Electronic Gaming Machines in Hume City – an introduction

Purpose
Thank you for expressing an interest in Hume City Council’s review of its ‘Responsible Gaming Policy’. The purpose of this background paper is to provide you with some information on electronic gaming machines, often referred to as Pokies.

In particular, the paper will provide key points on:

- Council’s roles and responsibilities in gaming matters
- Electronic Gaming Machines (EGMs)/Pokies in Hume City
- The results of Council’s Community Gambling Survey 2018
- The harms that can be caused by playing electronic gaming machines

Council’s role & responsibilities
While State Government, through the Victorian Commission for Gambling and Liquor, is responsible for determining the location and number of pokies within our community, Local Government has legislative requirements to protect and promote the health and wellbeing of its community, and advocate for the best interests of their local community to State and Federal Government. This includes advocating for the protection of the community from the risks and harms associated with gambling. Hume City Council’s influence on gaming is twofold:

- Under the Planning and Environment Act 1987, Council is responsible for assessing planning permit applications, including gaming venues. Council’s assessment must take into consideration the statewide controls incorporated into the Hume Planning Scheme at Clause 52.28.

- The Gambling Regulation Act 2003 enables Council to make submissions to the Victorian Commission for Gambling and Liquor (VCGLR) in the form of a social and economic impact assessment for new gaming venues and EGMs in Hume City. Council does not have the final say on the outcomes of any application, as this decision remains the responsibility of State Government.

In addition to responding to request for EGMs, Council plays a critical role in raising community education and awareness of the harms caused by gambling within our community. This includes working proactively with other service providers and other local governments to minimise adverse impacts of gaming, particularly with regards to pokie machines.

Hume City Council’s Responsible Gaming Policy
Council’s current Responsible Gaming Policy acknowledges that gaming is a legal activity which has been found to be problematic for the ordinary consumer and can have highly detrimental consequences for those affected by problem gaming and for the wider community.
The policy provides Council with a framework to respond to gaming applications in a consistent and consultative manner, through social and economic impact assessments. The policy also articulates Council’s harm minimisation approach that aims to reduce the negative impacts and maximise the positive impacts of gaming venues for local communities and the City as a whole.

The policy also aims to achieve a transparent and equitable process of revenue received through gaming to be distributed back to the Hume community.

Electronic Gaming Machines in Hume

- There are currently 833 Electronic Gaming Machines in Hume City.
- The municipality is capped at 851 machines.
- In the 2017/18 financial year, $109.6 million was lost on pokies in Hume, an average of $300,339 per day.
- Hume is home to 14 pokie venues: 9 hotels with a total of 552 EGMs, and 5 clubs with 281 EGMs.
- Hotels continue to make twice as much in EGMs than clubs. In 2017/18, the average loss per machine in Hume clubs was $69,762 compared to $163,081 for Hume hotels.
- Hume is ranked 6th highest out of 70 Local Government Areas for poker machine losses in Victoria.
- The expenditure per adult in Hume City was $705, compared to $537 for Metropolitan Melbourne and $550 for Victoria (median personal income of Hume residents was $529 per week, compared to $673 for Greater Melbourne).
- For 2017/18, Meadow Valley Ward had the highest expenditure per adult at $914.

Council’s Community Gambling Survey 2018

In May 2018, Council distributed its Community Gambling Survey 2018 to 5000 Hume City households randomly selected from Council’s rates database. A total of 371 residents participated in the survey, representing a response rate of 7.9 per cent.

The survey results indicate that almost one in five residents (20%) have gambled on the pokies in the last 12 months, higher than the Victorian average of 15 per cent. Pokies was the most common form of gambling in our community after lotto and instant scratch tickets.
Younger residents aged between 18 and 34 years of age were the most likely age group to gamble on the pokies, followed by older residents aged 65 years or older. In both age cohorts, they were likely to be male.

Council’s research shows that residents gamble on the pokies for a number of reasons, with the most common reason being cited as ‘for fun and excitement’ by just under half (43.6%) of the respondents to had been to the pokies in the last 12 months. This suggests that pokies is often viewed as recreational activity. Concerning, the second and fourth most cited reasons to gamble at the pokies were ‘to make money’ (24.3%) and ‘to beat the machine’ (17.4%), this is despite the minimum Victorian ‘Return to Player’ payout being set at 85%, and Hume City having some of the highest loss rates per adult in Victoria. Council’s research also indicates that one in three residents (34.8%) who gamble on the pokies in the last 12 months spent more than they intended to.

### Gaming related harms

A report produced by Turning Point into Problem gaming in Victoria highlighting that Hume City residents are at the third highest risk for gaming problems in Victoria. With results from Council’s community gambling survey indicating that almost one third of residents spending more than they wanted to on pokies, Council surveyed residents to understand what percentage of our community have experienced harm, either directly or through a family member or friend. Two in five residents (39.4%) suggested they had experience harm, with the most common forms of harm being cited as:

- Financial hardship (36%)
- Relationship breakdowns (22%)
- Poor mental and physical health (11%)
- Addition (9%)
- Loss of housing (7%)

Below are some quotes provided by the Hume survey participants on the harms they or others have experienced playing electronic gaming machines:

"The gambler lost his house and therefore the family members became homeless, and the family member/the gambler committed suicide."

"He committed suicide because of being in debt he was only very young."

"Loss of [the] family business"

"Loss of retirement savings"

"Serious financial harm was caused to myself as pokie machines target the brains pleasure centres with their flashing lights and strategic payouts, this caused me to have a serious gambling problem that alienated me from my friends and family for a long time and caused a serious depression whilst trying to kick the habit"

Encouragingly, of those who indicated they (or knew someone who) had experienced harm from gambling on the pokies, 60.8% indicated they knew where to get support from – however almost one in five didn't.

According to the VRGF, gambling harm in Victoria is made up of:

- 50.2 per cent harm from low-risk gambling
- 34.5 per cent harm from moderate-risk gambling
- 15.2 per cent harm from problem gambling.

Therefore, the majority of gambling harm experienced in Victoria occurs from low to moderate risk gambling (approximately 85%). So, while individual problem gamblers experience a greater severity of harm, harm from low-risk and moderate-risk gambling has a greater impact on the community because it affects more people.

In 2017, the VRGF surveyed 444 gambling patrons in 18 venues as they were leaving the hotel or club¹. Data from the exit survey revealed:

For every 10 people at the pokies*...

- 2.9 no problems
- 2.5 low harm
- 2.6 moderate harm
- 2.0 high harm

*Data from an exit survey of 444 gambling patrons in 18 venues, VRGF 2017

Council encourages anyone affected by problem gambling to call Gambler's Help on 1800 858 858 or visit: http://www.gamblershelpnnw.org.au/.

¹ Initial Implementation of Revised Victorian Responsible Service of Gaming Training: Outcomes and Lessons Learned"