

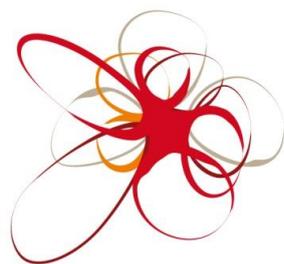
# **SUBMISSION**

Prepared by Springvale Monash Legal Service for the

**City of Casey**

**In response to Castello Daisey's Hotel Pty Ltd application to the Victorian Commission for Gambling and Liquor Regulation for a licence to install and operate 100 electronic gaming machines at Castello's Clyde North Hotel**

Date submitted:



**SPRINGVALE MONASH  
LEGAL SERVICE Inc.**

Celebrating 40 years of Working for Justice



**CASEY & CARDINIA**

## **INTRODUCTION**

### **Vision:**

We are committed to shaping a fairer future for our community through accessibility and engagement.

### **Our Mission:**

Working with vulnerable and disadvantaged community members, Springvale Monash Legal Service contributes to a fair and just society by:

- Advising on legal rights and responsibilities;
- Advocating for systemic change;
- Collaborating with stakeholders; &
- Educating law students as future advocates

### **Our organisation**

Established in 1973, Springvale Monash Legal Service (SMLS) is a community legal centre that provides free legal advice, assistance, information and education to people experiencing disadvantage in our community. We offer services in the City of Greater Dandenong, the City of Monash, the City of Casey and the Shire of Cardinia.

SMLS operates a duty lawyer service at various courts in Victoria, including Dandenong Magistrates Court, the Children's Court and provides legal representation in courts and tribunals such as the Victorian Civil and Administrative Tribunal, Fair Work Commission, Federal Circuit Court, Family Court and VOCAT.

Additionally, as a community legal centre, we offer legal assistance as well as an extensive community legal education program that is developed in response to feedback from the range of community engagement and community development activities that we are and have been involved in. For example SMLS has contributed to reforms in family violence laws and practices, access to civil procedure reforms, reforming the criminal justice system, access to justice issues, and advocating for the rights of victims of crime.

## Castello's Clyde North Hotel Application

Springvale Monash Legal Service urges the City of Casey to consider the social and economic consequences that flow from the location of gaming machines, and reject the planning application made by Castello Daisey's Hotel Pty Ltd for a licence to install and operate 100 EGMs at proposed Castello's Clyde North Hotel.

### **Location**

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The proposed venue is in a developing estate in Clyde North located between Thompsons, Berwick-Cranbourne and Pound Roads. The local government areas serviced by the venue are the City of Casey, the Shire of Cardinia; which are included in the Southern Metropolitan Region. Much of the existing green space used for primary industries is being converted to residential area.<sup>1</sup>

The nearest businesses include a children's dance school, a play centre and a privately operated migration service. The area is serviced by minimal public transport with the venue situated 1.9km to the 899 bus, 7.7km to Cranbourne station and 8.4kms to Beaconsfield Station.

A new planned residential estate containing 450 new homes and sporting grounds will be built 300m away on Thompsons Road.

The area is forecast to have a high rate of residential growth, particularly between Clyde in the City of Casey to Pakenham in the Shire of Cardinia.<sup>2</sup> The Southern Metropolitan Region has grown by 356,000 people over the last two decades,<sup>3</sup> which accounts for 25% of the total population growth for Melbourne.<sup>4</sup> Of this growth since 2011, 42% has been absorbed by the Casey local government area,<sup>5</sup> including a high percentage of people born overseas.<sup>6</sup>

### **Harm to the Community**

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'Pokies' or Electronic Gaming Machines (EGM) may exacerbate or cause a range of economic harms. The following factors play into the experience of a player's interaction with a Pokie machine:

- The random nature of each game
- Over the course of playing a person's losses become disguised as wins
- The overall chance or enticement of winning. EGM communication and marketing strategies can create misunderstandings of how machines actually work. For example, that a machine can run 'hot' or 'cold'<sup>7</sup>.

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<sup>1</sup> SGS Economics and Planning, *Economic, Social and Environmental Profile: Southern Metropolitan Region* (Report, April 2019) xvii.

<sup>2</sup> Ibid 2.

<sup>3</sup> Ibid 11.

<sup>4</sup> Ibid 11.

<sup>5</sup> Ibid 2.

<sup>6</sup> Ibid xiv.

<sup>7</sup> Productivity Commission, *Gambling: Productivity Commission Inquiry Report* (Report, Vol. 1, 2010) 13.

- The fact that EGM's are designed to prolong play and maximize losses through a variety of design features.<sup>8</sup>

The applicants have stated that they will address the potential harm by following 'best practice process' including:

- Having regular responsible gambling audits
- Staff training
- Creating a relationship to Gamblers Helpline
- Policy development
- A code of conduct
- Senior management mentoring, advice and support
- A senior member of staff will be assigned as a responsible gambling officer per shift.<sup>9</sup>

The above practices at managing the problems associated with EGMs are reactionary and do not contribute to long term preventative measures to address gambling and economic harm.

The practice of gaming venues addressing known gambling harms through 'best practice process' is problematic. These practices incur minimal financial costs with little overall community benefit to outweigh the significant losses experienced.

Based on the Geotec Model the applicant makes an 'optimistic estimate' of \$16,393,473 in pokies expenditure during the first 12 months.<sup>10</sup> The applicant has at this stage not confirmed any 'community contributions' in the form of donations or grants to local community groups or gambling support services. The applicant stated they have had discussions with Gambler's Help Southern and the City of Casey Active Communities Team regarding contributions but are "uncertain at this stage what those community contributions will amount to"<sup>11</sup>, relying on the cost of development of the venue as a contribution. It is astonishing that an enterprise can claim building a for-profit business offsets harms to people in a community.

People living in the City of Casey spend \$132,360,622 per year on pokies, which is the second highest expenditure in the state.<sup>12</sup> In 2017-2018 there was a loss of \$527.88 per adult on EGMs in local government area.<sup>13</sup> The proposed EGM venue will substantially contribute to this individual and community economic loss and will fail to contribute towards preventative measures and social support for problem gambling.<sup>14</sup>

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<sup>8</sup> See, Neal, P.; Delfabbro, P. & O'Neal, M., *Problem Gambling and Harm: Towards a National Definition*, Gambling Research Australia (Report, 2005).

<sup>9</sup> See, Progressive Venue Service, *Castello's Responsible Gambling Code of Conduct*, 2012.

<sup>10</sup> Michael Clyne, *Expenditure Report*, Progressive Venue Services (November 2019) 11.

<sup>11</sup> Ibid 36.

<sup>12</sup> Victorian Responsible Gambling Foundation, *Pokies across Victoria - Casey* (December 2019) Retrieved 2/1/2020: <https://responsiblegambling.vic.gov.au/resources/gambling-victoria/pokies-across-victoria/casey/>

<sup>13</sup> City of Casey, *Electronic Gambling Machines Strategy 2015-2020* (2015) 8. Retrieved 2/1/2020: <https://www.casey.vic.gov.au/sites/default/files-public/2019-02/EGM%20Strategy%202015-2020%2015%20January%202019.pdf>

<sup>14</sup> South Eastern Regional Legal Assistance Network (SERLAN), 2018, Legal Needs Analysis of the South East, Victoria

## **Problem Gambling**

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The Productivity Commission estimates that costs such as suicide, depression, relationship breakdown, job loss, bankruptcy and crime are estimated to cost at least \$4.7 billion across Australia,<sup>15</sup> far outweighing any financial gains made by state and territory governments through gambling.<sup>16</sup> In the City of Casey, a community that has already been made vulnerable and considerably disadvantaged through successive government policy and generational poverty, this impact is even more detrimental. Research indicates that gambling related harm is a social issue on 'a similar order of magnitude to major depressive disorder and alcohol misuse and dependence'.<sup>17</sup>

Gambling causes significantly greater harm on families in Melbourne's more disadvantaged suburbs, than it does in wealthier areas.<sup>18</sup> In 2018-19, \$132.4 million was lost to EGMs in the City of Casey, \$523.50 per adult.<sup>19</sup> The losses that the community of the Casey experience, outweigh those of other LGAs - in fact we experience the second highest rate of EGM losses in Victoria, second only to Brimbank. Casey has the fifth highest number of pokies in any Victorian municipality, and represents almost 4 EGMs per 1,000 adults compared to the Victorian average of 3.1 per 1,000 adults in the most affluent localities.<sup>20</sup> Research demonstrates that people on lower incomes, those in unskilled work, the unemployed, and people of limited educational attainment suffer the highest gambling losses compared with people with more skilled occupations, higher incomes or educational attainments.<sup>21</sup>

The prevalence of problem gambling increases with increasing density of EGMs.<sup>22</sup> Every increase in EGM numbers increases their accessibility to the community, and will therefore have a detrimental impact on people experiencing problem gambling in the local community. Casetello's Clyde North Hotel, as a particularly visible and accessible venue contributes to this.

It is clear that disadvantage and vulnerability (such as generational poverty, trauma, mental health issues, family violence or substance abuse) can contribute to and compound gambling

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<sup>15</sup> Centre for Innovative Justice, *Compulsion, convergence or crime?* (RMIT University 2017) Retrieved August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

<sup>16</sup> Financial gains for state and territory governments have been estimated to be between \$12.1 and \$15.8 billion- See, Productivity Commission, *Gambling: Productivity Commission Inquiry Report* (Report, Vol. 1, 2010).

<sup>17</sup> Browne, M. et al., *Assessing gambling-related harm in Victoria: a public health perspective* (Victorian Responsible Gambling Foundation 2016).

<sup>18</sup> Australian Institute of Family Studies, *Tale of two suburbs: Gambling in suburban Australia*, Media Release (7 July 2016) Retrieved August 2018: <https://aifs.gov.au/media-releases/tale-two-suburbs-gambling-suburban-australia>

<sup>19</sup> Brown, H., *A Review of EGM Gambling Related Issues for Local Government* (City of Greater Dandenong, September 2019) Retrieved 2/1/2020 from: <http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.*

<sup>22</sup> Evidence, 2014, Ms Kirsten Shannon, Clinic Manager, Gambling Treatment Clinic, University of Sydney, p 16, as quoted in New South Wales. Parliament. Legislative Council. Select Committee on Gambling, 2014, *The impact of Gambling / Select Committee on Gambling*. [Sydney, N.S.W.], report accessed August 2018: <https://www.parliament.nsw.gov.au/lcdocs/inquiries/1974/Final%20Report.pdf>.

harm. Communities such as ours, already among the most vulnerable in Victoria, are experiencing further harm by greater exposure to gambling opportunities.

Despite knowing the harms that this will perpetrate on the community, Catello's Clyde North Hotel is choosing profit over people, and willingly contributing to the increase of disadvantage and gambling related harm to a community that is already under significant pressure.

### **Gambling Related Harm in Our Community**

Gambling related harm has been described as 'any initial or exacerbated adverse consequence due to an engagement with gambling that leads to a detriment to the health or wellbeing of an individual, family unit, community or population,'<sup>23</sup> and requires a public health approach to address these harms.

The total economic and social impact of the new EGMs must not be detrimental to the well-being of the community where the venue is located. 2010 estimates indicate that 4% of the population gamble on EGM's at least once per week.<sup>24</sup> Of the people who are playing every week, almost one in three (30%) are either problem gamblers or moderate risk gamblers.

Losses on EGM's by problem gamblers are estimated by the Productivity Commission at 40%, with a further 20% from moderate risk gamblers. In the City of Casey, this means almost \$80 million was generated from people having problems with their gambling last year.<sup>25</sup>

Children are deeply impacted by adult gambling losses.<sup>26</sup> The impact is both physical and psychosocial. Studies have shown that feelings of abandonment, loss of trust, security, sense of home, emotional deprivation, poor role modelling, destructive behaviour problems, inadequate stress management skills, poor interpersonal relations, diminished coping abilities, greater risk of negative health outcomes, and psychological disruption due to the chaotic and unpredictable environment within the home can occur when children have a parent who experiences problem gambling. It also impacts their educational outcomes and they can become socially isolated because they cannot attend normal social events.<sup>27</sup> Increasing the number of EGMs in the City of Casey will increase the harms felt by children in our community.

### **Child Protection**

In relation to child protection issues, as evidenced by the number of child protection applications between 2014-2015 and 2016-2017, Casey has the highest number of child protection issues in all of Victoria with 880. The median number of child protection applications in Victoria over this same period is 137. Frankston (619), Greater Dandenong (464) and Mornington Peninsula (348) and Cardinia (255) are all in the highest quartile for child protection applications in Victoria.<sup>28</sup>

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<sup>23</sup> Langham, E. et al., 'Understanding gambling related harm: a proposed definition, conceptual framework, and taxonomy of harms' (2016) 16(80) *BMC Public Health*.

<sup>24</sup> Productivity Commission, *Gambling: Productivity Commission Inquiry Report* (Report, Vol. 1, 2010).

<sup>25</sup> Ibid as calculated from over all losses.

<sup>26</sup> Browne, M. et al., *Assessing gambling-related harm in Victoria: a public health perspective* (Victorian Responsible Gambling Foundation 2016).

<sup>27</sup> Derbyshire et al (2001b), as quoted in Browne, M. et al., 2016, *Assessing gambling-related harm in Victoria: a public health perspective*, Melbourne: Victorian Responsible Gambling Foundation.

<sup>28</sup> South Eastern Regional Legal Assistance Network, 2018, *Legal Needs analysis of the South East, Victoria*.

## **Mental Health**

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Increasing the number of EGMs in the City of Casey will compound the negative impacts of mental health issues in the community. In addition to the mental health related harms experienced by people with a gambling problem, many people experiencing mental health problems or with drug dependency issues may be more susceptible to gambling problems.<sup>29</sup> Studies have found that people with gambling related problems were much more likely than others to face depression or to engage in problematic alcohol or other drug use.<sup>30</sup> It has been estimated that 11.5% of problem gamblers reported that they had seriously considered or attempted suicide, compared with 1.1% of non-problem gamblers.<sup>31</sup>

In the City of Casey, our community already faces high levels of mental illness and drug dependence, with the highest rates of psychological distress in Victoria.<sup>32</sup> Our resilience scores are less than the Melbourne average.<sup>33</sup> Between 2006 and 2011, Casey was one of the five local government areas in metropolitan Melbourne with the highest number of benzodiazepine-related ambulance attendances.<sup>34</sup> Between 2011 and 2015, the rate of drug and alcohol clients per 1,000 people in the state increased.<sup>35</sup>

## **Socio Economic Status**

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The City of Casey is a community facing extreme levels of financial disadvantage, and increasing the number of EGMs will exacerbate the harms faced by people who are already struggling. A report from the Australian Gambling Research Centre encapsulates the issue:<sup>36</sup>

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<sup>29</sup> McCready, J., Mann, R., Zhao, J. and Eves, R., 2008, Correlates of Gambling-related problems among older adults in Ontario. *Journal of Gambling Issues*, Vol. 22, Accessed June 2018: [www.camh.net/egambling/issue22/02mccready-mann.html](http://www.camh.net/egambling/issue22/02mccready-mann.html)

<sup>30</sup> Science Alert, 2008, Depressed gamblers Risk Addictions. *Science Alert*. Accessed June 2018: [www.responsiblegambling.org/staffsearch/library\\_news\\_results\\_details.cfm?inteID=11513](http://www.responsiblegambling.org/staffsearch/library_news_results_details.cfm?inteID=11513).

<sup>31</sup> According to The Centre for Gambling Research at the Australian National University (cited in Stone, C., Yeung, K., and Billi, R., Technical Report Four: Social Determinants and Co-Morbidities: Multivariate Models of Co-Morbidities, The Victorian Gambling Study: A Longitudinal Study of Gambling and Health in Victoria 2008–2012 (2016). Melbourne

<sup>32</sup> Victorian Population Health Survey 2014, cited in City of Casey Municipal Public Health and Wellbeing Plan 2017-2021 Adopted, 2017, Accessed January 2020: <https://www.casey.vic.gov.au/policies-strategies/municipal-public-health-wellbeing-plan-2017-2021-adopted>

<sup>33</sup> Casey LGA profile, Vic Health Indicators survey 2015 results, accessed January 2020: [https://www.vichealth.vic.gov.au/-/media/VHIndicators/Interface/Vic161\\_Casey\\_indicator\\_v5.pdf?la=en&hash=D8C0182AC43E969F0829FAB97E6E4CEC7B3C0AEF](https://www.vichealth.vic.gov.au/-/media/VHIndicators/Interface/Vic161_Casey_indicator_v5.pdf?la=en&hash=D8C0182AC43E969F0829FAB97E6E4CEC7B3C0AEF)

<sup>34</sup> The Victorian Drug Statistics Handbook: Patterns of Drug Use and Related Harm in Victoria for the period July 2010 to June 2011. Accessed January 2020.

<sup>35</sup> Casey LGA profile, Vic Health Indicators survey 2015 results, accessed January 2020: [https://www.vichealth.vic.gov.au/-/media/VHIndicators/Interface/Vic161\\_Casey\\_indicator\\_v5.pdf?la=en&hash=D8C0182AC43E969F0829FAB97E6E4CEC7B3C0AEF](https://www.vichealth.vic.gov.au/-/media/VHIndicators/Interface/Vic161_Casey_indicator_v5.pdf?la=en&hash=D8C0182AC43E969F0829FAB97E6E4CEC7B3C0AEF)

<sup>36</sup> Australian Institute of Family Studies, 2016, Tale of two suburbs: Gambling in suburban Australia, Media Release, accessed August 2018: <https://aifs.gov.au/media-releases/tale-two-suburbs-gambling-suburban-australia>, as quoted in

*“Socioeconomic disadvantage [...] magnifies the harm from gambling. For example, one gambler in the east said losses meant their family had to go without repairing the dishwasher for six months, while several gamblers in the west said gambling losses meant they literally could not afford food for their children”*

Despite being a reference to western suburbs, the significance of this statement is true for our community. In 2016, the Socio-Economic Indexes for Areas (SEIFA) showed that areas in the Casey local government area were extremely disadvantaged. The Index considers occupation, education, housing, health status, English language proficiency, health and disability status, household composition and internet access.<sup>37</sup>

### **Housing Stress**

In 2016, rates of rental and mortgage stress levels in areas of the City of Casey exceeded the metropolitan and state average due to extreme socio-economic disadvantage.<sup>38</sup>[28] These households were low income, falling within the bottom 40th percentile of the household income distribution of Victoria and spend at least 30 per cent of their household income on rent or mortgage payments. Our housing services are already under considerable strain. Rising gambling losses in our community would lead to higher numbers of people accessing such services – increasing an already significant burden on our community.

### **Family Violence**

Similar to substance abuse, gambling can often be interconnected with family violence, increasing its frequency and severity. There is a statistical relationship between numbers and density of EGMs and police-recorded family violence rates.<sup>39</sup> This is further backed up by evidence from Family violence crisis response service Safe Steps, whose data reveals that calls to their service spiked during times of significant gambling activity.<sup>40</sup> According to the Centre for Innovative Justice, ‘gambling can be one of the factors which function as a barrier and make it harder for a perpetrator to choose non-violence’.<sup>41</sup>

Studies have demonstrated that the prevalence of family violence increases in families where a member is experiencing problem gambling. They reveal that significant numbers of people getting

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Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

<sup>37</sup> Brown, 2019, Gambling Related Issues for Local Government, City of Greater Dandenong, accessed January 2020: <http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities>

<sup>38</sup> SGS Economics and Planning, *Economic, Social and Environmental Profile: Southern Metropolitan Region* (April 2019) 67.

<sup>39</sup> Markham, F., Doran, B., and Young, M., 2016, The relationship between electronic gaming machine accessibility and police-recorded domestic violence: A spatio-temporal analysis of 654 postcodes in Victoria, Australia, 2005–2014, *Social Science & Medicine* 162.

<sup>40</sup> Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>.

<sup>41</sup> Citing Rodney Vlasis, submission from Centre for Forensic Behavioural Science and Forensicare, "Understanding and responding to complex criminal behaviour resulting in family violence: submission to the Royal Commission on Family Violence," (2015), as quoted in Centre for Innovative Justice, 2017, Compulsion, convergence or crime? RMIT University, accessed August 2018: <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

help for problem gambling problems report using physical violence against their partners and children.<sup>42</sup> In addition to physical violence, gambling can contribute to economic abuse, trapping victims in poverty and undermining post-separation recovery. Economic abuse can take the form of taking a woman's pay or Centrelink money to gamble, getting joint loans or loans in a woman's name and gambling the money away, or victims being constantly fearful based on the success or failure of their partner when out gambling.<sup>43</sup>

Family violence is a serious issue in the City of Casey and surrounds. The City of Casey, has the highest actual numbers of family violence related recorded incidents in Victoria, with 1343.1 police callouts per 100,000 residents, putting us well above state averages. In 2019, there were 4,740 recorded family violence incidents.<sup>44</sup> In 2015, Police stated that South Eastern local government areas Greater Dandenong, Casey and Cardinia make up nearly 10 per cent of the state's total of family violence related police call outs.<sup>45</sup> These figures are only representative of police intervention, and do not include women and children who are suffering from family violence have not felt confident to report it.

Increased access to EGMs and the losses associated, will contribute to an already horrific family violence problem. When considering the social and economic impact of any proposal, particular emphasis should be given to family violence. So called 'benefits' Castello's Clyde North argues may stem from installing these machines, cannot be given weight in comparison to the harms stemming from family violence. Its prevalence in our society and the destruction of the lives of women and children must be at the forefront of all considerations relating to increasing access to EGMs in the City of Casey.

## **Crime**

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There is evidence that problem gambling connects with criminal behaviours. It can be both a driver of crime and a risk factor for recidivism.<sup>46</sup>

The Centre for Innovative Justice report "Compulsion, Convergence or crime?" found that gambling; gambling venues or gambling related debt can:

- *“increase the risk of recidivism upon release for people convicted for non-gambling related offences;*
- *propel people from disadvantaged socio-economic status into crime just to feed their families;*
- *lead people (including a gambler's partner or family members) to be coerced into offending;*
- *manifest as a form of economic abuse in the context of family violence;*
- *draw victims of family violence into criminogenic environments as a way of seeking respite;*

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<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Crime Statistics Agency, 2019, Family incidents, year ending September 2019. State Government of Victoria. Accessed on 3 January 2020 from: <https://www.crimestatistics.vic.gov.au/crime-statistics/latest-crime-data/family-incidents>.

<sup>45</sup> <https://www.heraldsun.com.au/leader/south-east/city-of-greater-dandenong-casey-and-cardinia-have-almost-10-per-cent-of-states-total-family-violence-cases/news-story/0c9ee3a3a80e1c9b258e1c421f716e41>

<sup>46</sup> Centre for Innovative Justice, *Compulsion, convergence or crime? RMIT University*, (Report, 2017). <https://www.rmit.edu.au/content/dam/rmit/documents/college-of-business/graduate-school-of-business-and-law/Gambling-Harm-Report.pdf>

- *lead to theft and deception of extended family by adult children in the context of elder abuse.*<sup>2247</sup>

In the City of Casey, our crime rate is 4754.6 per 100,000 residents.<sup>48</sup> Increasing the number of EGMs in our community will increase gambling related crime.

At Springvale Monash Legal Service, we provide free and confidential legal assistance to people made vulnerable and disadvantaged. Our service is already stretched. We are concerned that the inevitable increase in demand for our services will not be met.

In conclusion, the increase of EGMs in the City of Casey will increase gambling related harms, notably family violence, and be of significant detriment to the community.

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<sup>47</sup> Ibid.

<sup>48</sup> Crime Statistics Agency, 2019, Family incidents, year ending September 2019. State Government of Victoria. Accessed on 3 January 2020 from: <https://www.crimestatistics.vic.gov.au/crime-statistics/latest-crime-data/family-incidents>