



ELECTRONIC GAMING MACHINE (EGM) POLICY STATEMENT

COUNCIL POLICY	
Document ID:	395592
Effective Date:	21 June 2020
Last Review:	Original creation date 21 June 2016
Current Review:	12/06/2020
Adopted By Council:	21 June 2016
Next Review Date:	June 2024
Responsible Officer/s:	Director, Community & Planning

Introduction

Council recognises that there are many forms of legalised gambling in the community and while gambling can provide a range of social and recreational opportunities, it can also have detrimental impacts on people who gamble and on their families, friends and the broader community.

This position is supported by the Productivity Commission (2010) in its report into gambling which noted that *“the potential for significant harm from some types of gambling is what distinguishes it from most other enjoyable recreational activities.”*

This Electronic Gaming Machine (EGM) policy statement has been informed by state and federal legislation and regulations, a broad range of research on the current gambling environment, and consultations with Strathbogie Shire residents, service providers and venues.

The findings of this work indicate that EGMs are problematic for some people within Strathbogie Shire as highlighted in financial losses and some members of the community’s concern about the impacts of gambling.

This work has informed the key principles and commitments in this policy statement and will direct Council’s response within the gambling environment.

Purpose of this policy statement

The purpose of this Policy is to articulate Council’s commitment to minimising the negative impacts of EGM gambling for the community of Strathbogie Shire. It will also provide guidelines for responding to planning permit applications for the use and installation of EGM’s and gaming licence applications to the Victorian Commission for Gambling and Liquor Regulation., where it does not conflict with relevant legislation.

While Council is also concerned about the harmful impacts of other forms of gambling, in particular the growing participation in online gambling, at this stage these fall outside the direct influence of local government legislation. They are therefore addressed within Council’s advocacy role.

Legislative and regulatory context

This EGM policy statement has been developed within the context of federal and state government legislation and regulation that was current at the time of its development.

Federal Government

The Federal Government does not have a regulatory role in relation to gambling but does have a role in managing the social impacts of gambling. In late 2013, the current Federal Government released its policy direction, *Helping Problem Gamblers*. Within the policy, it committed to the introduction of voluntary pre-commitment and the establishment of an industry advisory council, comprising representatives of clubs and gaming venues, meeting quarterly with the responsible Minister.

Victorian Government

The Victorian Government regulates all gambling activity in the state. The *Gambling Regulation Act 2003* (Gambling Act) provides the legislative framework for gambling and identifies the responsible authorities and the extent of their powers to control and manage gambling.

Established in 1991, the Community Support Fund (CSF) is a trust fund governed by the *Gambling Regulation Act 2003* which requires a portion of gaming revenues to be directed back into the community. Under the Gambling Act, hotels contribute 8.33 per cent of their revenue from EGMs to the fund. The majority of the CSF is directed towards:

- hospitals and charities in the health sector
- the Victorian Government's drug strategy
- the Victorian Veterans Fund

The State Government then allocates the remaining funding to provide community grants for the following purposes:

- programs to tackle problem gambling
- drug education, treatment and rehabilitation programs
- financial counselling and support for families in crisis
- youth, sport, recreation, arts and tourism programs

In addition to the CSF, clubs that have EGMs are required to provide an annual Community Support Benefit Statement. The statement covers a range of contributions the club has made to the community which can then be used to reduce their taxation rate. Like hotels, clubs are required to contribute 8.33 per cent. Contributions they can claim include those made to charities, sporting clubs and volunteers. They can also claim for operating costs such as the upkeep of sporting facilities, purchases such as TVs for club users, community buses to bring customers to the club and subsidised meals for patrons.

The Victorian Commission for Gambling and Liquor Regulation (VCGLR) is the statutory authority that administers both liquor and gambling laws in Victoria. The VCGLR is responsible for assessing applications for EGMs, issuing the licences for their operation and ensuring the management of EGM venues complies with Victorian regulations.

As part of the application process the community, including councils, can make submissions which either support or oppose the application. Decisions made by the VCGLR can be challenged at the Victorian Civil and Administrative Tribunal (VCAT).

The Minister for Consumer Affairs, Gaming and Liquor Regulation in the Victorian Government oversees gambling policy and legislation which the VCGLR implements. Under section 3.4A.5 (3)(b) of the *Gambling Regulation Act 2003*, the VCGLR determines the maximum number of EGM entitlements for a capped region. The purpose of the cap is to limit the number of EGMs in areas identified with high levels of community disadvantage. Currently 20 regions in Victoria are capped, none of which are in the Strathbogie shire. However, the area covered by the City of Greater Shepparton, a neighbouring shire, is included in the capped regions.

Pre-commitment to allow those gambling on EGMs to set time and loss limits commenced in 2015. Failure to do this places the venue in breach of the *Gambling Regulation Act 2003*. It carries a fine of approximately \$17,000 for each offence.

The *Victorian Responsible Gaming Foundation Act* was established in 2011. The foundation provides funding for a range of services, supports and research to minimise the impact of problem gambling. One such program is Gambler's Help which also provides venue support

workers to assist venues to meet the legislative requirements of the Responsible Gambling Codes of Conduct, to train venue staff to identify problem gamblers and encourage referrals to Gambler's Help and other community support services.

Local Government

Under the *Victorian Local Government Act 1989* and the *Public Health and Wellbeing Act 2008*, local government is the responsible authority for protecting and promoting the health and wellbeing of communities.

Within this context, Strathbogie Shire Council has developed the Healthy Communities Plan 2013-17 (HCP). The HCP is a key document which guides Council's work and sets out the key priority areas for Council to plan for a healthy community. The HCP states "Strathbogie Shire Council is serious about its responsibility to influence and create a range of healthy environments within the Shire. We accept that we cannot simply deal with illness or ill health after it appears when the environment in which people live or work gives them little or no choice or support. Instead, we must plan in advance to make informed decisions around social, economic and physical environments that directly affect the health and wellbeing of all communities."

Under the *Planning and Environment Act 1987*, local government is the responsible authority for the consideration of planning applications related to the installation and use of EGMs and the issuing of relevant planning permits. The schedule to Clause 52.28 of the Victorian Planning Provisions (VPPs) (located in Planning Schemes) allows councils to identify locations where EGM venues are prohibited (refer to Appendix 1). It should be noted that planning decisions can be appealed at VCAT.

Local government's role in EGM licensing is confined to that of a third party whereby it can make submissions to the VCGLR supporting or opposing an EGM application. Submissions are restricted to social wellbeing and amenity issues. The VCGLR decisions can be appealed at VCAT.

This Council has supported the Municipal Association of Victoria (MAV) "Enough Pokies" campaign in relation to protecting vulnerable communities from the inappropriate placement of poker machines.

The MAV also commissioned research by Monash University into the impacts of electronic gambling machines. An outcome of this has been to advocate for the Victorian Government to amend the *Gambling Regulation Act 2003* to:

- require decision-makers at the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to consider the social and economic impacts of increasing densities of EGMs in vulnerable communities at the local level or census collection district level
- require community benefits to be genuine and benefit those at most risk of harm from EGM gambling. The applicant would also be required to prove that there is a positive community benefit from increasing the number of EGMs, as opposed to the current 'will not be detrimental' test.

- prohibit applications for new or increased numbers of EGMs in local communities (at suburb or statistical local area level) with below-average socio-economic indexes for areas scores where the EGM density is currently above, or will become above, the state average

Socioeconomic impacts of gambling

Gambling Revenue from EGMs

The Victorian Government reported that \$1.6 billion (2014-15) came from all forms of gambling. EGMs contributed \$961million of tax raised from gambling. Victoria's reliance on gambling taxes, particularly EGM losses, highlights the dilemma the state government faces addressing gambling risks and harms, at the cost of losing an important revenue stream.

A portion of state taxes (8.33%) raised from EGMs is directed back into the community. The Victorian Government collects and redistributes taxes from EGMs that are in hotels, whereas clubs independently allocate this revenue and must provide an audited Community Benefits Statement each year.

Health and Wellbeing Impacts

Responsible gambling is the term that is generally applied where people are in control of their gambling behaviour and choices. They know how much they can afford to lose and when to stop. They make up the majority of gamblers.

However there are others who are not in control of their gambling behaviours. The financial, social and health impacts can be profound for them and their families. Problem gambling, or gambling addiction, is defined by Gambling Research Australia (2005) as:

“Problem gambling is characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community.”

The Productivity Commission's (2010) *Inquiry Report Vol. 1, Gambling* estimated that four per cent of Australia's adult population gamble on EGMs at least weekly and approximately 15 per cent of regular players are 'problem gamblers'. Furthermore, federal government (2014) estimates indicate that the impacts of problem gambling extend beyond the gambler, affecting the lives of between five and ten other people.

The Productivity Commission's report (2010) found that *“the potential for significant harm from some types of gambling is what distinguishes it from most other enjoyable recreational activities”* and that *“problems and vulnerabilities rise with the frequency of gambling and are much greater for gaming machines than other gambling forms”*. The Commission also found that:

- while around four per cent of all gamblers find it hard to resist gambling, this rises to more than 30 per cent for regular EGM players
- people who only play lotteries, scratch tickets, bingo or raffles face fewer problems compared to those who play EGMs, wager or play casino table games

A Victorian Department of Justice (2009) study on the health impacts of 15,000 problem gamblers found that they are likely to experience a number of complex health issues that impact on their psychological and physical wellbeing such as:

- 46 per cent reported anxiety as a major issue
- 52 per cent reported depression as a major issue
- 27 per cent considered suicide in the past 12 months
- 43 per cent smoke between 11-20 cigarettes a day
- 25 per cent have risky rates of alcohol consumption 15-28 drinks per week
- 21 per cent were obese
- 28 per cent had a disability affecting everyday life

Beyond the personal health issues experienced by problem or addicted gamblers, there are a range of wellbeing issues where the effects are more wide spread. The table below, compiled by the Victorian Local Governance Association (VLGA, 2014), illustrates how these impacts play out within the home, socially, in the workplace and broadly on the community. While there are obvious financial costs, it is clear that all aspects of daily life are potentially affected by problem gambling. It is therefore in everyone's interests to address problem gambling.

Table 1: Gambling impacts on surrounding community

Community	Impact
Individual	job loss, financial hardship, loss of social supports and community connections
Family and friends	family neglect, domestic violence, relationship breakdown, poverty, homelessness, stigma and social isolation
Workplaces, clubs, groups	absenteeism, job loss, poor performance, theft, lower participation rates in sports and social clubs
Community	reduced resources available, increased reliance on welfare supports, community disempowerment, poverty, increased crime and associated costs

EGM gambling in Strathbogie Shire

EGM Losses

The VCGLR has the power to increase or limit the number of EGMs in identified regions and municipalities. As at 30 June 2015, Strathbogie Shire had 32 EGMs located at one venue in Nagambie. The average number of EGMs was 3.98 machines per 1,000 adults. On average \$3,613 was lost each day, a total of \$1,318,809 pa, or \$41,212 per machine pa.

Location of EGM's

When considering EGM planning applications Council will discourage them in areas:

- Specified in the Schedule to Clause 52.28-4. They will also be strongly discouraged in areas that abut, or are adjacent, opposite or in such close proximity to prohibited areas that a proposed venue would reasonably be considered particularly convenient to users of the strip shopping centre;
- Where the gaming venue, and its associated uses, will be compatible with the predominant surrounding land uses by ensuring that the proposed location, design and operating hours do not detrimentally affect the amenity of the surrounding area.

Groups Vulnerable to problem gambling

The Victorian Government's Problem Gambling Community Awareness and Education Strategy (2009) identified those 'at risk of developing a gambling problem' as people who may:

- be experiencing mental health issues (e.g. depression)
- have co-morbid addictions (e.g. drug/alcohol)
- be socially isolated
- have intellectual disability / cognitive impairments

The strategy also identified the following population groups as being at a higher risk:

- older people
- young people
- people from Culturally and Linguistically Diverse (CALD) backgrounds

As the table below indicates, quantifying these vulnerable groups within the Strathbogie Shire population suggests some may be at risk of becoming, or are, problem gamblers.

Table 2: Vulnerable groups and Problem Gamblers in Strathbogie Shire

Community	Strathbogie Shire Populations
Older People	Approximately 43 per cent of the Strathbogie Shire population is aged 55 and over, living primarily in the Violet Town, Euroa, Avenel and Nagambie townships.
Culturally and linguistically diverse	4% born overseas.
Young People	8.7 per cent of the Strathbogie Shire population aged between 15* and 24.
People With a Disability	Approximately 6.6 per cent of Strathbogie Shire residents self-reported a need for assistance with their day to day lives due to disability.
Problem Gamblers	Between 0.5 per cent and one per cent of adult Australians are likely to be problem gamblers and further 1.4 to 2.1 per cent of Australian adults are vulnerable to problem gambling (Productivity Commission, 2010). This equates to approximately 49-98 Strathbogie Shire residents who may be problem gamblers and a further 137 - 206 residents who may be vulnerable to problem gambling.

* According to the Victorian Responsible Gambling Foundation (VRGF 2014) while it is illegal for those under 18 to gamble, nearly eight in 10 teenagers have gambled in the past year and a survey shows three to four per cent of teenagers have a problem with gambling, approximately double the rate of adults, or in other words, an average of one teenager in every high school class. The VRGF report found "Most gambling by young people is on more benign (though still illegal) types of gambling, such as scratchies, lotto or friendly card games. However, around one in five are participating in gambling such as sports betting, racing or even pokies".

In addition to these at risk groups, the Victorian Competition and Efficiency Commission (VCEC, 2012) found that "the number of EGMs, the level of total expenditure, and measures of socio-economic disadvantage align with problem gambling prevalence rates".

The SEIFA index of disadvantage (profile.ID 2011) helps to identify clusters of socio-economic vulnerability. The index uses factors such as high unemployment, low income and low education as markers of relative socio-economic disadvantage to develop a single score. The Victorian score sits at 1009.6. Strathbogie Shire's score of 970.2 places it at the 23rd most disadvantaged local government area in Victoria.

As the table below shows, disadvantage is unevenly experienced within Strathbogie Shire. Areas of higher disadvantage may be considered at higher risk of the negative impacts of gambling.

Table 3: SEIFA Index of disadvantage per small area (2011)

Neighbourhood	SEIFA
Avenel	1005.8
Violet Town	987.5
Euroa	957.3
Nagambie	941.1
Strathbogie Shire	970.2
Victoria	1009.6
Australia	1002.0

Source: profile.ID 2011 Index of relative socio-economic disadvantage

Currently one venue has EGMs and it is located in Nagambie.

Scope of this policy statement

Council will have regard to this policy statement when making a submission to the Victorian Commission for Gambling and Liquor Regulation (VCGLR) on:

- an application for approval of a premises as suitable for gambling under section 3.3.6 of the *Gambling Regulation Act 2003* (Gambling Act); and
- a request for an amendment of conditions of a venue operator's licence under section 3.4.19 of the Gambling Act.

This policy statement applies when considering planning permit applications for gaming made under the *Planning and Environment Act 1987*. In those instances the Strathbogie Planning Scheme, Particular Provisions, Clause 52.28 deals with these applications. Furthermore, Clause 21.05 of the Strathbogie Planning Scheme, Local Planning Policies, identifies future strategic work to "Prepare a Gambling Policy Framework and implement the recommendations into the planning scheme."

This policy statement provides guidance for Council's advocacy initiatives relating to problem gambling within the Strathbogie Shire community, including that associated with non-EGM gambling.

Policy Statement

1. Council recognises that EGMs are a legitimate and legal recreational activity within the Strathbogie Shire which many people enjoy.
2. Council notes that EGMs are associated with a higher prevalence of problem gambling compared to other forms of gambling.
3. Council accepts that for problem gamblers, EGMs can be the source of significant adverse social and economic consequences with flow on impacts to their families and the wider community.
4. Council aims to reduce the negative impacts relating to EGMs.
5. Council supports the Victorian State Government cap of 78 EGMs in the Strathbogie Shire intended to protect vulnerable communities from the harmful effects of gambling. Council is opposed to any increase to the existing cap.
6. Council will not support new EGM venues, additional EGM licences and the transfer of EGM licences between venues unless the Social and Economic Impact Assessment (SEIA) has been undertaken and submitted with the application. The SEIA will be considered when Council makes its decision.
7. Council will exercise its right to make a submission to the VCGLR.

Other actions

Partnerships

- Council will seek to identify and mitigate harms associated with EGMs by working in partnership with community services such as Gambler's Help, peak bodies and other local governments within available resources.
- Council will support activities which promote responsible gambling and provide information on its website to support educating the community regarding the harms of EGMs.
- Council, in consultation with other stakeholders will continue to develop, maintain and promote a range of sporting, leisure and recreational facilities and opportunities that offer an alternative to EGMs.
- Council will establish and maintain dialogue with local EGM venue operators to support compliance with Responsible Gambling Foundation guidelines, encourage harm minimisation practices and ensure that venues remain informed about local community issues.

Research and advocacy

- Council will advocate for additional support services and programs within the municipality for problem gamblers.

Responsibilities

The directorate responsible for upholding this policy statement is Sustainable Development.

Related documents

This policy statement responds to the following legislation:

- *Local Government Act 1989*
- *Public Health and Wellbeing Act 2008*
- *Gambling Regulation Act 2003*
- *Planning and Environment Act 1987*

This policy statement links with the following Council plans and local planning policy framework:

- Strathbogie Shire Council Plan
- Healthy Communities Plan
- Economic Development Master Plan
- Strathbogie Planning Scheme

Council will review this policy statement every four years to align with the Council plan or within a time frame that aligns with changes to legislation or Council's strategic directions.

Charter of Human Rights and Responsibilities Act 2006 and the Equal Opportunity Act 2010

The Council acknowledges the legal responsibility to comply with the *Charter of Human Rights and Responsibilities Act 2006* and the *Equal Opportunity Act 2010*. The *Charter of Human Rights and Responsibilities Act 2006* is designed to protect the fundamental rights and freedoms of citizens. The Charter gives legal protection to 20 fundamental human rights under four key values that include freedom, respect, equality and dignity.

Acknowledgements

Strathbogie Shire Council acknowledges members of the Strathbogie Shire community, Hobson's Bay Council, Mitchell Shire Council and key stakeholders who have contributed to the development of this policy statement.

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Glossary of Terms

Community Benefit Scheme: club and racing club venues that receive gaming revenue are required to allocate a percentage of taxes raised back into the community. Venues must provide an audited Community Benefits Statement to the Victorian Commission for Gambling and Liquor Regulation (VCGLR) each year.

Disadvantaged Communities: are identified through the Socio-Economic Indexes for Areas (SEIFA) index of disadvantage (see below) to geographically identify clusters of socio-economically disadvantaged populations.

Electronic Gaming Machine Entitlements: venue operators may only operate gaming machines if they hold Electronic Gaming Machine (EGM) entitlements. Each EGM entitlement authorises venue operators to operate one gaming machine for a period of 10 years from 2012.

Gaming Machines: commonly referred to as electronic gaming machines (EGM) or pokies. A gaming machine is 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.

Gambling: is the wagering of money where the outcome is uncertain and the primary intent is to win additional money and/or material goods.

Gambling Regulation Act 2013: the main purpose of this Act is to re-enact and consolidate the law relating to various forms of gambling and to establish a Victorian Commission for Gambling Regulation.

Non-EGM gambling: covers a range of gambling activities and fundraising events such as wagering, sports betting, bingo, card games, sweeps, raffles, lucky envelopes etc. conducted by community and charitable organisations. The Victorian Commission for Gambling and Liquor Regulation (VCGLR) oversees these activities and the issuing of permits

Pre-Commitment: means a prescribed mechanism or system that allows a person to set a time limit or net loss limit before that person plays a gaming machine. A voluntary pre-commitment scheme is due to commence operation in Victoria from the 1 December 2015.

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

Service providers: provide services related to health and wellbeing, including economic, social, and emotional support for those affected by gambling.

Socio-Economic Indexes for Areas (SEIFA) – disadvantage index: measures the relative level of socio-economic disadvantage based on a range of Census characteristics high unemployment, low income and low education as markers of relative socio-economic disadvantage to develop a single score. The lower the SEIFA index number, the greater the level of comparative disadvantage.

Vulnerable /at risk groups: are those who are more likely to become problem gamblers (refer to Table 2).

Victorian Administrative Appeals Tribunal (VCAT): hears appeals related to the issuing of EGM licences by the Victorian Commission for Gambling and Liquor Regulation (VCGLR) and planning decisions made by local government.

Victorian Commission for Gambling and Liquor Regulation (VCGLR): the statutory authority that administers gambling and liquor laws in Victoria. The VCGLR is responsible for assessing EGM applications, issuing EGM licences and ensuring the management of EGMs venues complies with Victorian regulations.

Appendix 1- Victorian Planning Provisions - Clause 52.28 and Schedules

52.28-1 Purpose

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

To prohibit gaming machines in specified shopping complexes and strip shopping centres.

52.28-2 Permit requirement

A permit is required to install or use a gaming machine.

This does not apply in either of the following circumstances:

- Clause 52.28-3 or Clause 52.28-4 specifically prohibit a gaming machine.
- the gaming machine is in an approved venue under the Gambling Regulation Act 2003 on 18 October 2006 and the maximum number of gaming machines for the approved venue on 18 October 2006 is not exceeded.

52.28-3 Prohibition of a gaming machine in a shopping complex

Installation or use of a gaming machine is prohibited on land specified in a schedule to this clause.

This does not apply to a gaming machine in an approved venue under the Gambling Regulation Act 2003 on 18 October 2006; and the maximum number of gaming machines for the approved venue on 18 October 2006 is not exceeded.

52.28-4 Prohibition of a gaming machine in a strip shopping centre

Installation or use of a gaming machine is prohibited in a strip shopping centre if:

- the strip shopping centre is specified in the schedule to this clause.
- the schedule provides that a gaming machine is prohibited in all strip shopping centres on land covered by this planning scheme.

This does not apply to a gaming machine in an approved venue under the Gambling Regulation Act 2003 on 18 October 2006; and the maximum number of gaming machines for the approved venue on 18 October 2006 is not exceeded.

A strip shopping centre is an area that meets all of the following requirements:

- it is zoned for commercial use;
- it consists of at least two separate buildings on at least two separate and adjoining lots;
- it is an area in which a significant proportion of the buildings are shops;
- it is an area in which a significant proportion of the lots abut a road accessible to the public generally; but it does not include the Capital City Zone in the Melbourne Planning Scheme.

52.28-5 Decision guidelines

Before deciding on an application, in addition to the decision guidelines of Clause 65, the responsible authority must consider, as appropriate:

- The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- The compatibility of the proposal with adjoining and nearby land uses.