

Ground Floor, 60 Leicester St
Carlton, VIC 3056
(03) 9999 7372 – info@agr.org.au
www.pokiesplayyou.org.au



Wednesday, 24 October, 2018

Mr Kelvin Tori
Chief executive officer
Melton City Council
"Country Club Lease Submission"
PO Box 21
Melton, Vic 3337

Dear Kelvin,

The Alliance for Gambling Reform is concerned about this proposed 29 year which lease council has advertised for the Melton Country Club, a poker machine venue managed by Essendon Football Club.

The Alliance has 19 Victorian councils as full financial members in 2018-19 and we are all committed to policies which reduce gambling harm.

To this end, our preference would be for Melton not to proceed with the new lease and instead allow the existing lease to expire in 2022, at which point the addictive poker machines could be removed from the council-owned facility.

Like many growth area councils, Melton is in need of more community meeting space and the Melton Country Club could easily be repurposed in 2022 as a community facility.

Australians are the world's biggest gamblers per capita and poker machines will drain a record \$3.2 billion from the Victorian community in 2018, a figure which is tragically still rising.

Indeed, losses in Melton alone have risen by 9.5% or \$3.87 million to a record \$44.45 million for the first 8 months of the 2018 calendar year and the August loss of \$6.16 million was the first time Melton has ever suffered losses exceeding \$6 million in a single month.

The Victorian Parliament has failed to protect the community from increasingly sophisticated poker machines which are built for addiction and concentrated in disadvantaged suburbs. But this shouldn't stop councils from acting.

Essendon's Melton Country Club has 89 pokies and generates annual losses of about \$6 million – the lowest of the 7 pokies venues in Melton which collectively drained \$66 million from the Melton community last year.

Essendon has run this venue for 23 years since 1995 and is now seeking a new 29 year lease which would run through until 2047. This move by Essendon is in stark contrast to Collingwood, Melbourne and the Western Bulldogs which have all moved to exit their poker machine operations.

As the *Herald Sun* has reported, the people of Melton will lose an estimated \$164 million on the pokies at this Essendon facility if the lease is agreed at the November 12 council meeting. Council should say no, better still, Essendon should withdraw the request.

Essendon is the 4th biggest AFL pokies club behind Hawthorn (\$24m), Carlton and Collingwood. Last year Essendon had a total of \$12m of pokies revenue with the other venue being at Windy Hill, on another facility owned by a council, Moonee Valley.

They are a big strong club and can do well without profiting from addictive poker machines. Melton also needs more gambling-free community meetings spaces so it would make sense for all concerned if City of Melton declined to approve this lease, unless Essendon agreed to phase out its poker machines.

As part of this submission, I'm also including extracts from earlier emails sent to councillors raising our concerns:

JULY 10 EMAIL TO COUNCILLORS

From: Stephen Mayne [mailto:stephen@agr.org.au]

Sent: Tuesday, 10 July 2018 3:53 PM

To: 'bob.turner@melton.vic.gov.au'; 'ken.hardy@melton.vic.gov.au'; 'steve.abboushi@melton.vic.gov.au'; 'lara.carli@melton.vic.gov.au'; 'Melissa.DeSantis@melton.vic.gov.au'; 'goran.kesic@melton.vic.gov.au'; 'kathy.majdlik@melton.vic.gov.au'; 'michelle.mendes@melton.vic.gov.au'; 'sophie.ramsey@melton.vic.gov.au'

Cc: 'christinede@melton.vic.gov.au'; 'barbm@melton.vic.gov.au'

Subject: A message from Tim Costello and The Alliance for Gambling Reform

Dear City of Melton mayor and councillors,

As you are probably no doubt at aware, *The Age* [reported on the back page today](#) that Essendon Football Club is seeking a new lease to keep operating its [Melton Country Club](#) on land owned by City of Melton.

I work with Tim Costello at The Alliance for Gambling reform. Tim will be interviewed on 774 ABC Melbourne at 5.30pm tonight when he will urge both Essendon and council not to proceed with a new lease. [Listen live here](#) if you get a chance.

Australians are the world's biggest gamblers in per capita terms and poker machine addiction causes enormous harm – as the well known journalist Peter FitzSimons pointed out in this [powerful column](#) in today's Fairfax papers.

The issue of gambling on council-owned land is far too prevalent across Australia's 5000 pokies venues, but at least it gives councillors more influence to intervene when it comes to lease renewal.

Melton Country Club has 89 pokies and generates annual losses of about \$5.5 million – the lowest of the 7 pokies venues in Melton which collectively drained more than \$60 million from your community last year.

The latest figures show that over the 4 months from February to May 2018, pokies losses in Melton have risen by 10.5% to \$21.5 million, when compared with the same period in 2017.

We believe this warrants a council intervention and the most potent thing you could do is declare that the Melton Country Club will go pokies free at the end of the current lease in February 2022.

Melbourne Football Club recently chose to use the 2022 state-wide licence expiry to exit the pokies industry, as it will [hand back the licences](#) at its Bentleigh Club facility, converting it into a pokies free operation.

The same arrangement makes sense at the Melton Country Club.

City of Melton has close to the strongest financials of any council in Victoria. The latest budget has rates and charges revenue of \$114 million and total revenue of \$263 million, largely thanks to developer contributions.

A 2018-19 surplus of \$93 million is predicted and you have cash of \$141 million and only \$16 million in debt. In other words, yours is a financially strong council which does not need to make \$280,000 a year from a pokies venue which is ripping \$5.5 million a year from the community.

Essendon's financials have been tested by the drugs scandal, but have bounced back strongly with a [cash surplus of \\$8 million](#) generated in 2017.

The Alliance believes Essendon chairman Lindsay Tanner should be open to showing leadership and a social conscience. Essendon has plenty of [wealthy directors](#) including Andrew Muir from the Good Guys and former chair Paul Little is also worth close to \$1 billion. If there was a financial issue, surely they could donate to help get Essendon cleanly out of the predatory pokies business.

One option would be for council to sell the facility but whatever happens, The Alliance will be strongly advocating in the weeks ahead for both Essendon and City of Melton to take a strong stand and stop relying on predatory poker machines to get by.

Melton is one of the fastest growing councils in Australia. It needs more community facilities, so why not just rip out the pokies, say farewell to Essendon, which has not involved you in its community grants programs, and have council take charge as the manager of a genuine community facility that doesn't rely on pokies.

The Alliance will be in touch again on these issues over the coming days and very much hope we can get a result that your community will be proud of. We would be delighted to brief councillors and relevant officers on the matter, if that would help.

Finally, below is an extract from the Gambling News email newsletter which will be going out to our 19,000 supporters later this afternoon. We would love to have Melton councillors come to the City of Whittlesea launch being done by Tim Costello tomorrow morning. Similarly, a Melton presence at our Parliament House rally on July 24 would be fantastic as well.

Strong support from Victorian councils.

The Alliance has been delighted with the level of on-going support from Victorian councils during the recently completed budget season and welcomes Maribyrnong, Hobsons Bay, Glen Eira, Mornington Peninsula, Maroondah and Yarra into the fold as leadership councils, joining the likes of Banyule, Brimbank, Darebin, Greater Dandenong, Hume, Kingston, Knox, Melbourne, Monash, Moreland, Whittlesea and Wyndham.

We would love to see Shire of Melton exit the pokies business as Essendon's landlord and also join The Alliance, but that is a work in progress.

Victorian local government is at the forefront of Australia's gambling reform movement and are clearly hungry to see reforms secured through the coming Victorian election.

To that end, there will be a Councils Unite for Pokies Reform rally on the steps of State Parliament on Tuesday, July 24, which will mark precisely 4 months until the November 24 election. Go [here](#) for the details and RSVP link.

Speakers will include Moreland mayor John Kavanagh, Darebin mayor Kim le Cerf, Whittlesea mayor Kris Pavlidis, Yarra acting mayor Misha Coleman and a couple of others.

JULY 18 EMAIL TO COUNCILLORS

From: Stephen Mayne [<mailto:stephen@agr.org.au>]

Sent: Wednesday, 18 July 2018 1:31 AM

To: 'bob.turner@melton.vic.gov.au'; 'ken.hardy@melton.vic.gov.au'; 'steve.abboushi@melton.vic.gov.au'; 'lara.carli@melton.vic.gov.au'; 'Melissa.DeSantis@melton.vic.gov.au'; 'goran.kesic@melton.vic.gov.au'; 'kathy.majdlik@melton.vic.gov.au'; 'michelle.mendes@melton.vic.gov.au'; 'sophie.ramsey@melton.vic.gov.au'

Cc: 'christinede@melton.vic.gov.au'; 'barbm@melton.vic.gov.au'

Subject: Collingwood exits - can City of Melton help Essendon follow suit?

Dear City of Melton Mayor and Councillors,

Further to last Tuesday's message from Tim Costello, you will no doubt have seen yesterday's news about Collingwood exiting the pokies industry and the Government's disappointing shift of 414 club pokies entitlements to the hotels sector.

We put out two media releases on these issues yesterday which are available here:
http://www.pokiesplayyou.org.au/media_releases

The Age also had a good wrap in today's paper.

The Collingwood exit is interesting for City of Melton because you are host council for one of these venues – The Club at Caroline Springs – and will now find yourself with two venues owned by the Melbourne Racing Club, the other being The Sugar Gum Hotel in Sydenham.

The MRC is now the largest and most aggressive not for profit operator in the Victorian pokies market, as demonstrated by the Sugar Gum Hotel trading 8am until 4am 7 days a week.

You also play host to one Hawthorn Football Club venue and Hawthorn is the most aggressive of the AFL club operators.

All of this makes Melton's overall approach to gambling potentially very potent, particularly given the upcoming decision on the Melton Country Club lease extension requested by Essendon Football Club.

In light of the Collingwood move, Essendon will hopefully come to their senses and at least delay their pitch for a new lease until beyond Monday's meeting. However, if they decide to run the gauntlet, we very much hope councillors will step up and materially amend the proposal.

It was interesting to see what happened at the Hobsons Bay council meeting on Tuesday July 10, when there was an item of business responding to a funding request from the Williamstown Football Club. See item 8.4.3 starting on page 43 of this agenda:

The officer report included the following statements:

The funding model proposed by the WFC does not align with Council policy.

Council's Problem Gambling (Electronic Gaming Machines) Policy Statement adopted on 14 July 2015 states that 'Council will not provide funding, grants, sponsorship or other resources for any activities that promote gambling' (Commitment 4.4). The WFC operate the Seagulls Nest, which has 66 EGMs being the club's primary source of revenue.

There is a reputational risk to Council that contributing towards facility upgrades and acting as a guarantor for a loan for a club whose major revenue source is from EGMs. This could be perceived as supporting an organisation that promotes gambling.

In light of Collingwood's exit and the publicity which the Essendon lease request has now received, there is an opportunity for City of Melton to generate some great kudos in your community by taking a stand against the pokies.

As an example, [look at these comments](#) on the Collingwood Facebook page strongly backing the pokies exit. Tim Costello would love to be leading the charge next week lauding the stand taken by Melton's elected representatives.

It would also be great to have a City of Melton presence at the "Mayors Unite For Pokies Reform" event on the steps of Parliament at 11am next Tuesday. This would be straight after your Monday night meeting.

And if you're up early tomorrow, feel free to come along to the VLGA's Local Government Working Group on Gambling July meeting, to hear an update on gambling policy issues, along with how councils across Melbourne are grappling with the issue.

I've attached an agenda for the meeting if anyone is minded to come along.

Thank you for taking the time to keep across these important issues and we look forward to further engaging with you as the Melton Country Club issue plays out.

Kind regards,
Stephen Mayne

OCTOBER 12 EMAIL TO COUNCILLORS

From: Stephen Mayne [mailto:stephen@agr.org.au]

Sent: Friday, 12 October 2018 10:33 AM

To: 'bob.turner@melton.vic.gov.au'; 'ken.hardy@melton.vic.gov.au'; 'steve.abboushi@melton.vic.gov.au'; 'lara.carli@melton.vic.gov.au'; 'Melissa.DeSantis@melton.vic.gov.au'; 'goran.kesic@melton.vic.gov.au'; 'kathy.majdlik@melton.vic.gov.au'; 'michelle.mendes@melton.vic.gov.au'; 'sophie.ramsey@melton.vic.gov.au'

Cc: 'christinede@melton.vic.gov.au'; 'barbm@melton.vic.gov.au'

Subject: update on Essendon pokies proposal in Melton

Dear City of Melton Mayor, Councillors and officers,

Further to the email below, this is just a quick note to let you know that The Alliance for Gambling Reform covered the forthcoming decision on the Melton Country Club pokies lease in [yesterday's edition](#) of Gambling News.

We would love to be able to present a more positive perspective in future newsletters but that would require council to take a different path to the proposed new 29 year lease with the Essendon Football Club which will generate \$3 million in pokies funded rental payments for council, before considering inflation.

Given all the great work by Victorian councils to resist the spread of poker machine harm, The Alliance is very keen for Melton to join this reform movement, starting with ending the harm caused by pokies at the Melton Country Club in 2022 when the current lease expires.

The Alliance was disappointed that former Melton mayor Justin Mammarella chose to [launch his Labor for Melton campaign](#) last night at the Melton Country Club, particularly after this recent [strong coverage](#) in the *Herald Sun*.

We have spoken to Justin requesting that he advocate for council not to proceed with the lease and also requesting that future meetings of the Melton branch of the Labor Party are not held at this pokies venue.

The Alliance very much hopes you won't approve the proposed lease and we will be making a formal submission to this end before the October 24 deadline, but do note with some disappointment the requirement that these submissions can only be provided by way of snail mail to the CEO.

Alliance representatives would also be happy to come to a councillor briefing session on this matter if there was interest from councillors or officers.

Kind regards
Stephen Mayne
Communications Adviser
Alliance for Gambling Reform
0412 106 241

Ends

In summary, we very much hope Melton will join the campaign for long overdue gambling reform in Victoria by making a politically significant contribution through a decision not to progress with a new pokies lease at the Melton Country Club.

Yours Sincerely

Stephen Mayne
Alliance for Gambling Reform

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