

LOCAL IMPACT ASSESSMENT REVIEW 2017

INTRODUCTION

Thank you for the opportunity to provide feedback on the Liquor and Gaming review of the Local Impact Assessment (LIA) scheme under the *Gaming Machines Act 2001*.

Newcastle is the largest regional centre in NSW and the second largest non-capital urban centre in Australia. The Newcastle Local Government Area (LGA) has an estimated resident population of 162,766 persons in 2016¹.

The Socio-Economic Indexes for Areas (SEIFA) index for Newcastle² of 994 puts it in the 7th decile of relative socio-economic disadvantage and below the NSW and Australian median. However there is a significant range in levels of disadvantage within the LGA when small area data (eg SA1 or SA2 level data) is considered. Some small areas (SA1) are significantly disadvantaged with very low SEIFA scores (indicating high levels of disadvantage) significantly below the Australian and NSW average SEIFA, whilst other areas have high SEIFA scores significantly above the Australian and NSW average SEIFA.

Recent media³ has reported that the turnover from gaming machines, based on Office of Liquor, Gaming and Racing figures for the 12 months to August, 2016, was \$1,258,381,429 in Newcastle.

BACKGROUND

Council notes the brief reference to research⁴ indicating that communities in lower socio-economic areas tend to spend more on gaming machines and are more susceptible to problem gambling.

Recent research⁵ has documented an association between problem gambling and domestic violence in a range of study populations and locations. This research further describes an association between police-recorded domestic violence and electronic gaming machine accessibility at the postcode level that is relevant at a policy level. The Victorian Royal Commission into Family Violence Final Report (2016) also notes that financial difficulties and financial stress, including a gambling addiction, are risk factors for family violence⁶.

Increasing the Odds for Safety and Respect is a prevention project funded by the Victorian Responsible Gambling Foundation focusing on the link between family violence and gambling with a view to increasing the safety of women experiencing violence from male partners and to reduce

¹ ABS, 3218.0 - Regional Population Growth, Australia, 2015-16 released March 2017.

² ABS, 2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2011 released March 2011

³ Newcastle Herald, *Hunter residents feed \$423 million into poker machines per year and gambling reform is needed*, P. Green, 23 February 2017, p.5, also accessed at <http://www.theherald.com.au/story/4488391/pokies-like-vampires-sucking-hunter-dry/?cs=305>

⁴ NSW Department of Industry, Liquor & Gaming, *Local Impact Assessment Review Discussion Paper 2017*, p.6

⁵ Markham, F., Doran, B., & 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*, in *Social Science and Medicine* 162 (2016) 106-114

⁶ State of Victoria, Royal Commission into Family Violence: Summary and recommendations, Parl Paper No 132 (2014-16), p.105

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harm from gambling. This project has identified that although less than 1% of Australians have significant issues with their gambling, for each person with significant gambling issues, around 7.3 'significant others' are adversely affected⁷ with gaming machines accounting for 75-80% of problem gambling. Furthermore, most gambling losses are not funded by saving but by reduced spending on other goods⁸.

Further research into the broader costs of family violence to the community and government agencies would be useful. This would include an understanding of the on-costs of family violence to the areas of health, corrective services and justice (courts and police) as well on-costs to non-government organisations in providing support to the victims of family violence as well as those seeking assistance for financial counselling.

Further comments in regards to the key questions are provided below.

⁷ Women's Health in the North.

http://www.whin.org.au/images/PDFs/Increasing_the_Odds/WHIN_FV_PG_8ppA4_Factsheet_v6_PR_NoCrop_s.pdf p.1

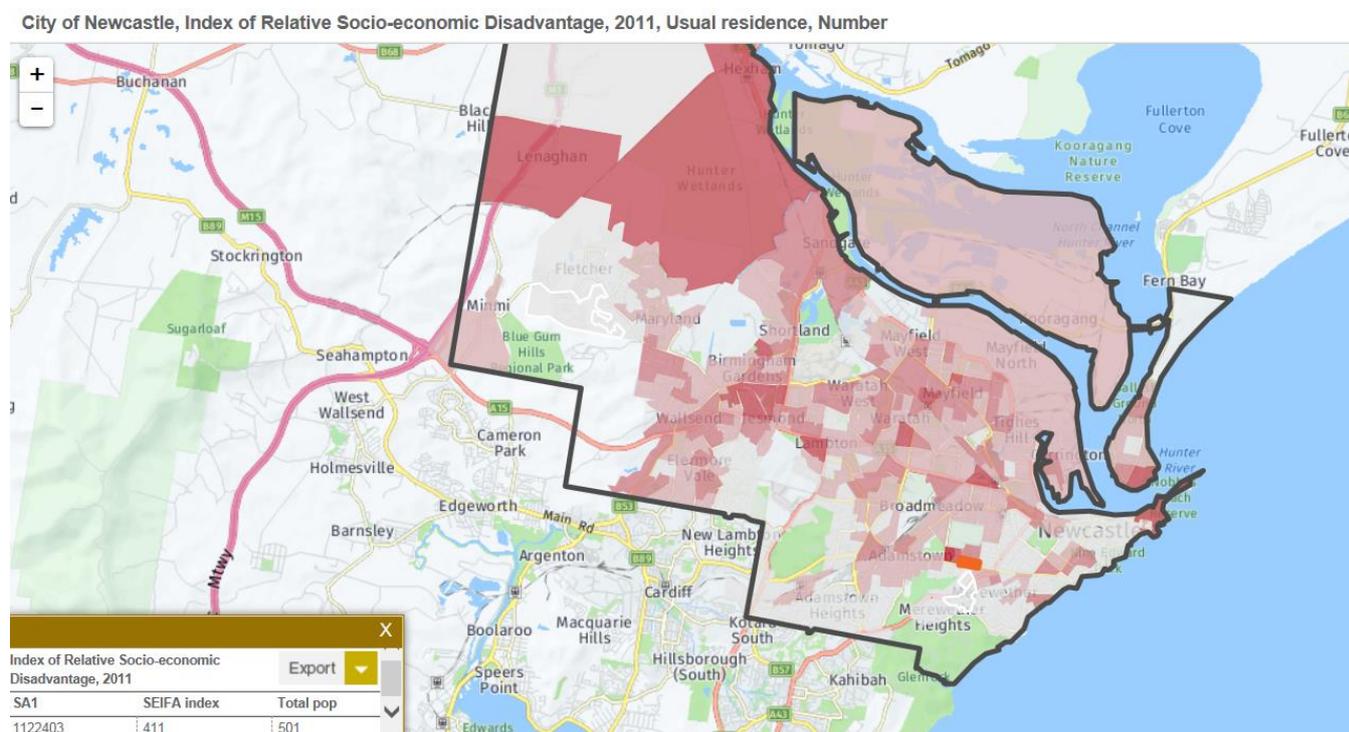
⁸ Ibid, p.3

KEY QUESTIONS

1. Does measuring the risk of harm at the LGA level remain appropriate?

Council supports a more nuanced geographical understanding of place and any potential social impacts in regards to gaming machine entitlements (GMEs), particularly in areas with demonstrably levels of disadvantage.

The ABS geography supports freely accessible detailed population analysis down to SA1 level. The use of thematic social mapping, also now commonly available, supports the visual representation of detailed data.

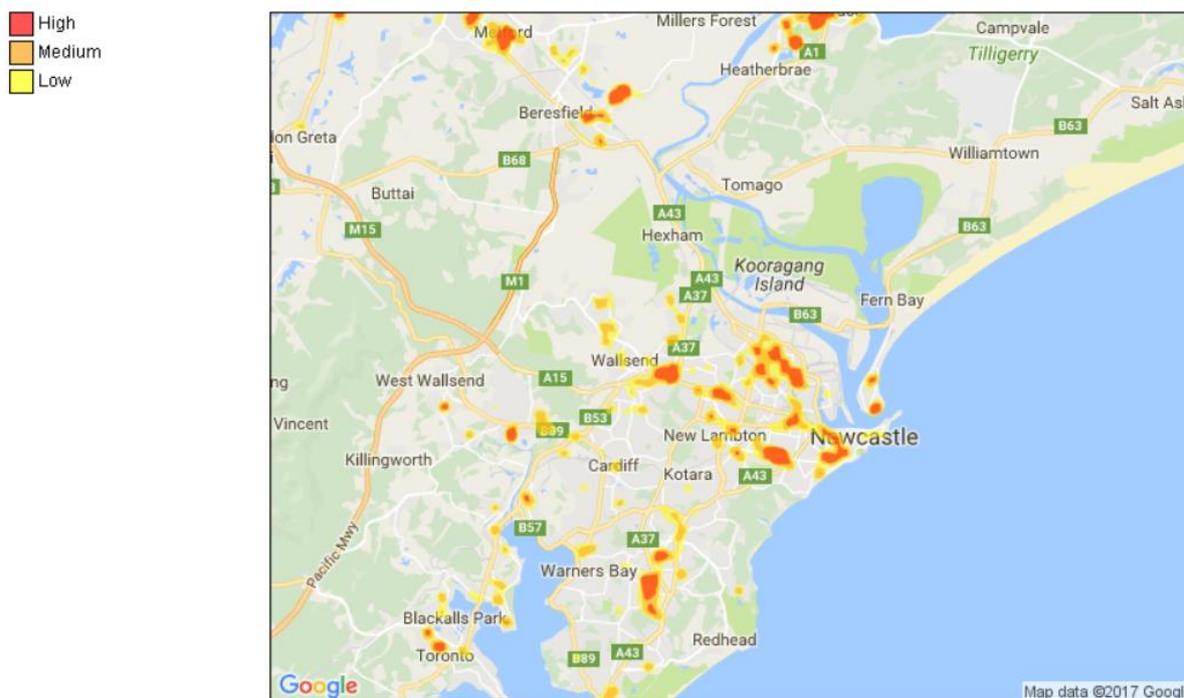


Map 1. Thematic social mapping based on SA 1 SEIFA - the darker the area, the higher the level of disadvantage.

Police data in NSW available from the NSW Bureau of Crime Statistics and Research (BOCSAR)⁹ also enables a nuanced understanding of potential social impacts at a detailed population level as seen by the example below.

⁹ <http://crimetool.bocsar.nsw.gov.au/bocsar/> accessed 16 June 2017

Incidents of Assault (Domestic assault) from Apr 2016 to Mar 2017



Map 2. BOCSAR - hotspot mapping of domestic assaults across the Newcastle LGA for the period April 2016 - March 2017.

Council has recently assessed a Class 2 LIA submitted for a venue seeking an increase in their gaming machine threshold. The LIA provided an LGA demographic profile as required. However the demographic data was presented in a highly selective way that demonstrated a poor understanding and interpretation of the data. The data was not interpreted by social science professionals and the conclusion reached was that 'it appears that there are minimal persons at risk of being susceptible to gambling problems'. There was not adequate consideration of the socio-economic characteristics within a particular location that was particularly vulnerable as it was within the lowest decile of the LGA.

2. Should the LIA scheme continue to classify areas into Bands 1, 2 or 3?

The current classification approach of LGAs into bands facilitates control over the number of gaming machines in a locality.

This easily understood approach enables both relevant agencies and the community to better understand what is actually happening within their own LGA as it is based on data about gaming machine density, gaming machine expenditure and the SEIFA disadvantage score published by the Australian Bureau of Statistics. It is significantly more challenging for people to collate this data themselves in a meaningful and comparative way.

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Newcastle is currently classified as a Band 3 LGA. This indicates that Newcastle has high gaming machine density, high gaming machine expenditure and a low SEIFA score.

The ongoing classification of areas in Bands is supported by Council.

3. Does the criteria used to determine levels of risk remain valid?

The current criteria used in NSW are not considered adequate to comprehensively consider the social impacts and to determine the levels of risk to vulnerable communities and cohorts.

A key principle in social impact assessment (SIA) is consideration of the distributional or relative equity of impacts across income and other social groups.

This principle must be considered whenever any proposal will result in the social and economic costs being largely borne by one group in society while social and economic benefits are enjoyed mostly by a different group.

A SIA study will need to address the following types of impacts:

- a) Direct and indirect impacts;
- b) Temporary and permanent impacts;
- c) The potential for cumulative impacts; and
- d) The significance of potential impacts

It is recommended that a Class 2 LIA in NSW, or any replacement criteria, consider a public health approach to gambling to help move the focus away from the notion of 'problem gambling' as individual responsibility and think in terms of 'gambling related harm'. This will require a more comprehensive consideration of the social impacts of gambling associated with gaming machines.

The use of enhanced criteria is supported. A model similar to the ACT model of a comprehensive Social Impact Assessment (SIA) is supported, as are the ACT assessment considerations listed in Annexure A¹⁰.

4. Should the existing community consultation process be amended?

A recent Class 2 LIA in Newcastle proved to be relatively difficult to track and provide comment on, even though the proponent stated that they were complying with the requirements of the *Gaming Machines Regulation 2010* and Council staff were actively looking for the LIA. The 30 day period for submissions was over the Christmas New Year period when staff were on leave and some relevant organisations had closed for the holiday period (up to 10-14 days)

Council supports an extended and enhanced community consultation process.

¹⁰ NSW Department of Industry, Liquor & Gaming, *Local Impact Assessment Review Discussion Paper 2017*, Annexure A - Table of Jurisdictional Comparisons, p.17-19

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5. Should what constitutes a "positive contribution" be more clearly defined?

A broad statement or one off payment or donation does not constitute a long term positive outcome or impact for the community.

A recent example from a Class 2 LIA is provided below. The proponent stated:

To satisfy the requirement of the application having an overall positive impact on the local community the applicant intends to make a \$100,000 donation to XX Gambling Counselling Service. The donation to XX XX will make an overall positive impact on the local community.

The proposed increase is a low-range increase, as such, any potential socio-economic impact caused by the increase in gaming machine threshold will be minimal and, therefore, negated by the applicant's donation to XX XX.

The above statement is an inadequate mitigation as it is not likely to be a durable and effective. The applicant clearly has not considered the broad impacts of gambling as evidenced by research that indicates that for each person with significant gambling issues, around 7.3 'significant others' are adversely affected.

The impacts of harmful gambling behaviour on individuals and their families are well documented and include:

"... physical and mental ill-health, family breakdown, neglect and abuse of children, family violence, financial ruin, crime and associated incarceration, and in some cases self-harm and suicide¹¹".

Council recommends that an identified "positive contribution" be evidence based and deliver a medium to long term positive impact and outcome for the local community.

6. Should the exemption from the LIA process remain?

Given the demonstrable public health impacts and associated costs for both Government agencies and the community, any increase in gaming machine entitlements should be carefully and comprehensively considered.

Any application for an increase in GMEs, or any new developments in either greenfield or brownfield areas, are recommended to undertake a comprehensive social impact assessment similar to the ACT model.

¹¹Women's Health in the North.

<http://www.whin.org.au/images/PDFs/Resources/GamblingAndFVDiscussionPaper.pdf> p. 5, accessed 16 June 2017.

CONCLUSION

Whilst it is recognised that gambling is a form of recreational activity for many people and is a major industry in Australia, significant losses and public, family and individual health impacts are generated annually.

The provision of gaming machines within communities requires considered and comprehensive assessment with ongoing regulation and management to mitigate negative public health outcomes.

Council's recommendations are:

1. Council supports a more nuanced geographical understanding of place and any potential social impacts in regards to gaming machine entitlements (GMEs), particularly in areas with demonstrably levels of disadvantage.
2. The ongoing classification of areas in Bands is supported by Council.
3. The use of enhanced criteria is supported. A model similar to the ACT model of a comprehensive Social Impact Assessment (SIA) is supported, as are the ACT assessment considerations listed in Annexure A¹².
4. Council supports an extended and enhanced community consultation process.
5. Council recommends that an identified "positive contribution" be evidence based and deliver a medium to long term positive impact and outcome for the local community.
6. Any application for an increase in GMEs, or any new developments in either greenfield or brownfield areas, are recommended to undertake a comprehensive social impact assessment similar to the ACT model.

¹² NSW Department of Industry, Liquor & Gaming, *Local Impact Assessment Review Discussion Paper 2017*, Annexure A - Table of Jurisdictional Comparisons, p.17-19