

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the Victorian Auditor-General's Reports no. 99: Follow up of Regulating Gambling and Liquor (2019) and no. 213: Reducing the Harm Caused by Gambling (2021)

Melbourne – Tuesday 25 July 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O'Brien

Ellen Sandell

WITNESSES

Ms Kathryn Arndt, Chief Executive Officer, and

Mr Simon Harrex, Policy and Program Lead, Victorian Local Governance Association.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones now please be turned to silent.

I will begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them and their elders past, present and emerging as well as elders from other communities who may be joining us today.

On behalf of the Parliament, the committee is conducting this follow-up inquiry into the Victorian Auditor-General's reports on regulation of gambling and liquor and the reduction of gambling harm in Victoria.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome you, Kathryn Arndt, CEO, and Simon Harrex, Policy and Program Lead, from the Victorian Local Governance Association. You are very welcome here this afternoon. I invite you to make just a very brief opening statement or presentation if you have one and this will be followed by questions from the committee. Over to you.

Kathryn ARNDT: Thank you, and I do thank all members for inviting us to present today. So just for the members' information, the VLGA, the Victorian Local Governance Association, is an independent non-partisan organisation committed to working with councils and supporting them in good governance. Why is that important to the topic that we are discussing today? Well, if we look at the Victorian *Local Government Act*, the purpose of a council is to govern on behalf of their community to ensure that municipality's health and wellbeing, so it goes to the very heart of actually what we have heard here today and what the committee would have also heard yesterday with the evidence presented to them.

In regard to gambling harm minimisation, we have a longstanding commitment to supporting councils in responding to issues involving gambling and achieving this through building capacity both with the council group and via the council group with their local community and sharing learnings to achieve an effective public health approach.

The VLGA has been funded by the Victorian Responsible Gambling Foundation to deliver a program called 'building council and community capacity'. We have run that program in various iterations over approximately eight years and we have delivered a number of, I guess, outcomes from that program, which of course will all be tabled in the acquittal reports and evaluation reports that we have provided to the foundation. Predating this collaboration or partnership with the foundation, however, the VLGA has also convened the local government working group on gambling – or LGWGOG as we like to call it – for many, many years and this group provides an opportunity for both elected representatives, so councillors, and also council officers from our member councils to come together to hear from informed speakers, researchers, about current gambling harm prevention research and policy and the regulatory environment. At our recent meeting we had a representative from the regulator attend. This working group provides a resource for the promotion of excellence, particularly at the local government level but also through the advocacy that local government does, which better enables more effective policy delivery, as I said, of the advocacy that VLGA members undertake on behalf of their community.

In the request to present evidence at today's hearing we were asked to talk to, I think, six questions. I am not sure if you want me to go through those, as we have already outlined them in our submission to you, or whether we should hand back to the committee for questions.

The CHAIR: We always have lots of questions, so the more time we have for that the better. I am going to head over to you, Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Thank you for coming along. Can you tell me a bit about your experience with VRGF in running the building council and community capacity program. Was it a straightforward funding arrangement? How long did it run for? And did VRGF give you outcomes that were measurable?

Kathryn ARNDT: Absolutely. There was an acquittal report that was required at the end of each funding cycle. As I said, the funding commenced probably around 2016. I think it was initially a four-year program but then was condensed to a two-year funding cycle, and we have just ended the latest two-year funding cycle. The work we have done with the foundation, I would say, has been really quite beneficial to the role that local government has in this space. We have refined the outcomes and also the focus of that program over the years. It predates my time with the VLGA, but initially with the program there was a sense that perhaps it would focus on really using the elected representatives in local government to advocate quite strongly against gaming machine licensed venues and highlight the harm that gambling can cause in the community. However, when we look at what the purpose of a council is and also the role of a councillor, it is actually to govern on behalf of all of their community and ensure the health and wellbeing of their community.

So the program now has focused very heavily on how we align the deliverables with the actual *Local Government Act* requirements of a council and how we build the capacity of that council group and the council officers to work with their communities when it comes to minimising harm from gambling. We have heard from witnesses today the role that councils do play in that space, and that extends from receiving an application from a licensed venue. That is a planning application in the first instance, but then councils have the opportunity through the licence application process to put forward a submission to the regulator that comments on any harm or concerns that that council might have on behalf of their community. So that is the work that we have done, and Simon can certainly talk in more technical detail about how that relationship has worked.

Simon HARREX: Yes. Over the last two years I have spent my time delivering the building council and community capacity project. It has been really empowered by the Victorian Responsible Gambling Foundation delivering set outcomes that we believe our organisation is uniquely and best situated to deliver on, in terms of supporting councils when they have competing priorities, whether it is gambling or within their other health promotion portfolios. We are then supporting them and aligning it to good governance to deliver on things like renewing their council gambling harm policy or looking at receiving an application for new licensed machines in their area and what the process is if they choose to oppose it, what the situation is and what past hearings have happened with the VGCCC. We also support them in a lot of business, knowing that council officers that work in this space are sometimes not really employed to look at gambling harm specifically. It is a priority that is captured in the wealth of their portfolios, sometimes situated in a community-strengthening area or sometimes in social planning in councils. So there is a variation. And the foundation has been really good to kind of guide us and set up the program, where we are able to refer to them for research and resources and to attend our network meetings, to talk to new legislation and statistics but then I guess to empower us with the wealth of knowledge that we have had and the expertise and relationships. Probably the key thing is, with the councils, to deliver, I guess, work that is looking at reducing gambling harm.

Danny O'BRIEN: Can I ask, on the question of maybe the participants in the program: are councils and councillors being required to carry the burden of problem gambling in their communities as a council? I do not mean the impact on their local community per se. Is that an issue? Certainly in the context of that question we have had a number of councillors in the past saying it is councils that bear the cost in terms of the social outcomes and everything, but I mean the actual council work. Is that feedback you have got as well?

Kathryn ARNDT: Oh, absolutely. And just so that I understand your question correctly, is it similar to the question you asked the previous witnesses: what does that cost look like?

Danny O'BRIEN: What does it look like for the municipality itself, the organisation – not for the area but the council and/or the councillors?

Kathryn ARNDT: Yes. Look, certainly I think we have heard previous witnesses refer to the fact that councils provide over 140 services to their communities. That includes maternal and child health services; it

includes early learning centres or kindergartens, Meals on Wheels and other related types of in-home care activities. So as you would understand, when someone has experienced harm from gambling, often it extends beyond that one individual and it extends to their family members also. Councils would be required to deliver and respond with increased services for people who are vulnerable in their community as a result of harm from gambling that might be happening to themselves personally or within their homes.

Danny O'BRIEN: Okay. Thank you. That is all from me, Chair.

The CHAIR: Thanks, Mr O'Brien. Mr Galea.

Michael GALEA: Thank you, Chair. I would also like to ask about the same program, building council and community capacity. How many councils have you run this program with?

Simon HARREX: This is a program that historically through the VLGA would work with members, but because of the funding arrangement with Victorian Responsible Gambling we work with all Victorian councils. We have an ongoing network that we run that would see between 30 and 40 councils engaged with on an ongoing basis, but then depending on outreach from councils, if they have got any issues or if they have got an application that has come through, we would reach out to engage them. So the scope is across all of Victoria.

We do see the majority of some of the work is engaging with councils that have suffered larger losses compared to others, but we have been extending that and looking for a lot of regional councils who are now looking at what the impact of gambling harm is on their area as well as councils that have got a councillor-elected representative body that are looking to be more proactive with their council policy or view the harm that is happening in their area a little differently to come to us for support. So it has been quite broad across the last two years.

Kathryn ARNDT: If I might just ask a question on the question: can you just qualify for the committee approximately how many councils we may have worked with directly outside of the program to help them respond to an application or when they have had questions about harm from gambling?

Simon HARREX: Yes. I guess from the two-year period that I have been involved there have probably been between 10 and 15 councils that have specifically come for what I would call more engagement beyond just an update or statistic or, I guess, for a document to be sent, whether it is educational workshops that we do with council officers or if it is going to speak to councillors who have got on the agenda that they want more information about gambling harm in the area and what it looks like. And then it has gone to specific councils – Ballarat, Geelong – who are not VLGA members but have had recent applications in the past 12 months.

Michael GALEA: Thank you. So if I am understanding correctly, council X has a particular new gambling licence application underway. They need some support. That is when you come and focus on them a bit more. Council Y might have a particular social issue related to gambling – again, the same thing. Is that correct?

Kathryn ARNDT: That is correct. In fact part of our requirements under the funding that we received from the foundation was that we had to keep an eye on the applications that were coming through, and when one did come through, we had to actually reach out to that council in the first instance to see if they did want any support and to outline what support we could offer.

Michael GALEA: How in-depth would the training be? You said you wanted to present at a council meeting or brief with council officers. Is it around a few individual things like that, or is there more work that is done as well on an ongoing basis in those bigger campaigns?

Simon HARREX: Usually it would be a smaller interaction over the course of a day or a presentation when it is a larger body of councillors. But then with councils who are wanting to have repeat interactions or support, it would be over the course of months or even the whole body of the two years that we would have specific council officers or councillors who attend our network, who would repeatedly seek information or support or resources to help guide their decision-making.

Michael GALEA: Beyond this program, are you aware of any other particular training or opportunities for councillors or council staff? Because it seems like, as you said, there is a bit of a general lack of skills and

knowledge in this field because they are dealing with so many other things. So are there any other resources there, or is it mostly through this initiative?

Kathryn ARNDT: This is quite a bespoke program, which had fallen under the preventative funded programs of the foundation, which is probably not quite like those others. So it is quite unique. I am not aware of any other program in Victoria that looks at exactly what this – well, is probably even close to what this one is doing.

Michael GALEA: Sure. When you have got a council that is dealing with an application for, say, a new gambling licence or an extension of an existing one, what are some of the key pressures that you see councillors and staff come under, whether by proponents or the applicants themselves or more general pressures, in responding to and dealing with these applications?

Simon HARREX: I would say it depends on where the council is in their existing policy or experience with gambling – they would be some of the major pressures. We have seen a range of diversity in terms of councils that have had applications, from the Shire of Campaspe probably 20 months ago to the City of Melbourne or more recently Port Phillip. It really depends on the staffing or their experience and if they have had an application in the last five to 10 years, or it depends if staff are still there. There is a lot of transition of staff. So I guess there is quite a variance, especially given the financial impact that sometimes it does have to go to a hearing and be represented legally. We kind of walk them through the decision-making in that part and what their options are, and if they do choose to be represented or to do a more detailed social and economic impact assessment, that is where we would support them.

Michael GALEA: Do you see much lobbying of the councillors by proponents of a particular proposal? Is that of a high degree that would concern you or no more so than for other planning purposes?

Kathryn ARNDT: I would think that there are some quite active community groups who do campaign very strongly when an application comes into their local municipality and that certainly would go straight to the councillors and require their attention – absolutely.

Michael GALEA: But you are not saying there is any sort of excessive pressure or lobbying applied from the applicants themselves, for example? You have not seen that reported from councillors?

Kathryn ARNDT: Sorry, the industry, the applicant? I think you do see that in the process that then follows, when there is an opposition to the application.

Michael GALEA: Costly legal challenges.

Kathryn ARNDT: Yes.

Michael GALEA: Thank you. The program itself – are you able to provide the committee, perhaps on notice, with an evaluation or report looking back on the success of the program? Is that something that you have access to?

Kathryn ARNDT: Yes, absolutely.

Michael GALEA: Wonderful. Thank you. The Municipal Association, who just spoke to us before – you might have heard; I think you might have been in the room – told us as well in their submission that the onus should be on applicants to prove why a new gambling licence would benefit the community, not on councils to demonstrate why it would be of detriment to the community. Do you agree with that?

Kathryn ARNDT: Well, I believe that is a requirement now with the regulator, and that is one of the changes that has occurred. So the commissioners are applying that – well, there is a requirement that the applicant demonstrate harm minimisation, or the community detriment test.

Mathew HILAKARI: Yes, it is harm minimisation. I guess the MAV were talking more about a positive onus on the applicants to demonstrate that this would be a positive benefit to the community, as opposed to harm minimisation.

Simon HARREX: Yes, I can talk to that. I guess a large amount of work that we do and what we had in our written submission as an advocacy point was the review of the no net detriment test in its form at the moment. I guess what we see, and recently the VGCCC have made it really implicit, is that with new applications, even if they do pass the no net detriment test, there need to be clear harm minimisation measures input. I guess what we have kind of spoken to is that it would be really interesting to have further evaluation of what is best practice as harm minimisation that councils would be able to put into a social and economic impact assessment.

The other thing we spoke to is, yes, we would clearly want – I guess the difference we see in some of the hearings where what the applicant says compared to council in terms of the impact socially, whether it is marginal or negligent or whatever on scale, comes down to the difference of what there are in those social harms, and what we have seen from the VGCCC in their new position statement is that there might be an onus to look at the causal impact of gambling before minimisation measures occur in terms of help services. So we would be advocating – and we would have the support from council – that they would want the view of the harm from gambling and how it is measured in the no net detriment test to come before the application of Gambler's Help services or venue donations to the community to make sure that it is viewed in a no detriment test that it clearly kind of demonstrates the social impact of the harm of gambling in the local area.

Michael GALEA: Very interesting. Thank you. And in terms of the broader societal impacts, that work that you do – this is not to put blame on any particular councils, of course, but in terms of LGAs – what are the hotspots, I guess? What are the areas that you have identified the biggest harm from gambling in?

Simon HARREX: A lot of the work and what we refer to is that it does look purely at the kind of losses in terms of machines. So we have engagement with Brimbank council and Greater Dandenong, Geelong, Hume and Whittlesea – I think they are the major ones in terms of losses. But it is something that we would work continually with growth councils in particular on in terms of the concern about gambling harm moving in there – areas that may not have particularly high losses but have been quite aware that venues are situated in areas where they do have disadvantage of their residents. What we will do is work with councils that have identified through their losses that this is an issue in their municipality. Continually having councils who identify that this is an issue – we will continue to work with them as well based on a few things that come up.

Kathryn ARNDT: And those losses are geographically mapped by municipality, so that is also a document that we could provide to the committee if they would like that.

Michael GALEA: Thank you. That would be very good, yes. You are probably aware as well of the changes that were announced last week of course by the state government. Do you think this will have a positive impact on local communities and councils?

Kathryn ARNDT: I think that, as we have heard from previous witnesses, they certainly are welcomed. There have been many years of advocacy at local government level for changes like this to be put in place. Is there an opportunity for them to go further? Yes, I think there is, and we have heard previous witnesses talk to that. But certainly it is a step in the right direction. One of the things that the previous witness raised was the current planning environment and planning application environment and some of the nuances, and I guess tensions, that exist with the system, where local government is the responsible authority for making planning decisions. In fact about 75 per cent of the work in a council chamber is planning related, and yet it is very, very difficult to get the planning minister and the local government minister in the same room, because they are different portfolios. However, they do overlap. The *Planning and Environment Act* I think was last reviewed in any sort of detail back in 1989 – I could have the date wrong – whereas the *Local Government Act* is dated 2020. VCAT ultimately can overrule, I guess, decisions of council where they may have taken into account the community's health and wellbeing and taken into account issues such as the one we heard previously of the liquor store. But ultimately that decision or that concern of council will be overturned because there are some discrepancies I think – or some opportunities for aligning those pieces of legislation more closely.

Michael GALEA: Legislative reform is, you think, the best approach to that. Are there any other reforms that you think in that space could support councils to avoid those sorts of hefty legal bills every time there is an application? The example before was about liquor too, but in this case it is around gambling. Are there any other reforms that you think would be beneficial?

Simon HARREX: I think in our written submission and what we have kind of had as advocacy points come out of our community practice model with the network of our councils – one was the mandatory precommitment in the EGMs. That was a very welcome reform, but looking at the reduction of EGMs as a whole across the state as well as the reviewing of the community benefit statement structure and its form at the moment have been two key issues that have come up through our network continually over the last 24 months that we have been engaging.

Michael GALEA: Thank you. Thank you, Chair.

The CHAIR: Thank you, Mr Galea. I am going to go to Ms Sandell.

Ellen SANDELL: Thank you. Really just further to the questions I was asking the previous witness about whether there is anything you can tell us about councils that have run successful programs that are more about combating social isolation and some of those challenges.

Kathryn ARNDT: Absolutely. The Libraries After Dark program that was referred to was actually delivered through the VLGA. I think it was Merri-bek City Council that originally got a small amount of funding from the foundation, and they engaged the VLGA to run that program for them and a number of other councils. The great thing about this program was that not only did it – its original purpose was to try to attract or encourage those who might be most at harm or vulnerable to harm from gambling to go to an alternate venue in the evening that was safe and warm and inviting, but of course what we found through the evaluation of that program was that it was also an opportunity for other vulnerable people in the community, whether it be schoolkids who needed to just go somewhere quiet to do their homework after hours. Unfortunately, as we have heard, the state government funding for libraries has significantly reduced. The funding for that Libraries After Dark program was finite, so that is not continuing. It would be terrific to see a collaboration between state government and local government to see more of those types of programs being run in the community.

Ellen SANDELL: They are not continuing at all, is that correct? There is no continuation.

Kathryn ARNDT: No. Some councils may extend their library hours and sort of do various iterations, but certainly not as a funded, dedicated program.

Ellen SANDELL: And can you tell us anything more specifically about how that program ran; for example, what kind of hours, what kind of activities, what was successful? I imagine it could be difficult to get someone who is used to going to a pokies venue where there might be alcohol or other activities to go to a library, which may not seem as inviting.

Kathryn ARNDT: Yes. Sorry, I did not review the evaluation report for that program before I came here, so I do not have all of those specifics. I can say there was anecdotal evidence – we could not actually directly correlate that those who we thought were most at risk of harm from gambling were actually participating in the program, but what it did show was that people did use the program for various reasons. I think the opportunity to have been able to continue that or to expand it would be most welcome.

Ellen SANDELL: And do you know where the idea came from? I am asking because I am interested to know whether there are different models, which might not be Libraries After Dark but might be something different that is done in a different jurisdiction that serves the same purpose.

Kathryn ARNDT: I would have to go back. I am sorry; I do not have that. I will take that on notice, though. We have actually got a terrific little short film on the program, which the committee might be interested in watching, as well as the evaluation report.

The CHAIR: Mr Hamer.

Paul HAMER: Thank you for appearing today. I have got a question just about sponsorship that is occurring within local clubs and what councils might be doing and what they could do more to help diversify some of those community clubs and associations from receiving that current financial support. I know, for example, councils have quite stringent guidelines as to signage around the ground, but it does not usually go to the point of specifying what particular signs – it is about the size of signs and where they can be placed and what could be put on a scoreboard at what particular time. Are any councils looking at that as a solution?

Simon HARREX: That is a really good question that I think councils have come to our network to kind of seek answers to in terms of if they are moving in a direction with their policy that starts to restrict the advertising or sponsorship of local clubs that are entrenched or licensed with EGMs, how they support these clubs in terms of alternative revenue. There have been examples where there have been approaches to local RSLs that do not have licences for EGMs to potentially put themselves in a position to sponsor local sporting clubs. I know a few councils are looking at running a forum or a working group to look at how there is an incentivised package to get local businesses to sponsor clubs and what an arrangement would be like.

I think that is an area of real interest for councils. We do not have an answer yet, but I know that there is a lot of work in this space to try and engage local business to look at a relationship with sporting clubs, to go back to a more community-driven support mechanism that is propped up by local clubs to be able to advertise and bring business into local organisations.

Paul HAMER: Thank you.

The CHAIR: Thank you, Mr Hamer. Ms Kathage.

Lauren KATHAGE: Thank you. In point 2 of your submission you speak about feedback mechanisms between you, the foundation and other funded organisations to improve program and service practice and share learnings. Can you explain what is happening at the moment and what improvements you would like to see there?

Kathryn ARNDT: I think our submission really just generally refers to the local government working group on gambling that we convene and which the foundation is invited to attend and the regulator is invited to attend. We are hearing directly from the council staff and elected representatives who are considering these issues in the context of their responsibilities, as well as from the foundation, which has access to research. We also have academics around the table who specialise in that. The importance of having a group like that continue I think cannot be overstated.

Lauren KATHAGE: Where does that information go? When there are common concerns, shared issues and shared experiences that are identified and discussed and learnings shared, how is that information packaged together and used to benefit others or to influence policymakers et cetera? What is the channel there?

Kathryn ARNDT: The group is used as a vehicle also for us to inform our advocacy position to any submissions that we might put forward to government or other key stakeholders. We also engage with other groups who are involved in looking at reducing harm from gambling, and some of those have presented to you yesterday and today. The conversations from those working groups are captured via minutes which are shared and distributed. We also run regular podcasts on various topics that are relevant to local government and our members, and gambling is one of those that we include in those conversations. We have also partnered with external organisations like SGS Economics and Planning, where we have worked with researchers and tabled academic papers on this issue.

Simon HARREX: Just to add to that, I guess one example – we get feedback from councils – is that sometimes it can be quite siloed in terms of their work across divisions. So it is sometimes hard to create the platform to promote gambling as a public health issue that is important across all kinds of council workings. One of the examples of that that we have done with the foundation is working quite specifically to support community, strengthening divisions of councils to work with sport and recreation across engagement and looking at the environment of their local organisations. If there is an issue around the normalisation of gambling or the way that potential fundraising events are run, to really support that continued conversation across council and resource sharing. The work across gambling should not be, I guess, creating more work for sport and rec to say, ‘We feel that gambling is an issue that needs to be a priority on top of all the work that sport and rec is already doing,’ but more coming through a lens of, ‘Here’s some evidence and resources and strategies that we think can help support your work to make a sporting environment more holistically free from harm in the practice that you are doing.’ So it has been really trying to align people who come through our network and empower them to reach out across council to have this kind of work continue to be embedded in their policy.

Kathryn ARNDT: And I think having that centralised point of the foundation has been really important and has allowed that to happen a lot more easily than it might have occurred if it was distributed. Just as local government has various departments within its business, of course state government has various departments

within its business, and it would be disappointing to see perhaps the devolution of some sort of independent body that looks at gambling harm.

Lauren KATHAGE: We have heard from previous witnesses around the importance of the integration of the treatment model across gambling, mental health, family violence and other issues, and you are talking about a similar thing with the siloing of all the different aspects of gambling that councils have to deal with around planning, community health and dealing with the impacts et cetera. You spoke about the sharing of information or the embedding of information. Notwithstanding what you just said about a standalone body, do you see that a public health approach – you know, the Department of Health model – would be of benefit or could be a potential model for councils?

Kathryn ARNDT: Well, Simon might like to talk to that. But we have certainly applied the public health approach in the workings that we have undertaken with our members. Was there something else?

Simon HARREX: Yes. I guess a large part of our work, especially more recently, is there are up to 12 to 15 councils currently this year looking to review their gambling harm focused policies. The work that we do with them is looking at applying a public health approach that we feel has been best practice from the research that we have got from our stakeholders and aligning that with any municipal public health and wellbeing plan approach, where gambling should be situated within other health priorities, like tackling alcohol but even increasing physical activity and healthy eating. The view to looking at gambling is not just the impact of that from a health perspective – that councils have a duty of care to promote the health benefits of their residents but also to prevent the ill health of their residents. I guess our work has been in alignment with taking that approach. So the recommendation or the thought would be to support councils in that approach as a high-level stance – that it should be aligned to a Department of Health approach. That would be something that we would see would be beneficial to support.

Lauren KATHAGE: Thank you. Thank you, Chair.

The CHAIR: Thanks, Ms Kathage. We are almost out of time, but before I thank you for appearing before us this afternoon, I just want to throw this out there: is there anything that you wish to tell the committee that we should consider as part of this report or you think we should be looking at or we need to improve upon?

Mathew HILAKARI: For example, you mentioned community benefit statements and the effectiveness of them if you want to just go a little bit into that.

Simon HARREX: Yes, I am happy to speak to that. I guess that has been a recent issue that councils have looked at when updating their policy in terms of an advocacy point to look at community benefit statements. So it has been something that we have engaged with on and off, that the current structure of how venues are representing themselves and the benefit to the community is probably not aligned with what we are seeing through their benefit statements.

At the moment we work with councils to have an awareness of how the clubs, which have a legal requirement to complete a benefit statement every year that has 8.3 per cent of gambling losses go back into the community, complete the statement and what that actually looks like. At the moment I guess the way it is set up is that, for class A benefits, it is donations and sponsorships and gifts back to the community, and there are the examples of what we would empower councils to request of the VGCCC in a hearing to have conditions in their new licence so that venues would have to do this, to give back money that is specifically going to donations and sponsorships and gifts. Whereas we see the majority of venues meeting their threshold or exceeding it, it does go into class B and C for, I guess, mostly operations, salaries and sometimes the upkeep or refurb of a venue. It is more education to empower the councils so that if they do want to take that advocacy arm, they are kind of able to do that. So we have had examples where councils have come to us just to seek clarification or finesse what that actually looks like with their venues.

I guess one quick example from a couple of months ago where we worked with a council was we had a venue which had a \$6 million loss from the 2021–22 year and their community benefit statement was \$1.8 million, so it was roughly 30 per cent of their losses so they clearly exceeded the 8.3. But when we looked at it, \$800 of that \$1.8 million was class A(a), and the rest was operations, salaries and the upkeep of the venue. This is all available quite easily on the VGCCC website, but it is empowering the local officers, if they want to look at this advocacy point, to access that information. And we would support the reform of that to, I guess, allow what is

being perceived as community benefit to actually be money that goes back to health services as well as local sporting organisations or community clubs.

Kathryn ARNDT: And there have been other examples of that. For example, in a municipality I think an industry venue had bought a minibus for the community. There was residential aged care or an area that was just off the main road that was a little bit difficult for residents to get into town from, so the venue basically offered them a little bus and would pick them up. Where would they be taken for their first drop-off point? Well, to a free or reduced price lunch at the licensed venue, which of course might on the surface look like it is a community benefit, but of course it is not really, from what we have heard and we have seen from the evidence.

The CHAIR: I just want to ask a question off the back of that that has just come to mind. I do not know if councils would express this to you or you have any experience or information around it, but is there confidence in the council that the inspectors who are going out and looking at the venues have enough powers? Or are there enough of them out there looking and checking for breaches of the law that may be happening?

Kathryn ARNDT: Has that come up at all?

The CHAIR: Is there any kind of feedback coming through that councils are frustrated?

Simon HARREX: I think anecdotally there has been in the past frustration that there is no communication of how venues are meeting their conditions, if at all. We have seen cases where a venue has come to apply or sit at a hearing to want to have more machines and seen that they have not really met their conditions for years previous. So I think there is a frustration from councils on where their responsibility is in terms of following up with venues and how they are able to put in a submission to get the regulator to view. But there has also been a turn, in the wake of the royal commission into Crown Casino and the establishment of VGCCC, that they are very much wanting to engage local government on the issues that have been occurring and have been a lot more open or have come to our network particularly to say that they will be having a lot more inspections or wanting to make sure that the responsible gambling service in venues is up to code and it is not just happening if there is an official complaint. There is the set-up of the new tip hotline so that the residents can say to the VGCCC that something at their local venue seems like it is not happening right or put in a complaint, so there is more transparency and accountability I think from the regulator. Yes, there has been anecdotally a frustration, but I think there has been a lot more positive communication from councils in the last six months.

The CHAIR: Okay. Alright, that is interesting. Do committee members have any other questions they would like to ask? No, okay. If anything else comes to light, we may send you a letter asking for some more information or clarification just to help us deliberate and prepare our report, but I do want to thank you both for taking the time to appear before us this afternoon. This is an inquiry that the members here feel extremely strongly about. The communities of Brimbank and Wyndham are just some, to name a few of mine, so it has been a particularly interesting conversation. The committee will follow up on any questions that we have taken on notice in writing, and responses are required, just so you know, within five working days of the committee's request.

This does bring the committee's two days of hearings for the inquiry into regulating gambling and liquor and reducing gambling harm to a close. On behalf of the committee and the Deputy Chair I would like to thank everyone who has come here before us over the past two days to give evidence to the committee, as well as Hansard, the committee secretariat and parliamentary attendants. I do want to say, particularly for people viewing these hearings in person or listening via the live stream at home, people need to be aware that this inquiry does explore liquor and gambling, and as such, information discussed at the hearings some people may find distressing. Help is available, and you can get that at DirectLine, which supports people seeking help for alcohol and other drugs, on 1800 888 236 or Gambler's Help at 1800 858 858. I would also in closing like to give a big shout-out to the hospitality, security and cleaning staff who very much looked after us today and every day that the committee meets, and I declare this hearing adjourned.

Committee adjourned.