



Liquor & Gaming NSW Local Impact Assessment Review

A response by Wesley Mission

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About Wesley Mission

For more than 200 years Wesley Mission's commitment to its Christian faith has guided us to support and advocate for the most vulnerable members of our society.

Championing a holistic approach that creates long-term solutions, it has pioneered a diverse range of services that address the needs of the whole person, not just their current challenges.

Thanks to more than 2000 staff, nearly 4000 volunteers and many supporters working in 60 services across 150 locations—in addition to strong Federal and New South Wales (NSW) Government partnerships—Wesley Mission now caters to a broad spectrum of the community, from children, youth, and families, to older people and carers to anyone struggling with financial or domestic challenges, homelessness, addiction, or mental health issues.

Wesley Mission has been providing financial and gambling counselling for almost 30 years. It pioneered the establishment of Credit Line and more recently has championed a new financial literacy course, *In charge of my money*, which offers sound money management principles to help clients not only stay out of debt but plan for their financial future.

Wesley Mission does not support gambling but recognises that, because of legislation, there will be gambling activities in NSW. Wesley Mission works with hundreds of individuals each year for whom gambling has gone beyond recreation and has become an addiction. It also supports their families who suffer because of this addiction.

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

COMMENT

There are two inherent questions here:

- a. How is risk of harm best measured?
- b. Is there a more appropriate way of determining the area of capture for risk of harm.

As outlined in the discussion paper, venues are required to provide either an LIA Class 1 or Class 2 depending on the nature of the application. In Class 1 there is no specific requirement for a study to be conducted on the local impact. Only harm minimisation and responsible gambling measures at the venue are to be outlined in the application. For a Class 2 application there is a requirement for "any negative social or economic impact that the proposed increase may have on the local community and the action that will be taken to address that impact." It is worthy of note however that between 2009 and 2016 only 5 Class 2 applications were made and only two approved while in the same period there were 156 Class 1 applications where the requirement for risk of harm is not assessed.



There is an over-riding requirement in Class 1 applications that the Authority be satisfied that the increase in "GMT will provide a positive contribution toward the local community and any community concerns arising ... have been addressed". Positive contribution to the local community is "usually in the form of a donation to a local organisation that is commensurate with the level of risk..."

It is apparent in the LIA process that no clear guidelines are defined for assessing risk of harm. Other jurisdictions such as the Australian Capital Territory (ACT), Northern Territory (NT), South Australia (SA) and Queensland (Qld) all require some specific consultation with either gambling help services or other community representatives and that the outcome of these consultations form a part of the approval process. This seems to be lacking in NSW.

The discussion regarding the use of LGA or some other measure is relevant when considering the mobility of problem gamblers. While it is acknowledged that the ACT has used a 3km radius of influence based on 2004 research it is possibly less applicable to a NSW metropolitan situation. There may be a valid argument for the use of ABS boundaries given that it appears these boundaries seem to group populations according to common interest rather than arbitrary boundaries created by an LGA.

RECOMMENDATIONS

We would recommend that to adequately assess the risk of harm the NSW LIA process include a more rigorous requirement for the applicant to make contact with gambling help services and relevant local community organisations in *all* applications. The use of ABS Local Community Areas would be preferred to a simple LGA approach. Further analysis of the impact of this change would be required to ensure no unforeseen anomalies are present.

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

COMMENT

While NSW seems to be the only jurisdiction that identifies LGA's into bands it can be argued that as NSW is the most populous state in Australia and the communities contained within the state are widely diverse in ethnicity, density and geography, a banding of local areas may be useful. If there is a shift to using ABS areas such as is done in Qld, then banding can still take place based on SEIFA scores. The strength of maintaining bands is that in areas of low SEIFA the requirements for consultation and assessment can be made more stringent and based on a lower GMT and therefore lower requests for GME's. It is acknowledged that greater harm from gambling is correlated with areas of low socio-economic prevalence.

Whereas NSW has two Classes of LIA, other states have a similar hierarchy of assessment. The discussion regarding allowing the Authority to determine the level of assessment required for an application may exacerbate confusion about what is required for an application to be approved rather than clarify the process. There may be issues around transparency when gambling help services and community organisations seek to have input to the applications.



RECOMMENDATIONS

We would recommend a retaining of a banding system perhaps using ABS data for SEIFA as a guide for the bands. Venues would have clarity about what is required for an application in their area. Gambling help services and other community organisations would also be aware of the potential for increases in GME's in their area can be more prepared to offer useful comment in the application process.

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

COMMENT

The use of gaming machine density and expenditure is somewhat correlated to the level of risk due to the known connection between problem gambling and low SEIFA ranking. As detailed in the discussion paper, Qld and the NT use enhanced criteria that include a more active involvement of gambling help services and crime statistics. Also included is an analysis of other gambling sensitive providers located in close proximity to the venue.

RECOMMENDATIONS

That NSW adopt the three enhanced data gathering activities as outlined in the discussion paper. That is:

- a. An assessment of the existing level of problem gambling and an analysis of the potential impact on problem gambling of the application
- b. An analysis of the prevalence of problem gambling, demand for gambling help services and any indicators of financial or emotional stress
- c. An outline of how close the venue is to gaming sensitive sites such as gambling help service providers, emergency relief providers, short term money lenders, shopping centres and schools.

4. Should the existing community consultation process be amended?

COMMENT

Given that the current Class 1 LIA process does not include a requirement to consult with gambling help services or other community groups, it seems there is room for an increased involvement in community consultation. The discussion paper refers to concerns about the level of consultation required for a level 2 LIA. Given that there have only been five Class 2 applications in the period from 2009 to 2016, this does not seem to be a relevant concern. Four of the other jurisdictions (Qld, NT, SA, Victoria (Vic)) have more onerous consultation processes ranging from a public inquiry to a structured stakeholder engagement. Greater community consultation will serve to connect the venue with the community it seeks to support.



RECOMMENDATIONS

We would support the applicant having to consult with a prescribed list of community organisations including gambling help providers (see NT requirement). The reporting of these consultations must be signed off by the community groups as a part of the application (see NT and Qld requirement)

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

COMMENT

The idea that what constitutes a “positive contribution” can be assessed in purely monetary terms seems to be a thin concept. That a donation to a community organisation can satisfy this requirement is lacking in the understanding that community is a complex inter-related construct. A positive contribution must mean that on balance it is beneficial to increase the number of gaming machines than to retain the status quo.

There is a suggestion that the financial contribution to the community could be spread over a number of years and that it be commensurate with the ongoing commercial benefit of the additional GMEs. This approach may lead to a conflict of interest by particular community groups who may stand to benefit significantly from financial contributions. It may have the potential for a venue to direct financial benefit to those organisations that have the least reason to oppose an increase in GMEs.

RECOMMENATIONS

The concept of a “positive contribution” needs to be developed to include non-financial benefits that may encourage venues to be more active in the communities in which they reside. All stakeholders should be consulted to develop a suitable definition and means of measuring this.

6. Should the exemptions from the LIA process remain?

COMMENT

On reading the exemptions outlined in the discussion paper it seems complicated. Given that there has been comment elsewhere in the discussion paper that it is desirable to simplify the LIA process it seems incongruous to retain the current exemptions. From information provided regarding other jurisdictions it is clear that exemptions apply in a small number of specific circumstances or not at all (see Vic).

RECOMMENDATIONS

Exemptions may remain in the LIA process provided they are simple and clear. All stakeholders including community organisations and gambling help services should be consulted to determine the appropriate rules around exemptions.



7. Further questions for consideration and comment.

Does the current LIA scheme achieve the objectives of the Act? If not, how could it?

- Harm minimisation: It is unclear how the Act measures the effectiveness of harm minimisation other than to manage the reduction in the total number of gaming machines in NSW. It is known that some venues have licences for machines in excess of their current need and can expand the number of machines as required. The use of Class 1 LIA applications to increase the GME of a venue allows them 2 years to acquire the gaming machines. In the successful application of a Class 2 LIA the venue has up to 5 years to acquire the gaming machines. The delay in acquisition of machines may have the effect of defeating harm minimisation objectives as the concentration of populations may shift in this time potentially altering the concentration of machines in a particular area.

Beyond the reduction of gaming machines, harm minimisation has a wider definition including the execution of self-exclusion deeds, encouragement and support of gambling help services, training and development of staff in the operation of RCG and the development of effective limitations on the use of gaming machines. The discussion paper does not outline what metrics are in place to evaluate the effectiveness of harm minimisation measures.

- "...balanced development – in the public interest – of the gaming industry" The current LIA process seems to fail in this objective by the lack of a clear definition of "positive contribution" and the lack of prescribed involvement of community organisations including gambling help services in the process of an LIA.

Should the requirement that a Class 2 LIA must demonstrate an overall positive impact on the local community be maintained?

- Not only should the requirement be maintained but it needs to be better defined and include greater input from community organisations including gambling help services.

Are there any other relevant matters that should be considered as a part of this review?

- The effectiveness and application of Responsible Conduct of Gambling: the idea of responsible gambling and the implementation of measures to support it are disconnected.
- Access to cash: it is well known that one of the prime drivers for the continuation of gambling in a particular session is the ease of access to cash. Problem gamblers may be shifted in their focus if they are required to leave the gaming area to access cash.

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