

GAMBLING

GAMING
VICTORIA
AUSTRALIAN DEMOCRATS

2006

OUR ELECTION COMMITMENT

The nature and extent of gambling has changed dramatically in Victoria since the early 1990's when poker machines were first introduced. Problem gambling is one of the most devastating problems affecting Victorians today with almost 50 per cent of expenditure on the 30,000 poker machines in Victoria coming from those addicted to gambling. Suicide, crime, family breakdown and social isolation are familiar stories for many of these people. The industry profits hugely at their expense with poker machines that grow in sophistication and the speed with which they take gamblers' money.

Successive Labor and Liberal governments have relied heavily on gaming revenue and continue to do so, ignoring the enormous social cost and despite current budget surpluses.

Despite surveys showing that 90 per cent of Victorians want this problem addressed with fewer poker machines in the community and greater controls and at least two pre-election commitments to reform the gambling industry, the Bracks Government refuses to budge.

The Democrats commitment is for:

Poker machines

- Reduce the number of poker machines in each current venue and overall by 50% on current levels as part of the current review, the outcome of which comes into effect in 2012 (noting that poker machines are depreciated over a 3 year period).
- Establish a limit on the amount of money that may be lost per hour by slowing down the machines between games.



- Phase out note-acceptors on poker machines.
- Provide gamblers with time limit options and the ability to set limits on spending before entering the gaming room.
- Resist technological change that moves gambling to cashless transactions such as smart cards, 3G and bluetooth mobile phone transactions, poker machines with in-built EFTPOS, e-banking and ATMs with in-built gaming capacity.

Venues

- Generally ensure that environments do not encourage harm or loss of player control.
- Close all poker machine venues for 8 hours each night between 2.00 am and 10.00 am.

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The Victorian Democrats vision is for:

- the State Government to recognise the many studies and reports that show gambling can bring profound social problems, that these problems should be seriously regarded as threats to community wellbeing and health, and that it has a duty of care for those who are most vulnerable,
- the regulatory regime around poker machines to have as a key objective the avoidance of excessive gambling through venue design parameters, machine design and operation features including spin rates, bet limits, player information and expenditure pre-commitment features,
- the industry to be reformed so it is transparent, promotes consumer protection and probity, obliges revenue to be used in community service and removes the incentive to exploit problem gamblers, and
- recreational gambling to be safe and for the regulatory environment to maximize the extent to which gamblers can be in control of their gambling decisions.

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'Anything that will reduce accessibility will help reduce problem gambling. Either because people have to travel further or because gambling is more exposed'

View expressed at community consultations by the Council of Gambler's Help Services

- Require venues to display clocks on the wall and ensure natural light is visible from poker machine areas during daylight hours.
- Give local government planning controls over poker machine venues and remove the current provision of appeal rights to VCAT.
- Remove ATM's and EFTPOS facilities from all buildings with a gambling license to avoid unplanned spending.
- Ban all indoor smoking at poker machine venues.
- Require venues to provide non-gambling, socially interactive activities at poker machine venues.

Social support

- Reform of the community benefit obligations tax exemption to guarantee that a significant portion of revenue is invested in community facilities and activities beyond the venue, as determined by a transparent and community based process or 'Local Community Trust'.
- Provide publicly funded on-call and outreach counselors for problem gamblers and their families, linked to the gambling hotline.

The Democrats also see merit in the following recommendations of submissions to the current *Gambling Review* by Urban Seed and Community Action on Pokie Problems to reform the poker machine industry post 2012:

- Replacement of the current license system with one in which poker machines are owned by the state government with a fixed operator's fee paid to venues for running the machines (the Canadian model).
- All poker machines to be located in licensed clubs (not hotels).
- Establishment of the following independent bodies that report directly to the State Parliament:
 - a Gambling Services Commissioner to conduct monitoring,
 - a Gambling Ombudsman, and
 - a Gambling Foundation to conduct independent research and promote responsible gambling.

The problems

The Victorian Minister for Gaming boasted in August that spending on poker machines grew by only 3.3 per cent in 2005/6 - the third lowest increase since 1992 - now around \$2.6 billion.

The Victorian Government has capped poker machines at 30,000, eliminated 24-hour gaming outside the casino, introduced \$10 maximum bets, limited access to cash via ATMs and banned cash from credit cards at venues and cash payouts over \$2,000 however much still needs to be done.

Poker machines are still concentrated in areas of social disadvantage in metropolitan and rural Victoria with expenditure per adult in Greater Dandenong at more than \$1,000, compared with Boorondara where it is \$150. Despite promises to cap over-represented areas, nothing has been done.



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CONTACT US

(03) 9419 5808

vicdems@democrats.org.au

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Selected responses to published surveys on gambling:

- 69% of Victorians want control over the planning, licensing and operating hours of poker machine venues to be given to local government.
- 64% said their municipalities should decide which areas should be "poker machine free".
- 1,635,000 Australians or a whopping 10% of the population aged 14 and over say gambling has affected their family in some way and 1,608,000 said they gambled more than they should.
- 17% of Australians said they play to win.

Since the introduction of poker machines in 1992, there has been no formal assessment of the means by which decisions are made about where they should be located, no formal assessment of the conduct of the gambling industry and no clear and transparent means of determining future policy on licensing and regulating poker machines.

The Bracks Government is conducting a review of gaming licenses but Victorians won't be told until after this election whether the two licensees - Tabcorp and Tattersalls, who control the 27,500 poker machines across the state - will be again be awarded these lucrative licenses or what if any will be their social obligations. The review does not canvass the question of whether poker machine numbers should be reduced.

In 1999 2.1% of the adult population were problem gamblers - 76,000 in Victoria. On average these problem gamblers lost around \$12,000 each year, compared with \$650 for recreational gamblers. More than a quarter of problem gamblers are under 25.

In Victoria in 2001/2, each Victorian adult lost on average \$1,198 - 21% above the Australian average.

The Uniting Church estimates around 30,000 families in Victoria have been harmed by problem gambling. Hanover Welfare Services found that 5,000 Victorians in 2001 experienced a housing crisis or homelessness, primarily because of their addiction to poker machines.

8.33 per cent of revenue earned in hotels and clubs is tax exempt if spent on 'community purposes' but this money can be used for staffing, buildings and facilities in venues and on average only 1% of this money is spent outside the venue for community purposes.

Problem gambling has understandably led to a rise in crime; court records show that last year people with gambling problems were convicted of stealing more than \$11.7 million.

Flashing lights and décor, venues without windows or any sign of the outside world are contrived traps, designed to keep people at machines for as long as possible. There is evidence that poker machine operators have cynically exploited vulnerable gamblers, resisting for instance the imposition of smoking bans in parts of venues because it interferes with the objective of keeping people at machines at play continuously.



Resources

- Roy Morgan Research
- Community Action on Pokie Problems submission to the Gambling Review
- Council of Gambler's Help Services submission to the Gambling Review
- The Productivity Commission report - Australia's Gambling Industries Inquiry Report 2003 & Report & Australia's Gambling Industries Report 1999
- The Uniting Church and VCOSS

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