

Electronic Gaming Machine

Policy Number:	2001/09	Directorate:	Community Services
Approval by:	Council	Responsible Officer:	Manager Community Wellbeing
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1. Purpose

The purpose of this Policy is to articulate to the community and gaming industry Council's position on electronic gaming machines in the municipality. It is a 'whole of Council' social policy guiding Council's statutory roles in preventing and minimising gambling-related harm in the community.

This Policy also guides Council in assessing the potential social and economic impacts associated with applications for gaming licenses and planning permits to operate electronic gaming machines in the municipality and in adjoining municipalities.

This Policy updates the Knox Electronic Gaming Policy 2016 by integrating current electronic gaming machine data.

This Policy has also been assessed against and complies with the Charter of Human Rights.

2. Context

The City of Knox has 11 gaming venues and 767 electronic gaming machines. The Ferntree Gully Bowling Club operates on land owned and managed by Council.

In the 2018-19 financial year, expenditure¹ on electronic gaming machines was \$73, 890,071.24 and expenditure per adult was \$571.61. There were 5.93 electronic gaming machines per 1,000 people.

In this financial year, compared with metropolitan municipalities and Victoria, the City of Knox had a higher total expenditure (loss) on electronic gaming machines and expenditure (loss) per adult. The municipality also had a higher number of total electronic gaming machines, electronic gaming machines per 1,000 adults, and venues. Relative to the other 31 metropolitan municipalities, Knox was ranked fifteenth for total expenditure (loss) on electronic gaming machines, tenth for electronic gaming machines per 1,000 adults and fifteenth for expenditure (losses) per adult.

Since 2009, however, the number of electronic gaming machines, total expenditure and number of electronic gaming machines per 1,000 adults has dropped in the City of Knox. This has occurred alongside similar trends across Victoria and metropolitan municipalities, a growth in population and the introduction of statutory harm minimisation measures.

The City of Knox has lower levels of socio-economic disadvantage compared with Greater Melbourne and Victoria, but higher levels of socio-economic disadvantage compared with the Eastern Metropolitan Region. In particular, there are concentrations of socio-economic disadvantage in Bayswater, Boronia and Ferntree Gully. Four of the eleven gaming venues are located in Ferntree Gully. Socio-economic disadvantage and high access to electronic gaming machines are indicators of gambling-related harm.

¹ The Victorian Commission for Gambling and Liquor Regulation defines expenditure as 'the total amount lost by players'.

The Role and Functions of Local Government

Council has a statutory obligation to:

- Assess a planning permit application to install or use electronic gaming machines within the framework of the planning provisions of the Knox Planning Scheme and the *Planning and Environment Act 1987*; and
- Assess the potential social and economic impacts of an application for a gaming licence in the municipality or adjoining municipality in accordance with the *Gambling Regulation Act 2003* and, if required, make a submission on behalf of the community to the Victorian Commission for Gambling and Liquor Regulation.

Clause 52.28 of the Knox Planning Scheme enables Council to prohibit electronic gaming machines in designated shopping complexes and all strip shopping centres². Council does not have the same defined roles in relation to other forms of gambling.

Council also has broader statutory roles under the *Local Government Act 1989* and *Public Health and Wellbeing Act 2008*, which focus on exercising good governance and promoting and protecting the health and wellbeing of the community. Additionally, Council seeks to mitigate harms arising from other forms of gambling through its membership of the Alliance for Gambling Reform, which is a national advocacy organisation, and initiatives informed by the Knox Community and Council Plan 2017-21³.

Council's roles and functions that relate to minimising harm from electronic gaming machines fall into four distinct but overlapping functions and roles.

<p>1. Plan, regulate and enforce</p>	<ul style="list-style-type: none"> • Research, review and analyse community and health profile. • Prepare planning provisions for electronic gaming machines in the Knox Planning Scheme. • Assess applications for planning permits to install and use electronic gaming machines. • Enforce planning permit conditions. • Review research on the determinants and impacts of gambling-related harm.
<p>2. Manage and deliver</p>	<ul style="list-style-type: none"> • Manage Council assets. • Deliver non-gambling services and facilities. • Support the delivery of services and facilities by agencies addressing gambling-related harm.
<p>3. Inform, educate and engage</p>	<ul style="list-style-type: none"> • Disseminate information on the risks and harms associated with electronic gaming machines. • Disseminate information on the availability of non-gambling social, leisure, entertainment and recreation facilities.
<p>4. Facilitate, represent, partner and advocate</p>	<ul style="list-style-type: none"> • Make submissions to the VCGLR on the potential social and economic impacts of applications for gaming licences. • Facilitate discussions with venue operators to guide the appropriate location and operation of gaming venues. • Partner with and/or facilitate Council's participation in government, business and community alliances, working groups and forums. • Advocate for changes to the regulatory framework to reduce gambling-related harms.

² Department of Planning and Community Development, 2006, Amendment VC 39 Gaming, State Government of Victoria

³ Goal 6, Strategy 6.1

3. Scope

The Policy covers electronic gaming machines and their use in the municipality. This Policy applies to:

- Knox City Council, in its role as the responsible authority under the *Planning and Environment Act 1987*, in making decision on planning permit applications to use or install electronic gaming machines and in making submissions to the Victorian Commission for Gambling and Liquor Regulation (VCGLR) under the *Gambling Regulation Act 2003*;
- Knox City Council, as a land owner, lessor, manager and regulator of land used to operate electronic gaming machines;
- Existing and potential operators of gaming venues in the City of Knox;
- Individuals, families and community in the City of Knox affected by gambling related harm; and
- Community groups, service providers and agencies responsible for the delivery of non-gambling facilities and activities and services for people affected by gambling-related harm.

4. References

4.1 Community & Council Plan 2017-2021

- Goal 5 – We are happy, healthy and wise

4.2 Relevant Legislation

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

4.3 Charter of Human Rights

- This Policy has been assessed against and complies with the Charter of Human Rights Act, 2006.

4.4 Related Council Policies and background documents

- Knox Planning Scheme
- Knox City Council Gaming Policy Direction Paper, 2015
- Knox Gambling Profile Update, June 2020

4.5 Related Council Procedures

- Electronic Gaming Policy Procedure for making a submission to the Victorian Commission for Gambling and Liquor Regulation

5. Definitions

Club	A place of assembly with a full club licence and permission to operate electronic gaming machines.
Community	People who live, work, shop, visit or study in the Knox municipality.
Community Group(s)	Means a legal entity who provide services, support or activities to the Knox community and may be the beneficiary of community contributions.
Community contributions	A financial contribution to community organisations made by a venue operator as a condition of approval by the VCGLR.
Convenience gambling	Gambling that comes about as a result of people going about other business and other concerns being confronted with opportunities to gamble that they have not set out to

find.⁴ This has the potential to result in spontaneous or impulse rather than predetermined decisions to gamble.

Council	Means Knox City Council, whether constituted before or after the commencement of this Policy.
Electronic Gaming Machine	Any device, whether wholly or partly mechanically or electronically operated, that is so designed that: (a) it may be used for the purpose of playing a game of chance or a game of mixed chance and skill; and (b) as a result of making a bet on the device, winnings may become payable (<i>Gambling Regulation Act 2003, S1.3</i>).
Expenditure	The net amount spent/lost or the amount wagered less the amount won, by people who gamble. It is gross profit (or gross winnings) due to the operators of each particular gambling activity. ⁵
Gambling sensitive use	A service or facility used by people directly or indirectly affected by gambling-related harm.
Gambling-related harm	The adverse impacts from gambling on the health and wellbeing of individuals, families, communities and society. These harms affect resources, relationships and health. The impact from gambling-related harm may be short-lived and episodic but can be durable, having enduring consequences and exacerbating existing inequalities. The impact of these harms can be felt by individuals, families and communities. ⁶
Harm Minimisation	Harm minimisation or reduction has been defined as follows: “Harm reduction refers to a policy or program directed towards minimising or decreasing the adverse health, social and economic consequences of gambling behaviour for individuals, families, communities and society. A harm reduction strategy does not require abstention from gambling”. ⁷
Hotel	A venue with a general liquor licence and permission to operate electronic gaming machines.
Individual(s)	Means a resident(s) of the Knox Municipality.
Non-gambling facilities	Alternative non-gaming entertainment and recreation facilities include hotels, clubs, cinemas, restaurants, bars, theatres, galleries, exhibition centres, sporting venues and indoor recreation facilities.
VCGLR	The Victorian Commission for Gambling and Liquor Regulation (VCGLR) is the independent statutory authority that regulates Victoria’s gambling and liquor industries.

6. Council Policy

6.1 Policy Statement

Council is committed to mitigating the negative impacts of electronic gaming in the municipality by adopting a harm minimisation approach in relation to the use of electronic gaming machines. This

⁴ *Queensberry Hotel Pty Ltd v Minister for Planning and Community Development* [2013] VCAT 444

⁵ Armstrong, A., & Carroll, M. (2017). *Gambling activity in Australia*. Melbourne: Australian Gambling Research Centre, Australian Institute of Family Studies.

⁶ Wardle, Heather and Reith, Gerda and Best, David and McDaid, David and Platt, Stephen (2018) *Measuring gambling-related harms: a framework for action*. Gambling Commission, Birmingham, UK.

⁷ Canadian Public Health Association (2000) in <https://www.adelaide.edu.au/saces/docs/problemgamblingandharmtowardnationaldefinition.pdf>

commitment is underpinned by its Community and Council Plan 2017-2021 goals, which seek to enable a community that is safe and secure; healthy, happy and well; and has confidence in Council's decision-making.

Council recognises that electronic gaming machines can pose a threat to public health and wellbeing due to the harm this activity can cause for individuals, families and the community. However, it accepts that the use of electronic gaming machines is a legal form of entertainment, which may be associated with some benefits for people who do not experience harm from gambling. Council, therefore, does not advocate for the prohibition of electronic gaming.

6.2 Policy Goal

Council is committed to mitigating the negative social and economic impacts of electronic gaming on local communities.

Council's goal is, therefore, to demonstrate leadership in preventing and mitigating the negative social and economic impacts of electronic gaming machines on the community.

6.3 Policy Objectives

The key strategic objectives of the Electronic Gaming Machine Policy are:

- 6.3.1 To strengthen Council's capacity to manage the location and operation of electronic gaming machines through transparent, consistent and coordinated decision-making processes, regulation and enforcement; and
- 6.3.2 To reduce the potential public health and wellbeing harm caused to individuals and the community by electronic gaming machines through engaging and collaborating with key stakeholders, disseminating information on the risks and impacts associated with gambling-related harms, facilitating access to non-gambling activities and advocacy.

6.4 Electronic Gaming Machine Policy Actions

The strategies in the Policy have been developed utilising data from the Victorian Commission for Gambling and Liquor Regulation and other credible sources and are in line with the four key roles and functions that Council can undertake in relation to electronic gaming.

6.4.1 Key Roles and Functions 1: Plan, Regulate and Enforce

6.4.1.1 Manage the location and operation of gaming venues and electronic gaming machines in Knox by:

- Discouraging proposals for new gaming venues or the relocation of electronic gaming machines in or in close proximity to communities at an elevated risk of gambling-related harms;
- Discouraging proposals for electronic gaming machines to be located within 400 metres (convenient walking distance) or in a clear line of sight of facilities and services associated with day to day activities, or gambling sensitive uses;
- Discouraging a proposal for electronic gaming machines if there are reasonable grounds to consider that the operation of the gaming venue and its associated activities may adversely affect the amenity of the surrounding area through opening hours of the venue, management of patrons, generation of noise or disturbance, or other off-site amenity impacts; and
- Discouraging proposals for electronic gaming machines in areas with a high density of electronic gaming machines per 1,000 adults.

- 6.4.1.2 Oppose applications for new gaming venues or an increase in the number of electronic gaming machines within or outside the City of Knox which would result in a net social and economic detriment for the Knox community. Refer to Electronic Gaming Policy Procedure for making a submission to the VCGLR (Appendix A).
 - 6.4.1.3 Identify and understand the impacts of electronic gaming machines by collecting, analysing and reporting data on electronic gaming machine activity and its impact on the Knox community on a regular basis.
 - 6.4.1.4 Integrate the Electronic Gaming Machine Policy and supporting evidence in the Knox Gambling Profile 2020 into Council plans and policies and decision-making processes.
- 6.4.2 Key Roles and Functions 2: Manage and Deliver/Provide
- 6.4.2.1 Discourage the operation of electronic gaming machines on Council-owned land by:
 - Not renewing a lease to any club which operates or entering into a new lease with a club that intends to operate electronic gaming machines on Council-owned land;
 - Not supporting any increase in the number of electronic gaming machines held by the gaming venue which currently leases Council-owned land⁸;
 - Not accepting sponsorship from organisations or businesses that derive their income from electronic gaming machines; and
 - Not providing community grants, financial assistance or in-kind support to an organisation or business that operates electronic gaming machines.
 - 6.4.2.2 Identify opportunities to continue providing non-gambling social, leisure, entertaining and recreation facilities.
 - 6.4.2.3 Facilitate access to alternative recreational and social activities by engaging with community organisations and gaming venues to encourage, support and grow additional recreational and social activities in Knox, particularly where gaming venues are located and populations are vulnerable to the high cost of living and have limited access to local services and facilities.
 - 6.4.2.4 Prohibit Knox City Council ratepayer directly funded or sponsored meetings, functions or events of any kind at a Knox hotel or club that operates electronic gaming machines.
- 6.4.3 Key Roles and Functions 3: Inform, Educate and Engage
- 6.4.3.1 Raise awareness of the risks and harms associated with electronic gaming machines by collaborating with relevant organisations to support community education and information campaigns which focus on:
 - Expenditure on electronic gaming machines in Knox; and
 - The health and wellbeing impacts of electronic gaming on individuals, families and community businesses.
 - 6.4.3.2 Continue to engage with stakeholders and the community when preparing submissions to the VCGLR on gaming applications and assessing planning permit applications to install and use electronic gaming machines.

⁸ There is only one club with electronic gaming machines that currently leases Council land.

6.4.4 Key Roles and Functions 4: Facilitate, Represent, Partner and Advocate

- 6.4.4.1 Advocate for electronic gaming machine reform in partnership with State-wide alliances and stakeholders for gaming reform in the following areas:
 - Transparent and equitable allocation of State Government revenue acquired from taxes from electronic gaming machines;
 - The community contribution made by clubs with electronic gaming machines; and
 - The implementation of best-practice harm minimisation measures relating to gaming venue design, operation, standards, regulation and administration.
- 6.4.4.2 Continue to participate in the initiatives of the Alliance for Gambling Reform.
- 6.4.4.3 Continue to collaborate with adjoining municipalities when preparing appropriate responses to applications for gaming licences or planning permits to install and use electronic gaming machines within and beyond the Knox municipal boundary.

7. Administrative Updates

From time to time, circumstances may arise that lead to the need for minor administrative changes to this Policy. Where an update does not materially alter this Policy, such a change may be made administratively. Examples of minor administrative changes include changes to names of Council departments or positions, change to names of Federal or State Government departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this Policy, it must be considered by Council.