



2008 International Gambling Conference  
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[www.thangngo.com](http://www.thangngo.com)

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### **[Disclaimer:]**

This report is written by Cr Thang Ngo and views expressed are not necessarily the views of Fairfield Council.

For more information on Cr Ngo's activities in relation to problem gambling visit [www.thangngo.com](http://www.thangngo.com)

## Background

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### About Fairfield<sup>1</sup>



Fairfield Local Government Area (LGA) consists of 27 suburbs and is approximately 40km south west of Sydney CBD. It is home to approximately 182,000 people. The City of Fairfield is Australia's fifth largest city and the third largest in the Sydney metropolitan area (after Blacktown and Sutherland).

It is one of the most culturally diverse cities in Australia with more than half of all residents having been born overseas, mostly in non-English speaking countries. The majority of residents speak a language other than English at home, the most common being:

- Vietnamese
- Cantonese
- Assyrian
- Spanish

While Fairfield has a comparatively young population with many young families, the greatest growth is occurring in the number of older residents, those aged 65 years or more.

Income levels are generally low for local residents. In 2001, the median individual annual income was \$14,660 (or \$282 per week) and the median weekly family income was \$811, representing some of the lowest incomes in Sydney. The

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<sup>1</sup> Fairfield City Profile: <http://www.fairfieldcity.nsw.gov.au/default.asp?SubCatID=168&iNavCatID=45>

unemployment rate is also much higher than for other metropolitan areas (8.5% in 2004 compared to 6.8% for Sydney at that time).

### **Exposure to gambling**

While the area's social disadvantage<sup>2</sup> is unchallenged, alarmingly on just about every measure Fairfield LGA is over exposed when it comes to gambling, particularly to pokies<sup>3</sup>:

- In 2004 the 41 clubs and hotels in Fairfield generated combined profit of \$286,735,565 from 3,854 pokies
- Fairfield LGA has one poker machine per 36 adult compared to the NSW average of one per 51 adult  
Fairfield LGA expenditure per machine is \$74,399 around 50% higher than NSW average of \$47,423
- Fairfield LGA expenditure per adult was \$2,093 compared to NSW average of \$923

The \$286.7m lost to pokies in the Fairfield LGA is over three times more than rates paid by residents in Fairfield in the 07/08 financial year of \$71.4m.

### **Increase Pokies**

The number of pokies in the LGA is expected to increase to over 4,000 if applications lodged in 2007 by Canley Heights RSL for an additional 56 pokies and Cabra-Vale Diggers for an additional 36 machines are approved.

While I lodged objections to these applications in October 2007, the outcome has not been announced. As at the date of this report, the Department of Gaming and Racing's Liquor Administration Board (LAB), has not replied to my follow up letter of 15 March 2008.

### **Government & Regulation**

In 05/06, 9.5% of all NSW government taxation revenue of \$15.9b comes from gambling taxes<sup>4</sup>. This means over \$1.5b is collected by the NSW government in the form of gambling taxation.

While the state collects so much revenue from gambling, getting information on gambling is extremely difficult. Very top line figures are available from the Department of Gaming and Racing (Attachment A), while any other detail requires a fee to be paid.

Over the years, the NSW government has put into place several responsible gambling measures, including:

- Reduction in NSW pokies numbers by 5,000, from 104,000 (2007)
- Smoking ban in clubs and hotels (2007)
- 6 hour shutdown for pokies venues (2003)

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<sup>2</sup> SEIFA and General Deprivation Index, Baum, Griffith University.

<sup>3</sup> OLGR Gaming Statistics Summary (Nov 2006).

<sup>4</sup> Review of State Taxation, Issues Paper, IPART, October 2007.

- NSW cap of 104,000 machines (2001)
- Large clubs to reduce pokies to less than 450 (2001)
- Interim 3 hour shutdown (2001)
- Increase in pokies numbers to be accompanied by Social Impact Assessments (2001)
- Prohibition of advertising of casino and pokies (2001)
- Establishment of tradeable pokies entitlement scheme (2001)

### **Key issues**

Given this background, I was keen to get some answers:

- What initiatives have shown demonstrated benefit in reducing harm of gambling and in particular pokies, in particular effect of: pokies cap, regional cap, counselling services, distance to gaming venue, is banning pokies the answer, does signage at venues help?
- Barriers to problem gamblers seeking help
- Does gambling affect certain demographics more than others
- Is gambling similar to other health related problems like tobacco or binge drinking?
- How does NSW compare with other States and countries in relation to our responsible gambling policies

And finally, the key question for me is what role can council play in help reduce the harm from problem gambling.

### **2008 International Gambling Conference, Looking Forward: New Directions in Research and Minimising Public Harm**

I received an invitation and referred it to Council's Services Committee seeking expressions of interest in attendance from other councillors and council staff.

This conference was jointly organised by AUT University's Gambling Research Centre and the Problem Gambling Foundation of New Zealand.

In the end Council sent seven delegates, six councillors and the City Manager:

- Mayor Nick Lalich
- Cr Del Bennet
- Cr Albert Mooshi
- Cr Thang Ngo
- Cr Frank Oliveri
- Cr Sarah Trapla
- Mr Alan Young, City Manager

The conference was held over two and a half days in Auckland, New Zealand (21-23 February 2008). Conference papers were presented by academics and practitioners in the problem gambling area from New Zealand and other countries including Canada, Australia (NSW, Vic, SA, NT, QLD), Norway, Great Britain, USA and Sweden (see Attachment B for list of Key Note speakers).

## 2008 International Gambling Conference

### Key Learning

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Due to the number of speakers and delegates each morning of the conference was programmed for key note speakers and afternoon sessions were divided into 4-5 simultaneous streams (Attachment C).

This meant sometimes there were up to five sessions on at the same time. Where possible our group split up to make sure we can cover as much content as possible.

I've summarised below my key learning from this conference.

### Research & Data

Australia and NSW lags behind other countries in relation to gambling prevalence studies which are used to track changes in types of gambling, numbers of problem gamblers and public opinion in relation to various types of gambling, Abbott<sup>5</sup>, Brown<sup>6</sup>, Sproston<sup>7</sup>.

These speakers show how having the data assists in developing strategies to reduce gambling harm. Abbott<sup>8</sup> argues the 1990 survey of New Zealand attitudes towards gambling found 71% surveyed believed gambling is a social problem. Research like this helps to inform debate and played a role in reducing the numbers of pokies in the country from 25,000 to 20,000 machines.

Boardman & McCall<sup>9</sup>, McMillen<sup>10</sup> argue that data on gambling, in particular pokies statistics are difficult to obtain from the relevant government departments. McMillen<sup>11</sup> argues the NSW is probably the hardest jurisdiction in Australia to obtain any detailed information about pokies expenditure.

Boardman & McCall<sup>12</sup> argues the lack of data makes it very difficult for local government in Victoria to assess development applications from pokies operators.

### Key Learning:

- Regular Australia-wide gambling prevalence study required to benchmark and track gambling and problem gambling
- Governments to release to the public gambling revenue including pokies revenue by venue, by region

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<sup>5</sup> Conference Paper: Looking back and forward on gambling research and harm minimisation.

<sup>6</sup> Conference Paper: Undertaking the British Gambling Prevalence Survey 2007.

<sup>7</sup> Conference Paper: The prevalence of problem gambling in Britain: The 2007 British Gambling Prevalence Survey (BGPS)

<sup>8</sup> Conference Paper: Looking back and forward on gambling research and harm minimisation.

<sup>9</sup> Conference Paper: Improving the odds: A regional formula to reduce electronic gambling harm in South-East Melbourne.

<sup>10</sup> Conference Paper: Re-regulating gambling: A comparative analysis.

<sup>11</sup> Conference Paper: Re-regulating gambling: A comparative analysis.

<sup>12</sup> Conference Paper: Improving the odds: A regional formula to reduce electronic gambling harm in South-East Melbourne.

## **Gambling Harms the Most Vulnerable in Society**

Pokies venues tend to be located disproportionately in areas of socio-economic disadvantage. Howden-Chapman<sup>13</sup> from the Department of Public Health, University of Otago, Wellington, NZ found over 50% of pokies revenue come from the lowest 30% of the population in terms of income.

She also found that indigenous and migrants are most affected. Some 47% of pokies are located in the poorest one-third of the country, which is home to 56% of the Maori and 72% of Pacific Islanders. Not surprisingly, she found two-thirds of problem gamblers come from these areas.

She concludes "One's health and life chances are largely determined by social and economic position. Income and wealth are increasingly unequally distributed in New Zealand. Gambling is one way in which people living in more deprived communities try and make ends meet and climb up the social ladder. The deliberate placing of pokie machines and TABs in more economically deprived communities by large corporations makes gambling an easy, but highly problematic choice for people on low incomes"<sup>14</sup>.

This conclusion is supported by John Markland<sup>15</sup> who cited that the 2005 NZ Health Study found Maori play more and are losing more at pokie venues.

This is consistent with what's happening in Fairfield, one of the most culturally diverse local government areas in Australia, where:

- there is one poker machine per 36 adult compared to the NSW average of one per 51 adult
- expenditure per machine is \$74,399 around 50% higher than NSW average of \$47,423
- expenditure per adult was \$2,093 double the NSW average of \$923

### Learning

- Lobby for reduction in pokies in LGA
- Lobby for culturally specific problem gambling resource and counselling services

## **Measures to reduce the harm of gambling**

***Pokies ban:*** According to Gyllstrom & Engebo<sup>16</sup>, the Norwegian government found the main problems for gamblers were connected to pokies, which were privately operated. Over several years, several initiatives were put in place starting from banning note acceptors, shutdown between midnight and 7am and from 1 July 2007, complete removal of pokies from Norway. They found

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<sup>13</sup> Conference Paper: Life Chances: Framing gambling as an inequalities problem.

<sup>14</sup> Conference Abstract Life Chances: Framing gambling as an inequalities problem.

<sup>15</sup> Conference Paper: Then and Now, gambling policy and the Gambling Act.

<sup>16</sup> Conference Paper: Regulatory changes and finally a ban on existing slot machines in Norway: What's the impact on the market and problem gambling?

this lead to a considerable reduction in total turnover (note acceptors and shutdown period), reduced number of calls to gambling hotline and so far “no obvious indications that slot machine gamblers on a large scale have moved to other forms of gambling”<sup>17</sup> and they found no evidence of an emerging illegal slots industry.

The government is currently considering re-introducing pokies as a government run business.

***Pokies numbers:*** In December 2004, the South Australian government legislated to reduce the number of pokies by 20% to 3,000. Mark Henley<sup>18</sup> from UnitingCare Wesley, Adelaide found that the reduction in numbers of pokies did not lead to a corresponding decrease in net gambling revenue. He found that a 10% decrease in the number of pokies in SA lead to a decrease of 2.5% in net gambling revenue. However, a 10% decrease in the number of venues led to a decrease in net revenue of 13.8%.

***Distance to Venue:*** Kylie Mason<sup>19</sup> presented research conducted by the University of Canterbury and the NZ Ministry of Health to investigate the correlation between access to gambling venues and gambling behaviour. The study was based on the 02/03 NZ Health Survey of over 12,500 adults and Geographic Information Systems (GIS). The study found that those living within 800 metres of a pokies venue are much more likely to gamble and contain higher number of problem gamblers. The research found that gambling behaviour was “more strongly associated with the distance to the nearest gambling venue than with the number of gambling venues within walking distance (800m) or close driving distance (5km)”<sup>20</sup>.

***Player Tracking:*** Schrans<sup>21</sup> discussed the finding of player tracking system to help identify problem gamblers. This was based on a study conducted in Nova Scotia, Canada for pokies gambling. The study found that technology already exists in terms of customer loyalty schemes, smart cards and other technology. It argues this will be the way of the future. She found that the regular base of gamblers tracked provided 95% of pokies revenue expenditure. This base is just 25% of the total general population. The study found 16% of players who can be classified as problem gamblers account for 55% of pokies expenditure.

Ryan<sup>22</sup> argues that smart cards are not enough because the prevalence of card sharing. He argues the way of the future is the “next generation” technology such as biometric readers.

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<sup>17</sup> Conference Abstract: Regulatory changes and finally a ban on existing slot machines in Norway: What's the impact on the market and problem gambling?

<sup>18</sup> Conference Paper: Reducing poker machine numbers: The South Australian experience

<sup>19</sup> Conference Paper: Does distance to gambling venue matter? Associations between gambling behaviour and neighbourhood accessibility to gambling venues.

<sup>20</sup> Conference Abstract: Does distance to gambling venue matter? Associations between gambling behaviour and neighbourhood accessibility to gambling venues.

<sup>21</sup> Conference Paper: Raising the bar: Using player tracking to identify and manage risks?

<sup>22</sup> Conference Paper: Beyond smart cards to smart technologies.

**Signs:** Monaghan & Blaszczynski<sup>23</sup> studied the impact of responsible gambling signage at pokies venues. They found that static messages stuck on machines had little impact – up to 35% of respondents did not notice the signs at all and only some 15.6% recalled the signs. By contrast 83% of respondents recalled dynamic signs (pop up signs) vs. 15.6% for static signs. However, they found it takes more than dynamic signs to change behaviour. Providing information alone is not enough, messages that motivate people to think about their behaviour had the greatest potential to change behaviour.

### Learning

- Complete removal might not be practical, but banning note acceptors and enforcing shutdown periods may help.
- Reduction to the 41 pokies venues in Fairfield will help reduce harm.
- Easy accessibility can lead to gambling problems. Policy should be to restrict venues in residential areas.
- Problem gamblers provide the bulk of pokies revenue
- Lobby for the Government to consider implementing smart card player tracking technology.
- Dynamic signs that warn of the consequences of problem gambling are more effective than static signs.

### **Barriers to seeking help**

Bellringer<sup>24</sup> conducted four studies about how people access health care in New Zealand to find primary enablers or barriers to problem gamblers seeking help.

Primary barriers:

- Want to resolve on my own/too proud
- Shame
- Do not believe have a problem – lack of awareness

Primary enablers:

- Financials: financial loss the strongest motivator for seeking help

Implications:

- Use financial stress as main communication to encourage problem gamblers to seek help
- Reduce barriers by reducing the sense of personal shame to empower problem gamblers to seek help.

This finding is supported by Melonie Martin from the Health Sponsorship Council, Wellington. In March 2007 the Council launched an anti gambling social marketing campaign called 'Kiwi Lives'. The 'Our communities, our families, our problem' TV and radio campaign effectively positions problem gambling as a 'community problem', reducing the personal shame barrier to seeking help<sup>25</sup>.

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<sup>23</sup> Conference Paper: Warning signs that work: The impact of pop-up messages for electronic gaming machines.

<sup>24</sup> Conference Paper: Enablers and barriers to help-seeking in a problem gambling context: Primary findings from a New Zealand-based investigation.

<sup>25</sup> Conference Paper: Our communities, our families, our problem: Public awareness of, and response to, the problem gambling mass campaign.

## Learning

- Ensure we treat this problem as a community issue.
- Financial loss is a key driver in communications/advertising

## **Government Regulation**

McMillen<sup>26</sup> analyses the state and territories response to problem gambling. She looks at the failure of all parties to follow the recommendation of the Australian Productivity Commission (APC) over eight years ago to establish an independent gambling regulator.

She argues “No government has adopted the APC’s blueprint. Reforms have been shaped by local circumstances and government priorities, rather than the uniform regulatory principles and functions outlined by the Productivity Commission. Reforms in some state have been the target of determined and successful industry opposition; and in all cases, the reform process has exposed the tensions and contradictory functions of government in gambling policy”<sup>27</sup>.

McMillen singles out NSW for particular attention given the strength of the Australian Hotels Association (AHA) and Clubs NSW as lobby groups. In addition she argues gambling taxes being almost 10% of NSW government revenue exposes the conflict of interest of the government being both regulator and beneficiary of gambling.

## **What can Council do?**

Since the introduction of pokies in Victoria 1992, pokies expenditure has increased exponentially and with that the number of problem gamblers.

In 2006 the government granted Councils planning authority over DAs for pokies. This has presented Councils with a planning problem in relation to developing policies to regulate the spread of pokies in their LGA. They are all too aware that applicants are cashed up and more than willing to challenge council decisions in court. To complicate matters clubs and hotels often do not make relevant gambling data available to councils.

Five councils in South-East of Melbourne formed a consortium to engage SGS Economic and Planning to:

- Map household ‘Gaming Vulnerability’
- Determine factors that correlate with higher spending on electronic gaming
- Model an optimum distribution of pokies
- Identify policy implications

Boardman & McCall<sup>28</sup> presented top line findings from their study. SGS used an “Electronic Gambling Vulnerability” index, which is based on percentage of household income spent on gambling.

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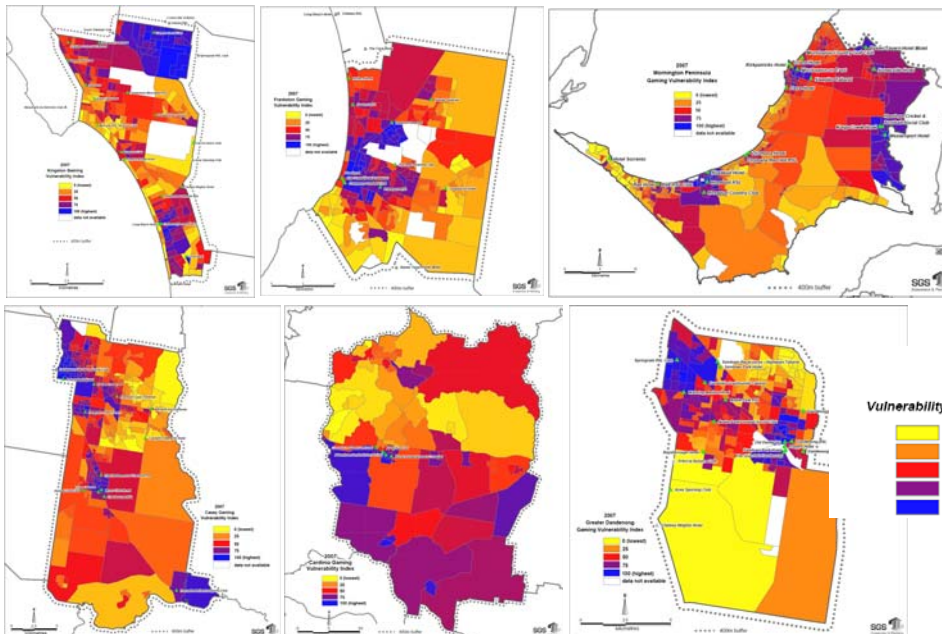
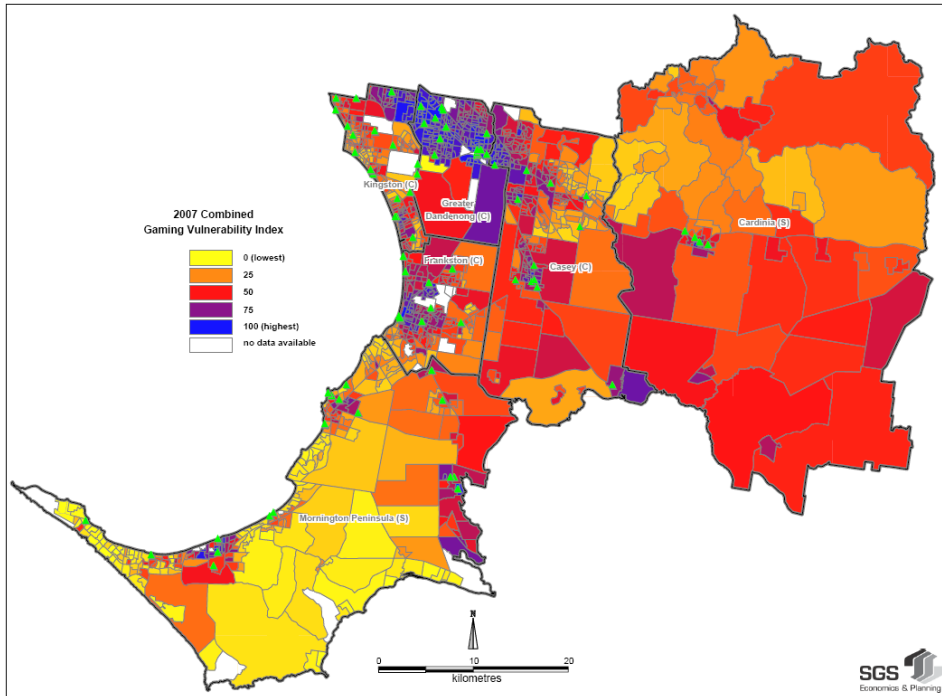
<sup>26</sup> Conference Paper: Re-regulating gambling: a comparative analysis

<sup>27</sup> Conference Abstract: Re-regulating gambling: a comparative analysis

<sup>28</sup> Improving the odds: a regional formula to reduce electronic gambling harm in south-east Melbourne

Based on this data SGS was able to map areas of highest gaming vulnerability (blue being highest) for the consortium and also for each council area. Not surprisingly, the areas of highest vulnerability also correlate with the area of greatest social disadvantage.

Using this data the consortium could make informed choices about the implications of approving a DA for a pokies venue. It allows them to have justification for refusing applications in the blue zone (see Attachment D for full presentation).



Currently Fairfield Council relies on a one page document standard letter which we send to the Department of Gaming and Racing to oppose applications for additional pokies (Attachment E). While applicants are armed with a detailed Social Impact Assessment (SIA), which always supports additional pokies.

Our case would be stronger if we engaged a firm like SGS to model Fairfield City for areas of gaming vulnerability. This will help us to oppose future applications.

#### Learning

- Council should engage economic planners to support our opposition to additional machines
- Council could commission the economic planners to come up with optimum number of pokies in our area, assisting us to lobby to reduce the number of pokies in our area

## **Recommendations**

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### **Direct Action**

1. Commission economic modelling to find the optimum number and location of pokies in Fairfield LGA
2. Use this finding to oppose future applications to increase the number of pokies in our LGA
3. If the optimum number is less than current pokies numbers, use this finding to lobby the government and industry to reduce the number pokies in our LGA
4. Support merger of pokies venues so the net number of venues is reduced from the current 41
5. Use council communications including City Life and Council signage to warn about the dangers or problem gambling
6. Hold a problem gambling summit
7. Promote other leisure activities for residents to reduce the reliance on gambling

### **Lobby/Influence**

8. Lobby government for additional culturally appropriate anti gambling support resources and counselling services
9. Lobby Government and local clubs/hotels to consider smart card technology
10. Lobby government and industry to support dynamic warning signs on pokies
11. Apply for government or industry funding to run a local problem gambling media campaign

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