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**Darebin Electronic Gambling Machine Policy 2018–2022**

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**Mayor's Foreword**

*Section to be completed after exhibition*

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# Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

## 1. Policy Objective

To make the City of Darebin free of poker machines (Electronic Gambling Machines).

## 2. Policy Statements

- The harms resulting from the annual \$80 million-plus in gambling losses from Electronic Gambling Machines (EGMs) in Darebin greatly outweigh any perceived benefits.<sup>1</sup>
- The highest losses and greatest harms occur in areas of highest disadvantage.<sup>2</sup>
- All planning applications will be considered on merit.
- Council will only support applications for EGMs where this is solid evidence that the application will have tangible and significant community benefit.
- The harms caused by EGMs in clubs are the same as the harms caused by EGMs in hotels.<sup>3</sup>
- In assessing any future proposals for the operation of EGMs in the municipality, applications from clubs will be treated in the same way as applications from pubs and other venue operators.
- Council rejects the public rhetoric of ‘responsible gambling’ and ‘problem gambler’, which seeks to shift the responsibility to the individual. This language deliberately hides the systemic and structural problems in the gambling environment, such as:
  - (a) The dangerously addictive design of EGMs used in Australia <sup>4</sup>
  - (b) The opportunistic conduct of the gambling industry <sup>5</sup>
  - (c) A conflicted reliance on the significant taxation revenue by the State Government. <sup>6</sup>
- Existing harm minimisation measures have made little difference in Darebin.<sup>7</sup>
- Council will assist all poker machine operators in Darebin to divest themselves of poker machines.
- Council will assist all community-based organisations in Darebin to divest themselves of their reliance on cash and in-kind support generated from poker machines.
- Council will continue to invest in community infrastructure, community programs and community networks to provide alternatives to gambling.
- Council will continue to be a statewide leader and innovator in reducing gambling harm.
- Council will maintain independence from the gambling industry. Council will not accept financial contributions from gambling venues and will not promote community grants or initiatives offered by local poker machine venues.
- The Victorian gambling legislation and regulation privileges the interests of EGM owners, operators and venues above the interests of communities.<sup>8</sup>
- The gambling harms persist, despite the EGM management measures introduced by the federal and state governments.<sup>1,10</sup>

# Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

## 3. Policy Scope

- (i) The primary focus of this policy is the reduction of harm caused by EGMs. This is important because:
  - a. Gambling losses from EGMs in Darebin are higher than any other form of gambling.<sup>8</sup>
  - b. Gambling losses create the greatest harm to Darebin's communities.
  - c. EMG regulation and management falls within Council's jurisdiction, where it can exert its greatest influence and intervention.
- (ii) The secondary focus of this policy is the reduction of harm caused by 'online' gambling and sports betting using the internet and mobile apps. While 'online' gambling and sports betting is outside the remit of Council's direct jurisdiction, it is important to work towards changing the increasing levels of this type of gambling and the 'normalisation' of gambling in Australia.

## 4. Public Policy Context

### State Government

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

- 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 size 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 to ensure their employees undergo Responsible Service of Gambling training.
- The requirement that all EGMs be fitted with technology that supports those patrons to participate in the voluntary pre-commitment scheme. This enables them to set a limit on the amount of time and/or money spent using EGMs in any one session.

These provisions have had little effect on the extent and severity of gambling harm in Darebin.

Despite strong opposition from Council and other partners in the Alliance for Gambling Reform, the *Gambling Regulation Amendment Act 2017* (the Bill) was passed on 1 December 2017.

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

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

The amendments include:

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

### Federal Government

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

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

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

Based on the experience in Victoria, these provisions offer minimal harm protection and passive consumer safeguards.

In 2017, the Federal Government introduced a ban on gambling advertising before 8.30pm during live sporting events and for five minutes before and after the start of play.

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

This example indicates the pervasive influence of the gambling industry on other industries reliant on gambling-generated sponsorship.

## **5. Legislative and regulatory reforms sought by Darebin Council (Summary)**

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

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

The proposed reforms are:

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

- \$1 maximum bet limit per button push
- safer EGM design
- fewer EGMs
- fixed and lower municipal limits on EGM numbers
- maintaining of the 50/50 split of EGM licences between clubs and pubs
- a ban on political donations
- including EFTPOS in the ban on ‘cash out’ in venues
- directing the VCGLR to take into account all gambling harm
- retaining a ban on cashless gambling
- reduced operating hours
- mandatory staff intervention to people showing signs of being *harmed* by gambling
- setting enforceable limits
- creating a duty-of-care for venue operators
- removing ‘fostering competition’ as a rationale for more machines
- a stronger requirement for the commission to take council submissions into account
- mandating the operator of new EGMs to meet social and economic impact tests
- consideration of the specific communities and neighbourhoods, not just a municipality-wide approach
- that the VCGLR “develop principles or guidance for assessing net detriment and report transparently against them in decisions on applications for electronic gaming machines”
- amending the federal law to make it clear it’s illegal for overseas gambling companies to offer products to Australians unless they hold a licence under State or Territory laws
- empowering the Australian Communications and Media Authority (ACMA) with new civil penalties, complementing existing Australian Federal Police criminal penalties powers and allowing ACMA to be responsible for the entire complaint-handling process from receipt to enforcement
- introducing other disruption measures to curb illegal offshore gambling activity, such as placing offending company directors on the Movement Alert List, so any travel to Australia can be disrupted.

Council’s advocacy for reform will continue to be agile and relevant as the impacts of current legislation, regulation and gambling industry behaviour changes.

**See Appendix 3:** Explanation and analysis for legislative and regulatory reforms being sought by Council.

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

### 6. Northern region context and comparison

**Table 1 – Key gaming indicators, City of Darebin and adjoining municipalities, 2016/17**

As indicated in Table 1 (below), the City of Darebin has the second-highest EGMs losses in the Northern metropolitan region for 2016/2017. The community harms from these losses is magnified by the relatively high unemployment levels and high levels of disadvantage.<sup>2</sup>

LGA Name	Net EGM Expenditure (\$)	SEIFA Score Disadv	DIS RANK METRO	Adults per Venue 2017	Density EGMs per 1,000 Adults 2017	Exp per Adult 2017	Unemployed as at June 2017
City of Darebin	\$81,112,259.79	990.32	6	10,602	5.8	\$637.53	6.95%
City of Whittlesea	\$106,994,642.75	988.60	5	15,737	4.4	\$679.89	7.31%
City of Moreland	\$61,627,685.48	998.06	8	11,837	4.5	\$433.87	6.82%
City of Banyule	\$55,820,854.07	1047.40	22	11,289	6.2	\$549.40	4.52%
City of Yarra	\$30,801,195.80	1019.05	13	10,094	3.8	\$381.42	5.73%
Metro				11,693	5.2	\$561.07	6.07%
Victoria				9,690	5.5	\$541.86	5.92%

Source: VCGLR

### 7. City of Darebin Context

- EGM expenditure and density of EGMs per 1,000 adults in the City of Darebin decreased between 2014/15 and 2016/17.
- The City of Darebin had a higher EGM expenditure per adult compared with metropolitan Melbourne and the second-highest EGM expenditure per adult compared with adjoining municipalities.
- The City of Darebin is ranked 10th highest of all metropolitan municipalities and 11<sup>th</sup> highest for EGM expenditure of all municipalities in 2016/17.
- The City of Darebin had the second-highest score of relative socio-economic disadvantage compared with adjoining municipalities.
- The City of Darebin had a higher density of EGMs per 1,000 adults compared with metropolitan Melbourne and the second-highest density of EGMs per 1,000 adults compared with adjoining municipalities.
- In September 2017 the Victorian Minister for Consumer Affairs, Gaming and Liquor imposed a regional cap on 769 EGMs on the municipality.<sup>9</sup>
- At present there are 754 EGMs operating in the municipality, 15 below the maximum permitted.
- The reduction of EGMs in the Darebin region is unlikely to have any practical impact on gambling levels. The 754 EGMs have been operating in Darebin since 2014/2015.
- A 5.5% decrease in EGMs has resulted in a 1.7% decrease in losses between 2013/14 and 2016/17

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

See Appendix 1: Comparison of Gambling Losses per venue 2013/2014 and 2016/2017

**Table 2: History of EGM Gambling Losses in Darebin**

Financial Year	Total EGM losses (\$million)	SEIFA Score	Ranking of Disadvantage (Metro)
2010/2011	\$89.0m	990	6
2011/2012	\$89.2m	990	6
2012/2013	\$82.4m	990	6
2013/2014	\$82.4m	990	6
2014/2015	\$83.9m	990	6
2015/2016	\$84.3m	990	6
2016/2017	\$81.1m	990	6

### 8. Targeting disadvantaged neighbourhoods

Across metropolitan Melbourne, our most disadvantaged municipalities have the highest density of poker machines. This is also reflected in Darebin and is a deliberate strategy of the gambling industry to target disadvantaged neighbourhoods for higher numbers and densities of EGMs.<sup>11</sup>

#### Analysis of key gambling data per statistical local area 2016/2017

	South (Northcote /Thornbury)	North (Preston, Reservoir)	Darebin
<b>SEIFA index of disadvantage</b>	1046	966	995
<b>Adults (No. approximate and % Darebin)</b>	46,948 (36.9%)	80,281 (63.1%)	127,229 (100%)
<b>Number of venues (No. and % Darebin)</b>	3 (25%)	9 (75%)	12 (100%)
<b>EGM operating numbers (No. and % Darebin)</b>	134 (18%)	612 (82%)	754 (100%)
<b>Expenditure 2016/17 (\$ and % Darebin)</b>	\$11,344,610 (14%)	\$69,767,649 (86%)	\$81,112,259 (100%)

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

<b>EGM density per 1000 adults</b>	2.85	7.65	5.9
<b>Expenditure per adult per annum</b>	\$242	\$869	\$637

Source: VCGLR

Expenditure in Preston statistical area is 3.5 times higher than Northcote.

### 9. Prevalence of severe EGM gambling-related problems in Darebin

Table 3 Estimated number of adults (selected metropolitan councils)

Local Government Area	Estimated number of adults	Ranking
Brimbank	6,548	1 (Highest prevalence)
Whittlesea	4,303	7
Darebin	2,968	11
Moreland	2,157	20
Banyule	1,832	27
Yarra	706	37
Nillumbik	252	55 (Lowest metro prevalence)

Source: ABS: Census Data 2016

The table above indicates that adult residents of Darebin have a high prevalence of severe gambling-related problems.

A major correlative factor affecting prevalence is the saturation of EGMs in Darebin and their neighbourhood proximity.

A Productivity Commission report on gambling in 2010 was clear that gambling leads to financial, family and psychological problems, including crime and suicide. It stated that Australia's 115,000-plus problem gamblers – who are mainly low-income earners – lose a disproportionate amount of money, contributing to 40% of the total cash put into poker machines.<sup>12,13</sup>

See Appendix 2: Saturation of EGMs and proximity to households in Darebin

### 10. Pubs vs Clubs

The harms caused by EGMs in clubs are the same as the harms caused by EGMs in hotels. Any real community benefits claimed by the clubs are miniscule compared to the benefit to the clubs themselves and do not address gambling-related harms.

For the purposes of this policy, EGMs and EGM operators in pubs and clubs will be treated equally.

There are three clubs that operate poker machines in Darebin in 2016/2017

1. Darebin RSL (65 EGMs)
2. The Furlan Club (30 EGMs)
3. The Reservoir RSL (68 EGMs)

The Fairfield/Alphington RSL closed in 2017.

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

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

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

**Table 4 – Community Benefits Claimed by Clubs in Darebin**

Financial year	Gambling losses	% reported for community purposes
2016/2017	\$9.3m	36%
2015/2016	\$10.4m	32%
2014/2015	\$9.9m	47%
2013/2014	\$9.7m	36%

Source: VCGLR

This table provides a selected summary of the Community Benefits Statements lodged by clubs in Darebin. It seems that they contribute more than the minimum 8.3% community benefits required.

Monash University undertook a closer analysis of the 559 community benefits statements lodged in 2005/2006 in Victoria. This research showed that only 2.6% were actual funds, gifts or sponsorship provided to the community, despite the claims lodged to the VCGLR. The analysis showed that 97.3% of the funds were reinvested into the operations and capital works of the clubs themselves.

The study also showed that 0% was provided for the provision of responsible gambling measures and activities, but excluding those required by law.<sup>10</sup>

The Productivity Commission's comment about these arrangements was based on this rather special treatment.

"Some clubs do provide genuine benefits to their communities. Unfortunately, clubs have developed significant poker machine dependency – an average of about 60% of total revenue. Some club representatives may gild the lily in their claims of community support, fearful perhaps of the consequences of more effective harm-minimising regulation, or fairer taxation."<sup>12</sup>

### 11. Problem gamblers

Council will consciously use public health language in communicating gambling messages. Language including 'responsible gambling' and 'problem gamblers' will not be used by Council due to the notion that the responsibility or problem lies with the individual.

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

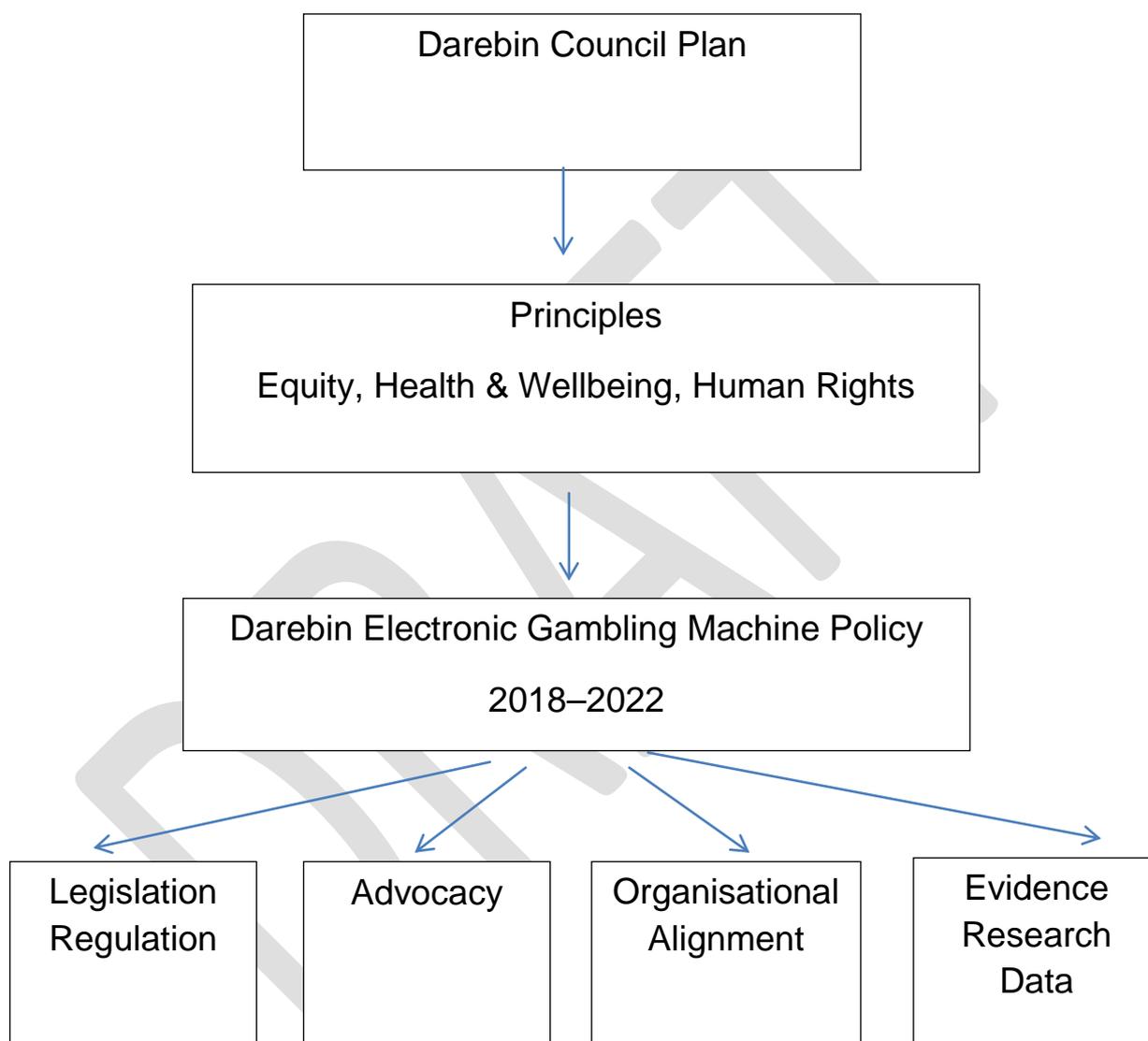
A recent study commissioned by the Victorian Responsible Gambling Foundation examined gambling harm from a public health perspective. The results indicated that 'low risk' and

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

'moderate risk' gamblers do experience harm. In fact, they account for 85% of gambling harm in Victoria.<sup>14,15</sup>

### 12. Darebin Electronic Gambling Machine Policy: Strategic Framework

#### Electronic Gambling Machine Policy Framework



The four main strategies that inform strategic framework have been developed to maximise Council's investment and influence, and provide an organising structure to guide future actions.

The four strategies build on Council's current effort and reflect Council's approach for changing systems and structures as a primary approach for minimising harm at a population level, and is consistent with Council's Health and Wellbeing Plan.

Some examples of the work informing the framework include:

# Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

## Advocacy

Federal Court action against Crown Casino and Aristocrat Leisure

Crown Casino and pokies manufacturer, Aristocrat Leisure, brought by Maurice Blackburn. Organised by the Alliance for Gambling Reform, the event highlighted the addictive nature of poker machines and alleged deceitful and misleading conduct by the industry bodies.

This important legal case could not have occurred without Council having a national advocacy body as a key partner.

## Organisational alignment

Encourage sporting clubs and community groups to divest themselves of poker machines and the revenue from poker machines.

## Evidence research data

Northern region 'Libraries After Dark' project examines the efficacy of providing more targeted community programs as alternatives to gambling.

Council acknowledges that there are some particular community cohorts or individuals who may be more vulnerable to the harms associated with EGM gambling. Community-based agencies and welfare groups are best placed to provide individual case work and prevention programs that are targeted, relevant and culturally appropriate.

Under this policy, Council will support the community-based agencies and relevant local welfare networks to continue their work.

## **12 Darebin Electronic Gambling Machine Policy: Action Plan**

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

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

1. *The Planning and Environment Act 1987*
2. *The Local Government Act 1989*
3. *The Public Health and Wellbeing Act 2008*
4. *The Charter of Human Rights and Responsibilities Act 2006.*

<b>Strategies:</b>	<b>Actions</b>
<b>Regulation and Legislation</b>  1. To exercise the full extent of Council's regulatory and	1.1 Council will oppose any planning application and licensing application for new additional EGMs, or the transfer of EGMs in the municipality where there is evidence that the application has negative social and economic impacts and minimal community benefit.  1.2 Council will oppose any application for EGMs on Council owned or Council managed land.  1.3 Council's Health and wellbeing, Equity and Inclusion and Statutory Planning departments will collaborate and share expertise to oppose all planning applications involving EGMs.

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

<p>legislative mandate to minimise harm from EGMs</p>	<p>1.4 Council will ensure that all poker machine operators adhere to the conditions in their planning permits, and will advocate to the VCGLR if conditions are not being met.</p> <p>1.5 Council will make formal written submissions to the VCGLR and VCAT to all EGM planning applications and licensing applications in neighbouring municipalities.</p> <p>1.6 Maintain and strengthen current regulatory regimes to ensure the community and community views are directly considered in any decisions.</p> <p>1.7 Council will ensure that the community is notified through the Council website of all planning applications related to EGMs and provide opportunities for comment, if timelines allow.</p> <p>1.8 Council will include copies of all gaming-related submissions it makes on the Council webpage.</p>
<p><b>Advocacy.</b></p> <p>2. Council will continue to be recognised as a statewide leader in driving changes to dismantle those systems and structures that cause gambling-related harm to the Darebin community</p>	<p>2.1 Council will continue to seek reform to the Gambling Regulation Act to place greater regulation and restrictions on the gambling industry which seeks to mislead and profit from individuals.</p> <p>2.2 Council policy, action and advocacy will be informed by evidence-based public health and wellbeing research and policy.</p> <p>2.3 Council will make submissions to State and Commonwealth inquiries on gambling and meet with government and gambling industry representatives, where possible and appropriate, to represent the interests of the local government sector and Darebin community.</p> <p>2.4 Continue Council's membership of the Alliance for Gambling Reform and to actively contribute to the national and statewide strategic advocacy at a local level.</p> <p>2.5 Inform and contribute to the advocacy of the local government peak bodies' (VLGA and MAV's) local gambling networks to generate local, sub-regional and regional advocacy strategies.</p> <p>2.6 Council will highlight the harm from EGMs as one of the most important community issues for the purposes of informing State and federal election campaigns.</p>
<p><b>Organisational alignment</b></p> <p>3. Council will take a whole of organisation approach to minimising harm, acknowledging that all activities can contribute to this objective</p>	<p>3.1 Council will not support any application for EGMs on Council-owned or managed land.</p> <p>3.2 Council will work with the Darebin community to raise awareness about gambling harm, encourage community ownership, action and participation in non-gambling community pursuits, decrease stigma and encourage help-seeking.</p> <p>3.3 Council will maintain independence from the gambling industry. Council will not accept financial contributions from gambling venues and will not promote community grants or initiatives offered by local poker machine venues.</p> <p>3.4 Council will promote a range of non-gambling social, cultural and recreational opportunities in Monash to promote engaged, active and healthy lifestyle choices.</p> <p>3.5 Through its Leasing and Licensing Policy, Council will not permit gambling</p>

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

	<p>activity, promotion or advertising in Council-owned facilities. This pertains to sports betting, online gambling and poker machines.</p> <p>3.6 Council will not permit community groups or sporting clubs to advertise or promote gambling-related activity at local venues or via online gambling agencies.</p> <p>3.7 Council will encourage sporting clubs to promote Gambler's Help services to patrons in their facilities.</p> <p>3.8 Council staff will not run Council and community events, activities, programs and social outings in venues that have EGMs.</p> <p>3.9 Council will not fund community groups who meet in venues that have EGMs through any of its community funding programs.</p> <p>3.10 Council will not provide community grants, funding, sponsorship, Council facilities, publicity or promotion for community groups/organisations that promote gambling.</p> <p>3.11 Council will promote gambling support services and programs on its website, through networks and via publications.</p> <p>3.12 Council will introduce, into the organisation's training calendar, staff awareness and understanding through training and cross-departmental collaboration about the harms of gambling, the support services available and alternative social and recreational pursuits to gambling.</p> <p>3.13 Council will promote non-gambling activities and facilities through Council programs, services, infrastructure development and publicity.</p> <p>3.14 Council will support local organisations and groups to undertake initiatives aimed at gambling prevention, raising awareness about gambling and potential harm, de-stigmatisation, help-seeking avenues and opportunities for community engagement free from gambling.</p> <p>3.15 Council will include gambling-related questions in relevant surveys and consultations with community to support policy or program development</p> <p>3.16 Council will annually publish key indicators describing the gambling environment in Darebin including gambling losses, EGM numbers, gambling prevalence, gambling venues and health, current public health research and health and wellbeing impacts.</p> <p>3.17 Council will engage local, state and national media in its public health activity and communication campaigns around the issue of gambling.</p> <p>3.18 Council will not support community groups participating in gambling activity and will seek to increase the awareness of community groups to the harms of gambling through information provision and referral to non-gambling community activities and services.</p> <p>3.19 Council will not assist in promotion, administrative support, committees or co-facilitation of community grants offered by local gambling venues.</p> <p>3.20 Council will assist community groups and clubs to develop transition plans to divest themselves from funding from poker machines.</p> <p>3.21 Council will block and filter internet accounts across its services to ensure computers are not being accessed for gambling activity by staff and community.</p> <p>3.22 Council will continue to foster its long-standing, robust partnerships and allegiances with the MAV, VLGA, the Alliance for Gambling Reform, local government sector, the Victorian Responsible Gambling Foundation,</p>
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## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

	<p>Gambler’s Help Northern, Local Government Working Group on Gambling (LGWGOG), Link Health &amp; Community and local neighbourhood houses and community groups in the progression of its public health approach to gambling.</p> <p>3.23 Council will support and promote local and state government services and community groups addressing the harms of gambling through prevention, innovative programs, service provision and treatment.</p> <p>3.24 Council will continue to seek external funding opportunities to progress its public health leadership, activity and advocacy in gambling prevention.</p>
<p><b>Research, Monitoring Data</b></p> <p>4. 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.</p>	<p>4.1 Council will continue to source and maintain accurate data, information and research on poker machines and other forms of gambling for use in the development of policy, submissions, communications and as advocacy tools.</p> <p>4.2 Council will continue to monitor regulation and legislation and their impacts at a federal, state and local level.</p> <p>4.3 Council supports measures to prevent and/or respond to gambling harm that are evidence-based and likely to be effective in impact.</p> <p>4.4 Council will monitor decision-making principles emerging through the VCGLR and VCAT.</p> <p>4.5 Council will participate in and/or support research undertaken by organisations on the determinants and impacts of gambling environments and gambling, and effective harm prevention and harm minimisation measures.</p> <p>4.6 Council will monitor and review Council’s policy position on gambling on a regular basis to ensure its currency, appropriateness and effectiveness.</p> <p>4.7 Council will commission and contribute to research that will directly inform Council’s policy objectives and to argue a case for stronger recognition of gambling harms in relevant State and local policy.</p>

# Appendices

## Appendix 1: Comparison of gambling losses per venue 2013/2014 and 2016/2017

EGM Venue	Location	\$ Losses 2013/2014	EGM numbers in operation 2013 / 2014	\$ Losses 2016/2017	EGM numbers in operation 2016/2017	\$ Losses Change	EGM numbers Change
Albion Charles Hotel	2 Charles Street, Northcote	5.2m	50	5.6m	50	0.4m	0
Cramers Hotel	1 Cramer Street, Preston	10.5m	80	9.7m	79	-0.8m	-1
Croxton Park Hotel	607-619 High Street, Thornbury	5.6m	55	5.1m	54	-0.5m	-1
Darebin RSL (Club)	402 Bell Street, Preston	3.1m	65	4.4m	65	1.3m	0
Edwardes Lake Hotel	257 Edwardes Street, Reservoir	13m	100	13.5m	100	0.5m	0
Fairfield /Alphington RSL	CLOSED	1.2m	30	0	0	-1.2m	-30
Furlan Club (Club)	1 Matisi Street, Thornbury	1m	40	0.5m	30	-0.5m	-10
Junction Hotel	1 Plenty Road, Preston	6m	46	5.9m	46	-0.1m	0
Olympic Hotel	31 Albert Street, Preston	10.7m	80	10.2m	80	-0.5m	0
Preston Hotel	635 High Street, Preston	4.2m	40	4.2m	40	0	0
Reservoir	251 Spring	4.3m	68	4.3m	68	0	0

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

RSL (Club)	Street, Reservoir						
Rose Shamrock and Thistle Hotel	709 Plenty Road, East Reservoir	5.5m	45	5m	44	-0.5m	-1
Summerhill Hotel	Shop 12, 830 Plenty Road, Reservoir	11.9m	88	12.4m	88	0.5m	0
Total		\$82.2m	787	\$80.8	744	-\$1.4m	-43

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## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

### Appendix 2: Saturation of EGMs and proximity to households

The following table shows the saturation and density of EGMs across Darebin. It also indicates the proximity and number of EGMs within 2.5 km of Darebin households (properties).

Current research indicates that the majority of EGM patronage is generated from gamblers who live within 2.5km of a pokies venue.

The accompanying heat map shows the concentration of EGMs (*Pending*)

Number of EGM venues	Number of houses / households within 2.5km of EGM venues
1 Venue	3,367 Households
2 Venues	4,238 Households
3 Venues	14,528 Households
4 Venues	8,415 Households
5 Venues	10,792 Households
6 Venues	9,978 Households
7 Venues	9,499 Households
8 Venues	10,389 Households
9 Venues	3,319 Households
10 Venues	467 Households

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

### Appendix 3: Explanation for Darebin Council's legislative reforms

- \$1 maximum bets

Council strongly supports a \$1 bet limit per button push on EGMs. It has the support of Coles, who own EGM venues.

The 1999 Productivity Commission report pointed to bet limits on EGMs as a possible measure to reduce problem gambling. At that time, the Productivity Commission found that on average, people with gambling problems staked \$1.62 per button push, compared to 57 cents for non-problem gamblers.

Research commissioned by the gambling industry in 2001 found that only 3.5% of EGM gamblers bet above \$1 per button push. Of people without gambling problems, only 2.3% bet over \$1 per button push, while 7.5% of people with gambling problems bet over \$1 per button push. The report concluded that a bet limit per button push of \$1 would be “a potentially effective harm minimisation strategy for a small proportion of players”.

The Productivity Commission correctly dismissed the speculative argument made in EGM industry submissions that a reduction in bet size would result in people with gambling problems losing the same amount of money by increasing the length of their gambling. The commission took the view that “while it is likely some gamblers would play for longer, it is improbable that this effect would be so great as to nullify the impact of the reduced bet limit”.

- Machine design

The State Government should use the machine approval process to remove designs from machines that contribute to gambling harm, such as (1) losses disguised as wins (2) linked jackpots and (3) free spins.

This ban could be applied immediately to any new machine approvals and be a condition of new license purchases.

Skill-based gambling machines should not be allowed to operate in Victoria. Using the precautionary principle, unless independent assessment of these machines can establish that they do not create a higher risk of gambling harm, they should not be licensed for use.

- Fewer poker machines
- Council urges the state government to reduce poker machine numbers by 20%, as the ACT has done. The reduction would be focused on removing poker machines from vulnerable areas via a mechanism whereby local government policies would be given highest weighting in licensing processes, and could effectively result in a veto on new machine placement.

In the New Zealand model for poker machine licensing, councils determine a policy to reduce gambling harm. They are empowered to reduce machine numbers by not allowing licenses to be transferred, and require licenses to be retired when a venue closes. The model used in New Zealand allows local government to determine the issuing of a gaming licence for a new venue or for more machines in an existing venue consistent with the local government's own policy on gambling.

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

The policy does not allow the local government to close down existing venues or reduce the number of machines they have. However, it does mean that if a venue closes or voluntarily gives up or reduces its number of EGMs, the local government can refuse to authorise a new venue or the transfer of the machines to another venue within its jurisdiction. A local government may adopt a policy of a 'sinking lid', reducing the number of machines in its jurisdiction over time as venues close or choose to give up machines.

The New Zealand Department of Internal Affairs reviews the decisions of the local governments to ensure they are consistent with the local government policy and that the local government policy has been adopted in accordance with the law.

- Fixed municipal EGM limits

Council supports the establishment of fixed municipal limits that do not rise with population increases. Growth-area councils are particularly vulnerable to limits based on population. We believe that 10 EGMs per adult is generally too high a limit to be effective in reducing harm from gambling. If the limit is fixed and remains static, over time, this may have some beneficial impact in reducing poker machine density.

- Maintain the 50/50 pokie club and pub split

In 2016/2017, Victorian gambling clubs took \$904 million, while gambling pubs took \$1.7 billion. Pubs market and manage their poker machines to extract around twice as much money per machine.

In any revision of government policy, the current 50/50 split needs to remain in place, even if clubs are not using all of their entitlements.

- Ban political donations

To avoid corruption, ban political donations and gifts by poker machine owners, operators and peak bodies to local and state politicians and parties.

At the state level these bans on political influence are long overdue. In the case of local government, they become more necessary as more decision making is moved to the local level.

- Include EFTPOS in ban on cash-out in Venues

The current ban on cash withdrawals in venues should include EFTPOS cash-out. People with a risk of problem gambling or a moderate risk of harmful gambling report accessing EFTPOS significantly more times when gambling than non-problem gamblers. The Victorian Government should deliver on the intended effect when it removed ATMs from venues, and include EFTPOS cash withdrawals in the ban on ATMs in and around venues. The Alliance for Gambling Reform feels that there is little practical distinction between EFTPOS and ATMs for people at risk of gambling harm.

The removal of EFTPOS withdrawals in venues is likely to have little impact on people who are not engaged in high-risk gambling behaviour. EFTPOS was considered an 'inconvenient' means to access additional cash by the majority of people visiting EGM venues. Over the past few years the widespread use of EFTPOS means that, for patrons paying for all other services in the venue, the same card used to withdraw cash can be used to make payments

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

with far less effort and inconvenience than using it to withdraw cash and then pay for food and drinks.

- Direct the VCGLR to take into account all gambling harm

The VCGLR must adopt an inquisitorial model rather than the current adversarial model in determining the suitability of licences for new premises and machines. It must be a VCGLR responsibility to fully investigate all social and health impacts of EGM licensing, not rely solely on evidence put before it by applicants and councils when they choose to participate.

The Government must direct the VCGLR to take into account recent research on gambling harm in its determinations on poker machine applications. Recent research has found that gambling harm occurs in more ways than previously understood and that the majority of health harm is caused to people previously categorised as 'low' or 'moderate' risk.

- Retain ban on cashless gambling

Council is strongly opposed to the introduction of cashless gambling on the basis of the precautionary principle. Cashless gambling can disguise the fact that people are losing 'real money' and cashless systems may reinforce anonymous, intense and uninterrupted gambling, which increases the likelihood of the person gambling being harmed. There is evidence that people with gambling problems are far more likely to lose track of money while gambling on EGMs than people engaged in low-risk or moderate-risk gambling behaviour. It is reasonable to be concerned that cashless gambling would make this worse.

- Reduce venue operating hours

Reducing venue operating hours to 10am to midnight for gaming areas. In 2010, the Productivity Commission recommended that gaming machines in hotels and clubs (not casinos) should be shut down between 2am and 8am, at a minimum.

- Mandatory staff intervention to people showing signs of being harmed by gambling

The Alliance believes that it should be a separate obligation for venue operators to ensure their staff offers appropriate assistance to people showing signs of being *harmed* by gambling, not merely when the person is showing distress.

As there is a clear profit motive for venues to allow people to keep gambling, even when they are showing signs of harmful behaviour or problematic behaviour, a sanction is needed to motivate the venue to act in the best interest of the people gambling in the venue.

The review of the removal of ATMs from Victorian EGM venues noted that "venue based data showed that staff were observing patrons making multiple withdrawals through EFTPOS but in general were not using this information to inform identification of possible problem gamblers."

- Setting enforceable limits

The current system implemented by government allows people gambling to receive a warning when they reach a limit they set themselves, but they can continue to gamble beyond the limit they have set.

## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

Research on limit-setting from Canada has found the effectiveness is greatly reduced when people gambling are unable to set enforceable limits or use the limit-setting system as a means of self-exclusion.

Council strongly supports:

- giving gamblers the option of setting monthly, weekly or daily limits
- the ability for gamblers to set limits at any time in the venue, away from the venue online via a website, or by calling a support hotline
- the ability for gamblers to lower a limit at any time, while there being a 24-hour 'cooling off' period to any increase in limit. A 24-hour wait period to increase a limit, while allowing for a limit to be immediately reduced, is consistent with some existing limit-setting systems, such as the system operating at Crown Casino in Melbourne.
  - Create a duty of care for venue operators

In the view of the Alliance, all gambling providers owe a duty to their customers to do all they reasonably can to reduce any harm that may arise from the product they are selling. This is a duty that should apply universally to all businesses. However, in the view of the Alliance, the gambling industry fails to fulfil this 'duty of care' to their customers. Instead, many in the gambling industry seek to do the minimum required, in terms of consumer protection measures.

The current ability of gambling businesses to avoid a duty of care to their customers serves as a barrier to those businesses undertaking meaningful measures to reduce problem gambling and other harms caused by gambling activities. It fosters an industry culture of doing the minimum required by government.

The existing Mandatory Code for gambling providers should be strengthened by requiring gambling businesses to take all reasonable steps to observe identifiable signs of problem gambling and to intervene appropriately when such signs are detected.

There should be harsh penalties for gambling businesses that engage in 'egregious' conduct, knowingly or recklessly exploiting people with gambling problems. These penalties need to be sufficient to deter such behaviour by gambling businesses and need to empower the courts to award damages to those ruthlessly exploited by unethical gambling providers.

- Remove 'fostering competition' as an excuse for more machines and require the VCGLR to judge that an area already has enough pokies

There are two amendments here. One is intended to remove the provision about fostering competition, in order to permit the Commission to decide that an area already has enough EGMs and that no more are required. The second is to require the Commission to decide whether the EGM facilities in the area are sufficient to meet the needs of those who gamble without hurting themselves or others.

- A stronger requirement for the Commission to take council submissions into account

This amendment is to require the Commission to 'have regard to' rather than 'consider' any submission by the responsible authority. The effect of the change is to increase the extent to which the Commission must take the submission into account in determining the application.

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## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

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This discussion paper is a literature review that summarises the available research about how gambling problems affect family relationships and family members, how families cope with gambling problems, and the assessment and therapy options available to the family members of people with gambling problems.

- Monica J Barratt, Michael Livingston and Sharon Matthews. Victorian Responsible Gambling Foundation – June 2010. 'Problem gambling in Victoria: identifying local area community and gaming industry risk and protective factors'

This study examines the characteristics of local government areas associated with self-identified problem gambling, as assessed through call volume and clients using the Gambler's Help telephone line

- Dr Kerry Brown. Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne – December 2011. 'Socio-economic impacts of access to electronic gaming machines in Victoria: effects on demand and communities'

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## Darebin Electronic Gambling Machine Policy 2018–2022 (Draft)

### Gambling Player Losses and taxes and levies paid 2016/2017 (Victoria)

As at 30 June 2017, player loss in its various forms within Victoria amount to \$5,221.5 million and taxes and levies paid to the State of Victoria amounts to \$1,642.8 million.

**Table 9 – Player loss and taxes paid by category**

<b>Source</b>	<b>Player loss \$m</b>	<b>Taxes and levies paid into the Consolidated Fund \$m</b>
Gaming machines - hotels and clubs	2,609.5	977.1
Melbourne Casino - gaming machines and table games[1]	1,556.3	207.7
Wagering - racing (totalisator), football, track-side and sports betting	830.6	54.1
Lotteries[2]	501.7	398.3
Keno	23.4	5.7
<b>Total</b>	<b>5,521.49</b>	<b>1,642.82</b>

VCGLR Annual Report 2016 / 2017