

**APPENDIX B*****Darebin Electronic Gaming Machine Impact  
Assessment Tool******2014 -2017*****Introduction**

This social assessment tool has been developed to provide Council with an additional method to measure and predict the relative impacts to individuals, families and communities with regards to the movement of future Electronic Gaming Machines (EGM) into and within the municipality. This social assessment which provides both a narrative and numerical summary, is complementary to and will be considered alongside the standard land use assessments when planning and / or licencing applications have been lodged.

**Council's Decision making Framework**

Council acknowledges that participating in EGM gambling is a lawful form of entertainment that provides social, leisure and recreational opportunities to a large number of adults. It also acknowledges that the use of EGMs is harmless for those who are able to control the amount of time and money they spend on EGM gambling. It further acknowledges that EGM gambling is an important source of revenue that is used by both the venue operator and the State government to support the delivery of social and community activities and facilities to communities across Victoria and Darebin.

However, Council also recognises that the use of EGMs is closely associated with a range of social, health and economic harms that have a direct and indirect impact on the wellbeing of individuals, their families and the broader community. These harms are concentrated within groups that are particularly vulnerable to problem gambling due to their socio-economic circumstances, health status or cultural background.

Council will exercise its statutory and legislative mandate to reduce the harmful effects of EGM gambling in Darebin by giving detailed and balanced consideration to all future applications for EGM's lodged as;

- a. A Gaming Licence; and / or
- b. A Planning Permit

The policy incorporates and underpins the *Darebin Electronic Gaming Machine Impact Assessment Tool* which will guide Council when assessing the social and economic impacts for every application seeking to

1. Increase the number of EGMs in an existing venue;
2. Establish a new gaming venue; and / or the
3. Transfer EGM's within the municipality.

Council recognises that every proposal will bring a unique and complex set of factors that need to be considered in the context of the social, physical and economic environment within which it will operate. The framework provides a practical, evidence based approach that underpins the policy and the assessment tool. Council also recognises that proposals by Hotels and Clubs may be treated differently based on their capacity to contribute to local community wellbeing activities.

This assessment will complement Council's requirement to also assess these applications as prescribed by the Planning and Environment Act 1987.

The assessment process will be informed by a weighted three tiered decision making framework incorporating factors that contribute to relative vulnerability. The framework will guide Council to assess all applications in term of the level of support provided on a case by case basis. This involves establishing outcomes of applications that will either 'not be supported by Council', 'discouraged by Council' or 'considered' by Council. Assessments that lead to applications not being supported are based on a high risk of detriment to the community. Assessments that lead to applications being discouraged are based on a medium risk of detriment to the Community. Assessments that lead to applications being supported are based on a low risk of detriment to the community. Factors such as the Socio- Economic Index of Disadvantage (SEIFA) score, the density of EGMs, gambling losses within an area, existing clusters of gaming venues and convenience gambling locations will be applied in the weighting and assessment of Risk.

Council acknowledges that some aspects of an application will provide some level of protection to the community. The assessment scoring system will reflect these relative protective factors.

## Assessment Criteria

The social impacts will be assessed based on 6 criteria - 3 Risk factors and 3 protective factors. These factors are predictors of problem gambling.

### Risk Factors

- a. The application is in an area of SEIFA relative disadvantage higher than the municipal average
- b. The EGM density within a 2.5km radius of site is higher than municipal average
- c. Gambling losses (\$) within a 2.5km radius of site are higher than municipal average.

### Protective factors

- a. The application will result in a benefit to the Darebin community due to its potential to increase or diversify non-gaming activities and facilities
- b. The application will result in the redistribution of gaming expenditure away from areas and communities potentially or currently at risk of problem gambling.
- c. The Club /hotel manager is committed to contributing a minimum of 40% of the Community benefit per annum contribution towards directly addressing existing problem gambling and also in the prevention of future problem gambling.

Four of the criteria will be allocated a proportional weighting as well as a standard score based on the relative impact compared to the municipal average.

## How applications will be rated

Once the six criteria have been assessed, the application will be rated according to a 3 tiered system of relative risk.

### Tier 1: Applications for gaming licences and planning permits that will not be supported by Council

These applications by hotels will not be supported by Council if they meet all of the following criteria;

- a. The application is in an area of SEIFA relative disadvantage higher than the municipal average
- b. The EGM density within a 2.5km radius of site is higher than municipal average
- c. Gambling losses within a 2.5km radius of site are higher than municipal average
- d. Have a total assessment score of 35+



**High Risk**

It is only this class of application that may trigger a formal appeal by Council via the VCGLR and / or VCAT.

Based on Council policy, clubs that have an assessment score of 35+ will be considered as a Tier 2 application.

Tier2: Applications for gaming licences and planning permits that will be discouraged by Council

These applications by hotels and clubs for an increase in the number of EGMs or the introduction of EGMs into an existing venue will be discouraged if they meet three of the following criteria

- a. The application is in an area of SEIFA relative disadvantage higher than the municipal average
- b. The EGM density within a 2.5km radius of site is higher than municipal average
- c. Gambling losses within a 2.5km radius of site are higher than municipal average
- d. Have a total assessment score between 11 – 34

**Medium  
Risk**

This class of application may trigger a formal negotiation with the proponent. The negotiations will be based on the extent, type and relevance of non-statutory harm minimisation measures. This does not preclude a formal appeal by Council. This tier is particularly relevant for applications by clubs.

Tier3: Applications that maybe considered favourably by Council

**Low Risk**

These applications by hotels and clubs may be considered favourably by Council where they meet the following criteria;

- a. Only 1 of the tier 1 criteria is met.
- b. If the proposal will result in a benefit to the Darebin community due to its potential to increase or diversify non-gaming activities and facilities;
- c. If the proposal will result in a redistribution of gaming expenditure away from areas and communities potentially or currently at risk of problem gambling;
- d. If the venue manager is committed to implementing a wide range of appropriate and adequate non-statutory harm minimisation measures or other demonstrated community benefits.
- e. A total assessment score between 0 -10

Weighting key.

Criteria 1: 1 point is allocated for every 10points above SEIFA average. -1 point for every 10 points under SEIFA average

Criteria 2: 1 point is allocated for every EGM per 1000 adults above average. -1 for every EGM below average

Criteria 3: 1 point is allocated for every \$50 per annum lost per 1000 adults above average -1 point for every \$50 below average

Criteria 4: This will be assessed at the point of application or during any negotiation

Criteria 5: This is the only criterion that will require contextual analysis. Eg maturity of market, history of EGM movements, history of \$ losses

Criteria 6: -1 point is added for every 10% \$ above 40 % 1 point added for every 10% under 40%

**Total scores**

**35 points + high risk (Council to actively discourage application)**

**If Club 15-34 medium risk (Council may consider application )**

**If Hotel 15-14 medium risk (Council to trigger negotiation process with applicant prior to making final decision)**

**0 -14 low Risk (Council will tolerate application)**

## Social Assessment Tool

### Summary

Applicants name:

Applicants Proposal (Number of EGM's):

Location of proposal:

Adult population within 2.5km of proposed location:

Number of venues with EGM's within 2.5km of proposed location:

<b>Criteria</b>	<b>Average within 2.5Km of proposal site</b>	<b>Municipal Average</b>
<b>SEIFA Score</b>		
<b>EGM density</b>		
<b>Gambling losses \$</b>		

Criteria	Proposal meets criteria	SEIFA Weighting	\$losses weighting	EGM density weighting	40% problem Gambling prevention weighting	Total score
The application is in an area of SEIFA relative disadvantage higher than the municipal average  (Yes =5 points, No = 0 points)						
The EGM density within a 2.5km radius of site is higher than municipal average  (Yes = 5 points, No =0 points)						
Gambling losses within a 2.5km radius of site are higher than municipal average.  ( Yes = 5 points, No =0 points)						
The application will result in a benefit to the Darebin community						

<p>due to its potential to increase or diversify non-gaming activities and facilities</p> <p>(Yes = 0 points, no = 5 points)</p>						
<p>The application will result in the redistribution of gaming expenditure away from areas and communities potentially or currently at risk of problem gambling.</p> <p>(Yes = 0 points, no = 5 points)</p>						
<p>The Club /hotel manager is committed to contributing a minimum of 40% of the Community benefit per annum contribution towards directly addressing existing problem gambling and also in the prevention of future problem gambling.</p> <p>(yes =0 points, no =5 points)</p>						
<b>TOTAL SCORE FOR APPLICATION</b>						

## Weighting tables

### 1. SEIFA Weighting

In 2011, the City of Darebin scored 990.3 on the SEIFA index of disadvantage.

The City of Darebin SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics. It is a good place to start to get a general view of the relative level of disadvantage in one area compared to others and is used to advocate for an area based on its level of disadvantage.

The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. When targeting services to disadvantaged communities, it is important to also look at these underlying characteristics as they can differ markedly between areas with similar SEIFA scores and shed light on the type of disadvantage being experienced.

A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage.

Geographic Area	Index of Relative Socio-economic Disadvantage (SEIFA)	Difference from Municipal Average (990)	Score (additional weighting)
Alphington	1087	97	0
Bundoora - Macleod	1079	89	0
Fairfield -Alphington	1066	76	0
Fairfield	1054	64	0
Northcote (East)	1048	58	0

Northcote	1047	57	0
Northcote Activity Area	1043	53	0
Thornbury (West)	1042	52	0
Bundoora - Kingsbury	1035	45	0
Greater Melbourne	1020	30	0
Thornbury	1020	30	0
Preston (West)	1007	17	0
Thornbury (East)	1005	15	0
Northern Region	1002	12	0
City of Darebin	990	0	0
Preston	974	16	2
Reservoir (Edwardes Lake)	965	25	2
Preston Activity area	958	32	3
Kingsbury	954	36	4
Preston (East)	945	45	4
Reservoir (Cheddar)	937	53	5

Reservoir Activity area	933	57	6
Reservoir (Merrilands)	931	59	6
Reservoir (Oakhill)	895	95	9
Northlands Activity Area	804	186	19

## 2. EGM Density scoring table

In 2012 / 2013 the EGM density for Darebin was 6.63 machines per 1000 adults.

EGM density per 1000 adults	Score
3.63	0
4.63	0
5.63	0
6.63	0
7.63	1
8.63	2
9.63	3
Total score for application.	

### 3. Gambling losses scoring table

In 2012 / 2013 the gambling losses for Darebin was \$694 per adult.

Gambling Losses per adult \$	Score
544	0
594	0
644	0
694	0
744	1
794	2
844	3
Total score for application	

#### **4. Community Benefit Activities (Problem Gambling) weighting**

‘Although there are substantial difficulties in calculating gambling expenditure, it is estimated that problem gamblers account for 22 to 60 per cent of total gaming machine spending (average of 41 percent).’

The Productivity Commission Gambling Inquiry 2010.

For the purposes of this policy and assessment tool Darebin Council will use the Annual Community Benefit Requirements for Clubs as the benchmark for all applications. The club must pay an amount equal to the difference between the required 8 $\frac{1}{2}$  per cent community benefit Contributions and the benefit stated in the CBS.

In order to directly address issues associated with problem gambling, Council will seek 40% of the annual average CBS for clubs as its benchmark requirement for any new applications. This being the mid-range value as calculated by the Productivity Commission.

#### **Scoring table for Community benefits**

Annual Average Community Benefit Contribution (\$ Will change annually)	Score
50%	0
40%	0
30%	1
20%	2
10%	3
0%	4

**Assessment Summary**

This application has been assessed as being within tier X.

<b>Criteria</b>	<b><u>Score</u></b>
Basic Criteria	
SEIFA	
Gambling Losses	
EGM Density	
40 %Community Benefit	
Total	

**Narrative assessment**