is contaminated.' You would want to stop the water being contaminated at its source. That is where a public health approach is really useful for teasing out those lines of causality and where the most effective points of intervention are.⁶

4 Ms Kate Roberts, *Committee Hansard*, 2 May 2012, p. 36.

5 Dr Jennifer Borrell, *Committee Hansard*, 14 May 2012, p. 20.

6 Dr Jennifer Borrell, *Committee Hansard*, 14 May 2012, p. 20.

2.7 Rev. Tim Costello, Chair, Australian Churches Gambling Taskforce, said that as part of this approach there is a need to look wider than blaming individual problem gamblers by looking towards the dangers of the product:

Letting a dangerous product off the hook is not a responsible public health approach to this issue on pokies...⁷

2.8 Mr Mark Henley, Member, Australian Churches Gambling Taskforce, highlighted the importance of a public health approach in stopping people sliding towards the harmful end of the gambling continuum. He highlighted 'the absence of effective and ongoing prevention strategies currently being applied to gambling in Australia...'.⁸

2.9 Mr Henley pointed out one of the Taskforce's key recommendations:

The Australian Government formally adopt a public health framework for dealing with gambling harm, recognising the importance of primary and secondary prevention and early intervention measures as well as treatment for addiction.⁹

2.10 Ms Amanda Jones, Member, Public Interest Advisory Group, Australian Psychological Society, stressed the need for a public health or consumer protection focus. Product safety would be key to reducing the incidence of problem gambling and gambling related harm.¹⁰

2.11 As noted in the committee's first report, the Productivity Commission argued for the need to move beyond a model focused on problem gamblers and take a broader approach:

As indicated earlier, the commission's proposals are not just focused on problem gamblers but also on those who are at risk and, indeed, the wider consumers who are often misled by gaming machine technology and do not really understand the nature of the machines or how much they are paying to use them. We therefore adopted a much broader framework than a medical perspective—and I know you have had some medical perspectives in these hearings. Our framework has been a public health and broader consumer policy framework which included the medical perspective as well.¹¹

7 Rev. Tim Costello, *Committee Hansard*, 14 May 2012, p. 20.

8 Mr Mark Henley, *Committee Hansard*, 3 May 2012, pp 9–10.

9 Mr Mark Henley, *Committee Hansard*, 3 May 2012, p. 10.

10 Ms Amanda Jones, *Committee Hansard*, 14 May 2012, p. 28.

11 Mr Gary Banks, Productivity Commission, *Committee Hansard*, 15 February 2011, p. 42; Parliamentary Joint Select Committee on Gambling Reform, *First report: the design and implementation of a mandatory pre-commitment system for electronic gaming machines*, May 2011, pp 49–57.

2.12 The Productivity Commission noted a number of successful applications of the public health approach in areas outside gambling: social marketing to limit smoking; immunisation; the positioning of sleeping infants to reduce cot death rates; black spot programs to reduce traffic accidents; design changes to motor vehicles; and the removal of carbon dioxide from the domestic gas supply to reduce suicides.¹²

Committee view

2.13 In the committee's first report it accepted that a strategy adopting a public health and consumer protection framework would be appropriate. It recommended that in line with the Productivity Commission's recommendations, a public health approach to problem gambling be adopted across jurisdictions with a view to reducing the levels of problem gambling. The committee is encouraged by the government response to the committee's first report (recommendation 4) in which it notes: 'The Commonwealth Government supports a public health approach'.¹³ The committee notes that the public health model has been used successfully to address a number of health and social problems such as reducing smoking.¹⁴

2.14 The committee notes that in November 2000 the Council of Australian Governments (COAG) agreed that the Ministerial Council on Gambling (MCG) would develop a national strategic framework on problem gambling. Consequently the National Framework on Problem Gambling was endorsed by the MCG in 2004 to address four key focus areas: public awareness, education and training; responsible gambling environments; intervention, counselling and support services; and national research and data collection. It emphasises a harm minimisation approach to problem gambling. While not a comprehensive evaluation, a progress report on the Framework found that overall, most jurisdictions had implemented a range of initiatives around the key focus areas and it listed specific initiatives.¹⁵

2.15 However, while all jurisdictions have agreed to pursue a harm minimisation approach, there have been criticisms that too much emphasis is placed on so-called 'downstream' activities such as providing counselling services rather than 'upstream'

12 Productivity Commission, *Gambling*, vol.1, Commonwealth of Australia, Canberra, 2010, p. 3.17.

13 Government response to the Parliamentary Joint Select Committee's First Report, available from:
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gambling_reform_ctte/precommitment_scheme/index.htm

14 Productivity Commission, *Gambling*, vol.1, Commonwealth of Australia, Canberra, 2010, p. 3.17.

15 *Ministerial Council on Gambling Progress Report to Council of Australian Governments on Implementation of the National Framework on Problem Gambling 2004-2008 (NFPG) 01* January 2006 – 31 December 2008 (accessed 27 June 2012).

activities that deal with what is causing the harm in the first place such as electronic gaming machines (EGMs).¹⁶

2.16 The committee recognises the Productivity Commission looked at the extent to which states pursue a public health approach. It cited the Queensland *Responsible Gambling Strategy* which is based on a public health approach and Victoria's *Taking action on problem gambling 2006-2011*. The committee notes an Auditor General's report into Victoria's *Taking action on problem gambling* found that while the adoption of a public health approach to problem gambling was 'appropriate' and 'it was plausible that the 37 individual initiatives included in the strategy might reduce problem gambling and gambling-related harm', there was little or no evidence that the individual measures in the strategy would be effective. The Auditor's assessment suggested that even where a public health approach is adopted, effort needs to be dedicated to setting targets and benchmarks, measuring progress against these over time, and building a solid research base which can inform the development of policy.¹⁷ Queensland's evaluation of its strategy found it to be an effective mechanism for the development of a coordinated set of harm minimisation initiatives. However, it also found shortcomings in monitoring and evaluation, with an absence of adequate timelines and performance measures.¹⁸

2.17 As the Victorian and Queensland examples show, without clear and ongoing monitoring and evaluation of individual measures, as well as clear performance measures and timelines, the effectiveness of a public health approach can be diminished. The committee recognises that simply agreeing to adopt a public health approach is no guarantee that individual measures will be effective. Individual measures must be regularly and comprehensively evaluated against performance targets and lessons learnt should be used to enhance effectiveness.

Recommendation 1

2.18 The committee emphasises the importance of jurisdictions ensuring appropriate performance targets are developed, and that ongoing monitoring and appropriate evaluation of individual initiatives is undertaken to build the evidence base for effective measures to address problem gambling. The committee recommends jurisdictions report to COAG each year on progress against the National Framework for Problem Gambling and that the reporting include key performance targets and evaluation information.

2.19 The committee notes that recently all jurisdictions signed up to the National Partnership Agreement on Preventative Health which commits them to embedding

16 Productivity Commission, *Gambling*, vol.1, Commonwealth of Australia, Canberra, 2010, p. 3.18. The criticism was levelled by Livingstone, Woolley & Keleher in a submission.

17 Victorian Auditor General, *Taking action on problem gambling*, Victorian Auditor General, Melbourne, July 2010, p. ix (accessed 27 June 2012).

18 Queensland Government, *Evaluation of the Queensland Responsible Gambling Strategy*, Queensland Government Office of Regulatory Policy, 2010, p. 84 (accessed 27 June 2012).

healthy behaviours in their communities in order to reduce the risk of chronic disease and requires them to meet certain performance targets in order to receive reward payments.¹⁹ While this agreement currently focuses on smoking, obesity and alcohol consumption, the committee notes that with the development of appropriate performance targets, it could be a model for the development of a future partnership agreement on problem gambling.

Making gambling a national research priority would support a public health approach

2.20 The committee looks closely at the broader gambling research landscape in chapter 11, including the need for a strategic national research program. However, at this point, the committee wishes to emphasise that one practical way to drive a public health approach to gambling would be to prioritise gambling research under the banner of health research.

2.21 Evidence from Australian gambling researchers suggested to the committee that a national research program on gambling could be further strengthened by designating gambling as a National Health Priority Area under the National Health and Medical Research Council (NHMRC) and as an 'associated priority goal' under the Australian Research Council (ARC).

2.22 Dr Sally Gainsbury was a strong advocate of this viewpoint, arguing that gambling researchers are currently at a significant disadvantage because funds from Gambling Research Australia (GRA)²⁰ and other government-based research organisations are not currently recognised as 'nationally competitive research grants'. Universities do not reward researchers that receive these grants, unless they come from bodies like the ARC or the NHMRC:

Unfortunately, the ARC and NHMRC do not appear to recognise gambling or problem gambling as being a research priority and it is extremely difficult to obtain funding from these schemes for gambling research. Where research grants are successful under these schemes, they generally have to be pitched at a related area to be considered important...*Gambling and problem gambling must be specifically listed as a national research priority and these granting bodies should be encouraged to fund gambling research.* This would ensure that academic researchers actively pursue and complete gambling-related projects, are free to publish in academic journals and are fully supported by Universities.²¹

2.23 Dr Gainsbury elaborated on the current system, where gaining funding for gambling research requires alignment with existing health research priorities. She

19 COAG, *National Partnership Agreement on Preventative Health, 2009-2015*.

20 Gambling Research Australia is a national research body set up in 2001 by the Council of Australian Governments.

21 Dr Sally Gainsbury, *Submission 37*, p. 12.

noted that researchers often try to emphasise the public health aspects of their work and even play down the focus on gambling itself in order to secure funding:

Essentially to get anything funded in relation to gambling you almost have to mask it to a certain extent and pretend you are looking at, for example, public health, and just using gambling as an example. So you really have to tie it in to one of their research priorities, which means almost playing down the fact that you are looking at gambling and really not emphasising that and pretending you are looking at psychology or public health, or, for example, tobacco or something else, to be able to get funds. Certainly there are some examples of gambling research being funded, but if you look at the success of gambling related projects to other fields it is very, very low. So you have to be quite clever. They are very competitive grants, but essentially it would be extremely helpful if gambling were up there on one of those priority lists where it would be clearly recognised. And that would also draw—and it is really key in the gambling field because it is so multidisciplinary—a lot of really capable researchers who are already in Australia who are not looking at gambling who would become interested in gambling if it were on the national priorities lists. So you would automatically just dramatically increase the capability and the number of people who could do this type of research.²²

2.24 The Australian Psychological Society was also supportive of the idea of listing problem gambling as a research priority, noting that only a small field of people currently researched gambling given the difficulties in securing funding:

It is difficult to put together research projects that will get over the bar for ARC and NHMRC funding because they are required to be very rigorous research designs with a great deal of control. If you are working in a very applied field like gambling, it is difficult to build the types of research designs that can get through all the methodological hoops that are required for the funding for ARC and NHMRC. If there are targeted calls for research then that encourages people to focus on that as an area of research and potentially fund a broader range of research projects because they are not having to compete with so many research priorities.²³

Committee view

2.25 The committee agrees that to strengthen the gambling research effort in Australia and to further drive a public health approach, gambling should be designated as a National Health Priority Area, enabling funding for research to be provided through the National Health and Medical Research Council. Research on gambling should also be recognised as an 'associated priority goal' under the Commonwealth Government's National Research Priority of 'promoting and maintaining good health', enabling funding support to be provided by the Australian Research Council. These steps would be consistent with the public health framework approach to gambling

22 Dr Sally Gainsbury, *Committee Hansard*, 2 May 2012, p. 14.

23 Professor Debra Rickwood, *Committee Hansard*, 14 May 2012, p. 31.

affirmed by the committee. It would also encourage greater academic effort and more reliable funding streams in the field of problem gambling research, which is currently characterised by isolated studies and uncertain funding arrangements.

Recommendation 2

2.26 The committee recommends that the Commonwealth Government:

- **designate gambling as a National Health Priority Area to be funded for research under the auspices of the National Health and Medical Research Council; and**
- **recognise gambling as an 'associated priority goal' under the Commonwealth Government's National Research Priority of 'promoting and maintaining good health', enabling funding support for gambling research to be provided by the Australian Research Council.**

Governance arrangements

2.27 Governance arrangements for gambling were highlighted to the committee as another area that could benefit from incorporating a public health framework.

2.28 Some witnesses suggested to the committee that the development of effective public policy on gambling has been systemically constrained by portfolio arrangements governing gambling. In some jurisdictions, the way governance arrangements are set up pose inherent conflicts of interest, given the revenue received by the states from gambling as well as the regulatory role that governments must play. For example, the committee notes that in Tasmania, the Tasmanian Gaming Commission is supported by staff of the Liquor and Gaming Branch and the Branch is located within the Revenue, Gaming and Licensing Division of the Department of Treasury and Finance.²⁴

2.29 One change government could make to assist with improving outcomes would be to ensure gambling treatment falls under the health portfolios which are responsible for minimising harm.²⁵ This was supported by Professor Malcolm Battersby, Head of Department, Human Behaviour and Health Research Unit, Flinders University; and Director, Statewide Gambling Therapy Service (SGTS), who told the committee:

So one of the issues I was trying to raise in my submission is that I have noticed in travelling to other countries, including New Zealand, that the gambling treatment is often put under a whole range of departments which are unusual from a clinician's point of view: justice, treasury, addictions, health and community services. This reflects the confusion in Australian

24 See Tasmanian Government, Tasmanian Gaming Commission 2010-11 Annual Report, p. 6.

25 Ms Kate Roberts, *Committee Hansard*, 2 May 2012, pp 36–37.

society about how severe problem gambling is and what the treatments are.²⁶

2.30 Professor Battersby was even more specific in suggesting that gambling treatment come under 'mental health if not addictions in the health sector'. He also argued that in addition, skills training and quality assurance should fit under the same paradigm. He noted that the SGTS service in South Australia is the only gambling treatment service sitting directly under the auspices of a health service.²⁷

2.31 Ms Kate Roberts, Chairperson, Gambling Impact Society NSW, also raised the issue of governance, with specific reference to NSW where the Office of Liquor, Gaming and Racing is responsible for all gambling-related policy:

...we have allowed the whole sector to develop under [the] regulatory body for the industry and it is not embodied in the health and welfare sector ... It operates in isolation and it does not draw from those professions. Equally it does not integrate with those. It stands alone and has very much a treatment focus, and I guess my concern about that is because structurally it is not core business of the Office of Liquor, Gaming and Racing to be delivering treatment, health promotion and community education. They look after regulation and supply of alcohol and responsible service of alcohol but the treatment, research, community education and health promotion strategies, early intervention, go on by the Department of Health. To me it has always been a bit of a no-brainer to separate those duties and responsibilities and put them into the right structures, from which other things such as the training of staff, skills development and the ongoing professional development needs to happen.²⁸

Committee view

2.32 The committee acknowledges the broader systemic issues raised about governance arrangements covering gambling policy and services and the potential for conflicts of interest. Ultimately, portfolio governance arrangements are a matter for individual jurisdictions. The committee notes that gambling policy necessarily cuts across a range of portfolios, including licensing, community services, health, justice and treasury. Despite the cross-portfolio nature of gambling policy, the committee wishes to emphasise the importance of addressing gambling and gambling harm through a public health framework, as discussed throughout this chapter. The committee therefore encourages all jurisdictions to incorporate problem gambling as a policy priority under their respective public health strategic plans and programs. This would help to ensure that proper attention over the long-term is given to formulating policy responses to gambling through the lens of prevention and harm minimisation strategies, which are consistent with a public health approach.

26 Professor Malcolm Battersby, *Committee Hansard*, 14 May 2012, p. 1.

27 Professor Malcolm Battersby, *Committee Hansard*, 14 May 2012, p. 1.

28 Ms Kate Roberts, *Committee Hansard*, 2 May 2012, pp 39–40.

Governments need better processes to engage with local communities

2.33 The committee agrees on the need for more community engagement as part of a public health approach. The Gambling Impact Society NSW reported that there have been minimal opportunities for the general community to be consulted on their view on gambling supply, regulation, measures to address problem gambling or public policy development. It recommended active engagement by policy makers with communities and consumers, recognising their role as major stakeholders.²⁹

2.34 The committee therefore notes with concern that communities which are trying to engage with government about gambling in their community appear to have little effect despite expending a great deal of time and resources on these efforts. Current processes in Victoria, for example, appear to place a significant financial burden on local governments to fight the introduction of more poker machines. Enough Pokies in Castlemaine (EPIC) told the committee their story:

We make our submission so that the inquiry understands the deeply felt disappointment of small local communities like ours, who want to stop the spread of problem gambling and related social problems, but are ignored by a flawed regulatory system. This disappointment is coupled with the enormous financial burden on local governments to fight against the introduction of more pokies, and the social costs that accompany poker machines. This creates in turn a significant challenge for already under resourced local councils. Pokies have been proven to cause damage to individuals, families, communities and our society as a whole. Our key recommendation to the Inquiry is if governments are serious about minimising the impacts of problem gambling, the regulation of the poker machine industry must also be considered. More pokies mean more problem gamblers and no amount of prevention strategies will change that.³⁰

2.35 EPIC outlined the efforts of the Castlemaine community to oppose the introduction of 65 additional poker machines. Despite the broad community support for the EPIC position, the Victorian Commission for Gambling and Liquor Regulation (VCGLR) approved the application to introduce new machines finding that:

- the social impact of the proposal will be negative, or at best neutral;
- the proposal will result in positive economic benefit to the town (from gambling income and job creation); and
- that on balance, the net economic and social impacts of approval on the well-being of the Castlemaine community will be neutral.³¹

29 Gambling Impact Society NSW, *Submission 30*, p. 2.

30 Enough Pokies in Castlemaine, *Submission 45*, p. 2.

31 Victorian Commission for Gambling Regulation, Decision and Reasons for Decision, 3 February 2012, available from: http://enoughpokies.org/wp-content/uploads/2012/02/mhs_decision.pdf (accessed 28 May 2012).

2.36 The Mount Alexander Shire Council had 28 days to appeal the matter to the Victorian Civil and Administrative Tribunal (VCAT) and voted to file an appeal at VCAT against the VCGLR's decision to grant the licence. The predicted costs of the VCAT appeal could be significant for the local council. EPIC intends to apply to be joined as a party to the VCAT appeal so that their legal team (Maurice Blackburn on a pro bono basis) can provide the community with the best representation:

This would ensure the unprecedented level of community opposition to more pokies is clearly demonstrated to VCAT and allow EPIC and the wider public to relieve the council of many costs associated with the case.³²

2.37 Maurice Blackburn Lawyers stated:

Maurice Blackburn and EPIC hope to break new legal ground in fighting to see EPIC become the first community organisation ever to join a council in taking such strong action against pokies developments.³³

2.38 On 26 June 2012 it was reported that EPIC can participate in the VCAT hearings, 'the first genuine community organisation to be able to participate in these kind of proceedings and the first non-council body to lead evidence in an appeal from the Commission at VCAT'.³⁴

2.39 Rev. Tim Costello, Chair, Australian Churches Gambling Taskforce, commented on the Castlemaine community case:

I think it is completely unacceptable where a community is overwhelmingly against a new venue on pokies, such as the community of Castlemaine, where the council is united on that. Where there is a clear, unequivocal, overwhelming community expression of sentiment that we do not want pokies that is overruled, they are put to the expense of going off to VCAT where, because of the way evidence works and costs work, they can only argue it on very limited planning grounds, land use grounds, evidence of the community is not of itself sufficient to see them succeed at VCAT. I think it is completely unacceptable and I feel this is why it is so stacked in favour of what I regard as a predatory industry...the state governments of whatever political persuasion are so hooked on the revenue and are unable to think imaginatively about how they would plug that revenue hole, it makes it virtually impossible for communities to express their view and win when they do not want pokies.³⁵

2.40 A brief search of media found other examples of similar situations, particularly in Victoria:

32 Information available from EPIC website: <http://enoughpokies.org/> (accessed 28 May 2012).

33 Maurice Blackburn Lawyers, 'EPIC battle against pokies to break new ground', *Media release*, 8 June 2012.

34 Information available from EPIC website: <http://enoughpokies.org/> (accessed 27 June 2012).

35 Rev. Tim Costello, *Committee Hansard*, 14 May 2012, p. 26.

- The Whittlesea Council spent around \$225,000 to oppose a plan by a Tattersalls-led consortium for 40 poker machines for the proposed Laurimar Tavern. The community wanted the Tavern but not the poker machines. Despite the opposition of the council, the VCGLR approved the plan. The matter went to VCAT and the council won. The Tattersalls-led consortium announced it would appeal in the Supreme Court but subsequently dropped this action.³⁶ More recently the VCGLR granted Whittlesea Bowls Club gaming licences for an additional 10 poker machines which would increase the venue's number of poker machines to 50 despite opposition from the council.³⁷ In July 2012 residents were campaigning against 30 machines for the Royal Mail Hotel.³⁸
- Warrnambool Council has been engaged in a process to oppose 19 additional poker machines for Rafferty's Tavern but the investors lodged an appeal with VCAT,³⁹ which refused the permit.⁴⁰ It is also opposing a planning permit application by the Flying Horse Bar and Brewery for eight machines.⁴¹
- In 2010 Bendigo Council opposed an application for 30 poker machines at the Foundry Hotel in Bendigo. In 2011 both parties went to VCAT which incurred substantial costs and the council decision was overturned. The only option was to appeal the VCAT decision in the Supreme Court. However, the council decided this avenue was too costly.⁴²
- On 22 December 2011, VCAT ruled that the Club Italia Sporting Club could increase the number of poker machines at its premises from 38 to 60. The application had been rejected by the council and the VCGLR on the grounds that increasing the number of machines at the club would be detrimental to the Brimbank community because of increased expenditure.⁴³

36 Fran Cusworth, 'Whittlesea spend \$225,000 on pokies battle', *The Northern Weekly*, 10 April 2012; City of Whittlesea Council, 'Laurimar tavern update', 23 August 2011; City of Whittlesea Council 'Laurimar Tavern Court decision', 1 July 2011.

37 Anna Whitelaw, 'Whittlesea Council to block club pokies push', *Northern Weekly*, 5 March 2012.

38 Suzanne Robson, 'Protest against pokies in Whittlesea', *Whittlesea Leader*, 2 July 2012.

39 Peter Collins, 'Warrnambool mayor backs legality of pokies vote', *The Warrnambool Standard*, 13 January 2012.

40 Alex Sinnott, 'City council hails tribunal's decision as pub's pokies refused', *The Warrnambool Standard*, 28 April 2012.

41 Peter Collins, 'Warrnambool City Council ups stakes in anti-pokies fight', *The Warrnambool Standard*, 27 March 2012.

42 Karen Sweeney, 'Foundry hits jackpot with pokies application', *The Bendigo Advertiser*, 20 April 2011.

43 Anthony Loncaric, 'VCAT overruled Brimbank on pokies', *Brimbank Weekly*, 10 January 2012; Laura Wakely, 'More pokies upheld', *Star News Group*, 15 March 2012.

Additional efforts by local councils in Victoria to have community views heard

- In February 2012, the Ballarat City Council was still waiting after five months for a meeting with the gaming minister to discuss a machine cap drop for Ballarat. In January 2012, the council voted unanimously to amend its poker machine policy to reduce the state cap of 663 by 30 per cent. The council's responsible gaming committee member Cr Des Hudson said that without a lowered cap 'the council's ability to control gaming machines was limited'. In the past 18 months the council had visited VCAT three times in relation to gaming licences which had cost Ballarat taxpayers around \$30,000 in time and expert advice.⁴⁴
- In March 2012, it was also reported that Monash City Council had also requested a meeting with the gaming minister to discuss changing laws to protect vulnerable communities. The Monash mayor, Ms Stefanie Perri, stated that the VCGLR currently considers the larger area of Monash, where the numbers of poker machines per 1,000 people is 6.97, and not suburbs like Clayton where it is 10.5. Monash Council is deciding whether to go to VCAT over seven new poker machines approved for Clayton's L'Unico Hotel which would take the total to 35.⁴⁵ On 30 May 2012, it was reported that the council voted to appeal the decision taken by the VCGLR. The mayor stated that: 'In Clayton we have a pokies plague'.⁴⁶
- Port Phillip Council is also lobbying the Victorian gaming minister to reduce the numbers of poker machines. The mayor, Ms Rachel Powning, stated concern that the VCGLR 'was encouraging, not controlling, gambling'.⁴⁷

2.41 Ms Leah Galvin, Manager of Social Policy and Advocacy, St Luke's Anglicare, spoke about the rising frustration of local communities trying to keep additional poker machines out of their community:

There is [an] enormous amount of frustration in Victorian communities about the pokie venues almost being rubber stamped through the process. Lots of local government funding—and we mentioned this in our submission; hundreds of thousands of dollars—is being spent trying to defend the position of people who live in those communities. They have a strong policy setting and they might have gaming policy documents, so they

44 Neelima Choahan, 'Ballarat pokie talks snub', *The Courier*, 13 February 2012.

45 Emma Schmidt, 'Monash Council ponders pokies appeal', *Waverley Leader*, 29 May 2012. See also <http://www.abc.net.au/news/2012-05-18/more-pokies-for-melbournes-poorest-suburbs/4020650>.

46 Stephanie Anderson, 'Council goes to VCAT to fight 'pokies plague'', *ABC News Online*, 30 May 2012.

47 Sally Spalding, 'Port Phillip pushes on to fight pokies', *Caulfield Glen Eira Leader*, 26 May 2012.

have said. And that is on behalf of their communities—but that is not sufficient to stop large increases in the number of machines.⁴⁸

2.42 Ms Galvin described the distress and hardship this can cause in communities:

There are some really serious arguments going on about it and it is dividing communities. We have seen that in several communities in recent times. Despite every single survey that local governments conduct show[ing] that basically 70 per cent plus of the people in the community say that they do not want more machines, we see increasing numbers of machines every year and increasing numbers of problem gamblers. I think the data from Ballarat shows that, for every machine, 0.8 people will become problem gamblers. But that is just the tip of the iceberg. It affects their families, their communities and the places they work. So people do feel very strongly about trying to stop that push, but they feel powerless. That does not mean that they stop trying. There is an enormous amount of energy for it, but it has not been successful to date here in Victoria.⁴⁹

2.43 The committee notes a media article reporting that from 38 applications to the VCGLR for poker machines only one was refused. The article outlines the difficulties faced by communities in opposing additional poker machines and asserts that the commission process is 'seriously flawed, and the governing legislative regime, deficient'. The process 'undermines the responsibility of local councils to promote the wellbeing of their community by giving them no power to act on this issue. It disempowers communities by removing from them the right to have a say, and be truly heard, on an issue that can impact on them well into the future'.⁵⁰ It appears that the community where the application was refused did not have any poker machines at all.⁵¹ The committee heard that arguing against an increase in numbers, rather than arguing against the introduction of poker machines, appears to be a much harder argument to win.⁵²

2.44 St Luke's Anglicare stated that the burden falls to the community to prove the harm of introducing more poker machines. It stressed the financial cost for local councils to oppose the introduction of more poker machines into communities:

48 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 51.

49 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 51.

50 Anna Howard and Jessica Howard, 'Poker machine regulator barely more than a rubber stamp', *Sydney Morning Herald*, 9 February 2012.

51 See Romsey in 2009: <http://www.romsey.org.au/news.php?id=33> (accessed 4 June 2012) and also Jan Juc in 2010 both of which had no poker machines: http://www.geelongadvertiser.com.au/article/2010/11/05/223461_news.html (accessed 4 June 2012). See also: [http://www.vcgr.vic.gov.au/CA25766E0010A233/78824A2AAA2FF7B8CA25785B00182917/\\$file/DecisionBeachHotelJanJuc041010.pdf](http://www.vcgr.vic.gov.au/CA25766E0010A233/78824A2AAA2FF7B8CA25785B00182917/$file/DecisionBeachHotelJanJuc041010.pdf) (accessed 4 June 2012).

52 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, pp 54–55.

It is undoubted that local communities in Victoria who do not want more EGMs in their towns and suburbs are currently burdened by a system which requires them to prove the harm of introducing more pokies. The burden falls to opponents rather than resource rich venue operators. This creates a huge burden for resource strapped local governments, with cases to object frequently exceeding \$200,000 in costs. A decision taken in Bendigo in 2011 by the local council was to not object to a pro-pokies decision because of the predicted excessive financial cost to the council, despite a supportive local policy environment and strong community objection. In the last year Whittlesea Council spent in excess of \$600,000 to fight the introduction of EGMs in a new property development. We regard this as a waste of valuable community resources. Consequently we recommend that the real cost to communities of opposing additional pokies be researched and quantified to inform a system which currently creates an unfair burden.⁵³

2.45 Ms Galvin discussed these issues with the committee. She noted that many local councils have local gaming policies acknowledging the harm of poker machines. However, she advised that it seems almost impossible for local governments to make a case that the social impacts of additional poker machines outweigh the economic impact:

We have seen judgments, for example, where they have said things like that the council are biased because they have a policy that is anti pokies—which is, of course, ironic given that venue operators have a very strong financial bias in their applications. So communities are very frustrated by that. It does not matter how hard they work at it or how many people say they do not like it; it can still get pushed through and rubber-stamped. Then, of course, the next process is that they go off to the VCAT, which is a tribunal which has a slightly different way of taking decisions. But that is also a very expensive and lengthy process and also does not have terrific results for communities. So, despite these surveys saying that 70-plus per cent of people do not want more, it is rubber-stamped and machines are rolling out all over the place. That is how it feels in lots of communities in Victoria at the moment.⁵⁴

2.46 Ms Galvin spoke about the level of harm to communities, including economic harm as the money does not go into local businesses:

...the reality is that we know that the more machines that get put in the more harm that is done. We are also concerned about the economic harm to communities as well. I have not really mentioned that today, but money that goes into pokie venues does not go into local businesses. This means there are reduced opportunities for employment. In regional and rural cities this is a really big problem. Really, for us, it is a simple one. We have enough machines and, in fact, that is what we campaign on in the Loddon Mallee with a bunch of other faith based organisations. We have been running a

53 St Luke's Anglicare, *Submission 13*, p. 7.

54 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 54.

campaign saying 'enough is enough'. Others have tweaked onto that as well. But we do think that there are more than enough machines, because there is certainly more than enough harm.⁵⁵

2.47 St Luke's Anglicare noted that research is needed which shows the real costs to business, communities, families and problem gamblers:

Perhaps if research was able to quantify the real costs to our communities, this would not seem like such an attractive funding stream for governments.⁵⁶

2.48 It also suggested involvement by the Commonwealth Government to cap numbers of poker machines:

...the Federal Government should pursue a policy of capping the number of EGMs, so that not a single additional machine is installed in local communities around Australia. The data and research now very strongly shows that EGMs are a dangerous and damaging product. Prohibiting the installation of more machines would show respect for communities who consistently say they do not want any more and will also acknowledge the great potential harm to individuals, families and our society from pokies.⁵⁷

Other states

2.49 Examples in the local media of community concern over numbers of poker machines such as those above for Victoria are more difficult to find for other states. Of particular note, NSW, with the largest number of poker machines, seems to have had only one such story in the media over recent years. In 2009, in NSW The Mounties Group told Fairfield Council it was prepared to spend about \$3 million over 10 years to fund a youth and community centre. In 2011 it said it could not fund the centre unless it could transfer 60 poker machines from the satellite clubs on the northern beaches to the Mount Pritchard base. Concern was raised that the poker machines were being moved into the most disadvantaged local government area in Sydney. According to the Office of Liquor, Gaming and Racing the average machine in the Fairfield local government area makes more than \$85,000 compared to the \$31,000 average machine profit in Manly. The Fairfield Council and Cabramatta police recommended that the authority reject the Mounties proposal.⁵⁸

2.50 In Tasmania, Alderman Helen Burnett from Hobart City Council was interviewed in June 2012; she advocated local government having more power over

55 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 55.

56 St Luke's Anglicare, *Submission 13*, p. 7.

57 St Luke's Anglicare, *Submission 13*, p. 8. See also Ms Joyce Sanders, *Submission 11*.

58 Jacob Saulwick and Matthew Moore, 'Club shifts pokies to poorer punters', *Sydney Morning Herald*, 15 October 2011; Sally Lee, 'Plans on hold as club pulls pin on funding', *Fairfield Champion*, 9 May 2012; Leesha McKenny, 'Club cancels funding over pokies row', *Sydney Morning Herald*, 9 May 2012.

the placement and numbers of poker machines, particularly in disadvantaged areas to minimise harm. She highlighted the link between accessibility and gambling harm. Alderman Burnett noted that local government has more control over bottle outlets but when she asked the gaming commission about a possible increase of poker machines in a local venue she was denied information. To engage with the community, a forum was held at the Town Hall in June 2012 on the social and economic impacts of poker machines on the community.⁵⁹

2.51 The Tasmanian Greens will table legislative amendments intended to provide local councils with a say on the location and number of poker machines in local communities as they currently do with liquor outlets.⁶⁰

Concern over the impact on vulnerable communities

2.52 The clear concern from the media reporting above is the number of poker machines in vulnerable or disadvantaged communities. Research has shown that poker machines are being concentrated in disadvantaged areas. For example, research undertaken for UnitingCare Australia by researchers at Monash University found that:

...consistent with other studies...poker machine losses tend to be higher in communities with lower incomes. At the CED [Commonwealth Electoral Division] level, those communities with lower incomes also tend to have higher numbers of poker machines, a factor that is also associated with higher average losses. These associations are statistically significant.⁶¹

2.53 Professor Alex Blaszczyński told the committee: 'There is a linear relationship between the dispersment and the number of gaming machines and socioeconomic status within those particular regions'. He explained:

What we could predict basically is that there would be an increase in the number of problem gamblers and gambling within those particular regions, primarily because the people who are lower in the socioeconomic scale tend to have more disposable income. They do not have assets but they have disposable income, which they then allocate to entertainment and to gambling, with the hope of winning large amounts of money.⁶²

2.54 Professor Dan Lubman, Director, Turning Point Alcohol and Drug Centre, also referred to upcoming research 'looking at density of poker machines and

59 Joel Rheinberger, 'Poisonous shellfish and poker machines', *936 ABC Hobart*, 5 June 2012. View the forum at <http://www.youtube.com/watch?v=jNU78e3UCKw&feature=relmfu> and <http://www.youtube.com/watch?v=kc2L7NFtOGQ&feature=relmfu>.

60 Matt Smith, 'Council say on pokies sought', *The Mercury*, 18 June 2012.

61 UnitingCare Australia, *Assessment of poker machine expenditure and community benefit claims in selected Commonwealth Electoral Divisions*, April 2012, p. 4.

62 Professor Alex Blaszczyński, *Committee Hansard*, 2 May 2012, p. 14.

demonstrating the confluence within socially disadvantaged areas and the relationship between that and gambling related harms'.⁶³

2.55 Ms Emma Sampson, Research and Policy Officer, Australian Psychological Society (APS), noted the correlation between lower socioeconomic areas and increasing numbers of poker machines and detailed the concerns of the APS:

That raises a number of concerns, from our point of view, in terms of opportunities for people to participate in their community through volunteering and other things, but we also are concerned in that there are people already who are suffering from mental health issues as well as lack of opportunities. This increase in electronic gaming machines does seem to fit in to a gap, which is highly concerning in the area I worked in. In the outer suburbs of Melbourne, there were not a lot of other opportunities for people to find employment or other ways of getting involved socially in the community. We were aware that venues were expanding at a rapid pace, and that was a huge concern. We were seeing a lot of people—not necessarily people with gambling problems but their family members—coming in, needing financial assistance on a regular basis.⁶⁴

2.56 Ms Leah Galvin, St Luke's Anglicare, pointed to the publicly available data showing that the average spend in disadvantaged areas is much higher. She added:

We do know that in the area that we work in, Loddon-Mallee, there is considerable problem gambling. There is a lot of spending in pokie machines, and that is why St Luke's chooses to speak out about it. We do hear the stories and the impacts from individuals and family members, and communities too. We are hearing a lot of feedback from various communities that are trying to push back against the rolling in of more pokies into those communities and they are very unhappy about it because they also see and understand the harm. I should also say that we actively support those community groups that are trying to speak out against more pokies being introduced, and likewise we offer support to local governments who are trying to push back against that rollout as well.⁶⁵

2.57 A story on *7.30 Victoria* on 18 May 2012 drew attention to the effects of poker machines in disadvantaged areas. Local councils believe they are left to pick up the pieces for problem gamblers while the state government receives the profits. The City of Monash wants the community benefit test strengthened; this was supported by other councils at the Municipal Association of Victoria's state council which urged the

63 Professor Dan Lubman, *Committee Hansard*, 3 May 2012, p. 48. See Barratt, M., Livingston, M., Matthews, S. & Clemens, S. (in press). Gaming machine density is correlated with rates of help seeking for problem gambling: A local area analysis in Victoria, Australia. *Journal of Gambling Issues*.

64 Ms Emma Sampson, *Committee Hansard*, 14 May 2012, pp 31–32.

65 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 50.

VCGLR to make gambling operators contribute more to the community and examine the impact of electronic gaming machines in vulnerable communities.⁶⁶

2.58 In its Strategic Work Plan 2012-13, the Municipal Association of Victoria noted:

The increasing number and concentration of electronic gaming machines in vulnerable communities is of grave concern to councils, with the current regulatory framework for gambling providing little protection to Victoria's most socio-economically disadvantaged. While councils can raise their concerns about the negative social and economic impacts of a proposed venue or increase in gaming machine numbers in their municipal district, councils' experience to date has been that these submissions, which are costly and time-consuming to prepare, are given little weight by decision-makers.⁶⁷

2.59 In an effort to discourage additional poker machines, the cities of Manningham, Moreland and Darebin are planning to impose special rates on poker machine venues. Manningham councillor David Ellis stated that poker machines left councils with 'all of the problems and none of the benefits'. The council's general manager said the move was designed to equitably impose a differential rate on gaming venues and raise revenue to improve the residents' quality of life 'having regard to the social and economic impacts of problem gambling'.⁶⁸ The state government has indicated that it may move against the practice of differential rate charges.⁶⁹ Affected venues are indicating it may result in a reduction of subsidised community activities to cover the increase.⁷⁰

66 See: <http://www.abc.net.au/news/2012-05-18/more-pokies-for-melbournes-poorest-suburbs/4020650>. See also: Sally Spalding, 'Port Phillip pushes on to fight pokies', *Caulfield Glen Eira Leader*, 26 May 2012; Municipal Association of Victoria, State Council, 17 May 2012, Resolutions from membership. Note: In 2010-11 in Maribyrnong, which according to the ABS covers Melbourne's second most disadvantaged suburb of Braybrook, \$985 was spent by each adult compared with the state average of \$613, see <http://www.vcgr.vic.gov.au/CA256F800017E8D4/gamblinginfo/A9CDBCD1535E0085CA25790500031F7E?OpenDocument> (accessed 20 June 2012). See also Alesha Capone, 'Gambling grief rises', *Star News Group*, 19 June 2012.

67 Municipal Association of Victoria, *Strategic Work Plan 2012-13*, May 2012, p. 13.

68 Anthony Loncaric, 'Rates respite for three gaming venues', *Brimbank Weekly*, 29 May 2012.

69 See Victorian Greens, 'Greens take on big parties in fight for Local Council's right to tackle problem gambling', *Media Release*, 16 August 2012 which indicates that both Liberal and Labor parties will be supporting the Local Government Legislation Amendment Bill 2012 which would prevent local councils from charging differential rates.

70 Kristian Silva, 'Council defends Manningham pokies sting', *Melbourne Weekly Eastern*, 29 May 2012; Laura Wakely, 'Rates hike anger', *Star News Group*, 29 May 2012. See also John Masanauskas, 'Council rates battle', *Herald Sun*, 21 May 2012, p. 12; Miki Perkins, 'City push for extra rates on pokie sites', *The Age*, 21 June 2012.

The VCGR process

2.60 The Victorian Commission for Gambling Regulation (VCGR) process is set out below:

Applications to increase the number of gaming machines in a municipal district are assessed by the VCGR, and local councils are also provided with an opportunity to present their views on an application affecting their community.

The VCGR assesses all applications at a public hearing where applicants must provide evidence to the VCGR in respect of their application to increase gaming machines in a municipal district. Local councils are able to attend these hearings and provide evidence to contest an application.

In summary, for approval to be granted, the VCGR must be satisfied that an application to increase the number of gaming machines will not result in net social and economic detriment to the local community.⁷¹

Caps

2.61 Caps on poker machines in Victoria were introduced in 2001 when the state government set what it believed to be appropriate regional caps on the numbers of poker machines in certain areas based on their vulnerability to the harm caused by large numbers of EGMs.⁷²

2.62 The committee notes in 2009 it was announced that the VCGR would review the caps (set by the Minister for Gaming in 2006) on the number of poker machines in areas of Melbourne and the state before the end of that year. By law these reviews must be held every five years 'but this inquiry has been brought forward because of new figures on the growth of the population and the radical change to the gambling industry after 2012'.⁷³ On 20 October 2009 the Minister for Gaming announced there would be twenty capped regions, with each region capped at a specific density of gaming machines per thousand adults. The VCGR determined the maximum permissible number of gaming machines in each capped region using the criteria set by the minister. Only one region, the City of Hume, required a reduction in gaming machines to meet the cap set by the VCGR. No reductions were required in the

71 Information available from:
<http://www.vcgr.vic.gov.au/CA256F800017E8D4/LicInfo/A4562839C30D540CCA25777C000428F9?OpenDocument> (accessed 14 June 2012).

72 Poker machine caps are a legal limit on how many poker machines can be operated within specific geographic areas of Victoria. Caps are set by the Minister for Gaming but the minister may refer his powers to the VCGLR. See
<http://www.vcgr.vic.gov.au/CA256F800017E8D4/LicInfo/07758F2C146D2A1DCA25777D0081CC21?OpenDocument> (accessed 28 May 2012). See also Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 54.

73 Victorian Commission for Gambling Regulation, 'Poker machine numbers to be reviewed in parts of Victoria', *Media Release*, 4 May 2009.

remaining 19 regions, but no more machines can be added to those regions.⁷⁴ Municipal caps were introduced in 2009 at a ratio of 10 poker machines per 1,000 adults. If the population rises, the limit may increase. Municipal limits are overridden if a regional cap also applies.⁷⁵

Victorian Government response to community concern

2.63 The committee is aware that many local councils have local gaming policies acknowledging the harm of poker machines.⁷⁶ The response from the Victorian gaming minister to date is that a cap has been put on the number of poker machines in vulnerable areas but essentially nothing can be done for 10 years as legally binding 10 year entitlements were issued by the previous government. The gaming minister pointed out the legal avenue for councils noting that the quality of council submissions was 'patchy at best' and councils need to 'do their homework so that they can present the best possible argument to the regulators'.⁷⁷

Committee view

2.64 As this issue was not central to the committee's terms of reference it did not receive a great deal of information directly. However, the committee notes with interest the significant amount of local media reporting in Victoria describing the levels of concern about increasing poker machine numbers, particularly in disadvantaged communities, and local councils engaged in attempts to oppose these additional poker machines. Given the concern does not appear to be so high in other states, the fact that in Victoria poker machines were introduced relatively recently, in the early 1990s, means that more Victorians may remember a time when there were no poker machines. In addition, the machines that were introduced were placed in community venues, often in disadvantaged areas, and were capable of high levels of harm which became evident quite quickly. This contrasts with the situation in New South Wales where poker machines were introduced in the 1950s and the evolution from the less to more harmful machines has been more gradual.

2.65 The committee notes the call from St Luke's Anglicare for the Commonwealth Government to put a cap on the numbers of poker machines. It also notes this is part of a process for gambling reform put forward by the independent Member for Lyne,

74 Information available from:
<http://www.vcgr.vic.gov.au/CA256F800017E8D4/gamblinginfo/DF7FE2471BC986ABCA25799F00173390?OpenDocument> (accessed 20 June 2012).

75 Responsible Gambling Advocacy Centre, Information Sheet, *Pokies Caps in Victoria*, March 2012.

76 Ms Leah Galvin, *Committee Hansard*, 3 May 2012, p. 54.

77 See: <http://www.abc.net.au/news/2012-05-18/more-pokies-for-melbournes-poorest-suburbs/4020650>.

Mr Rob Oakeshott MP.⁷⁸ In its first inquiry the committee noted that decisions around the distribution and caps of EGMs should remain a matter for state and territory governments and this remains its preference, provided local communities can effectively engage with their state government and its gambling regulators.

2.66 The current system in Victoria appears to leave local governments almost powerless to act on the wishes of a community opposing additional poker machines if an area is not fully saturated with them. The only option open to local councils, the appeal system involving VCAT and the Supreme Court, is an option too expensive for many to pursue. This particular system appears weighted against the community and in the face of increasing levels of community concern, the committee believes a more balanced process for meaningful engagement with the community should be found. However, the committee acknowledges the real challenges for state governments which benefit from poker machine revenue to take meaningful action to change a model that profits them.

2.67 The current response from the Victorian Government to the level of concern in some communities appears inadequate. The committee makes the point that a public health approach includes and engages the community to address problems. The committee notes with concern the extraordinary effort and potential expense facing some communities and local councils, particularly in disadvantaged areas, just to stop additional poker machines being introduced despite the already overwhelming evidence of the harm they can cause.

2.68 The committee notes the planning process for venues is separate to the gaming licence process. Planning objections could include concerns about traffic, car parking, noise and disturbance, hours of operation, heritage issues, amenity and character impacts, and effects on CBD businesses and traders. The current situation appears to suggest that legal obligations override principles of good planning and community well-being. Although the committee can understand the reasons for the 10 year entitlements it believes this is an unreasonable length of time during which no changes can be made, as the character and needs of a community can change quite quickly. The committee strongly suggests that in future much shorter contracts be considered. There should also be review processes included where communities can provide input on the negative effects of gambling harm.

2.69 The committee would encourage the Victorian Government to enter into good faith negotiations to ascertain whether arrangements/conditions can be reviewed in some circumstances, particularly for communities in disadvantaged areas where considerable community opposition to additional poker machines is demonstrated. During this process the government should consider providing additional resources (advisory, financial) to disadvantaged communities which are opposing additional poker machines. In addition, where a community is unsuccessful, the government

78 See Mr Rob Oakeshott MP, Federal Member for Lyne, 'Oakeshott puts gambling reform to the parliament', *Media release*, 15 February 2012.

should indicate what resources will be provided to local communities to deal with increased problem gambling. The committee would also suggest that existing capping arrangements be reviewed after 12 months' operation of the new system with a view to taking into greater consideration the higher risk faced in disadvantaged communities of increased problem gambling.

2.70 The committee is, however, pleased to note that on 14 June 2012, the Victorian Treasurer directed the Victorian Competition and Efficiency Commission to undertake an inquiry into the social and economic costs of problem gambling in Victoria. It is to provide a final report by 14 December 2012.⁷⁹ The committee further notes that the terms of reference include 'the differential costs of problem gambling across geographical areas of Victoria'.⁸⁰

79 See <http://vcec.vic.gov.au/CA256EAF001C7B21/pages/vcec-inquiries-current-inquiry-into-social-and-economic-costs-of-problem-gambling> (accessed 23 July 2012).

80 See [http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/TermsofReference-ProblemGamblingInquiry/\\$File/Terms%20of%20Reference%20-%20Problem%20Gambling%20Inquiry.pdf](http://www.vcec.vic.gov.au/CA256EAF001C7B21/WebObj/TermsofReference-ProblemGamblingInquiry/$File/Terms%20of%20Reference%20-%20Problem%20Gambling%20Inquiry.pdf) (accessed 23 July 2012).

