



## **Comment on the Eastlake Calwell Club Social Impact Statement**

**December  
2005**

### **INTRODUCTION**

ACTCOSS acknowledges that modern day Canberra has been built on the traditional lands of the Ngunnawal people. We pay our respects to their elders and recognise the displacement and disadvantage they have suffered since European settlement. ACTCOSS celebrates the Ngunnawal's living culture and valuable contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage, and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's objectives are representation of people living with disadvantage, the promotion of equitable social policy, and the development of a professional, cohesive and effective community sector.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the Community Services Program (CSP) which is funded by the ACT Government.

## CLARIFICATION

ACTCOSS would like affirm that it believes the Eastlake Calwell Club is sincere in its support for its members and the community, and that its Board believes that the proposed increase in poker machine numbers will be of benefit for these people. ACTCOSS' adverse comments in this paper flow from its concern about problem gambling as a major cause of poverty and household financial distress, and the need for a more robust accountability framework through the Social Impact Statement (SIS) process.

## THE CONSULTATION PROCESS.

ACTCOSS is aware that the ACT Gambling and Racing Commission (GRC) has a statutory obligation to bring forward applications for increases in gaming machine numbers for public consultation, and that it may have little influence over the timing of such requests. However ACTCOSS notes this consultation is taking place during the Christmas/New Year period, a time when the community sector is limited in its capacity to respond to such consultations.

It is also problematic that no information about consultation processes is available on the GRC website, although there is some limited information about legislative reviews. While there may be reasons for not making the SIS available via the website, there is no information on current inquiries, consultations or matters upon which the community sector may wish to be informed. This includes the dates for consultation, the acts or regulations under which the consultation is being conducted and the contact persons for the reviews, consultations or inquiries.

***ACTCOSS asks that the community be provided with easily accessible and comprehensive information about GRC activities via the website, particularly in reference to licence reviews, inquiries and social impact statements.***

## THE NUMBER OF GAMING MACHINES IN THE ACT.

In its 2002 submission on the second stage consultation on the Gaming Act, ACTCOSS wrote the following on the issue of the gaming machine cap.

*"ACTCOSS and its Gambling Reference Group welcome the GRC's recommendation that the Gaming Machine Cap be kept, and reiterates Care and Lifeline call for the current cap to be maintained. All four groups feel that any change to the cap should only be to reduce gaming machine numbers, not to increase them.*

*Should the current recommendations remain in the draft bill and regulations, ACTCOSS would back Lifeline's position that considerations the GRC has listed, such as "the public demand for gambling within the community", should be detailed, and quantitative measures produced for community discussion."*

Since that time the ACT Government has increased the availability of access to gaming machines by allowing an increase in the type and number of machines available in pubs and hotels. It is understood by this organisation

that the ACT is now nearing the cap of 5,200 gaming machines across the ACT.

ACTCOSS does not believe that the public demand for gambling services has been defined, or discussed in any meaningful way. In the Eastlake Calwell SIS the 90% utilisation of machines is being used as a proxy for increased demand. However the SIS also states that the demand is for different machines, not necessarily more machines. ***ACTCOSS asks that a clear measure of demand be articulated by the GRC as a matter of urgency.***

## **THE EASTLAKE SOCIAL IMPACT STUDY**

A social impact statement is supposed to provide some basis upon which the GRC can make informed decisions on the impact poker machines may have in the community where they are either being introduced, or increased. The Gaming Machine Regulations<sup>1</sup> are specific that:

- (10)(4) *All statements or material included in the assessment must be—*
- (a) *objective rather than subjective or speculative; and*
  - (b) *based on identifiable factual information.*

ACTCOSS finds that the positive aspects of the proposal are vague and not necessarily reflective of community values. The club puts great store in providing a greater variety of machines for members, yet ACTCOSS does not find that this is a function of the number of machines currently in use in the club, but the choices available to patrons. The peak usage is 90% with the Club making the point that people feel they have to wait for their machine of choice. ACTCOSS applauds this as a harm minimisation measure that could be greatly enhanced through the use of enforced breaks from gaming.

ACTCOSS also finds the arguments on increased competition in the SIS vague and not based on any economic or other analysis. While the SIS makes a claim that the club would improve food and beverage services if it had more machines, there is no commitment or economic analysis of how this could happen. In fact, the gross revenue projections for 2005-2008 included in the SIS (p.18) predict consistent revenue at around \$4-5million per annum. Unless this table has been poorly labelled, ACTCOSS cannot see how the club can make an economic argument for the machines, unless the argument is that revenue will fall UNLESS they have more machines.

The club claims it will increase staff, but provides no projections. There is also a claim that the club presently provides in excess of 30% of its net gaming revenue to local sporting and community-based organisations, yet if it is allowed to have 40 extra machines it will only commit to the current industry average of 12.7%. That is hardly a net gain for the community.

Even the expected increase in revenue of 11.5% is not supported by the table on page 18 – the increase in gross revenue is around 20% in the first year, but then falls back to 2005 levels or below.

---

<sup>1</sup> ACT Legislation Register online. Gaming Machine Regulation 2004: SL2004/30, November 2004: <http://www.legislation.act.gov.au/sl/2004-30/current/rtf/2004-30.rtf>  
Accessed 19 December 2005.

## ACTCOSS Comment on the Eastlake Calwell Club Social Impact Statement

ACTCOSS found unsettling the idea that the Club thinks the operation of 40 more gaming machines in Calwell will be of net positive impact on the local high school and primary school. It is of grave concern to this organisation that a club can claim employment and community contributions as positives, but not outline in detail what it will do to overcome disadvantage caused by gambling in that community. This includes poverty caused by gambling, domestic violence, and fraud committed to support problem gambling.

It seems the most concerning of the possible negative impacts the Club can foresee is the possible impact on other clubs in the area, which is considered in the most detail. The other negatives are seen to be the noise to neighbours and the increased cost pressures on the Club from the purchase/lease of the 40 new machines.

ACTCOSS believes, therefore, that the SIS does not meet its obligation to provide factual, objective information that is not speculative or subjective.

### **GAMBLING RESEARCH AND POLICY.**

The Centre for Gambling Studies (CGS) found in its spatial analysis of gambling in Tuggeranong conducted for the Gambling and Racing Commission<sup>2</sup> that:

*"In general terms, clubs which draw their patrons from a more localised catchment have patrons with heavier gambling profiles than clubs with wider reach into the surrounding area."(p.9)*

Heavier usage is not acknowledged in some forums as directly linked to problem gambling, however ACTCOSS relies on the advice of its member organisations who find that those who have increased poker machine use are most likely to also have problems affording and controlling their gambling. In ACTCOSS' view the CGS research demonstrates that the increase in poker machines in such smaller areas could be more problematical than an increase in, for example, one of the Tuggeranong town centre clubs. This fact is not addressed by the SIS, despite the Club using its existence as a small, local club to press its case for an increase in Electronic Gaming Machines (EGMs).

If the GRC is to take the claims of an anticipated 11.5% increase in gross revenue as achievable, it must seriously consider where those extra funds will come from. While ACTCOSS agrees that the demographic of the area could point to an increase in social gambling, research into who loses at gaming machines shows that a number of cohorts provide a disproportionate amount of electronic gaming machine (EGM) revenue. As reported by the Institute of Gambling Research in its 2001 paper on problem gambling in the ACT, around 1.9% of all ACT adults can be expected to have a gambling problem, and this cohort accounts for some 37.3% of all gambling revenue in Canberra<sup>3</sup>. This

---

<sup>2</sup> "Gaming Machine Accessibility and Use in Suburban Canberra: A Detailed Analysis of the Tuggeranong Valley", D. Marshall, J. McMillen, S. Niemeyer, B. Doran – ANU Centre for Gambling Research, 2004. Accessed at:

<http://gambling.anu.edu.au/menu/PDFs/Tuggeranong%20Final%20Report.pdf>

<sup>3</sup> Australian Institute for Gambling Research, "Survey and the Nature and Extent of Gambling and Problem Gambling in the ACT". July 2001, University of Western Sydney p.70. Some further work has been commissioned on the SOGS tool since 2001, but ACTCOSS does not have access to that data.

cohort disproportionately includes pensioners, unemployed young males, and those on low incomes<sup>4</sup>.

ACTCOSS also feels that the Eastlake Calwell Club SIS ignores problem gambling, painting a picture of harm minimisation that ACTCOSS understands has now been overcome by other events. In its outline of how it will address any increase in problem gambling the Calwell club talks of Clubcare inspectors making visits to the premises to ensure that harm minimisations practices are running in the appropriate manner (page 17). At this time ACTCOSS understands that Lifeline, who operates ClubCare in partnership with 9 clubs and Clubs ACT, is cutting back on all but gambling counselling services due to a withdrawal of funding from the clubs. Clarification on this issue is important as the Calwell club is seeking to use this service in support of its application.

## **CONCLUSION**

ACTCOSS does not believe that the SIS as presented by the Eastlake Calwell Club provides sufficient justification for an increase of nearly 60% in poker machine numbers for that location. The arguments seem to be that patrons are not getting access to their favourite machines and that the denominations of the machines available are a mismatch to potential gamblers. That does not indicate a solution of more machines, but a better mix.

In our view, there should be no increase in poker machine numbers across the ACT, as there are sufficient opportunities for residents to gamble. The SIS has shown that for many people, the choice of club is not one of loyalty and that people happily travel to take advantage of the varying entertainment and dining options offered by Canberra's clubs.

ACTCOSS does not wish to single out Eastlake Calwell Club for criticism, as our objection to any increase in poker machine availability has been a matter of public record for many years. ACTCOSS has found that the recently introduced processes for notification of SIS are different from those used by the Gambling and Racing Commission for other consultation processes. It has therefore not been possible to comment on the two other SIS processes that have recently been undertaken by the GRC.

***ACTCOSS is therefore taking this opportunity to express its opposition to ANY increase in gaming machine numbers in the ACT, and to call on the GRC to ensure that Social Impact Statements objectively and fully address the important issue of gambling related harm.***

Thank you again for this opportunity to comment.

---

<sup>4</sup>Marshall, McMillen, Neimeyer and Doran, op cit, page 10 - EGM Participation.