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**LGWGOG Chair, Felicity Leahy, City of Whittlesea  
Launch Speech, Monday 15 November 2010**

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**VLGA Local Government Working Group on Gambling's  
2010 State Election Platform: addressing the local impacts of  
gambling and supporting communities to have their say**

Thank you for attending today for the launch of the City of Moreland's award winning Gambling storyboard for Culturally and Linguistically Diverse communities.

Local governments across Victoria will benefit from your leadership and action, and I want to thank Mayor Kariofyllidis and fellow councillors for this. Your action also shows that local governments are not just complaining, but doing positive things, because we feel the local impacts of problem gambling on our local families and communities every day.

My name is Felicity Leahy and I am the Chair of the Victorian Local Governance Association's Local Government Working Group on Gambling (LGWGOG). As you know, today we are also launching LGWGOG's 2010 State Election Platform:

Addressing the local impacts of gambling and supporting communities to have their say.

LGWGOG is an advisory group of the Victorian Local Governance Association and members include councillors and staff from 60 local governments, as well as around 15 community health, advocacy and other community organisations.

I am not going to detail all of our 18 'calls to action' to all major parties here today. We have made copies for your reference and will be distributing these far and wide after this launch.

Instead, I will highlight a few in this speech which go to the 3 key areas LGWGOG believes require attention, including:

1. Allowing communities more say in gambling applications in their local area, and
2. Building local and state government capacities to properly consider and address the social and economic impacts of pokies, and
3. Making pokie and online gambling safer.

I first want to sound a warning. LGWGOG believes that most major parties in this State Election are far too silent about any concrete policies to reduce the harms associated with unsafe gambling products – especially pokies and online gambling. Politicians at all levels need to hear overwhelming community concern not only about the impacts of problem gambling on individuals, but also the impacts on families, local communities and local governments.

Hence two of LGWGOG's 'calls to action' are to level the playing field when it comes to assessing these impacts – especially for pokie applications by:

- Firstly, replacing the 'no net detriment test' with a 'net benefit test', and
- Secondly, lifting the capacity of both state and local governments to properly measure the social and economic costs of gambling in local areas.

There is growing evidence that the community insists that its views on gambling be heard.

Many local communities across Victoria are growing impatient that the cards appear to be stacked against a proper social and economic analysis of applications. As we gather here today, it is disappointing to hear that the applicant for 30 new pokies in Jan Juc are appealing at VCAT the Victorian Commission for Gambling Regulation's

refusal to grant a gaming licence. It appears the community's strong opposition here and previously in Romsey is falling on deaf ears within industry circles.

This can only be to the detriment of both industry and the community. That's why LGWGOG is calling on all major parties in this State Election to commit to implement the findings of the Auditor General's report: Taking Action on Problem Gambling of a few months ago, especially to:

- Improve social and economic assessments by the VCGR, and
- Improve data and understanding of the local area impacts, and assessment methodologies within a local government area.

These actions are critical if we are to move the debate away from the 'individual rights' focus of current debates, to much-needed consumer protection, public health and product safety frameworks. We believe that pokies, and online gambling present a real and present risk to a significant number of people, with the impacts being felt in local communities and by local governments.

This is why one of our calls to action to major parties at this State Election is for them to:

- work collaboratively with Federal and local governments as well as the community sector to adopt National Product Safety and Consumer Protection Standards for pokie and online gambling.

Attention is rightly shifting from the state of the individual, to the effects of gambling upon the family and broader community, with gambling-related problems being widely viewed as a public health issue. Accordingly, recent years have witnessed a growing emphasis upon the difficulties *caused* by gambling – rather than seeking a diagnosis of the individual – and upon harm minimisation as an approach to such problems. LGWGOG believes that this correctly reflects a response to "...the adverse health, social and economic consequences of gambling for individuals, families...and society".

Advocates of individual rights and free markets are too often joined by well resourced lobbying campaigns from industry, which suggest that those of us who are concerned about this problem tend to exaggerate its prevalence.

But this is a deliberately false and simplistic argument. Based on available survey data, it is conservatively estimated that there are between 80,000 and 160,000 Australian adults suffering significant problems from their gambling, with a further 230,000 to 350,000 experiencing moderate risks that may make them vulnerable to problem gambling.

So, whatever side of the debate you are coming from, it is nonsense to allow advocates of individual rights and free markets to drown out community calls for action. These arguments have not held sway in other public health campaigns such as smoking and alcohol, and they must not be allowed to hold sway here.

The next state government will have to act more effectively on community concerns, or risk political support at subsequent elections. This is especially the case as two emerging issues receive more media coverage. And that is the obscene advertising and promotional tactics employed by some industry players in the online gambling and telephone wagering space. We are also increasingly concerned at these tactics being used to encourage children to attend pokie venues.

LGWGOG is therefore calling on all major parties to:

- Conduct a public inquiry into the advertising practices (including incentives) of the online gambling industry, with a view to significantly restricting current practices, in cooperation with the Federal Government, and
- Ban all advertising (including incentives) that encourage children, or adults to bring their children into pokie venues and ban advertising for wagering services from all media where children are likely to be exposed.

The negative impacts on individuals, local communities and local governments are not going away. It is timely today to repeat the findings of the recent Productivity Commission Report that there is:

- No reliable indication of a significant decline in the rate of problem gambling among regular EGM players, and
- There is no evidence that the share of total spending accounted for by problem gamblers has fallen.

As community concern mounts by the day, supported by more and more research, LGWGOG believes that politicians at all levels must catch up.

Government imposes licensing and other regulatory restrictions on a whole range of products in our community as evidence of their harm grows, and the same must happen in this space. So, it is time for the next State Government to meet its obligations to promote community well being and to make pokies and online gambling safe.

Key to this are actions that address:

- Superstitious perceptions about the probability of winning, or the role of skill in gambling
- Misleading pokie design, and
- The fact that large wins, the reinforcing effect of intermittent and unpredictable payouts, and the continuous and rapid rate of play on pokies, encourage persistent, excessive gambling for some gamblers.

If industry and government truly believe that pokies and online gambling are really safe, how do they explain away the informed views of Charles Livingston that "...poker machines conditioning machines..." which employ principles of operant conditioning to teach people "...that if they keep playing the machine they will get a series of intermittent rewards"?

Even the government's own literature states that each poker machine has a computer program. Pokies are programmed so that in the end the machine will win. Nothing you do changes that. For example, when playing a game like Black Rhinos, to have a 50 per cent chance of getting five rhinos, playing one line at a time, it would take 6.7 million button presses and cost nearly \$330,000.

LGWGOG is increasingly concerned that online gamblers can stay in the privacy of their own lounge or study, and lose their home without ever leaving it. There is significant community concern that the pervasive and cynical advertising tactics of the online gambling industry in Australia is only feeding this. How many ads did we see during the AFL telecasts? Cynical overkill is what we are hearing from many in the community.

There are other reasons LGWGOG believes that government should be less swayed by arguments of individual rights and free markets. Concerns about the impacts of pokie and online gambling on individuals, their communities and local governments override such simplistic *laissez faire* arguments.

We hear every day about the costs we all face as a community of poverty, cost-of-living pressures, family breakdown and violence, mental illness, homelessness, debt, bankruptcy, and crime. Yet when it comes to gambling losses, the same advocates for free markets argue that these costs are individual and not community problems. Yet, if we look at trends and impacts of problem gambling, it is impossible to separate the individual from the family and the community.

It is an inescapable reality that differences in pokies losses among various localities in Victoria, show that the most disadvantaged communities tend to incur the highest gaming losses. There is already a social divide in Victoria, and LGWGOG believes that pokie and online gambling are only making this divide even worse.

As with pokie losses, the density of pokies throughout Victoria [measured as the number per 1,000 adult residents] tends to be highest among the least affluent

localities. For example, the average pokie density in the *most disadvantaged* four metropolitan localities in 2007/8 was 8.3 per 1,000 adults, compared with 2.9 among the *least disadvantaged* localities.

It is notable that the least affluent localities generally experience the highest gambling losses. In 2009/10, pokie losses in the City of Boroondara – the wealthiest locality in Victoria - stood at \$145 per adult. In contrast, losses in the City of Greater Dandenong – the least affluent locality in metropolitan Melbourne – were nearly eight times higher, at \$1023 per adult. Thus the residents of a community with one of the highest levels of pokie losses are also among the least able to bear such financial losses. This ‘market reality’ should be viewed as being no less than a scandal.

If ever there was a case for giving the decision-making powers for new applications or transfers of pokies to local communities and local governments, this is it. Hence the reason LGWGOG is calling on all major parties to:

- Return approvals to local governments so that local decisions drive local benefits.

To further enable local governments to consider and address the social and economic impacts of pokies, LGWGOG is also calling for:

- An increase in the current 60 day time limit for local government responses to pokie applications to 90 days
- Resources to enable local governments to conduct proper assessments of pokie applications, to at least balance the playing field where industry has far more resources available to get their applications approved, and
- Greater Community Support Funds for an increase in problem gambling programs for at-risk problem gamblers in local communities.

I will stop here, and invite questions or comments in a moment. But first, I want to summarise the key shift in community views that all major parties must take heed of.

No longer are communities satisfied with a playing field that appears stacked in favour of the gambling industry. Communities and local governments across Victoria are smart enough to see the relationship between the individual social and economic impacts of pokie and online gambling, and the impacts on families, communities and local governments.

LGWGOG therefore calls on all major parties to take greater steps in the next term of the State Government to make pokies and online gambling safer. And also to give local governments and local communities a genuine and effective say in what happens in our front yards. Some of these steps are outlined in the LGWGOG's State Election Platform, and we stand ready as local governments and concerned communities to work constructively with all major parties to achieve these steps.

**ENDS**