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Darebin Electronic Gaming Machine Policy and Strategic Action Plan
2010 – 2014

(V5 July 27th 2010)

APPENDIX A

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Policy Objective

The *Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014* provides a framework to support Council's position in relation to electronic gaming machine (EGM) activity within the municipality and identifies key areas for action. The document seeks to ensure that Council's policy context is current and that the strategic actions are achievable over the life of the policy.

Policy Scope

The *Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014* supersedes the Darebin Electronic Gaming Strategy 2001 and is orientated towards harm reduction measures at the local level. The scope of this policy provides Council with a clear position in relation to:

1. Council policy on EGM gambling
2. Community benefit
3. Council as responsible planning authority
 - Council-owned or managed property or land
 - Venue applications and permits

Definitions

Gaming

The term gaming refers to a range of legal forms of gambling such as electronic gaming machines (EGMs or pokies), club keno, casino table games, and lotteries. In Victoria, these forms of gaming are provided by a number of different organisations.

Minor gaming means a range of games such as raffles and bingo that are conducted by community and charitable organisations.

Gaming involves staking money on uncertain events, for example, choosing numbers in anticipation that those numbers will win. The results of the game are based on chance, and there is little skill involved in winning.

Any form of gaming not specifically allowed in legislation is banned. Legalised gaming is subject to stringent licensing and regulatory requirements that aim to ensure that gaming is conducted responsibly, transparently, and according to appropriate probity principles.

Electronic Gaming Machine

The electronic gaming machine (EGM) is a computerised, continuous staking, rapid play gaming machine that maps the selections of a random number generator to a visual output on a video screen. It has a predetermined rate of return (87% in Victoria) and a reward system that is based solely on chance. Approximately 54% of state gambling revenue is derived from EGM taxation.

Problem Gambling

Problem gambling is characterised by difficulties in limiting money and/or time spent on gambling, which leads to adverse consequences for the gambler, others or for the community. (Source: Gambling Research Australia (2005)).

Responses are grounded in a public health framework that recognises gambling issues are influenced by a range of factors:

- Economic;
- Social;
- Behavioural and otherwise.

This understanding of problem gambling places the individual within the broader context, and focuses on social, cultural and community factors.

It is estimated that about 1% of Australia's adult population have a severe problem with gambling, with a further 1.1% experiencing moderate problems. About 250,000 adults are estimated to experience significant harmful effects from gambling in Australia each year. Significantly problem gamblers are estimated to account for about one-third of total annual gambling losses.

In Australia problem gamblers lose on average \$12,200 each per year, compared to just under \$650 for other gamblers. It is estimated that each problem gambler negatively impacts on five to ten other people around them including family, friends and colleagues. (Source: Productivity Commission Report on Gambling October 1999)

In Victoria, 0.7% of adults are problem gamblers as measured through the Canadian Problem Gambling Severity Index. A further 2.36% of Victorian adults are deemed moderate risk gamblers. Under this measure, prevalence of problem gambling for Victorian adults is markedly lower in females compared to males, with 0.95% of

males and 0.47% of females measured as problem gamblers. It should be noted here, however, that the negative impacts of problem gambling extends to partners and family members, so needs to be considered within this broader social, cultural and community context. Across Victorian Government Regions, the risk for problem gambling is highest in the North-West Metropolitan Region.

(Source: Department of Justice, Canadian Problem Gambling Severity Index, 2009)

Responsible gambling

Responsible gaming is the provision of gambling services in a way that seeks to minimise harm to customers and the community associated with gambling.

(Source: Australian Institute for Gambling Research, adopted by the Victorian Local Governance Association and Council of Gamblers Help Services)

Gaming operators

Holders of licences to provide EGMs are licensed venues. Two companies, Tattersals Gaming Ltd and TABCORP Holdings Ltd, have been licensed to provide EGMs to clubs and hotels in Victoria. They are often referred to as a duopoly. This duopoly will cease after 2012 when the existing license expires and venues and clubs will hold licences to operate following on from state-wide auction of licences in May 2010.

1. Background and context

Darebin City Council has played a lead role in advocating for action to address the negative impacts of gambling on the local community arising from the proliferation of EGMs in areas of low socio-economic status.

The *Darebin Poverty Inquiry* (May 2001) found that the relative ease of access to EGM's in hotels and clubs in Darebin places many vulnerable groups in the community at further risk of experiencing financial or social poverty.

In November 2001 the *Darebin Electronic Gaming Machine Strategy* was developed to provide Council with a framework in which Council's lobbying and advocacy role could be more directly orientated to working with gaming industry, problem gambling services and community groups in development of harm reduction measures at the local level.

A significant component of this strategy was the launch, in March 2004, of the *Charter of Responsible Gambling*, with endorsement of all gaming venues in the municipality.

Another key initiative was the *Pokie-free Places & Activities for Culturally and Linguistically Diverse Communities in Darebin Project* (October 2005). This project was instrumental in identifying suitable social, recreational, cultural and leisure activities which could provide alternatives to gaming venues. This project added weight to the feasibility and need for the Intercultural Centre for Darebin. Council will continue to prioritise the development of pokie-free alternatives for local community through service planning and infrastructure development.

1.1 Electronic gaming machines in Victoria

There are approximately 27,000 EGMs in over 500 pubs and clubs in Victoria. Annual losses to the EGMS exceeded \$2.7 billion or \$661 per adult in 2008/09, accounting for over half (53%) of all legal gambling losses in 2008/09 (Victorian Commission for Gambling Regulation 2009). This is outside Casino expenditure.

Victoria has established a 'cap' of 30,000 EGMs, of which 2,500 are situated at Crown Casino, and the remaining 27,500 evenly split between clubs and hotels across the State across 520 licensed venues. At the end of June 2009, the number of gaming machines per 1,000 adults in Victoria was 6.41 compared to 6.64 the previous financial year.

The State government has introduced a maximum density of 10 EGMs per 1,000 people in local government areas apart from those areas specifically covered under regional capping provisions to protect disadvantaged communities.

Apart from the Casino, there is a maximum of 105 machines per venue with a minimum of 20% of machines located outside the Melbourne metropolitan area.

Change in gaming machine arrangements in Victoria will see an end to the TABCORP and Tatts Group duopoly over operating Victoria's 27,500 pokies in pubs and clubs. After 2012, when the existing licences expire, clubs and pubs will own and operate the pokies directly.

1.2 Distribution of electronic gaming machine revenue

The financial arrangements in relation to the proceeds from EGMs vary according to whether the venue is a club or hotel. This is outlined in Table One below:

Table One: Distribution of Gaming Machine Revenue in Victoria

| | Club | Hotel |
|-------------------------------|----------------|----------------|
| <i>Venue Operator</i> | 33.33% | 25.00% |
| <i>Gaming Operator</i> | 33.33% | 33.33% |
| <i>Community Support Fund</i> | nil | 8.33% |
| <i>State Government</i> | 24.24% | 24.24% |
| <i>GST</i> | 9.09% | 9.09% |
| Total | 100.00% | 100.00% |

1.3 Impacts of electronic gaming machines

The number and distribution of EGMs in Victoria is particularly significant for the following reasons:

- Most of the increase in gambling expenditure in Victoria in recent years has come from EGMs.
- EGMs are now the major form of gambling expenditure in Victoria.
- While EGM expenditure has risen, its growth has not occurred at the expense of other forms of gambling which have largely maintained their existing growth trends. Rather, this growth has been made at the expense of other personal consumption items or savings.
- The economic impact of EGMs is local. There is a direct relationship between the density of EGMs in a community and EGM expenditure per adult. The more EGMs there are in a particular area, the higher the average expenditure per adult will be for that area.
- EGMs are a major source of problem gambling. The use of gaming machines is associated with 65% – 80% of problem gamblers who receive counselling.

1.4 State government policy position

Taking Action on Problem Gambling: A strategy for combating problem gambling in Victoria (2006) is the State Government's five year strategy on problem gambling. The strategy sets out a number of major initiatives and actions to be taken by Government including:

- Reviewing and extending regional caps to 19 regions (at 10 machines per thousand adults).
- Introducing a maximum EGM density of 10 machines per thousand adults by 2019.
- Researching the community benefit of 'destination gambling'.
- Amending the Victorian Planning Provisions (VPP) to require a planning permit for the establishment of gaming venues.
- Protecting vulnerable communities in relation of location of gaming machines in areas of low socio-economic status.

1.5 Electronic gaming machines in Darebin

The City of Darebin has a disproportionate number of EGMs and gaming venues relative to other municipalities in Victoria; 15 venues with total of 986 EGMs.

Changes to gaming machine arrangements and local area impact

In the recent State Government EGM licence auction, Darebin venues purchased 803 entitlements. These initial figures are provisional and subject to allocation by the Minister; however if allocated, Darebin Councils' total EGM number will reduce from 986 machines to 803 by 2012. The number of venues and machines in Darebin is anticipated to drop to a total of 13 venues as a result of Reservoir Bowling Club not renewing licences and the sale of Northcote RSL (whose machines will be picked up by Darebin RSL). It is yet unknown if new venue applications will increase as a result of new gaming arrangements and industry activity in the local area.

Table Two: Gaming Venues in Darebin as at January 2010

| Venue | Address | Operator | EGM | Venue Type |
|-------------------------------|---------------------------------------|--------------|-----|------------|
| ALBION CHARLES HOTEL | 2 CHARLES STREET NORTHCOTE VIC | TABCORP | 65 | Hotel |
| CLUB FOGOLAR FURLAN MELBOURNE | 1 MATISI STREET THORNBURY VIC | Tattersall's | 52 | Club |
| CRAMERS HOTEL | 1 CRAMER STREET PRESTON VIC | Tattersall's | 100 | Hotel |
| CROXTON PARK HOTEL | 607-619 HIGH STREET THORNBURY VIC | Tattersall's | 100 | Hotel |
| DAREBIN RSL | 402 BELL STREET PRESTON VIC | Tattersall's | 65 | Club |
| EDWARDES LAKE HOTEL | 257 EDWARDES STREET RESERVOIR | TABCORP | 100 | Hotel |
| FAIRFIELD & ALPHINGTON RSL | 7 RAILWAY PLACE FAIRFIELD VIC | Tattersall's | 30 | Club |
| JUNCTION HOTEL | 1 PLENTY ROAD PRESTON VIC | TABCORP | 46 | Hotel |
| NORTHCOTE RSL | 496 HIGH STREET NORTHCOTE VIC | Tattersall's | 56 | Club |
| OLYMPIC HOTEL | 31 ALBERT STREET PRESTON VIC | TABCORP | 80 | Hotel |
| PRESTON HOTEL | 635 HIGH STREET PRESTON VIC | Tattersall's | 41 | Hotel |
| RESERVOIR BOWLING CLUB | 75 LEAMINGTON STREET RESERVOIR VIC | Tattersall's | 23 | Club |
| RESERVOIR RSL | 251 SPRING STREET RESERVOIR | TABCORP | 68 | Club |
| ROSE SHAMROCK & THISTLE HOTEL | 709 PLENTY ROAD EAST RESERVOIR VIC | Tattersall's | 60 | Hotel |
| SUMMERHILL HOTEL | 12/830 PLENTY ROAD RESERVOIR VIC | TABCORP | 100 | Hotel |
| | | | 986 | |

(Source: www.vcgr.vic.gov.au)

Annual EGM expenditure per adult in Darebin

There are currently 9.16 EGMs for every 1000 adults in Darebin, above the state average of 6.81. While there has been a slight reduction in the total number of EGMs in Darebin of late, gambling losses continue to grow. Average expenditure by adult per machine is \$830.65 compared to metropolitan average of \$688.00.

In 2008/09 over \$93 million was expended by EGM gamblers in Darebin, up by \$4 million from the previous year. Darebin is ranked the sixth highest of any municipality in Victoria in terms of net annual EGM losses. At time of writing figures for 2009/10 financial year were still to be released with July to May over \$80 million.

Table Three: City of Darebin EGM expenditure and location 2008/09 & 2009/10

(Source: www.vcgr.vic.gov.au)

**City of Darebin - Current Venues
Monthly Net EGM Expenditure**

| Financial Year | 2009/10 | 2008/9 |
|----------------|----------------------|----------------------|
| | \$ | \$ |
| July | 7,926,871.48 | 8,049,196.11 |
| August | 8,088,155.14 | 8,215,266.12 |
| September | 7,304,173.68 | 7,475,798.10 |
| October | 7,817,234.04 | 7,992,212.65 |
| November | 7,006,198.26 | 7,766,272.67 |
| December | 7,478,562.74 | 8,923,611.04 |
| January | 6,809,244.11 | 7,448,975.88 |
| February | 6,432,560.18 | 6,527,847.52 |
| March | 7,032,654.95 | 7,612,319.64 |
| April | 7,189,646.23 | 7,765,275.75 |
| May | 7,317,821.50 | 7,979,643.09 |
| June | *0.00 | 7,284,230.33 |
| TOTAL | 80,403,122.31 | 93,040,648.90 |

*June 2010 figure not available at time of printing.

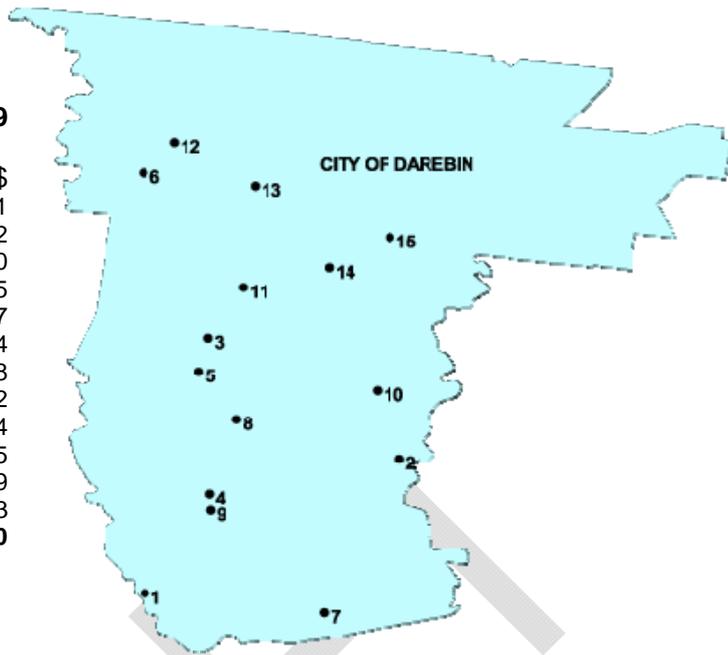
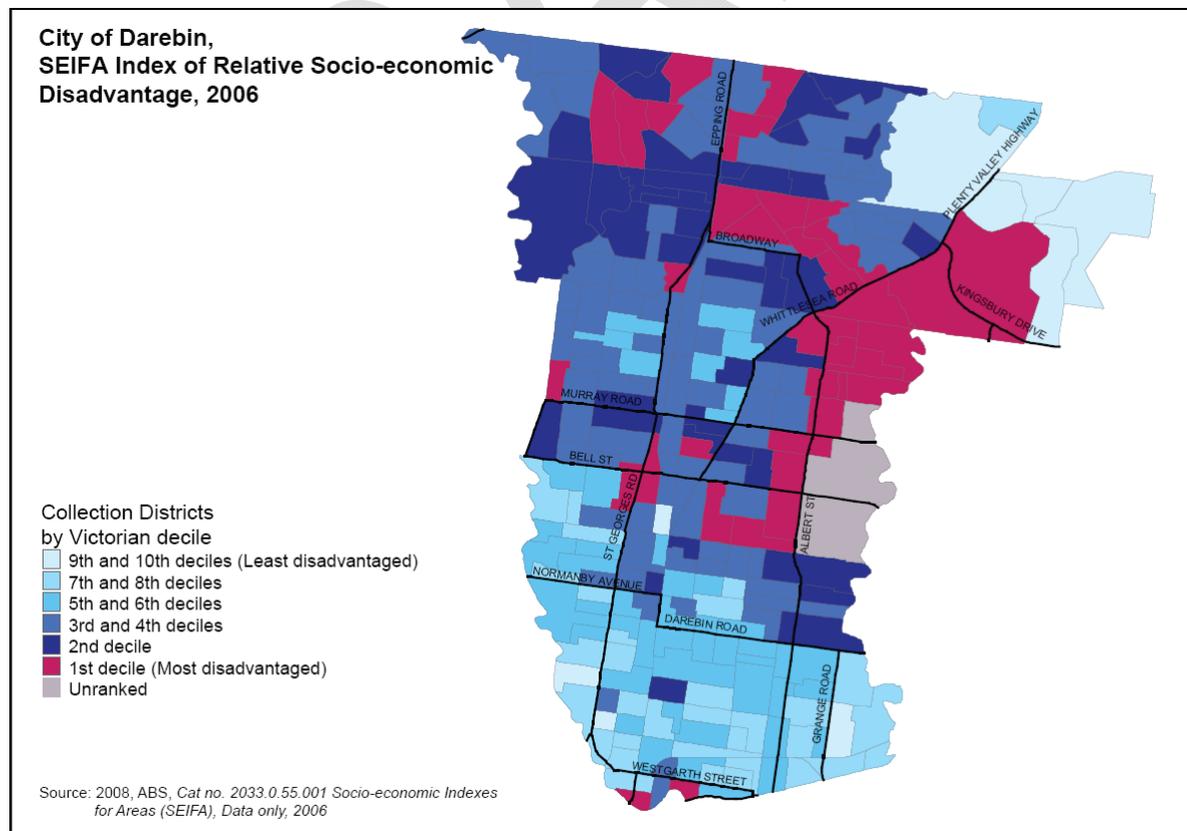


Table Four: SEIFA index of relative socio-economic disadvantage, 2006



Social and economic index of disadvantage and gaming in Darebin

When gambling losses are matched with the poverty ranking of Darebin, as measured by the ABS Socio-Economic Index of Disadvantage (SEIFA), Darebin ranks as the fourth highest municipality that is adversely affected by EGM gambling. This point was recognised by the State Government nominating Darebin as one of the areas in which a regional cap on EGMs has been declared.

1.6 Legislation and regulatory controls

This section provides the legislative context for gaming in Victoria as it relates to gaming and planning legislation at the State and at the local level.

The provisions governing the conduct of gaming that are most significant to Council are set out in the following legislation:

- Planning and Environment Act 1987
- Gaming Regulation Act 2003
- Local Government Act 1989

1.6.1 Planning and Environment Act 1987

The Planning and Environment Act 1987 (P&E Act) gives Council, as the responsible authority, the power to grant or refuse a planning permit for the installation or use of a gaming machine. The Act establishes a framework for planning the use, development and protection of land in Victoria. The most pertinent objectives of the P&E Act with regard to the regulation of gaming machines and gaming venues are:

4. (1) *(a) to provide for the fair, orderly, economic and sustainable use, and development of land;*
(c) to secure a pleasant, efficient, safe working living and recreational environment for all Victorians and visitors to Victoria;
(g) to balance the present and future interests of all Victorians.

In addition to these objectives, Section 4(2) (d) requires that consideration be given to the social and economic impact of the use and development of land.

1.6.2 Gaming Regulation Act 2003

The operation of EGMs in Victoria is governed by the provision of the Gaming Regulation Act 2003 (the Act). This Act re-enacts and consolidates various laws relating to gambling in Victoria and establishes various powers and authorities on gambling.

The main objectives of the Act under Section 1.1(2) are:

- a) to foster responsible gambling in order to -
 - (i) minimise harm caused by problem gambling
 - (ii) accommodate those who gamble without harming themselves or others.

- (b) to promote tourism, employment and economic development generally in the State.

The Act identifies that gambling has both positive and negative impacts on the community.

Amendments to the Act

Amendments to the Act will see changes in gaming machine arrangements in Victoria after 2012. Council will maintain a watching brief on these changes to monitor impacts. The key changes are:

- An end to the TABCORP and Tatts Group duopoly over operating Victoria's 27,500 pokies in pubs and clubs. After 2012, when the existing licences expire, clubs and pubs will own and operate the pokies directly.
- Monitoring of EGMs, currently conducted by the Victorian Commission for Gambling Regulation (VCGR), will be carried out by an independent authority.
- The new licences will last 10 years, instead of the 20 years the existing TABCORP and Tatts Group licences had lasted for. The shorter licences to give government and the community more ability to change arrangements more frequently for the purposes of minimising harm to the community.
- A progressive tax system will be implemented for EGM venues, so that smaller less profitable clubs will pay a lower rate of tax compared to large for-profit hotels on the revenue make from EGMs.
- EGM venues must remove ATMs by 2012, with exemption allowed for venues in rural locations, where there are limited cash facilities.
- After 2010 all new EGMs must have pre-commitment machines, with a facility to allow for gamblers to set limits on the time they are gambling and the amount they are willing to lose.

The process of acquiring a venue operator's licence, and obtaining approval for a gambling venue and machines, by the VCGR and local council, remain similar to the current arrangements.

1.6.3 Industry self regulation - responsible gambling codes of conduct and self exclusion program

As of June 2009 all EGM venues in Victoria are required to have a Responsible Gambling Code of Conduct (Code) and, in the case of gaming venue operators, a Self Exclusion Program (SEP) in place under the *Gambling Regulation Act 2003* administered by the Victorian Commission for Gambling Regulation.

1.6.4 Regional caps

Regional caps are a way of setting limits on the number of gaming machines that can be available for gaming in certain specific areas. There are 20 regions across Victoria which are capped at 10 machines per 1000 adults or at the density at the time of the gaming cap announcement, whichever is the lower. Darebin is listed as Region 7 and is capped at 986 machines.

Prior to October 2009 the municipality was included under *Darebin Plus* incorporating the City of Darebin and adjoining postcodes located in the four neighbouring municipalities of Moreland, Hume, Whittlesea and Banyule.

On 21 October 2009 the Victorian Commission for Gaming Regulation determined, in accordance with the Minister's Order of 20 October 2009, the maximum permissible number of gaming machines available for gaming in each capped region. This resulted in Darebin Plus ceasing and Darebin being determined as stand alone region capped at 986 machines.

1.6.5 Local Government Act 1989

The Local Government Act 1989 states that the primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.

To achieve this, a Local Council needs to have regard to the social, economic and environmental viability and sustainability of the local area and the overall quality of life of the people in the local community.

The Victorian Government has sought to increase local government involvement in the hearing of applications before the Victorian Commission for Gaming Regulation in the form of submitting Social and Economic Impact Statements.

However, it is important to remember that local government powers in respect to control over the operation of gaming machines within the municipality are limited by the parameters imposed by State Government legislation. Providing land use requirements are satisfied, local government's powers are largely restricted to acting as an advocate for its community. Policy positions that lie outside the regulatory framework can be ignored.

1.6.6 Planning schemes

State policy is implemented through provisions set out in the City of Darebin Planning Scheme. The planning scheme provisions in relation to gaming and installation and use of gaming machines are found in the State Planning Scheme Clause 52.28.

The purpose of these provisions is to:

- Ensure that gaming machines are situated in appropriate locations and premises.
- Ensure the social and economic impacts of the location of gaming machines are considered.
- Prohibit gaming machines in specified shopping complexes and strip shopping centres.

Other relevant clauses are:

Clause 11.02 Net Community Benefit and Sustainable Development

Entertainment and recreation

Clause 12.06-2 Increase access to the arts, recreational and other cultural facilities.

Clause 14.01 The objective of this clause is to ensure a sufficient supply of land is available for residential, commercial, industrial, recreational, institutional and other public uses.

Activity centres and sustainable transport

Clause 12.01-2 - Develop a network of activity centres that are the focus for business, shopping, working, leisure and community facilities.

Clause 17.01 - Encourage the concentrating of major retail, commercial, administrative, entertainment and cultural developments into activity centres (including strip shopping centres) which provide a variety of land uses and are highly accessible to the community.

2. Darebin City Council policy position on gaming

2.1 Position statement

Council's overall goal and long-term commitment is to significantly reduce the number of electronic gaming machines (EGMs) in the city and minimise and reduce the negative impacts of gaming on the Darebin community.

Darebin City Council recognises that there are many forms of legalised gambling activities in the community. These include: casino table games; lotteries; sports betting; and minor forms of gambling such as gaming and bingo. All types of gambling have potentially detrimental impacts on individuals, families and the broader community.

However, the rapid growth and uneven distribution of EGMs in Victoria since the 1990s continues to be of particular concern to Council.

While gambling and gambling-related problems occur among all segments of the community, losses are largely sustained by people that can least afford them. This includes people on lower income, socially isolated, women and the elderly. The community is often left to deal with the consequences of problem gambling.

- As such, Council does not support EGM gaming in the municipality and will work to prevent proliferation of new venues or increases in locational density within the municipality.
- Council will seek to employ measures at reducing the current number of EGMs in the city from the current average of 9.16 EMG per 1000 adults in line with the state average of 6.81 EMGs per adult or by 25% of the current 986 EMS (246), which ever is greater.
- Where possible, Council will vigorously campaign and contest any related gaming licence applications before the Victorian Commission on Gaming Regulation.
- Council will not support EGM gaming machines on Council owned or managed property or land.
- Council will work closely with partners, community and venue operators in the development and promotion of alternatives to gambling (primary prevention) and harm minimisation strategies.
- Council will adopt a 'gender analysis' approach to ensure that women's and men's relationship with EGMs is specifically considered and addressed within the policy.
- Council will adopt a 'diversity and equity' approach to policy implementation to ensure that factors such as age, ethnicity and language are considered and addressed within the policy.
- Council will seek to improve coordination across Council departments, recognising multiple impacts that problem gambling has on the community and the need for an integrated Council response.

2.2 Principles

The principles underpinning this policy statement are drawn directly from the 2009-2013 Darebin Council Plan:

- *We will advocate about issues affecting the Darebin community, backed up by informed and clearly articulated policy positions.*
- *We will build on our close partnerships with community organisations, community agencies, other levels of government and the private sector to improve outcomes for the Darebin community.*
- *We will work with the community to identify their health, wellbeing and safety needs and develop and implement a coordinated response.*
- *We will research and better understand all the different dimensions of disadvantage in our community, and work to remove or minimise the barriers to community participation and access.*
- *We will fund the delivery of our programs and services through an equitable and transparent distribution of municipal rates and charges.*

2.3 Darebin Council policy context

The Darebin Electronic Gaming Machine Policy and Action Plan is informed by the following Council plans and strategies:

- Darebin Council Plan 2009-2013
- Darebin Municipal Strategic Statement
- Darebin Community Health and Wellbeing Plan 2009-2013
- Darebin Human Rights and Social Inclusion Framework
- Darebin Diversity Policy
- Darebin Leisure Services Strategy

2.4 Council position on EGM gambling

Council does not condone any activity that harms community and will continue to play a key role in advocating for action to address the negative impacts of gambling on the local community arising from the proliferation of EGMs in areas of low socio-economic status.

Key responsibilities of Council are to:

- Ensure community views about the shape of local communities and neighbourhoods, including the built and social environment, are considered. This includes provision of opportunities for residents to express views on pokie gambling and whether it may be accommodated within any given community.
- Use the precautionary principle to ensure pokie venues and gaming do not negatively impact on the municipality's social, economic and environmental health or overall quality of life in the local community and developing criteria against which applications for additional pokie machines and gaming venues, or the expansion of venues, may be assessed.

Council supports the principle of a cap on EGM numbers in the municipality and will work to prevent proliferation of new venues or increases in locational density within the municipality.

However, the Victorian Government's *Darebin Plus* regional cap on EGMs covers an area larger than Darebin. Therefore, Council determines that **no more EGMs be permitted in Darebin, even if there is a natural attrition in EGM numbers over time**. The burden of EGM use on the Darebin municipality should not be any greater than the burden experienced by other municipalities.

Where it can, Council will employ measures aimed at reducing the current average of 9.16 EGMs per 1,000 adults in line with state average of 6.81 per 1,000 adults.

The benchmark set by the Victorian Government, as determined by the total number of EGMs and the density of EGMs per adult, should be reviewed on an annual basis, in line with State Government and gaming industry policy developments and ongoing research into the social and economic impacts of EGM gambling on local communities.

2.5 Council as responsible planning authority

It is necessary for Council to establish and articulate its strategic intent in relation to the location and density of EGMs within the municipality, and to develop a sufficiently robust policy base to support this intent should it be challenged by the local community, gaming venues or judicial bodies such as the Victorian Civil and Administrative Appeals Tribunal (VCAT) and the Victorian Commission on Gaming Regulation (VCGR).

The increase in planning powers granted to local government in respect to the placement of machines places onus on Council to develop coherent land use policies that complement the existing planning scheme and integrate with its social policy objectives in respect to EGMs. There are now better opportunities for Council to guide the location of gaming machines within the municipality and manage the impacts of gaming locally under these new planning powers.

2.5.1 Venue application for planning permit

The Local Government (Democratic Reform) Act 2003 identifies that the primary objective of a Council is to achieve the best outcomes for the local community, having regard to the long term and cumulative effects of decisions.

In achieving this objective Council is expected to develop coherent land use policies that complement the existing planning scheme and integrate with its social policy objectives in respect to EGMs and the social, economic and environmental viability and sustainability of the local district.

On 18 October 2006, the State Government implemented changes to the gaming provisions in the Victoria Planning Provisions, through the introduction of Clause 52.28 (Gaming), so that a planning permit is now required for the installation and use of electronic gaming machines (EGMs) in a new venue or for an increase in the number of EGMs approved for an existing venue.

Provisions aim to:

- Ensure that gaming machines are situated in appropriate locations and premises.
- Ensure the social and economic impacts of the location of gaming machines are considered.

- Prohibit gaming machines in specified shopping complexes and strip shopping centres.

a) Internal procedure for assessment of applications to Council from new venues or venues seeking to increase EGM numbers

All applications and notifications to Council as the Local Government Authority regarding Electronic Gaming Machines will go to the Council Planning Committee for consideration and final approval.

Council position is that there be no increase in the number of EGM venues in Darebin. All new venue applications will be considered within this policy context.

The Social Policy Coordinator or delegated representative will attend Planning Committee meetings to provide strategic policy and information regarding EMG applications as set out in the Darebin Electronic Gaming Machine Policy and Strategic Action Plan.

The Darebin Electronic Gaming Machine Policy and Strategic Action Plan will be linked into the Municipal Strategic Statement.

Applicants are required to address the planning issues of the proposal, and obtain a planning permit from Darebin City Council, (under the provisions of the Planning and Environment Act 1987) prior to the submission of a gaming licence application to the Victorian Commission for Gambling Regulation (VCGR).

Any application to Darebin Council for a permit to establish a new pokie venue or increase pokie numbers in existing venues is also required to submit the following documentation prior to and in addition to *Mandatory Information for New Premises* to be lodged with the VCGR.

- Location in context of other uses (including impact of facility on customers, consumers and clients of surrounding businesses and services)
- Social and Economic Impact Assessment
- Action-Based Code of Conduct evidencing harm minimisation strategies
- Community Benefit
- Cover sheet and check list

(See section on **Assessment Documentation** for full detail).

b) Council Submission of Social and Economic Impact Assessments to the Victorian Commission on Gaming Regulation

In line with stated policy position, Council will vigorously campaign and contest any related gaming licence applications before the Victorian Commission for Gaming Regulation (VCGR).

Legislative changes under the Gambling Regulation Further Amendment Act 2009 mandate fixed timelines for the applicant, responsible authority and VCGR throughout the application process. These are likely to commence in the second quarter of 2010.

A panel established by VCGR assesses applications as to whether the proposal will be economically or socially detrimental to the well-being of the community of the municipal district in which the venue is located.

In particular, the Commission needs to be satisfied that the **net** economic and social impact of approving a new venue, or an increased number of machines in an existing

venue, will not be detrimental to the well-being of the community of the municipal district in which the premises are located.

The use of the word 'net' recognises that there are positive and negative impacts on the well being of the local community and that a balancing process is required.

Council will make submissions to the VCGR setting out the anticipated social and economic impacts of an application for a new gaming venue, or changes to existing venues with EGMs.

This will entail significant allocation of Council resources, not only in preparing a social and economic impact assessment, but also in terms of Council and legal representation at public hearings.

The conduct of Social and Economic Assessment will occur within the context of guiding principles and policy position outlined in the Darebin Gaming Policy and Action Plan.

Council submissions need to reflect a diverse range of data inputs, including economic development, social policy, leisure services and urban planning.

Adequate community consultation is vital to ensure that the views of people affected by the gaming proposal are considered by the VCGR or VCAT. However, the tight timelines for Council responses to the VCGR may limit opportunities for local communities to have a say on a particular gaming proposal.

Submissions will be coordinated through the Social Inclusion and Diversity Unit in consultation with the Council Planning Committee.

The Council Planning Committee will ensure Council is kept informed on timelines for submissions and that Council reports are coordinated within these time frames. In such cases where time limits are prohibitive, endorsement of submissions will be delegated to the CEO.

2.5.2 EGM gambling in Council-owned or managed property or land.

This policy concerns venues that operate EGMs in Council-owned premises or on Council-owned land. These include membership-based clubs such as RSLs and sporting facilities such as bowling clubs. The following principles underpin Council's policy on gambling in Council-owned premises or land.

Council's policy on EGM gambling will inform its position on gambling in Council owned premises or land. **That is,** Council will not support the continuation of EGM gaming machines on Council owned or managed property or land.

Council will work to ensure ensuring compliance with Council's land use policy regarding EGM placement and location.

Council acknowledges that there is a range of subsidy arrangements for clubs with EGMs and clubs that do not rely on gambling revenue. Gambling is a commercial activity that attracts resources that are not available to clubs without gaming machines. Council is of the view that its fees policy should be equitable in the sense that 'fair rents' are levied against venues based on their ability to raise revenue, and that venues who do not have EGMs are not unduly penalised.

a) Existing venues with EGMs on Council-owned or managed property or land

For existing venues with EGMs, Council will maintain current arrangements until expiry of the gaming licence or the rental lease, whichever occurs first.

At that point, Electronic Gaming Machine activity on Council owned or managed properties or land will be required to cease.

If the above conditions are satisfied, Council will then negotiate a new rental lease with the venue, based on a market rent for the property.

b) Venues applying for gaming licences of additional EGMs on Council owned or managed land

Venues based in Council premises that apply to the VCGR either for a new gaming licence or for additional EGMs, will be considered in line with Council's policy on EGMs – **that is**, Council will not support the continuation of EGM gaming machines on Council owned or managed property or land.

2.6 Community benefit

The issue of community benefit generally remains a vexed one for Council and communities in relation to lack of control and transparency regarding distribution of Community Support Fund and Community Benefit Contributions back into local communities for community benefit.

Council supports mechanisms that promote greater return of gaming losses back into the local Darebin community as a way of off-setting the negative impacts that gambling continues to have on local communities.

These mechanisms include:

- a. Consideration of a differential rate system for Gaming venues within the municipality with revenue being re-directed back into local communities.
- b. Monitoring of Community Support Fund money going back to the municipality.
- c. Council, in consultation with EGM venues in Darebin, to seek an annual financial contribution at an agreed percentage towards the Darebin Council Community Grants Program supporting targeted projects for community benefit.
- d. Increase transparency and propriety of sponsorship by venues with Council playing an advisory role on what is needed and how sponsorship money may be allocated back into local communities.
- e. Annual publication of how much money is lost across the City through EGM gambling with a venue by venue breakdown of expenditure and community contribution.
- f. Improve communication and engagement between Council, community, gambling support services and gaming venues, by hosting activities such as quarterly meetings and an annual industry/community forums on Responsible Gambling in consultation with Gambler's Help Northern and the Northern Region Primary Care Partnership Problem Gaming Prevention Initiative.

3. Strategic actions

There are a range of strategic actions that Council can undertake to support policy objectives. These actions have been broken up into key action areas and can be linked back to the specific policy area.

| 3.1 Lobbying and advocacy | |
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| Council will: | Responsible Council area |
| 3.1.1 Lobby State Government to identify alternative forms of revenue to reduce its reliance on gambling taxes. | Social Inclusion and Diversity |
| 3.1.2 Lobby the State Government to review the regional cap on EGMs to ensure a more equitable distribution of EGMs in Victoria and, in particular, targeted reduction of EGMs in Darebin to 6.1 per 1,000 adults in line with State average. | Social Inclusion and Diversity |
| 3.1.3 Participate in the Local Government Working Group on Gambling (LWGOG) as a platform for Council's lobbying and advocacy. | Social Inclusion and Diversity |

| 3.2 Research and knowledge building | |
|---|--------------------------------------|
| Council will: | Responsible Council area |
| 3.2.1 Identify priorities for gaming research and monitor outcomes of State, Federal Government and Local gambling research to inform Council response. | Social Inclusion and Diversity |
| 3.2.2 Monitor impacts on the local community including demographic and health impact data. | Social Research and Service Planning |
| 3.2.2 Refer to the findings and recommendations contained in the | Social Inclusion and Diversity |

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| Australian Government Productivity Commissions Gambling Report 2010 in ongoing policy and program development. | |
| 3.2.3 Regularly monitor demographic and health impact data on gaming in Darebin to understand local impacts and develop appropriate policy and program response. | Social Inclusion and Diversity Family, Youth and Community Support |
| 3.2.4 Work to identify vulnerable communities that warrant additional protection that includes application of a gender and diversity lens. | Social Inclusion and Diversity Family, Youth and Community Support |

3.3 Community development and engagement

| Council will: | Responsible Council area |
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| 3.3.1 Continue to work closely with key agencies and communities at the local level to reduce the harm associated with EGM gambling. This includes engagement with allied strategies such as the Victorian Aboriginal Gambling Awareness Service (VAGAS); Gambler's Help Northern; Centre for Culture, Ethnicity and Health; Multicultural Gamblers Help Program and the PCP Problem Gambling Prevention in Melbourne's North initiative. | Social Inclusion and Diversity Family, Youth and Community Support |
| 3.3.2 Improve communication between Council, support services and venues including pilot of an annual industry/community exchange on Responsible Gambling in conjunction with Gambler's Help North. This includes monitoring of venue activity to ensure responsible practice and compliance through a local venue action-based code of conduct in addition to State Government regulatory measures. | Social Inclusion and Diversity Family, Youth and Community Support |
| 3.3.3 Work with the Health Planner and key staff to ensure health promotion and problem gambling prevention strategies are integrated under the | Social Inclusion and Diversity Family, Youth and Community Support |

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| Darebin Community Health and Wellbeing Plan. | |
| 3.3.4 Continue to develop and promote alternative places and activities to pokies for local communities through Council programs, services and infrastructure development. This includes a <i>no pokies policy</i> for any activities and social outings supported through Council programs and services. | Across Council |
| 3.3.5 Review and update the <i>Darebin Community Outings Guide</i> in consultation with internal and external stakeholders including the Casino Bus Trips Project. | Leisure Services Social Inclusion and Diversity |
| 3.3.6 Engage with venues to explore ways they can develop and promote other recreational and social activities within their own venues as a sustainable alternative. | Social Inclusion and Diversity |

3.4 Community benefit

| Council will: | Responsible Council area |
|--|---------------------------------|
| 3.4.1 Lobby the State Government to ensure that grants provided under the Community Support Fund are allocated to local municipalities according to a needs-based formula based on socio-economic indicators and gambling losses at the municipal level. | Social Inclusion and Diversity |
| 3.4.2 Annually publish in Darebin News details on EGM gaming activity in Darebin, including expenditure data and community benefit as a mechanism for improving transparency and keeping local communities informed. | Social Inclusion and Diversity |
| 3.4.3 Engage with gaming venues to support a more targeted re-direction of funds back into local communities for community benefit. This includes exploring contribution options through the Darebin Community Grants | Social Inclusion and Diversity |

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| Program. | |
| 3.4.4 Support the development of models that promote greater return of gaming losses back into the municipality, including consideration of a differential rate on gaming venues. | Social Inclusion and Diversity Corporate Services |

3.5. EGM Gambling on Council owned or managed land

| Council will: | Responsible Council area |
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| 3.5.1 Ensure that venues that operate EGMs on Council-owned property or land abide by this policy. | Development and Amenity Infrastructure - Leisure and Open Space Social Inclusion and Diversity |
| 3.5.2 Ensure that Council subsidy arrangements for community organisations located in Council-owned premises are fair and equitable and that clubs who do not have EGMs are not unduly disadvantaged. | Infrastructure - Leisure and Open Space Corporate Services Social Inclusion and Diversity |
| 3.5.3 Upon expiry of the gaming licence or the rental lease, whichever occurs first, Council will advise the venue regarding Council policy that EGM activity owned or managed properties or land will be required to cease. | Leisure and Open Space Social Inclusion and Diversity Building Management |

3.6 Planning control

| Council will: | Responsible Council area |
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| 3.6.1 In line with Council position that no new EGM venues be allowed within the municipality and no increase in density of EGMs, upon receipt of an application for either a new gaming venue or changes to an existing venue, will ensure that applicants are made aware of this policy and required documentation. | Statutory Planning Social Inclusion and Diversity |

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| 3.6.2 | All gaming venue and licence applications to be referred to the Planning Committee with notification to the Social Inclusion and Diversity Branch. | Planning Committee Social Inclusion and Diversity |
| 3.6.3 | Ensure the Darebin Electronic Gaming Machine Policy and Strategic Action Plan is referenced in the Municipal Strategic Statement with a clear statement on Council position in relation to EGM activity and land use. | Development and Amenity - Planning |
| 3.6.4 | Develop a set of guidelines for Social and Economic Impact Assessment (SEIA) for gaming machine applications to assess the social and economic impact on the municipality of EGM applications. | Development and Amenity - Planning Social inclusion and Diversity |
| 3.6.5 | Consider inclusion of a Local Policy on EGM Gambling within the Planning Scheme to strengthen Council's statutory power of Council in relation to EGM activity within the municipality. | Development and Amenity - Planning Social Inclusion and Diversity |

3.7 Monitoring and evaluation

| Council will: | Responsible Council area |
|---|---------------------------------|
| 3.7.1 Review and monitor our policy position on EGM gambling on an annual basis. | Social Inclusion and Diversity |
| 3.7.2 Link strategic actions back into departmental workplans and ensure adequate resourcing so that objectives can be achieved over the life of the policy | Relevant branch |

4. Permit assessment documentation

It is preferable that Applicants address the planning issues of the proposal, and obtain a planning permit from Darebin City Council, (under the provisions of the Planning and Environment Act 1987) prior to the submission of a gaming application to the Victorian Commission for Gambling Regulation.

Any application to Darebin City Council for a permit to establish a new electronic gaming machine (EGM) venue or to increase EGM numbers in existing venues requires the following documentation.

The following is a description of documents required to be submitted by venues seeking a planning permit from Darebin City Council.

Documents can be downloaded from:

http://www.darebin.vic.gov.au/page/page.asp?Page_id=7542

Document 1: Location

A statement indicating the location of the existing and/or proposed EGM gambling venue and whether it will be:

- within a shopping strip;
- close to shops;
- in a location central to where people go about their normal daily activities;
- in a location of major community congregation;
- close to transport centres or community centres;
- in or close to an area with a low SEIFA score; or
- in a location that may compromise the amenity of the area.

Document 2: Impact assessment

All applicants need to demonstrate through a rigorous and methodologically sound assessment what impact the additional EGM machines will have on health, social and economic wellbeing of the local community.

Assessment needs to demonstrate that there is a net social and economic benefit to the community as a direct result of the addition of more EGM machines. Document 2 provides a comprehensive list of what factors should be included in the impact assessment.

Document 3: Harm prevention

Council believes that EGM venues and the EGM industry more widely are responsible for ensuring the safety and integrity of their products and in preventing and minimising the potentially negative outcomes for persons using their products and patronising their venues.

Accordingly, Council requires applicants to indicate which product safety, venue host responsibility and harm minimisation strategies will be put in place and to submit a comprehensive Code of Conduct for their venue.

All applicants need to provide a statement indicating the measures that will be adopted at the venue to prevent the possibility of harmful consequences. And, provision of a statement detailing the advantages, grants and benefits the venue will provide directly to the local community and how decisions affecting their allocation will be managed.

Almost all State government efforts and funding allocations are focused on reducing the harms of EGM gambling by focusing on problem gamblers. Although this is an area of great importance, little or no attention and funding has focused on the equally important area of preventing problematic behaviours developing. Darebin City Council requires

EGM gambling venues in the Darebin municipality to focus on eliminating the environmental cues and prompts that may induce problematic behaviour.

Council will look more favourably on applications that incorporate an agreement to apply measures that are designed to enhance product safety and steps to minimise the potential of harm (however defined) to patrons. A range of measures are listed in Document 3. Applicants are encouraged to indicate further harm minimisation, venue host responsibility and product safety measures they intend to put in place, additional to those listed.

Document 4: Community benefit

As well as taking active steps to prevent harm occurring from the applicant's product (pokie machines), applicants need to demonstrate that there will be significant and measurable advantages to the broader local community as a result of their venue and additional machines.

There is a need for the community to be more involved in decisions about where the 'community benefit' funds go so that the process is transparent, appropriately recognised and fairly distributed where it is most needed to assist the community. This may be achieved through:

- contributing directly and substantially back into the wider local for community benefit, including making an annual contribution to the Darebin Community Grants Program based on agreed percentage.
- providing a publicly available annual audited statement of local community benefit distribution.
- supporting community benefit principles in relation to application of a differential rating system applied to venues (currently under review).

Document 5: Action based Code of Conduct

The requirement for submission of an 'Action-Based Code of Conduct' with the application for a permit enables Council to assess the extent to which the applicant is prepared to implement harm prevention and harm minimisation practices into the management of their EGM venue.

An Action-Based Code of Conduct will help consolidate good intentions and broad, generic Codes into concrete policy and visible actions. The Action-Based Code of Conduct will list the specific actions undertaken, or to be undertaken at the venue or proposed venue. Vague statements of good intention are to be kept to a minimum. A suggested Code of Conduct is provided to assist applicants.

Document 6 Cover Sheet and Checklist

A checklist coversheet to ensure all required documentation is included in the permit application.