

Fact Sheet 1: Gambling Harm

What is gambling harm?

The Victorian Responsible Gambling Foundation considers gambling harm to be any negative consequence or side effect that comes from gambling.

Categories of gambling harm include:

- Relationship difficulties
- Family violence
- Physical and mental health issues
- Financial problems such as bankruptcy
- Work or study performance issues
- Criminal activity.

Gambling harm is a community issue

Gambling harm can be experienced by the person who gambles, but also their family, friends, colleagues, and others in the community. Gambling behaviour can be influenced by: the characteristics of the individual; family and friends; social and cultural norms; the gambling environment; and the policy and legislative environment governing gambling activities.

To some extent, the opportunity cost of a proportion of gambling losses is also a community impact, given this money could have been spent on other activities. Within the City of Maribyrnong, this equates to tens of millions of dollars each year, which could fund a range of services. Across Victoria, net gambling losses were at least \$5.5 billion in 2018/19 (Australian Gambling Statistics, 36th ed.).

For these reasons, gambling and gambling harm are community issues and communities can contribute to preventing and minimising gambling harm. This approach goes beyond only targeting high-risk gambling. It is a whole-of-community approach to preventing and minimising the negative impacts of gambling – it affects all of us.

Gambling harm in Victoria

The likelihood of experiencing severe gambling harm increases for those whose gambling behaviour is considered to be high-risk gambling¹.

However, in terms of absolute numbers, a recent study found that around 50% of people in Victoria who experience severe gambling harm² are not considered high-risk gamblers (Victorian Population Gambling and Health Study 2018-19). And, around 70% of Victorians who experience any form of gambling harm³, were not

considered high-risk gamblers. These findings support the focus on broad harm minimisation, beyond a focus only on minimising high-risk gambling.

Men were more likely to experience gambling harm than women according to the study, even though there was equal participation in gambling activities by gender (around 70% gambling participation for men, and 68% for women). Men were also more likely to be involved in high-risk gambling (1.0% compared to 0.5% of women).

Strategies for preventing and minimising gambling harm

The Victorian Responsible Gambling Foundation identifies a range of strategies for preventing and minimising gambling harm. These strategies are included below with some adjustment:

Individual and the community:

- Disseminating factual gambling information and research
- Community awareness campaigns, for example, identifying the signs of high-risk gambling, how to seek help, promoting services, etc
- Campaigns and activities that influence community attitudes towards gambling and social norms
- Supporting development of community networks and activities offering gambling alternatives

Gambling environment:

- Collaborating with industry, for example, training of staff, etc
- Displaying information within venues
- Design of venues and gambling areas

Physical or built environment:

- Policies/legislation governing location and density of venues
- Hours of operation, the number of available gambling formats, etc
- Types and format of advertising

Health and welfare/support system:

- Supporting access to treatment/support services
- Supporting skilled and well-resourced workforce, including allied services
- Providing information to assist peers, friends and family members of gamblers.

¹ High-risk gambling is defined according to the experience of gambling harm.

² Severe gambling harm included: spending less on essentials; significant relationship conflict; family violence; and not attending to children's needs specifically due to gambling.

³ Experiencing at least one of: a loss of spending money, savings, or increased debt; regrets, feeling ashamed or feeling like a failure; spending less on recreation or less time with loved ones; or selling personal items.

Fact Sheet 2: Gambling in Victoria

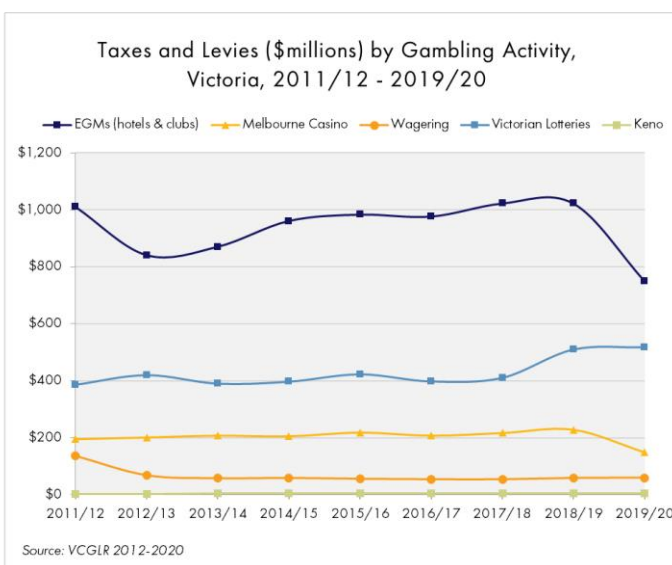
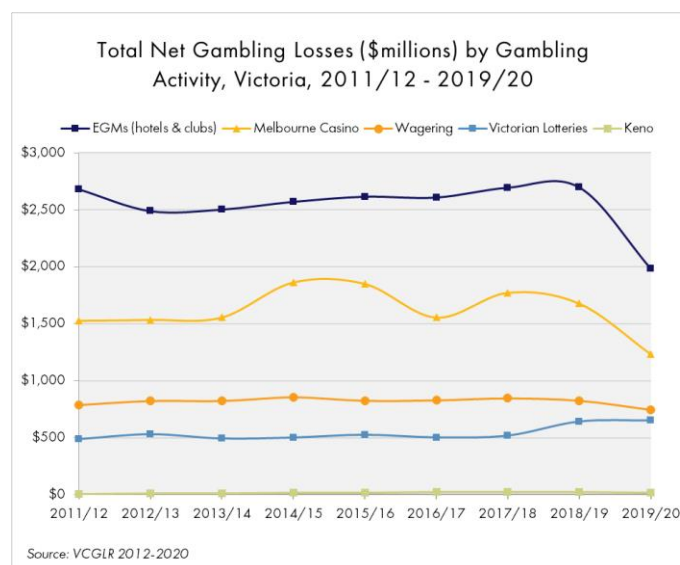
Gambling losses in Victoria

\$1.99 billion
EGMs at hotels
and clubs

\$1.24 billion
Melbourne Casino

\$4.6 billion
Net Gambling Losses
in Victoria

- Total net gambling losses^{1,2} in Victoria were \$4.6 billion in the 2019-20 financial year. This included:
 - \$1.99 billion on electronic gaming machines (EGMs) in hotels and clubs
 - \$1.24 billion on Melbourne Casino EGMs and table games
 - \$747 million on wagering including racing, trackside and sports betting (excluding where bookmakers / organisations are licensed outside Victoria)
 - \$652 million on Victorian lotteries
 - \$16 million on Keno.
- Gambling activity in 2019-20 was impacted by restrictions related to the COVID-19 pandemic, and therefore total net gambling losses were lower than the previous year (total of \$5.87 billion in 2018-19)³. The reduction was mostly for gambling through EGMs and at Melbourne Casino (see chart below), with losses on wagering, lotteries and Keno relatively steady compared to the previous year. Online wagering may have increased during the pandemic, however this may not be captured in these Victorian figures as many of the betting companies are not based in Victoria.
- Taxes and levies collected from gambling also decreased in 2019/20 to \$1.48 billion. The largest contributors to taxes and levies were EGMs at \$749 million and Victorian lotteries at \$518 million. In 2018-19, taxes and levies collected from gambling were \$1.83 billion.



Notes: Not adjusted for population change or inflation.

¹ As betting has shifted online, gambling statistics for Victoria have been distorted. This is because gambling expenditure is captured by governments as they levy taxes, and these taxes have been based on where gambling businesses are located. Most state governments have now introduced point-of-consumption taxes and this will allow state-based analysis in future years.

² Net gambling losses (net gambling expenditure) is the total amount lost by players minus total winnings.

³ Not adjusted for inflation.

Fact Sheet 3: Electronic Gaming Machines (EGMs)

Who uses EGMs in Victoria?

14.1% of total
population

15.5% of men
12.7% of women

18.6% of young adults
(18-24 years)

A recent Victorian study found that an estimated 14.1% of Victorians had used EGMs¹ in the preceding 12-month period (Victorian Population Gambling and Health Study 2018-19). EGM participation was:

- More likely amongst men compared to women. This is true based on the total population of each gender (15.5% of men had used EGMs in the preceding 12-month period, and 12.7% of women), and for those who had gambled in any form in the preceding 12-month period (22.2% of male gamblers and 18.7% of female gamblers).
- Highest amongst young people aged 18-24 years (18.6% of all young adults, and 35.5% of all young adult gamblers). This may reflect the relative ease of participation for young people, in terms of venues they frequently attend and compared to other forms of gambling.
- Higher amongst gamblers experiencing higher levels of gambling harm. In fact, nearly 70% of high-risk gamblers had used EGMs in the preceding 12-month period (this group participated in multiple types of gambling activities, but EGM participation was second only to lotteries).
- Highest amongst those earning low to middle incomes (\$20,800-\$41,600 and \$41,600-\$78,000 per year - around 16%), and lower for lower and higher income groups.
- Decreasing overall, with EGM participation at 21.5% ten years ago (compared to the current 14.1%).

Arguably, EGMs are the form of gambling that local governments have the most influence over (for venues located within their boundaries). The assessment and licensing of EGM venues is also regulated by other agencies.

EGMs, venues and net losses in the City of Maribyrnong

471 EGMs
9 venues

2019
\$58,205,122²
net EGM losses

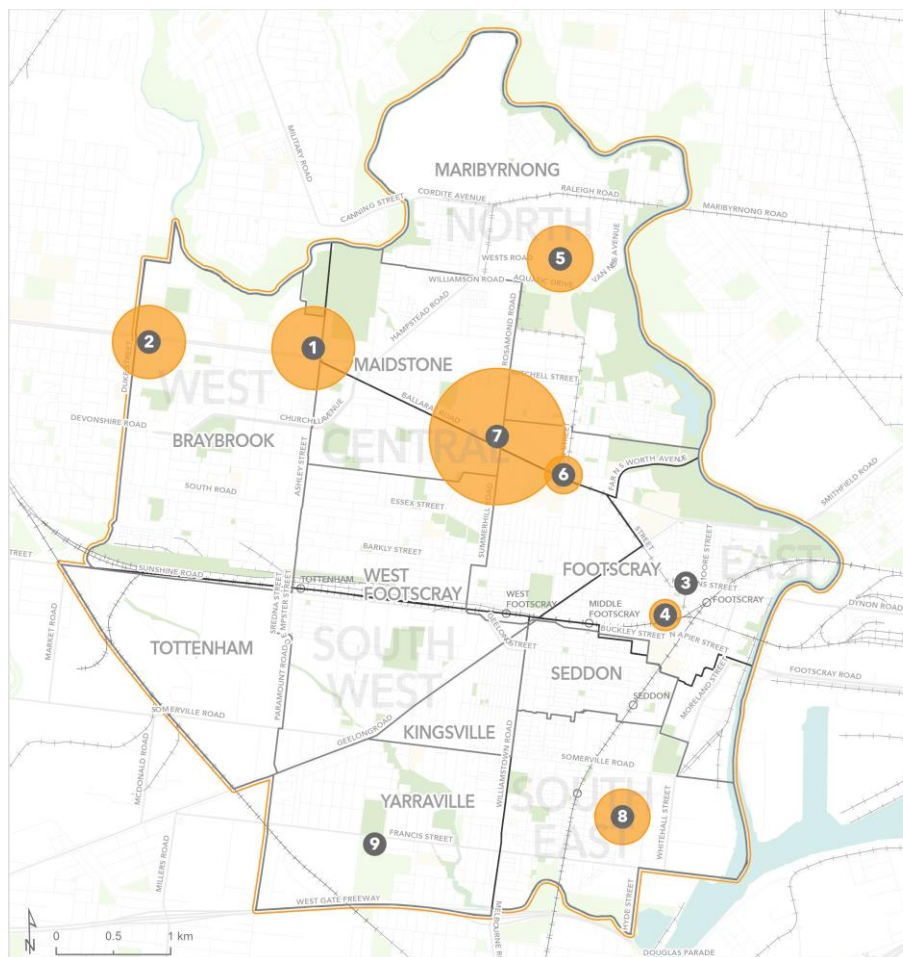
2020³
\$19,803,535
net EGM losses

- There are 471 EGMs located across 9 venues in the City of Maribyrnong. The 9 EGM venues are shown in the figure below. Although the maximum opening hours for gambling venues is 20 hours per day, because opening times are staggered, there are gambling venues open 24 hours a day, seven days a week in the City of Maribyrnong.
- Under the *Gambling Regulation Act 2003*, the maximum permissible number of EGM entitlements for the City of Maribyrnong is 471 machines. This cap was last updated in 2017 and may be increased as the population increases.
- The largest EGM venues are the Yarraville Club (103 EGMs), Yarraville Club Cricket Club - The Palms (76 EGMs) and Highpoint Hotel (70 EGMs).
- EGM net losses were well below average in 2020 due to venue closures during the COVID-19 pandemic. EGM net losses were nearly \$20m in 2020, significantly lower than nearly \$60m the previous year. Even when looking at daily losses, excluding periods when EGM venues were closed, losses were lower in 2020 compared to 2019 (~\$145,000 per day in 2020, compared to ~\$160,000 per day in 2019). This is most likely because certain restrictions were in place even on days when venues were open in 2020. Data for the 2019 calendar year is used in the rest of this section to remove the unprecedented impacts of the pandemic restrictions on EGM activity.
- The Yarraville Club Cricket Club - The Palms had the highest EGM net losses of any venue in 2019, at \$14m (or \$185,000 per EGM). This was almost double the net losses of any other club.
- Some of these venues may close in the future, and this may trigger the reallocation of their EGM entitlements. This may mean the transfer of entitlements from current low-yielding to higher-yielding venues and would result in higher overall losses, even within the same capped number of machines.

¹ Electronic Gaming Machines (EGMs), known colloquially as "pokies".

² The net EGM losses is the total amount lost by players minus total winnings.

³ Impacted by COVID-19 restrictions.



EGM Gambling Venues

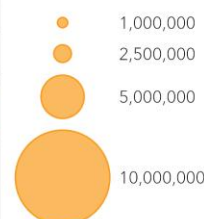
City of Maribyrnong

Legend

Venue Name, EGMs and Net Losses 2019

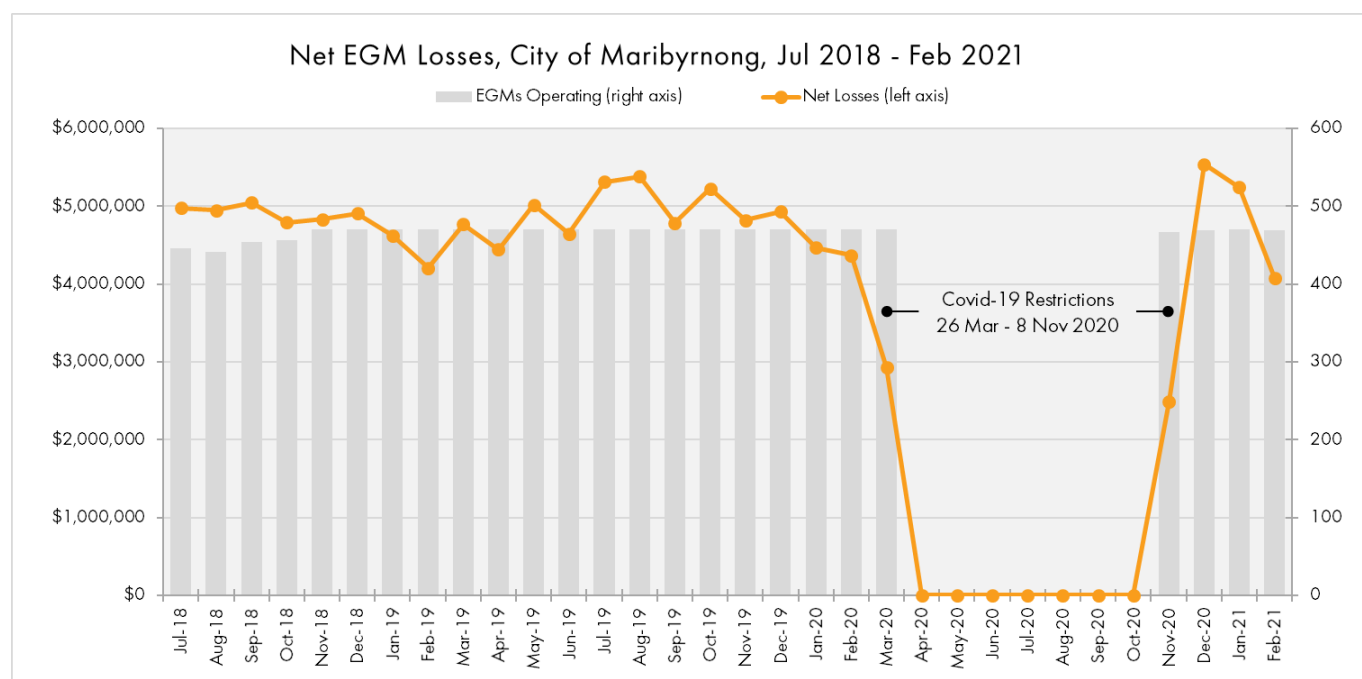
- 1 Ashley Hotel, 50 EGMs, (\$8,869,594 total, \$177,000 per EGM)
- 2 Braybrook Hotel, 45 EGMs, (\$7,882,449 total, \$175,000 per EGM)
- 3 Club Leeds, 30 EGMs, (\$1,792,538 total, \$60,000 per EGM)
- 4 Court House Hotel, 21 EGMs, (\$3,808,536 total, \$181,000 per EGM)
- 5 Highpoint Hotel, 70 EGMs, (\$7,167,588 total, \$102,000 per EGM)
- 6 Powell Hotel, 47 EGMs, (\$4,429,402 total, \$94,000 per EGM)
- 7 Yarraville Club Cricket Club - The Palms, 76 EGMs, (\$14,035,573 total, \$185,000 per EGM)
- 8 Yarraville Club, 103 EGMs, (\$6,158,725 total, \$60,000 per EGM)
- 9 Yarraville-Footscray Bowling Club, 29 EGMs, (\$2,142,895 total, \$74,000 per EGM)

Net Expenditure 2019 (\$)



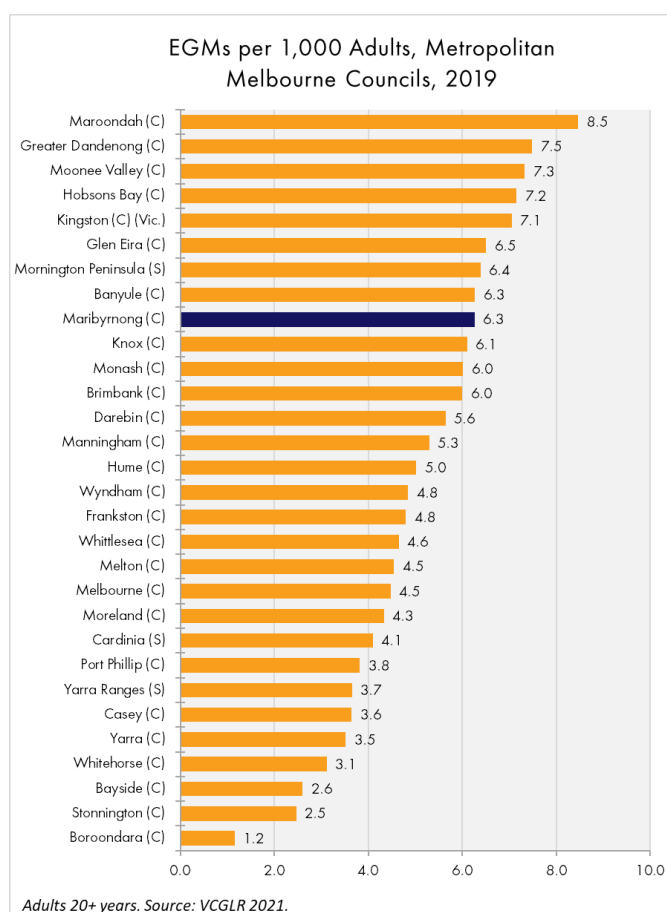
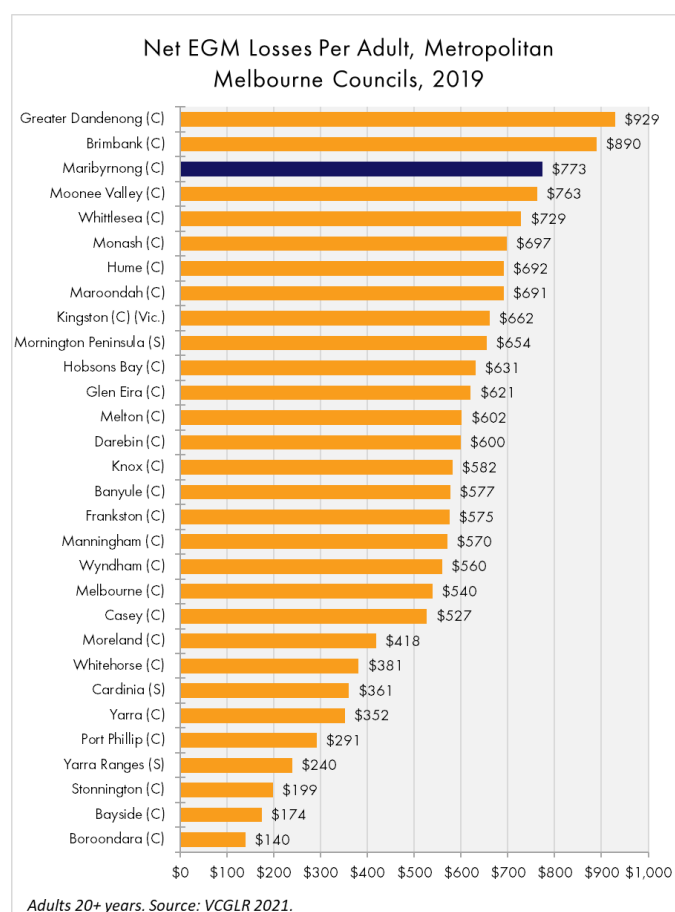
The chart below, shows the number of EGMs operating and net losses in the City of Maribyrnong each month over the past two years. It clearly demonstrates the impact of the closure of EGM venues during the COVID-19 pandemic. After reopening in mid-November, net losses increased (in December and January) to be higher than average, but in February, returned to average (or slightly below).

It would be useful to investigate whether other forms of gambling increased during the COVID-19 restrictions, for example, online gambling. However, such detailed monthly data on other forms of gambling is generally not available.



How does Maribyrnong compare to other council areas?

- In 2019, net EGM losses were \$773 per adult in the City of Maribyrnong¹. This was one of the highest figures for local government areas within Metropolitan Melbourne, with only the City of Greater Dandenong (\$929 per adult) and City of Brimbank (\$890 per adult) having higher losses (see chart below).
- Within the City of Maribyrnong, net EGM losses per adult were highest in Braybrook SA2 (the suburbs of Braybrook and Maidstone) at \$1,913 per adult. Two of the three EGM venues in the Braybrook SA2 are located close to the boundaries of the area and would therefore attract gamblers from outside the area as well and this may distort these figures. However, this rate of losses was significantly higher than the City of Maribyrnong average (as above, \$773 per adult) and other areas within the city (the next highest was Yarraville SA2 at \$645 per adult).
- There were 6.3 EGMs in the City of Maribyrnong per 1,000 adults⁷. The state government uses a maximum municipal limit of 10 EGMs per 1,000 adults when assessing EGM caps. This was the ninth highest rate in Metropolitan Melbourne, with higher rates in neighbouring City of Moonee Valley (7.3 per 1,000 adults) and City of Hobsons Bay (7.2 per 1,000 adults) (see chart below). There were 13.9 EGMs in the Yarraville SA2 for every 1,000 adults. This was a much higher rate than for the city (as above, 6.3 machines per 1,000 adults), and even the Braybrook SA2 (with 7.7 machines per 1,000 adults).
- This data suggests that although Yarraville SA2 has more EGMs and more EGMs per adult than any of the other SA2s, net losses per machine and per adult is much lower, with potentially lower gambling harm as a result. In contrast, although Braybrook SA2 (Braybrook and Maidstone suburbs) has fewer EGMs and fewer EGMs per adult than Yarraville SA2, net losses per machine and per adult is significantly higher, resulting in potentially higher gambling harm.



¹ This data is based on the number of adults (20 years and older) at 30 June 2019. Data for 18 years and older was not as reliable.

Fact Sheet 4: Sports Betting (and Online Gambling)

Local governments can contribute to preventing and minimising gambling harm related to sports betting through advocacy, providing information and supporting activities, but have a limited regulatory role given the proportion of sports betting occurring online.

Growth in sports betting

Sports betting has been growing rapidly in recent years. And a growing proportion of this type of gambling is occurring online through websites and apps - more than half of net gambling losses on sports betting is estimated to now be occurring online. However, total sports gambling is still significantly less than for electronic gambling machines (EGMs) and other "gaming" activities, such as casino and lottery gambling, etc See chart below (Australian Gambling Statistics, 36th ed.).

As betting has shifted online, statistics for local areas, or even for states and territories, has been distorted. This is because gambling statistics are captured by governments as they levy taxes, and these taxes have been based on where gambling businesses are located. The chart below therefore shows data for the whole of Australia to capture the online operators based in the Northern Territory. Most state governments have now introduced point-of-consumption taxes and this will allow state-based analysis in future years.



Notes: This data has a range of limitations and gaps, and these should be considered when interpreting this data. It is shown as a general indication of loss by gambling type only.

Who bets on sport in Victoria?

5.8% of total
population

9.7% of men
2.0% of women

11.5% of young adults
(18-24 years)

The Victorian Population Gambling and Health Study found that an estimated 5.8% of Victorians had gambled on sports events in the preceding 12-month period (Victorian Population Gambling and Health Study 2018-19). This was less than half the proportion who had gambled using EGMs (14.1%). Sports betting participation was:

- More likely amongst men compared to women - 9.7% of men had bet on sport in the preceding 12-month period, compared to just 2.0% of women.
- Highest amongst young people aged 18-24 years (11.5% of all young adults). This may reflect the high proportion of sports betting undertaken online, as participation decreases substantially with age.
- Mostly online, with 71.7% of people who bet on sports, nominating websites and apps as the location they most often use (this is a different measure to national online gambling losses referred to above).
- Highest amongst those on high personal incomes, with participation increasing progressively with personal income (up to 10.3% for people earning over \$156,000 per year).

Fact Sheet 5: Community Benefits

Community benefits from clubs with EGMs

\$32 million in
“community benefits”
over the last 6 years

This represented 23%
of gambling losses
during this period

“Direct community
benefits” made up
~\$8.7 million

Club operators of EGMs are required to lodge an audited community benefit statement (CBS) with the Victorian Commission for Gambling and Liquor Regulation (VCGLR) each year. This statement ensures that investments in community benefits by each club are at least 8.33% of net EGM revenue (net gambling losses). There are four clubs in the City of Maribyrnong: Club Leeds, Yarraville - Footscray Bowling Club, Yarraville Club and Yarraville Club Cricket Club - The Palms. This fact sheet focuses on summarising the community benefits associated with these clubs, as the data for hotel venues is not publically available.

“Community benefits” under the *Gambling Regulation Act 2003* include:

- Class A: Direct community benefits such as:
 - Donations, gifts and sponsorships for any philanthropic or benevolent purpose (such as education, health care, high-risk gambling, drug and alcohol addiction, veterans support, sporting or recreational activities, etc)
 - Provision and maintenance of sporting facilities for club members.
 - Goods and services subsidies (excluding alcohol), including food vouchers and discounts for patrons.
 - Volunteer services provided by members and staff of the club to other organisations.
 - Veterans support where club is a sub-branch of the RSL.
- Class B: Indirect community benefits (according to additional criteria) such as:
 - Capital expenditure.
 - Cost of finance (including principal and interest).
 - Retained earnings.
 - Investments in buildings, plant or equipment, excluding gambling equipment.
 - Operating costs of the venue.Only a proportion of Class B costs are counted.
- Class C: Miscellaneous items such as:
 - Responsible gambling measures not required by law.
 - Reimbursement of volunteer expenses.
 - The cost of the preparation of the annual community benefit statement.

Community benefits from hotels with EGMs

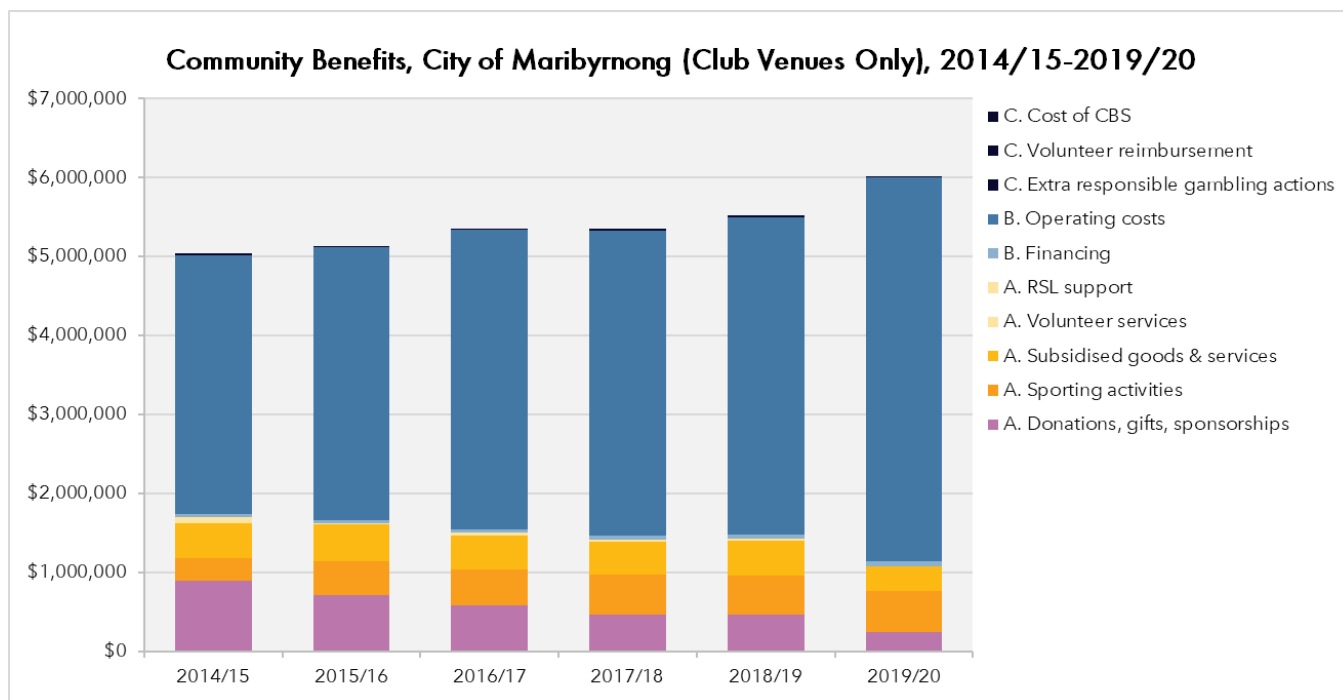
Hotel venues are not required to lodge community benefit statements. Instead, they pay a similar rate of tax on EGM revenue (ultimately) into the Community Support Fund which is administered by State Government departments. Grants are offered to organisations through departments, including for state-wide programs and services. Data is therefore not available on grants by local government area.

In 2018/19 (the most recent year data available), 59% of funding was allocated to programs for drug and alcohol treatment and rehabilitation (~\$85 million) and 27% for high-risk gambling programs (~\$38 million). These are the top two priorities for the fund. No individual programs were identified within the City of Maribyrnong in the last few years (2015/16-2018/19).

Community benefits from City of Maribyrnong club venues

The chart below shows that the total value of community benefits (provided by club venues) has been increasing over the past six years. From around \$5 million per year to \$6 million per year. The majority of community benefits are the operating costs of the venue, accounting for around 70% of the total community benefits claimed in the annual community benefit statements. These include staffing costs, management fees, electricity, rent, etc. The closure of venues due to COVID-19 restrictions may have partially impacted the data for the 2019/20 financial year.

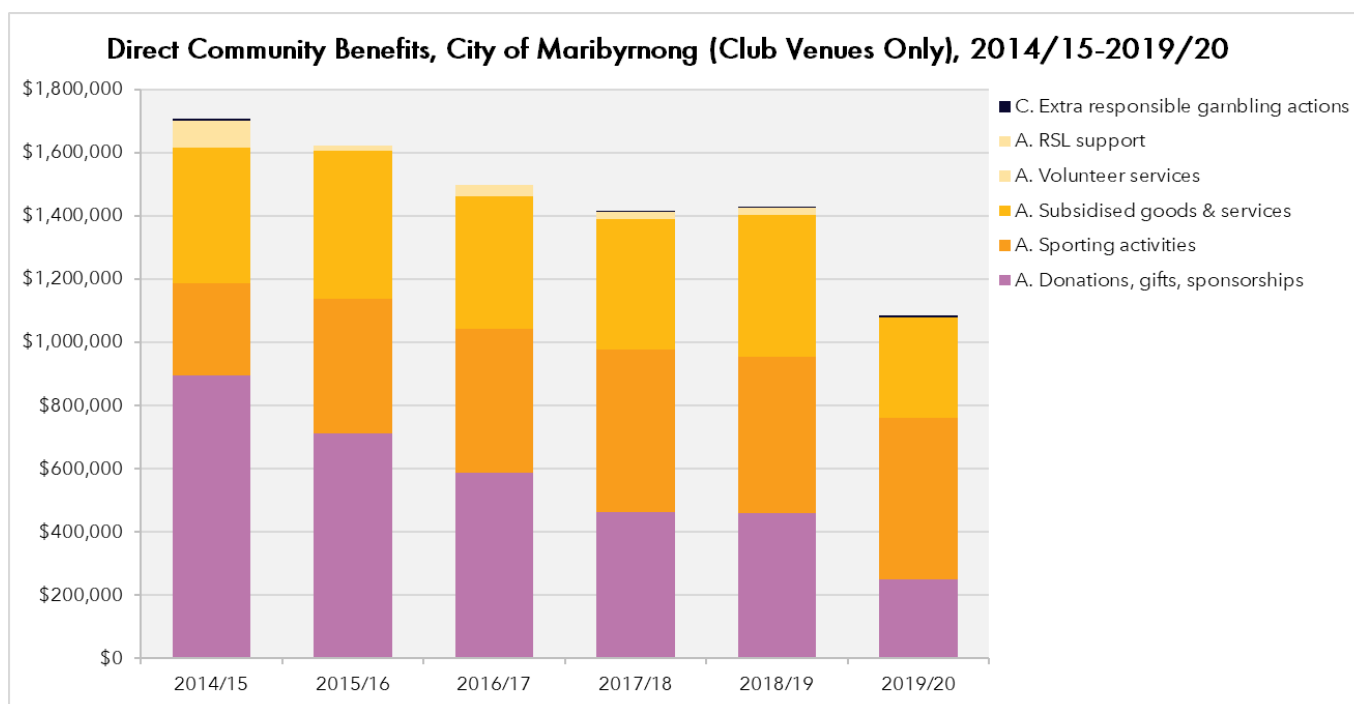
On average, club venues have provided 22.7% of net EGM revenue (net gambling losses) over the past six years as community benefits (2014/15-2019/20). This is well above the required 8.33%. However, this varies markedly by venue: Club Leeds (45%), Yarraville - Footscray Bowling Club (40%), Yarraville Club (20%) and Yarraville Club Cricket Club - The Palms (15%).



Direct community benefits (including responsible gaming actions) from City of Maribyrnong club venues

The following chart focuses only on the bottom section of the previous chart - the direct community benefits (Class A benefits), as well as responsible gambling actions (from Class C). These amounts are much lower (less than \$2 million per year) and have been declining in recent years.

There is no obligation for clubs to provide a certain amount or proportion of direct community benefits.



On average, club venues have provided 6.1% of net EGM revenue (net gambling losses) over the past six years as direct community benefits (including responsible gambling actions) (2014/15-2019/20). However, this varies significantly by venue. On average, over the past six years (2014/15-2019/20), the clubs have invested the following in direct community benefits (including responsible gambling actions): Club Leeds (26.7%), Yarraville - Footscray Bowling Club (6.9%), Yarraville Club (4.8%) and Yarraville Club Cricket Club - The Palms (0.9%).

These proportions have varied over the years (shown in the chart below). But, Club Leeds has always provided over 20% of net revenue as direct community benefits, while other venues have always contributed less than 10%.

Club Leeds was previously owned by the Western Bulldogs, but was divested in 2020, and this higher rate of direct community support may therefore change in the future. This would significantly reduce the overall direct community benefit amount overall in the City of Maribyrnong by around 40% (despite their relatively small number of EGMs - only 13% of EGMs in club venues).

