



Central Highlands Community Legal Centre
Submission to the Victorian Commission for Gambling and Liquor Regulation concerning
the application by the Ballarat Golf Club

Date of submission: 20 November 2018

Introduction

1. This is a submission to the Victorian Commission for Gambling and Liquor Regulation (**the Commission**) by the Central Highlands Community Legal Centre in relation to an application by Ballarat Golf Club (**the Club**) to amend its venue operator's license to vary the number of electronic gaming machines (**EGMs**) operating at its approved venue premises at 1802 Sturt Street Ballarat from twenty-eight (28) to thirty four (34) (the Application).
2. The application is to be heard on Thursday 29 – Friday 30 November 2018.
3. The Central Highlands Community Legal Centre Incorporated (**CHCLC**) has been providing legal services for the past 25 years to people who live, work or study in the Central Highlands and Wimmera regions of Victoria. With a head office in Ballarat, it is a not for profit legal service that provides free legal advice, representation and community legal education. It is constituted under the *Associations Incorporation Reform Act 2012*.
4. Our Centre is very concerned about an increase in the number of electronic gaming machines at the Club and does not support the application.
5. On a daily basis our legal team deals with the consequences of problem gambling. For many of our clients, their presenting legal problem is either caused by the impact of recreational gambling on their lives or is an associated problem adding to financial pressures, family breakdown and family violence.
6. It is in this context that our Centre has written this submission.

The basis of the Commission's decision

7. Section 3.4.20 of the *Gambling Regulation Act 2003* (**the Act**) sets out the matters the Commission is required to consider when assessing an operator's application to amend a licence and vary the number of EGMs.
8. A mandatory pre condition for approval is that the Commission must be satisfied that the net economic and social impact of the amendment will not be detrimental to the well-being of the community of the municipal district in which the approved venue is located. (Section 3.4.20 (1c))

- The regulation of gaming machines as set out in the Act includes within its purpose the minimisation of harm caused by problem gambling. (Chapter 3, Section 3.1.1)

The ‘No Net Detriment Test’ is not met

- It is our submission that an increase in the number of EGMs in Ballarat will cause net detriment to the community.
- There are currently 15 venues in Ballarat, with 657 EGMs. Despite being below the Ministerial Cap, EGM spending increased by \$1,195,161 between the 2016/2017 and 2017/2108.
- The total amount money lost by users of EGMs in Ballarat in 2017/2018 Financial Year was \$55,763,965 (the equivalent of \$152,777.98 per day). Between July and September 2018, \$14, 949,457 has already been expended.
- The Club is located in a high growth area in Ballarat’s West. Currently there are no other EGM venues in the vicinity of the Club. The growth of this area is predominately around the suburbs of Alfredton, Lucas and Winter Valley, with households characteristically made up of young families with a high level of mortgage debt.
- The Index of Relative Socio-economic Disadvantage in Ballarat is lower than the state of Victoria and comparable to other areas across Regional Victoria. The Social Economic Index for Areas (SEIFA) for communities in proximity to the Club are quite mixed with some well above the overall figure while other are characterised by socio economic disadvantage and risk for housing stress.¹ Those communities include Wendouree which in 2016 recorded a SEIFA of 854.8, Sebastopol / Redan (875) and Delacombe (962). These low SEIFA scores indicate communities characterised by greater disadvantage with low incomes, limited educational attainment and people in low skill jobs.² See Index of Relative Socio-Economic Disadvantage table below.

	2016
City of Ballarat	980
Regional Victoria	977
Victoria	1,010

- Australian Census 2016 data indicates that 13.1% of households in Ballarat experience housing stress, higher than Regional Victoria (10.5%) and Victoria (11.4%). 8.5% of households in Ballarat have mortgage repayments over \$2,600 per month.³
- Recent data from Digital Finance Analytics shows that on October, 13,667 households in Ballarat’s West are currently in mortgage stress, with 438 at risk of default.⁴

¹ Australian Bureau of Statistics *Census of Population and Housing 2016*

² SEIFA Disadvantage by LGA- City of Ballarat, <https://profile.id.com.au/ballarat/seifa-disadvantage>.

³ Australian Bureau of Statistics *Census of Population and Housing 2016*

⁴ Digital Finance Analytics 2018 <http://digitalfinanceanalytics.com/blog/tag/mortgage-stress/> (accessed 14/11/2018)

17. The Victorian Responsible Gambling Foundation published a Background Paper in 2015, which reported lower socio-economic status and lower levels of educational attainment as risk factors for problem gambling.⁵
18. The Australian Productivity Commission Inquiry Report into Gambling (**PCI**) published a number of reports over the course of 2010. These noted *'the risks of problem gambling are low for people who only play lotteries and scratchies, but rise steeply with the frequency of gambling on table games, wagering and, especially, gaming machines'*. (Volume 1: Report Overview)
19. The PCI Report Overview also noted *'the significant social cost of problem gambling – estimated to be at least \$4.7 billion a year means that even policy measures with modest efficacy in reducing harm will be worthwhile'*. (Volume 1: Report Overview)
20. Wherever accessibility to pokies is increased, there is a risk of an increase in problem gambling, which leads to measurable impacts such as adverse health outcomes, family breakdowns and other social costs. Victoria Responsible Gambling Foundation research indicates that problem gambling peaks between the ages of 25 – 34, with a prevalence rate of 23%. Census data for Ballarat identifies this age group as one of the highest growth population age groups.⁶ Population forecasts for 2026 anticipate a 60.9% increase across the Ballarat West Growth Area, with 121.7% increase in areas close to the Club, such as Cardigan Village, Bunkers Hill and Lucas.⁷
21. The participation rates of gambling, particularly EGM machines at venues other than hotels, increases as people age.⁸ This age group is one of the fastest growing for Ballarat, particularly in the Ballarat West Growth Area, with a projected increase of 58.7%.⁹
22. Research undertaken by the Gambling Treatment and Research Clinic attached to the University of Sydney references research by which has found in Victoria, *'despite a reduction in EGM play overall, moderate-risk and problem gamblers are tending to play EGMs more frequently, indicating that play is intensifying among problem EGM gamblers'*.¹⁰ The same report noted, *'gaming machines (50.64 per cent) and race betting (31.01 per cent) were reported to be the top two highest-spend gambling activities of problem gamblers. This suggests that these two activities are likely to explain a large proportion of problem gambling expenditure.'*
23. Our legal practitioners have noted the presence of financial pressure as one risk factor in the incidence of family violence.
24. This observation is confirmed by a recent study which found an association between low risk and moderate risk problem gambling and family violence and intimate partner violence. The

⁵ Victorian Responsible Gambling Foundation published a Background Paper in 2015, entitled, 'Risk factors for Problem Gambling: Environmental, Geographic, Social, Cultural Demographic, Socio-Economic, Family and Household', Page 8.

⁶ Howe, P, Vargas-Saenz, A, Hulbert, C, Boldero, J, 2018, Gambling and problem gambling in Victoria, Victorian Responsible Gambling Foundation, Melbourne

⁷ Australian Bureau of Statistics, *Census of Population and Housing 2016*. Compiled and presented in atlas.id by [.id](https://forecast.id.com.au/ballarat/population-age-structure-map?), the population experts <https://forecast.id.com.au/ballarat/population-age-structure-map?>

⁸ Ibid Howe et al.

⁹ Ibid <https://forecast.id.com.au/ballarat/population-age-structure-map?>

¹⁰ Study of Gambling and Health in Victoria, Findings from the Victorian Prevalence Study 2014 p.12

study found moderate risk problem gamblers had a greater probability of committing family, if their use of alcohol was at a hazardous level.¹¹

25. The Australian Institute of Family Violence has similarly published research around the impact of gambling on family relationships, with a correlation between gambling addiction and incidences of intimate partner violence and family violence more broadly.¹²
26. Preventing violence against women is identified as a priority area in the City of Ballarat Community Safety Strategic Statement 2017-2021 and by the Communities of Respect and Equality (CoRE). Ballarat has higher rates of reported family violence compared with the Grampians region and Victoria broadly (refer to table below).¹³

	Ballarat	Grampians Region	Victoria
2012 / 2013	1,674	1,138	1,056
2013 / 2014	1,684	1,176	1,116
2014 / 2015	1,597	1,316	1,192
2015 / 2016	1,743	1,640	1,285
2016 / 2017	1,840	1,621	1,242

rate per 100,000 population, rounded

Conclusion

27. The already high level of accessibility within Ballarat to EGMs has resulted in low income residents having easy access from their homes to gambling venues. Research has found area level disadvantage to be a predictor of losses on EGMs which are concentrated in the poorest areas.¹⁴
28. The continuing burden on the Ballarat community of problem gambling should be the determining consideration of the Commission in relation to this Application.
29. The Central Highlands Community Legal Centre urges the Commission to refuse the Application by the Club.

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CHCLC

20 November 2018

¹¹ Journal of Behavioural Addictions 7(3):1-8 · September 2018, Problem gambling and family violence: Findings from a population-representative study

¹² Australian Institute of Family Studies 2018 <https://aifs.gov.au/agrc/publications/impact-gambling-problems-families/what-are-impacts-gambling-problems-families> (accessed 14/11/2018)

¹³ Crime Statistics Agency 2018 <https://www.crimestatistics.vic.gov.au/family-violence-data-portal/download-data-tables>

¹⁴ Submission to Gaming Machine Arrangements Review by the Victorian Government Submission by Dr Anna Thomas, Dr Angela Rintoul and Dr Andrew Armstrong Australian Gambling Research Centre (AGRC), Page 1.

The following Case Study sets out a typical set of legal problems faced by clients of our legal practice who have been affected by problem gambling.

Case Study

In June 2018, John attended our legal centre for advice on criminal charges he had before the Ballarat Magistrates Court.

The charges are that over the course of two days he breached a Family Violence Intervention Order which had been applied for by the Victorian Police and granted by the court in April 2018.

The order came about as a result of an incident at what was then the family home of John and his wife Charmaine.

John and Charmaine have two children under the age of 10. Around Christmas 2017, he was made redundant by his employer for whom he had worked for over 15 years.

Although John received \$18,000 as a redundancy payout the bulk of the payment was spent on mortgage and credit card debt.

By late January he remained out of work and the family was reliant on Charmaine's part time work.

John felt increasingly socially isolated. His lack of money led him to feelings of shame and he found it easier to spend time alone at the local pub. He had never gambled previously but began to find comfort in placing a bet on the races and playing the pokies.

He began to gamble more and more frequently.

John lied about what he was doing and was more and more absent from home. Tensions between he and Charmaine escalated

He began selling items around the home to pay for his gambling.

Arguments with Charmaine over how he spent his time became frequent. The incident in February came about because he had taken money from his children's savings. He had gone to the pub and spent the night on the pokies losing around \$50. When Charmaine confronted him he threw a vase at her and pushed her against the wall. A neighbour hearing screams from Charmaine called the Police. The children witnessed the incident.

Charmaine took the children and left the house to live with her mother.

Mortgage repayments have not been able to be met and the house is on the market.

The evidence against John in relation to the breach of the Family Violence Order is strong. An early plea of guilty will likely result in a community order but given the nature of the offending John will have a criminal record and may face difficulties in gaining employment given this conviction

John has been diagnosed with depression and rarely sees his children.