

# Report on gambling harm minimisation policy 2016-2021

NOVEMBER 2018  
STRATEGY AND POLICY

## Introduction

The Gambling Harm Minimisation Policy 2016-2021 (the policy) was adopted by Council in February 2016 with the following aims and objectives:

- Articulate Council's position on gambling
- Provide guidelines for responding to planning permit applications for the use and installation of electronic gaming machines (EGMs) and gaming licence applications to the Victorian Commission for Gambling and Liquor Regulation (VCGLR)
- Participate in local government advocacy on behalf of the Nillumbik community for industry and legislative reforms that result in safer industry practices and decrease the incidence of problem gambling
- Encourage a responsible approach to the provision of gambling to minimise the risk of harms associated with regular use of electronic gaming machines

The implementation plan attached to the policy commits to biennial reports to Council on electronic gaming in Nillumbik and surrounding areas, Council activities relating to gambling, and any changes to legislation.

This report provides updated information on gambling related issues in accordance with Council's policy.

## Nillumbik policy context

Since the policy was adopted in February 2016, Council has adopted the Council Plan 2017-2021 and the Health and Wellbeing Plan 2017-2021. These plans continue to support the Gambling Harm Minimisation Policy 2016-2021, in particular:

Council Plan: 'Safe and healthy environments - 3.3 Develop policies, strategies, projects and partnerships to enhance the health and wellbeing of the community'

Nillumbik Health and Wellbeing Plan 2017-2021: 'Prevent harm from alcohol, other drugs and gambling – 14.2 Continue to promote and implement the Nillumbik Gambling Harm Minimisation Policy 2016-2021'

## Scope

The policy is primarily focused on electronic gaming because Council has a decision-making role on gaming applications.

The policy does not specifically address the issues arising from the deregulation and heavy promotion of sports betting in the community. However, this issue is being addressed through Council's Health and Wellbeing Plan 2017-2021. The Health and Wellbeing Plan aims to minimise harm from sports betting by encouraging sports clubs to adopt the 'Love the Game' Responsible Gambling Charter.

**Background**

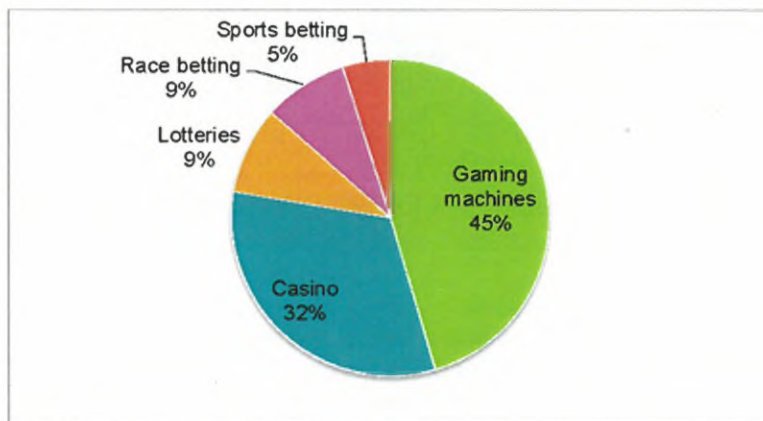
Australians continue to lose more money on regulated gambling than any other nation<sup>1</sup>.

**Figure 1. World chart on gambling, 2016**



In Victoria, the latest statistics show that in 2015/16, \$5.79 billion was lost on gambling, with nearly half that amount (\$2.62 billion) lost on gaming machines embedded in communities (not including Crown Casino), compared to \$775 million on wagering (\$494m on racing and \$282m on sports betting)<sup>2</sup>.

**Figure 2. Gambling expenditure by type in Victoria (2015/16)**



<sup>1</sup> The Economist 09/02/2017, Daily chart: The world's biggest gamblers

<sup>2</sup> Queensland Government Statistician, 2018, Australian Gambling Statistics, 33<sup>rd</sup> edition

### Electronic gaming machines in Nillumbik

Nillumbik still has the lowest number of electronic gaming machines (EGMs) in metropolitan Melbourne with 90 machines located in two venues. The surrounding municipalities have a much higher density of EGMs and losses, particularly Whittlesea and Banyule. The table below provides gambling indicators for Nillumbik and surrounding municipalities comparing 2015 to 2018.

**Table 1. Comparison of gambling indicators for Nillumbik and neighbouring municipalities 2015-2018**

	Nillumbik		Manningham		Banyule		Yarra Ranges		Whittlesea	
	2015	2018	2015	2018	2015	2018	2015	2018	2015	2018
Venues	2	2	7	7	9	9	9	9	10	10
EGMs	80	90	509	522	589	635	444	442	660	691
EGMs per 1000 adults	1.7	1.8	5.3	5.2	5.9	6.2	3.8	3.7	4.5	4.2
EGM losses (\$M)	\$7.5	\$9	\$56.4	\$58.4	\$54.5	\$58.5	\$28.8	\$29.3	\$101.6	\$109.5
Losses per adult	\$156	\$184 (+18%)	\$582	\$583 (no change)	\$544	\$571 (+5%)	\$248	\$247 (no change)	\$698	\$671 (-4%)

Source: VCGLR LGA Data

Municipal limits are imposed on the number of gaming machines, based on population and in some cases, levels of disadvantage. The number of EGMs (currently 90) is well below the municipal limit of 469 for Nillumbik.

Table 2 below compares the number of EGMs, losses and changes between 2015 and 2018.

**Table 2. Venue statistics, years ending 30 June 2015-2018, Nillumbik**

Venue	Losses 2014/15 (no. EGMs on 30/6/15)	Losses 2015/16 (no. EGMs on 30/6/16)	Losses 2016/17 (no. EGMs on 30/6/17)	Losses 2017/18 (no. EGMs on 30/6/18)	Change 2014/15-2017/18
Eltham Hotel	\$3,417,218 (40)	\$3,444,782 (40)	\$3,495,754 (40)	\$3,733,752 (40)	\$316,533 (+9.3%)
Diamond Creek Tavern	\$4,097,128 (40)	\$4,807,638 (40)	\$4,802,768 (50)	\$5,264,209 (50)	\$1,167,081 (+28.5%)
<b>Total</b>	<b>\$7,514,346</b>	<b>\$8,252,420</b>	<b>\$8,298,522</b>	<b>\$8,997,961</b>	<b>\$1,483,614 (+19.7%)</b>

Source: VCGLR Venue Data

### Diamond Creek Tavern expenditure increase

Between 2015 and 2018, losses increased at both venues in Nillumbik: by nine per cent at the Eltham Hotel and 28 per cent at the Diamond Creek Tavern. Over the same period, the Diamond Creek Tavern changed operators and increased its EGMs by 25 per cent from 40 to 50.

In November 2015, the Victorian Commission for Gambling and Liquor Regulation (VCGLR) approved an application from the operator of the Diamond Creek Tavern to operate an additional 10 EGMs.

Council opposed the application based on its social and economic impact assessment of the proposal and supported by strong community opposition to increased gaming as part of the policy development (93 per cent of community survey respondents said no more poker machines and 70 per cent of respondents said they knew of someone harmed by poker machine gambling). In its application, the venue patron survey showed the majority of patrons (63.5 per cent) were from Diamond Creek, Eltham and Hurstbridge.

In its decision to approve the application, the VCGLR accepted the applicant's estimate of \$251,804 annual increased expenditure at the venue over the 2014/15 amount of \$4.1 million. Council's estimate was in the order of an \$800,000 increase at the venue. It is noted that actual expenditure in 2017/18 (the first full year of operating 50 EGMs) was \$1.48 million over that of 2014/15, almost six times the figure accepted by the VCGLR. This is a large increase in expenditure that is coming mainly from the Nillumbik community. Furthermore, expenditure increased significantly at the venue with the change of operator in 2015/16, before the increase in EGMs.

### **Nillumbik Gambling Harm Minimisation Policy implementation**

The policy has been implemented as follows:

#### **Policy and processes**

- Assessed social and economic impact of EGM gaming licence applications to the VCGLR in neighbouring municipalities
- In June 2016, Nillumbik Shire Council informed the City of Whittlesea of Nillumbik's opposition to an application for 40 EGMs at the Commercial Hotel, South Morang on the grounds that it would be detrimental to the Nillumbik community for reasons of EGM saturation in the surrounding areas; that the proportion of the population who engage in EGM gambling is reducing; and that there would be no pokie-free pub at all for the local area including Yarrambat and Plenty. The application was subsequently refused by the VCGLR and the decision was upheld on appeal by VCAT.
- In August 2016, Nillumbik Shire Council informed Banyule City Council of its opposition to an application to increase the number of EGMs at the Watsonia RSL from 83 to 103 on the grounds that it would make the venue the largest in the northern metro region and large venues are associated with increased problem gambling risks, e.g. higher expenditure and more harmful gambling associated with the anonymity of large venues. The application was opposed by Banyule City Council but approved by the VCGLR.

#### **Advocacy**

- Council is a non-financial supporter of the Alliance for Gambling Reform and kept informed of Alliance activities. The Alliance is funded by donations from individuals, foundations and councils.
- Sports clubs are encouraged to adopt the Responsible Gambling Charter to minimise exposure to and harm from sports betting among club members. This has been included in the new club handbook and is an action of the Health and Wellbeing Plan 2017-2021.

- Council made submissions to Victorian government gaming reviews urging the Government to consult more widely; to implement harm minimisation measures wherever possible; and to avoid introducing technology that puts the community at higher risk of gambling-related harm
  - 22 Feb 2016 – Submission to the Review of Gaming Machine Arrangements in Victoria
  - 16 Jan 2017 – Submission to Consultation on Gaming Machine Harm Minimisation
  - 30 Aug 2017 – Submission to Request for Comment on Draft Documents in Relation to 'Ticket-In Ticket-Out' and 'Card-Based Cashless' Gaming in Victorian Clubs and Hotels.

#### **Collaboration**

- Council officers attend working groups on gambling issues at MAV and VLGA
- Council partners with Gamblers Help to deliver the 'Love the Game' program in sports clubs. Clubs that have signed up so far are Nillumbik Junior Soccer Club, Eltham Wildcats Basketball Club and Plenty Valley Cricket Club
- Gamblers Help is represented on Council's Health and Wellbeing Reference Group

#### **Community engagement**

- Council acknowledged 'Responsible Gambling Awareness Week in October 2017 using social media to share or repost messages from the Victorian Responsible Gambling Foundation including slogans, information on losses on sportsbetting and Nillumbik's EGM infographic.
- Further work needs to be done in relation to sports clubs that promote sportsbetting through sponsorship/commission arrangements with sportsbetting agencies. Sports clubs are discouraged from this form of fundraising through the Health and Wellbeing Plan and the club handbook.

#### **Monitoring and review**

- Officers participate on the Local Government Working Group on Gambling (LGGWG) to keep informed of gambling-related issues and proposed changes to legislation.
- Gaming data reported by VCGLR is monitored and reported in this report and the Nillumbik Health and Wellbeing Profile.
- The Implementation Plan will be updated to reflect the 2017 organisation restructure.

## **Emerging gambling issues**

### **Sports betting in Nillumbik**

While sports betting is not specifically addressed in the Nillumbik Gambling Harm Minimisation Policy, several betting companies target community sports clubs to sign up to sponsorship arrangements (as affiliates) that reward clubs with commissions in return for promoting their betting agency. At least one club in Nillumbik provides a sign up page to a sports betting agency on its website.

In addressing the issue, the Nillumbik Health and Wellbeing Plan encourages clubs to adopt the 'Love the Game' charter, which precludes them from promoting gambling. The AFL has adopted 'Love the Game' and played a 'Love the Game' themed round in July this year. The

AFL also encourages all affiliated leagues to adopt the charter, however the Northern Football League has yet to sign up.

#### Gambling advertising

Gambling advertising has increased rapidly over the past decade. A High Court decision in 2008 enabled bookmakers to offer bets anywhere in Australia and caused existing advertising bans by state governments, including Victoria, to be removed. The result was a significant rise in the number of gambling companies operating across Australia and a highly competitive market. The gambling industry spent \$253 million on advertising in Australia in 2017 compared to \$90 million in 2011, not including sponsorships and in-program content.<sup>3</sup>

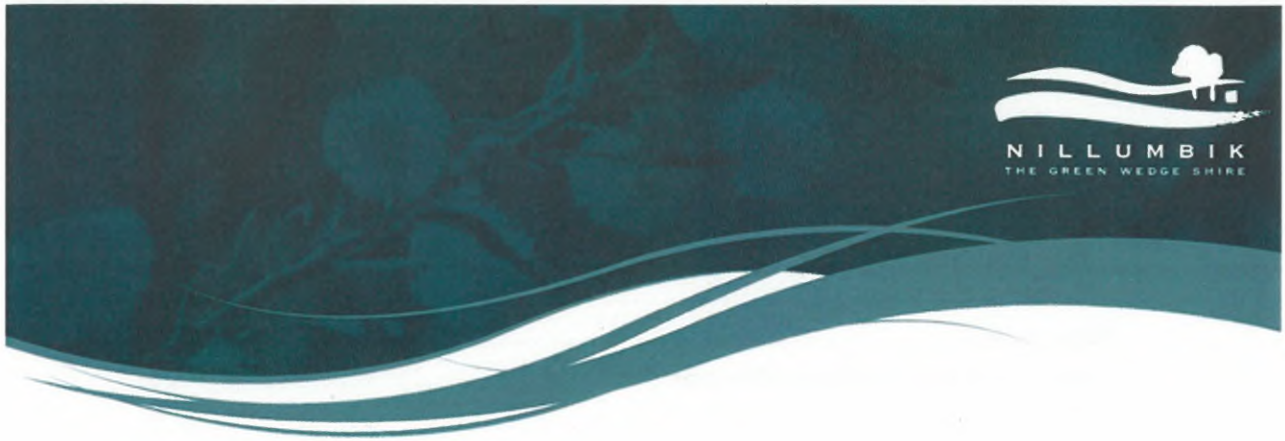
There is rising community and political concern about the proliferation of sports betting advertising, particularly its effect on young people. Television advertising for betting products is not permitted during TV programs classified G or lower from 6am to 8.30am and 4pm to 7pm. As of September 2018, gambling advertising during broadcasts or online streaming of live sport is now banned between 5am and 8.30pm.

The concern is justified as recent research on children and parents at community sporting venues in Victoria found 75 per cent of 8-16 year-olds could name at least one gambling brand, 25 per cent could name four or more, and 75 per cent thought gambling was a normal part of sport<sup>4</sup>.

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<sup>3</sup>Victorian Responsible Gambling Foundation

<sup>4</sup> <https://responsiblegambling.vic.gov.au/documents/67/Research-report-child-parent-recall-gambling-sponsorship.pdf>



# **Gambling Harm Minimisation Policy 2016 – 2021**

**FEBRUARY 2016  
NILLUMBIK SHIRE COUNCIL  
(UPDATED NOVEMBER 2018)**



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## Introduction

The Nillumbik Shire Council *Gambling Harm Minimisation Policy 2016 - 2021 (Gambling Policy)* was developed to provide the strategic direction for Council's multiple roles in relation to gambling, particularly with regard to electronic gaming machines (EGMs).

This policy supports the *Council Plan* goal to 'enable a better future for Nillumbik residents and encourage healthy, safe and resilient communities through the provision of quality services' and the *Health and Wellbeing Plan* goal to 'optimise Council's role in health planning, protection, and promotion for people of all ages and abilities in Nillumbik'.

The development of the *Gambling Policy* was informed by:

- A review of the existing situation in relation to local EGM gambling, including research findings and recommendations from the Victorian Local Governance Association (VLGA), presented in the discussion paper *Gambling in Nillumbik*, in February 2015
- The outcomes of the community consultation in April-June, 2015 presented in the *Report on Community Consultation: Poker machine gambling in Nillumbik*, June 2015
- A review of Victorian local government gambling policies and strategies

The *Gambling Policy* will guide the response to applications for gaming machines and work to minimise the negative impacts of gambling in the community.

## Aims and objectives

The aim of the *Gambling Policy* is to minimise the negative impacts of EGM gambling in the Nillumbik community.

The policy's objectives are to:

- Articulate Council's position on gambling
- Provide guidelines for responding to planning permit applications for the use and installation of EGMs and gaming licence applications to the Victorian Commission for Gambling and Liquor Regulation (VCGLR)
- Participate in local government advocacy on behalf of the Nillumbik community for industry and legislative reforms that result in safer industry practices and decrease the incidence of problem gambling;
- Encourage a responsible approach to the provision of gambling to minimise the risk of harms associated with regular use of electronic gaming machines

## Scope

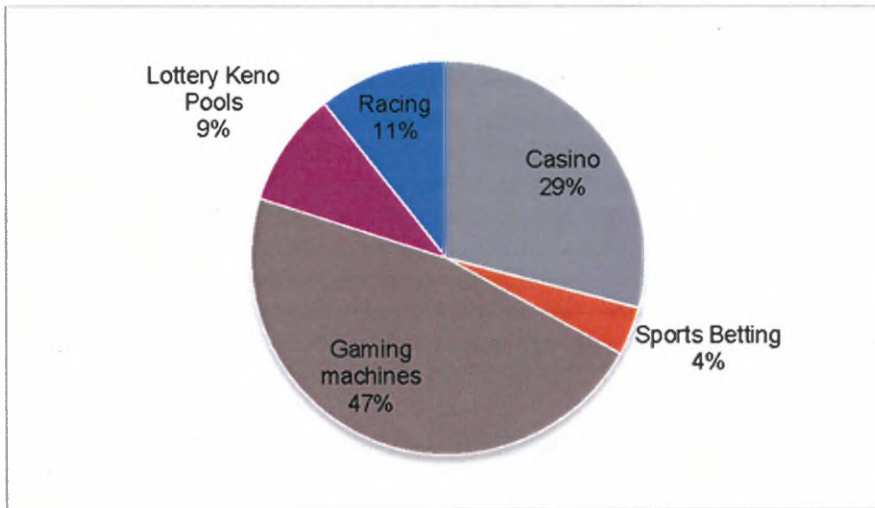
The primary focus of the *Gambling Policy* is on electronic gaming machine gambling. This is because Council has a decision-making role on planning permits under the *Nillumbik Planning Scheme*, and the right to submit social and economic impact assessments on gaming licence applications under the *Gambling Regulation Act 2003*.

It is recognised however that sports betting and internet gambling are rapidly growing in the community. It is anticipated that some aspects of this policy will also reduce harms to people experiencing problems from other forms of gambling.

## Background

Australians lose more on regulated gambling than any other nation (McDuling, 2015), spending \$1,279 for each adult in 2014. In 2014/15, \$5.81 billion was lost on gambling in Victoria, with nearly half that amount (\$2.57 billion) lost on gaming machines, compared to \$858 million on wagering (racing and sports betting).

Figure 1: Gambling expenditure by type in Victoria (2013/14)



Source: Queensland Government Statistician, 2015 *Australian Gambling Statistics, 31<sup>st</sup> edition*

Victorian law stipulates that gaming machines must return a minimum of 85 cents in the dollar to players after deductions for any jackpots. The remainder (losses) goes to the gaming machine owners and the Victorian government, as tax revenue.

In 2014/15 the Victorian Government received over \$1.6 billion in taxation levied on gambling. Gaming machine expenditure in local pubs and clubs accounted for \$962 million in tax which was 59.1% of the total gambling taxation revenue.

A portion of the Victorian Government's revenue is directed to the Community Support Fund (CSF). In 2014/15 the CSF received \$96.5 million which was used to support the Victorian Responsible Gambling Foundation (VRGF) who fund research, and prevention and treatment services such as Gamblers help. The Community Support Fund may also aid other programs with an emphasis on problem gambling, drug treatment, financial counselling, youth programs, sport and recreation, and arts and tourism.

Club venues receive a gambling tax concession of 8.33% provided they complete an annual Community Benefit Statement, demonstrating community contributions of an equivalent amount. There are different categories of expenses and clubs are entitled to claim salaries, rates and other administrative costs as community contributions.

### Electronic gaming machines in Nillumbik

As of June 2015, Nillumbik had the lowest number of gaming machines in metropolitan Melbourne with 80 machines located in two venues, the Eltham Hotel (40 EGMs) and the Diamond Creek Tavern (40 EGMs). The Eltham Hotel holds a licence for 57 EGMs but currently operates 40 machines. The number of EGMs has reduced from a peak of 142 machines in four venues in 2009-2010.

In 2014/15 EGM players in Nillumbik lost \$7.5 million. EGM indicators in municipalities are compared by the density of machines to adult population, and per capita expenditure. In Nillumbik, the machine density is 1.6 per 1,000 adults and expenditure is averaged to \$156 for each adult in the population.

Surrounding Nillumbik, there are another 27 venues with 1,809 machines located in Whittlesea, Banyule and Manningham. Seven venues with 421 machines are within 5 kilometres of the Nillumbik Shire boundary. This is an important consideration as Nillumbik has the unique attribute of being a green wedge shire, which means residents regularly access shopping and business precincts outside the municipality.

There is a significant connection between geographic access to electronic gaming machines and greater prevalence of problem gambling (Productivity Commission, 1999). The non-geographical aspects of accessibility include long opening hours and the welcoming atmosphere provided for gamblers (Thomas et al, 2010).

The indicator data for Nillumbik and surrounding areas is shown in Table 1 below. The relationship between losses and number of machines can be clearly seen when comparing to neighbouring municipalities. With surrounding areas approaching their capped limits, there is potential for Nillumbik as a market for the gambling industry.

Table 1: Gambling indicators for Nillumbik and neighbouring municipalities 2014-15

2015	Nillumbik	Manningham	Banyule	Yarra Ranges	Whittlesea
Venues	2	7	9	9	10
EGMs	80	509	589	444	660
EGMs per 1,000 adults	1.66	5.32	5.91	3.83	4.46
EGM gambling losses 2014/15	\$7.5 million	\$56.4 million	\$54.5 million	\$28.8 million	\$101.6 million
EGM gambling loss per day	\$20,587	\$154,539	\$149,350	\$78,868	\$278,485
Losses per adult 2014/15	\$156	\$582	\$544	\$248	\$698

Source: Victorian Responsible Gambling Foundation, *Pokies in your Local Area* fact sheets

## Product safety

Electronic gaming machines are the most addictive form of gambling (Productivity Commission, 2010). Design features are developed to attract players and keep them gambling for longer. Some features can be deceptive, such as losses displayed as wins, which can have a positive reinforcement effect for losses.

There is widespread lack of understanding of how EGMs work, including the random nature of each game, and the overall chance of winning. This can lead to people significantly underestimating the price they are paying for the entertainment product. At present the maximum bet limit in Victoria is \$5. At 28 spins per minute, it is possible to bet \$140 in one minute.

In 2010, the Productivity Commission recommended that government regulators reduce the maximum bet to \$1, which would reduce the average cost of play to \$120 per hour. It found that recreational gamblers bet more than \$1 only about 10 per cent of the time, compared to problem gamblers who gambled above \$1 about 50 per cent of the time. This means problem gambling could be reduced without reducing enjoyment for recreational gamblers.

Productivity Commission recommendations for Government Regulators are summarised in Table 2 below:

**Table 2. Summary of Productivity Commission recommendations on electronic gaming regulation**

<b>Gambling information and advertising</b>	<ul style="list-style-type: none"> <li>• Electronic warnings when style of play indicates potential for harm.</li> <li>• EGM players are informed about the cost of play</li> </ul>
<b>Pre-commitment strategies</b>	<ul style="list-style-type: none"> <li>• Modification to self-exclusion arrangements including capacity for family members and venue staff to apply for third party exclusions.</li> <li>• Full pre-commitment system for gaming machines by 2016 (Note voluntary pre-commitment is in place in Victoria effective December 2015)</li> </ul>
<b>Game features and machine design</b>	<ul style="list-style-type: none"> <li>• All new EGMs are played at a maximum of \$1 per button push</li> <li>• Restrict to \$20 the amount a player can insert into a EGM</li> <li>• Research the effect of jackpots on problem gambling</li> </ul>
<b>Venue activities</b>	<ul style="list-style-type: none"> <li>• Enhance compliance and strengthen enforcement of harm-minimisation measures</li> <li>• Enhance training to include commonly agreed indicators of problem gambling, to help venue staff identify and respond to problematic player behaviours.</li> </ul>
<b>Access to cash and credit</b>	<ul style="list-style-type: none"> <li>• Modify existing regulations of ATMs/EFTPOS facilities by limiting cash withdrawals from ATMs/EFTPOS facilities to \$250 a day except for casinos. (Note ATMs were removed in Victoria in 2012, but there are no restrictions on EFTPOS withdrawals)</li> </ul>
<b>Accessibility of gaming machines</b>	<ul style="list-style-type: none"> <li>• Introduce a shutdown period for gaming machines in all hotels and clubs of no later than 2 am and for at least six hours.</li> </ul>

## Problem gambling

The Victorian gambling prevalence study conducted in 2014 estimated the rate of problem gambling to be 0.81 per cent of the population (Hare, 2015). This rate may seem small but the Productivity Commission estimates that problem gamblers contribute 40 per cent of total EGM losses; and for each problem gambler, another 7 to 10 people are adversely affected.

Problem gamblers have high participation in gaming machine gambling. The 2014 prevalence study found 67% of problem gamblers used gaming machines, and playing them was the highest spending activity. Problem gamblers are 17 times more likely to gamble on gaming machines compared to non-problem gamblers.

The proportion of Victorian adults who participate in gaming machine gambling has decreased from 21.5% in 2008 to 15.2% in 2014. However the frequency of play for those at risk has changed significantly. Low risk gamblers have decreased their frequency of play from 16 times per year in 2008 to 12 times per year in 2014. In contrast, gaming machine play frequency has increased for moderate risk gamblers (from 23 times per year in 2008 to 86 times per year in 2014) and problem gamblers (from 56 times per year in 2008, to 87 times per year in 2014). Non-problem gamblers play gaming machines on average 7 times per year which is unchanged from 2008. These statistics suggest that those at higher risk (moderate risk and problem gamblers) are gambling at higher intensity, particularly as an increasing proportion of the population choose not to gamble on gaming machines.

Some people in the community are highly vulnerable to developing gambling problems, and others are already experiencing harms. Council's Health and Wellbeing survey found that gambling had a negative impact on 4.2 per cent of households in Nillumbik (Metropolis Research, 2015). This supports the Productivity Commission finding that the harm experienced by a person having problems with their gambling impacts between seven to 10 other people.

The harms from problem gambling to individuals, families, and communities are summarised in the Table 3 below:

Table 3. Summary of known harms from gambling

<b>Financial impacts</b>	<ul style="list-style-type: none"> <li>• Reduced standard of living due to diverted spending (SACES 2005)</li> <li>• Accumulation of debt (Brown 2013)</li> <li>• Mortgage defaults (VCEC 2012)</li> <li>• Homelessness (ABC 2008)</li> </ul>
<b>Personal impacts</b>	<ul style="list-style-type: none"> <li>• Increased personal distress including: depression and suicidal thoughts, excessive alcohol and drug use (Billi et al 2014)</li> <li>• Self-loathing, loss of control (Suomi et al 2013)</li> </ul>
<b>Interpersonal impacts</b>	<ul style="list-style-type: none"> <li>• Family violence, relationship breakdown (Suomi et al 2013)</li> <li>• Financial abuse (KPMG 2000)</li> </ul>
<b>Workplace impacts</b>	<ul style="list-style-type: none"> <li>• Reduced productivity and performance at work, absenteeism, job loss, fraud (VCEC 2012, Fenge &amp; Zyngier 2014)</li> </ul>
<b>Legal impacts</b>	<ul style="list-style-type: none"> <li>• Theft, imprisonment, divorce, bankruptcy (VCEC 2012, DoJ 2013)</li> </ul>
<b>Community impacts</b>	<ul style="list-style-type: none"> <li>• Redistribution of spending from other businesses (SACES 2005)</li> <li>• Increased crime and reduced perceptions of safety and wellbeing (Wheeler et al 2014)</li> <li>• Reduced social capital and volunteering (PC 2010)</li> <li>• Cultural normalisation of gambling (Thomas &amp; Lewis 2012)</li> <li>• Increased loads on charities and community services (VCEC 2012)</li> </ul>

## Community consultation on gambling

Council's position on gambling, particularly in regard to electronic gaming machines, was developed through consultation with the community. The consultation took place over a six week period during April-June 2015 and included discussions with community groups, a submission process, and a community survey which received 205 responses.

The consultation revealed strong disapproval of gaming machines. The community favoured fewer machines with no support for additional machines in the municipality. Any potential increase in gaming machines was regarded as having a negative social impact by 91 per cent of respondents and a negative economic impact by 75 per cent of respondents.

The negative impacts were described in terms of:

- the features of the machines – their addictive nature and ease of losing money,
- the serious adverse effects on families and individuals - family breakdown, debt, neglect
- amenity of and within venues – impact on ambience and reduced socialisation
- need for more control over machines and planning – to support community wellbeing
- being inconsistent with community values – e.g. pride in being an unspoilt Green Wedge area, and the family environment

It is significant that 70 per cent of survey respondents knew of someone who was affected by problem gambling on gaming machines, and 23 per cent of respondents had direct experience of a family member affected by EGM gambling (Nillumbik Shire Council, 2015).

## Policy, Legislation and Regulation

The *Victorian Local Government Act 1989* requires Council to provide the best outcomes for the community, whilst having regard to the long term cumulative effects of decisions.

Under the *Planning and Environment Act 1987*, there is a statutory responsibility for Council to consider the social and economic impacts of gaming machines in their municipality under Clause 52.28 of the Victorian Planning Provisions.

Council is also required to seek to protect, improve and promote health and wellbeing under the *Victorian Public Health and Wellbeing Act 2008* and to apply the 'precautionary principle' to preventing and controlling public health risk.

The *Gambling Regulation Act 2003* prohibits the Commission from granting an application for gaming unless satisfied that the net economic and social impact of approval will not be detrimental to the wellbeing of the community, and entitles Council to make a submission to the VCGLR on the social and economic impacts of gaming applications.

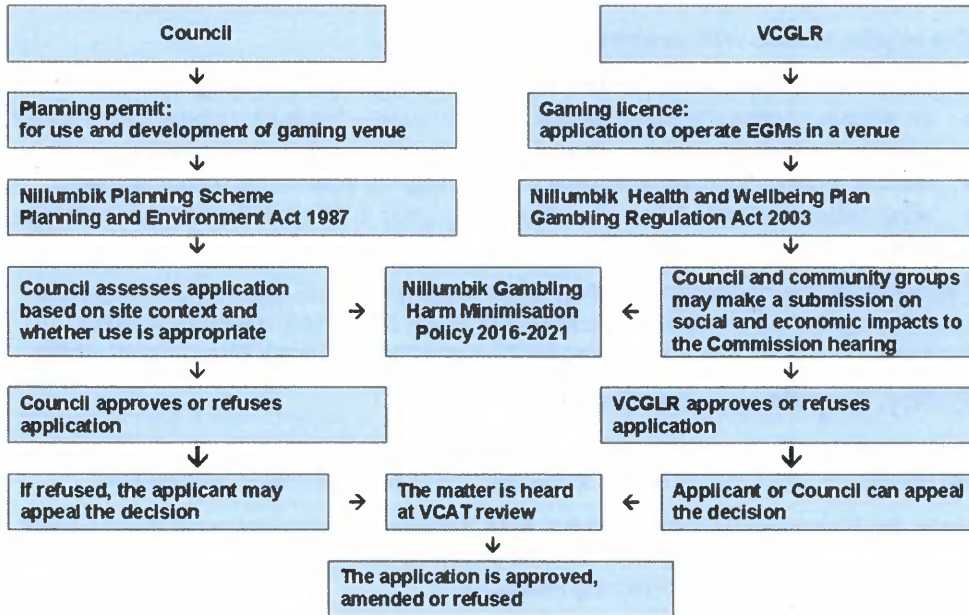
The maximum number of EGMs in each municipality in Victoria is set by the Minister for Gaming. The municipal limit is ten per 1,000 adults, capping Nillumbik at 464 EGMs.



### Application processes

Gaming machine applications require two processes which can be undertaken separately or concurrently. A venue operator must apply to Council for a planning permit and to the VCGLR for a licence to operate EGMs. The *Gambling Regulation Act 2003* permits Councils to oppose gaming licence applications by submitting a social and economic impact assessment of the application if Council assesses the application to be detrimental to community wellbeing.

Figure 2. Gaming application process



### **Public health approach**

Although a legal activity, gambling is considered a risky or addictive consumption alongside alcohol and tobacco, and is therefore subject to government regulation. The potential for harm distinguishes gambling from other forms of recreation or entertainment.

Gambling is now understood to be a public health issue with outcomes that affect communities, not the sole responsibility of an individual as a consumer. An evidence-based public health approach shares responsibility for population health among individuals, businesses, community groups, corporations and governments, by reducing inequities in access to the resources needed for good health.

The public health approach to problems associated with gambling includes 'upstream' strategies to prevent harm before it occurs. The prevention or minimisation of harm from gambling includes understanding key risk factors, such as:

- environmental risk factors (e.g. the accessibility and location of gaming machines)
- social risk factors (e.g. the normalisation of gambling as entertainment; the impact on community cohesion)
- the safety of gambling products (e.g. ambiguity on gaming machine design features, cost of play, pre-commitment, and responsible service of gambling)

## Policy statement

Nillumbik Shire Council adopts the following policies in relation to gambling in Nillumbik:

1. Council recognises that electronic gaming is a legal activity, but the long-term social and economic impact of EGMs is an important public health issue.
2. Council will not support any gaming proposal for EGMs on Council owned or managed land or facilities, including reserves and sporting venues. This is to protect the amenity of community resources.
3. Council will not support any planning proposal for gaming that does not include a social and economic impact assessment (SEIA). Information required is included in Schedule 1: Process for planning permit applications for the use and installation of electronic gaming machines.
4. Council will not support any gaming proposal that does not provide a range of non-gaming entertainment and alternative recreational activities at the venue.
5. Council will assess the social and economic impacts for each application for EGMs to the VCGLR. The assessment will consider the social and economic impacts outlined in Schedule 2: Council process for assessing gaming licence applications.
6. Council will seek community views on gaming licence applications to the VCGLR, subject to timelines and available resources.
7. Where Council considers that a gaming licence application will be detrimental to community wellbeing, Council will either submit its own SEIA or a letter of objection to the VCGLR.
8. Council will not support gaming licence applications in neighbouring municipalities if it considers they could have a negative impact on Nillumbik residents.
9. Council will inform the community of the facts about gambling in Nillumbik.
10. Council will actively promote help-seeking for problems with gambling, and partner with other stakeholders to minimise gambling-related harm.
11. Council will contribute to advocacy campaigns for government regulations or industry-based measures that make gambling safer, such as implementing Productivity Commission recommendations.
12. Council will maintain independence from the gambling industry. Council will not accept financial contributions from gaming venues. Council will aim to run its community events, activities or social outings in venues that do not have EGMs.

### Implementation plan

The *Gambling Harm Minimisation Policy 2016 - 2021* is a whole of Council policy, and will be implemented, reviewed and resourced through the Health and Wellbeing Planning function of Council.

<b>Policy and processes</b>	
Strategy and Policy	<ul style="list-style-type: none"> <li>Oversee implementation of the <i>Gambling Policy</i></li> <li>Consider SEIAs accompanying planning permit applications</li> <li>Assess the social and economic impacts of EGM gaming licence applications to the VCGLR in Nillumbik and neighbouring municipalities</li> <li>Consult with community, Council staff and other stakeholders on the impacts of gaming applications in accordance with Nillumbik Community Engagement Policy</li> <li>Respond to the VCGLR on gaming licence applications</li> <li>Brief Council on gambling in relation to community wellbeing</li> </ul>
Statutory Planning	<ul style="list-style-type: none"> <li>Respond to planning permit applications to install EGMs in Nillumbik. Consult Community Services and Social Development on applicant's SEIA.</li> </ul>
<b>Advocacy</b>	
Connected Communities	<ul style="list-style-type: none"> <li>Participate in local government advocacy campaigns that aim to reduce harm from gambling</li> </ul>
Connected Communities	<ul style="list-style-type: none"> <li>Build capacity in the community to participate in the discourse around gambling products and their associated harms</li> </ul>
<b>Collaboration</b>	
Strategy and Policy	<ul style="list-style-type: none"> <li>Collaborate with State government, VLGA, MAV and other Councils on gambling issues</li> <li>Work with local organisations that provide gambling support to improve access to services and to monitor harms</li> </ul>
Strategy and Policy	<ul style="list-style-type: none"> <li>Provide information and education to the community on gambling</li> </ul>
<b>Community engagement</b>	
Connected Communities	<ul style="list-style-type: none"> <li>Build capacity in the community to participate in alternative entertainment and recreation options</li> </ul>
Connected Communities	<ul style="list-style-type: none"> <li>Identify and engage with communities who are most at risk of harms from gambling to address vulnerabilities to gambling problems</li> </ul>
<b>Monitoring and review</b>	
Strategy and Policy	<ul style="list-style-type: none"> <li>Keep informed of gambling-related issues and legislative changes</li> <li>Review and update policy to reflect changes to state or federal legislation</li> <li>Monitor gambling-related harms in the community, including data from the Nillumbik Health &amp; Wellbeing Survey</li> <li>Alternate year (2018 and 2020) reports to Council on electronic gaming in Nillumbik and surrounding areas to include: updated indicator data contained in Table 1, Council activities relating to gambling, and any changes to legislation.</li> </ul>

### **Schedule 1: Process for planning permit applications for the use and installation of electronic gaming machines**

Nillumbik Shire Council prefers that applicants address the planning issues of their proposal and obtain a planning permit under the provisions of the *Planning and Environment Act 1987* prior to applying to the VCGLR for a gaming licence.

Local government has a statutory responsibility to consider the social and economic impacts of gaming machines in the municipality under Clause 52.28 of the Victorian Planning Provisions. Any application to Nillumbik Shire Council for a planning permit to establish a new EGM venue, or for additional EGMs at an existing venue, will be required to include a detailed assessment of the social and economic benefits and risks of the proposal. The information will assist Council's assessment of the application and Council's own SEIA of the gaming licence application to the VCGLR.

Council will not support any planning permit application that does not include the information included in Table 4 below:

Table 4. Information required in the SEIA for a planning permit application for the use and installation of EGMs

Subject	Information required
<b>Locational</b>	<ul style="list-style-type: none"> <li>• Description of the gambling venue and proposed location</li> <li>• Details of the existing and proposed distribution of EGMs in the municipality</li> </ul>
<b>Patron profile</b>	<ul style="list-style-type: none"> <li>• For existing venues: postcode data for attending patrons; postcode profile of existing club or loyalty membership program; number and postcode profile of gamblers on the self-exclusion register.</li> <li>• For new venues: anticipated patron profile and supporting evidence detailing how any conclusions about the patron profile were reached.</li> </ul>
<b>Catchment profile</b>	<ul style="list-style-type: none"> <li>• Detailed profile of the existing and proposed patron catchment area including identification of any pockets of disadvantage.</li> </ul>
<b>Community and stakeholder attitudes</b>	<ul style="list-style-type: none"> <li>• Evidence of the community's attitude toward the application for EGMs in the wider municipality and the local area. The survey should demonstrate a sound methodology in its consultation with patrons and community.</li> <li>• Where the application involves a club licence, evidence should be provided that the proposal was conveyed to the full club membership and has the support of the majority of the club's members.</li> </ul>
<b>Community benefit</b>	<ul style="list-style-type: none"> <li>• Details of the nature and extent of community benefits anticipated by the proposal. This includes accountability of how the benefits are to be secured and distributed to the local community to ensure a transparent commitment from the applicant. Also, an understanding of who the applicant believes the 'community' to be – for example, is it EGM players, club members or neighbouring residents?</li> </ul>
<b>Alternative entertainment</b>	<ul style="list-style-type: none"> <li>• Description of non-gambling entertainment offered by the applicant.</li> </ul>
<b>Expenditure</b>	<ul style="list-style-type: none"> <li>• Details of expenditure at the venue (over a three-year period prior to the application) and estimate of additional expenditure (over three years) if the application is approved.</li> <li>• If it is contended that gaming expenditure is likely to be transferred from other venues (including venues in other municipalities), the applicant is to provide evidence in support of the calculation.</li> </ul>
<b>Harm prevention</b>	<ul style="list-style-type: none"> <li>• Details of any current or proposed measures by the applicant to effectively minimise gambling-related harms that are over and above minimum regulatory requirements.</li> </ul>

**Schedule 2: Process for gaming licence applications to VCGLR**

In Victoria, the VCGLR is the regulator of gambling in clubs and hotels. Venue operators who want to install EGMs must go through a licence approval process at the Commission.

Strict timelines are in place for Victorian Councils to be involved in this process. Council has 60 days in which to make a social and economic submission, and must have notified the Commission of its intention by day 37. Due to the strict timelines, the endorsement of submissions will be delegated to the Chief Executive Officer.

Where Council is informed of a gaming application in a neighbouring municipality which will have an impact on the Nillumbik community, the General Manager Community and Leisure will authorise the Council's response if this can be done within existing resources.

The eight key areas for assessing the impact of the proposed additional machines are included in Table 5 below:

**Table 5. Indicators for social and economic impact assessment**

<b>Social impacts on the community</b>		
1.	<b>Provision of recreation and entertainment</b>	The degree to which the application meets the need for a choice of recreation and entertainment facilities
2.	<b>Environmental and geographic risks associated with gambling on EGMs</b>	The environmental and geographic risks of the venue, including surrounding land uses, the accessibility of the venue and operating hours. Incompatible land uses include proximity to areas where children and young people participate in activities; areas where vulnerable groups live or visit, e.g. social housing, mental health services, social services; areas where people go about their daily business e.g. public transport hubs, major community facilities, and shopping strips
3.	<b>Problems with gambling</b>	The extent to which the application demonstrates responsible service of gambling and minimises the risks to regular gamblers
4.	<b>Cultural and social wellbeing risks and effects</b>	The risks to cultural and social wellbeing, including community attitudes regarding the application
<b>Economic impacts on the community</b>		
5.	<b>Employment provided by the proposal</b>	Benefits to the local community through employment provided by the proposal
6.	<b>Economic contributions to the community</b>	Benefits to the local community through economic contributions
7.	<b>Predicted community losses on gambling</b>	Predicted increased expenditure (player losses) on gambling in the community
8.	<b>Economic costs to the community</b>	Economic losses to the community including costs associated with problem gambling and redistribution of discretionary spending

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