

*Review of the
Community Advocate on Gambling:
Final Position Paper*

by
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For the Steering Committee
VLGA and Department of Justice

December 2007

Executive Summary and Overview

1. While gambling has been a part of life in Victoria since the earliest times, the advent of Electronic Gaming Machines in 1992 and Crown Casino in 1994 escalated the scale and scope of gambling in Victoria.
2. Today, Electronic Gaming Machines net expenditure totalled \$2.5 billion in 2006/07 and of this some \$932 million passed to the Victorian Government in taxes and levies. In total \$1.5 billion from all sources of gambling was received by the Government in revenue.
3. The revenue received by the State is an important contributor to the State government and allows state taxes to be lower than would otherwise be necessary.
4. Additionally, gambling revenue supports a variety of worthy community goals both through the Community Support Fund and through direct contributions made by gambling venues to community purposes.
5. As well, gambling venues are a source of local employment; and some gambling venues also contribute social and entertainment benefits to patrons.
6. However, it is acknowledged that gambling, and especially electronic gaming machines, also contribute to many social problems, and that “problem gamblers” are responsible for a disproportionate component of gambling revenue and are associated with social problems including family pressures and breakdowns, as well as, in some instances, theft to support gambling habits.
7. The State Government therefore has in place a raft of regulatory, research and consultation measures intended to control gambling including electronic gaming; to investigate impacts and to devise ways of lowering risks and mitigating impacts. These actions fall within the overarching 2006 state policy, *Taking Action on Problem Gambling*.
8. These include the Victorian Commission for Gambling Regulation (the regulatory body); the Responsible Gambling Ministerial Advisory Council (as a peak policy advisory body); grants to gambling research projects; establishment of the Problem Gambling Research and Treatment Centre; funding of Gamblers’ Help services (to assist with casework for individuals and families affected by gambling); and some planning controls (by which local governments can place some restrictions on the placing of EGMs).
9. In 2006, an additional measure was taken through the funding by the Department of Justice via the Community Support Fund of a proposal by CAPP (Community Action on Pokie Problems) to establish a Community Advocate on Gambling, as an office tasked to assist community organisations and local governments to voice concerns on gambling issues and advance these to government.

10. The office of Community Advocate on Gambling, sponsored by CAPP and auspiced by VLGA, was staffed from March 2006 to March 2007, and located physically at the offices of the Victorian Local Governance Association.
11. The office was staffed by an experienced and relatively senior local government officer, assisted by a part-time research officer. Both resigned early in 2007 to pursue career opportunities.
12. The primary task of the present review has been to assess the lessons that can be learned from this experience, and, in the light of experience elsewhere, to provide advice as to whether and how, this function should be provided in future.
13. In summary, it can be said that the Community Advocate on Gambling role provided a valuable advocacy capacity to local government and community organisations in 2006-07 and demonstrated that such a role would provide a very valuable supplement to the very limited gambling advocacy capacity in local government and community organisations.
14. However the experience also showed that such a role must be better resourced to ensure a wider reach to local government and community organisations and to regional and rural communities; and that it must be better resourced to ensure that the role does not lapse when a key officer leaves.
15. Examination of overseas experience shows that significant Foundations exist to perform gambling research, advocacy and casework in New Zealand, Canada and Britain, and suggests that in the medium term, Victoria might do well to emulate these structures. The very large financial and fiscal significance of gambling (especially EGMs) needs to be paired with a very capable and independent community voice.
16. In the short term, this review finds that the Community Advocate on Gambling should be continued for a further three years, but with funding increased from 1.5 equivalent full time staff to 3.0 EFTS, continuing with its existing objectives.
17. This Review considers that over the coming three years, one task of CAOG should be to develop a proposal for future permanent and sustainable gambling advocacy arrangements (including assessment of the possible merits of a Victorian Gambling Foundation, and that this proposal should be put to community groups and the State Government for consideration).
18. Following sections provide advice on the achievements to date of the Community Advocate on Gambling; weaknesses of the model to date; suggested financing and governance arrangements for the next three years (2008-2011), and some principles that could be considered in a proposal for future advocacy arrangements.

Achievements of the Community Advocate on Gambling 2006-07

19. The following are the most significant achievements of the Consumer Advocacy on Gambling project during 2006-7:-

- Informed guidance was able to be provided to Councils and community groups making submissions to the Electronic Gaming machine licence review early in 2006;
- Professional discussion among local government planners was facilitated at or about the time Clause 52.28 of the Victorian Planning Provisions was amended to increase council powers over the placement of gaming machines;
- Joint action between peak bodies (VLGA, MAV and PIA) was achieved in relation to the changes in local government planning powers regarding gambling;
- Research was undertaken as to the extent to which councils had developed gambling policies or strategies, and as to the extent of their capability to deal with planning issues associated with gambling;
- CAOG was able to offer an additional advocacy voice before government, particularly at the Responsible Gambling Ministerial Advisory Council;
- A knowledge base on gaming issues was developed, and well organized files established at the CAOG's base in the VLGA office, and this will be of value to a successor.

20. These were significant initial achievements, and they suggest that the role of CAOG should be extended for a further three years based on the 2006 model, but with extended resources and some revisions to governance and reporting arrangements.

Weaknesses of the CAOG as implemented in 2006

21. Despite the considerable achievements of the CAOG project, it had a number of weaknesses. It is important to be clear as to what these were, in order to design an advocacy model for the future that is not exposed to them.

22. The following were the most significant weaknesses:-

- **Lack of continuity:** The CAOG project came to a standstill with the departure of the Advocate and the Research Officer to alternative career postings. It is important that gambling advocacy have continuity, and not be brought to a standstill because an individual needs to move on. Knowledge must be built up progressively; the resource must be available to the community when needed; and the considerable transition costs in reconstructing a new model, new relationships, and training staff from scratch need to be avoided. An organization with critical mass in personnel, and an ongoing financial stream is required if these problems are to be overcome;
- **Lack of reach and insufficient consultation:** The CAOG project had its focus toward government and in local government. These are very important aspects of gambling advocacy, but less than it needs to encompass. Gambling advocacy needs to be an activity that is supported through a wider range of community groups than was accomplished in 2006-7, and a wider geographical range (particularly in regional Victoria) needs to be served. These matters need to be part of the business plan of the next stage of gambling advocacy;
- **Lack of critical mass:** The CAOG with less than two effective full time staff did not reach critical mass;
- **Resourcing:** Financial resourcing was needed at a higher level to accomplish the CAOG model as envisaged in 2006. More ambitious models than the 2006 model would require commensurately greater funding. Whatever organizational model is chosen needs to be backed up with appropriate funding.

23. This review does not however suggest that the CAOG project had a lack of advocacy effectiveness. For its short life and limited resources, CAOG did place itself effectively in the gambling policy arena. Its leverage was quite considerable.

Conclusions and Recommendations:

Conclusions

C.1 The CAOG demonstrated clearly how a role positioned to serve both the local government sector and the not-for-profit welfare sector could contribute valuably to the capacity of both sectors in advocacy to regulators and in the development of new land use planning provisions for gambling. The focus on local government is appropriate and represents a clear area of pioneering for Victoria compared with other jurisdictions studied;

C.2 The CAOG set the scene for capacity building activity by surveying Council capabilities, and undoubtedly did contribute to and support community participation in the review process. On the other hand the scope of this capacity building work, which was an aspect of a multi-faceted role, was necessarily quite restricted;

C.3 The CAOG project came to a standstill with the departure of the Advocate and the Research Officer to alternative career postings. It is important that gambling advocacy have continuity, and not cease because an individual needs to move on. An organization with critical mass in personnel, and an ongoing financial stream is needed to overcome these problems;

C.4 CAOG did not establish an adequate consultation framework during 2006. Some of the elements were in place and no doubt would have been developed further had the appointment continued. However it will be important that any future gambling advocacy arrangements are grounded in a robust and inclusive consultative framework. This should be specified, at least in principle, in the description of the new arrangements;

C.5 Financial resourcing was needed at a higher level to accomplish the CAOG model as envisaged in 2006. More ambitious models than the 2006 model would require commensurately greater funding;

C.6 Informed guidance was able to be provided to Councils making submissions to the Electronic Gaming Machine licence review early in 2006;

C.7 Professional discussion among local government planners was facilitated at or about the time Clause 52.28 of the Victorian Planning Provisions was amended to increase council powers over the placement of gaming machines. Councils' ability to respond to these changes was clearly strengthened by the activities of the CAOG;

C.8 Joint action between peak bodies (VLGA, MAV and PIA) was achieved in relation to the changes in local government planning powers regarding gambling; this joint action was facilitated by CAOG and ensured unity of action among local government and planning peak bodies on this important issue – such unity of action on gambling policy sets a precedent that may prove invaluable;

C.9 CAOG undertook research that established the limited extent to which local governments had developed gambling policies or strategies, and as to the limited extent of their capability to deal with planning issues associated with gambling;

C.10 CAOG was able to offer an additional advocacy voice before government, particularly at the Responsible Gambling Ministerial Advisory Council;

C.11 A knowledge base on gambling issues was developed, and well organized files established at the CAOG's base in the VLGA office, and this will be of value to a successor gambling advocacy body;

C.12 The above observations amount to a strong endorsement of the achievements of the CAOG in 2006-07, but equally a clear conclusion that stronger institutional and financing arrangements are needed for community advocacy on gambling in Victoria in future.

Recommendations

R.1 The position of Community Advocate on Gambling should be continued for a further three years, should continue to be located at the Victorian Local Governance Association, and should as a matter of urgency be re-advertised and re-activated as soon as possible.

R.2 The CAOG should not seek to be the primary voice in media discussions about gambling policies, but rather should focus on helping local governments and other community organisations to understand gambling issues, develop gambling policies and formulate their own advocacy to government.

R.2 In the interests of sustainability and continuity, the CAOG should be supported by a second position and a full time Research Officer, thereby increasing resourcing from 1.5 EFTS to 3.0 EFTS.

R.3 The role of the Research Officer should primarily be one of research translation, dissemination and information sharing among advocacy groups, rather than one of conducting original research.

R.4 With the increase in staff, additional focus should be placed on reaching non-local government community groups, and regional and rural organisations (both local government and non local government)

R.5 The governance arrangements should be simplified so that the position reports to a Steering Committee chaired by the VLGA Executive Director and comprising several community members.

R.6 There should not be a separate Partnership Group.

R.7 The Department of Justice (the funding body) should not be represented on the Steering Committee, but instead there should be an annual verbal and written report to the Department detailing activities undertaken and acquitting the application of funds advanced.

R.8 The Minister should be asked to consider elevating the status of the Community Advocate on Gambling's status on the Responsible Gambling Ministerial Advisory Committee from "observer" to "member".

R.9 Prior to 2011, a detailed proposal for a Victorian Gambling Foundation and /or other models for permanent gambling advocacy in Victoria should be developed and put to Government and community groups for consideration.

R.10 This review considers that this examination should include assessment of a possible Victorian Gambling Foundation including consideration of the following features:

- 11.1 A statutory basis
- 11.2 An independent Board nominated in the founding statute
- 11.3 A duty to report annually to the Victorian Parliament
- 11.4 Hypothecated funding to the extent of 10-15% of the Community Support Fund
- 11.5 Functional responsibilities to undertake Gambling Advocacy, Research and Casework as directed by the Board

- 11.6 Power to make grants to community groups or local government in pursuit of its functions and/or to build distributed capacity to pursue those functions.

Discussion Paper No 1

*Review of the First Year's Operations
of the
Community Advocate on Gambling*

**Paper by
Prof E W Russell**

**For the Steering Committee
VLGA and Department of Justice**

November 2007

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Introduction

In 2006-07, the Department of Justice via the Community Support Fund funded the initiative of CAPP (Community Action on Pokie Problems) to establish a Community Advocate on Gambling, as an office tasked to assist community organisations and local governments to voice concerns on gambling issues and advance these to government.

The Community Advocate on Gambling, sponsored by CAPP and auspiced and housed by VLGA, and subject to oversight by DoJ, VLGA and community representatives, commenced in March 2006. Andrew Manning, a senior and experienced local government officer, was appointed as Advocate, later aided by a research assistant, Angela Nicholls. The appointment continued until March 2007¹, when the CAOG resigned.

The CAOG was active in advising local governments regarding proposed EGM licencing changes and planning law changes; in putting views to government on responsible gaming issues, and in establishing a data base and identity for gambling advocacy. Most emphasis was on pokies rather than other forms of gambling. The CAOG performed effectively within the limits of his budget and the time constraint of a single year's operations. However outreach beyond local government was limited. The 2006-07 CAOG activity however was of much more limited scope than gambling foundations in cognate jurisdictions including the UK, NZ and Canada, and was intended to be.

This Report reviews the pilot activity undertaken during 2006-07 by the Community Advocate on Gambling, as background to consideration of future institutional arrangements in this area. The broad conclusion is that the CAOG was a worthwhile initiative that resulted in valuable advocacy and support of local governments and community organisations. However it is concluded that the narrow resource base of a single officer is probably not enough to achieve a sustainable and effective advocacy function on a stand alone basis. It follows that an initiative of this kind, while valuable as a demonstration project, does not offer an adequate or sustainable model for effective gambling advocacy for the community.

-Prof Bill Russell, November 2007

¹ The CAOG submitted an Annual Report summarizing operations on 20 March 2007

1. Background

Gambling has been part of life in Victoria since first settlement. Traditionally, betting on horse and dog racing was the dominant form. The introduction of Tattersall's Consultations from Tasmania in 1956 provided a further expansion of gambling possibilities, with the Tattslotto variant particularly popular. Tattersall's held a state monopoly on lotteries, and in turn provided a secure revenue stream supporting state health spending. Legislation permitting a casino and electronic gaming machines (pokies) passed in 1989 set the stage for a further significant extension of gambling, and of state revenue derived from gambling. The introduction of EGMs in 1992 and Crown Casino in 1994 led to a concomitant concern around negative social impacts.

In its second term "Responsible Gaming Policy" the Bracks Government committed to creating the "Advocate for Responsible Gambling" to provide advice to government on the development of services and strategies to promote responsible gambling and to provide a channel for community concerns about gambling. The ARG would "assist community and voluntary organizations working with problem gamblers and provide advice on education strategies to encourage responsible gambling", working "closely with the Problem Gambling Round Table". This policy commitment was fulfilled with the appointment of the public advocate for responsible gambling in 2003 as an executive position within the Victorian Public Service.

The public advocate for responsible gambling existed for two years at which point the program was reformed. Prior to retirement in August 2005, the public advocate for responsible gambling recommended that a community organization be resourced to contribute to a community perspective on gaming policy, to place the advocacy arrangement in a more independent framework and to raise the capacity of the community to engage in public policy debate.

Subsequently a proposal was received from Community Action on Pokie Problems for a community based advocacy project to be delivered under the auspices of the Victorian Local Governance Association. The CAOG as created in 2006 was intended as a "community" advocate.. The word "community" was included in the title, and the emphasis on problem gambling was not as salient as previously. The CAOG was appointed in February 2006 and operated for approximately 12 months from to March 2007. Future arrangements for gambling advocacy now need to be considered in the light of the CAOG experience. Consideration also needs to be given to the emergence of new gambling opportunities, particularly internet gambling. These new opportunities may require new research, regulatory or advocacy responses. However the purpose of this paper is to identify achievements, strengths and weaknesses, and implications of the CAOG in its year of operation.

2. Objectives/Purpose of the Community Advocate on Gambling

The goal of CAOG was defined as “to give voice to, support, advocate and build community capacity to participate in environments of decision making so that a balance of views and thinking can be brought to advancing community input on gambling in Victoria”.

Key elements of this goal included that the CAOG would both advocate and build community capacity; that a ‘balance of views’ on gambling would be sought, and that the scope would be gambling (not just pokies).

Within this goal, the following objectives were specified:-

- Collating and disseminating information to assist the participation of community groups in the Electronic Gaming Machine (EGM) Licence Review;
- Contributing to planning and policy development processes in local government and the Victorian Government;
- Participating in and supporting others advocating responsible gambling measures within Government and industry and on the Responsible Gambling Ministerial Advisory Council;
- Conducting consultations and developing appropriate materials for the promotion of responsible gambling;
- Contributing to increased community ownership in responsible gambling practices and community engagement in addressing gambling related issues.

The following table provides the Advocate’s and the consultant’s comments on these objectives:

Objective	CAOG comment	Consultant’s comment
1. EGM Licences Review: Collating and disseminating information to assist community groups in the EGM licencing review	<ul style="list-style-type: none"> • Project commenced after the submission period for the EGM Licence review had closed • Assistance provided to councils and community groups as to preparing presentations • Advocate attended 70 hearings and assisted community and council presenters 	In a lengthy hearings process, providing support and organisation to presenters can be a vital activity. It appears that CAOG performed this function usefully during the EGM Licences Review.
2. Policy and Planning: Contributing to planning and policy development processes in local government and the Victorian Government	<ul style="list-style-type: none"> • CAOG engaged peak local government and planning bodies to work together on impending planning changes 	The CAOG’s work in co-ordinating peak body responses and surveying council gaming policies were useful activities responding to the key gambling policy change of

	<ul style="list-style-type: none"> Survey conducted of planning professionals and report published 	<p>2006; without the CAOG this work likely would not have occurred.</p> <p>The Survey showed that most Councils had limited or no resources with which to create or further develop gambling policies.</p> <p>However gambling policy and planning is wider than the planning law changes and there was less progress on other issues.</p>
<p>3. Participation in RGMAC and Industry Policy Processes:</p> <p>Participating in and supporting others advocating responsible gambling measures within Government and industry and on the Responsible Gambling Ministerial Advisory Council;</p>	<ul style="list-style-type: none"> Advocate attended RGMAC as an observer; staff participated in research and product safety working parties. 	<p>RGMAC observer status allowed CAOG to be aware of issues being put to Minister, although scrutiny of the Minutes may have been sufficient.</p> <p>Participation as an observer only at RGMAC would prevent the objective being fully realized.</p> <p>Participation in “industry policy processes” not apparent.</p>
<p>4.Consultation and Promoting Responsible Gambling:</p> <p>Conducting consultations and developing appropriate materials for the promotion of responsible gambling</p>	<ul style="list-style-type: none"> One public forum was held 	<p>This objective was not achieved.</p>
<p>5.Community ownership of responsible gambling:</p> <p>Contributing to increased community ownership in responsible gambling practices and community engagement in addressing gambling related issues</p>	<ul style="list-style-type: none"> No stakeholder agreement on what constitutes responsible gaming or how it could be measured. 	<p>An inappropriate objective due to its vague meaning.</p>

To some extent, the year of operation of CAOG must be viewed as a “demonstration project” or a test run, and in this respect, it would be reasonable to expect revision of the project’s objectives on the basis of experience. Among the areas of revision that the above table suggests are the following:

- The objectives do not clearly specify the importance of “community capacity building” in the advocate’s work. It could be argued that an important objective

could have been to build the capacity of local governments and community groups to advocate themselves. On the other hand, as a single operator the degree to which CAOG could actually expect to achieve capacity building is very limited. The CAOG set the scene for capacity building activity by surveying Council capabilities, and he undoubtedly did contribute and support community participation in the review process. On the other hand the scope of this capacity building work, which was an aspect of a multi-faceted role, was necessarily quite restricted;

- The objectives do not specify what the CAOG is to advocate directly for: i.e. there is no direction as to whether, in direct advocacy, the CAOG is to advocate for more or less gambling; for any alteration in the balance of gambling modes; for any or different roles for local governments or community groups; or as to how the matters for which the CAOG should advocate might be agreed;
- Two of the existing objectives, numbers 4 and 5, do assume that there is some consensus regarding what constitutes “responsible gambling”, and in the absence of such agreement it is not surprising that the CAOG made little progress against these objectives;
- There is no objective linking research to advocacy (or requiring an evidence base for what is advocated), although in his systematic work the CAOG did begin to develop a document base. The further building of a true evidence base would have required research beyond the scope of the position as resourced.

In the gambling advocacy arrangements to be adopted in the future, particular attention should be given to establishing clear and measurable objectives for the role. This matter is discussed further later in this paper.

3. Strategies Adopted

Within the objectives assigned to a role, there is often a choice that can be made as to the strategies chosen to achieve them. The following are the strategies used by the CAOG to achieve his objectives:

- **Data Collection:** CAOG developed a well structured filing system in the VLGA office that will provide a useful record of work during 2006-07 for any successor person or body, and which provides a useful initial data base on gambling advocacy issues generally;
- **Research:** A Research Officer was appointed, although there are distinct limits to what a single research officer can achieve. Funding was not sufficient for the CAOG to commission external research, although such research would have been necessary to provide a rational evidence base for advocacy;
- **Survey:** CAOG conducted a Questionnaire Survey of local governments to establish the scope (if any) of their gambling policies and the extent to which they had planning resources able to work on gambling policy issues. Although just one survey was conducted, and it was limited to the local government sector, it provided greater understanding about the extent to which councils were advanced on gambling policy or had further work to do;
- **Collaboration:** In relation to the changes in planning law concerning gambling, CAOG used the strategy of collaboration to draw VLGA, PIA and MAV together. This appears to have been a significant strategic achievement;
- **Support at Hearings:** CAOG provided support to councils and community groups at Public Hearings on the Licencing Review. This appears to have added significant value and co-ordination to community input into this process.

Equally, the constraints of resources and time precluded CAOG from adopting a number of the basic strategies that would be expected in the support of community advocacy. Most particularly, these include:

- **In Depth Research:** There was no capacity to undertake or commission significant empirical research that could provide an evidence base for advocacy, although the Victorian Government has funded research on gambling issues through other channels upon which the Advocate will be able to draw;
- **Capacity Building:** There was very limited capacity to develop the skills of Councils or community groups to participate in policy advocacy. Such skills include knowledge of the issues, preparation of submissions; community consultation etc;
- **Publicity and Media Relations:** There was very limited capacity to develop a public profile or to make public statements advocating courses of action. In fact

the CAOG reported that instances of media attention often elicited critical comment from various stakeholders;³

- **Issues Papers and Public Consultations:** Only one public consultation was held during the year.

Examination of the strategies adopted by CAOG shows a judicious and often skilful use of the strategies available within a tight resource ceiling, but it is of concern that the role was precluded from some of those strategies listed above that are normally essential for an effective advocacy function. Attention needs to be paid to the future scale, funding, sustainability and independence of the role, and these matters are discussed later.

³ Interview with Andrew Manning, former CAOG, 1 August 2007

4. Initiatives

Planners' Forum...

As of 18 October 2006, the Victorian Government changed gaming provisions in Clauses 19, 52.28 and 72 of the *Victorian Planning Provisions*. The key change was that a planning permit is now required for all gaming machines – previous as of right provisions no longer apply.⁴ Venue proponents would in future be required to obtain planning permission from local government before they are eligible to seek a licence from the Victorian Commission for Gambling Regulation.

On 24 October 2006, the CAOG organized a meeting of a working party on “Changes to Gaming Provisions in Planning Schemes”. The meeting was described as a ‘Sector Working Party’, and it brought together representatives of VLGA, MAV and PIA. The working party agreed to hold a joint forum in November for local government planners.

On 17 November 2006, the joint Planning Forum on *New Planning Requirements for Gambling Venues* was held at the Monash Conference Centre, 30 Collins Street Melbourne, jointly auspiced by the Victorian Local Governance Association, the Municipal Association of Victoria and the Planning Institute of Australia.

Key Speakers were Peter Cohen, the Executive Commissioner of the Victorian Commission for Gambling Regulation, Yvonne Magitto of Maddock’s Lawyers, Dr Kate Kerkin from the Planning Institute of Australia, and Jenny Dzomba from the Department of Sustainability and Environment.

The Forum was significant in that it brought together a combined activity from local government and planning peak bodies at which planners could discuss the new gambling provisions, hear from experts, but do so outside the ambit of a formal government briefing.

Survey of Gambling Policies

In November-December 2006, **CAOG** in partnership with VLGA, MAV, PIA and QUIT, conducted a survey of planning professionals in Victoria to ascertain their knowledge of gambling legislation and policy. Associated with this, an audit was conducted of the extent of gambling policies in local government. The audit identified 47 local governments for which no gambling policy could be found, and 31 instances where a policy had been established or was under development.

The Survey also allowed CAOG to establish a collection of local government gambling policies. Such a resource could be very valuable in future by allowing local governments wishing to develop their own policies to reference best practice and to build on the experiences of others.

CAOG published these findings in a detailed, 40-page Report in January 2007.⁵

⁴ Department of Sustainability and Environment, Advisory Note October 2006, “Changes to the Gaming Provisions in Planning Schemes”, p. 1.

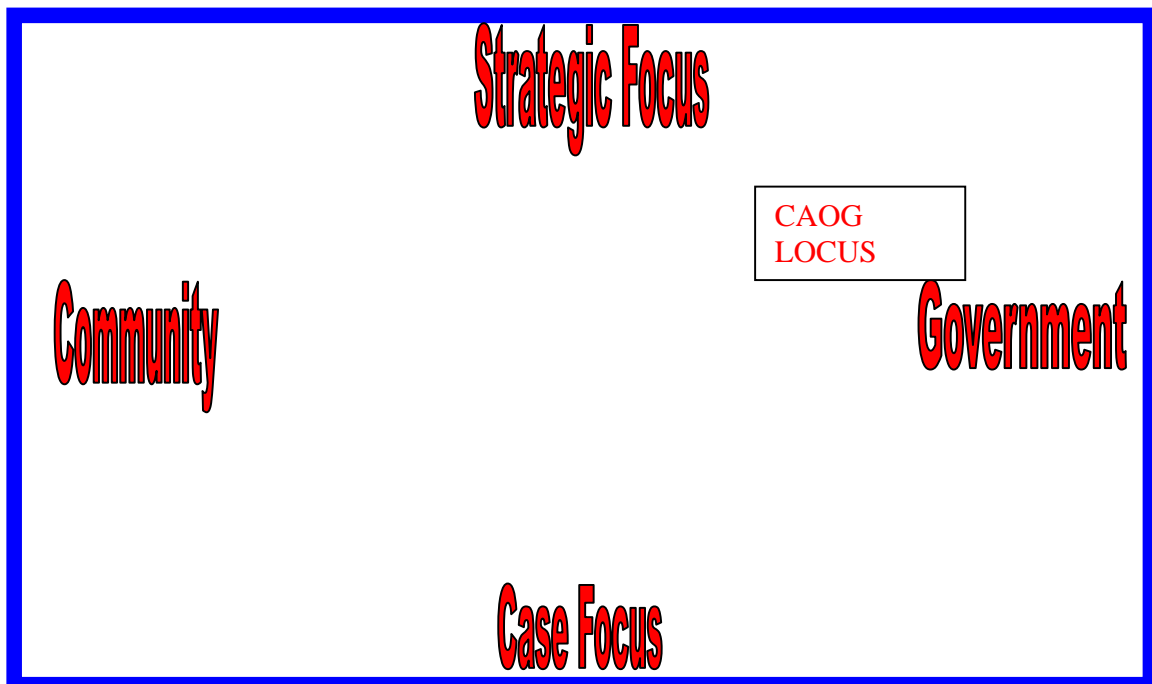
⁵ Community Advocacy on Gambling Project, Report, *Gaming, Tobacco and Local Government in Victoria: A State of Readiness?* January 2007.

This Report was extremely valuable in establishing that many councils did not have a gambling policy in place, and demonstrated the useful, perhaps essential link, between research and advocacy. In this instance, the report and survey related to the state of knowledge in the planning profession and in local government about gambling policy issues, rather than any aspect of the social or economic impact of gambling itself. However its usefulness lay in demonstrating that without some form of advocacy assistance or capability building, local governments frequently had been unable to develop a policy or knowledge base from which to respond to gambling issues.

5. Responsiveness

During its year of operation, CAOG showed a good awareness and responsiveness to issues at the strategic policy end of the spectrum, and to organisations in the government and local government arena. The CAOG could be viewed as less responsive to individual cases, specific local planning disputes, and issues surrounding community groups and problem gamblers.

The following diagram represents the overall positioning adopted by CAOG:-



Responsiveness to Government

CAOG was closely involved during 2006 with State Government policy developments in the gaming field, including the EGM licencing review, the adoption of new planning provisions concerning gaming machines, emerging policy issues concerning internet gaming, and participation on the Responsible Gambling Ministerial Advisory Council. In circumstances of finite resources, such concentration is justified in that the greatest leverage for change, and hence the most cost-effective advocacy, is likely to exist closest to where power is exercised; in this case the Minister for Gaming, the Victorian Government and Parliament.

Responsiveness to Community

Positioning of the CAOG within the Victorian Local Governance Association provided an opportunity realized by the advocate to form associations with and to respond to gambling issues facing local governments. Such issues include matters of planning policy as well as support and assistance to local government in its governance and representational roles, that is, in consulting with local communities on gambling issues and on conveying views to state or federal government through appropriate channels, such as licencing reviews, productivity commission or parliamentary inquiries etc.

CAOG forged appropriate links with the planning profession and planning professionals working in local government via publicity, the planners' forum, the survey of local government planning policies in relation to gambling, and through regular contact with the Planning Institute of Australia and mention in the *Planning Institute Journal*. CAOG perhaps had less reach through to Councillors and to sociological issues that might concern other council departments.

Although local government itself represents a significant community voice and community link, CAOG's reach to other community organisations beyond local government was more limited. A reference group comprised representatives of significant community organisations involved in gambling issues, including churches, Gamblers Help etc however the CAOG had no discernible role in developing the advocacy capacity of these organisations. The potential of CAOG as a source of advocacy support was recognized by the Council of Gamblers' Help Services in its 2006 publication *Some Facts about Pokies*.⁶ Doubtless a continuing gambling advocacy facility would progressively develop links with wider organisations in the community, although this was not a dominant feature of the 2006 experience.

⁶ Council of Gambler's Help Services (2006), *Some Facts about Pokies*, Richmond Vic.

6. Consultation

A role entitled “community” advocate on gambling is one that must be informed by well-structured and regular community consultation. Such consultation is necessary to ensure that the focus and priorities pursued reflect community concerns rather than those developed by the advocated independently.

Means available to a community advocate to consult regarding gambling policy issues might reasonably include:

- Regular meetings with a reference group, comprised of representatives from significant community organisations involved in gambling issues;
- Occasional open forums to establish contact with other concerned groups;
- Regional forums to obtain non-metropolitan contacts and views;
- Publicity or newsletters through peak bodies such as VCOSS, VicHealth etc.;
- An interactive website capable of securing contact from community organisations.

As well as these specific community contacts, some level of contact with regulators, other advocacy bodies, and with the gambling industry would be a necessary part of the advocate’s role.

CAOG did not establish an adequate consultation framework during 2006. Some of the elements were in place and no doubt would have been developed further had the appointment continued. However it will be important that any future gambling advocacy arrangements are grounded in a robust and inclusive consultative framework. This should be specified, at least in principle, in the description of the new arrangements.

7. Achievements

The following are the most significant achievements of the Consumer Advocacy on Gambling project during 2006:-

- Informed guidance was able to be provided to Councils making submissions to the Electronic Gaming machine licence review early in 2006;
- Professional discussion among local government planners was facilitated at or about the time Clause 52.28 of the Victorian Planning Provisions was amended to increase council powers over the placement of gaming machines;
- Joint action between peak bodies (VLGA, MAV and PIA) was achieved in relation to the changes in local government planning powers regarding gambling;
- Research was undertaken as to the extent to which councils had developed gambling policies or strategies, and as to the extent of their capability to deal with planning issues associated with gambling;
- CAOG was able to offer an additional advocacy voice before government, particularly at the Responsible Gambling Ministerial Advisory Council;
- A knowledge base on gaming issues was developed, and well organized files established at the CAOG's base in the VLGA office, and this will be of value to a successor gambling advocacy body.

These are quite impressive initial achievements, and they suggest that one option for the future would be to renew the role of CAOG more or less on the 2006 model, and continue to build on the foundations that have been laid. However, there are a number of weaknesses also associated with the 2006 model, and these are discussed next.

8. Weaknesses of the CAOG as implemented in 2006

Despite the considerable achievements of the CAOG project, it had a number of weaknesses. It is important to be clear as to what these were, in order to design an advocacy model for the future that is not exposed to them.

The following are the most significant weaknesses:-

- **Lack of continuity:** The CAOG project came to a standstill with the departure of the Advocate and the Research Officer to alternative career postings. It is important that gambling advocacy have continuity, and not be brought to a standstill because an individual needs to move on. Knowledge must be built up progressively; the resource must be available to the community when needed; and the considerable transition costs in reconstructing a new model, new relationships, and training staff from scratch need to be avoided. An organization with critical mass in personnel, and an ongoing financial stream is required if these problems are to be overcome;
- **Lack of reach and insufficient consultation:** The CAOG project had its focus toward government and in local government. These are very important aspects of gambling advocacy, but less than it needs to encompass. Gambling advocacy needs to be an activity that is supported through a wider range of community groups than was accomplished in 2006, and a wider geographical range (particularly in regional Victoria) needs to be served. These matters need to be part of the business plan of the next gambling advocacy organization;
- **Lack of critical mass:** The CAOG with less than two effective full time staff did not reach critical mass;
- **Resourcing:** Financial resourcing was needed at a higher level to accomplish the CAOG model as envisaged in 2006. More ambitious models than the 2006 model would require commensurately greater funding. Whatever organizational model is chosen need to be backed up with appropriate funding – the scale and scope of this will be discussed in later reports.

This review does not however suggest that the CAOG project had a lack of advocacy effectiveness. For its short life and limited resources, CAOG did place itself effectively in the gambling policy arena. Its leverage was quite considerable.

9. Concluding Observations:

Important lessons can be learned from the experience of the CAOG pilot project in 2006-07. These lessons should be borne in mind in considering future institutional arrangements for community gambling advocacy in Victoria:

- The CAOG demonstrated clearly how a role positioned to serve both the local government sector and the not-for-profit welfare sector could contribute valuably to the capacity of both sectors in advocacy to regulators and in the development of new land use planning provisions for gambling. The focus on local government is appropriate and represents a clear area of pioneering for Victoria compared with other jurisdictions studied;
- The CAOG set the scene for capacity building activity by surveying Council capabilities, and undoubtedly did contribute to and support community participation in the review process. On the other hand the scope of this capacity building work, which was an aspect of a multi-faceted role, was necessarily quite restricted;
- The CAOG project came to a standstill with the departure of the Advocate and the Research Officer to alternative career postings. It is important that gambling advocacy have continuity, and not cease because an individual needs to move on. An organization with critical mass in personnel, and an ongoing financial stream is needed to overcome these problems;
- CAOG did not establish an adequate consultation framework during 2006. Some of the elements were in place and no doubt would have been developed further had the appointment continued. However it will be important that any future gambling advocacy arrangements are grounded in a robust and inclusive consultative framework. This should be specified, at least in principle, in the description of the new arrangements;
- Financial resourcing was needed at a higher level to accomplish the CAOG model as envisaged in 2006. More ambitious models than the 2006 model would require commensurately greater funding;
- Informed guidance was able to be provided to Councils making submissions to the Electronic Gaming Machine licence review early in 2006;
- Professional discussion among local government planners was facilitated at or about the time Clause 52.28 of the Victorian Planning Provisions was amended to increase council powers over the placement of gaming machines. Councils' ability to respond to these changes was clearly strengthened by the activities of the CAOG;
- Joint action between peak bodies (VLGA, MAV and PIA) was achieved in relation to the changes in local government planning powers regarding gambling; this joint action was facilitated by CAOG and ensured unity of action among local

- government and planning peak bodies on this important issue – such unity of action on gambling policy sets a precedent that may prove invaluable;
- CAOG undertook research that established the limited extent to which local governments had developed gambling policies or strategies, and as to the limited extent of their capability to deal with planning issues associated with gambling;
 - CAOG was able to offer an additional advocacy voice before government, particularly at the Responsible Gambling Ministerial Advisory Council;
 - A knowledge base on gambling issues was developed, and well organized files established at the CAOG's base in the VLGA office, and this will be of value to a successor gambling advocacy body;
 - The above observations amount to a strong endorsement of the achievements of the CAOG in 2006-07, but equally a clear conclusion that stronger institutional and financing arrangements are needed for community advocacy on gambling in Victoria in future.

Discussion Paper #2:

***Comparative Structure Models for
Gambling Advocacy***

**Paper by
Prof E W Russell**

**For the Steering Committee,
VLGA and Department of Justice**

November 2007

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Introduction

Public interest advocacy is now a well established and accepted feature of the modern state, and there are numerous examples of advocacy organisations in Australia.

Such organisations seek to advance the interests of particular groups of consumers, ethnic or disability groups, to ensure that policy interests of the groups represented are voiced, and ideally influence the evolution of public policy.

Typically such groups are government-supported or self-funded not-for profit organisations, and they may range from single person or narrowly based organisations through to national public interest voices such as the Australian Consumers' Association or massive lobby groups such as the RACV. Regardless of scale, issues of representation, legitimacy and governance arise, and such organisations must continually demonstrate that they speak for members, not for some elite or restricted group.

Where government perceives that specific groups are at risk of harm, or at least in need of support to voice policy concerns, a range of public policy instruments may be deployed to support and focus public interest advocacy activity. Special legislation, hypothecated funding, mandatory processes of public hearing or consultation, and direct financial support, are among the policy instruments used.

Victoria has pioneered several forms of state supported public interest advocacy. From 1984, it was recognized that low income energy consumers were greatly affected by the pricing and customer policies of electricity and gas utilities, and public funding was made available to support advocacy. The creation in 1987 of the Victorian Health Promotion Foundation, using funds diverted by statute from tobacco advertising, drew world wide attention and overseas imitations. Consumer Utilities Advocacy Centre, created within the Department of Justice in 2002 showed how a Government Owned Company could independently advocate and support capability building in diverse community groups. Many portfolios of state government also provided direct grants to community groups in support of advocacy, notwithstanding that advocate groups by necessity are often critics of government policy.

Victoria has also pioneered gambling advocacy, particularly through the CAOG initiative, and is the only Australian state with such arrangements. In relation to gambling advocacy, the establishment of the Community Advocate on Gambling in 2006 recognized the need for public support of gambling advocacy in Victoria, reflecting the size of the gambling industry in the state, the social significance of problem gambling, and the need to assist community groups to articulate and voice policy preferences. The scale of the CAOG is considerably more modest than the large gambling foundations that have come into existence in cognate countries, such as Canada, New Zealand and the UK. This is to be expected given the difference in scale between national arrangements and those that are appropriate for a state jurisdiction. Nonetheless, it is now time for Victoria to consider whether more sustainable gambling advocacy arrangements should be created here. Other Australian states have not as yet created significant bodies of this kind; however Victoria often leads the way in advocacy arrangements.

This paper considers possible structures for gambling advocacy, and identifies relevant criteria, generic models, and overseas case studies with a view to informing discussion on this issue.

-Prof Bill Russell, November 2007

A. Criteria for determining an appropriate model:

Any discussion of the merits of proposed structures for gambling advocacy needs to begin by considering the criteria by which a proposed structure should be judged. In this context, it should be noted that there are significant divergences in the functions assigned to various gambling advocacy bodies and foundations, and consequently some need for a range of criteria to be applied suited to the objectives in view.

The core criteria for assessment suggested derive loosely from a Commonwealth Department of Finance and Administration guideline issued in 2003 on the evaluation of outputs. These criteria appear relevant to considering possible gambling advocacy structures, to the extent that advocacy (rather than say, research or casework) is central. Some supplementary criteria relevant to these other functions follow. Where relevant, the criteria are mentioned in Sections B and C of this report, and concluding observations are provided in Section D providing some overall judgments in light of the criteria.

A.1 Criteria relevant to Gambling Advocacy

A.1.1 Effectiveness

The most important single criterion for effective advocacy is effectiveness, that is, the outcome that, as a result of advocacy the policy or regulatory change sought by the advocate has been made by Parliament or by the Government. Policy advocacy is about changing policy, and an effective advocacy structure is one that is likely to and is in practice, able to affect official thinking and secure change.

A.1.2 Sustainability

An important feature of an effective advocacy structure is its sustainability, or the capacity of the structure to survive over time, despite political and personnel changes, and in light of available funding possibilities. In this respect, the RACV, founded in 1903 as a body to advocate the interests of a small minority of motorists whose activities were tightly regulated by government, illustrates this well. By contrast, an advocacy structure that cannot last through a change of government, a change of thinking, a change of personnel or a change of regulatory apparatus, is unlikely to develop the lasting expertise and respect that effective advocacy requires.

A.1.3 Quality

Advocates must operate in a contested environment, and mix it with skilled operators defending or promoting interests that often are diametrically opposed to what they seek. Community advocates and advocacy organisations that can develop a reputation for quality contributions will continue to receive entrée to consultations, and their contributions will be treated seriously. By contrast, slipshod, unprofessional or hasty advocacy, or advocacy that seeks to substitute personal abuse for argument and analysis, will not be respected, or in many cases funded or heeded. An effective advocacy structure will be one with the capability for quality work, which in turn means professionalism and quality control, as well as patience and supervision in the preparation of submissions and public statements.

A.1.4 Efficiency/Transactions Costs

Resources available to community advocacy are likely to be limited, and often starkly limited, in contrast to those available to other parties in a regulatory process. Gambling providers will always be able to devote many times more resources to advocating their preferences than community groups or local governments will have to promoting community interests. An advocacy structure that can be operated efficiently, with low overheads or "transactions costs", will maximize the leverage to advocacy that available funds can provide. This is therefore a significant factor to consider in choosing a new structure for gambling advocacy.

A.1.5 Independence/Arm's Length

Gambling advocacy, like other community advocacy in regulated markets, largely concerns advocating community interests with legislators and regulators; though at times there may be instances of advocacy with gambling providers or other intermediaries. Since it is likely that government funding, whether hypothecated or voted, will form a significant part of the resources available to a community gambling advocacy body, it is particularly necessary to be able to demonstrate real independence and arm's length from government. This does not necessarily mean that a gambling advocacy body cannot be a government corporation, or a government-owned company, or even have its chair or board appointed by a Minister. At the same time careful design of the protections for independence are critical in considering a blueprint for a gambling advocacy body. Similarly, independence from gambling providers is an essential requirement.

A.1.6 Good Governance

As with any organisation seeking to represent the community, a community gambling advocacy structure needs to embody good governance. It needs to regularly consult with a wide constituency base, have a governing board free of conflicts of interest that is reflective of community constituents in makeup and outlook, and it needs to adopt processes, particularly where public funds are to be distributed or matters of public policy are to be debated, that have integrity and are free from reproach. A publicly visible and responsive body with transparent operating procedures should be the goal

A.2. Additional Criteria relevant to a Gambling Research Function

If the advocacy structure is to engage in gambling research, additional criteria will be needed. These will not be developed in full here but would include:

- A.2.1 A capacity (whether in-house or external) to judge research methodologies
- A.2.2 A structural capacity to undertake evidence based research in an ethical way

A.3 Additional Criteria relevant to individual or Casework Functions

Similarly if the advocacy structure is to engage in casework, additional relevant criteria will be needed. Including

- A.3.1 A capacity (whether in house or external) to provide appropriate professionals skilled in the professional expertise such as social work or financial counselling, that may be needed
- A.3.2 A structural capacity to undertake casework in an ethical way.

A.4. Use of these Criteria

These criteria have been articulated to assist in evaluating the range of structural models discussed in this paper. Concluding observations in Section D discuss the applications of these criteria further. It is hoped that the criteria would also assist in two other ways:

- A.4.1 As an input to community or decision maker consideration and discussion of the models
- A.4.2 Later, in independent assessment of whatever model is implemented.

B. Generic Models:

B.1: Centre of Excellence Model

Description:

Under the Centre of Excellence model, resources available for gambling remediation would be focused on a primary centre, which can amass sufficient professional expertise and influence to provide a stable focus and lead for the gambling advocacy objective.

Why a Centre of Excellence?

The Centre of Excellence model is informed by the insight that if available resources are dispersed thinly to a number of players, a number of significant risks will be posed to the effectiveness of effort. These are:

- Too few resources to cover the range of skills needed, for example, knowledge of gambling systems and issues; knowledge of legal and regulatory aspects of gambling; knowledge of local government and planning issues relevant to gambling; knowledge of social impact and public health relationships pertinent to gambling policy;
- A risk to continuity of effort and secure development of organisational expertise around gambling, since if only one person can be employed, expertise will be lost should that person leave to pursue career opportunities;
- A risk that if too few resources are devoted, attention to gambling issues will be swamped by other priorities that an organisation may have;
- A risk that a small and unfocused resource may not be able to develop sufficient profile and credibility to be a significant voice in the community and in political decision making;
- A risk that dispersed resources may not be able to obtain a sufficient financial base for sustained operation;
- A risk that a dispersed resource may lose independence through excessive dependence on a particular source of funds.

Roles of a Gambling Advocacy Centre of Excellence

Several versions of a centre of excellence may be considered, with narrower or broader roles, for example:

- B1.1 A centre of excellence that undertakes gambling advocacy only;
- B1.2 A centre of excellence that undertakes a wide range of gambling remediation responses, such as
 - advocacy and the provision of policy voice
 - capacity building of smaller and regional advocacy organisations
 - ensuring that smaller organisations accrue a legacy of expertise and resources
 - gambling research
 - services to problem gamblers, including counselling and casework
 - publicity and public education



B.1.3 A centre of excellence that undertakes

- direct gambling advocacy
- the allocation of a hypothecated cash flow to distributed advocacy organisations⁷

Existing organisations that would come within the definition of a Centre of Excellence would include Vic Health, Consumer Utilities Advocacy Centre, New Zealand Problem Gambling Foundation and the Nova Scotia Gaming Foundation. It is noted that these are generally on a larger scale than has been envisaged for gambling advocacy in Victoria; however this does not mean that a Centre of Excellence model could not be implemented, at an appropriate scale, for gambling advocacy in Victoria.

A Variation: Attachment to an existing Centre of Excellence-

In considering the merits of a Centre of Excellence as the model for gambling advocacy, consideration could be given to attaching the Centre to one of the related existing centres of excellence, such as VicHealth or CUAC. This would allow transactions costs and overheads to be shared, and allow a new gambling centre of excellence to build on the corporate advocacy expertise of the centre to which it was attached. Should such a model be adopted, specific measures could be taken to establish the desired degree of separate profile, separate governance and partitioned accounts.

⁷ The adoption of hypothecated funding may pose significant implementation issues including a likely requirement for legislation.

B.2: Distributed Resourcing Model

Description:

Under the Distributed Resourcing Model, the objective of the Gambling Advocacy Centre would be to develop a distributed advocacy capability in a range of community organisations, thereby devolving and decentralizing the advocacy function. Under such a model, the GAC would receive funds from the Gambling Industry (either by hypothecation or express allocation). The focus of the Centre would be to provide an equitable mechanism for the distribution of available funds, to develop methods of promoting capacity building in community organisations and local governments undertaking gambling advocacy, and in assessing the effectiveness of distributed advocacy centres.

Why a Distributed Model?

This model has merit in that it empowers diverse community voices, but involves difficulties in relation to the uneven effectiveness of such voices. The distributed model is consistent with a narrow or broad range of gambling advocacy functions, or with different distributed centres having different roles or emphases in their work. It tends to result in a dilution of expertise compared with the centre of excellence model.

Key **strengths** of the Distributed Resourcing Model are:

- Resources and capability are devolved and decentralized;
- Community capacity building is maximized;
- Communities and local governments are empowered and can pursue gambling advocacy programs directly relevant to their own needs and endorsed through their own governance structures;
- The possibility is increased of providing gambling advocacy capability to diverse and scattered geographical and social/ethnic communities.

Weakness or risks of the Distributed Resourcing Model are:

- Gambling advocacy will not be a core business item and may not even have visibility in all the distributed organisations, so that attention to gambling issues may be swamped by other priorities;
- A risk that a small and unfocused resource may not be able to develop sufficient profile and credibility to be a significant voice in the community and in political decision making;
- A risk that dispersed resources may not be able to obtain a sufficient financial base for sustained operation;
- A risk that a dispersed resource may lose independence through excessive dependence on a particular source of funds;
- Significant transactions costs (overheads) are involved in ensuring a rational distribution of funds, e.g. distributed bodies may have to submit detailed applications and these must then be comparatively and fairly assessed: this process can be costly in resources and involve delays;

- The model inherently involves a focus on capacity building, and while capability building in the distributed organisations is a worthy objective, it is not a straightforward one, and it is also a difficult process to sustain and to measure.

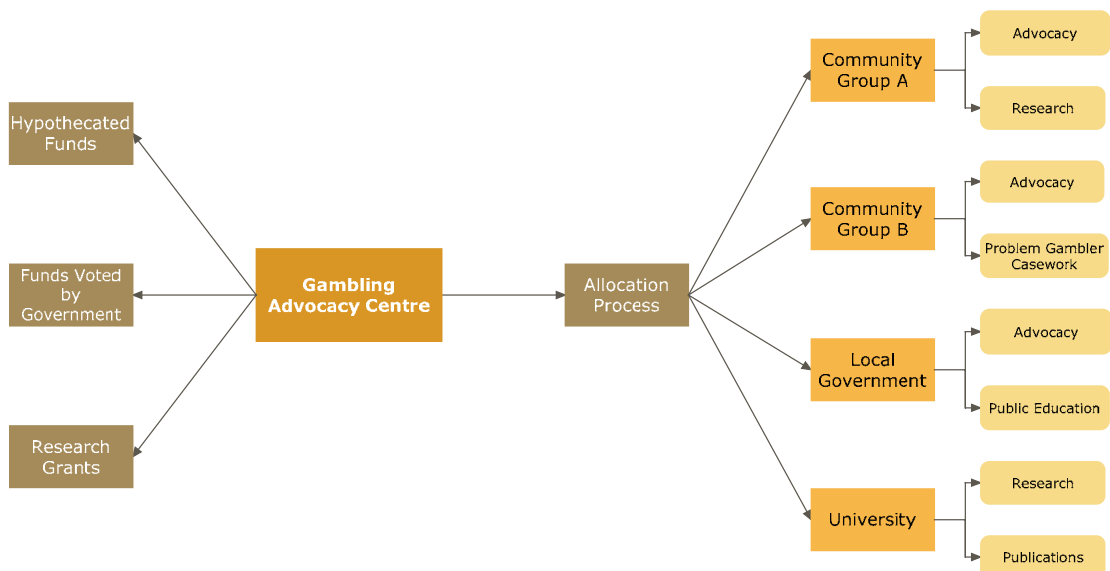
Roles of a Gambling Advocacy Centre under Distributed Resourcing Model

Under the Distributed Resourcing Model, the key focus of the central organisation is on receiving and distributing funds to community and local organisations, with attendant process management and monitoring processes. Community capability building is a central concern in this model.

Distributed organisations are responsible for delivering outputs which may cover the chosen or approved range including-

- advocacy and the provision of policy voice;
- gambling research;
- services to problem gamblers, including counselling and casework;
- community consultation;
- participation in land use planning cases;
- publicity and public education.

A Distributed Resourcing Model for Gambling Advocacy



Existing organisations that would come within the definition of a Distributed Resourcing Model would include:

National Electricity Markey Consumer Advocacy Panel
 Consumer Utilities Advocacy Centre
 Nova Scotia Gaming Foundation

B.3: Outsourced Advocacy

Description:

Outsourced advocacy can exist when a community group is provided with the financial resources to engage a professional research company, university or consultancy firm to develop advocacy papers or actions on its behalf. Under this Model, the building of advocacy capability in community groups is not seen as the primary objective. Instead, the aim would be to commission authoritative and influential studies capable of changing government policy.

Why an Outsourced Model?

This model addresses the advocacy objective of effectiveness in achieving policy change rather than objectives around devolving or decentralizing power, or building community capability. While an auspicing body, such as a community group or a local government, may specify the study or report to be undertaken, the authority of the policy advocacy arises from the academic or professional reputation of the group conducting the work, and typically the study is labeled and attributed to a respected consultancy or research firm, academic, or university centre. A perceived merit of the approach is that a quality output is extremely likely and the need for detailed supervision, monitoring or follow up is less likely. It has merit in that it empowers diverse community voices, but involves difficulties in relation to the

Key **strengths** of the Outsourced Model are:

- Advocacy effectiveness is enhanced by the professionalism of the consultants or university undertaking the research;
- Available funds are directly spent on research and data, without losses due to applications processes, detailed staff training and monitoring, and internal reporting;
- Community groups can capture and use the reputation of the group commissioned to undertake the work;
- The danger that available funds for advocacy will be diluted and ineffectively used is reduced;
- The outsourced researchers can assist community groups in identifying matters for advocacy.

Weakness or risks of the Outsourced Model are:

- Grass roots empowerment through the decentralization and devolution of decisions about the shape of advocacy may be lessened;
- Community and local government capability in advocacy and knowledge of the issues is not developed;
- The consultants or university researchers may develop too dominant a role in problem definition and agenda setting leading to a technocratic dominance that is not appropriate;
- Excessive fees may be charged for the work done.

Roles of a Gambling Advocacy Centre under Outsourced Advocacy Model

Under the Outsourced Advocacy Model, the key focus of the central organisation remains that of receiving and distributing funds to community and local organisations, however those organisations under this model work closely with consultants or researchers to develop agendas. The community groups or local governments do not seek to build internal capacity and do not employ extra staff as the work is supervised by core social services staff.

Outsourced advocacy is particularly suitable where a technical, demographic or sophisticated sociological research base is required to support what is being advocated.

Where outsourced advocacy is employed, councils or community organisations may need to take special steps through committees, consultations and public meetings to ensure that consultants are conversant with community or membership aspirations and priorities. Outsourced advocacy is suitable for use in most gambling advocacy functions except perhaps casework, although that could also be outsourced under appropriate guidelines.

Outsourced advocacy could address:

- advocacy and the provision of policy voice;
- gambling research;
- services to problem gamblers, including counselling and casework;
- community consultation;
- participation in land use planning cases;
- publicity and public education.

A prime example of Outsourced Advocacy is the activities of the Major Energy Users group through the National Electricity Market Consumer Advocacy Panel. The MEU 's advocacy requirements are almost entirely met by a single firm of specialist consultants, who also play a large role in advising the MEU as to their advocacy agenda.

However local governments also commission advocates of this kind on a variety of issues, e.g. the 2004 study commissioned by the City of Knox advocating a railway to Rowville.

B.4: Hybrid Models

Description:

Hybrid Models are those which combine some of the features of the above models in combination. For example, Consumer Utilities Advocacy Centre is recognized as a Centre of Excellence in its own right, providing leadership advocacy and employing a larger core of staff than other centres in the field. However it is also involved in Distributed Resourcing and capability building, particularly through two important programs, its Public Grants Program and its Rural and Regional Program.

Why a Hybrid Model?

A Hybrid Model allows arrangements to be adopted that meet the specific identified needs of a community. For example, it may be accepted that a leadership centre (a Centre of Excellence) is needed for gambling advocacy, but it may also be decided that support for gambling advocacy capability among local governments, community groups, and in rural and regional areas, is required. Under these circumstances a Hybrid like CUAC might be appropriate.

Key **strengths** of the Hybrid Model are:

- The combined strengths of the Centre of Excellence and Distributed Resourcing Models as outlined above.

Weakness or risks of the Outsourced Model are:

- The difficulty of trying to be “all things to all men”: i.e. of allocating managerial and financial resources to objectives that may pull in different directions;
- The difficulty of providing enough resources to both nurture growing capability in distributed centres and maintain a strong and respected advocacy group at the centre.

As has been mentioned, CUAC in Australia and the Nova Scotia Gambling Foundation are to some extent examples of hybrid models. The proposed Victorian Gambling Foundation would also fall into this category.

C Case Studies

C.1: New Zealand

Problem Gambling Foundation of New Zealand

Role:

The Problem Gambling Foundation of New Zealand provides a range of free services to clients including day and evening counseling.

It has a close relationship with the Centre for Gambling Studies, which is part of the Faculty of Medical and Health Sciences at the University of Auckland

Structure:

The Problem Gambling Foundation of New Zealand is a not-for-profit organisation with charitable status.

Governance:

The Problem Gambling Foundation is run by a Board of nine directors. The Chairman is an Auckland City Councillor, who is very active in local government, social services and community affairs. The board includes 3 women and 3 Maoris, one of whom is a Rotorua City Councillor.

Budget:

New Zealand's twin gambling organisations are extensively resourced. The Foundation for Gambling Studies employs 60 staff located throughout New Zealand, while the Centre for Gambling Studies has a Director at Associate Professor level and seven other research staff with significant experience in gambling research

Comment:

While none of the New Zealand organisations has gambling advocacy as its central role, the two cognate functions of assistance to problem gamblers and gambling research, are well resourced.

C.2 Canada

Nova Scotia Gaming Foundation

Role:

The Nova Scotia Gaming Foundation exists to receive, maintain and disburse funds in support of gambling research or education or the treatment or remediation of gambling problems. Grants are dispensed in three categories in accordance with percentages agreed in a Memorandum of Understanding with the Department of Health as follows:

- District Health Authorities for addiction services – 50%
- Knowledge development translation and dissemination, community capacity building in problem gambling – 37.5%
- Special funding for addiction related problems

Structure:

The Nova Scotia Gaming Foundation is established by a provincial statute, *The Gaming Control Act*. Since February 2006, the Foundation has been run by a Board of Directors accountable to the Minister of to the provincial Department of Health Promotion and Protection.

Governance:

The Nova Scotia Gaming Foundation is run by a Board of seven directors. The Chair is appointed by the Minister responsible for the Department of Health Promotion and Protection. The board includes 2 women.

Independence:

Although appointed by the Minister, the Foundation described itself as “a not for profit, arm’s length government organisation”.

Budget:

The Foundation is funded by a portion of video lottery terminal gaming revenue – one percent of commissions, plus a matched amount from the Nova Scotia Gaming Corporation. Currently the level of funding amounts to just over \$700,000 Canadian dollars of new funding per year, plus over \$100,000 of interest on accumulated reserves of \$3.1 million Canadian.

Comment:

The Nova Scotia Gaming Foundation is an example of a body created by statute, accountable to the Minister and yet self-describing as “arm’s length”. It also demonstrates the operation of a hypothecated funding model.

C.3: Victoria

C.3.1 Consumer Utilities Advocacy Centre (CUAC)

Role:

CUAC's role includes advocacy, research and capability building. It is specifically tasked to provide a voice for low income, disadvantaged, rural and regional consumers of electricity, gas and water, and it delivers this role through direct advocacy, research, a public grants program, a rural and regional network and capability building. The Public Grants program includes both a public grants component based on application cycles, and projects commissioned by CUAC itself. A rural and regional grants program supports distributed advocacy capacity.

Structure:

CUAC is a government-owned company limited by guarantee, created under the Corporations Act

Governance:

CUAC is run by a Board of four directors, appointed by the Minister for Consumer Affairs. The Chair has a Finance industry background, and other members include a regionally-based financial counselor, Catholic priest, and an economic development expert. The board includes one woman. CUAC has 4 full time staff.

CUAC also has a Reference Group of 17 partner organisations, divided into two groups, a Domestic Issues Group and a Market Issues Group. The latter has a strong focus on rural and regional issues

Independence:

The Minister for Consumer Affairs is formally the sole Member of the Company, and CUAC provides an annual report to the Member. However in practical terms the Board of CUAC is free from government direction.

Budget:

CUAC is wholly funded by the Victorian Government.

Comment:

CUAC is an example of a body created under the corporations act, within the Justice Portfolio, but essentially independent of government direction. CUAC has established a reputation for independence, and has shown a capacity to influence policy in the interests of low income, disadvantaged and rural and regional customers.

C.3.2: Proposed Victorian Gambling Foundation⁸ (VGF)

Role:

VGF's role would be to "eradicate the revenue from *problem* gambling", especially through policy advice, community capacity building, education and training, monitoring and reporting on gambling regulation, promoting developing and co-ordinating intervention services, and acting as a focal point on gambling issues for community groups NGOs and local governments. It would undertake both policy and individual advocacy, undertake research, and assume responsibility for public education and advertising initiatives. It could also receive referrals from the Responsible Gambling Ministerial Advisory Committee to investigate research and report on matters.

Structure:

VGF is proposed to be established by statute under the *Lotteries, Gaming and Betting Act 1966*.

Governance:

The VGF proposal suggests governance arrangements similar to VicHealth.

Independence:

VGF is proposed to be established as an independent Foundation, "reflective of the legislative arrangements mandating the role and responsibilities of VicHealth". In fact, the governance arrangements of VicHealth are unusual, as noted in the following textbox:

VicHealth (the Victorian Health Promotion Foundation), is a body corporate created under Section 16 of the Tobacco Act. It has 16 members, three of whom are members of the Victorian Parliament. Vic Health is responsible to the Minister for Health, and is required to present an Annual Report to the Victorian Parliament

Budget:

It is proposed that VGF be funded by the hypothecated allocation of 10% of the revenue received by the Community Support Fund, one of three funds to which 85% of gambling taxes are appropriated by standing appropriations.⁹

In 2003-04, \$216M was distributed through the Community Support Fund, of which approximately \$20 million was applied to problem gambling. The proposed level of funding is therefore in line with existing allocations.

Comment:

The proposed VGF would be similar in its range of roles and hypothecated funding to gambling foundations in cognate countries. The magnitude of the revenue received by government from Electronic Gambling Machines and the evident scope of the problem gambling issue is such as to capable of support the viability of an independent Foundation of this type.

⁸ This section is based on the paper 'Proposal "Victorian Gambling Foundation" April 2007' received from Mike Hill

⁹ In June 2000, the then Premier announced that following a Review of the Community Support Fund, a main target of CSF spending would be "Promoting Responsible Gambling: Providing funds for research, community education, prevention and problem gambling "services;"

D. Concluding Observations

Concluding Observations

The following observations arise from consideration of the various models considered. These are not conclusions or recommendations, but rather observations that might appropriately be discussed by the Reference Group and other stakeholders .

D.1 The most compelling observation that arises from analysis of comparative structure models is that Victoria does not at present have a sustainable and independent gambling advocacy body capable of effectiveness in gambling policy advocacy. Filling this gap must be an important policy priority in view of the significance of the gambling industry in the State, and of the problem gambling issue.

D.2 The current Victorian model is innovative within Australia and DoJ is to be commended for implementing this innovation, and the experiment should be re-activated promptly and carried through to its intended 3 year duration as it fulfills an important immediate need and provides a learning base for future arrangements.

D.3 It is apparent that cognate jurisdictions overseas have adopted, generally speaking, the model of reasonably large and independent, multi-functioned gambling foundations.

D.4 The concept of a gambling Foundation refers to a set of attributes including a body of independently managed funds (the financial aspect of a foundation); and an expectation that such funds will be managed through impeccable governance, (the governance aspect).

D.5 Impeccable and effective governance for advocacy has been approached in various ways – there are examples of charitable NGO foundations, statutory authorities, government-owned companies and the unusual VicHealth board model combining accountability to a Minister with parliamentary board participation. A robust, impeccable and effective governance mechanism must also encompass procedures that are above reproach in managing and where appropriate dispensing available funds.

D.6 If a new gambling advocacy body of substance is created in future, it should be headed by a community leader able to command the utmost respect of all parts of society. VicHealth's initial Chairman, Sir Gustav Nossal, exemplifies the appropriate calibre of leadership.

D.7 Hypothecated funding, as applies in Nova Scotia, to VicHealth, and other areas such as the National Electricity Market Consumer Advocacy Panel, (although traditionally unpopular with state financial officials), may significantly strengthen the independence and sustainability of a gambling advocacy structure.

D.8 Any structure created must be of significant magnitude to be able to develop sustainable expertise that can withstand changes of government, and the coming and going of particular personnel.

D.9 Careful consideration needs to be given to the range of functions to be assigned. There is clearly a need for a Centre of Excellence in the field, covering a range of functions, but there is also a need to build capacity in local government and community organisations. A hybrid model similar to CUAC could meet this need.

D.10 While in concept a new gambling advocacy body could be created by attachment to an existing and successful Victorian advocacy body, such as VicHealth or CUAC, the magnitude of

the gambling industry and the need for identifiable specific profile support the creation of a stand alone body.

D.11 The Consumer Advocate on Gambling project during 2006-07 has demonstrated the value of a gambling advocacy resource that can extend support to the local government sector as well as to groups wishing to advocate policy and regulatory changes relevant to the containment of problem gambling. The pilot project also demonstrated the problem posed by too narrow a base of personnel. Any new arrangements adopted should learn from the lessons of the CAOG project.

D.12 Victoria has set the pace with the support of public interest advocacy in a range of fields (including pioneering energy advocacy in 1984, Vic Health in 1987, CUAC in 2002 and CAOG in 2006). Perhaps it would be appropriate for Victoria to now examine the possibility of establishing the first significant gambling advocacy foundation in Australia.