



**Cardinia Shire Council**

**Responsible Gaming Policy**

**2005-2009**

**Adopted: August 2005**

**Responsible Unit: Community Wellbeing Dept**

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# Executive Summary

This Responsible Gaming Policy provides direction to guide council's decision making processes and response to applications made by venue operators to the Victorian Commission for Gambling Regulation for electronic gaming machines in the region.

Whilst the focus of this policy is on gambling activities conducted with electronic gaming machines (gaming) located in licensed hotels and licensed clubs (gambling venues) in Cardinia shire, the Background Paper also highlighted broader gambling issues and concerns in the community that council may consider addressing in the future.

The Responsible Gaming Policy will also enable council to confirm and advocate the views of the Cardinia shire community in relation to gaming and gambling matters.

The Responsible Gaming Policy will demonstrate a balanced approach to gaming in Cardinia rather than an anti-gaming position that is not achievable or within council's level of control.

Throughout the Responsible Gaming Policy the following terms are used:

- *Gaming* – refers to gambling carried out exclusively with electronic gaming machines; and,
- *Gambling venues* – refers to licensed clubs and hotels in which electronic gaming machines are located and where other forms of gambling may also be situated.

This policy should be read in conjunction with the Background Paper, which provides the context used to inform the development of the policy, including consultation with the community and stakeholders. The Background Paper presents a report of gaming in the Shire incorporating consultation undertaken, local data, the social and economic impacts of electronic gaming on local areas and economies, the literature review and research of other local government gaming policies.

## Glossary of Terms

CSF	Community Support Fund
EGMs	Electronic gaming machines, poker machines or pokies
Gaming	Gambling on EGMs
Gaming Venue	Hotel or club that has electronic gaming machines
VCGR	Victorian Commission for Gambling Regulation

# **1. Cardinia Shire Council Gaming Position Statement**

Cardinia Shire Council has a strong commitment to mitigating the negative impacts of gaming on the community. This commitment to the mitigation of the negative impacts of gaming and the well-being of the community is the foundation upon which this policy has been developed.

Cardinia Shire Council is committed to encouraging responsible gaming and gambling venues. Council will adopt a range of actions to minimise the adverse effects of electronic gaming on individuals and the community.

## **1.1 Goal and Objectives**

Cardinia Shire Council is committed to fostering and promoting community health and well-being. As such, Council is dedicated to diminishing the negative social and economic impacts of electronic gaming on local communities.

The Responsible Gaming Policy Objectives are:

1. To provide direction to council decision making processes with regard to electronic gaming and gaming venues;
2. To encourage gaming venues to operate in a responsible manner and be responsive to local community needs;
3. To provide mechanisms to improve the benefits and mitigate the negative impacts of gaming and the gambling industry; and,
4. To promote an equitable distribution of the financial gains from electronic gaming in the Cardinia shire.

## **1.2 Policy Position Statement**

Council's position is that:

Council will only support any proposal for either additional gaming machines or the introduction of new gaming venues into the municipality should the following criteria be met:

- Electronic gaming is offered alongside a range of social and recreation activities for adults such as leisure, entertainment, food, community facilities and services. Location within or neighbouring an Activity Centre defined by council planning processes is preferred to promote protection of residential amenity, harm minimisation and greatest community benefit through supplying a range of social and leisure activities.
- The venue is not located within or neighbouring an education facility or premise where principal activities focus on persons under the age of 18 years (ie junior sport and recreation clubs, schools and preschools).
- The rate of electronic gaming machines (EGMs) per 1000 adults in the region is less than the Victorian rate.

- The vulnerability of the area and impact of the proposal upon at risk groups has been considered. Further electronic gaming is not supported in areas of high disadvantage or vulnerability. Any determination of disadvantage and vulnerability should consider:
  - Australian Bureau of Statistics Census data
  - Social and Economic Index for Areas (SEIFA) from ABS as applied to the whole municipality and the likely catchment area of the venue
  - Registered clients presenting to Gamblers Help services and Gamblers Help analysis of such as provided to council
  - Gaming revenue and expenditure data, in particular Cardinia shire data
  - Any other relevant local research and information available
- Socio-economic benefit research and report to council's satisfaction is completed by the applicant and consistent with relevant other council policies eg Municipal Public Health Plan.
- The local community supports the application, ascertained by the applicant undertaking a local community attitudinal survey within parameters as determined by council.  
(Due to the 60 day response turn around time-line for applications, council will place a public notice in the local press to inform the community to enable them to voice their views on each application and in-depth interviews with key people in the community.)

## **2. Cardinia Shire Council's Advocacy Role**

Council is aware that there is a range of diverse social and economic effects that emanate from the development and expansion of the electronic gaming machine industry in the shire. Council will advocate the views of the local community on gaming to government, including the Victorian Commission for Gambling Regulation.

### **2.1 Community Support Fund (CSF)**

One of the disincentives for local government making applications to the CSF is the requirement that local government make a direct contribution (finances or resources) at the same time as substantial funds are leaving the area due to gaming losses. However, the CSF is a source for gaining substantial funds for research into the local impacts of gaming as well as investment in community services and recreation infrastructure.

The sponsorship funding provided by the gaming industry (gaming operators and local gambling venues) has become essential for the survival of some local community sport and social clubs. However, this sponsorship is not distributed equitably across clubs in the shire, providing some local clubs with higher levels of financial support than others..

One option is that the CSF could emulate the sponsorship and harm minimisation role taken by the Victorian Health Promotion Foundation and provide an alternative source of sponsorship funds to those provided by gambling operators and local gaming venues.

Council will advocate to the State Government that it:

- provide grants to local municipalities in direct proportion to the funds allocated to the CSF from the levy on gaming machines in hotels in the local municipality;
- notify Council of all grant applications for projects within the municipal boundary; and

- provide sponsorship funds for local clubs and community organisations as an alternative to those provided by gambling venues or gaming operators.
- Develop guidelines for community groups to aid decisions re acceptance of funds and for council to guide decision making.

Council will raise community awareness of the CSF by promoting the availability of CSF funding to communities in Cardinia shire.

## **2.2 Location of EGMs in Cardinia**

There are two factors that have resulted in negative impacts of gaming:

1. the location within the shire of EGMs and gaming venues; and,
2. the type of gaming machines (eg spin rate and large note receptors) operating in gambling venues.

Significantly, all gaming machines in the shire are located in the Pakenham township, raising a concern that data for expenditure on gaming in Cardinia presents a skewed perspective. Cardinia as a region is lower the State average expenditure on gaming but the concentration of venues in such a small area may in fact result in a much higher spend depending on determination of the catchment population.

Council's position is that:

Council will not support any proposal for either additional gaming machines or the introduction of new gaming venues into the municipality unless it is satisfied that it will provide a socio-economic benefit to the municipality and that the local community supports the establishment of the venue. To satisfy council's understanding of local community support the applicant will be requested to undertake a local community attitudinal survey within parameters as determined by council.

Council will advocate to the State Government that regulations be established for monitoring the types of electronic gaming machines operating in gambling venues.

Research findings and gambling literature highlight the concerns of young people and problem gambling. The research does not support the location of gaming venues in the proximity of activities that focus on persons under the age of 18 years e.g. education facilities, junior sport venues.

## **3. Shire Policies and Strategies**

Cardinia Shire Council's Gaming Policy should reflect the Council Plan and Municipal Strategic Statement as well as all other relevant policies and strategies.

### **3.1 Maintaining Community and Industry Relations**

Council believes that it is important that dialogue be maintained with local gaming venue operators. The Victorian Gaming Machine Industry has developed Codes of Practice and TABCORP and Tattersalls have policies to assist their local venues provide responsible

gaming services within their facilities. Council would like to encourage some mechanism of ensuring compliance and transparency of compliance back to the community.

It will also be important for council to establish ongoing relationships and play a role in working with agencies in the region dealing with the impacts of problem gambling, including Gamblers Help.

In formulating an Action Plan to implement this policy, council will consider mechanisms such as forums to engage local venue operators and the community to learn about the implementation of this policy and to share information about community priorities for encouraging responsible gaming and reducing the harmful impacts of gaming in Cardinia shire. Other measures to improve responsible gaming and alternative social pursuits to gambling may also be discussed and shared in this way.

### **3.2 Responsible Gaming Operations**

Gambling venues have committed themselves to the industry Codes of Practice that promote the responsible service of gaming through a number of measures including the provision of staff training, self-exclusion programs for patrons and establishing links with support services such as Gambler's Help.

Cardinia Shire Council will encourage all venues to:

- Provide information on odds on winnings displayed prominently in the gaming room in a variety of formats including large print;
- Provide opportunities for gaming patrons to take a break from gaming, for example provide tea and coffee facilities outside of the gaming area;
- Reduce incentives such as meal vouchers that encourage people to stay for long periods at gaming machines;
- Not locate ATMs in/near venues; and,
- Adhere to the Industry Codes of Practice including the provision and implementation of self-exclusion programs.
- Promote responsible gaming by implementing relevant technological changes as they occur.

### **3.3 Enhancing Leisure and Recreational Opportunities**

Council's vision for community well-being in Cardinia shire is to provide adequate and appropriate recreation, leisure, arts and cultural facilities and programs. Consultation with the community in development of this policy confirmed that the local community supports provision of alternative social options to gaming venues.

Consultations on the draft Responsible Gaming Policy revealed that the impact of gaming on recreation was of concern to members of the Cardinia shire community. The major concerns were:

- The lack of social and recreational local alternatives to gambling.
- Social factors including boredom or isolation due to migration and language difficulties, being older, being a mother of school-age children or disconnection due to working outside the local community. A mundane job or lifestyle was also noted as a possible issue related to problem gambling.
- The financial benefit to some local sporting clubs seen as a benefit to them but a disadvantage to competitor clubs in the shire not equally supported.

The challenge for council is to promote, develop and encourage a range of leisure and recreation options that cater for all of the community, including low income and vulnerable residents that emulate the positive features of gambling venues without exposing people to the risks. Community consultation highlighted a number of roles and actions council may undertake, such as:

- Enhance community well-being.
- Resilience and community building.
- Alternative recreation options.
- More entertainment options.
- Maintain sporting grounds and assist clubs.
- More sporting grounds.
- Enhance safety at public places, including venues such as skate parks.
- Have more avenues for mentoring and teaching children.
- Encourage older people to get more involved in their communities.

Community support for alternative social options to gaming venues will be consolidated in council's strategic development of recreation and leisure in the shire. Through its recreation, leisure, arts and culture planning council will encourage and support alternative options to gaming venues.

In addition, council will continue to actively promote and inform residents about the range of open space facilities and recreation activities available across the municipality both through print and electronic media.

Council's various grants programs support and encourage increased provision and choice in passive leisure and recreation activities. These grants include the Community Capital Works Grants, Community Minor Support and Social Support grant programs.

### **3.4 EGMs on Council Property**

Council's policy on EGM gambling will inform its position on gambling in council-owned premises or land used primarily for community purposes. Council recognises that there is an existing venue that has a gaming licence to operate EGMs in Council owned premises and land as a result of an agreement entered into by Pakenham Shire in 1986. Since that time extensive research into the impacts of gambling have been undertaken and reported. Council now considers it inappropriate for gaming related activity to be taking place in council's facilities or on council land that are used primarily for community purposes for reasons that include:

- Unfair competitive advantage in restaurant and gaming operations.
- Inappropriate mix of activities eg in the proximity of activities provided for young people such as recreation.



- Inability to clearly define boundaries of responsibility, leading to increased exposure to risk by council.
- Ratepayer subsidisation of gaming venues.

Any other position would compromise council's ability to provide Social and Economic Impact Submissions to the VCGR in relation to any gaming licence.

It is therefore proposed as part of this policy that the existing agreement for a gaming venue to operate in council owned premises and land shall continue until the expiry of the gaming licence or rental lease.

In the future, council will:

- Not approve gaming venues to operate in council owned premises or land primarily for community purposes.
- Consider inclusion of clauses relating to prohibition of gambling within facilities unless all necessary permits / licenses have been obtained and council approval has been gained prior to applications for such permits / licenses in future User Agreements.
- Require full commercial occupancy agreements to be entered into for gaming venues operating in council owned premises or land.
- Require full compliance by gaming venue operators with all relevant regulations.

## **4. Electronic Gaming Machines and Land Use Planning Policy**

### **4.1 Planning Powers**

Under provisions of the Gambling Regulation Act 2003 proclaimed in July 2004 council's limited planning powers have in relation to the location of gaming machines have increased to require all gaming applications to have a Planning Permit issued by council, even when the proposed machines would cover less than 25% of the floor space. The requirement for a Planning Permit will be effective upon requisite amendments to the Planning Scheme.

Other key changes in the Gambling Regulation Act 2003 include:

- Advertising bans on the availability of EGMs outside venues (effective 1 January 2005).
- Ban on gaming signage except for exemptions under the regulations.
- Compulsory 'responsible gambling training' for venues staff through approved courses within six months of their commencing employment.
- More power to local governments over applications through rights of appeal to VCAT over certain decisions of the commission.

Approval for gaming premises will only be given by the Victorian Commission for Gambling Regulation to premises with a hotel, club or racing licence. Approvals will not be given by the Commission for 24 hour gaming unless the application includes a submission on the net economic and social benefit that will accrue to the community. For all gaming applications, the applicant is required to notify the relevant local government of within 14 days to enable council to respond.

Other relevant clauses remain from previous gaming regulation and are set out in the *Cardinia Planning Scheme (Clause 19.02 and Clause 52.28)*. The key aspects are:

- The installation and use of a gaming machine should be allowed in a hotel or club if it does not result in a change of land use.
- Gaming premises should have a full range of hotel or club facilities and services available to patrons.
- Gaming machines should not be allowed in strip shopping centres unless:
  - within an existing hotel or club, or a premises where approval was obtained for the installation of gaming machines prior to 19/12/97; and,
  - within a hotel or club issued with a permit and a liquor licence prior to 16/6/98.

Council will advocate to State Government to further reform its planning legislation and policy to enable local government authorities greater planning authority over gambling issues. In particular full planning authority is sought to determine the location of gambling venues, density of machines within municipal boundaries and enforcement of local terms and conditions and impose time limits on gambling related permits. Council may also advocate further in relation to the power of local government authorities to influence or determine operating hours given that community views were strongly opposed to 24 hour gaming.

#### **4.2 Social and Economic Impact Assessment**

As the relevant responsible authority council may make a submission to the Commission on any application for approval of premises, including applications for variations.

The local government submission must:

- Be made within 60 days after receiving a copy of the application (or a longer period for premises approvals and for amendments ie increases in gaming machine numbers subject to written request including a reason for extension directed to the Executive Commissioner);
- Address the economic and social impact of the proposal for approval on the well-being of the community of the municipal district in which the premises are located;
- Take into account the impact of the proposal on surrounding municipal districts; and
- Be in the form approved by the Commission and include the information specified in the form.
- Be made if council has any intention of appealing a decision to VCAT.

The VCGR's determination must be based on its assessment that\*:

- The applicant has the authority to make the application in respect of the premises;
- The premises are, or will be, suitable for gaming machines; and
- The net economic and social impact of approval will not be detrimental to the well-being of the community of the municipal district in which the premises are located.
- It has considered the submission made by the relevant authority.  
*(\*Commission's criteria for gaming machine increases are slightly different as set out under the Act)*

If the relevant responsible authority ie council does not make a submission under section 3.3.6, the Commission must seek the views of the relevant authority on the application and consider those views.

While council appreciates the opportunity to make a submission, it is concerned about the resources and costs required to prepare a submission in detail within 60 days. In the experience of other councils that have made submissions, the combination of the time limits

and content submission requirements has meant devoting considerable staff resources to the task as well as costs for legal representation.

Council will make a Socioeconomic Impact Submission to the VCGR that will consist of:

- The Cardinia Shire Council Responsible Gaming Policy;
- any additional information council believes is relevant to a particular case.

Due to the cost of resourcing submissions, council may seek funding from the State Government and the VCGR for funds to enable council to submit a full socio-economic assessment submission.

Council will advocate to the State Government and the VCGR that applications for gaming licences be advertised publicly, by the VCGR and/or the applicant providing funds for advertisements, in the relevant municipalities to enable members of the public to make submissions and comments to the VCGR on the social and economic impact of the application.

#### **4.3 Specific Locations**

*The Cardinia Planning Scheme currently nominates shopping complexes and strip shopping localities where gaming venues are prohibited from operating as:*

- *Pakenham Place Shopping Precinct*

*Any new or proposed strip shopping centres or complexes are nominated as prohibited locations for gaming machines in the Cardinia Planning Scheme.*

### **5. Evaluation and Monitoring of the Gaming Policy**

The Cardinia Shire Council Responsible Gaming Policy will operate alongside State Government legislation, regulations and policy with regard to electronic gaming and the Victorian Gaming Machine Industry (VGMI) Codes of Practices. To ensure that the policy takes account of changes to State Government legislation and policy, VGMI regulations and is compatible with new policies of council it is necessary to carry out monitoring and review of this policy.

The Cardinia Shire Council Responsible Gaming Policy will remain current and applicable until its review in its fourth year or alternatively until such time that amendments or changes are adopted by council. A review of the policy may be carried out when necessary resulting from any of the following:

- Changes to State Government policy and/or regulation with regard to electronic gaming;
- Policy development or review by Cardinia Shire Council;
- Effectiveness of the policy;
- Proposals not covered by the policy.