Mayor’s Foreword

Australia now has the largest betting losses per resident adult in the world amounting to $1292 in 2017. This staggering amount is averaged out across the population, not just gamblers. Around 50% of the losses are generated by Electronic Gaming Machines (EGMs).

This is largely because of the prevalence of EGMs and Australia’s bet limit rules, which allow players to lose up to $1498 an hour.

In Darebin, EGM gambling continues to be directly associated with the greatest harms to individuals, their families and the general community, with $80M lost every year.

Most of the losses in Darebin are experienced by the most disadvantaged communities that live in the north of the city that have the greatest number and density of EGMs.

I have been heartened that Darebin Council’s recent work has contributed to highlighting gambling and gambling harm as part of our national conversation but there is much more to be done to protect our communities.

The Darebin Electronic Gaming Machine Policy 2018-2022 seeks to build on our previous work to reduce these harms by specifically tackling systemic and regulatory factors such as;

- The influence of powerful gambling industries seeking to profit from EGMs.
- State Government’s increasing reliance on taxation revenue generated from EGMs.
- A regulatory system that privileges operator profits over community protection.
- Dangerous, high intensity EGMs designed to addict people and maximise losses.

With the State Government renewing the current EGM licensing regime until 2042 and safeguarding a projected gambling loss of $70 billion in Victoria, the challenge is considerable.

The Darebin Electronic Gaming Machine Policy 2018-2022 is bold, ambitious and commensurate to this challenge.

Cr. Susan Rennie
Mayor, Darebin City Council
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1. Executive Summary

It is Council’s view that gambling through EGMs has had and will continue to have a negative effect on individuals, families and communities. The cumulative detriment caused by the consistent high annual losses incurred in Darebin is reflected in a range of poor socioeconomic and wellbeing indicators.

This Policy builds upon the Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014.

The Policy aim is to make the City of Darebin free of the harm associated with Electronic Gaming Machines (EGMs). The position taken in this Policy reflects Council’s commitment to reducing harm, providing greater player protection, providing for a more even legislative playing field and giving communities a greater voice in any new planning and licensing applications.

The primary focus of this Policy is the reduction of harm caused by EGMs. The secondary focus is the reduction of harm caused by online gambling and sports betting using the internet and mobile apps.

The Policy will be enacted through four priority areas and strategies that seek to maximise Council’s investment and influence, and provide an organising structure to guide future actions.

1. **Legislation Regulation**: To exercise the full extent of Council’s regulatory and legislative mandate to minimise harm from EGMs.

2. **Advocacy**: Council will continue to be recognised as a state wide leader in driving changes to reform those systems and structures that cause gambling-related harm to the Darebin community.

3. **Organisational Alignment**: Council will take a whole of organisation approach to minimising harm, acknowledging that all our activities can contribute to minimising harm.

4. **Evidence Research Data**: Council will develop a strong, robust and defensible evidence base that will enhance Council’s capacity to effectively influence the location, management and operation of EGMs in the municipality and contribute to the broader evidence base.

These four strategies will be implemented and monitored through the Darebin Electronic Gaming Machine Policy 2018-2022 Action Plan, with the Action Plan reviewed on an annual basis.
2. Background

In Darebin, gambling through Electronic Gaming Machines (EGMs) continues to be directly associated with the greatest harms to individuals, their families and the general community with over $80M lost every year.

The negative impacts persist despite the management measures introduced by the Federal and State Governments. Within this context and changes to the gaming Policy and legislative framework, including decisions made in relation to applications for EGMs and gaming venues in Darebin, Council has taken to update and review its current gaming Policy.

2.1 Policy Context

State Government

In 2012/2013, the State Government devised and implemented a number of measures that were intended to reduce the harms associated with EGM gambling. These include:

- Imposing caps on the number of EGMs permitted in each municipality (municipal caps) and in some regions (regional caps). The City of Darebin is subject to a regional cap of 769 EGMs, which applies to the entire municipality.
- Controlling the size and placement of signage advertising the presence of EGMs in hotels and clubs.
- Restricting the number of hours EGMs are permitted to operate in hotels and clubs.
- Prohibiting ATMs in hotels and clubs.
- Funding Gambler’s Help Services, allocated through the Responsible Gambling Fund and the Community Support Fund.
- Imposing a statutory requirement for each gaming venue to adhere to the Responsible Service of Gambling Code of Conduct and to ensure their employees undergo Responsible Service of Gambling training.
- Requiring all EGMs to be fitted with technology that supports those patrons to participate in the voluntary pre-commitment scheme. This enables them to set a limit on the amount of time and/or money spent using EGMs in any one session, however patrons can ignore this limit when reached.

These provisions have had little effect on the extent and severity of gambling harm in Darebin. Despite strong opposition from Council and other partners in the Alliance for Gambling Reform, the Gambling Regulation Amendment Act 2017 (the Bill) was passed on 1 December 2017.

The amendments to the Bill continued to privilege poker machine operators and profits over harm minimisation measures and embed legislative and playing systems to maximise player losses.

The amendments include new 20-year gaming machine licence entitlements following expiration of current licences in 2022, allowing for $500 cash to be withdrawn via EFTPOS in a 24-hour period (a 20% increase from the previous $400 ATM limit) and the introduction of provisions to enable cashless gambling in all EGM venues.

Federal Government

Although the State Governments have responsibility for the regulation of EGMs, the Federal Government, under its responsibility for Communications, has a responsibility for online gambling and gambling advertising.

The Federal Government has taken some first steps around EGMs and online gambling, including the adoption of a:

- National Self-Exclusion Register; and a
- Voluntary opt-out pre-commitment scheme.

Based on the experience in Victoria, these provisions offer minimal harm protection and passive consumer safeguards. In 2017, the Federal Government introduced a ban on gambling advertising before 8.30pm during live sporting events and for five minutes before and after the start of play.

This has proven quite ineffective, as the commercial television industry has released its proposed new gambling provisions that exploit a loophole in the legislation. Clause VIII of ‘Part B – Proposed Gambling Provisions’ allows the promotion of odds and spot commercials during what is called a ‘Long Form Live Sporting Event’. This includes cricket, golf, tennis, Formula 1 Moto GP and V8 Supercars, and the Olympic and Commonwealth Games. This example indicates the influence of the gambling industry on other industries reliant on gambling-generated sponsorship.

2.2 Legislative and Regulatory Reforms Sought by Darebin Council

The introduction of the following reforms are proposed to reduce harm, provide greater user protection, provide for a more even legislative playing field and give communities a greater voice in any new planning/licensing applications.

These reforms are consistent with and complement the advocacy work of Council’s partners including the Alliance for Gambling Reform (AGR), the Victorian Local Governance Association (VLGA), the Municipal Association of Victoria (MAV) and the network of Northern Metropolitan Councils.

The explanation and analysis for legislative and regulatory reforms being sought by Council are attached in Appendix 1: Explanation and analysis for legislative and regulatory reforms being sought by Council.

2.3 Gambling harm

A recent study commissioned by the Victorian Responsible Gambling Foundation examined gambling harm from a public health perspective. The results indicated that ‘low risk’ and ‘moderate risk’ gamblers do experience harm. In fact, they account for 85% of gambling harm in Victoria (Victorian Responsible Gambling Foundation 2016)

Based on this, and the context detailed above, Council will consciously use public health language in communicating gambling messages. Language including ‘responsible gambling’ and ‘problem gamblers’ will not be used by Council due to the notion that the responsibility or problem lies with the individual.

In all Council publications ‘Problem gambler’ is to be replaced with ‘people harmed by gambling’. ‘Pokie players’ is to be replaced with ‘poker machine users.’ ‘Pokie venues’ is to be replaced with ‘poker machine operators’ or ‘gambling industry’, and ‘gambling expenditure’ is to be replaced with ‘gambling losses’ or ‘money taken’.

2.4 Pubs and Clubs in Darebin

The harms caused by EGMs in clubs are the same as the harms caused by EGMs in hotels. Any real community benefits claimed by the clubs are miniscule compared to the benefit to the clubs themselves and do not address gambling-related harms. For the purposes of this Policy, EGMs and EGM operators in pubs and clubs will be treated equally.
There are three clubs that operate EGMs in Darebin in 2017/2018, Darebin RSL (65 EGMs), The Furlan Club (30 EGMs) and The Reservoir RSL (68 EGMs). The Fairfield/Alphington RSL closed in 2017. At the time of writing this Policy, the Darebin RSL has lodged a planning permit for an additional 15 EGMs.

Legislation regulating the operation of local hotel and club electronic gaming machine (EGM) venues in the state of Victoria provides a taxation benefit for club venues in comparison to hotel venues. Under the Gambling Regulation Act 2003, club venue operators get a reduction of 8.3% on the gambling tax they pay, compared to hotel venues.

In Victoria, club EGM venues are required to submit an annual community benefit statement to the VCGLR which demonstrates that they have provided at least 8.3% of their gambling revenue to community purposes. The clubs’ claims for the monetary value of their contributions to community benefit are published on the regulator’s website.

Monash University undertook a closer analysis of the 559 community benefits statements lodged in 2005/2006 in Victoria. This research showed that only 2.6% were actual funds, gifts or sponsorship provided to the community, despite the claims lodged to the VCGLR. The analysis showed that 97.3% of the funds were reinvested into the operations and capital works of the clubs themselves. The study also showed that 0% was provided for the provision of responsible gambling measures and activities, excluding those measures required by law (Monash University 2015).

The Productivity Commission’s comment about these arrangements was based on this rather special treatment: “Some clubs do provide genuine benefits to their communities. Unfortunately, clubs have developed significant poker machine dependency – an average of about 60% of total revenue. Some club representatives may ‘gild the lily’ in their claims of community support, fearful perhaps of the consequences of more effective harm-minimising regulation, or fairer taxation” (Productivity Commission 2010).

3. Electronic Gaming Machines in Darebin

3.1 Electronic Gaming Machines losses

In September 2017 the Victorian Minister for Consumer Affairs, Gaming and Liquor imposed a regional cap of 769 EGMs on the municipality. Since 2014/2015 there have been 754 EGMs operating in the municipality across 13 venues. This is 15 below the maximum permitted under the cap.

Gambling losses from EGMs in Darebin are higher than any other form of gambling and create the greatest harm to Darebin’s communities and Darebin has the third-highest EGMs losses in the Northern metropolitan region for 2016/2017. The venues with the highest number of EGMs generate the highest losses.

As the City of Darebin has the second-highest score of relative socio-economic disadvantage compared with adjoining municipalities the community harms from these losses is magnified by the relatively high unemployment levels and high levels of disadvantage.

The City of Darebin was ranked 10th highest of all metropolitan municipalities and 11th highest of all Victorian municipalities for EGM expenditure in 2016/17 (VCGLR 2017).

Table 1: Comparison of EGM Losses per Venue in Darebin 2013/2014 and 2017/2018 (VCGLR)
The City of Darebin had a higher EGM expenditure per adult compared with metropolitan Melbourne and the second-highest EGM expenditure per adult compared with adjoining municipalities. (Appendix 2: EGMs and Disadvantage: Northern Region Context and Comparison)

### 3.2 Targeting disadvantaged neighbourhoods

Across metropolitan Melbourne, our most disadvantaged municipalities have the highest density of poker machines. This is also reflected in Darebin and is a deliberate strategy of the
gambling industry to target disadvantaged neighbourhoods for higher numbers and densities of EGMs (Brown 2011).

EGM expenditure and density of EGMs per 1,000 adults in the Darebin decreased between 2014/15 and 2016/17, however Darebin had a higher density of EGMs per 1,000 adults compared with metropolitan Melbourne and the second-highest density of EGMs per 1,000 adults compared with adjoining municipalities (VCGLR 2017).

Based on current research that indicates that the majority of EGM patronage is generated from gamblers who live within 2.5km of an EGM venue almost the entire City of Darebin is affected by EGMs. The following heat map shows the concentration of EGMs in Darebin.

**Figure 1: Heat map of housing distribution within 2.5km of an EGM venue**
4. Policy

The approach to address gambling harm from a health prevention perspective encompasses a range of harm prevention and harm minimisation measures that focus on the social, economic and environmental determinants of gambling harm.

This whole of Council approach is underpinned by the following legislation:

1. The Planning and Environment Act 1987
2. The Local Government Act 1989

The four priority areas and strategies that inform the action plan have been developed to maximise Council’s investment and influence, and provide an organising structure to guide future actions, these are:

1. Legislation Regulation
2. Advocacy
3. Organisational alignment
4. Evidence, Research and Data

The strategies and actions build on Council’s current effort and reflect Councils approach for changing systems and structures as a primary approach for minimising harm at a population level, and is consistent with Council’s Health and Wellbeing Plan. The four strategies will be implemented and monitored through the through Darebin Electronic Gaming Machine Policy 2018-2022 Action Plan.

4.1 Policy Aim

To make the City of Darebin free of the harm associated with Electronic Gaming Machines

4.2 Policy Scope

The primary focus of this policy is the reduction of harm caused by EGMs. The secondary focus of this policy is the reduction of harm caused by online gambling and sports betting using the internet and mobile apps.

While online gambling and sports betting is outside the remit of Council’s direct jurisdiction, it is important to work towards changing increasing levels of expenditure and participation on this type of gambling and the ‘normalisation’ of gambling in Australia.

4.3 Policy Assumptions

The following statements represent the key assumptions underpinning the Darebin Electronic Gaming Machine Policy 2018-2022 and Action Plan.

- The harms resulting from the annual $80 million-plus in gambling losses from Electronic Gaming Machines (EGMs) in Darebin greatly outweigh any perceived benefits (Livingstone and Francis 2014).
- Targeting areas of high disadvantage to place EGMs deliberate strategy of the gambling industry to maximise their profits (Brown 2011).
- The highest losses and greatest harms occur in areas of highest disadvantage. In Darebin residents in the North lose more than six times the amount from EGMs than residents in the South (VCGLR 2017).
The harms caused by EGMs in clubs are the same as the harms caused by EGMs in hotels (Lubman et al. 2017).

Council rejects the public rhetoric of ‘responsible gambling’ and ‘problem gambler’, which seeks to shift the responsibility to the individual. This language deliberately hides the systemic and structural problems in the gambling environment, such as:

(a) The addictive design of EGMs used in Australia
(b) The opportunistic and predatory conduct of the gambling industry
(c) A conflicted reliance on the significant taxation revenue generated by the State Government from EGM losses (Browne et al. 2017).

Existing harm minimisation measures in Victorian Legislation have made little difference in Darebin.

The Victorian gambling legislation and regulation continues to privilege the interests of EGM owners, operators and venues above the interests of communities (Hing et al. 2014).

The gambling harms persist, despite the EGM management measures introduced by the federal and state governments (Barratt et al. 2010).

The extent and severity of the harms associated with cumulative EGM losses in Darebin requires Council to take an urgent public health response (Victorian Government Department of Justice 2009).

Marketing and advertising are key elements of the socio cultural environment that contribute to normalising gambling and may increase gambling related harm (Hing et al. 2014).

4.4 Policy Statements

Darebin City Council adopts the following position statements in relation to EGM gambling. These will guide Council strategies and actions over the life of this policy.

In assessing any future proposals for the operation of EGMs in the municipality, Council will treat applications from clubs in the same way as applications from pubs and other venue operators.

Council will oppose any planning and licensing application for additional EGMs and the transfer of EGMs in the municipality where there is solid evidence that the application will have negative social and economic impacts and minimal community benefit.

Council will not allow EGMs on Council owned or managed land.

Council will seek the necessary legislative and regulatory reforms sought by Darebin Council to reduce harm, provide greater player protection, and provide for a more even legislative playing field.

Council policy, action and advocacy will be informed by evidence-based public health and wellbeing research and policy.

Council will maintain independence from the gambling industry. Council will not accept financial contributions from gambling venues and will not promote community grants or initiatives offered by local poker machine venues.
Council will not provide sporting grounds, Council venues or use of Council property to any sporting clubs, community groups, organisations or associations who directly operate or own EGMs in Darebin or elsewhere.

Through its Leasing and Licensing Policy, Council will not permit gambling promotion or advertising in Council-owned facilities. This pertains to sports betting, online gambling and EGMs.

Any sporting club, community group, organisation or association that operate or own EGMs will be ineligible for community grants, financial assistance or in kind support from Council.

Any sporting club, community group, organisation or association that receives sponsorship or grants (in-kind or cash) from poker machine revenue will have Council grants, in-kind support and funding reduced by the amount and level of funding and/or in-kind support received from EGM sources.

Council will not fund community groups who meet in venues that have EGMs through any of its community funding programs.

Council will not provide community grants, funding, sponsorship, Council facilities, publicity or promotion for community groups/organisations that promote gambling.

Council will not permit community groups or sporting clubs to advertise or promote gambling-related activity at local venues or via online gambling agencies.

Council will support any Darebin club that wishes to divest themselves of EGMs to develop a transition plan in order that they may continue to access Council facilities and resources and provide a community benefit to their members.

Council will acknowledge and honour any existing arrangements between sporting clubs, community groups, organisations, associations or Council programs and EGM operators, owners and venues until a mutually suitable and tailored transition plan has been finalised or until 2022.

Council staff will not run Council and community events, activities, programs and social outings in venues that have EGMs.

Council will adopt a graduated Policy to guide the development of suitable transition plans.

Council will continue to invest in community infrastructure, community programs and community networks to provide alternatives to gambling.

Council will continue to be a state wide leader and innovator in reducing gambling harm.

Council supports measures to prevent and/or respond to gambling harm that are evidence-based and likely to have a positive impact.
5. **Darebin Electronic Gaming Machine Policy: Strategic Framework**

1. **Legislation Regulation:** Council will exercise the full extent of its regulatory and legislative mandate to minimise harm from EGMs.

   Council is empowered through the planning legislation and planning provisions to manage the location of EGMs in the municipality. Council will demonstrate leadership in the planning, management and regulation of EGMs in Darebin. Council will provide certainty and consistency in decision-making that reflects the Policy intent and is robust, independently defensible and transparent.

2. **Advocacy:** Council will continue to be recognised as a state wide leader in driving changes to reform those systems and structures that cause gambling-related harm to the Darebin community.

   Council will continue to use every opportunity to influence legislative reforms. Council is a members of the Alliance for Gambling Reform and will continue to work with this organisation to achieve our objectives. Council’s advocacy for reform will be tailored and agile as the impacts of current legislation, regulation and gambling industry behaviour changes.

3. **Organisational alignment:** Council will take a whole of organisation approach to minimising harm, acknowledging that all our activities can contribute to minimising harm.

   Council will work with sporting clubs and community groups to divest themselves of EGMs and the revenue from EGMs. We will ensure all leases, MOUs and funding agreements are updated to align with the Policy.

4. **Evidence, research and data:** Council will develop a strong, robust and defensible evidence base that will enhance Council’s capacity to effectively influence the location, management and operation of EGMs in the municipality and contribute to the broader evidence base.
Council acknowledges that there are some particular community cohorts or individuals who may be more vulnerable to the harms associated with EGM gambling. Community-based agencies and welfare groups are best placed to provide individual case work and prevention programs that are targeted, relevant and culturally appropriate. Under this Policy, Council will support the community-based agencies and relevant local welfare networks to continue their work.

6. Assisting community groups and clubs to divest themselves from EGM funds

Council will provide support to any Darebin club or organisation that wishes to divest themselves of EGMs and develop a transition plan in order to continue to access Council facilities and resources and provide a community benefit to their members.

Council will acknowledge and honour any existing arrangements between sporting clubs, community groups, organisations, associations or Council programs and EGM operators, owners and venues until a mutually suitable and tailored transition plan has been finalised.

All sporting clubs, community groups, organisations and associations will have until 30 June 2022 when the current poker machine licences expire to complete a transition plan to divest themselves of EGM generated cash or in kind support in order to be eligible for Council’s community grants, financial assistance or in kind support from Council.

The transition plans will been informed by the audit / impact assessment and consultation with sporting clubs, community groups, organisations, associations or Council programs that will be affected in practical and reputational terms. (Appendix 10: Mapping the extent of the reliance on EGMs by Darebin Clubs and Community Associations).

For those sporting clubs, community groups, organisations, associations who do not wish to negotiate a transition plan, the following graduated Policy is proposed:

Tier 1: Groups and Clubs that own or operate EGMs

Groups, clubs and organisations that own or operate EGMs in Darebin or other Municipalities will be ineligible for Council’s community grants, financial assistance or in kind support from Council, including the use of Council owned sporting facilities.

Tier 2: Groups and Clubs that receive cash, in kind and sponsorship support generated from EGMs and also receive cash, in kind support from Council.

Clubs community groups and associations that receive cash or in kind support generated from EGMs will have any their Council subsidy (cash or in kind) reduced by the EGM generated amount.

Tier 3: Groups and Clubs that who hold functions and activities in EGM venues and also receive cash, in kind support from Council.

Clubs, community groups and associations who hold functions and activities in EGM venues facilities will be ineligible for Council’s community grants, financial assistance or in kind support from Council.
7. Policy Exceptions

7.1 Music groups and musicians who perform in EGM venues

Music groups and musicians that perform in EGM venues and are not in direct receipt of Council funding, but may be contracted by Council to perform at an event or associated indirectly via a Council sponsored program, are considered outside the scope of the Policy and will not be affected.

7.2 ANZAC Day and similar military services held at RSLs

RSLs will be exempt from the EGM Policy only for ANZAC day and similar military service events. For these occasions the Council resources such as access to the community bus will continue for eligible residents wishing to attend these commemorative events.

8. Policy Review

The Policy will be reviewed in 2021. The Action Plan will be reviewed on an annual basis to ensure that Council’s actions and investment remain relevant and continue to meet the Policy objective.

For more information contact:
Community Wellbeing Community.Wellbeing@darebin.vic.gov.au
9. References


4. Dowling N, 2014 Discussion paper No.1 The impact of gambling problems on families Australian Gambling Research Centre


11. Productivity Commission; Report No.50 Canberra 2010


14. Victorian Commission for Gambling and Liquor Regulation 2017 EGM expenditure and density of EGMs per 1,000.