

**Should AFL clubs get out of the pokie business?
Observations on the location of Victorian AFL Club EGM venues: disadvantage and the
rate of family incidents.**

Discussion Paper

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Which clubs operate electronic gambling machines?

All save one Victorian AFL club currently operate electronic gambling machines (EGMs), also known as poker machines or 'pokies'. A number operate multiple venues. The number of venues operated by each club, together with the Local Government Area in which they are located, and their annual Net Gambling Revenue, (NGR, equivalent to user losses) is shown in Table 1.

Table 1: EGM Venues operated by Victorian AFL clubs, 2017

Club	LGA	Venue	EGMs	NGR - \$ p.a.
Carlton FC	Manningham	Manningham Club	100	\$4,350,523
Carlton FC	Yarra	Royal Oak Richmond	80	\$4,088,019
Carlton FC	Hobsons Bay	Club Laverton	60	\$6,271,297
Carlton FC	Hobsons Bay	Vic Inn	60	\$2,903,000
Collingwood FC	Melton	The Club	66	\$7,381,489
Collingwood FC	Maroondah	The Coach & Horses	90	\$4,864,361
Essendon FC	Moonee Valley	Essendon F&SC	100	\$6,174,090
Essendon FC	Melton	Melton Country Club	90	\$5,688,281
Footscray FC	Maribyrnong	Club Leeds	30	\$3,795,173
Footscray FC	Mornington Pen	Peninsula Club	35	\$2,121,399
Geelong FC	Wyndham	The Brook on Sneydes	80	\$5,241,486
Hawthorn FC	Monash	Club Vegas	75	\$10,868,184
Hawthorn FC	Melton	West Waters Hotel	90	\$12,429,527
Melbourne FC	Monash	Leighoak	92	\$7,747,207
Melbourne FC	Glen Eira	Bentleigh Club	88	\$2,564,945
Richmond FC	Knox	Wantirna Club	97	\$5,398,902
St Kilda FC	Kingston	St Kilda FSC	83	\$2,108,070
TOTAL		17 venues	1,316	\$93,995,953

Source: VCGLR

A total of nine clubs currently operate EGMs. The only Victorian AFL club not currently operating EGMs is North Melbourne. The Geelong FC is licensed to operate EGMs at its social club, located at Kardinia Park in the Greater Geelong LGA, but does not currently operate EGMs at that venue.

The aggregate number of EGMs operated by each of the Victorian AFL clubs, and their aggregate annual NGR, are shown in Table 2.

Table 2: EGMs and NGR for each Victorian AFL club operating EGMs – 2017

Club	EGMs	NGR
Carlton FC	300	\$17,612,839
Collingwood FC	156	\$12,245,850
Essendon FC	190	\$11,862,371
Footscray FC	65	\$5,916,572
Geelong FC	80	\$5,241,486
Hawthorn FC	165	\$23,297,711
Melbourne FC	180	\$10,312,152
Richmond FC	97	\$5,398,902
St Kilda FC	83	\$2,108,070
Totals	1,316	\$93,995,953

Source: VCGLR

The nine clubs operating EGMs achieved NGR of \$94 million in 2016-17, from a total of 1,316 EGMs. Carlton FC had the greatest number of EGMs (300), followed by Essendon with 190 and Melbourne with 180. Hawthorn achieved the highest NGR (\$23.3 million), followed by Carlton (\$17.6 million), Collingwood (\$12.2 million) and Essendon (\$11.9 million). Apart from North Melbourne FC, Footscray FC had the fewest EGMs (65), and St Kilda FC had the lowest NGR (\$2.1 million).

What characterises the location of AFL EGM venues?

There are some notable characteristics attributable to the 17 venues operated by the AFL.

With one exception (Carlton FC's Royal Oak, in Yarra), all are located in LGAs with a higher than average NGR per adult. The metro Victorian average NGR per adult was \$573 in 2016-17. The average NGR per adult of LGAs where AFL venues were located was \$596. If the Yarra LGA is excluded as an outlier, the average was \$619.

Further, the average EGM density (i.e., the concentration of EGMs within a local area, measured by the number of EGMs per 1,000 adults) for Victoria in 2016-17 was 5.3. However, for AFL clubs, this was 5.8, or 5.9 if Yarra LGA is excluded.

Thus, 16 of the 17 AFL club venues were located in LGAs where aggregate per capita expenditure was above average by a factor of 8% and where EGM density was above average by 11.3%.

Nine, or over half (53%) of AFL EGM venues, with 656 EGMs (50% of the total AFL EGMs) were located in the North West metropolitan region of Melbourne, characterised by a combination of socio-economically disadvantaged locations and high growth LGAs. These EGMs generated combined NGR of \$54 million (57% of total AFL NGR).

Five (29.4%) were located in the Eastern region, two of these in outer suburban LGAs. These housed 454 EGMs (34.5% of the AFL EGMs). These were responsible for NGR of \$33.2 million (34.5% of AFL NGR). Another three venues (17.6%) were located in the Southern metropolitan region, with a total of 206 EGMs (15.7% of the total AFL EGMs). These accounted for NGR of \$6.8 million (7.2% of AFL NGR).

Socio-economic stress and AFL EGM venues

The overwhelming majority of AFL EGM revenue is derived from the North Western metropolitan region. Across the North-Western region, in LGAs where AFL club EGM venues are operated, the average score for the Australian Bureau of Statistics (ABS) Index of relative socio-economic disadvantage¹ is 1010. The average across Greater Melbourne is 1020. This demonstrates one aspect of the disadvantage and social stress experienced by the population of the North-Western region of Melbourne.

¹ ABS calculates these indices using census data. The lower the score, the more disadvantaged a local area is. For a detailed explanation, see <http://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa>

A further example is given by the North Western LGA of Melton, which has a score of 993 on the ABS Index of relative socio-economic disadvantage. This places it amongst the ten most disadvantaged LGAs in Greater Melbourne. It also has the highest concentration of AFL EGMs and venues in Victoria, with three venues (operated by Collingwood FC, Hawthorn FC, and Essendon FC) and 246 EGMs – 50% of the LGA total. These EGMs generated NGR of \$25.5 million in 2017, 42% of the total from that LGA.

Carlton FC operates two EGM venues in the LGA of Hobsons Bay. Hobsons Bay is also an area of relative disadvantage, with a score of 1000 on the ABS Index of relative socio-economic disadvantage. This score also places it in the top ten most disadvantaged LGAs in Greater Melbourne. NGR derived from the 120 AFL operated EGMs in Hobsons Bay in 2017 was \$9,174,297, or 20% of total NGR in that LGA.

Is there a relationship between AFL EGM venues and family incidents reported to Police?

This concentration is of interest given other characteristics of this region. For example, the rate of family violence in the North-Western metropolitan region increased on average by 18.7% between 2013 and 2017 (measured as incidents per 100,000 population). However, in LGAs where AFL EGMs were located, the average increase was 21.5%, or 15% above the regional average. If the very low rate of increase of family violence incidents in Maribyrnong (0.1%) is excluded (a reasonable exclusion given the relatively low number of AFL EGMs in that LGA), the average family violence incident rate increased by 25.7%, 37.8% higher than the regional average.

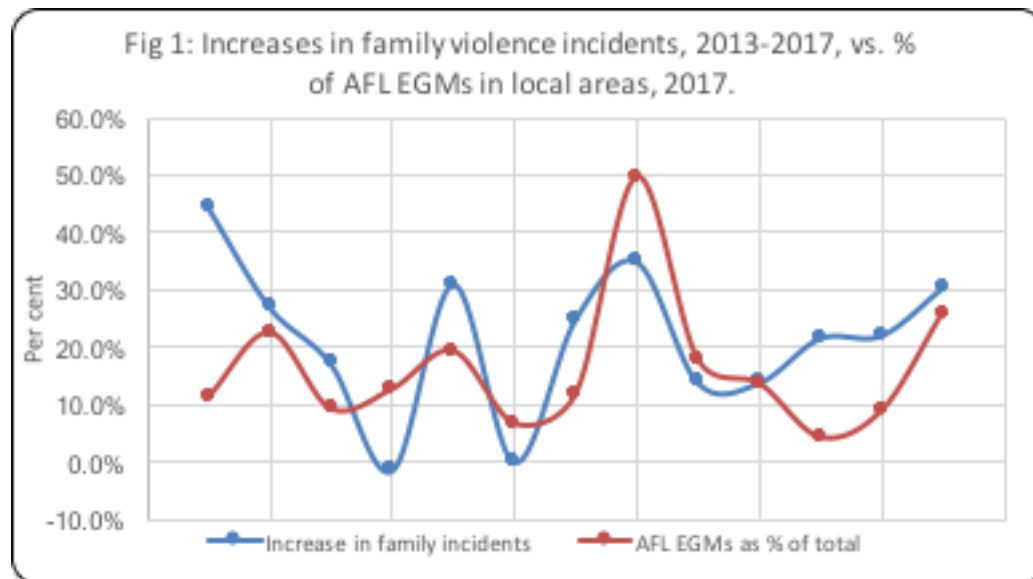
More pointedly, the rate of increase of family violence incidents in Melton (35%) and Hobsons Bay (27%) between 2013-2017 can be correlated to the proportion of EGMs in the LGA operated by AFL clubs. This correlation is also quite apparent for Manningham, and Yarra. Table 3 and Figure 1 demonstrate these relationships.

Table 3: Increases in family violence incidents, 2013-2017, vs. % of AFL EGMs in local areas 2017, with ABS Index of Relative Socio-Economic Disadvantage

LGA	Increase in family incidents 2013-17	AFL EGMs as % of total in LGA	Index of Disadvantage
Glen Eira	44.4%	11.3%	1073
Hobsons Bay	27.1%	22.4%	1000
Kingston	17.2%	9.2%	1033
Knox	-1.4%	12.7%	1039
Manningham	31.1%	19.3%	1081
Maribyrnong	0.1%	6.7%	988
Maroondah	25.0%	11.9%	1034
Melton	35.0%	49.5%	993
Monash	13.9%	17.7%	1053
Moonee Valley	13.9%	13.7%	1030
Mornington Peninsula	21.7%	4.3%	1011
Wyndham	22.2%	9.0%	1007
Yarra	30.5%	26.0%	1041

Sources: VCGLR, Crime Statistics Agency, Victoria

Across all LGAs where AFL EGM venues were located, the rate of family violence incidents increased between 2013 and 2017 by 22%, compared to 20.7% across all metropolitan LGAs. This equates to a 6.7% higher rate of increase than average.



Sources: VCGLR, Crime Statistics Agency, Victoria

Discussion

It has been well established that EGMs tend to be located in areas where social and economic stress is relatively high (e.g., Rintoul et al 2013). EGMs appear to be more attractive to people experiencing some form of social, economic or cultural stress, and EGM use can become a form of release from such stresses (see Livingstone 2017, Yucel et al 2018). Those at risk can include socio-economically disadvantaged people, those experiencing multiple forms of discrimination, new arrivals from other countries, people with a diverse cultural background, and people living in outer suburbs, where commuting times may be significant, housing stress high, and child care responsibilities significant.

The majority of AFL clubs are located in areas with a concentration of people in these categories. This is particularly the case in the North-Western region of Melbourne, where the majority of AFL EGM venues, and half of the EGMs are located, and from where the overwhelming majority of profits are derived.

It is also now known that high densities of EGMs are associated with increased rates of family violence (Markham et al 2016). This relationship appears to hold for AFL EGM venues located in much of metropolitan Melbourne, particularly the North-Western metropolitan region. The location of such venues in areas of social stress is likely to contribute to increased rates of family violence evident in many such areas, as indeed does the concentration of all EGM venues in such localities.

The LGA of Melton, for example, with a concentration of EGM venues operated by AFL clubs, also experienced a very significant increase in the rate of family violence (measured on a per capita basis). Access to EGM venues is an important factor driving family violence,

and without the venues operated by the three AFL clubs in that area, it is probable that the losses experienced by EGM users would be about half. The trend is not universal; however, in areas of social stress, which lack the protective effects of relative affluence (e.g., Melton, Hobsons Bay, Yarra), it is likely that the effects of EGM concentration will be much more harmful. This hypothesis is borne out by the data set out in this paper.

What this means, in summary, is that concentrating EGMs in areas of social stress is likely to produce significant negative consequences for populations living in those areas. Further, areas of concentrated EGM accessibility are likely to have higher rates of family incidents reported to Police, especially when those areas also experience significant social stress. This is not limited to disadvantaged localities. However, populations living in more advantaged areas are likely to benefit from multiple protective factors (e.g., relative affluence, continuing employment, strong social networks, higher level education qualifications, etc.), that may ameliorate these consequences to some degree.

This short paper has focused on some important characteristics as a precursor to more detailed study of the locational characteristics, and to raise this issue for broader discussion. It demonstrates that AFL club EGM venues are located in areas where indicators of social stress, and relatively high EGM concentration and expenditure, are observable. It also suggests that there is some relationship between high concentrations of AFL EGM venue and EGMs, and unacceptable rates of increases in family incidents reported to Police.

Such a relationship would appear to be strongly at odds with the AFLs own 'Respect and Responsibility Policy', one of the key purposes of which (according to the AFL CEO) is to demonstrate 'a commitment to broader cultural change aimed at addressing violence against women' (McLachlan 2017, in AFL 2017).

More pointedly, the purposes of the policy include the following:

- Promoting gender equality and ensuring women participate in the AFL at all levels and in every capacity;
- Promoting a safe and inclusive environment for all, including women and girls within the AFL industry;
- Promoting a workplace culture that is inclusive regardless of gender, sexual orientation, gender identity or intersex status;
- Partnering with government and appropriate organisations to deliver programs and education designed to promote gender equality and deliver improved understanding of inclusion and real change;
- Educating and creating awareness across our game that gender inequality is one of the causes of violence against women and children ... (AFL 2017)

Such a policy suggests that continued operation of EGM venues by AFL clubs is likely counter to the spirit, intention, and likely the actual letter of the policy. EGM concentrations are associated with higher levels of family incidents – that is, overwhelmingly, violence against women. Unless the AFL can address these issues directly, the well-intentioned aspirations and goals of the 'Respect and Responsibility' policy may be seen as hollow.

These results require substantial further investigation. However, this preliminary paper suggests that a key way to pursue the goals of a key policy of the AFL will be to rapidly and effectively support AFL clubs in taking steps to withdraw from the EGM business. Such a move would demonstrate a clear commitment to gender equity, the pursuit of elimination of violence against women, and the reduction of harm to vulnerable communities in general.

Declaration of interests

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