
City of Darebin Electronic Gaming Machines Policy 2014-2017

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Acronyms

ATM	Automatic Teller Machine
BCSC	Bass Coast Shire Council
DPCD	Department of Planning and Community Development, now called the Department of Transport, Planning and Local Infrastructure
EGM	Electronic gaming machine
LPPF	Local planning policy framework
MSS	Municipal Strategic Statement
SEIFA	Socio-economic Index for Areas
SLA	Statistical local area
SPPF	State Planning Policy Framework
VCAT	Victorian Civil and Administrative Tribunal, the Tribunal
VCGLR	Victorian Commission for Gambling and Liquor Regulation, the Commission

Glossary of terms

Accessibility¹	The access people have to EGMs in terms of density of EGMs (number of EGMs per 1,000 adults), total number of EGMs, number of venues, venue size (number of EGMs), type of venue, location of venue, operating hours and venue design.
Attached EGM entitlement	An EGM entitlement can be understood as a 'right to operate an EGM in a venue'. Venue operators are only permitted to operate an EGM if they hold an EGM entitlement. The entitlement must also be attached to a venue approved by the VCGLR for the number of machines the venue intends to operate.
Community benefit	The positive outcomes generated through EGM gambling activity in the community, in particular the social outlet component, creation of employment in the local area and revenue generation for communities ² . This does not include the items included in the annual audited Community Benefit Statement (CBS) submitted to the VCGLR by a gaming venue with a club or racing club licence.
Community harm	The negative impacts on the community as a result of EGM activity. This includes the cost of ease of access to EGM gambling venues in low socio-economic communities, the impacts of problematic gaming activity and the burden this places on community members ³ . In some instances community harm may result from the cumulative impact of access to EGM gambling in a community.
Convenience gambling⁴	Gambling that comes about as a result of people going about other business and other concerns being confronted with opportunities to gamble that they have not set out to find.
Decile of disadvantage⁵	All areas are ordered from the lowest to highest score, the lowest 10% of areas are given a decile number of 1, the next lowest 10% of areas are given a decile number of 2 up to the highest 10% of areas which are given a decile number of 10. This means that areas are divided up into ten equal sized groups, depending on their score.

¹ Adapted from State Government of Victoria (2011)

² State Government of Victoria (2011)

³ State Government of Victoria (2011)

⁴ Queensberry Hotel para 67

⁵ ABS (2011) *Socio-Economic Indexes for Areas Technical Paper* Cat. No. 2033.0.55.001

Destination gaming⁶	A venue that ‘encourages pre-determined decisions to travel to play games or undertake a range of non-gaming activities. A destination venue provides some barriers to the consumption of gaming products, with a degree of effort required. Destination venues involve a premeditated decision to travel to the venue, often over a significant distance.’
Disadvantaged communities⁷	Those with a low socio-economic status which are characterised by high rates of unemployment, low incomes and a low skilled workforce. In the gambling context this includes communities characterised by a high concentration of EGMs and EGM venues.
Economic benefits	Positive [financial] effects (favourable consequences) of increased gaming provision which are likely to contribute to the growth of the economy of the municipal district and an increase in the overall wealth of the community ⁸ . These benefits do not necessarily relate to the benefits outlined in the CBS that may only benefit the club.
Economic costs⁹	Negative [financial] effects (adverse consequences) of increased gaming provision which are likely to contribute to deterioration of the economy of the municipal district and greater economic dependence.
Economic impact¹⁰	The sum of the effects on the viability and development of the economy (of the municipal district) in the short or medium term, and how this is likely to affect the well-being of the community. This includes consideration of benefits and costs (or favourable and adverse effects). Where a municipal economy shows no net gain or loss, the economic impact can be said to be neutral.
EGM density	Number of EGMs per 1,000 adults.
Electronic gaming machine	See definition for ‘gaming machine’.
Expenditure¹¹	The net amount lost by gamblers i.e. the amount staked by gamblers less their winnings.
Gambling¹²	An entertainment based on staking money on uncertain events driven by chance, with the potential to win more than staked, but with the ultimate certainty that gamblers as a group will lose over time. The fact that gamblers inevitably lose overall and that gambling is intended to be a recreational activity, distinguishes these outlays from investment activities, where chance also plays a prominent role. Refers to all forms of betting including wagering and gaming.
Gaming¹³	All legal forms of gambling other than wagering. In general terms, legal gaming also includes lotteries, casino table games and keno. For the purposes of this study, gaming is understood to be legal gambling on electronic gaming machine.
Gaming machine¹⁴	Any device, whether wholly or partly mechanically or electronically operated, that is so designed that it may be used for the purpose of playing a game of chance or a game of mixed chance and skill; and as a result of making a bet on the device, winnings may become payable.
Gaming premise	Land used for gambling by gaming and where there is the ability to receive a monetary reward
Gaming sensitive use	A particular land use that increases the risk of problem gambling due to the relatively high utilisation by people who are vulnerable to the risks of problem gambling.

⁶ The Allen Consulting Group (2009) *Casinos and the Australian Economy*

⁷ State Government of Victoria (2011)

⁸ Application form, VCGLR

⁹ Application form, VCGLR

¹⁰ Application form, VCGLR

¹¹ Australian Government Productivity Commission (1999)

¹² Productivity Commission (2010) p1.4

¹³ Australian Government Productivity Commission (2010) p2.4

¹⁴ Gaming Regulation Act 2003

Group household	A group household is defined as “A household consisting of two or more unrelated people where all persons are aged 15 years or over. There are no reported couple relationships, parent-child relationships or other blood relationships in these households” ¹⁵ .
Housing stress ¹⁶	Where housing costs (rental or mortgage) constitutes 30% or more of income if the individual earns in the bottom 40% of the income range
Incidence ¹⁷	The number of new events i.e. cases in a defined population.
Licensed EGM	An EGM licensed under the Gambling Regulation Act 2003. It differs from an EGM entitlement which is the right to operate an EGM in an area. The number of licensed EGMs may therefore differ from the number of EGM entitlements.
Net economic and social impact	An evaluation which weighs up the positive and negative economic and social effects of the proposed change in gaming provision to estimate what the impact will be on the municipal district from the proposal ¹⁸ . In some instances the net economic and social impact may be assessed at a sub-municipal or neighbourhood level.
Not detrimental to ¹⁹	When the net economic and social impact of the proposal (i.e. the sum of the incremental effects) is considered neutral or positive.
Prevalence ²⁰	The number of events i.e. instances of a condition, in a population at a designated time.
Problem gambling	Difficulties in limiting money and/or time spent on [all forms of] gambling which leads to adverse consequences for the gambler, others, or for the community. Problem gambling is a continuum – some people have moderate problems and others have severe problems in limiting the time and/or money spent gambling ²¹ . In the context of this research, problem gambling refers specifically to gambling involving the use of EGMs.
Risk segment ²²	The risk status allocated to gamblers who completed the survey as measured by the Problem Gambling Severity Index: non-problem gamblers (score = 0), low risk gamblers (score = 1-2), moderate risk gamblers (score = 3-7) and problem gamblers (score = 8 or higher).
Social benefit	Positive effects (favourable consequences) of increased gaming provision which are likely to contribute to development of social infrastructure, social opportunities and social interaction, and an overall improvement of the social capital of the municipal district ²³ . These benefits do not necessarily relate to the benefits outlined in the CBS that may only benefit the club.
Social capital ²⁴	The product of social structures and personal interaction that can be leveraged from to achieve personal and social goals.
Social cost ²⁵	Negative effects (adverse consequences) of increased gaming provision which are likely to contribute to a decline of social infrastructure, social opportunities and social interactions, and on overall deterioration of the social capital of the municipal district .
Social impact ²⁶	The sum of the effects on the social infrastructure, social opportunities and social interactions (of the municipal district) in the short or medium term, and how this is likely to affect the well-being of the community. This includes consideration of benefits and

¹⁵ <http://www.aifs.gov.au/institute/info/charts/glossary.html>

¹⁶ http://www.ahuri.edu.au/themes/housing_affordability

¹⁷ State Government of Victoria (2008)

¹⁸ Application form, VCGLR

¹⁹ Application form, VCGLR

²⁰ State Government of Victoria (2008)

²¹ Australian Government Productivity Commission (1999)

²² State Government of Victoria (2008)

²³ Application form, VCGLR

²⁴ State Government of Victoria (2011)

²⁵ Application form, VCGLR

²⁶ Application form, VCGLR

costs (or favourable and adverse effects).

Where the social capital of a municipal district shows no net gain or loss, the social impact can be said to be neutral.

Socio-economic Index for Areas

Relative socio-economic advantage and disadvantage in terms of *people's access to material and social resources, and their ability to participate in society*. SEIFA can be used to compare the relative socio-economic characteristics of areas at a given point in time.

Well-being of the community of the municipal district²⁷

Economic prosperity and social robustness or health of the overall community of the municipal district. Wellbeing has been further defined²⁸ as:

Community wellbeing is the state of happiness, contentment and prosperity of a community, or part of it. Wellbeing is an holistic concept which sees people and communities in their whole context. It is a function of the physical, social, economic, cultural and spiritual condition of the people, individually and collectively. The wellbeing of a community is indicated (among other things) by its connectedness, its social infrastructure and its capacity for healthy and meaningful life. Democratic participation by people at the local level about issues affecting them reflects their capacity to build a healthy and prosperous community. Therefore it too is an aspect of wellbeing.

²⁷ Application form, VCGLR

²⁸ Romsey Hotel Pty Ltd v Victorian Commission for Gambling Regulation & Anor (Occupational and Business Regulation) [2009] VCAT 2275 para 441

1 Introduction

1.1 Background

Recent changes to the policy and legislative framework within which electronic gaming machines (EGMs) operate in Victoria and Darebin, including recent decisions made in relation to applications for EGMs and gaming venues in Darebin, have highlighted the need for Council to update and review its gaming policy. The *Darebin Electronic Gaming Machine Policy 2014-2017* (the Policy) therefore supersedes the *Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014*.

This Policy reflects the findings presented in the *City of Darebin Electronic Gaming Machines Policy 2014-2017 Background Report*. It incorporates the *Darebin Electronic Gaming Machine Impact Assessment Tool* which will guide Council when assessing the social and economic impacts of proposals to increase the number of EGMs in an existing venue or establish a new gaming venue.

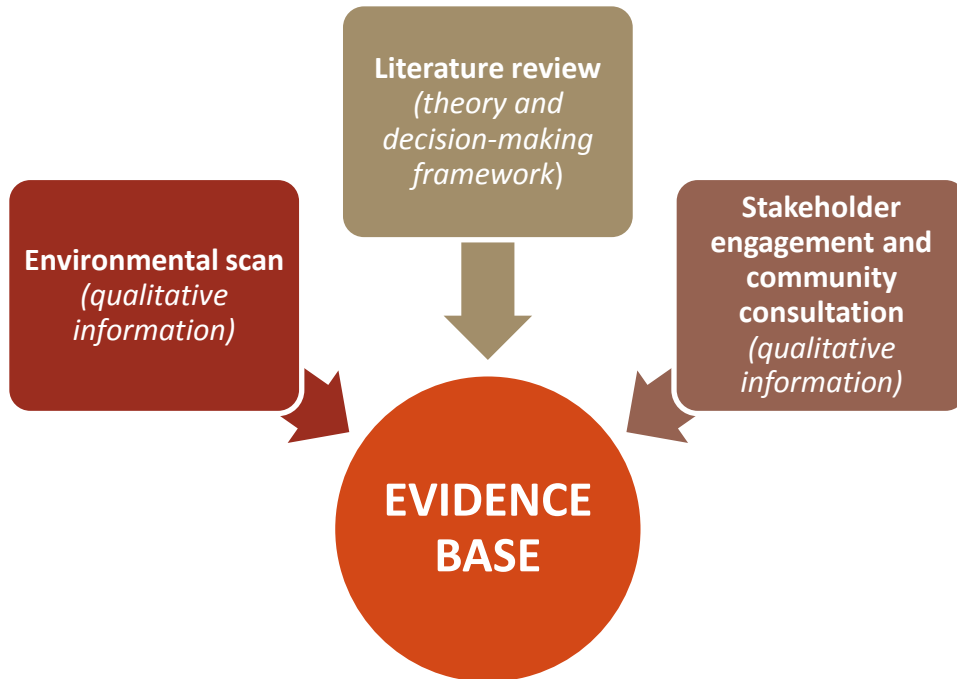
1.2 Scope

Gambling and gaming take many forms including racing, gaming and sports betting, some of which are facilitated through technology that enables participation online and through the use of smart devices. The scope of this Policy is limited to gambling through the use of electronic gaming machines (EGMs) in clubs and hotels in Darebin as this is the form of gambling over which Council has the most direct influence and control through its planning and regulatory processes. It is also the form of gambling that is directly associated with the greatest harms to individuals, their families and the general community.

1.3 Process

The preparation of the *Darebin Electronic Gaming Policy 2014-2017* involved three key tasks, namely a comprehensive environmental scan, document and literature review and stakeholder engagement and community consultation process. The findings from these tasks are presented in the *City of Darebin Electronic Gaming Machines Policy 2014-2017 Background Report*.

Each of these tasks provided a different aspect to the evidence on which this Policy and the *Assessment Tool* are based.



City of Darebin Electronic Gaming Machines Policy 2014-2017

The following activities were carried out as part of the stakeholder engagement and community consultation process:

- Community survey carried out.... (#? Respondents)
- Telephone and personal interviews with the following stakeholders:
 - Marsh Risk Management
 - Victorian Local Governance Association (VLGA)
 - Victorian Responsible Gambling Foundation
 - Neighbourhood House Network including Reservoir Neighbourhood House, East Reservoir Neighbourhood renewal
 - Women's Health in the North
 - Preston Reservoir Adult Community Education
 - Darebin Community Legal Service
 - Alphington Community House
 - Victorian Aboriginal Community Services Association Ltd
 - The Multicultural Gamblers Help program (Centre for Ethnic Health)
 - Summerhill Hotel
 - Junction Hotel
 - Australian Liquor and Hospitality Group
 - Olympic Hotel
 - Edwardes Lakes Hotel
 - Reservoir RSL

<insert some information following the consultation on the draft policy>

2 Purpose of the Policy

The primary purpose of this Policy is to provide a framework which will guide Council in its various roles in relation to preventing and minimising the social, health and economic harms associated with problem gambling through the use of EGMs in Darebin. It will fulfil this purpose by:

- Guiding Council in relation to managing the demand for EGMs and reconciling competing interests within the community;
- Providing certainty and consistency in decision-making;
- Identifying strategies that assist in reducing and preventing the harms associated with problem gambling, particularly for those most at risk of problem gambling; and
- Providing guidance on suitable areas, suitable locations and suitable venues so that gaming venues do not detract from the safety and amenity of their surrounds and are compatible with the surrounding social, economic and physical context.

3 Background

3.1 National and state legislative and strategic framework

The Liberal National Coalition's policy on gambling *Our Plan Real Solutions for All Australians* August 2013 acknowledges that, whilst gambling is a problem for some Australians, it is also an enjoyable recreational activity that can take place within limits set by an individual. The Policy supports targeted initiatives that address problem gambling across the full spectrum of gambling products, including gaming machines and online betting. These initiatives will operate within a framework that provides nationally consistent minimum standards in support of problem gamblers, and will be administered at the State and Territory levels.

Under Victorian legislation, the use of EGMs requires two permissions or 'approvals', namely a planning permit and a gaming licence. The first approval is obtained through the local authority in terms of the *Planning and Environment Act 1987* and relevant planning scheme. The second approval is obtained through the Victorian Commission for Gambling and Liquor Regulation (VCGLR) in terms of the *Gambling Regulation Act 2003*. Appeals against decisions made by both the VCGLR and the local authority are heard by the Victorian Civil and Administrative Tribunal (VCAT or the Tribunal).

Key considerations under the planning legislation are whether both the location and the premises are deemed appropriate and whether the approval will result in net community benefit. The key consideration under the gaming legislation is whether the approval will result in net detriment to the wellbeing of the community and whether the premise is suitable for gaming. The social and economic impacts of the proposal are key considerations under both the planning and gaming legislation.

All planning schemes in Victoria contain a standard gaming provision (Clause 52.28), which was introduced in 2006. The Clause requires a planning permit for the installation and use of gaming machines in a new venue or for an increase in the number of EGMs in an existing venue. A default schedule prohibits gaming machines in all strip shopping centres where a detailed schedule has not been included in the scheme. Schedules to the Clause allow for local variations to the standard provisions, enabling planning authorities to prohibit gaming machines in some shopping complexes.

3.2 Types of gambling

The three main forms of gambling in Australia are racing (bookmakers and totalisers), gaming (Casino, EGMs, lotteries, interactive gaming, Keno, Lotto, minor gaming and pools) and sports betting (bookmakers and TAB).

Online gambling takes the form of inline wagering, online gaming and lotteries. Online gambling is regulated by the *Interactive Gambling Act 2001*. This Act places restrictions on certain services provided to Australian customers. While online wagering and lotteries are permitted, the Act prohibits casino games such as blackjack and poker and versions of EGMs and bingo. The Act also prohibits online gaming services being provided to customers in Australia, Australia-based interacting gambling services being provided to customers in designated countries and the advertising of interactive gambling services.

The availability of smart devices has led to an increase in expenditure on online gambling, particularly amongst young children. It is also likely to have contributed to a significant increase in participation in sports betting, particularly amongst adults.

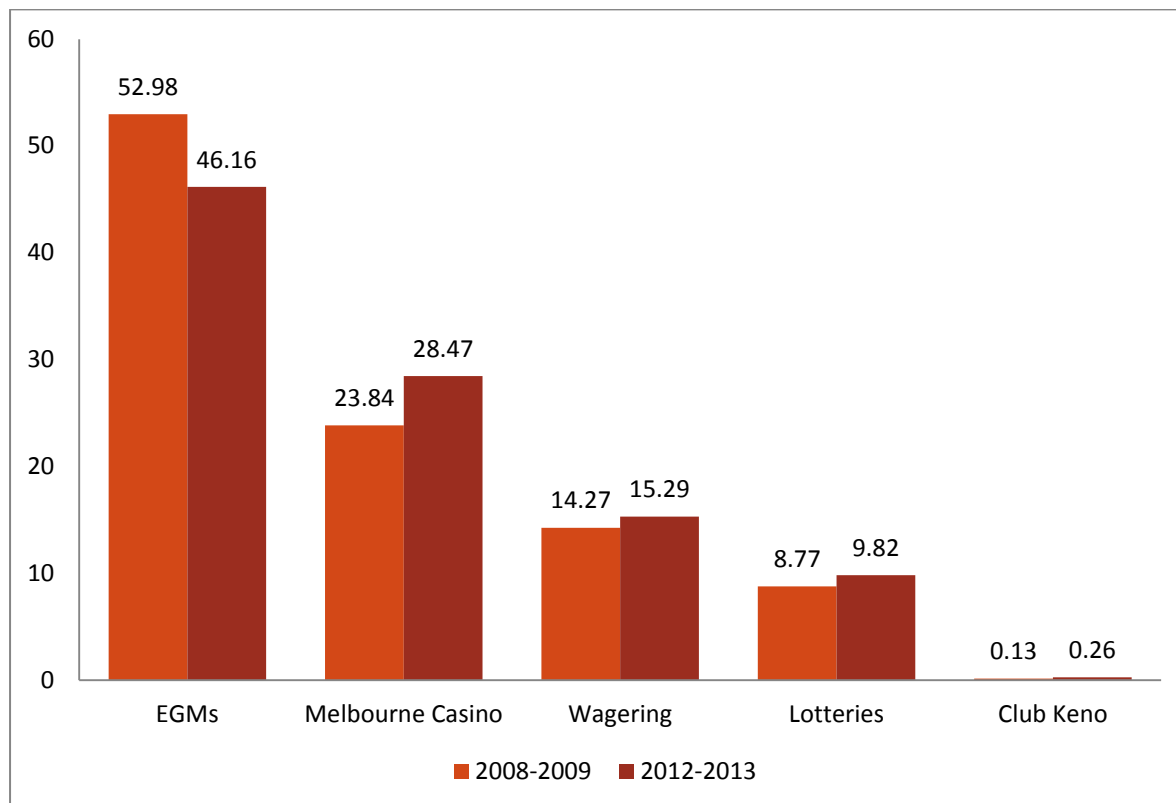
Expenditure on all forms of gambling in Victoria amounted to \$5.4 billion in 2012-2013.²⁹ It has been estimated that \$60 million was spent on online gambling in Australia in 2012.³⁰

In the financial year 2012-2013, \$2.4 billion was spent on EGMs in Victoria. In this financial year, EGMs accounted for 46.16% of total expenditure on gambling in Victoria (\$5.4 billion). Over the past five years there has been a reduction in the proportion of expenditure derived from EGMs and an increase in the proportion of expenditure derived from gambling at the Melbourne Casino. In this time period the proportion of gaming expenditure in Victoria derived from lotteries and wagering has remained steady while the proportion of expenditure derived from Keno has doubled (refer to Figure 1).

²⁹ VCGLR Annual Report 2012-2013

³⁰ *The Responsible Gambling Guide* (2013) Victorian Responsible Gambling Foundation

Figure 1 – Total expenditure on gambling, Victoria, 2008-2009 to 2012-2013



Source: VCGLR Annual Report 2012-2013

In the financial year 2012-2013, taxation revenue derived from EGMs in Victoria amounted to \$926,744,000³¹. This accounted for 50% of all income received by the Victorian Government from gambling in Victoria.

3.3 Harm minimisation

The State Government has devised and implemented a number of measures that are intended to reduce the harms associated with EGM gambling. These include:

- The imposition of 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 986 EGMs which applies to the entire municipality.
- Controls over the sizing and placement of signage advertising the presence of EGMs in hotels and clubs.
- A restriction on the number of hours EGMs are permitted to operate in hotels and clubs i.e. 20 out of every 24.
- A prohibition on ATMs in hotels and clubs.
- Funding for Gambler's Help Services, allocated through the Responsible Gambling Fund and the Community Support Fund.
- A statutory requirement for each gaming venue to adhere to the Responsible Service of Gambling Code of Conduct and ensure that their employees undergo Responsible Service of Gambling training.
- The requirement that all EGMs are to be fitted with technology that supports those patrons to participate in the voluntary pre-commitment scheme which enables them to set a limit on the amount of time and/or money spent using the EGMs in any one session.

³¹ VCGLR Annual Report 2012-2013

3.4 Licensing arrangements

In August 2012 the dual gaming operator structure was replaced with a venue operator model. As a result venue operators, including hotels and clubs, have assumed responsibility for the ownership and operation of EGMs in their venues. The purposes of these new arrangements were to introduce greater competition in the gambling industry and to deliver the greatest net benefits to the Victorian community.

The EGM entitlements were allocated through an auction process which led to the sale of 27,300 of the total 27,500 EGM entitlements that were available.

This new licensing arrangement resulted in a change in the way the gaming revenue is distributed with the result that the tax revenue is now split approximately 50% to the state and 50% to the venue operator. In addition, the obligations of maintenance, monitoring and reporting for EGMs now rest with the venue operators, and all venue operators are required to link their EGMs to the monitoring system and pay the relevant fee.

4 Gaming environment in Darebin

4.1 Council's strategic framework

Council's commitment to achieving the goals set out in the ***Council Plan 2013-2017*** is that it will be accountable in the way it delivers its services and meets the community's expectations. This involves ensuring that its services are accessible and inclusive, monitoring its achievements and consulting with the community. Council is also committed to promoting a thriving economy; developing a strong physical, social and economic environment that supports health and wellbeing; working with agencies that deliver services; and ongoing research into existing and emerging needs and gaps. In particular, Council has committed to addressing social and physical isolation and supporting local employment education and training.

One of the goals in the ***Health and Wellbeing Plan 2013-2017*** is to "Build healthy, safe, accessible and sustainable places and neighbourhoods for people to live well, play and connect". A key action across the objectives under this goal is to "Review Council's policy position on Electronic Gaming Machines in the light of 2013 VCAT decisions and develop a re-defined and strategic position which continues to focus on prevention and harm minimisation for Darebin people from consequences of problem gambling".

The ***City of Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014*** identifies that Darebin ranks as the fourth most adversely affected municipalities with respect to EGM gambling. This policy identifies that losses are largely sustained by people that can least afford them. Council's position in this Strategy is to reduce the number of EGMs, number of venues and EGM density in the municipality. The position also commits to reducing the negative impacts of gambling on the Darebin community, particularly amongst those who are most at risk of problem gambling. This Strategy also seeks to promote greater return of revenue raised through EGM gambling back to the community and improve transparency in relation to expenditure and community benefit.

The City of Darebin ***Equity and Inclusion Policy (2012-2015) and Planning and Audit Tool*** reinforces Council's long standing commitment to equity and inclusion, and focuses on addressing poverty and discrimination. The ***Equity and Inclusion Planning and Audit Tool***, (EIPAT) has been developed as a resource for all levels of Council to use on an ongoing basis in their consideration, planning, development and evaluation processes in order to strengthen equity and inclusion in Darebin. The Tool identifies that groups most at risk of the impacts of problem gambling include Aboriginal and Torres Strait Islanders, CALD communities, people living on low and/or insufficient incomes, homeless people or those in housing stress, young and older people (particularly those included in the specific target groups), children, people with disabilities, people with mental illness, carers and LBTQI.

The objectives of the Activity Centres Policy, as outlined in **Clause 22.03 of the City of Darebin Planning Scheme** include encouraging a wide mix of activities, retaining and developing active street frontages, and encouraging a safe and accessible environment. In particular, the planning scheme encourages the development of Preston Central as a multi-functional centre, and Northland Shopping Centre as a regional centre for retail, entertainment and related uses. It also encourages the provision of a wide mix of uses, including venues providing for entertainment and leisure, in the Major Activity Centres.

4.2 Key facts

4.2.1 Municipal

In the financial year 2012-2013:

- Total expenditure on EGM gambling was \$82,386,001.17
- There were 786 EGM attached entitlements and 986 EGM licences.
- Darebin was subject to a regional cap of 986 on the number of EGMs.
- The density of EGMs was 6.6 EGMs per 1,000 adults.
- There were 9,120 adults per venue.
- There were 14 venues, 10 of which were hotels and 4 of which were clubs.
- Expenditure per adult was \$695.
- Expenditure per attached EGM entitlement was \$105,623.08.
- Total expenditure in clubs was \$9,838,654.51. Total expenditure in hotels was \$72,547,346.66.
- Expenditure was highest in the Edwardes Lakes Hotel, Summerhill Hotel and Cramers Hotel.
- Expenditure per EGM entitlement was highest in the Cramers Hotel, Summerhill Hotel and Junction Hotel.

In the financial year 2012-2013, compared with the adjoining municipalities, metropolitan Melbourne and Victoria, Darebin had (refer to Table 1):

- The second highest level of socio-disadvantage, total expenditure, expenditure per adult, number of EGM entitlements and number of gaming venues, with Whittlesea having the highest of all indicators;
- The highest density of EGMs;
- The third lowest number of adults per gaming venue; and
- A high concentration of EGMs located in hotels compared with clubs.

Table 1 –Key indicators of Darebin, adjoining municipalities, metropolitan Melbourne and Victoria, 2013

	SEIFA	Total Expenditure	Expenditure per adult	Density of EGMs per 1,000 adults	Number of EGM Entitlements	Number of gaming venues	Adults per venue
City of Darebin	990.32	\$82,386,001.17	\$695	6.6	786	14	9,120
City of Whittlesea	988.60	\$93,238,924.88	\$698	4.5	786	10	14,851
City of Banyule	1047.40	\$55,261,443.42	\$552	6.2	648	10	9,101
City of Yarra	1019.05	\$29,671,353.13	\$409	4.2	308	8	9,069
City of Moreland	998.06	\$63,669,829.73	\$504	5.7	721	15	8,423
Average Darebin and adjoining municipalities	1008.69	\$64,845,510	\$572	5.5	615	11.4	10,113
Average Metro	1,024.24	\$63,048,058.59	\$565	5.5	N/A	N/A	11,654
Average Victoria	N/A	N/A	\$436	5.8	N/A	N/A	8,904

Source: VCGLR

In this time period, Darebin was ranked high amongst metropolitan municipalities for socio-economic disadvantage, density of EGMs per 1,000 adults, total expenditure and expenditure per adult. It was however ranked relatively low for number of adults per venue (refer to Table 2).

City of Darebin Electronic Gaming Machines Policy 2014-2017

Table 2 – Ranking of Darebin according to key gaming indicators, 2013

Indicator	Value	Ranking out of 31 metropolitan municipalities (1 being the highest and 31 being the lowest)
SEIFA index of disadvantage	990.32	6
Density of EGMs per 1,000 adults	6.63	8
Total expenditure	\$82,386,001.17	8
Expenditure per adult	\$694.86	10
Adults per venue	9,120.42	20

Source: VCGLR

The City of Darebin has consistently had the second highest expenditure on EGMs of all adjoining municipalities since 2007-08, with the City of Whittlesea having the highest.

Between the financial years 2011-12 and 2012-13, expenditure in Darebin dropped, as it did across Victoria and a number of metropolitan municipalities, including those adjoining Darebin. This was as a result of the new licensing arrangements, which led to the removal of EGMs from the municipality (and in Victoria as a whole), and legislation that banned the presence of ATMs in gaming venues.

In Darebin expenditure has consistently been lower in clubs compared with hotels. Expenditure in hotels across Darebin represents a larger proportion of total expenditure than it does across Victoria. This is likely due to the fact that hotels make up a much more significant proportion of total venues (88%) compared with metropolitan Melbourne (75%) and Victoria (66%), and the fact that the average size (number of electronic gaming machines) in Darebin's hotels is larger (65) than hotels in metropolitan Melbourne (57) and Victoria (50). It may also be due to the location of Darebin's hotels in relation to shopping strips and shopping centres, and concentrations of disadvantage and the fact that Darebin's hotels have a relatively large number of EGMs.

Four of the venues in Darebin are located within 400m of another venue. These include the Fairfield and Alphington RSL and Grandview Hotel in Fairfield, and the Cramers Hotel and Darebin RSL in Preston West. Both clusters consist of one hotel and one club and are located within 400m of a shopping strip and a railway station. These factors enhance their potential to function as clusters of convenience gaming venues.

Total expenditure is typically higher in those venues which are both hotels and have a large number of EGMs. The large hotels and clubs, which are located in Preston and Reservoir, are the Reservoir Hotel, Summerhill Hotel, Olympic Hotel, Edwardes Lakes Hotel and Cramers Hotel. It is also higher where there is a cluster of gaming venues and where they function as convenience gaming venues.

In the years 2011/12 and 2012/13 expenditure in Darebin was highest in July and August and lowest in January and February. This may be attributable to the winter months during which people prefer to participate in entertainment and leisure activities that take place indoors and the end of the financial year at which time people receive tax refunds, bonuses or increases in their salaries.

4.2.2 Statistical local areas

Five of Darebin's venues are located in the southern statistical local area of Northcote. Nine of Darebin's venues are located in the northern statistical area of Preston. Although the Preston statistical local area represents just under two thirds of the total population, adults and number of venues, it has a significantly higher proportion of total expenditure than the Northcote statistical local area. It also has a higher expenditure per adult compared with Northcote and Darebin (\$694.86) (refer to Table 3).

This is due to the fact that the density of EGM entitlements per 1,000 adults is double that of the density in the Northcote statistical local area (refer to Table 3). It is noteworthy that this higher total expenditure, expenditure per adult and density of EGM entitlements per 1,000 adults in Preston is consistent with the higher level of socio-economic disadvantage in this statistical local area.

Table 3 – Analysis of key gaming data per statistical local area

	Northcote	Preston	Darebin
SEIFA index of disadvantage	1046	966	990.22
Population (No. and % Darebin)	48,559 (35.6%)	87,916 (64.4%)	13,6475 (100%)
Adults (No. approximate and % Darebin)	41,000 (36.9%)	70,000 (63.1%)	111,000 (100%)
Number of venues (No. and % Darebin)	5 (35.7%)	9 (64.3%)	14 (100%)
EGM entitlements (No. and % Darebin)	225 (26.9%)	612 (73.1%)	837 (100%)
EGM licences* (No. and % Darebin)	297 (31%)	660 (69%)	957 (100%)
Difference between entitlements and EGMs (No. and % Darebin)	72 (60%)	48 (40%)	120 (100%)
Expenditure 2012/13 (\$ and % Darebin)	\$ 14,303,391.52 (17.4%)	\$ 68,082,609.65 (82.6%)	\$82,386,001.17 (100%)
Density of EGM licences per 1,000 adults	8.6	8.7	6.63
Expenditure per adult	\$ 348.86	\$972.61	\$694.86
Expenditure per person	\$294.56	\$774.41	\$603.67

4.3 Feedback from the community

The following feedback was received from the community and stakeholders during the engagement and consultation process.

Community survey

- 11.1% (n=22) of respondents to the community survey had used EGMs in the previous 12 months.
- 68.8% (n=11) of respondents to the community survey preferred to use EGMs locally.
- 63.5% (n= 127) of respondents to the community survey considered that the use of EGMs was harmful. These harms included debts and poverty, compromised health and alcohol and drug addiction.
- 70.9% of respondents to the community survey felt that their neighbourhood would be a better place without EGMs.
- Respondents to the community survey did not support the location of EGMs near other gaming venues, public transport, shopping centres and shopping strips, ATMs, public housing and schools and kindergartens.
- 77% (n=154) of respondents to the community survey felt that gaming venues should be restricted from advertising similar to the restrictions placed on tobacco products.
- 78% (n=156) of respondents to the community survey felt that Council should not allow more EGMs in the municipality.

Stakeholder engagement

The following feedback was received from stakeholders through personal and telephone interviews:

Who is most at risk?

- Females aged 30-45;
- Young males aged 19-25;
- Seniors;
- People experiencing social and economic disadvantage;
- No clear profile;
- Welfare recipients; and
- Pensioners.

Why do people develop gambling problems?

- They participate in EGMs for social reasons and then it becomes a chase;
- Unemployment;
- Boredom;
- Loneliness; and
- Seeking to subsidise income.

What are the impacts of problem gambling?

- Breakdown in family and personal relationships;
- Mental health and wellbeing e.g. stress, frustration, anger, sadness;
- Economic stress;
- Spend too much time in gaming lounge; and
- Criminal activity including theft.

What strategies and actions are effective in preventing and addressing problem gambling?

- Awareness of and participation in Gambler's Help Services;
- There is little Council can do as it is an individual problem;
- Information and awareness as to the causes and impacts of problem gambling;
- Pre-commitment schemes;
- Enhancing partnerships with the gambling industry;
- Address impacts of online gambling;
- Initiatives that increase non-gaming activities in venues, including those that encourage a 'break in play';
- Evaluate effectiveness of strategies;
- Councils play an important role in managing EGMs; and
- Research existing and emerging trends in gambling expenditure, decision-making principles.

5 Problem gambling

Problem gambling has been defined as³²:

..... difficulties in limiting money and/or time spent on gambling, which leads to adverse consequences for the gambler, others, or for the community.

Participating in EGM gambling has been recognised as a significant risk factor which can contribute to developing problems with gambling. It is estimated that problem gamblers account for an average of 41% of total expenditure on EGMs³³. In Victoria, 64.1% of problem gamblers and 46.3% of moderate risk gamblers recorded their highest spend on EGMs compared to 16.8% for all Victorians³⁴. In particular, 91.0% of problem gamblers and 77.2% of moderate risk gamblers reported that their highest participation in gambling activities was on EGMs³⁵, and this contrasts with just 21.4% for all Victorian adults.

Problem gambling is associated with a number of social, economic and health harms. These include family breakdown, crime, mental and physical health issues, diversion of expenditure from other businesses and spending on essential household goods, and loss of employment. It has been estimated that these harms associated with problem gambling cost the Victorian community between \$1.5 billion and \$2.7 billion per year³⁶.

A person's vulnerability to problem gambling is determined by a number of interrelated social, health, economic and physical factors.

Key factors that increase the risk of problem gambling at an individual or community level are:

- The gambling product and environment - EGMs are used regularly by less than 5% of the adult population yet are the source of 62.2% of national gambling revenue and account for around 80% of presentations to counselling agencies³⁷.
- Physical and geographic availability determined by density, spatial distribution, accessibility, advertising and opening hours.
- Socio-economic determinants such as socio-economic status, age, occupation, age, gender, household structure, culture and ethnicity, health and wellbeing status, lifestyle behaviours and social inclusion.

The following features of the Darebin community as a whole increase the risk of problem gambling (relative to Greater Melbourne and the Northern Region of Victoria):

- Higher levels of socio-economic disadvantage;
- Higher proportions of people experiencing housing stress, renting social housing, unemployed;
- Lower household median incomes;
- Higher proportions of Aboriginal and Torres Strait Islanders, people with Chinese and Vietnamese ancestry, people not fluent in English;
- People living in group households, people living alone;
- Higher proportions of older people aged 60+ and young people aged 18-25;
- Higher proportions of people with a personal income in the medium lowest income quartile;
- Higher proportions of group households and lone person households;
- Lower health status with higher proportions of people experiencing compromised mental health and wellbeing, people who smoke and people experiencing substance abuse; and

³² Victorian Auditor-General's Report (2010) 11:2 p3 cited from Neal, Delfabbro, & O'Neil, 2005; commissioned by the Ministerial Council on Gambling

³³ Australian Government Productivity Commission (2010) p5.1

³⁴ State Government of Victoria (2008) A p127

³⁵ State Government of Victoria (2008) Fact Sheet 8, page 2

³⁶ Victorian Competition and Efficiency Commission (2010) p1

³⁷ Australian Government Productivity Commission (2010) p5.26

- Slightly higher proportions of Aboriginal and Torres Strait Islanders, people employed as community or personal services, older people aged 60+.

In addition, an analysis of the community profile of the small areas in Darebin, relative to the broader Darebin community, illustrates that there are distinct pockets of vulnerability to problem gambling which are derived from the social, economic and cultural characteristics of these suburbs. These concentrations of vulnerability are particularly distinct in:

- Kingsbury (including Bundoora);
- Preston (East and West);
- Reservoir (Cheddar, Edwardes Lakes, Oakhill and Merrilands); and
- The Northland, Preston and Reservoir Activity Centres.

6 Darebin's commitment to managing EGM gambling

Council has a statutory responsibility to safeguard and enhance the health and wellbeing status of its community. This involves a number of activities including advocacy, service delivery, regulation and planning, research, information dissemination and collaboration. In particular, Council is empowered through the planning legislation and planning provisions to manage the location of EGMs in the municipality, particularly in relation to groups which are most at risk of problem gambling.

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 is therefore committed to reducing the harmful effects of EGM gambling in Darebin. Council adopts a community wellbeing approach to problem gambling which encompasses a range of harm prevention and harm minimisation measures that focus on the social, economic and environmental determinants of problem gambling.

Council also adopts a balanced approach to the management and presence of EGMs in the municipality, seeking to guide the installation and use of EGMs in suitable locations in order to prevent and minimise any existing and potential social, health and economic harms experienced by groups and communities most at risk of problem gambling.

Council will therefore:

- Actively discourage an increase in the number of EGMs, density of EGMs or number of gaming venues:
 - Where the proposal will contribute to the incidence and prevalence of problem gambling due to its location, area and venue characteristics. It will therefore seek to discourage the increase or introduction of EGMs in areas where there is a concentration of socio-economic disadvantage, people from CALD communities, young people; where there are clusters of gaming venues; in areas with a relatively high density of EGMs and EGM expenditure; and where the proposal may contribute to or result in convenience; and
 - In facilities located on Council-owned land.
- Consider supporting an increase in the number of EGMs, density of EGMs or number of gaming venues:

- 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;
- If the proposal will result in an increase in the delivery of services that address the impacts of problem gambling in Darebin;
- If the proposal will result in a redistribution of gaming expenditure away from areas and communities potentially or current at risk of problem gambling;
- If the venue manager is committed to implementing a wide range of appropriate and adequate non-statutory harm minimisation measures.

7 Strategic action plan

The *City of Darebin Electronic Gaming Machines Policy 2014-2017 Strategic Action Plan* is based on a number of evidence based principles and best practice that seek to effectively manage EGMs in the municipality and prevent and reduce the harmful impacts of problem gambling.

7.1 Principles

The following principles underpin the *Darebin Electronic Gaming Machines Policy 2014-2017*:

<we could group these into the action area themes that following in section 6.4>

- Although gambling is a legal form of entertainment, it is directly associated with a range of social, health and economic harms to some individuals and the Darebin community.
- Those most vulnerable to the social, economic and health impacts of problem gambling must be protected through an effective harm prevention and harm minimisation framework. This framework focuses on the social, economic and physical determinants of problem gambling in Darebin.
- The physical environment within which EGMs and gaming venues operate in Darebin is the determinant of problem gambling which may be addressed through the assessment of applications for planning permits to install and use EGMs in hotels and clubs.
- Council fulfils a number of roles in relation to preventing and minimising the social, economic and health harms associated with problem gambling. These include regulation and planning, advocacy, research and capacity building. These roles are fulfilled in collaboration with a range of agencies and stakeholders who are also responsible for preventing and minimising the impacts of problem gambling.
- Council will be a leader, setting an example as to the suitable location of EGMs and gaming venues.
- Social, economic and health impact assessments are an effective means of gaining an understanding of the potential impacts on the community's wellbeing associated with the operation of EGMs in Darebin.
- Changes to the regulatory and strategic framework within which EGMs operate in Victoria are required in order to protect those most at risk of problem gambling in Darebin.
- Equitable access to health, social, leisure and entertainment activities that promote health and wellbeing is an effective protective factor for those most at risk of problem gambling in Darebin.
- Ongoing research into the determinants of problem gambling and effective harm minimisation measures is required in order to safeguard the Darebin community against the impacts of problem gambling.
- The Darebin community must derive benefit from the operation of EGMs in Darebin.
- The Darebin community has a right to be involved in decisions relating to the operation of EGMs in Darebin.
- The Darebin community has the right to transparent information in relation to existing and emerging trends in gambling and EGM expenditure, and the impacts of gambling.

- Collaboration with all key stakeholders, including service providers, venue operators and the gaming industry is an effective way to prevent and minimise the harms associated with problem gambling.

7.2 The community wellbeing approach to addressing problem gambling

Council's community wellbeing approach to addressing problem gambling in Darebin involves the following elements:

1. A **public health approach** to preventing and addressing problem gambling recognises that health issues arise when the consumption of a product that is legal and harmless to some, is consumed by others at levels that induce harm. This approach to addressing problem gambling therefore seeks to minimise the harms experienced by some without reducing the benefits derived by others. This will be achieved by:
 - Accommodating opportunities to gamble to those for whom it is a safe and enjoyable recreational pursuit.
 - Maximising opportunities to participate in alternative activities that encourage healthy lifestyle behaviours.
 - Protecting those most vulnerable to the harmful social, health and economic impacts of problem gambling.
 - Providing support for those who are directly or indirectly affected by the harms arising from participating in EGM gambling.
 - Building capacity amongst those who are most at risk of problem gambling to reduce the harmful effects of problem gambling.
2. A **leadership** approach to preventing and addressing problem gambling involves managing the presence of EGMs in the municipality and advocating for changes to the legislative, regulatory and strategic framework. Council will therefore:
 - Engage with all those who have an interest in, or who are affected by, the presence of EGMs in the municipality.
 - Be accountable for its decisions relating to EGMs and gaming venues.
 - Seek to maximise the benefits and minimise the disbenefits associated with EGM gambling in the municipality.
 - Exercise and strengthen its capability as the responsible planning authority to ensure that EGMs are located in appropriate areas, sites and venues throughout the municipality.

7.3 Action areas

Action area 1 - Regulation and planning

Goal: To demonstrate leadership in the planning, management and regulation of EGMs in Darebin.

<if you want to use the word objective we can reframe each of them to start with the word 'to' – I like the concept of a strategic outcome because it is more measurable and has a stronger message, but it's up to you>

Objectives/Strategic Outcome	Strategic actions	Partners
<p>Council has a strong and effective influence over decisions relating to the future location, operation and management of EGMs in Darebin.</p>	Develop a local planning policy on gaming for incorporation into the MSS of the Darebin Planning Scheme.	
	Prepare and/or review master plans and development plans for Council's activity centres that give strong guidance as to the preferred location of gaming venues.	
	Include conditions in existing leases or management agreements for gaming venues operating on Council owned or managed land that preclude the potential for an increase in EGMs.	
	Include conditions in new leases that preclude the operation of EGMs in venues located on Council-owned land that currently do not operate EGMs.	
	Ensure that all gaming venues adhere to the conditions in their planning permits.	
	Make submissions to the VCGLR on behalf of the community if it is found that a proposal for additional EGMs or a new gaming venue will result in a net detriment to the wellbeing of the community.	
	Refuse applications for planning permits for additional EGMs or new gaming venues if it is found that the proposal is not appropriate in terms of its location, area and/or premises or if the proposal is located in a shopping complex.	
	Include actions that address problem gambling in all Council's key strategic documents and policies.	
	Support applications for additional EGMs or new gaming venues if they will result in a redistribution of harms away from communities that are most vulnerable to	

	problem gambling.	
Social and economic impacts of a proposal are rigorously and transparently assessed and considered.	Prepare an Impact Assessment Toolkit and Guidelines resource to assist Council and the applicant in assessing the social and economic impacts of a proposal.	
	Prepare a referral framework that ensures that all internal departments and relevant external agencies are involved in the decision-making process.	

Action area 2 – Social inclusion and economic sustainability

Goal: To maximise the community’s capacity to prevent and address the harms associated with problem gambling.

Objectives/Strategic outcome	Strategic actions	Partners
EGM gambling delivers social and economic benefits to the community.	Require that a proportion of the revenue generated by each additional EGM operating in Darebin be distributed to the Darebin community through the Darebin Council Community Grants Program.	
	Engage with venue operators to identify opportunities to increase financial and other contributions to the local community, including those allocated through the Darebin Community Grants Program.	
	Advocate for changes to the Community Benefit Statement requirements that all club venues be required to contribute to non-statutory problem gambling programs and services.	
	Require venue operators to make a financial contribution to services and agencies that address the impacts of problem gambling in the Darebin community	
Darebin’s most vulnerable communities and areas are protected from the harms associated with problem gambling.	Actively discourage an increase in the number of EGMs, density of EGMs or number of gaming venues in areas with high concentrations of people most at risk of problem gambling due to their socio-economic status, cultural or ethnic background, occupation, age, employment status or gender.	

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	Support agencies that provide services for those directly and indirectly affected by the harmful impacts of problem gambling.	
	Apply the principles and strategies in the <i>City of Darebin Equity and Inclusion Policy 2012-2015</i> and the <i>City of Darebin Equity and Inclusion Planning and Audit Tool</i> to all applications for an increase in EGMs or additional gaming venues.	
	Continue to enhance access to non-gaming activities and facilities through Council programs, services, infrastructure development, funding and information dissemination.	
	Ensure that consumer information is available in a range of appropriate languages and formats.	
The community is well informed.	Provide information to the community on proposals for an increase in EGMs or gaming venues in the municipality, and the outcomes of these decisions.	
	Support and facilitate initiatives that disseminate information to the community, including new residents and businesses on the harms associated with problem gambling and services available to those who are directly and indirectly affected by problem gambling.	
Council has strong partnerships with venue operators, agencies, local governments and the State Government	Participate in the annual Responsible Gambling Awareness Week.	
	Engage with venue operators to identify ways to strengthen their harm minimisation initiatives including diversifying and expand non-gaming activities in their venues, supplementing statutory responsible service of gambling measures, participating in a gambling taskforce and a shut-down period of 6 hours that commences at 2am.	

Action area 3 – Advocacy

Goal: To demonstrate leadership in advocating for necessary changes to the legislative and policy framework in order to reduce the harmful impacts of problem gambling.

Objectives	Strategic actions	Partners
<p>Council is effective in strengthening National and State Government initiatives that focus on preventing and minimising the harms associated with problem gambling.</p>	<p>Advocate for changes to the Community Benefit Statement that will ensure that clubs participate in programs and initiatives that address problem gambling.</p>	
	<p>Advocate for the State Government allocate funds through the Community Support Funds reach local communities characterised by high expenditure on gambling and a high incidence of problem gambling.</p>	
	<p>Advocate for changes to the legislation to reintroduce the capacity of Councils to charge a differential rate to gaming venues.</p>	
	<p>Advocate for changes to the legislation that will introduce a mandatory pre-commitment program.</p>	
	<p>Advocate to the State government to retain the existing regional cap on the number of EGMs in Darebin.</p>	
	<p>Make submissions, on behalf of the community, to inquiries, reviews and committees to reflect the fears, aspirations and needs of the Darebin community.</p>	
	<p>Actively participate in working groups and networks that conduct research and advocate for the implementation of a strengthened harm minimisation framework.</p>	
<p>Council’s capacity to influence the decision-making process is simplified and enhanced.</p>	<p>Advocate for the review of the VCGLR submission form to reflect recent changes to the licensing arrangements and streamline the preparation of the social and economic impact assessment.</p>	
	<p>Advocate for a greater length of time during which Councils may prepare their submissions to the VCGLR.</p>	

Action area 4 – Research, monitoring and evaluation

Goal: To 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.

Objectives	Strategic actions	Partners
<p>Council’s approach to preventing and minimising harms associated with problem gambling is appropriate to the contemporary statutory, decision-making and policy framework and is informed by best practice.</p>	<p>Conduct ongoing research into changes to the regulatory and strategic framework within which EGMs operate in Darebin.</p>	
	<p>Monitor decision-making principles emerging through the VCGLR and VCAT.</p>	
	<p>Include questions in the annual household survey that gauge the community’s attitudes to gaming in the municipality and monitor their gambling patterns and behaviours.</p>	
	<p>Monitor and review Council’s policy position on EGM gambling on a regular basis to ensure it is appropriate and effective.</p>	
	<p>Participate in and support research undertaken by other local governments, organisations and agencies on the determinants and impacts of problem gambling, and effective harm prevention and harm minimisation measures.</p>	
<p>The community is well informed about existing and emerging research findings.</p>	<p>Publish annually the findings from research conducted in the Darebin News.</p>	
	<p>Publish annually key indicators describing the gambling environment in Darebin including expenditure, EGM numbers, problem gambling prevalence rates, gaming venues and community benefits.</p>	