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# **Maribyrnong City Council**

## **Electronic Gaming Machines**

### **Reference Document and Local Planning Policy**

**Prepared by 10 Consulting Group Pty Ltd and Roberts Evaluation Pty Ltd.**

August 2012



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Maribyrnong City Council  
Gaming - Reference Document and Local Planning Policy

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## **1 Introduction**

### **1.1 Purpose**

The City of Maribyrnong seeks to develop a local planning policy to incorporate into the Maribyrnong Planning Scheme to guide decision-making on the provision and location of Electronic Gaming Machines (EGMs) in the municipality.

The brief has called for comprehensive and robust research to strategically justify an amendment to the Local Planning Policy Framework (LPPF). This reference document fulfils that expectation by:

- Exploring the challenge presented by managing EGMs in its broader strategic and holistic context through a wide ranging review of the most recent relevant literature and research on the subject,
- Examining the current and projected circumstances for the provisions of EGMs in Maribyrnong and the western region and the association with the socio-economic conditions of the Maribyrnong community,
- Examining the emergence and form of local planning policy for EGMs in the Victorian Planning System through the work of affected Councils, the reports of Independent Panels and the commentary of the Victorian Civil and Administrative Tribunal (VCAT).

Gaming is a lawful activity and the gaming regulations provide that the community should have access to EGMs. which operate in an increasingly regulated and managed environment. However, research suggests that losses from EGMs are concentrated in areas of high socio-economic disadvantage. The point to consider is that fair use and development will minimise the harmful effects of EGMs on Maribyrnong residents.

It is expected that this Reference Document will guide the orderly and sustainable use of gaming machines. The research is intended to inform how decisions on the provision and location of gaming machines will balance the present and future interests of residents and visitors and minimise harm from gaming especially to vulnerable groups.

### **1.2 Approach**

The research and development of planning policy on EGMs in Victoria has been concentrated within the last 6 years when a generic State Planning Policy that prohibited EGMs in nominated shopping centres and strip shopping centres was replaced by a broader discretion available to municipalities to issue planning permits for the provision of EGMs.

The last 6 years have been marked by a series of relevant considerations:



- Considerable new international, national and local research has been undertaken to inform, understand and guide all levels of government about the factors that might increase or minimise the harmful effects of gaming;
- That Council's capacity to reduce harm within the current legislative and regulatory environment is 'at the margins';
- Acceptance of the harmful effects of gaming and a growing expectation in government and the community that change and further measures will be applied to protect vulnerable persons and groups;
- A recognition that a broad raft of policy, tools and techniques, including controls at the level of the venue and machine, must be employed to the task;
- A growing recognition and acceptance that the location of EGMs and the number in a venue are a contributing consideration but not necessarily among the major determinant of gaming behaviour;
- Acknowledgement that the impact of the deregulation of EGM licensing from August 2012 is unclear and that the local planning policy will necessarily take a conservative view to mitigate any unintended and unpredicted consequences of this.

A considerable body of the local planning policy underpinning the provisions included in various planning schemes has not had the benefit of the broader review and analysis of this framework.

Accordingly this reference document includes an appraisal of the circumstances of gaming in Maribyrnong and Victorian gaming policy by placing the policy development challenge in its broader and relevant context.

### **1.3 Definitions**

For the purpose of this policy:

#### **Gambling**

Gambling is the activity of wagering money or something of value on the outcome of an event. Gambling in Victoria consists of electronic gaming machines, the Crown Casino, Wagering (Racing and Sports Betting), Lotteries, Club Keno and online gambling. The physical distinction between different types of gambling disappears in the online environment. Generally, online gambling involves small but high frequency wagers similar to venue-based electronic gaming machines.

#### **Gaming**

Gaming refers to the wagering of money on venue-based electronic games machines or online.



## **Electronic Gaming Machines**

Electronic Gaming Machines (EGMs) refers to a machine, which is approved under Section 3.5.4 of the Victorian *Gambling Regulation Act 2003*.

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## **2 Summary**

The following provides a brief summary of the key points raised in the body of this report.

### **2.1 Overview of Gambling Issues**

A large proportion of gambling expenditure in Australia is directed towards EGMs.

Despite the growth of the EGM segment during the 1990's gambling participation rates, across all forms, have recently fallen and the growth in real gambling expenditure has slowed. The Productivity Commission has noted that the EGM sector has experienced negative real growth expenditure between 2003-04 and 2008-09.

#### **2.1.1 Problem Gambling**

Some gamblers have trouble controlling the amount of time and/or money they spend gambling, generating negative impacts for the player, their family, friends and wider community.

Problem gambling prevalence in North West Metro Region (1.18%), which includes the City of Maribyrnong, is notably higher than the Victorian average (0.70%). When the risk profile of the North West region is taken into account, around 4% of the Region's population is likely to experience gambling related harm, which is higher than the Victorian average of 3.5%.

#### **2.1.2 EGMs and Problem Gambling**

Although problem gambling is associated with all forms of gambling, the spending of problem gamblers constitutes a higher proportion of EGM revenue than is the case with other forms of gambling and virtually all problem gamblers participate in EGM gaming.

The Productivity Commission suggests that EGMs are the likely source of most problem gambling in Australia.

#### **2.1.3 Vulnerable Communities**

The disadvantage experienced by some communities may magnify the harm they experience due to problem gambling e.g. for those with limited financial means, impacts may be compounded or experienced sooner. This is because people with a lower socio-economic status tend to have fewer 'safety nets' – such as insurance, good credit records, family and friends to lend financial support or employability.

While there is an association between LGA level SEIFA score and EGM density in Melbourne, when analysed at the finer grain CCD level, the association is more complex.

### ***2.1.4 The negative impacts of EGMs***

While there are a number of benefits associated with EGMs including entertainment, employment and social benefits, there are also costs that include the large losses of problem gamblers and the associated social costs of their problems including:

- Relationship breakdown;
- Lowered productivity and job loss;
- Depression, anxiety and poor health;
- Suicide;
- Crime;
- Reduced spending on education and,
- Rental and mortgage stress and reduced spending on household budgets for areas such as food, health and transport.

EGMs deliver significant benefits and impose significant costs on communities. The net benefits of EGMs could be much larger if governments reduced the social costs of them through effective prevention and harm minimisation policies.

## **2.2 Electronic Gaming Machines in Maribyrnong**

### ***2.2.1 Existing Venues***

As of March 2011, there were 12 EGM venues located in the City of Maribyrnong, containing a total of 439 EGMs. Two venues are non operational. A regional cap on EGM numbers currently applies to the City, limiting numbers to 511.

Six of the ten operational venues are located along the key transport corridors in the municipality. These six venues collected 69% of total revenue in the City of Maribyrnong in 2010/11. Three of the remaining four operational venues are located in Yarraville and the final venue is located at the Highpoint Shopping Centre in Maribyrnong. A number of the existing venues are in locations where there is a high clustering of social housing.

### ***2.2.2 Metropolitan Context***

EGM density and spending in the City of Maribyrnong is substantially higher than the metropolitan Melbourne average.

EGM density in the City of Maribyrnong is 7.64 per 1,000 while the metropolitan average is 6.19. Similarly, net EGM expenditure per adult in the City of Maribyrnong is \$985, while the metropolitan average is \$651.

While EGM density and spending is based on venues within each LGA, LGA boundaries are arbitrary and do not necessarily reflect travel patterns of residents.

Moreover, the catchment of a particular venue is likely to vary substantially based on the location with venues on major arterial roads, or located within higher order shopping precincts likely to draw patrons from a wider area than those located to service locale clientele.

Therefore, the experience of EGM density for an individual is more accurately reflected by the number of machines within a certain range from their home as opposed to municipal density.

In the case of Maribyrnong, EGMs are clustered in the east and central / northern sections of the municipality because the south west of the municipality is an area of dominant industrial activity. Therefore, residents of the east and central / northern section of the municipality experience a higher density of EGMs than residents in the south-west. Relying upon an effective catchment of 2.5 km there is no part of the City of Maribyrnong that experiences an effective EGM density greater than the LGA limit of 10 EGMs per 1,000 adults. The use of a catchment rather than an administrative neighbourhood boundary provides a more realistic assessment of density.

## **2.3 Vulnerability in Maribyrnong**

While demographic variables are indirectly associated with problem gambling prevalence rates, the Victorian Government has specifically identified communities with low levels of workforce participation and income, lower educational and literacy levels and higher incidence of smoking and alcohol abuse being more vulnerable to the impacts of problem gambling, prevalence aside.

### **2.3.1 SEIFA**

The City of Maribyrnong rates relatively poorly on the SEIFA Index of Relative Disadvantage, being the seventh most disadvantaged LGA in Victoria and the third most disadvantaged LGA in the Melbourne Statistical Division. Notwithstanding, the extent of disadvantage within the LGA varies substantially with some suburbs among the states most disadvantaged (Braybrook, Footscray and Maidstone) and others experiencing relatively low levels of disadvantage (Maribyrnong).

### **2.3.2 Income**

The Victorian Government has identified low-income households as being more vulnerable to the impacts that arise as a result of problem gambling.

A higher proportion of low-income households, including those in social housing and on government provided incomes, are located in the middle of the Maribyrnong LGA, running east west through the suburbs of Footscray, Maidstone and Braybrook. Seven of the twelve existing EGM venues are located through this central corridor.

### ***2.3.3 Employment***

Problem gaming prevalence is higher among those who are unemployed and, unlike income, people who are not engaged in the workforce are also identified by the Victorian Government as being more vulnerable to problem gambling.

The unemployment rate in all of the City of Maribyrnong suburbs is higher than the Melbourne Statistical Division, except for Yarraville. In the case of Braybrook, Footscray and Maidstone, the rate of unemployment is substantially higher, and workforce participation was notably lower, indicating low levels of engagement in the workforce in these areas.

### ***2.3.4 Education***

The proportion of the population whose highest year of schooling is Year 10 or lower is either similar to the metropolitan average or lower for all suburbs in Maribyrnong, with the exception of Braybrook. Similarly, the proportion of residents of each suburb to have attained a bachelors degree or higher is similar to or higher than the metropolitan average, with the exception of Braybrook and Maidstone.

Problem gambling prevalence is higher among those with lower educational attainment. Specifically, people whose highest level of educational attainments is year 10 or lower are more likely to be problem gamblers.

### ***2.3.5 Summary***

The population of Maribyrnong comprises of a relatively large proportion of people or households who are likely to be vulnerable to the impacts of problem gambling. Vulnerable households are concentrated in the middle portion of the municipality, in close proximity to Ballarat Road. The population of Braybrook in particular is comprised of a large proportion of people or households with low income and educational attainments.

The most disadvantaged parts of Maribyrnong are also the parts of the City where the majority of existing EGM venues and EGMs are located.

## **2.4 Harm Minimisation**

A number of strategies are available which can potentially reduce negative impacts associated with EGMs. While a number of these strategies cannot be implemented through a planning scheme, a local policy does offer the opportunity to influence the accessibility of EGMs including geographic, time based and social accessibility.

### ***2.4.1 Geographic Accessibility***

The number of EGMs per 1,000 adults is used in Victoria as the key indicator of geographic accessibility. For the purpose of regulating distribution of EGMs throughout the state, EGM density is capped at 10 EGMs per 1000 adults at the municipal level.

### ***2.4.2 Density***

Although the density of EGMs at the municipal level is closely correlated with the average loss per adult, suggestive of a link between EGM density and problem gambling at the municipal level, this may also reflect that clubs and hotels are more likely to invest in EGMs in municipalities where demand is higher.

Although higher densities are associated with higher rates of spending and most likely problem gambling, reverting to a (slightly) lower density may not necessarily translate into notable reductions in spending or problem gambling. It is likely that where density is relatively high, small reductions in density may not materially affect access.

Nevertheless, a further increase in access may lead to increased gambling, because this could stimulate greater spending by recreational gamblers, increasing exposure and ultimately problem gambling.

### ***2.4.3 Proximity***

The number of venues in an area and their distribution influences the amount of travel that individuals need to undertake to reach a venue containing EGMs.

Importantly in the context of proximity to venues, on the continuum between problem and non-problem gamblers at opposite ends of a pole, problem gamblers value different factors than non-problem gamblers when looking for a venue. The most important feature for a problem gambler is whether it is close to home, whereas for non-problem gamblers it is quality of food.

There is an association between increasing proximity and greater spending. However, while increases in travel distance have potential to reduce recreational spending and in turn the risk of problem gambling, the efficacy of relatively small increases (1-2km) in travel distance may be limited.

### ***2.4.4 Destination Gaming***

Research into the benefits associated with restructuring the spatial dimensions of the EGM supply network, such that there would be few, larger venues, concluded that even with a considerable reduction in accessibility, the effect of such a reduction on the extent of gambling would be limited. The Productivity Commission also concluded that other harm minimisation measures are likely to be more effective.

### ***2.4.5 Accessibility based on time***

Restricting the hours that a person can use EGMs is another measure used to reduce accessibility. In Victoria, a mandatory shutdown period of four hours is in place.

Research by the Productivity Commission indicates that higher risk gamblers represent a greater share of people playing EGMs late at night. Moreover, at that time, gamblers are likely to be playing under the influence of alcohol, reducing capacity for informed consent on a potentially costly activity where impulsivity and faulty cognitions are already widespread. The Productivity Commission concluded that there would be significant benefits from requiring hotels and clubs to shutdown gaming rooms no later than 2am.

### ***2.4.6 Social Accessibility***

A number of factors contribute to the extent of social accessibility afforded by particular venues. Some venues target higher spend customers and include dining areas with expensive meals, boutique beers and wine, potentially limiting access for low-income gamers. Other venues may cater to families with children by providing play areas. Generally, the greater variety of venues in an area, the greater the likelihood a venue will be available to respond to the preferences of all potential players.

In addition to issues such as fit out, pricing and mix of facilities, other aspects of venue design may be influential in terms of increasing social accessibility and in particular accessibility for problem gambling. The Productivity Commission suggests that venues with smaller numbers of EGMs confines gaming to just one element in a mix of social activities within a venue. Problem gamblers are inhibited by their greater conspicuousness in this environment.

### ***2.4.7 Summary and Implications***

There is a link between EGM accessibility and gambling harm. However, the key question in the context of developing an accessibility based local policy for Maribyrnong is whether harm will continue to grow as accessibility rises, or whether the effect will diminish at some point.

Both effects are likely to be present in local communities, and their relative extent will depend on the pre-existing level of accessibility and the nature of the communities.

The Productivity Commission concludes that small changes to accessibility would make little difference to the overall accessibility of EGMs and as such other harm minimisation measures are likely to be more effective than restrictions on accessibility, and would eventually allow some existing restrictions to be reconsidered.

Despite the assessment of the limited usefulness of minor changes to accessibility in containing problem gambling, the Productivity Commission supports gradual reductions in the number of EGM venues rather than community wide gaming.

## **2.5 EGM gaming policy**

Approximately 13 municipalities have an EGM policy within their Local Planning Policy Framework.

The policies provide greater guidance to decision making when considering the provisions of Clause 52.28 of planning schemes.

The policies that have been gazetted are principally of a similar typology developed for Councils by the Coomes Consulting Group between 2007 and 2009. That policy has been the subject of Panel reviews and while there has been some refinement of that policy its principles remain essentially in tact. Select Councils have undertaken their own policy development but this has occasionally borrowed elements of the most popular typology.

Recent Panel advice on the Macedon Ranges EGM policy has recommended that detailed, lot based, mapping of areas prohibited and strongly discouraged for gaming not be undertaken, in preference for more generalised guidance.

## **2.6 Policy recommendations**

This report recommends that:

- The existing cap on EGMs in Maribyrnong be retained with a preference that actions be taken to lower the cap to that of the current metropolitan average, given the particular vulnerability of the Maribyrnong community.
- In so far there remains a potential for further machines within the existing cap the strongly preferred outcome is that those machines be located within existing venues outside of Braybrook and Maidstone.
- EGMs to be prohibited in nominated shopping complexes and strip shopping centres.
- EGMs to be prohibited within walking distance of areas with significant amounts of social housing.
- The principles and provisions applying to preferred and discouraged areas and sites and adopted in the more recent planning schemes be applied to Maribyrnong.
- Venues be designed, laid out and operated to minimise harm and temptation to vulnerable members of the community.



## **PART 1 – THE STRATEGIC CONTEXT TO A GAMING POLICY FOR MARIBYRNONG**

## 3 Background

### 3.1 Introduction

This section of the report outlines current research concerning Electronic Gaming Machines (EGMs) and their social and economic benefits and costs. It summarises the significant material in this area, and includes the key findings of two recent major government studies: *Productivity Commission Inquiry Report on Gambling* (2010) and *A Study of Gambling in Victoria – Problem Gambling from a Public Health Perspective* (2009).

### 3.2 Gambling

Gambling is the activity of risking money or something of value on the outcome of an event. Many Australians participate in gambling for fun and entertainment and are happy to spend a relatively small amount of money on gambling in the same way they might spend money at the cinema or a restaurant.

In Australia, a large proportion of gambling expenditure is directed to EGMs. To illustrate, from 2008-09, EGMs in clubs and hotels accounted for 55 per cent of gambling expenditure. The EGM gaming segment grew rapidly during the 1990s due to regulatory liberalisation in several states and territories including Victoria. This liberalisation accounts for the vast majority of growth in gambling expenditure over the last 20 years.

However, more recently participation rates for gambling (across all forms) appear to have fallen. Furthermore, the rate of growth in real gambling expenditure slowed during the 2000s. The five year growth trend in real expenditure was less than 1 per cent in 2008-09, compared with over 10 per cent during the 1990s. Similarly, spending on gambling accounted for around 3.9 per cent of final consumption expenditure in 1999, compared with 3.1 per cent in 2008-09. More particularly, the gaming sector - which expanded very strongly during the 1990s - has subsequently experienced negative growth in real expenditure between 2003/04 and 2008/09 (see table below). The above considered, the Productivity Commission concludes that the evidence is generally consistent with a maturing market (within the existing regulatory constraints). To illustrate:

*Gaming industries, and particularly the EGM market, have now matured. And, while community concerns about gambling have remained, participation in gambling has decreased and expenditure growth has stagnated.<sup>1</sup>*

**Table 3-1: Real Expenditure Across All Forms of Gambling - Australia (\$million)**

	1988-89	1993-94	1998-99	2003-04	2008-09
EGMs in Hotels and Clubs	2,288	4,632	9,361	11,076	10,469
Casino Gaming	727	1,242	2,997	3,128	3,464
Lotteries, pools and keno	1,656	2,148	2,240	2,101	2,289
Wagering	2,454	2,335	2,349	2,526	2,821
Total	7,125	10,357	16,992	18,831	19,042

Source: Productivity Commission 2010

<sup>1</sup> PC (2010): 1.2



### 3.3 Problem Gambling

Some gamblers have trouble controlling the amount of time and/or money they spend gambling, which generates negative impacts for the player, their family and friends and the wider community. Problems typically arise when players spend more money or time playing than they or their households can afford. Behaviour of this type is referred to as problem gambling. To illustrate:

*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.<sup>2</sup>*

Problem gambling can be characterised as a continuum of increasing severity. At one end, recreational gamblers gain clear benefits from gambling and the social environment in which gambling is offered. At the other end, people experience (or cause) severe harms as a result of their gambling including:

- Relationship breakdown;
- Lowered productivity and job loss;
- Depression, anxiety and poor health;
- Suicide;
- Crime;
- Reduced spending on education; and
- Rental and mortgage stress and reduced spending on household budgets for areas such as food, health and transport.

Between these two extremes, there are people facing either heightened risks of future problems or varying levels of harm.

A number of screening techniques are used to identify problem gamblers within a population. However, the Canadian Problem Gambling Index (CPGI) is now recognised in Australia as the measure of choice for gambling prevalence investigation.<sup>3</sup> To complete the screen, individuals answer a short set of questions relating to their gambling behaviour and beliefs. Scores are allocated for answers indicative of problematic gambling behaviours, such as spending too much money, chasing winnings.

Drawing on the most recent surveys, which employ the Canadian Problem Gambling Index (CPGI), the Productivity Commission (PC) (2009) found the national prevalence rate for problem gambling (measured as a score of 8 or more on the CPGI Survey) is likely to range between 0.5 and 1 per cent of the adult population. The Commission used scores of 8 or more to indicate the prevalence of problem gamblers as 91.3 per cent of people scoring in this range experience significant problems. However, individuals that score less than 8 still face some risk of experiencing adverse consequences. For example, 39.8 per cent of those rated as being at moderate risk (CPGI score of 3-7), experience adverse consequences as a result of their gambling.

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<sup>2</sup> Neal, P., Delfabbro, P. and O'Neill, M. (2005), *Problem Gambling and Harm: Towards a National Definition*, Report prepared for the National Gambling Research Program Working Party, Melbourne (p. i).

<sup>3</sup> Delfabbro (2010): 55-56

The Table below shows the proportion of the population for different regions within Victoria that fall within each CPGI risk category and the proportion of people in each category that are likely to be experiencing problems as a result of gambling. The City of Maribyrnong is incorporated within the North West Metropolitan Region.

**Table 3-2: CPGI ratings and Probability that Harm<sup>4</sup> is Experienced**

	Non Gambler	No Risk	Low Risk	Moderate Risk	Problem Gambler	Experience Problems
Experience Problems	0%	2.5%	5.5%	39.8%	91.3%	
Eastern Metro	31.7%	61.9%	4.4%	1.8%	0.25%	2.7%
Barwon South West	20.4%	72.3%	5.1%	1.8%	0.37%	3.1%
Gippsland	21.6%	70.9%	5.2%	1.8%	0.45%	3.2%
Hume	18.5%	73.8%	5.4%	1.9%	0.38%	3.2%
Grampians	20.1%	70.8%	5.6%	3.4%	0.05%	3.5%
Southern Metro	28.0%	63.0%	5.6%	2.6%	0.78%	3.6%
Loddon Mallee	18.8%	72.0%	6.1%	2.3%	0.78%	3.8%
North West Metro	29.2%	60.2%	6.8%	2.7%	1.18%	4.0%
Victoria	26.9%	64.3%	5.7%	2.4%	0.70%	3.5%

Source: DoJ 2009; PC 2010; Roberts 2011

As the table above shows, problem gamblers are much more likely to experience problems than other members of the community. However, gambling can generate adverse impacts for people who are not classified as problem gamblers. As the Productivity Commission suggests, around 4 per cent of gamblers have continued to gamble after reaching a self-imposed limit or faced difficulties resisting gambling.

Problem gambling prevalence in the North West Metro Region (1.18%) is notably higher than the Victorian average (0.70%). When the entire risk profile of the North West Metro Region is taken into account, around 4% of the Region's population is likely to be experiencing gambling related harm, higher than Victorian average of 3.5%.

Prevalence data is not published for Local Government Areas (LGAs). However, data published for the North West Metro Region is available by groups of LGAs in particular spending bands. In the North West Metro Region, the high spend band LGAs (which include Maribyrnong) have a problem gambling prevalence rate of 1.2% slightly higher than the average for the region. The prevalence of moderate risk gamblers is also higher in the high spend LGAs (3.1%) compared with the North West Metro Areas as a whole.

While the proportion of the population who are problem gamblers is small, this does not mean that issues associated with problem gambling are unimportant. By way of

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<sup>4</sup> A person was rated as having a clear problem if they experienced any of the following as a result of gambling: always felt they had a problem; often or always experienced adverse health effects; always experienced financial difficulties; always felt guilty; always adversely affected job performance; self-rated their problems as 5 or more on a scale of 1 to 10; had self-excluded; tried to get help; or experienced suicide ideation. A person did not need to have all of these present, but must have had at least one to be rated as harmed. Most had more than one (PC 2010: 5.16)

comparison, annually, 0.16% of Victorians are admitted to hospital because of traffic accidents and 0.2% of Victorians use heroin (PC 2010: 5.31).

**Table 3-3: Problem Gambling Prevalence by Spending Band - North West Metro Area**

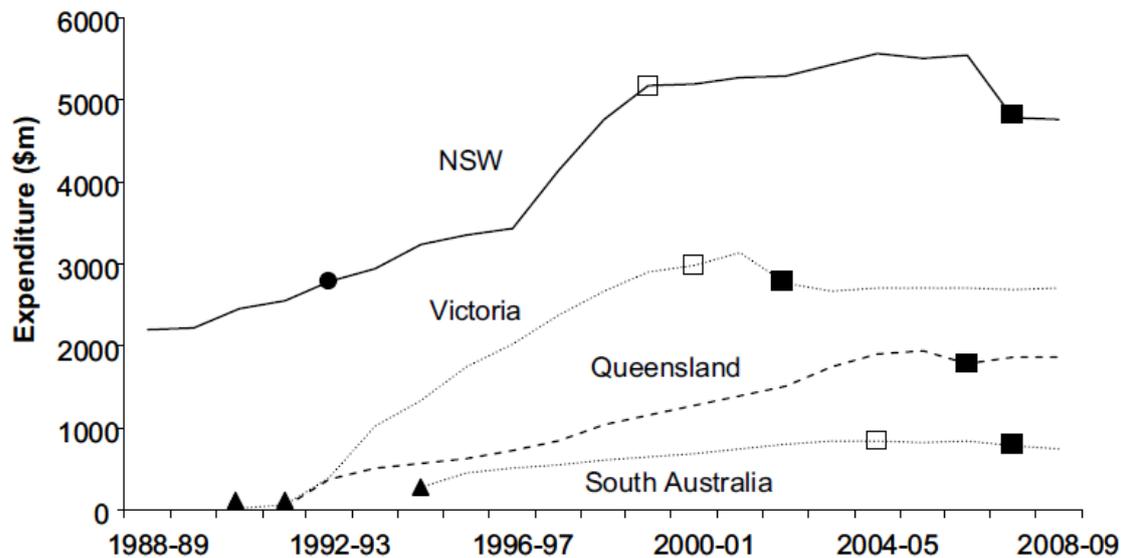
Local Government Areas categorized according to EGM spend bands	Non-Gambler	Non-Problem Gambler	Low-Risk Gambler	Moderate-Risk Gambler	Problem Gambler
High spend band: Brimbank; Darebin; Hobsons Bay; Hume; Maribyrnong; Melbourne; Moonee Valley; Whittlesea; Wyndham	28.5%	59.8%	7.4%	3.1%	1.2%
Medium spend band: Banyule; Melton; Moreland; Yarra	32.0%	59.7%	5.5%	1.7%	1.2%
Low spend band: <i>Nillumbik</i>	20.3%	73.3%	4.4%	1.3%	0.7%

Source: DoJ 2009, p.63

### 3.4 Gaming in Victoria

Electronic Gaming was legalised in the State of Victoria in 1991 and electronic gaming machines (EGMs) were introduced to clubs and hotels in Victoria in June 1992. Electronic gaming activity grew dramatically in the late 1990s and currently there are 26,778 EGMs spread across 511 hotels and clubs in the State. As a result, the accessibility of EGMs has increased from a very low level (interstate travel was required) to a level where many people live within two to three kilometres of a venue. In metropolitan Melbourne, for example, more than 90 per cent of people have a gaming venue within 2.5 kilometres of their home and most have multiple venues within this range.

Following liberalisation of gaming in the early 1990s, spending on EGMs in Victoria grew rapidly. The number of EGMS available in the State also grew rapidly peaking in around 2000. However, since 2001 real spending on EGM gaming has declined and stabilized. Similar patterns of growth followed by a levelling out of expenditure are evident in NSW, Queensland and South Australia.



**Figure 3-1: Real expenditure on 'pokies', Victoria, NSW, Queensland and South Australia**

(Source: Productivity Commission 2010: 2.20)

### 3.5 EGMs and Problem Gambling

Problem gambling is associated with all forms of gambling. However, the spending of problem gamblers constitutes a higher proportion of EGM gaming revenue than is the case with other gambling forms. To illustrate, data released by the Department of Justice (2009)<sup>5</sup> indicate that participation rates for gambling on EGMs are:

- Problem gamblers - 91.04%;
- Moderate risk gamblers 77.24%;
- Low risk gamblers 54.62%; and
- Non-problem gamblers 24.70%.

Moreover, problem gamblers and those at moderate risk of harm play EGMs more often, for substantially longer periods and spend more money on each visit. For example, Caraniche (2005) conducted a venue based survey of EGM players. The results show that problem gamblers surveyed play for longer periods, visit venues on more occasions and spent more money per session (see Table below).

<sup>5</sup> Study of Gambling in Victoria - Problem Gambling from a Public Health Perspective



**Table 3-4: EGM Player Profile by Problem Gambler Status (CPGI)**

CPGI Status	Venue visits per week	Session Length (mean in mins)	Expenditure per Session	Weekly Expenditure	Number of ATM Visits per Session
Problem Gamblers	4.34	175.1	\$103.41	\$449	1.86
Moderate-Risk Gamblers	3.35	146.9	\$76.32	\$256	1.30
Low-Risk Gamblers	2.13	108.4	\$56.52	\$120	0.45
Non-Problem Gamblers	1.98	103.6	\$35.85	\$71	0.33

Source: Caraniche 2005, p.83

On the basis of the work Caraniche (2005) and other similar studies, the Productivity Commission estimates that problem gamblers in Victoria spend between \$15,000 and \$20,000 on gaming per annum and are responsible for more than 50% of all revenue. Furthermore, it is estimated that over 60% of all revenue comes from problem gamblers and moderate risk gamblers combined (see Table below).

**Table 3-5: EGM Spending and Expenditure Shares, Victoria**

	EGM Player Numbers	Mean Annual Spend		Share of Annual Spend	
		Untrimmed	5% Winsor	Untrimmed	5% Winsor
Recreational	1,133,284	\$395	\$253	29%	27%
Low Risk	57,329	\$2,968	\$2,096	11%	11%
Moderate Risk	29,043	\$3,897	\$3,284	7%	9%
Problem Gambler	35,467	\$22,175	\$15,702	52%	53%
Total	1,255,123	\$1,209	\$843	100%	100%

Source Productivity Commission 2010

While problem gamblers comprise a relatively small proportion of the population, because problems gamblers spend considerably more time playing EGMs than non-problem gamblers, they constitute a much higher proportion of people in gaming venues at any particular time. On the basis of a number of in-venue surveys, the Productivity Commission concludes that problem gambling rates among regular EGM players lie between 7 and 31 per cent (an average of over 15 per cent). If moderate risk gamblers are included, the range is between 20 and 45 per cent (an average of 30 per cent). Given the current Australian adult population, this implies around 600,000 regular EGM players, with around 95,000 problem gamblers among this group, and a further 95,000 people at moderate risk.

The high EGM participation and spending levels of problems gamblers do not *necessarily* mean that EGMs cause problem gambling. However, drawing on strands of evidence from many sources the Productivity Commission suggests that EGMs *are* the likely source of most gambling problems in Australia. Some of the evidence quoted includes:

- Across Australia, around 80 per cent of presentations to problem gambling counselling agencies relate to problems on EGMs;
- Problem gambling rates are lower in Western Australia (which only has EGMs in the Burswood Casino) than other jurisdictions and there are lower problems among women in particular;
- Around 85 per cent of problem gamblers identified in the 2003 Victorian prevalence survey (using the CPGI 8+ criterion) spent most of their money on EGMs - consistent with this being the most problematic gambling form for them. The corresponding figure in the 2008 Victorian prevalence survey was 64 per cent for problem gamblers overall, and 80 per cent for severe problem gamblers (those with a CPGI of 12 or more). Moreover, the more problems people experienced the more likely were they to specify EGMs as the gambling form on which they spent most; and
- The odds of having problems when people play EGMs are significantly higher than racing or casino table games, after controlling for the fact that people often gamble on multiple gambling forms (see table below).

**Table 3-6: Risk of having a CPGI 8+ rating (indicating problem gambling) from playing this gambling form alone compared to playing lotteries only**

	Risk Ratio
EGMs	13.5
Casino Table Games	1.8
Racing	0.6
Lotteries	1.0

Source: Productivity Commission 2010

### 3.5.1 Declining Problems?

Problem gambling prevalence rates are declining. Falling prevalence rates may reflect several factors:

- Natural adaptation after the sudden exposure of all adults to riskier (and for many, novel) forms of gambling in the 1990s. Subsequently, many people who developed problems with gambling resolved their issues;
- Significant effort has been devoted to addressing some of the harms associated with problem gambling;
- However, the Productivity Commission suggests that, above all, falling adult prevalence results are consistent with the fact that exposure to the most risky form of gambling, EGMs, has been declining. A smaller proportion of people are playing regularly. Indeed, the coincidence of falling adult prevalence rates and reduced exposure to EGMs provides additional supporting evidence of the causal links between EGM playing and harm.

However, among those exposed, the story is different. There is no evidence that the share of EGM spending accounted for by problem gamblers has fallen. In the most reliable series of surveys, there has not been any significant decline in problem gambling rates among those most exposed to risks (weekly players of EGMs). The evidence is consistent with the view that regular EGM playing continues to pose serious risks of harm.

## 3.6 Who are Problem Gamblers?

### 3.6.1 Demographic Profile

In its 1999 report the Productivity Commission concluded that there are few clear socio-demographic factors that pre-dispose people to a higher likelihood of problem gambling. To illustrate, the Productivity Commission found that while average personal income appears to be somewhat lower among problem gamblers the difference is slight. Similarly, Jackson *et al.* (1999) found that problem gamblers have a similar level of income to other adults.<sup>6</sup> However, it was found that people who are separated or divorced, unemployed, or living in single-person households are more highly represented amongst problem gamblers.

The findings of the Productivity Commission are largely supported by the Victorian Government's September 2009 study, *A Study of Gambling in Victoria - Problem Gambling from a Public Health Perspective*. This study provides demographic data which assist in characterising the problem gambler population in Victoria.

As Table 3.7 shows, people who live in low income households are under-represented in the population of problem gamblers in Victoria, while those with moderate incomes are over-represented. The data also show that people working in certain occupations, such as sales and machinery operation and labouring are over-represented in the problem gambler population. However, generally speaking the research established few clear relationships between demographic characteristics and problem gambling.

The above considered, standard demographic variables (perhaps with the exception of income) appear to be of limited usefulness in terms of identifying populations predisposed to high problem gambling prevalence rates.

Nevertheless, some groups of consumers, such as people with intellectual or mental health disabilities, are particularly vulnerable to problems when gambling. For example, people with depression and bipolar disorder have a much higher likelihood of developing gambling problems. Overall, around 35 per cent of problem gamblers have a severe mental disability compared with around 2 per cent of non-problem gamblers.<sup>7</sup>

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<sup>6</sup> Jackson, A., Thomas, S., Thomason, N., Borrell, J., Crisp, B., Ho, W., Holt, T., and Smith, S. 1999b, Analysis of Clients Presenting to Problem Gambling Counselling Services July 1997 to June 1998, Client and service analysis report no. 4, prepared for and published by the Victorian Department of Human Services (p.g. 19-20)

<sup>7</sup> Jackson 2008, Risk And Protective Factors In Problem Gambling, Paper Presented At 7th European Conference On Gambling Studies and Policy Issues, Nova Gorica, Slovenia, July 1-4.



**Table 3-7: Demographic Profile of Problem Gamblers**

		Problem Gamblers (%)	All Persons (%)	Significant differences
Gender	Males	65.6	48.9	Significantly higher
	Females	34.3	51.1	Significantly lower
Personal Income	\$0-\$31,199	44.5	60.7	Significantly lower
	\$31,200-\$51,999	33.7	20.6	Significantly higher
	\$52,000-\$83,199	18.4	12.6	Not significant
	\$83,200 or higher	3.6	6.2	Not significant
Household Income	0-\$33,799	11.68	33.39	Significantly lower
	\$33,800-\$62,399	34.65	27.44	Not significant
	\$62,400-\$103,999	35.24	21.39	Significantly higher
	\$104,000 or higher	18.43	17.78	Not significant
Occupation	Manager	14.55	14.41	Not significant
	Professional	12.36	32.20	Significantly lower
	Technicians/Trade Workers	2.79	16.95	Significantly lower
	Community/Personal Services	5.17	8.49	Not significant
	Clerical/Administrative Worker	1.01	12.31	Significantly lower
	Sales Worker	30.95	6.13	Significantly higher
	Machinery Operator/Driver	14.88	4.00	Significantly higher
	Labourers	18.31	5.42	Significantly higher
People of Aboriginal, Torres Strait Islander or South-Sea Islander background		3.76	0.77	Significantly higher

Source: DoJ 2009

### 3.6.2 Life Events

In addition to work investigating the demographic characteristics of problems gamblers, DoJ has conducted work that demonstrates that those with a gambling problem are much more likely to have recently experienced one or more traumatic life events (see Table 3.8).



**Table 3-8: Experience of Life Events by Problem Gambler Status**

Life Event	Non Problem Gamblers	Low Risk Gambler	Moderate Risk Gambler	Problem Gambler
Major change to your financial situation	15.4%	19.8%	29.2%	45.9%
Major injury or illness to yourself or someone close to you	20.8%	24.0%	24.7%	45.3%
Troubles with your work, boss or superiors	8.3%	10.9%	15.9%	20.3%
Death of someone close to you	25.6%	29.6%	35.5%	32.2%
Divorce	2.2%	2.8%	5.1%	9.4%

Source: DoJ 2009

Consistent with the DoJ findings, research work conducted by Thomas *et. al.* has explored the motivational drivers of EGM players and problem gamblers in particular. The most common drivers identified were a desire to escape loneliness, isolation, feeling overwhelmed by stress, and negative feelings surrounding life changes/transitions (i.e. job loss, end of study, children leaving home, retirement). The researchers also conclude that attempts to encourage players to use alternative recreational outlets must respond to these motivational drivers.

### 3.7 Pathways to Problem Gambling

The study of gambling and problem gambling is complex and contested and there is increasing support by psychologists in Australia and around the world that there are different ways that people develop problems with gambling.<sup>8</sup> Blaszczynski's 'Pathways Model' (2002) is a widely acknowledged descriptor of the routes to problem gambling. He suggests three main pathways through which individuals become problem gamblers:

- **Pathway 1: Biologically Conditioned Problem Gamblers** - These problem gamblers have no pre-existing mental conditions that drive their gambling; they are, for want of a better word, 'normal'. Their gambling alters between regular and excessive levels and is driven by conditioning (positive reinforcement), distorted perceptions surrounding the probability of winning and poor decision making, not by impaired control. Alcohol abuse, depression and anxiety can result from the financial ramifications of their excessive gambling. But these are only symptoms of their gambling, not causes of it. Situated at the lower end of the pathological scale, Pathway 1 gamblers can demonstrate the desire to enter treatment, follow guidance and re-establish healthier gambling patterns;
- **Pathway 2: Emotionally Vulnerable Problem Gamblers** - Pathway 2 gamblers are driven by all the same factors as pathway 1 gamblers. However, in addition to this, they also present a history of depression and/or anxiety, poor coping and problem-solving skills and negative personal and family background experiences prior to commencing gambling. These additional variables produce a problem gambler who is motivated by a desire to control their mental states or psychological needs or by a desire for emotional escape or arousal. This group exhibits high levels of depression, anxiety and alcohol dependence. Because of their pre-existing poor coping skills and negative past experiences, Pathway 2 gamblers are considered too fragile to be able

<sup>8</sup> APA (2010)



maintain control of their gambling, and as such, should not attempt low-level gambling after a period of treatment; and

- **Pathway 3: 'Antisocial Impulsivist' Problem Gamblers** - Pathway 3 problem gamblers are highly disturbed individuals who exhibit signs of neurological dysfunction. They possess psychological and biological vulnerabilities like pathway 2 problem gamblers, but in addition, also exhibit impulsivity, antisocial personality disorders and attention deficit disorders. A background of impulsivity and a low tolerance for boredom means that these gamblers also tend to engage in other destructive behaviours, such as substance abuse, criminal activity, anti-social behaviour and an inclination to suicide. Pathway 3 gamblers are less motivated to seek treatment, have poor compliance rates when they do and respond poorly to any type of intervention.

Data, which indicate the relative importance of the three pathways in Victoria, is not readily available. In any case, given that both pathway 1 and 2 gamblers have been shown to be able to be re-habilitated, policies and programs, which respond to the factors that drive their gambling, are likely to be successful. The pathways model of problem gambling has a number of important implications for prevention and harm minimisation:

- Because of the large number of risk factors as well as the biological basis of some of them, the risk of problem gambling in a population may be reduced but is unlikely to be eliminated;
- Because many risk factors also apply to other addictions and psychopathology, generic prevention initiatives targeting a wide range of problems (especially in youth) are likely both an efficient and essential component of problem gambling prevention; and
- Because a multitude of both internal and external factors contribute to problem gambling, effective prevention will almost certainly require a sustained, multifaceted, and coordinated approach provided to a wide range of age groups.<sup>9</sup>

### 3.8 Vulnerable Communities

The disadvantage experienced by certain communities may magnify the harm they experience due to problem gambling. For example, for those with limited financial means, impacts may be compounded or experienced sooner. This is because people with a lower socio-economic status tend to have fewer of life's 'safety nets' – such as insurance, a good credit record, friends and family with the means to lend financial support, employability through educational qualifications and a sound employment history.

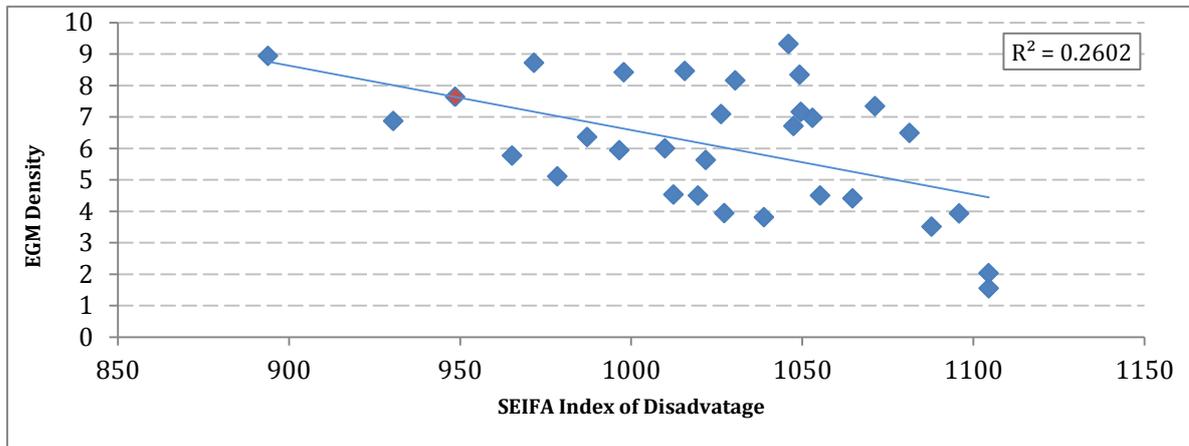
In the Victorian Government's strategy *Taking Action on Problem Gambling* vulnerable communities are identified as those with the following attributes:

- Low levels of workforce participation and income;
- Lower educational and literacy levels; and
- Public health risks associated with a higher incidence of smoking and alcohol abuse.

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<sup>9</sup> Williams et al (2007) page 5

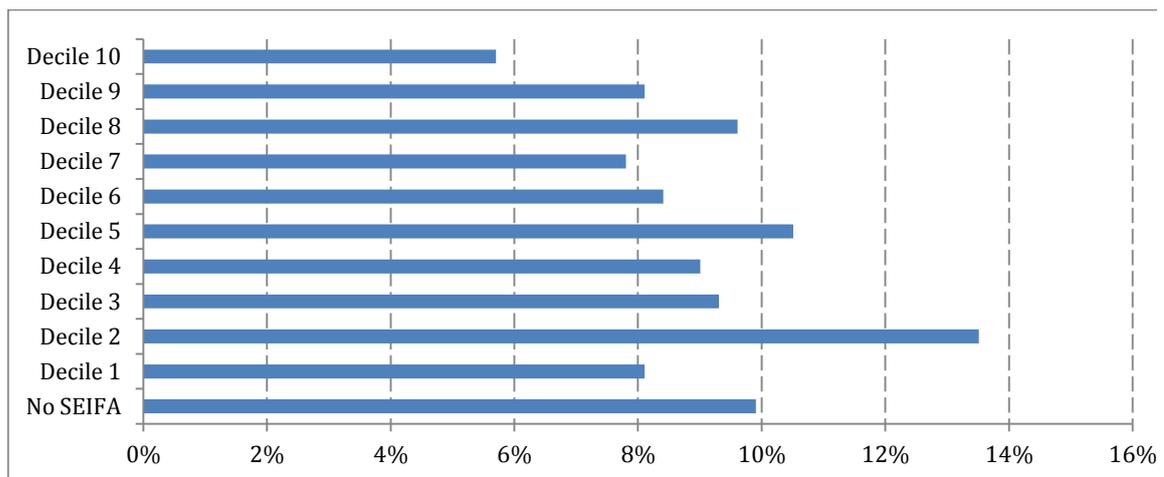
A common concern expressed in the context of gaming strategies relates to a link between the location of gaming venues and disadvantaged communities. As the Figure below indicates there is an association between LGA level SEIFA scores and EGM densities in Metropolitan Melbourne.



**Figure 3-2: Relationship Between SEIFA Index and EGM Density for Melbourne LGAs (red point represents City of Maribyrnong) (Source: ABS 2006; VCGLR 2011)**

The figure shows the distribution of municipalities throughout the metropolitan area relative to their SEIFA index and the density of EGMs found in each. The more advantaged municipalities have less venues and a lower density of machines while Maribyrnong (the red symbol) is among the more disadvantaged municipalities and exhibits among the greatest density of machines.

However, when the location of venues is analysed at a finer grain (Census Collection District (CCD) level), the relationship between venue location and SEIFA is more complex. As can be seen, approximately 8% of gaming venues are located in CCDs, which rank in lowest 10% of Victorian CCDs. A greater number of venues are located in CCDs ranked in all higher deciles.



**Figure 3-3: Proportion of Melbourne Gaming Venues Located in CCDs in each SEIFA Decile**

Consistent with the above, McMillen and Doran (2006) used GIS to compare the spatial distribution of social disadvantage in three Victorian local government areas (Maribyrnong, Central Melbourne and Greater Geelong) with the spatial distribution of venues and patterns of concentrated EGM expenditure between 2001 and 2005. Their analysis showed no direct or uniform relationship between EGM expenditure patterns, SEIFA and the density of EGMs.

Similarly, Stubbs and Storer (2003) using data for over 170 local government areas in New South Wales for the years 1996-97 and 2001-02, found that areas with lower social and economic advantage (as measured by SEIFA - socio-economic indexes for areas) were weakly correlated with a higher level of EGM density, but not with EGM spending per adult (pp. 13, 19).

### 3.9 The Net Benefits of Gaming

#### 3.9.1 Benefits

The benefits associated with EGM gaming are substantial and largely the product of:

- Demand-side benefits through entertainment for consumers;
- Social benefits from the contributions made to community organisations and local infrastructure; and
- Supply-side economic benefits, such as employment creation.

Each type source of benefit is discussed briefly below.

### ***Entertainment***

Gaming is a legal form of entertainment that can be exciting, self automated and conducted within a social environment. Many people enjoy playing EGMs and other activities, which take place in gaming venues. To illustrate, Victorians spent over \$2.5 billion on gaming in 2010/11, the most simple indicator of the collectively high value they place on it. Moreover, a survey of regular Victorian gamblers found that 70% were motivated to gamble because it was a hobby or favourite recreational activity; and 60 per cent were motivated by the thrill of winning (Centre for Gambling Research 2004a).

The value that recreational gamblers place on gambling (indicated by expenditure) takes account of the fact they could spend their money elsewhere. The implication is that Victorians who do not experience problems with their gambling would lose a source of entertainment worth billions of dollars to them collectively were they no longer able to play.

### ***Social Benefits***

In Victoria, under the *Gambling Regulations Act 2003*, net gaming revenues from hotels with EGMs are subject to an additional tax of 8.3 per cent. The additional tax payable by hotels does not apply to club venues provided clubs make a community benefit contribution of at least 8.3 per cent of their net gaming revenues. Gaming taxes provide significant revenue to the Victorian government and like all taxes levied on consumption, these taxes represent a transfer from consumers to the community at large. The additional tax paid by hotels is directed to the Community Support Fund (CSF) whereas clubs must produce a Community Benefit Statement outlining how they have made their community benefit contribution.

***Table 3-9: Distribution of EGM Revenue at Venues in Victoria, 2010-2011***

Beneficiary	Club revenues	Hotel venues
Venue Owner/ Operator	66.66%	58.33%
Community Support Fund	Nil	8.33%
State's Consolidated Revenue Fund	24.24%	24.24%
GST	9.09%	9.09%
Total	100%	100%

*Source: Adapted from VCGLR 2011, pp.155-156*

A number of commentators have expressed dissatisfaction with the current system, in particular the nature of the community benefits claimed by clubs on their community benefit statements. This dissatisfaction arises due to the fact that much of what is claimed as a community benefit by clubs is beneficial for club members only.

In the view of the Local Government Working Group on Gambling (LGWOG):

*Clubs with gaming machines already enjoy a significant economic advantage over non-gaming clubs. Excluding the 8.3% of net gaming revenue that is to be declared through the CBS, clubs with gaming provisions retain a very sizeable 25% of gaming revenue, which can be used for club purposes and activities.*

*While the LGWGOG recognises the important community value of local clubs, we contend that having such direct access to gaming revenue already places clubs with gaming at a significant advantage over their non-gaming counterparts. We therefore maintain that all activities and purposes that benefit the club and its members, but which cannot be clearly shown to extend to the wider community, should be explicitly excluded from the CBS. The CBS must be reserved for activities and purposes that directly benefit the local community beyond the club and its members*

Similarly, the Productivity Commission questions whether clubs can be expected to expend monies to produce equivalent community benefit to that achieved by government. In their words, governments are by no means perfect decision makers. However, they have a wide portfolio of spending options well beyond sports, recreation and subsidies to club members, and their decisions are publicly accountable through the political and budgetary process and a wider range of requirements for probity and disclosure.

The above considered, gaming profits are frequently used to invest in club premises and such investments may be highly valued by members. Clubs provide members and their guests with a range of amenities such as restaurants, bars, entertainment and sporting facilities including fitness centres, swimming pools, golf courses, bowling greens. While club members and their guests are usually charged for sporting facilities and other recreational services, they are typically charged at less than commercial rates, with the difference being made up from income earned elsewhere in the club (notably gaming revenue).

EGM venues and the facilities they contain provide a range of indirect or intangible benefits to local communities, including improved quality of life for the elderly, secure environments for community members to socialise, and greater social cohesion. In summarising an extensive literature, Moore et al. (2008) and Thomas (2009) found EGM venues were attractive because they provide amenities to people that might otherwise not have been available in their local environments. They are accessible, open for long hours, offer a pleasant and safe social environment, are appropriate for people on their own and provide a retreat from stresses and problems - an 'oasis'.

It should also be noted that considerable improvements to public infrastructure and services are made possible by the high taxation rates levied on the gaming industry, with the state's Consolidated Revenue Fund<sup>10</sup> and Community Support Fund<sup>11</sup> both being recipients of this money, in addition to the taxation revenue brought in.

However, it is not necessarily the case that the benefits generated by EGM venues could not be achieved in other ways. The case of sports participation provides a good example. To illustrate, the proportion of children aged 5 to 14 years who participated in organised sport outside of school hours in 2009 was higher in Western Australia (no community gaming) than New South Wales (which has the highest spending on EGM per capita and where clubs are pre-eminent). Participation in organised sport or physical activity by people aged 15 and over was also higher in Western Australia (43.1 per cent) than in New South Wales (40 per cent), Victoria (42.1 per cent) in 2008.

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<sup>10</sup> One hundred per cent of money directed into the State's Consolidated Fund from gaming sources is directed to the Hospitals and Charities Fund and the Mental Health Fund in proportions determined by the Treasurer. The State's Consolidated Revenue Fund receives income from various taxations and receipts.

<sup>11</sup> The Community Support Fund was established in 1991 in order to direct a portion of gaming revenue back to the community. Money from the fund goes towards programs to tackle problem gambling, drug education, rehabilitation and treatment, financial counselling and support for families in crisis, youth programs and community advancement.

In the City of Maribyrnong the contributions to the Community Support Fund in the two years 2008 to 2010 was \$2,246,209 against losses of approximately \$115,000,000 (approximately 1.95%) on machines in the municipality, illustrating the major disparity between money expended on EGMs locally and returning back into the community.

### ***Employment***

Many people are employed in the gambling industry including those associated with hospitality, security, supervision and management. Many are employable and would be in demand in other parts of the service sector were the gambling industry to contract. In that sense, the gambling industries do not create *net* employment benefits. To illustrate, modelling undertaken by the CIE on behalf of the gaming industry showed no long-run effect on national employment from even full prohibition of the gambling industries (Centre for International Economics 2009). A similar study undertaken by PricewaterhouseCoopers (2009, pp. 58ff) on behalf of the Australian Hotels Association found similar results.

In addition, the South Australian Centre for Economic Studies believes that the employment benefits of the gambling industry have been overemphasized. It cautions that employment in Victorian venues that provide EGMs (hotels, taverns, bars and clubs) has failed to grow proportionally with the increase in EGM expenditure leading up to September 2002. Moreover, the job intensity associated with gambling expenditure is relatively low, with 3.2 jobs per \$1 million of gambling income. In contrast, the liquor/beverage industry and the food/meals industry are respectively 8.3 and 20.2 jobs per \$1 million of income. On this basis, SACES suggest that the gambling sector may draw expenditure (and hence employment) away from the café and restaurant sector. To illustrate further, Western Australia has an average of 15.9 employees per café/restaurant contrasted to Victoria's 12.7 (SACES 2005: 62).

### **3.9.2 Costs**

The large losses of problem gamblers (the precipitating factor for many of the problems they face) and the associated social costs of their problems - significantly reduce the net benefits of gambling. The adverse consequences which can result from problem gambling include:

- Relationship breakdown;
- Lowered productivity and job loss; and
- Depression, anxiety and poor health — although some may be unwell before their gambling problems develop, gambling can exacerbate pre-existing conditions.

Expressed in odds ratios<sup>12</sup>, compared to non-problem gamblers, problem gamblers are more likely to have depression (OR = 11.78), have an anxiety disorder (OR = 10.82), smoke over 40 cigarettes a day (OR = 10.64), be obese (OR = 3.21), have another miscellaneous physical or mental health condition (OR = 2.55) and have a lung condition such as asthma (OR = 2.40) (DoJ 2009: 18 & 185). There is a general strong linear relationship between problem gambling and increasing likelihood of smoking and psychological distress (DoJ 2009: 17-18). 47% of problem gamblers smoke, compared to 21.30% of Victorian adults who had participated at least once in gambling annually.

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<sup>12</sup> Odds Ratio (OR) is a measure of the probability of a certain event occurring in two different groups of people. An OR of 1 implies that the event is equally likely in both groups, while an OR of 2 indicates that that **one** group has twice the odds of an event occurring within it as opposed to in the other group.



Problem gamblers and moderate-risk gamblers also tend to drink more alcoholic beverages on average every week than non-problem gamblers; problem gamblers drink 10.97 alcoholic drinks a week, moderate risk gamblers, 11.06, and non-problem gamblers, 6.88 (DoJ 2009: 18).

- **Suicides** - Over a period of one year, 27.06% of problem gamblers and 6.70% of moderate risk gamblers consider committing suicide (DoJ 2009). In 2010, 17% of suicidal patients admitted to the Alfred Hospital in Prahran were problem gamblers (see footnote 13).
- **Crime** - A study by PricewaterhouseCoopers and the Australian Institute of Criminology (2003) found that gambling was one of the major motivators in serious fraud prosecutions in Australia and New Zealand between 1998 and 1999.<sup>13</sup> Of the 143 convictions evaluated in the study, the most common answer for the accuser's primary motivation was found to be greed (40%), followed by gambling (23%). Those who were convicted of fraud cited luxurious goods and services (56%) followed by gambling (36%) as the manner in which the proceeds of their crime were disposed (PwC 2003: 33, 44, 46). The Productivity Commission believes that crime rates associated with gambling are likely to be higher than the reported levels because many crimes remain deliberately unreported. A substantial factor in this is the frequency with which the victims of the crime are family members of the gambler. Crimes typically associated with funding gambling habits include fraud, theft, robbery and assault. Research undertaken by the Productivity Commission (1999) found that about one in ten problem gamblers have committed a crime to finance their gambling.

In addition to these costs, it should also be noted that EGM machines and problem gambling can cause considerable community consternation due to their link with problem gambling and its associated impacts. Moreover, community concerns can be considered a negative impact of gaming in their own right.

To illustrate, evidence of strong community opposition was used to successfully oppose an application for a license to operate EGMs in the Romsey Hotel in regional Victoria. Considerable community opposition to the proposed addition of 50 (subsequently 30) EGMs to the Romsey Hotel was ultimately the deciding factor in the refusal of the application for a gaming license. The Victorian Civil and Administrative Tribunal (VCAT) decided that the 'strongly negative social impact' associated with a decision that was out of step with the expectations of a substantial proportion of local residents, outweighed the 'slightly positive' economic impacts from the addition of the EGMs to Romsey (PC 2010: 14.19).

### 3.9.3 Net Benefits

Adverse consequences such as those listed above, result from EGM play more commonly than other forms of gambling and produce very high social costs for society. At the time of the 1999 study the Commission reported that EGM gaming performs comparatively poorly in terms of delivering a net benefit to society. Costs associated with problem gambling were estimated to be between \$3.7 and \$4.6 billion compared with estimated benefits worth \$3.5 to \$6.4 billion (indicating a potential net impact at the national level).

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<sup>13</sup> The seriousness of the fraud was defined on the basis of financial loss (generally over \$100,000 per case), the sophistication in the planning and/or execution of the offence, the organisation of the offenders, or whether offences were committed by professionals.



The Commission re-valued the net-benefits of EGM gaming for 2008/09 and report an improvement in the net benefit that gaming delivers at the national level (see Table below). However, EGM gaming still performs relatively poorly when compared with other gambling forms.

**Table 3-10: Net Impacts of Gambling in Australia, 1997 to 1998 and 2008 to 2009, in \$ million**

Sector	1997 to 1998	2008 to 2009
All gambling		
Tax and recreational benefits	7,057 to 8,772	12,146 to 15,770
Problem gambling cost	4,492 to 8,282	4,665 to 8,427
Net social benefits	-1,221 to 4,276	3,724 to 11,101
EGM gambling		
Tax and recreational benefits	3,773 to 4,652	7,073 to 9,186
EGM problem gambling cost	3,521 to 6,405	3,624 to 6,308
Net social benefits	-2,629 to 1,128	768 to 5,558

Source: PC 2010, p.6.39

Estimating the benefits and costs of EGM gaming is clearly a difficult exercise (as illustrated by the large ranges reported by the Productivity Commission). Nevertheless, what is clear is that EGM gaming delivers significant benefits and imposes significant costs on communities. Indeed, 75% of Victorians still believe EGMs do more harm than good to their communities (SACES 2005: xvi), most likely indicating the visibility of gambling harms, as opposed to an accurate estimate of net benefits.

In any case, clearly the net benefits of gaming could be much larger if governments reduced the social costs, which result from gaming through effective prevention and harm minimisation policies.



## 4 Harm Minimisation

### 4.1 Introduction

A number of strategies are available which can potentially reduce negative impacts associated with gaming. These include:

- **Upstream interventions** – initiatives that seek to reduce the vulnerability of individuals within the community to problem gaming. Interventions include education and awareness campaigns;
- **Game features and machine design** - changes to the nature of EGMs themselves (game design, bet limits, cash insertion limits, etc.) so that they have less potential to generate harm. Changes of this sort (such as reducing maximum bet limit) have been identified by the Productivity Commission as the most promising of all harm minimisation options;
- **Pre Commitment and Self Exclusion** – players make decisions to limit spending before beginning play and are supported to maintain pre-determined spending limits;
- **Demand Reduction** – alternative recreational options are provided which respond to the same underlying motivations which attract players to EGMs; and
- **Down Stream Interventions** – formal assistance provided to people who have a gambling problem, such as counselling.

In the main, these measures cannot be implemented through a planning policy. However, a planning policy does offer the opportunity to influence the location and accessibility of EGMs relative to vulnerable communities and locations where potential harm might be minimised. Accordingly, the following discussion outlines the various aspects of accessibility and the potential of limiting accessibility as a strategy to mitigate problem gambling.

### 4.2 Accessibility

Something that is accessible is capable of being reached/understood/used. Three factors influencing accessibility of EGMs that can potentially be influenced by a planning policy are:

- **Geographical Accessibility** - How far does a player have to travel to reach an EGM ? Is the trip easy or hard to make?
- **Time Based Accessibility** - At what times can a player use EGMs. Do these align with the players preferred time of play?
- **Social Accessibility** – Does the venue(s) provide an environment in which the potential player will feel comfortable, safe and welcome?

Each of the aspects of accessibility listed above is discussed further below.

### 4.2.1 Geographical Accessibility

#### *EGM Density*

The number of EGMs per 1,000 adults (EGM Density) is used in Victoria as a key indicator of geographic accessibility. For the purpose of regulating the distribution of EGMs throughout the state, EGM density is capped at a maximum of 10 EGMs per 1,000 adults at the municipal level.

At the state level, there is a clear relationship between EGM density, spending and problem gambling. For example, in WA there are many fewer EGMs per 1,000 people than in Victoria and problem gambling rates are substantially lower in WA. This observation is consistent with the notion that higher exposure to gaming increases the chance that individuals will participate in EGM gaming and in turn develop a gambling problem.

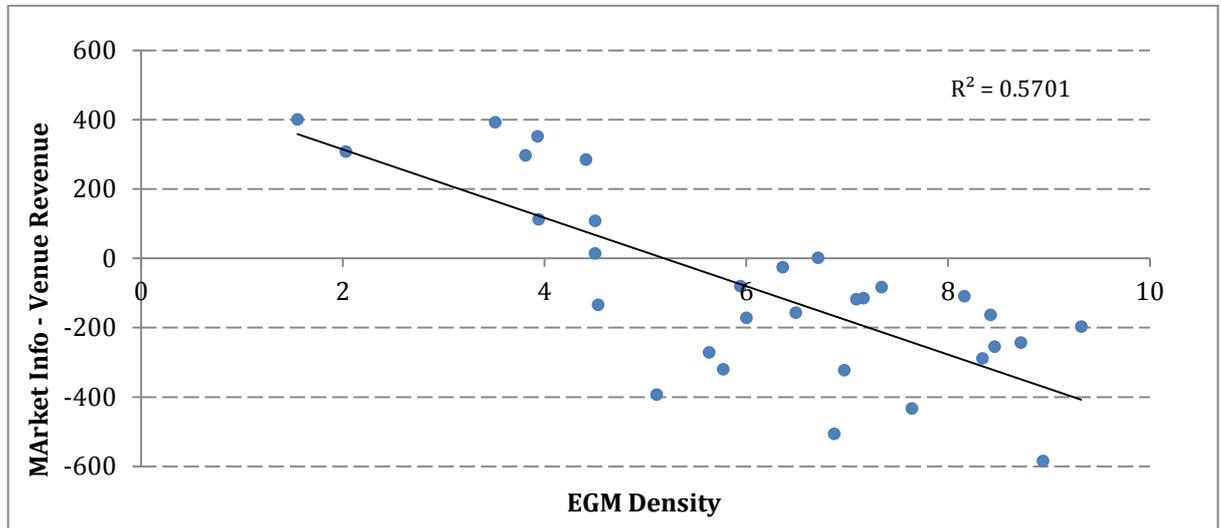
Similarly, in Victoria density of EGMs at the municipal level is closely correlated with average loss per adult, suggestive of a link between EGM density and problem gambling at the municipal scale. However, it should be noted that analysis at this scale is particularly susceptible to change or variables in the model. That is, the link between density and spending may (at least partly) reflect the fact that clubs and hotels are more likely to invest in EGMs in local government areas where there is higher demand. There is evidence that a number of socio-economic indicators are associated with higher participation in gaming and it is known that municipal populations have different mixes of these socio-economic characteristics which would lead to greater gambling rates in some areas. Indeed, as Livingstone notes, EGM gaming has been successfully integrated with the lifestyle preferences of certain social groups and in particular working and middle class households:

*The EGM system has been integrated into the preferred lifestyle venues of working and middle class Australians in metropolitan and suburban areas, and in regional and rural towns. The segments of the Australian population whose cultural tastes do not include frequent or regular times spent in hotel or club venues are much less likely to gamble on EGMs (Livingstone 2006).*

Even so, EGM spending recorded in each Victorian LGA varies more than might be expected due to differences in demographic profile. Moreover, it appears that EGM density is an important factor determining spending levels.

This is illustrated well through comparison of spending predictions, which rely only on demographic markers and actual spending levels. For example, the MarketInfo data set is an estimate of consumer spending potential for CCDs generated using results of the ABS household expenditure survey (a survey in which respondents are asked to disclose how much they spend on various goods including gaming). The MarketInfo data set is produced by analysing the relationship between spending behaviour reported in the survey and a large number of demographic variables. That is, the survey is used to produce a predictive model of consumer spending for CCDs populations based on their demographic composition. Importantly, the model does not take into account differences in the geographic availability of particular goods. Rather, it assumes that all CCDs have access to an average supply of each good. In the case of most goods, this assumption does not compromise the predictive power of the model.

The figure below is a plot of the predicted level of gaming expenditure (MarketInfo) minus the actual level of spending (venue revenue data), verses existing EGM density for metropolitan LGAs. As can be seen: when density is low MarketInfo overestimates spending; when density is about average MarketInfo accurately predicts spending; and when density is high MarketInfo under predicts spending.



**Figure 4-1: Plot of Market Info Spending Prediction minus Actual Revenue v EGM Density for Metropolitan LGAs (Source: MarketInfo 2011; VCGLR 2011).**

A plausible explanation for the discrepancies between MarketInfo data and actual EGM spending is as follows:

- Higher density is associated with greater exposure and in turn greater levels of problem gambling;
- The spending of problems gamblers comprises a large proportion (around 50%) of all spending on EGMs;
- Problem gamblers do not accurately report their spending when surveyed;
- The MarketInfo data set predicts spending based on the behaviour of non-problem gamblers (leading to an underestimate of spending at the state level);
- The MarketInfo data set is re-calibrated with reference to actual spending levels (reported venue revenues) and the underspend is distributed across the CCDs pro rata based on the reported gambling expenditures; and
- Areas with higher EGM density have more problem gamblers than average leading to an underestimate of spending; areas with lower densities have fewer problem gamblers than average leading to an overestimate of spending.

Although it appears that higher EGM densities are associated with elevated rates of problem gambling in Metropolitan Melbourne, the key question for policy makers is how density and problem gambling are related at varying densities and through time. That is, given current density and the period over which the current population has been exposed, how might changes to existing densities influence problem gambling?



In this context, longitudinal data for particular LGAs provides some insight. Particularly useful are cases where longitudinal data are available and an exogenous (from outside the system) change in EGM numbers resulting from a policy decision has occurred.

Conveniently, policy decisions made in Victoria and South Australia allow for this type of analysis. For example, the South Australian Centre for Economic Studies (SACES) (2005)<sup>[1]</sup> has assessed the impact of EGM caps in particular regions in Victoria. At the time of the study, caps applied to five regions and led to the removal of over 400 EGMs from these regions. Interestingly, SACES found no evidence that the regional caps had any influence on problem gamblers or problem gambling. Specific results included:

- There was no support for the proposition that the imposition of the caps caused a reduction in expenditure in the five capped regions;
- Interviews with counsellors indicated that there had been no change in the number of problem gamblers attending counselling, on problem gambler counselling rates or other forms of help-seeking behaviour; and
- Industry representatives indicated that the regional caps policy had no effect on regular or committed gamblers. One reason for this was that previously idle machines were able to be utilised by gamblers (that is, utilisation rates increased).

SACES suggest that the imposed reductions in machine numbers were insufficient to create a material reduction in accessibility for players and produce downward pressure on the rate of gambling or problem gambling.

Similar observations have been made in South Australia following removal of 2,168 machines from venues (approximately 14.5 per cent of the total available prior to the removal). The results of an evaluation conducted by Delfabbro (2008) show that the removal had very little impact on EGM expenditure. Specifically, analysis of venue data showed that venues that had lost machines had no obvious loss of revenue, although average net expenditure per machine increased. This suggests that patrons spent approximately the same overall amount of money, but on fewer machines. The principle explanation offered by the evaluators was that EGMs in South Australian venues are not fully utilized, and the removal was not sufficient to reduce people's opportunity to gamble.

Thus while higher densities are associated with higher rates of spending and most likely problem gambling across Melbourne LGAs, reverting to a (slightly) lower density may not necessarily translate into notable reductions in spending or problem gambling. As the studies outlined above suggest, it is likely that where density is relatively high, small reductions in density may not materially affect access. Moreover, even if density reductions are sufficient to influence the behaviour of recreational players (who may reduce their play when access becomes inconvenient or their favourite venue closes) existing problem gamblers are not particularly sensitive to price changes (PC 2010: 14.11) and therefore may not reduce their spending even if access costs (travel time and out of pocket expenses associated with travel) are increased.

Nevertheless, further increases in access may lead to increased problem gambling. This is because increased access may stimulate greater spending by recreational gamblers, increasing exposure and ultimately problem gambling. Once a player develops a gambling

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<sup>[1]</sup> SA Centre for Economic Studies (SACES) (2005), *Study of the Impact of Caps on Electronic Gaming Machines*.



problem, however, a relatively small reduction in access may not be sufficient to discourage their spending.

### ***Proximity***

EGM density (discussed above) is an indicator of geographic accessibility. However, for a given density a number of spatial distributions and venue size/number configurations are possible. Some commentators (for example Thomas 2011) have suggested that the most important aspect of geographical accessibility is proximity, and not EGM numbers. This comment is made in the context of relatively high levels of supply where in-venue crowding is unlikely. To illustrate:

*It is likely that individual behaviour will be more affected by a reduction in the number of EGM venues within a local geographic region than by a reduction in the number of machines within a venue or region (Thomas 2011).*

Clearly, the number of venues in an area and their distribution influences the amount of travel that individuals (on average) need to undertake to reach a gaming venue. Before the introduction of EGMs in the 1990s, Victorian residents wishing to play EGMs were required to travel interstate to do so. However, the proliferation of EGM gaming venues mean that the majority of metropolitan residents live within 2.5 kilometres of a gaming venue (see Figure 5-4).

Similarly, some locations within an urban environment are visited more frequently as part of daily activities/are more accessible. In theory, if gaming venues are positioned where people spend time (for example, within residential areas, shopping precincts or other areas of community congregation), individuals will encounter gaming opportunities more frequently and potentially make impulse decisions to gamble.

Importantly in the context of a discussion regarding proximity to venues, problem gamblers value different factors than non-problem gamblers when looking for a gambling venue. The most important feature of a gambling venue to a problem gambler is whether it is close to home, whereas, for non-problem gamblers, it is food quality (see Table below).



**Table 4-1: Top preferred venue features of Victorian gamblers who report EGMs as their highest spend gambling activity**

Non-Problem Gamblers		Problem Gamblers	
Venue Feature	%	Venue Feature	%
Food quality	32.6%	Close to home	38.4%
Social reasons/social atmosphere/to meet friends	23.5%	Nice venue staff/managers	33.1%
Nice venue staff/managers	18.0%	Easy to get to	26.1%
Close to home	17.0%	Atmosphere/nice surroundings/not crowded/busy	20.0%
Food pricing	16.0%	Pleasant interior	13.5%
Range of food	15.0%	Drink pricing	12.1%
Easy to get to	12.1%	Poker machine brands	10.8%
Good music/entertainment	11.7%		
Pleasant interior	11.4%		
Atmosphere/nice surroundings/not crowded/busy	11.1%		

Source: DoJ 2009

The research findings presented in the Table above are potentially useful in the context of formulating a planning policy, in that problem gamblers report a preference for venues that are close to their home (perhaps indicating that increasing travel distances will mitigate problem gambling). Notwithstanding, the sensitivity of problem gamblers to changes in proximity is not indicated by the research (that is, how close is close and does the lack of a close-by venue stop existing problem gamblers from playing?).

To take the discussion further a number of studies that explore the link between proximity and gambling behaviour are described below:

- McMillan et al. (2004) found that 57% of Victorians travel less than five kilometres to gamble and that 32% travel less than 2.5 km. This result has been used to suggest that people tend to be attracted to gambling venues close to their place of residence and therefore that venues may induce people from local areas to gamble. However, as Delfabbro (2008) notes, existing travel behaviours are likely to tell us more about the existing distribution of venues and their apparent similarity in the eyes of consumers than the distance that people are prepared to travel to gamble. The same report found that 90% of people living in metropolitan Melbourne reside within a 2.5 kilometre radius of a club or hotel with EGMs and 55% in non – metropolitan areas;
- McMillan et al. (2004) also found that 83% of people on their last trip to an EGM venue made the trip to the venue from their place of residence. Only 9% of people made the trip from their place of work;
- Marshall et al. (2004) found that regular club patrons in Tuggeranong who live within 3.5 kilometres of their preferred local club spend more on average than those who live further away (\$1,858 compared with \$580). As evidence below shows 100%

of urban metropolitan Melbourne's population live within 3.5km of a gaming venue. Additionally, the recorded higher expenditure level of those living closer to venues is likely to be manageable within the context of even a modest household income and the study did not directly investigate the relationship between proximity and problem gambling;

- In the same study, Marshall et. al. (2004) demonstrated that the catchment areas of different clubs vary markedly and that specific clubs tend to have distinctive EGM patron profiles. Clubs with spatially extensive catchments (up to 14km) were typically located close to large areas of community congregation while clubs with small catchment areas (up to 4 km) were generally located some distance from large areas of community congregation, often in suburbs with pockets of relative socio-disadvantage. Clubs which drew their patrons from a more localised catchment tended to have patrons with heavier gambling profiles than clubs with wider reach into the surrounding area;
- Baker and Marshall (2005) constructed a space-time model of trips to EGM gaming venues in the Richmond-Tweed area of NSW. On average, EGM gamblers in the sample spent 40 minutes gambling per session and visited once per fortnight - the average trip distance was 4.24km. Average yearly expenditure was \$2,441. The segment of the gambler population known as the 'involved gamblers' (top 20 gamblers - average expenditure of \$16,653 p.a. on EGMs) spent 104 minutes gambling, 2.9 times per week and lived closer to their preferred venue (average of 2.05 km). In this study, the gambling behaviour of the 'involved gamblers' was extreme, suggestive of a link between proximity and problem gambling;
- A New Zealand Ministry of Health study (2008) found that gambling behaviour was significantly associated with accessibility of gaming venues. Importantly, it was noted that gambling behaviour appeared to be more strongly related to the distance to the nearest venue, rather than the number of gaming venues in the area;
- Thomas et al (2010) on the basis of a study of qualitative research with gamblers conclude that gambling as a form of social entertainment may be a relatively safe social activity, but that continued reliance on gambling because it is geographically and temporally accessible and provides a retreat from problems may lead to excessive and problematic gambling; and
- In general, research that has explored the link between proximity and gambling behaviour indicates an association between increasing proximity and greater spending. However, while increases in travel distance to venues has potential to reduce recreational spending and in turn the risk of problem gambling, the efficacy of relatively small increases (1-2 kilometres) in travel distance may be limited.

#### ***4.2.2 Destination Gaming***

It is suggested that if gaming venues are larger, fewer and located distant from areas of congregation and high accessibility, requiring a particular effort or journey to access the venue, that such destinations might serve as a deterrent to problem gamblers.

The application of the destination gaming concept in the City of Maribyrnong would have limited relevance given the high level of existing accessibility to gaming venues. However, locations such as golf clubs, where there is a substantial separation of the club facility from other attractions would be a possible case in point.



On the basis of the research described above and other studies/opinion, the Victorian Government initiated an investigation into the benefits associated with restructuring the spatial dimensions of the EGM supply network in Victoria, such that there would be fewer, larger venues (destination venues). It was concluded that even with a considerable reduction in accessibility (reducing the number of venues by more than 80%), the effect of such a reduction on the extent of problem gambling would be limited. When balanced against the impacts that extensive consolidation would have for local communities in terms of loss of employment and club revenues, it was decided that the destination gambling model would not be pursued.

The Productivity Commission, in effect, takes a similar view to the Victorian Government when it states that:

*Had there been full knowledge at the time about the harmful effects of substantially increasing accessibility to gaming machines in the 1990s, a different model of liberalisation — centred on destination, rather than community-wide, gambling - may have been seen as appropriate. However, reversing to any great extent the existing 'open access' policy of most jurisdictions would be costly and difficult.*

Further to the above, the Productivity Commission states that other harm minimisation measures are likely to be more effective than restrictions on accessibility, and would eventually allow some existing restrictions to be relaxed. Notwithstanding, in lieu of the introduction of the Productivity Commission's preferred harm minimisation measures (for example maximum bet limit of \$1 per spin) the findings of the Victorian Government and the Productivity Commission indicate that an incremental/opportunistic shift toward a destination style distribution of venues may deliver some limited benefits in terms of reduced harm. Indeed, the Productivity Commission states that:

*Reducing the number of venues providing gaming machines in a particular area could be seen as a useful transition to a model of accessibility centred on destination gaming rather than community-wide gaming (PC 2010: 14.38).*

### 4.3 Accessibility based on time

Restricting the hours that people can use EGMs is another measure used to reduce accessibility. In Australia, most jurisdictions have restrictions on opening hours of venues. In Victoria, a mandatory shutdown period of four hours per day is in place.

Research conducted by Blue Moon, a research and planning consultancy, provides data on the most popular period of gambling for higher risk gamblers and other groups of gamblers. It shows that:

- The most popular periods of gambling for moderate risk and problem gamblers between 6 pm to midnight — are also popular with other groups of gamblers. Thus, imposing a shutdown during these periods would be likely to adversely affect non-problem gamblers;
- The least popular period for gambling for all groups of gamblers is 4 am to 7 am. Thus, requiring a shutdown at these times is unlikely to adversely affect non-problem gamblers, but it is also unlikely to benefit moderate risk and problem gamblers; and
- The periods that are most likely to help moderate risk and problem gamblers, but not unduly affect non-problem gamblers are midnight to 4 am followed by 7 am to 10 am.



However, the proportion of all gamblers playing at this time (6 per cent) is smaller than at other times of the day.

On the basis of the Blue Moon and several other research studies the Productivity Commission concludes that higher risk gamblers represent a much greater share of those people playing late at night. Moreover, at that time, gamblers are more likely to be playing under the influence of alcohol, reducing the capacity for informed consent on a potentially very costly activity where impulsivity and faulty cognitions are already widespread. The Productivity Commission concludes that there would be significant benefits from requiring hotels and clubs to shut down their gaming rooms no later than 2am.

#### **4.4 Social Accessibility**

A number of factors contribute to the extent of social accessibility afforded by particular venues. In Norway for example, EGMs were (prior to a recent ban) widely available in supermarkets, kiosks, petrol stations and train stations; locations associated with transient activities. In Australia, EGMs are located in casinos, registered clubs and pubs, settings more associated with leisure and entertainment activities, where alcohol is also available. Arguably these type of venues provide a more appealing, safer environment than does a train station or supermarket, which may add to the appeal of playing EGMs in Australia. Indeed, many players, in particular women, report that EGM venues offer a safe and secure environment in which they can 'escape' from the stresses of daily life.

Even within the Australian context, venues vary in terms of their appeal to different sections of the community. Some venues are targeted at higher spend customers and include dining areas with expensive meals, boutique beers and wines etc, potentially limiting access for low-income players. Other venues cater more effectively to families with children than others, for example through provision of play areas. Generally, the greater the variety of venues in an area, the greater the likelihood that a venue will be available to respond to the preferences of all potential players. As Delfabbro (2008) notes, existing travel behaviours indicate that the majority of players can find a suitable venue within 2-5 kilometres of their residence, reflecting the relatively large number of venues available and potentially their similarity in the eyes the consumer.

In addition to issues such as the fit out, pricing and mix of facilities, other aspects of venue design may be influential in terms of increasing (or not) social accessibility and in particular the social accessibility for problem gambling. For example, the Productivity Commission suggest that venues with a smaller number of EGMs confines gaming machines to being just one element in a mix of social activities within a venue. Problem gamblers may be inhibited by their greater conspicuousness in this environment.

#### **4.5 Implications**

The preceding discussion indicates that there is a link between EGM accessibility and gambling harms. However, a key question in the context of developing the Maribyrnong Planning Policy is whether harm continues to grow as accessibility rises, or whether the 'dose response' effect diminishes at some point. The relationship between access and demand is likely to be characterized by a two-way causality:

- On the one hand, greater accessibility stimulates demand, with the result that some gamblers are exposed to risks that were originally muted or not present.



- On the other hand, a population that already includes problem gamblers will be typified by higher expenditure levels encouraging greater supply of EGMs in those areas. In that case, reducing accessibility in that area will result in greater utilisation of existing machines or shifts in the location of demand, without reducing harm.

Both effects are likely to be present in local communities, and their relative size will depend on the pre-existing level of accessibility and the nature of the host communities. It is likely that the second effect is dominant once accessibility rises above a certain threshold. Ultimately, the Productivity Commission concludes small changes to accessibility (across its varying dimensions) would make little difference to the overall accessibility of machines in most jurisdictions, and as a result:

*Other harm minimisation measures are likely to be more effective than restrictions on accessibility, and would eventually allow some existing restrictions to be reconsidered (PC 2010: 14.1)*

Despite its assessment of the limited usefulness of minor changes to accessibility in containing problem gambling (at current accessibility levels), the Productivity Commission supports gradual reductions in the number of gaming venues in local areas as a way of transitioning to a model of accessibility centred on destination gaming rather than community-wide gaming.

## 5 Gaming in Maribyrnong

### 5.1 Introduction

This section provides an overview of the City of Maribyrnong with a particular focus on the extent of gaming access and participation in the City.

### 5.2 Existing Venues

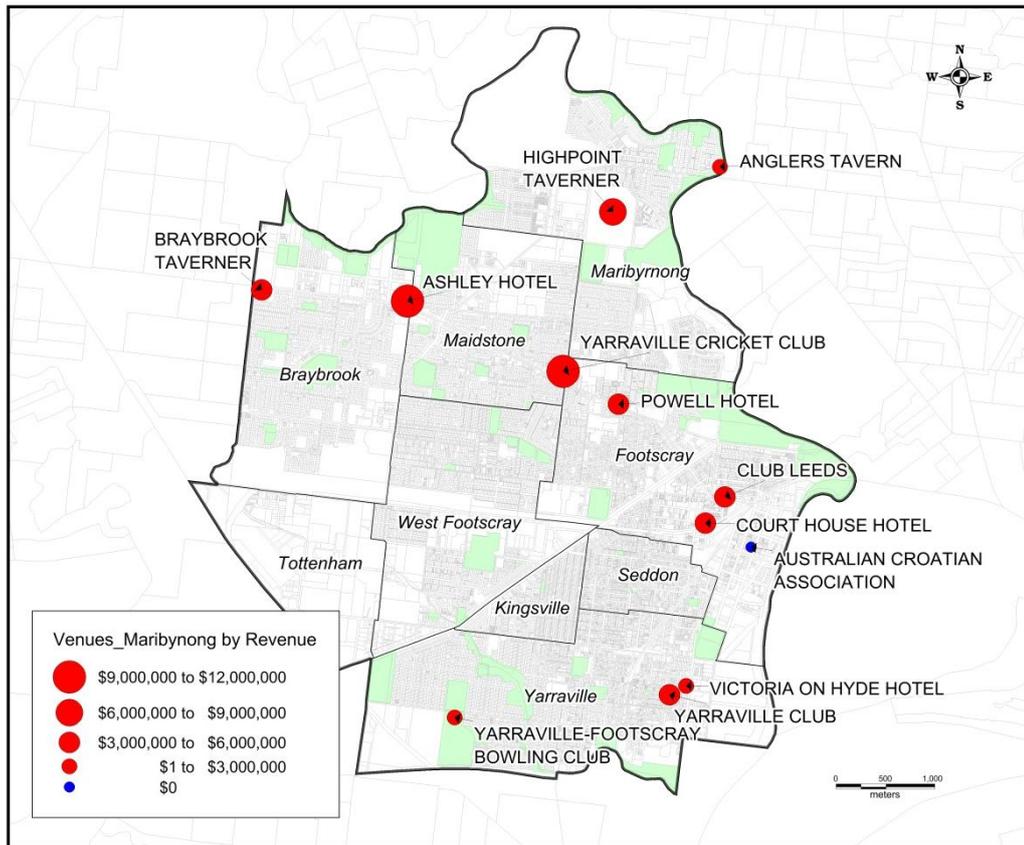
At present there are 12 gaming venues located in the City of Maribyrnong, which contain a total of 439 EGMs. A regional CAP on EGM numbers currently applies in the City, limiting EGM numbers to 511. Two existing venues currently do not provide gaming machines. The venues had combined EGM revenue of in excess of \$56 million in 2011/12 (see Table below).

**Table 5-1: Gaming Venues in Maribyrnong**

Name	Club/Hotel	EGMS	EGM Revenue 2011/2012
Anglers Tavern (recently ceased operation)	H	0	\$0
Ashley Hotel	H	50	\$11,130,412.17
Australian Croatian Association	C	0	0
Braybrook Taverner	H	31	\$4,453,809.96
Club Leeds	C	30	\$3,166,580.78
Court House Hotel	H	21	\$3,741,660.02
Highpoint Taverner	H	70	\$8,495,113.87
Powell Hotel	H	30	\$4,567,253.36
Victoria on Hyde hotel	H	24	\$2,640,945.54
Yarraville Club	C	78	\$43,927,694.51
Yarraville Cricket Club	C	76	\$11,706,525.72
Yarraville-Footscray Bowling Club	C	29	\$2,269,422.18
<b>Total</b>		<b>439</b>	<b>\$56,099,418.11</b>

Source: VCGLR 2012

The Map below shows the distribution of EGM venues throughout the City. As can be seen, six of the ten active venues are located on or proximate to the major transport corridors of the municipality. These six venues collected 69% of total EGM revenue in the City of Maribyrnong in 2011/12. Three of the remaining four active venues are located in Yarraville and the final venue is located at the Highpoint Shopping Centre in Maribyrnong.



**Figure 5-1: Gaming Venues in Maribyrnong**

### 5.3 Change of EGM licence ownership

The introduction of the Gambling Regulation Amendment (Licensing) Act 2009 led to the auction of EGM licences in May 2010. This auction has involved the change in ownership of EGM licences in Maribyrnong, with licences being purchased by the owners of pubs and clubs in the municipality. The change in licence ownership will come into effect on August 16 2012.

It is uncertain how the ownership of EGM licenses will change in the future and the impact this will have on the concentration of EGMs and the number of venues in Maribyrnong. It is also not clear what impact the changes to the ownership of EGM licences will have on the number of EGMs in different venues. This could potentially see new venues that do not have EGMs buying entitlements or new venues being established.

The following table outlines the changes to EGM licence ownership as a result of the May 2010 auction.



<b>Operator</b>	<b>Venue and Location</b>	<b>Previous Number of Licences</b>	<b>Licenses purchased</b>	<b>Change in no. of EGM licences</b>	<b>Comments</b>
Australian Leisure and Hospitality	Powell Hotel – Footscray	30	30	0	
	Ashely Hotel - Braybrook	50	50	0	
	Court House Hotel - Footscray	21	21	0	
Bakers Arms Hotel Pty Ltd	Braybrook Taverner	0	31	+31 (No change in EGM numbers in venue)	Operator new to the municipality took over Taverner Hotel Group mangament of EGMs in Braybrook Taverner
Dominion Hotel Group	Victoria on Hyde – Yarraville	24	25	+1	
Footscray Football Club	Club Leeds - Footscray	30	55	+25	Bulldogs gained 17 machines overall, but must lose 11 to meet VCAT requirement
Footscray Football Club	Footscray Football Club – Footscray – (closed) – EGMs will be located in new Edgewater Development	48	40	-8	
Moonee Valley Hospitality	Anglers Tavern - Maribyrnong	24	0	-24	No longer own EGM licenses
Taverner Hotel Group	Braybrook Taverner - Braybrook	31	52	-18 (as 31 no longer managed within Braybrook Taverner)	Lost 49 machines over both venues. However, no longer manage Braybrook Taverner.
	Highpoint Taverner - Maribyrnong	70			
Yarraville-Footscray Bowling Club	Yarraville- Footscray Bowling Club – Inc Yarraville	29	29	0	
Yarraville Club Inc	Yarraville Club - Yarraville	78	78	0	
Yarraville Cricket Club Inc	Yarraville Cricket Club – Maidstone	76	100	+24	

**Table: EGM Licence Auction Results**

## 5.4 Metropolitan Context

The Table below shows the number of EGMs available in City of Maribyrnong, the 'density' of EGMs (EGMs per 1,000 adults), venues per adult and spending per adult. The same data is provided for other LGAs in Melbourne's inner north and west and for Greater Dandenong and Boorondara, the metropolitan LGAs with the highest and lowest recorded spending per adult respectively.

**Table 5-2: Gaming Data for Selected Areas**

	Population (18+) Projection	VENUE NO.	EGM NO.	Net EGM expenditure per adult	EGM per 1000 (18+)
<i>City of Maribyrnong</i>	57,497	10	439	\$985	7.64
City of Brimbank	138,779	15	953	\$1,004	6.87
City of Moonee Valley	88,201	11	746	\$874	8.46
City of Darebin	113,073	15	986	\$787	8.72
City of Hobsons Bay	68,805	10	579	\$747	8.42
City of Moreland	120,222	15	765	\$577	6.36
City of Greater Dandenong	105,634	15	944	\$1,110	8.94
City of Boroondara	132,144	5	205	\$153	1.55
Melbourne Metro	3,198,129	326	19,446	\$651	6.19

Source: VCGLR 2011

### 5.4.1 Spending

As Table 5.3 shows, EGM spending per adult in the City of Maribyrnong was \$985 per adult, substantially higher than the Metropolitan average of \$651 per adult. There are only two metropolitan LGAs with higher spending per adult, City of Brimbank and City of Greater Dandenong.

Per adult expenditure figures published by VCLGR are based on the revenue of venues located within each LGA. However, it is not necessarily the case that venue revenues are sourced exclusively from residents of the host LGA. Information gained from the Victorian Longitudinal Survey indicates that people commonly travel more than 5 kilometres to reach a venue. Moreover, the catchment of particular venues is likely to vary substantially, based on their location. Venues on major arterial roads and/or located within higher order shopping precincts are likely to draw patrons from a wider area due to the convenience and greater accessibility that they offer, than those that are located to service local clientele primarily.

In 2010-11 the total amount of expenditure in the City of Maribyrnong was \$56,630,428 with the Ashley Hotel in Braybrook accounting for \$11,741,843. Overall Braybrook accounted for \$16,620,581 in EGM losses, the highest level of loss in the municipality.

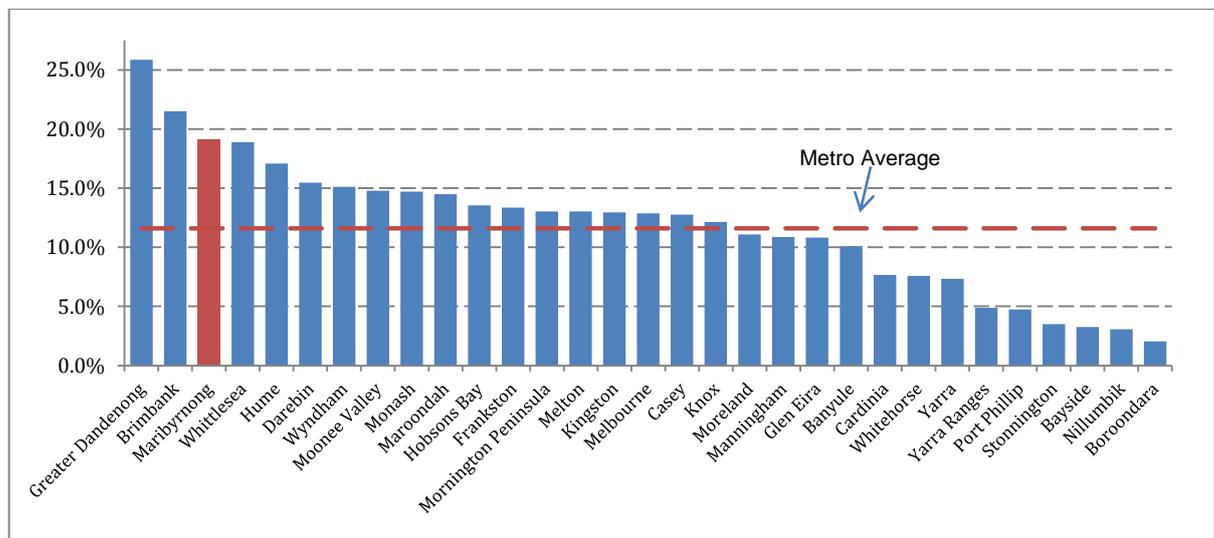
The above considered, the rate of expenditure per adult across a number of LGAs in Melbourne’s inner west (see Table below) is relatively high. It is probable that spending levels of Maribyrnong residents exceed the metropolitan average by some margin. This is a particular concern when viewed in the context of locations such as Braybrook that exhibits a high level of social and economic disadvantage.

**Table 5 -3: Spending on EGMS in Maribyrnong and surrounds**

	Population (18+) Projection	VENUE NO.	EGM NO.	Net EGM expenditure per adult	EGM per 1000 (18+)
<i>City of Maribyrnong</i>	57,497	10	439	\$985	7.64
City of Brimbank	138,779	15	953	\$1,004	6.87
City of Moonee Valley	88,201	11	746	\$874	8.46
City of Hobsons Bay	68,805	10	579	\$747	8.42
Total	353,282	46	2,717	\$918	7.69

Source: VCGLR 2011

The Figure below provides an indication of the expenditure on EGMs of each metropolitan LGA as a proportion of recreational spending (spending on discretionary items).<sup>14</sup> As can be seen, a relatively high proportion of discretionary spending is directed to EGM gaming in Maribyrnong (approximately 19%), third highest in metropolitan Melbourne (City of Greater Dandenong has the highest proportion, 26%).



**Figure 5-2: Proportion of recreational spending directed to EGMs by LGA (MarketInfo 2011; VCGLR 2011; Roberts Evaluation 2011).**

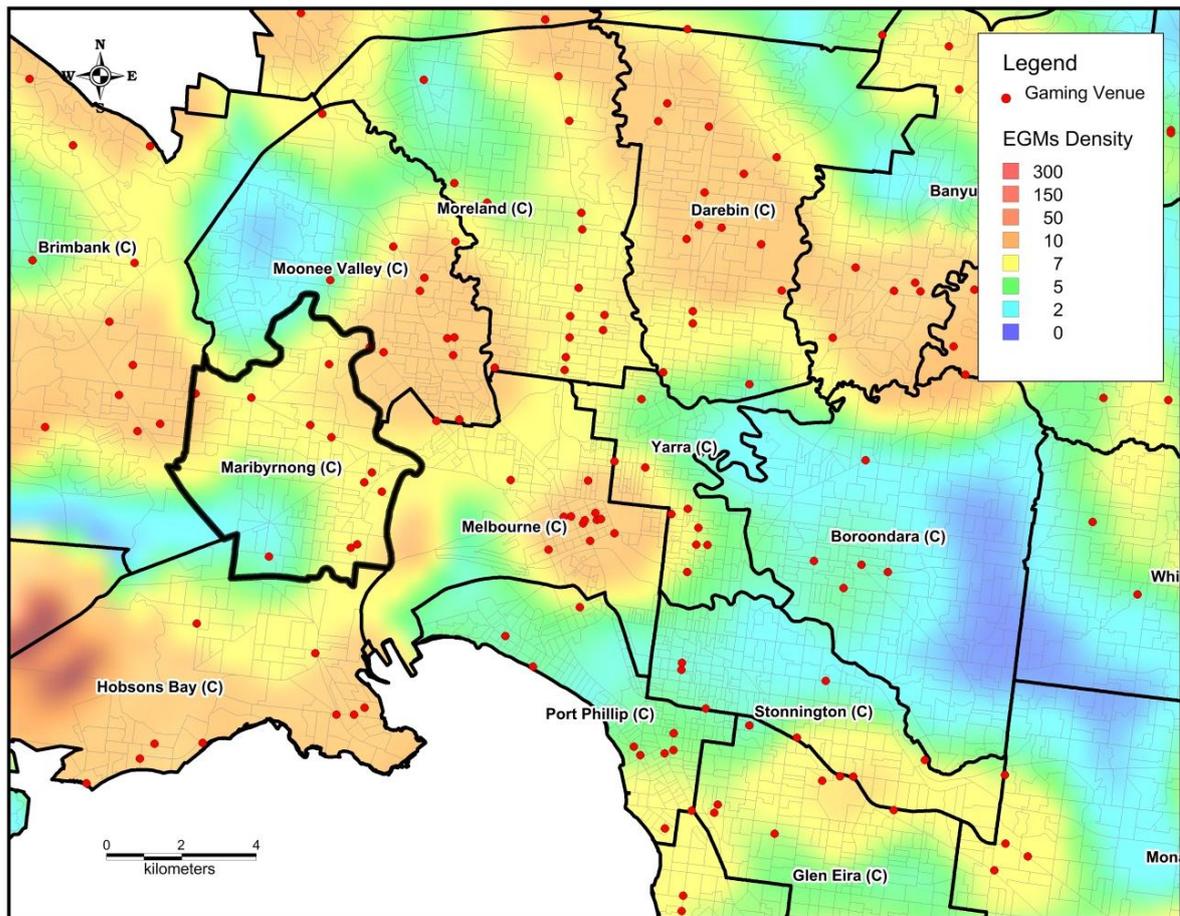
<sup>14</sup> Comparison of actual Venue revenues with projected recreational spending potential based on ABS Household Expenditure Survey (MarketInfo 2011).



### **5.4.2 Density**

As Table 5.2 shows, the City of Maribyrnong has a higher number of EGMs per 1,000 adults than the Metropolitan average of 6.19 for 2011 – 2012. More specifically, the City of Maribyrnong has the eighth highest EGM density of all Metropolitan LGAs. LGAs with comparable or higher densities include some of Maribyrnong's neighbours such as City of Moonee Valley, City of Darebin and City of Hobson's Bay.

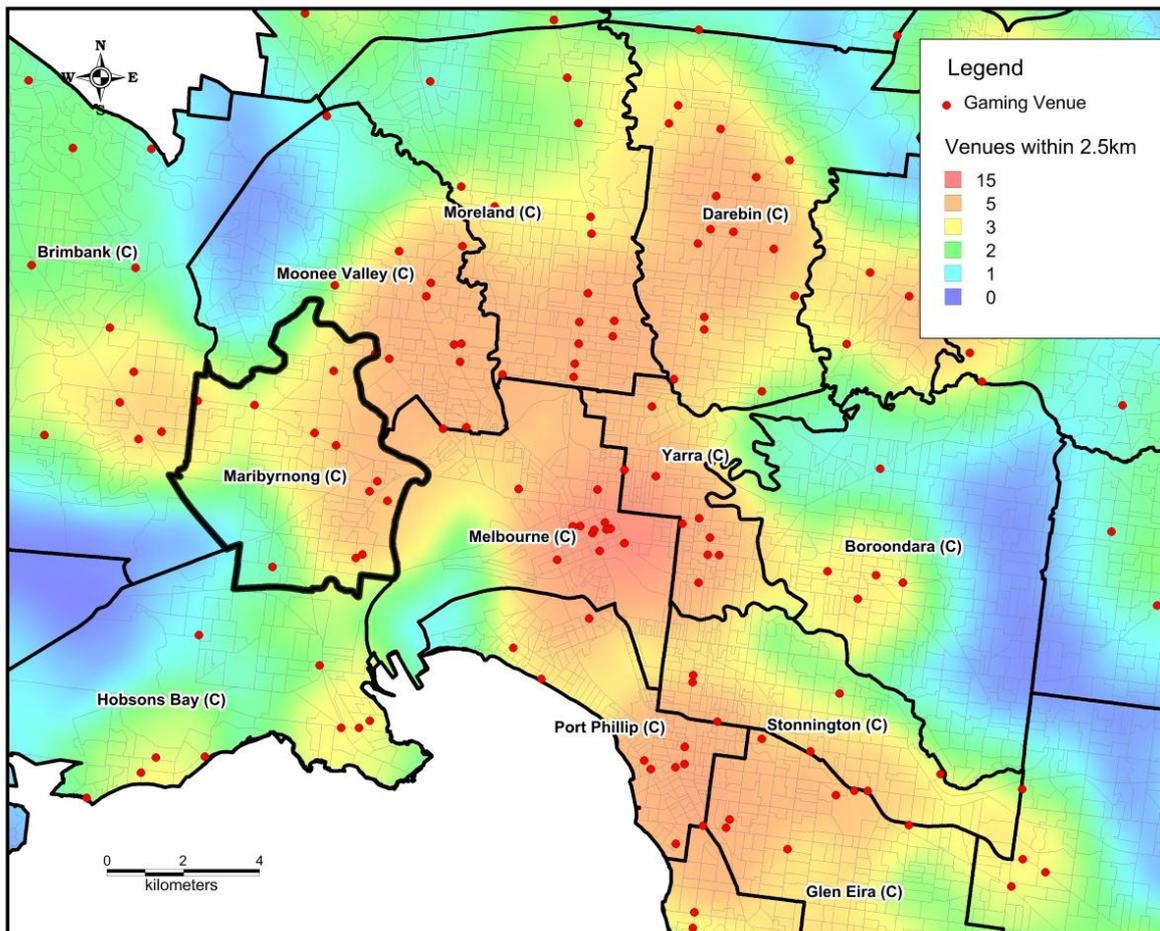
EGM densities presented in the table above are calculated for LGAs. However, metropolitan residents tend to access gaming venues located within 2.5km of their residence. Moreover, LGA boundaries are arbitrary and do not necessarily reflect the travel patterns of metropolitan residents. Therefore, the experience of gaming density for an individual is more accurately reflected by the number of machines located within a certain range from their home as opposed to density calculated for the municipality they live in. Figure 5.3 below shows how density varies throughout the metropolitan area based on a 'moving' 2.5 kilometre catchment. As can be seen, there are very few locations in metropolitan Melbourne where access to a venue cannot occur within 2.5 kilometres. Moreover, density varies within LGAs substantially, with LGAs such as Moonee Valley having quite high densities in one half of the municipality and very low densities in the other half. In the case of the Maribyrnong, EGMs are clustered in the east and northern sections of the municipality as the south-west is predominantly an industrial area. Therefore residents of these areas experience a higher effective density than residents of the south-west.



**Figure 5-3: EGM Density in Metropolitan Melbourne (VCGLR 2011; Roberts Evaluation 2011)**

### 5.4.3 Proximity

Figure 5.4 below shows how many EGM gaming venues can be accessed within a ‘moving’ 2.5 km catchment throughout metropolitan Melbourne. As can be seen, there are very few locations in metropolitan Melbourne located more than 2.5 kilometres from a gaming venue. Indeed, for a large proportion of inner Melbourne residents, particularly those living in the north, western and southern suburbs, multiple venues (5 or more) are located within 2.5 kilometres of their residence.



**Figure 5-4: EGMS within 2.5 km in Metropolitan Melbourne (VCGLR 2011; Roberts Evaluation 2011)**

In the case of City of Maribyrnong, all residents have at least one venue within 2.5 kilometres of their residence. Moreover, residents living in eastern and northern portions of the municipality have access to between 3 and 5 venues within 2.5 kilometres.

## 5.5 Historical Trends and Future Density

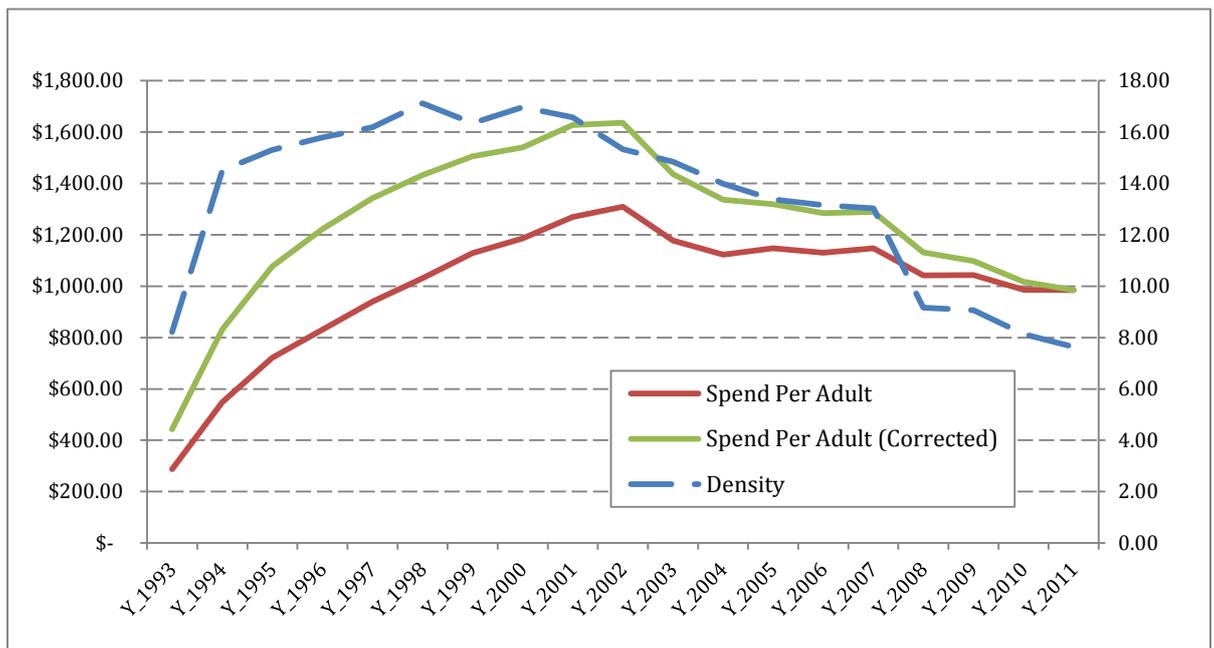
### 5.5.1 Historical Trends

EGMs have been available for use in the City of Maribyrnong since 1992-93. In 1993, the number of EGMs available in the City was slightly less than is available today (368 compared with 439). EGM density in 1993 was 8.21 EGMs per 1,000 adults. In the 7 years post 1993, machine numbers grew substantially to a peak of 804 in 1998 and 2000 respectively. EGM density peaked in 1998 at 17.12 EGMs per 1,000 adults.

After 2000, EGM numbers declined steadily to 675 EGMs in 2007. At this time EGM density was 13.0 EGMs per 1,000 adults. Following the introduction of state-wide EGM caps in 2006, in 2008, the State Government imposed a cap or municipal limit of 511 EGMs, which resulted in a 24% reduction in EGMs numbers in the City between 2007 and 2008. The municipal cap, combined with population growth resulted in a 30% reduction in EGM density in City of Maribyrnong between 2007 and 2008.

EGM spending per adult in Maribyrnong has exhibited a similar, although less pronounced pattern of rapid increase followed by steady decline. As the figure below shows, EGM spending grew rapidly during the 1990s reaching a peak in 2002 of \$1,308 per adult. After 2002, spending gradually declined to the current rate of \$985 per adult. Ignoring inflation, EGM spending has remained relatively steady at around \$1,000 to \$1,100 per adult since 2004. However, when inflation is considered, spending on EGMs has continued to decline in real terms since the peak in 2002 (see green line).

As the chart below shows, the introduction of the municipal cap did not translate into a commensurate reduction in spending. To illustrate, between 2007 and 2008, EGM density in the City reduced by 30%, whereas spending declined by 9% (or 12% when inflation is considered). While the observed reduction in spending between 2007 and 2008 was relatively high in the context of the period 2002-2011 (average annual reduction in spending of 5.5%), a comparable reduction in spending occurred in 2002-2003, and some decrease has occurred in each year since 2002. This considered, it seems likely that declining EGM density and associated reductions in gaming accessibility cannot be relied upon exclusively to explain the observed reductions in spending. Declining interest in EGM gaming as an entertainment option and related reductions in problem gambling prevalence are also likely to have played a role.

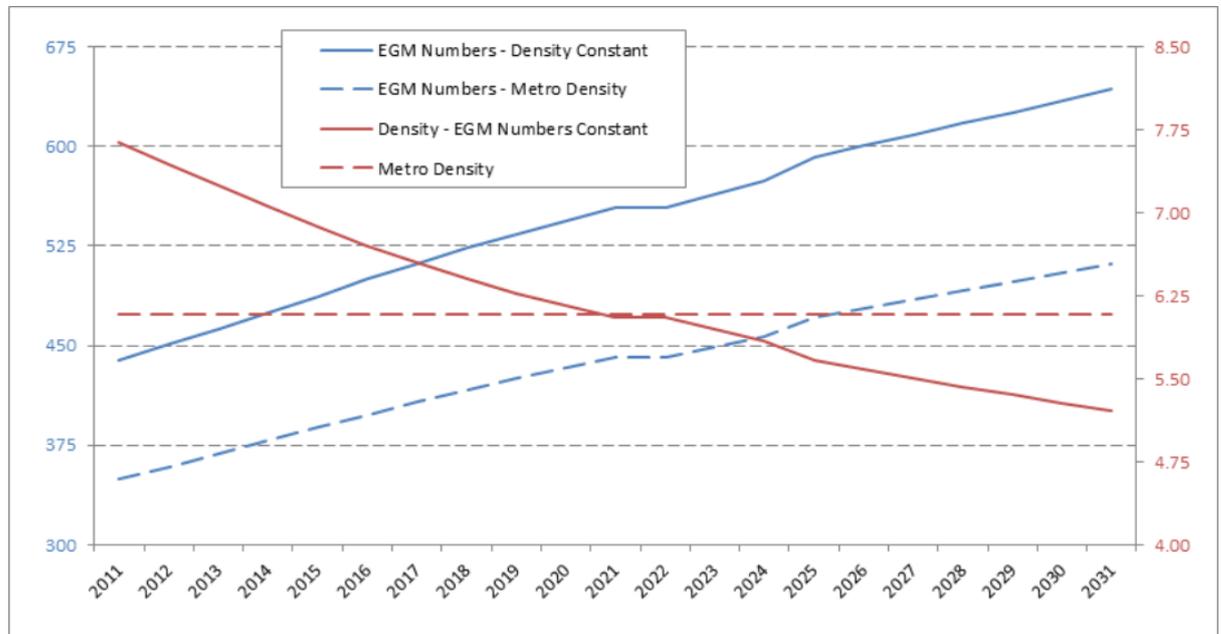


**Figure 5-5: Historical EGM Spending and EGM Density in Maribyrnong (VCGLR 2011; Roberts Evaluation 2011)**

### 5.5.2 Future Density

As indicated by the preceding discussion, EGM density in Maribyrnong has fluctuated since the introduction of EGMs to the City in 1992-93. A period of rapid growth culminated in a maximum density of 17.12 EGMs per 1,000 adults in 1998, followed by a period of gradual decline (punctuated by a steep reduction in density between 2007 and 2008 as a result of the state government imposed municipal cap).

The figure below illustrates a number of potential scenarios, both in terms of future EGM density in the City of Maribyrnong and also total number of machines taking account of projected population growth.



**Figure 5-6: Possible future number of EGMs in Maribyrnong (number of machines x years x machine density per 1,000 persons).**

The figure above illustrates a number of possible scenarios for the City of Maribyrnong:

- The solid blue line indicates the total number of EGMs that would exist in the City assuming the existing EGM density (7.64) remains constant to 2031. Due to population growth a total of 643 EGMs would be provided under this scenario at 2031, an increase of 204 EGMs in total;
- The checked blue line indicates how many EGMs would be provided in Maribyrnong if the metropolitan average density (6.19) was achieved. Under this scenario, 547 EGMs would be in place by 2031, an increase of 108 EGMs. It should be noted that, for the current year 350 EGMs would be required to deliver the metropolitan average density in Maribyrnong, 73 EGMs less than is in place currently; and
- The solid red line indicates the EGM density in Maribyrnong assuming the total number of EGMS is kept constant. As can be seen, under this scenario, EGM density would decline from 7.64 to 5.2, notably less than the existing metropolitan average of (checked red line).

This analysis makes clear the difficulties associated with using density as a measure of accessibility. That is, under a scenario where density remains constant, or even declines because the population grows and EGM numbers would increase. This may result in additional venues being developed, which increases choice for players and reduces average travel distance to a venue thus increasing the accessibility of the community to EGMs.

## 5.6 Community Benefits of Gaming in Maribyrnong

The table below outlines community benefits reported by clubs operating within the City of Maribyrnong for 2010-2011 and compares these with those claimed across the entire metropolitan area. Some noteworthy observations:

- A similar amount of total gaming revenue was collected by clubs in Maribyrnong (36%) compared with the MSD (34%);
- The total proportion of club revenue claimed as a community benefit in Maribyrnong was 28.1%, substantially higher than the minimum amount required (8.3%). Notwithstanding, the total amount of revenue directed to claimable expenses was less than for the MSD as a whole (33.7%);
- A higher proportion of club revenue was claimed by Maribyrnong clubs as a 'Class A Benefit' compared with the MSD (7.7% compared with 7%). This considered, Class A benefits alone nearly meet the regulatory obligation of Maribyrnong clubs (8.3%). Donations, gifts and sponsorships (including cash, goods and services) comprised nearly half of all claimed Class A benefits in Maribyrnong;
- Class A benefits are more closely aligned with the expectations of some stakeholders (such as the LGWGOG) regarding legitimate community benefits (that is, those that are of benefits to the broader community as opposed to members only), than Class B benefits. However, even in the case of Class A benefits, some sub-categories such as cost of providing and maintaining sporting activities for use by club members may be subject to criticism on the basis that benefits are concentrated with club members;
- The vast majority of the remaining claimed benefits in Maribyrnong were Class B benefits (20.5% of revenue), and the bulk of these were classified as 'operating costs' (18.7% of revenue). Benefits of this nature have been criticised (see Section 3.9.1) on the basis that they do not necessarily benefit a broad cross section of the community. In any case, the benefits classified as Class B Benefits exceed the minimum requirement of 8.3% by 2.5 times; and
- Consistent with trends across the MSD, a small amount of money was directed to Class C benefits by Maribyrnong clubs.

**Table 5-4: Community Benefits**

		Victoria		Maribyrnong	
Revenue	Net Gaming Revenue	\$2,651,368,385		\$56,630,428	
	Net Gaming Revenue from Clubs	\$891,135,183		\$20,597,532	
Class A	Donations, gifts and sponsorships (including cash, goods and services)	\$15,557,031	1.7%	\$735,654	3.6%
	Cost of providing and maintaining sporting activities for use by club members	\$29,300,083	3.3%	\$492,008	2.4%
	Cost of any subsidy for the provision of goods and services but excluding alcohol	\$11,670,913	1.3%	\$262,382	1.3%
	Voluntary Services provided by members and/or staff of the club to another person in the community	\$4,711,690	0.5%	\$86,510	0.4%
	Advice, support and services provided by the RSL to ex-service personnel, their carers and families	\$1,093,657	0.1%	-	-
	Class A Total	\$62,333,374	7.0%	\$1,576,554	7.7%
Class B	Capital expenditure	\$8,107,983	0.9%	\$26,788	0.1%
	Financing Costs (including principal and interest)	\$9,579,500	1.1%	\$336,660	1.6%
	Retained earnings accumulated during the year	\$312,573	0.0%	-	-
	Buildings, plant and equipment over \$10K excluding gaming equipment or the EGM area of the venue	\$1,313,976	0.1%	\$5,457	0.0%
	Operating costs	\$218,547,071	24.5%	\$3,843,765	18.7%
	Class B Total	\$237,861,103	26.7%	\$4,212,670	20.5%
Class C	Provision of responsible gambling measures and activities but excluding those required by law	\$4,727	0.0%	-	-
	Reimbursement of expenses reasonably incurred by volunteers	\$198,221	0.0%	\$4,670	0.0%
	CBS preparation and auditing expenses	\$302,957	0.0%	\$4,000	0.0%
	Class C Total	\$505,905	0.1%	\$8,670	0.0%
	CBS TOTAL (CLASS A + B + C)	\$300,700,381	33.7%	\$5,797,894	28.1%

Source: VCGLR Website

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## **6 Vulnerability in Maribyrnong**

Demographic variables are only weakly associated with problem gambling prevalence rates. Some significant findings made by the DoJ include: middle income earners are over represented in the problem gambler population, as are persons working in some blue collar occupations. The Productivity Commission points to elevated rates of problem gambling among the unemployed and those with lower levels of educational attainment.

The Victorian Government has specifically identified communities with low levels of workforce participation and income, lower educational and literacy levels and higher incidence of smoking and alcohol abuse as being more vulnerable to the impacts of problem gaming, prevalence aside.

In Maribyrnong people from lower socio-economic backgrounds are more likely to become problem gamblers and it can have a greater impact on them, their families and their community. The extent to which Maribyrnong can be characterised as a vulnerable community is outlined below.

### **6.1 SEIFA**

The ABS SEIFA Index of disadvantage is produced by combining a number of indicators of economic and social disadvantage to produce a score, which indicates the relative disadvantage of particular geographical areas throughout the country. The SEIFA index has been accepted as a reasonable indicator of the presence of vulnerable communities in the context of gaming license application hearings and planning permit assessments by VCGLR and VCAT respectively.

As the table below shows, the City of Maribyrnong as a whole rates relatively poorly on the SIEFA Index of disadvantage, being the seventh most disadvantaged LGA in Victoria. Notwithstanding, the extent of disadvantage within the LGA varies substantially. To illustrate the suburbs of Braybrook, Footscray and Maidstone are among the state's most disadvantaged suburbs according to the Index (Braybrook being the second most disadvantaged in the State), whereas the SEIFA score for Maribyrnong indicates a relatively low level of disadvantage in this suburb.

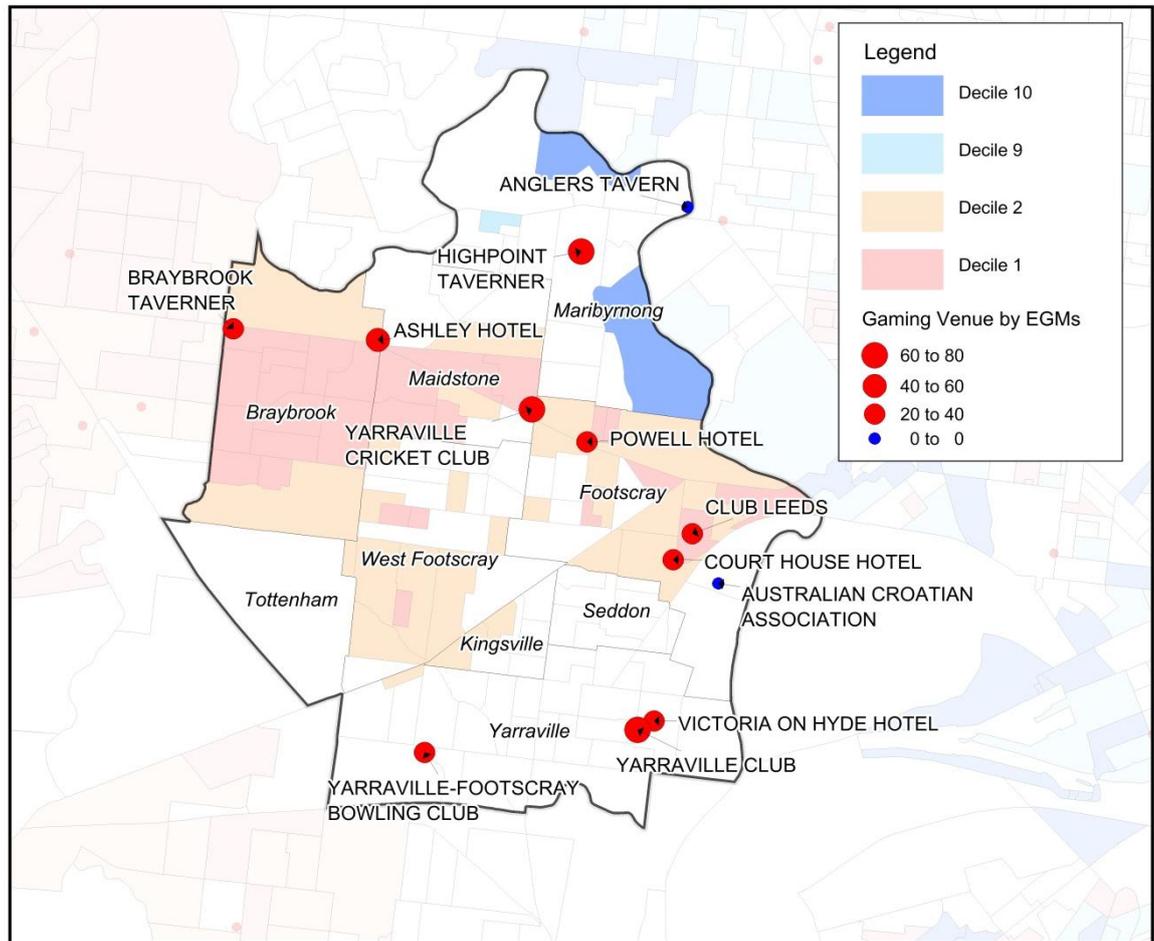


**Table 6-1: SEIFA Index of Disadvantage**

	Score ABS	Score ID Consulting	Rank (of 1,474)	State Percentile
Braybrook	765	760.1	2	1
Maidstone	892	889.2	68	5
Footscray	903	896.4	81	6
West Footscray	940	938.6	180	13
Kingsville	996	991.7	504	35
Seddon	1,020	1019.7	716	49
Yarraville	1,023	1022.2	745	51
Maribyrnong	1,041	1038.5	951	65
	Score		Rank (of 80)	State Percentile
MARIBYRNONG	949	948.5	7	9

Source: 2006 Census and ID Consulting

The Map below shows CCDs, which rank in the bottom two deciles on the SEIFA index of disadvantage and also CCDs in the top two deciles. As can be seen, CCDs with lower scores on the SEIFA index are located in the middle portion of the LGA.



**Figure 6-1: SEIFA Index of Disadvantage (ABS 2006; VCGLR 2011; Roberts Evaluation 2011)**

## 6.2 Income

The Table below shows median personal and household income, and the spread of household incomes for suburbs located in the City of Maribyrnong, as well the same data for the LGA as a whole and the MSD. As can be seen, median household and personal incomes in Braybrook, Footscray, Maidstone and West Footscray were notably lower than the MSD at the time of the last Census. Median household income in Braybrook was nearly half that observed for the MSD average. This is reflected in the relatively high proportion of households in these suburbs earning less than \$500 per week.

Data collected by the DoJ indicate that persons earning between \$600 and \$1000 are most likely to be problem gamblers. In contrast, lower income earners are marginally less likely to gamble in a way that leads to adverse consequences if only because they are unlikely to have the surplus cash of higher income earners. However, the Victorian Government has specifically identified low-income

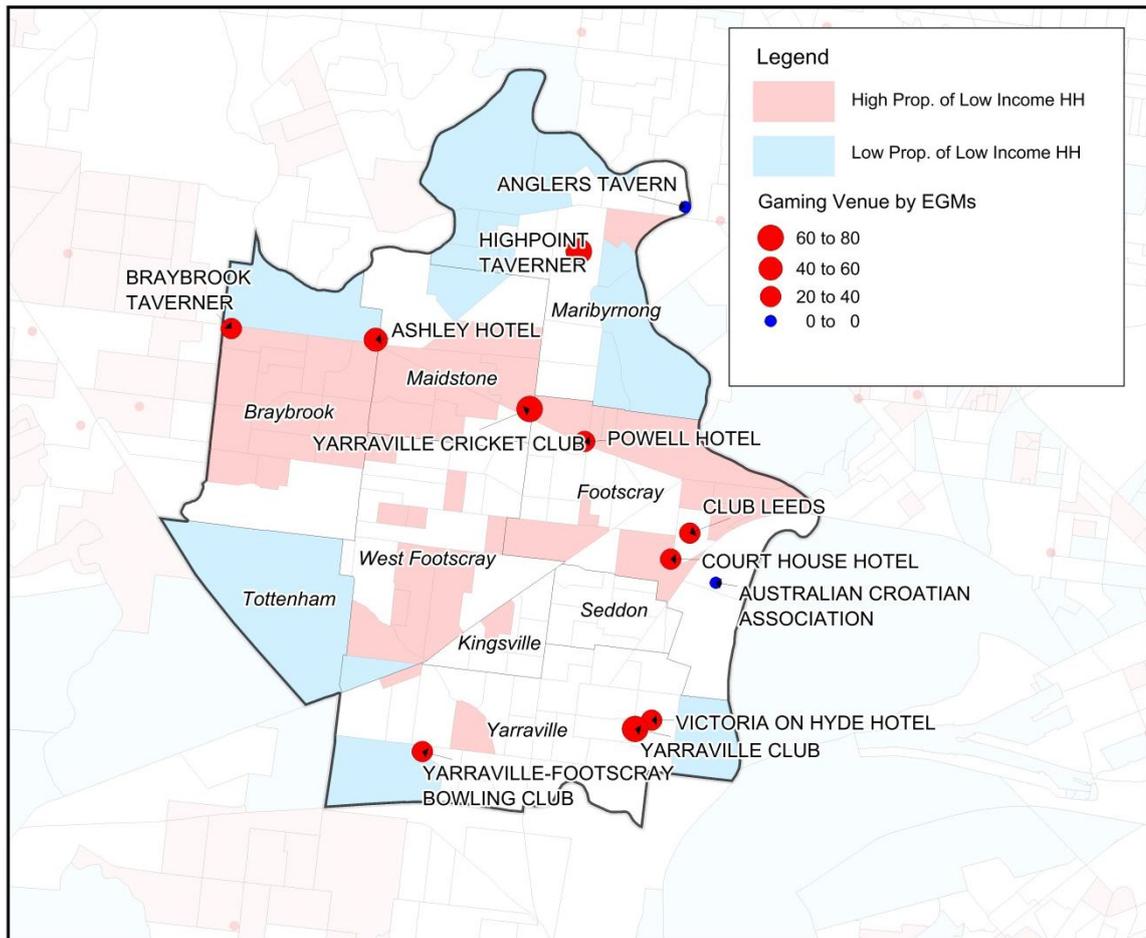
households as being more vulnerable to the impacts that arise as a result of problem gambling because they literally do not have any reserves or fall back when impacted by excessive gambling.

The Map below shows CCDs with either a high (top 20%) or low (bottom 20%) proportion of low-income households (earning less than \$500 per week). As can be seen, CCDs with a higher proportion of low-income households are located in the middle of the LGA running east west through the suburbs of Footscray, Maidstone and Braybrook. Seven of the twelve existing gaming venues are distributed through this central east/west corridor, being located in the Footscray commercial area or along Ballarat Road. Parts of West Footscray, Kingsville and Yarraville also have relatively high proportions of low-income households. This enhances the accessibility of these venues to a broader regional catchment, using these routes or centres for other purposes.

**Table 6-2: Income in Maribyrnong**

	Personal Income	Household Income					
	Median	Median	\$1-\$499	\$500-\$799	\$800-\$1,199	\$1,200-\$1,999	\$2,000+
Braybrook	\$256	\$587	37%	18%	15%	11%	5%
Footscray	\$352	\$753	29%	18%	18%	14%	11%
Maidstone	\$322	\$785	29%	16%	16%	16%	11%
West Footscray	\$404	\$821	24%	19%	18%	17%	10%
Kingsville	\$563	\$1,019	20%	17%	18%	18%	17%
Yarraville	\$557	\$1,122	19%	12%	18%	20%	21%
Maribyrnong	\$535	\$1,131	16%	14%	18%	21%	20%
Seddon	\$578	\$1,154	17%	14%	16%	22%	22%
MARIBYRNONG	\$423	\$932	24%	16%	17%	17%	15%
MSD	\$481	\$1,079	18%	15%	18%	20%	18%

Source: 2006 Census



**Figure 6-2: Distribution of Low Income Households (ABS 2006; VCGLR 2011; Roberts Evaluation 2011)**

### 6.3 Employment

Data collected by the DoJ indicates that problem gaming prevalence is higher among those who are unemployed. Moreover, and unlike income, people who are not engaged in the workforce are also identified by the Victorian Government as being more vulnerable to problem gambling.

As the table below shows, the unemployment rate was higher than the MSD in all City of Maribyrnong’s suburbs except Yarraville. In the case of Braybrook, Footscray and Maidstone, the rate of unemployment was substantially higher, and workforce participation was notably lower, indicating low levels of engagement in the workforce in these areas.

More recent unemployment figures, from March 2012, indicate an unemployment rate within Maribyrnong of approximately 7.8%, lower than at the time of the last

Census (this data is not available at the Suburb level). The latest reported unemployment rate for Melbourne as a whole was 5.1%.<sup>15</sup>

**Table 6-3: Employment in Maribyrnong**

	Unemployed	Work Force Participation
Braybrook	16.4%	43%
Footscray	11.6%	55%
Maidstone	11.3%	51%
West Footscray	8.8%	58%
Kingsville	6.3%	64%
Yarraville	5.2%	63%
Maribyrnong	5.8%	67%
Seddon	6.2%	66%
MARIBYRNONG	8.5%	58%
MSD	5.3%	61%

Source: 2006 Census

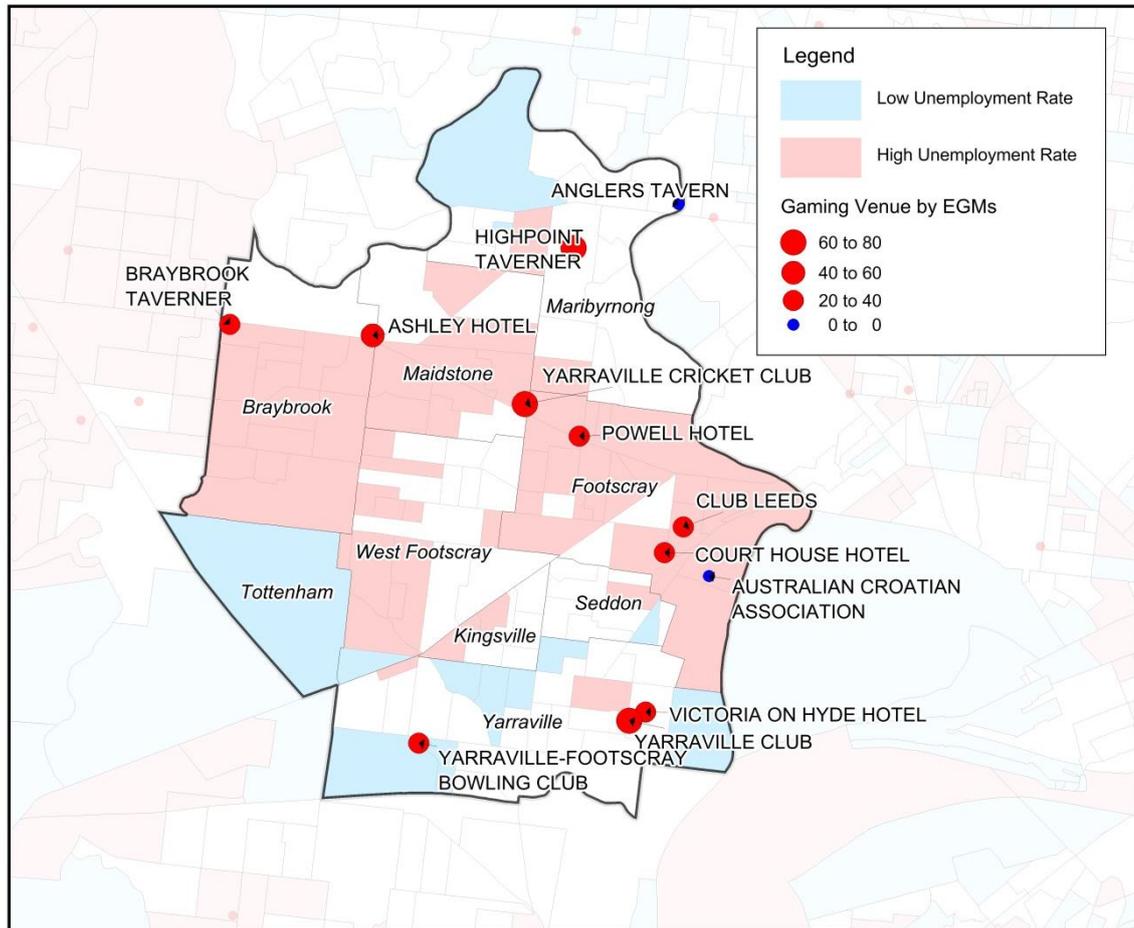
The Map below shows CCDs with either a high (top 20%) or low (bottom 20%) unemployment rate. As can be seen, most CCDs located in the middle section of the LGA had relatively high unemployment rates at the time of the last Census. By way of comparison, there are relatively few CCDs in Maribyrnong which had a low unemployment rate at the time of the last Census, those which do are located to the south of the LGA in Yarraville and are industrial areas rather than residential.

Analysis of data supplied by Centre-link confirms the level of social and economic disadvantage in Maribyrnong. Compared to the whole of the Western Region, Maribyrnong has a higher proportion of payments for aged pensioners, disabilities, pension concession cards and low-income cards. Within that context Braybrook is particularly vulnerable, outstripping every municipality in the region with the proportion of residents who receive payments in the following categorises:

- Aged pension;
- New start;
- Youth allowance;
- Disability pension;
- Carer's pension;
- Health care card holders;

<sup>15</sup> DEEWR 2011 - Small Area Labour Markets –March Quarter 2012

- Pensioner concession card holders; and
- Low income card holders.



**Figure 6-3: Unemployment in Maribyrnong (ABS 2006; VCGLR 2011; Roberts Evaluation 2011)**

## 6.4 Education

Data collected by the DoJ indicate that problem gambling prevalence is higher among those with lower educational attainment. Specifically, people whose highest level of educational attainment is year 10 or lower are more likely to be problem gamblers. Moreover, and unlike income, persons with lower levels of educational attainment are also identified by the Victorian government as being more vulnerable to problem gambling.

As the Table below shows, the proportion of the population whose highest year of schooling is year 10 or lower is either similar to the metropolitan average or lower for all suburbs in Maribyrnong, with the exception of Braybrook. Similarly, the proportion of residents of each suburb to have attained a Bachelor’s Degree or

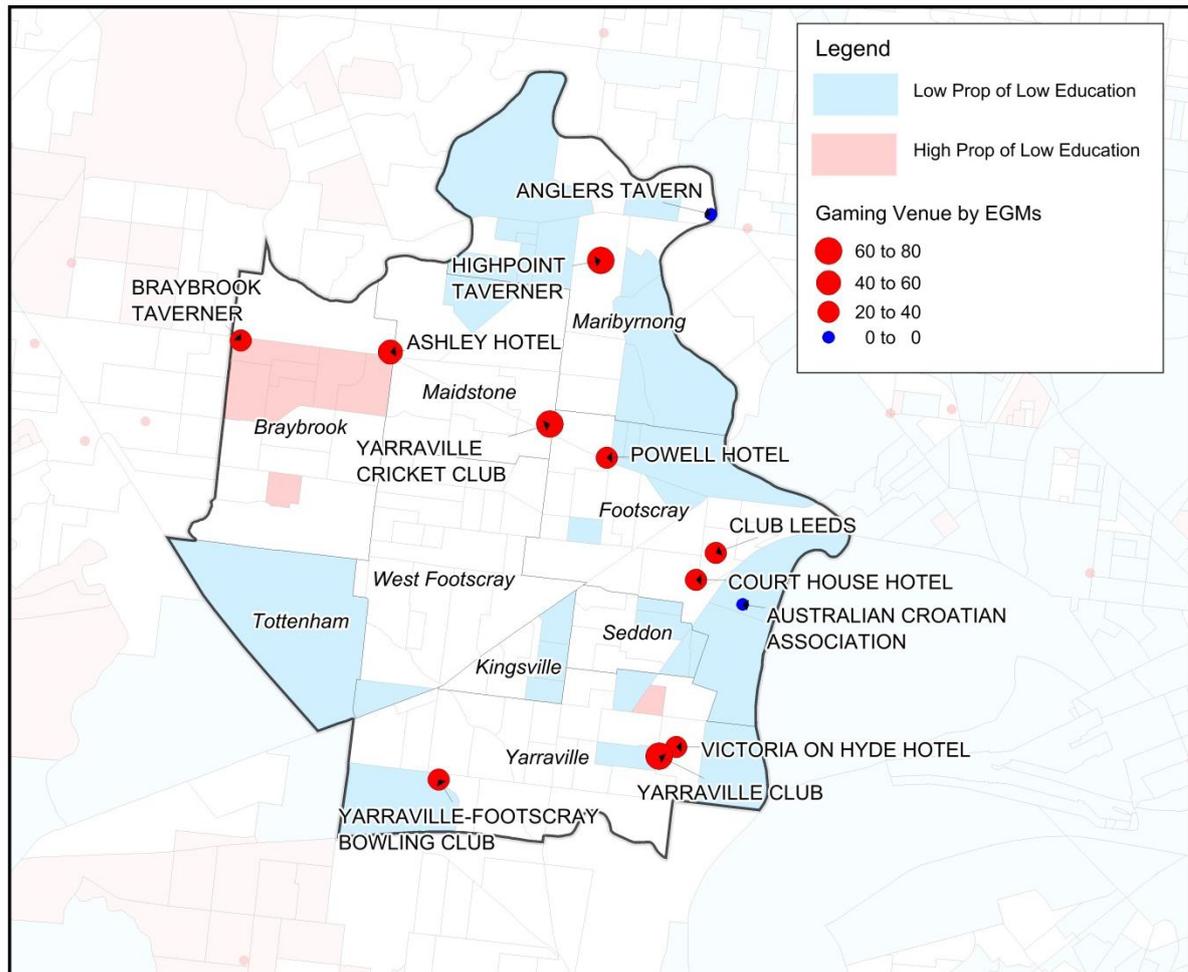
higher is similar to or higher than the metropolitan average, again the notable exception being Braybrook and to a lesser degree Maidstone.

The Map below shows CCDs with either a high (top 20%) or low (bottom 20%) proportion of adults who have completed Year 10 or lower. As can be seen, CCDs where a higher proportion of residents have not completed higher than Year 10 are located mainly in the Braybrook area.

**Table 6-4: Educational Attainment in Maribyrnong**

	Bachelor Degree or Higher	Year 10 or Lower
Braybrook	9%	41%
Footscray	25%	24%
Maidstone	15%	33%
West Footscray	20%	31%
Kingsville	26%	25%
Yarraville	25%	28%
Maribyrnong	24%	22%
Seddon	29%	22%
MARIBYRNONG	22%	28%
MSD	20%	31%

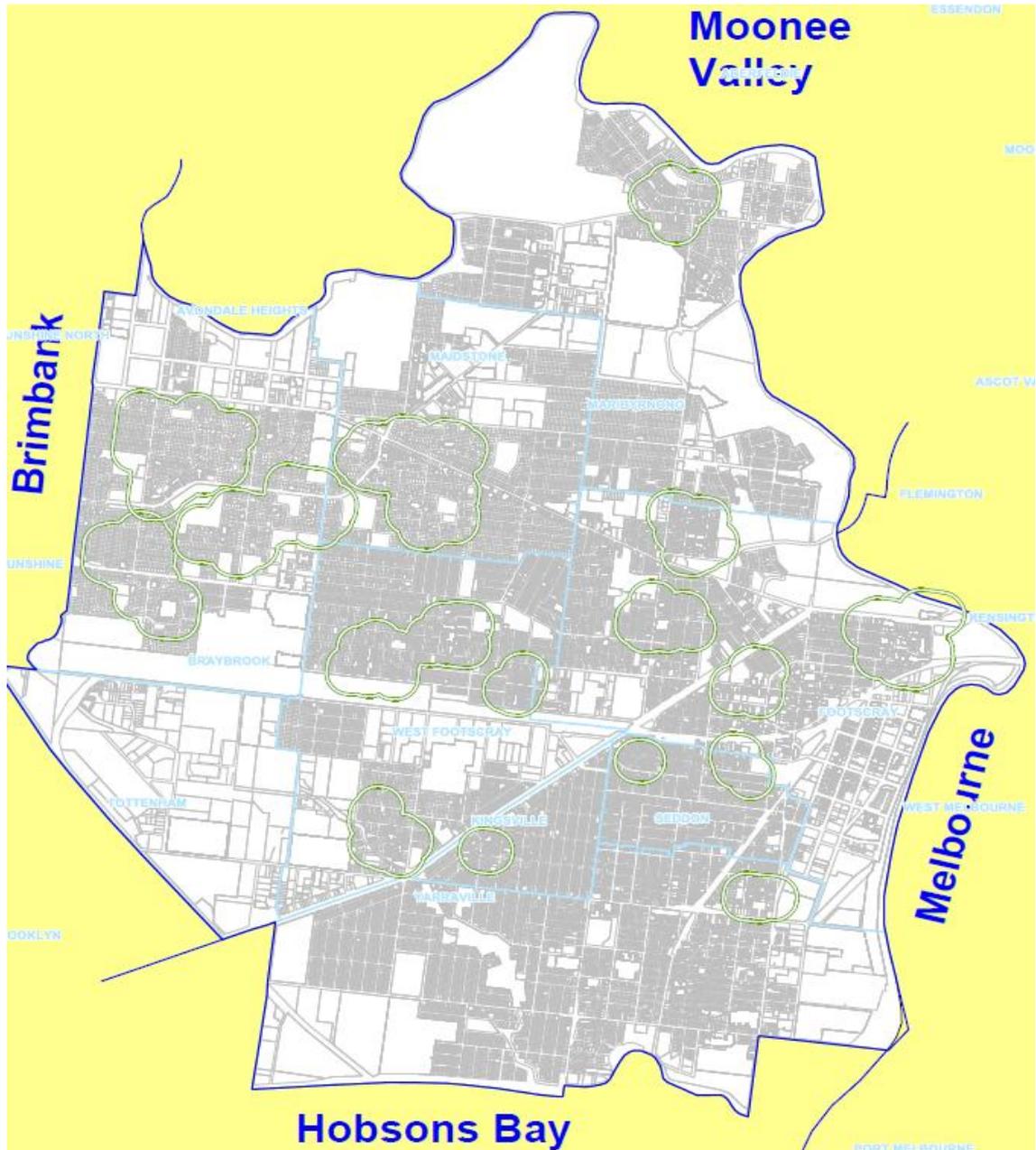
Source: 2006 Census



**Figure 6-4: Educational Attainment (ABS 2006; VCGLR 2011; Roberts Evaluation 2011)**

## 6.5 Social Housing

A further accepted indicator of vulnerability is the prevalence and concentration of social housing within an area. Social housing is used as a collective term to include public housing and community housing often provided by not for profit organisations. As figure 6.5 indicates the City of Maribyrnong has a high concentration of such housing, particularly in the Braybrook and Maidstone areas and this should be a factor to be considered in the siting of venues and the installation of additional gaming machines.



**Figure 6-5: Social Housing Concentration Map**



## **6.6 Implications**

The population of the City of Maribyrnong is comprised of a significant proportion of people and households who are likely to be vulnerable to the impacts of problem gambling. Vulnerable households are concentrated in the middle portion of the LGA, in close proximity to Ballarat Road. The population of Braybrook in particular is comprised of a large proportion of people and households with low income and a low level of qualification.

The most disadvantaged parts of the City of Maribyrnong are also the parts of the City where the majority of existing EGM venues and EGMs are located. Again it is to be noted that the areas shown blue on the plans are predominantly non-residential areas.

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## **PART 2 – EGM Planning Policy**

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## 7 EGMs and the Local Planning Policy Framework

### 7.1 Overview of existing EGM local planning policies

Following the introduction of New Format Planning Schemes in 1999, neither State planning policies or provisions, or local planning policies (LPP), were amended with regard to Electronic Gaming Machines (EGMs) until 2006.

In 2006 the State government amended the particular provisions of the Victoria Planning Provisions (VPP) to introduce Clause 52.28 (Gaming) through Amendment VC39. The affect of Clause 52.28, in part, was that a permit was henceforth required for the installation and use of EGMs in a new venue or to increase the number of EGMs approved for an existing venue.

### 7.2 Clause 52.28

Clause 52.28 has the purposes of:

- *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; and*
- *To prohibit gaming machines in specific shopping complexes and strip shopping centres.*

In summary the clause provisions provide for:

- A permit is required to install or use gaming machines;
- Gaming machines are prohibited in centres nominated in the local schedules;
- The consideration of local planning policy on gaming and other relevant matters in decision-making;
- The presence of a full range of hotel facilities or services to patrons or a full range of club facilities or services to members and patrons is a further relevant consideration in decision making; and

*A strip shopping centre* is an area that meets the following requirements,

- It is zoned for business 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 buildings are shops; and
- It is an area in which a significant proportion of the lots abut a road accessible to the public generally.

Many municipalities have nominated all or specific shopping complexes and strip shopping centres in a local schedule, seeking to prohibit gaming in those centres.

In the City of Maribyrnong the current schedule 3 to this clause nominates Highpoint West and Metro West as shopping complexes where gaming machines are prohibited.

The 4<sup>th</sup> schedule to Clause 52.28 is written in an inclusive manner identifying that all strip shopping centres are locations where gaming machines are prohibited. This approach requires the criteria of Clause 52.28 defining a strip shopping centre to be applied to each application for gaming machines. The experience in the Edgewater case, considered by VCAT, shows that this approach is fraught with the opportunity for multiple and inconsistent opinions as to what area constitutes a strip shopping centre at any point in time. This is an area where the community and decision makers would be assisted with greater clarity and guidelines.

### **7.3 The need for local policy**

The planning provisions of Clause 52.28 are generic and provide no interpretation or guidance on the exercise of discretion as it applies to local social – economic circumstances in the community or the development and provision of EGMs in the municipality.

Some municipalities, including Maribyrnong, developed local gaming policies outside the provisions of the planning scheme articulating a corporate position on the provision of gaming facilities in their municipality, but these tended to have a broader ambit and purpose than the scope of Clause 52.28.

Following the introduction of Clause 52.28 and to fill the identified local policy vacuum, a series of municipalities, individually and collectively commissioned studies to develop local planning gaming policies some of which have subsequently been the subject of planning scheme amendments, independent Panels and in due course have been gazetted.

This report confines its analysis to those policies that have been through this full process and seeks to identify the principles and themes that have been endorsed by Councils, Panels and the Minister as important features of a robust gaming policy that may be of value in any future Maribyrnong gaming policy.

It is useful to remember that the Victorian Planning Provisions (VPPs) is a series of strategically justified policies that inform a consistent set of controls and provisions that apply in each municipality. While the role of the local planning policy framework (LPPF) is to inform and guide local decision making, there is an underlying preference for consistency in the style and nature of provisions throughout the State.

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## **8 Current gaming policy**

### **8.1 Introduction**

Attachment 1 provides a summary of:

- The municipalities that have initiated gaming policies that are now incorporated into the planning schemes and the date of gazettal;
- The typology of policy, given that some are uniquely conceived and others form a recognised model;
- Special features of each policy; and
- The findings and observations of Independent Panels.

Different typologies of policy have been developed to meet this need. Some of the earliest examples (Melbourne and Boroondara) were rudimentary and preceded Clause 52.28. They were underpinned with limited research and strategic justification and were included with the introduction of the new format planning schemes.

A considerable number of policy development studies were commissioned concurrently in 2007-2009 and undertaken by the Coomes Consulting Group (the 'Coomes' typology). While each was different in so far as it explored and applied local socio-economic and spatial circumstances there were common themes to this work that found their way reasonably consistently into a number of planning schemes.

The primary common themes of that work included the identification of characteristics that distinguish appropriate and inappropriate areas, sites and venues.

Attachment 1 provides examples of the typical structures and content of policies developed during that period.

Other municipalities such as Maroondah, Port Phillip and Yarra Ranges undertook a different approach and methodology. In each case the outcome embodies elements of the 'Coomes' typology. In particular the recent Amendment C88 to the Port Phillip Planning Scheme is strongly sourced from the 'Coomes' typology while adding social housing and support and reference services as determinants of appropriate location.

The following examines some of those local policies in greater detail.

## 8.2 The Hume Gaming Policy

The Hume Planning Scheme was amended in March 2009 via Amendment C100, which introduced Clause 22.17 (Gaming Policy). Amendment C100 was based upon the research and findings of a review of gaming in the City of Hume and a *Strategic Reference Document for Gaming* (November 2007) prepared in association with Coomes Consulting (now CPG Australia).

The Reference Document recommended that an LPP be included in the Hume Planning Scheme with the aim of minimising the detrimental impacts of problem gambling on areas of high socio-economic disadvantage by setting out principles to be considered for the location of EGMs in the municipality. It also recommended that any application for EGMs was to demonstrate how net community benefit would be achieved and minimises any impact on local amenity.

The Hume Gaming LPP introduced a number of policy statements which provided guidance on the area, location and siting of gaming machines and new gaming venues. The policy included principles to the following affect:

- Gaming machines should not be located:
  - In areas of socioeconomic disadvantage as defined by the SEIFA Index of Relative Disadvantage;
  - In areas where gaming machine density is higher than the Melbourne metropolitan average;
  - Where the machines would be convenient to shops, community centres etc where large numbers of pedestrians would be likely to pass in the course of daily activity
  - In the core of activity centres where there is the highest intensity of activity; and
  - Where gaming machines would be incompatible with predominant surrounding uses.
- Gaming machines should be located:
  - On the periphery of activity centres or within walking distance of a major or primary activity centre;
  - In areas where residents within 5km have an alternate choice of recreation and leisure facilities;
  - In areas where the total density of gaming machines is lower than the overall gaming machine density of metropolitan Melbourne; and
  - In a location which could be reasonably perceived as a destination in its own right.
- Gaming machines should be located in venues which:
  - Include non - gaming options;

- Have a gaming floor area less than 25%; and
- Do not allow 24hr operation.

Similarly the LPP introduced a number of application requirements that sought to obtain a sufficient level of detail for the Council to make an informed decision, these requirements included:

- Existing and proposed distribution and densities of EGMs;
- Evidence of the need for additional gaming machines in the municipality and specific location;
- Assessment of social and economic costs and benefits of the proposal within a 5km radius;
- Details of the nature and extent of community benefits expected from the proposal and how they will be secured and distributed;
- Details of existing and proposed gaming and non-gaming related entertainment and recreation facilities' within the local area;
- Reasons why EGM's are being relocated and the likely socioeconomic impact on the venues and local areas from where EGMs are taken, if appropriate;
- Details of the design and layout of a venue; and
- Distance EGMs from shopping complexes, shopping strip, community facilities and services, and public transport.

### **8.3 Greater Bendigo Gaming Policy**

Amendment C110 introduced a gaming policy to the Greater Bendigo Planning Scheme at the same time as Hume. Similarly to Hume, the Greater Bendigo policy was prepared by Coomes. The Greater Bendigo policy was the first to be subject to Independent Panel Review but the recommendation essentially upheld the policy as exhibited.

Despite the similarity of the policies, there were also a number of differences. In particular, the Greater Bendigo policy statement did not directly refer to avoiding areas of socio-economic disadvantage as defined by the SEIFA Index of Relative Disadvantage. However, the policy did refer to mapping of specific areas where EGMs should be discouraged, which was in part based on the SEIFA Index. Cadastral based maps of shopping centres where gaming facilities would be prohibited and proximate areas where gaming machines would be strongly discouraged were included in the planning scheme as an Incorporated Document.

In addition to nominating the characteristics of areas where EGMs should be located, the Greater Bendigo policy also nominated *areas of future growth*. The Greater Bendigo policy also established a hierarchy, of Appropriate Areas, Appropriate Sites and Appropriate Venues.

In addition to the Application Requirements set out in the Hume policy, the Greater Bendigo policy also required that a *Social and Economic Assessment* is prepared by a suitably qualified person and increased the extent of application requirements to include:

- Details of socio-economic disadvantage of the suburb/town and broader 5km catchment as defined by the SEIFA Index;
- Details of the socio-economic difference of the locations between which EGMs are being moved; and
- Details of the transfer of gaming expenditure.
- Pedestrian counts outside of proposed venues.

#### **8.4 Maroondah Gaming Policy**

Amendment C60 introduced a gaming policy into the Maroondah Planning Scheme in November 2009. The Maroondah policy was not prepared in conjunction with Coomes Consulting and consequently departed from the common structure and policy statements that had been established.

In particular, the Maroondah policy statement did not contain any reference to the SEIFA Index of Relative Disadvantage, nor did it include a map of discouraged areas based on the SEIFA Index. The Maroondah policy did however introduce two new concepts regarding what may be considered as an appropriate location, including:

- A 400 metre buffer from residential and community uses, as well as existing venues; and
- Gaming venues should build on the existing retail and commercial land use pattern.

The Maroondah policy also provided basic guidance regarding appropriate design of EGM venues with regard to provision for natural light and the accessibility of gaming and non-gaming areas.

While the application requirements of the Maroondah policy were generally similar to previous gaming policies, a number of additional requirements were introduced, including:

- Details of one year forecast of anticipated expenditure;
- Projected changes in gaming expenditure;
- Distance to other gaming venues and public, social and community housing;
- Venue management plan;
- Details of social and economic indicators in addition to the SEIFA Index of Relative Disadvantage; and

- Details of existing gaming expenditure in a venue over the three previous years.

The application requirements of the Maroondah policy also require details of how an application will respond to traffic and parking, noise from car parking, internal noise, patron access and behaviour, hours of operation, impact on surrounding areas and safety.

### **8.5 Mitchell Gaming Policy**

Amendment C50 introduced a gaming policy to the Mitchell Planning Scheme in May 2010. The Mitchell policy was prepared in association with Coomes and reflected the common policy themes and structure that had been previously established.

Although the Mitchell gaming policy was in many ways similar to the Hume and Greater Bendigo policies, it was specifically tailored for the characteristics of a regional municipality, that is diverse settlement of varying size and structure. In addition the Mitchell policy included a map indicating where gaming machines should be discouraged or potentially encouraged, which was based on the SEIFA Index of Relative Disadvantage.

The application requirements of the Mitchell policy were similar to previous policies.

### **8.6 Yarra Ranges Gaming Policy**

The Yarra Ranges Shire Council introduced a gaming policy to the planning scheme in July 2010 via Amendment C57. Although not prepared in conjunction with Coomes, the Yarra Ranges policy combined elements of previous Coomes based policies and the Maroondah policy.

In addition the Yarra Ranges Policy introduced a new concept to what might be considered as an appropriate area, being a 1.5 km buffer from the 20% of the most disadvantaged Collector Districts bases on the SEIFA Index of Relative Disadvantage.

The application requirements of the Yarra Ranges Policy were generally similar to previous policies and included two minor variations, being:

- How the venue will be managed to minimise problem gambling; and
- The relative location of specific surrounding uses

### **8.7 Greater Geelong Gaming Policy**

Amendment C168 introduced a gaming policy to the Greater Geelong Planning Scheme in October 2010. The Greater Geelong Policy was generally very similar to

the early 'Coomes' typology of policy, although there was a notable difference in the language of some policy statements.

## **8.8 Yarra Gaming Policy**

Yarra City Council introduced a gaming policy to the planning scheme in November 2011 via Amendment C109.

Although prepared in association with Coomes Consulting, the structure of the policy varied from the previous typology. One notable difference from past policies was that the policy statements did not refer directly to SEIFA Index of Relative Disadvantage, however the policy did include a map of discouraged areas which appeared to be based on the index. In addition, the Yarra policy seemed to have placed greater emphasis on the need for a gaming venue/machines to provide a Net Community Benefit.

The application requirements of the Yarra policy were generally similar to previous policies.

## **8.9 Mansfield Gaming Policy**

The Mansfield Gaming Policy was introduced in late November 2010.

The Mansfield policy returned to common format seen in Coomes based policies prior to Yarra. However, it also incorporated concepts such as the 400m buffer from the 20% most disadvantaged Collector Districts, which was introduced by the Yarra Ranges policy. A map was used to illustrate these areas. The Policy also used additional maps to identify other discouraged and prohibited areas.

Similarly to Mitchell and Yarra Ranges, the Mansfield policy was tailored for the characteristics of a regional municipality.

The application requirements of the Mansfield policy were generally similar to previous examples.

## **8.10 Panel Reports**

A number of amendments that have introduced a gaming LPP into a planning scheme have been considered by an independent Planning Panel, including:

- Greater Bendigo C110;
- Maroondah C60;
- Mitchell C50;
- Yarra Ranges C57;
- Greater Geelong C168;
- Macedon Ranges C64;



- Bayside C98; and
- Port Phillip C88.

A series of common issues associated with the implementation of gaming LPPs has been established through the considerations and recommendations of these Panels. A summary of these issues and Panel findings is provided below

### **8.10.1 Strategic Justification**

Given the absence of a relevant State planning policy other than the provisions of Clause 52.28 and the scope of the *Planning and Environment* Act to consider socio-economic impacts, there is a need and place for councils to develop and implement local gaming policies. The strategic justification for a particular policy position will be established having regard to:

- The broad contextual appreciation of gaming and problem gamblers;
- The socio economic attributes of a municipality in relation to vulnerable and disadvantaged communities; and
- The provision of gaming in terms of the number of venues and machines and the accessibility of those facilities to the relevant community.

### **8.10.2 Activity Centre Policy Tension**

The inherent conflict between encouraging entertainment uses in activity centres and discouraging gaming on business zoned land can be reconciled where a gaming policy appropriately identifies parts of activity centres or areas on the edge of an activity centre where gaming facilities would not be convenient such as locations relatively remote from retail facilities and shops, other uses and areas that consistently encourage high concentrations of users such as bus and railway stations.

### **8.10.3 Destination Gaming**

While the Victorian Government has resolved not to pursue a model of destination gaming whereby there would be fewer and larger venues, there is a basis for Councils to try to reduce convenience gambling by implementing a variation of the destination gaming concept, by siting gaming facilities in venues and clubs that are located in an area removed from vulnerable and disadvantaged communities or which set in extensive grounds, removed from passing pedestrian traffic and which require a particular trip or effort to access.

### **8.10.4 Clubs and Hotels**

It is not appropriate for gaming policies to differentiate between clubs and hotels on the basis that a club may provide greater net community benefit. Both constitute a gaming venue and matters relevant to community benefit can be assessed on a case-by-case basis.

### **8.10.5 Net community benefit**

With regard to Net Community Benefit, Panels and Tribunals have concluded that the policy should relate to wider compliance with the purpose and goal of Clause 10 of the SPPF, and suggested that a policy should seek to *minimise harm* or ensure that *net social and economic impact of gaming not be detrimental to the wellbeing of the community*.

### **8.10.6 Mapping areas of prohibition and discouragement**

In considering the benefit of including detailed maps showing prohibited and discouraged locations for gaming machines within a municipality, the Macedon Ranges Panel found that while it may add value to identify areas of greatest vulnerability, it would be better done in general terms. Defining specific lots for the application of a generalised policy of discouragement will eventually lead to inconsistency and may largely predetermine failure.

In the case of seeking to nominate and define a shopping complex or a strip shopping centre by applying the 4 criteria set out in Clause 52.28, this was seen as open to different interpretation and does not allow for land use and structural change that will occur over time. Thus while there a number of policies and planning schemes that include such detailed mapping, the preferred direction arising from this panel report was not to use that technique, but apply more generalised guidance.

### **8.10.7 SEIFA Index of Relative Disadvantage**

Panels have concluded that the SEIFA Index of Relative Disadvantage is a useful guide regarding the location of gaming machines. Applying the index as a tool in local policy Panels have recommended it should be implemented in conjunction with a standard such as the *400m buffer from the 20% most disadvantaged Collector Districts* as seen in the Mansfield and Yarra Ranges policies.

### **8.10.8 Density of machines**

With regard to machine density, Panels found that it is also a useful guide for locating gaming machines and that to be consistent with other existing policies and standards an appropriate benchmark would be more specific and detailed than a regional average density.

### **8.10.9 Venue criteria**

Panels have also concluded that including appropriate venue criteria would also assist in providing further clarity to a gaming LPP, even though they may duplicate existing gaming regulations.

## **8.11 VCAT Decisions**

The research for this report has considered the Victorian Civil and Administrative Tribunal (VCAT) decisions in 7 relatively recent cases (Attachment 2).

### **The absence of policy**

A key observation arising from those decisions is the consequences of not having an effective strategy and policy to guide decision-making. The merits of individual cases have been argued in the relative absence of relevant contextual material. While social impact and planning evidence is often called the Tribunal has not had the benefit of research and policy developed independently of the circumstances of the case before it, and therefore the circumstances of the proposal can command greater attention than the broader holistic context of harm minimisation.

Council gaming policies, not forming part of the planning scheme, are given little weight by VCAT. For a policy to have standing and be given full weight it needs to be the subject of a planning scheme amendment that tests its strategic merit. In this way the document may be introduced in its totality as a Reference Document.

### **Net community benefit**

Various divisions of the Tribunal have come to a different view about the application of the net community benefit provisions of Clause 11. On balance it is held that the Clause establishes a process in weighing and considering different policy expectations rather than setting a particular test.

### **The definition of strip shopping centres**

The definition and perception of strip shopping centres is not always the same. The Tribunal has been called upon to evaluate in detail that a strip centre meets the tests of Clause 52.28. The dynamic nature of urban spaces means that a strip centre can emerge or recede with time, and this in part accounts for why recent Panels have cautioned against detailed mapping which may either be incorrect or vary with time. It is to be recalled that the definition of strip shopping centre as set out in the scheme does not confine such centres to land zoned Business but includes land that can be used for a business purpose. This distinction was the subject of considerable debate in the Edgewater matter.

### **Other recreational opportunities**

Despite the list of provisions in Clause 52.28 to be considered in granting a permit, and which include the offer of other recreation facilities the Tribunal did not uphold the refusal of a permit due to the absence of such facilities in growth area.



### **Accessibility**

The Tribunal has concluded that gaming facilities should not be located in inaccessible locations given that they are a legitimate form of entertainment.

### **Attractiveness of venues**

Conditions of approval could be used to limit the attractiveness of one venue to another. For instance the requirement for car parking in association with a gaming venue could be made more advantageous depending on whether the proposed site accorded with the preferred location.

### **Community surveys**

The Tribunal has the discretion to consider and place appropriate weight on community surveys about the use and attitude towards gaming machines. This was central to the consideration of the Supreme Court in the Romsey Hotel matter. An emerging consideration is the requirement for such a survey to be undertaken as part of the application for permit. The Macedon Ranges Policy requires such an input.

A community survey is a contribution to the consideration of the merits of an application to install gaming machines but may not be determinative. In some cases such surveys show little opposition to the establishment of gaming facilities but this does not bind a Council to granting permits. Such was the circumstances of a recent case in the City of Warrnambool involving Rafferty's Tavern at Dennington where a community survey suggested little community objection to the proposal but the Council still refused a permit on the basis of inconsistency with its policy and concern about the location of machines in an area of concentrated social and economic disadvantage.

## **8.12 Prizac Investments Pty Ltd & Ors v Maribyrnong CC & Ors VCAT 2616**

Due to the City of Maribyrnong's direct involvement in the 'Edgewater' case (Prizac Investments Pty Ltd & George Adams Pty Ltd v Maribyrnong City Council, RAIDIM & Others, and Maribyrnong City Council v Victorian Commission for Gaming Regulation & Footscray Football Club Ltd, VCAT Reference No. P1697/2008) an overview of the salient matters of the Tribunal determination is detailed below.

### **Introduction**

In May 2008 the City of Maribyrnong refused an application for a mixed-use development at 31 Edgewater Boulevard, Maribyrnong (the 'Edgewater Club').

The proposal consisted of building and works for a four-storey building containing a residential hotel, bistro and café, use of the land for a function centre and gaming room, installation of 65 gaming machines (EGMs), a liquor license and reduction in the car-parking requirement.

The application was refused on the basis that it would have an adverse affect on the amenity of the surrounding and future residential area, a gaming venue was prohibited within a strip shopping centre, a lack of justification to reduce car parking requirement and car parking areas were inappropriately designed.

In December 2008 the Victorian Commission for Gaming Regulation (VCGLR) approved the application to install 70 EGMs as part of the proposed development.

In December 2009 the Victorian Civil and Administrative Tribunal (VCAT) set aside the City of Maribyrnong's decision, ordering that a permit be granted subject to conditions and endorsed plans. Furthermore, the Tribunal reaffirmed the determination of the VCGLR to approve the installation and use of EGMs.

This discussion principally refers to the planning assessment of the matter, in particularly those aspects relating to the use and installation of EGMs.

### **Background**

The Victorian Civil and Administrative Tribunal (the Tribunal) considered the matter from a planning and gaming perspective, reflecting the separate jurisdiction of the City of Maribyrnong under the *Planning and Environment Act 1987* and the VCGLR under the *Gaming Regulation Act 2003*.

### **Planning issues to be considered**

In order to determine the planning aspect of the matter, the Tribunal identified four key issues to be considered. These issues are discussed below.

#### ***Is the subject land within a strip shopping centre and thereby prohibiting the proposed gaming component of the development?***

In accordance with the Clause 52.28, the particular provision applying to gaming, the Tribunal identified that gaming machines were prohibited in all strip shopping centres on land covered by the Maribyrnong Planning Scheme. Clause 52.28 identifies a strip shopping centre as an area meeting each of the following requirements:

- Is zoned for business use;
- It consists of at least two separate buildings on a least two separate and adjoining lots;
- It is an area in which a significant proportion of the buildings are shops; and
- It is an area in which a significant proportion of the lots abut a road accessible to the public generally.

Contrary to the City of Maribyrnong's grounds of refusal, the Tribunal considered that not all of the requirements had been met. Specifically, the Tribunal considered that the land was not zoned for business, as the purpose of the Comprehensive

Development Zone contained no specific purpose that directs the land to be used for business over and above another use.

***If not prohibited what planning permits are required for the proposal?***

Given that the installation and use of EGM's was not prohibited, the Tribunal found that planning permits were required for:

- A restricted place of assembly;
- The installation and use of 70 EGMs;
- Sale and consumption of liquor;
- Reduction in the requirements of car parking; and
- Exceeding the plot ratio of the CDZ.

In determining whether a permit should issue for the proposed uses, with the exception of the use of gaming machines which is addressed later, the Tribunal considered the following issues:

- The purpose of the zone and relevant planning framework;
- The role and function of the activity centre; and
- Amenity issues, with particular regard to car parking, traffic and noise.

The Tribunal did not establish any reason why a permit should not issue and made the following general findings:

- The CDZ and related policies are not always clear and helpful in providing precise direction about the form and mix of uses anticipated for the site, nor does the MSS identify how the mixed-use precincts in the CDZ were envisaged to be developed;
- The amenity of the site and its neighbouring properties is very different to a conventional residential area in Maribyrnong and there would be no adverse noise amenity issues that could not be addressed by permit conditions;
- The provision of 295 car spaces was generous for the activities proposed and there was adequate capacity in the surrounding road system accommodate additional traffic;
- The area could not be strictly defined as a Neighbourhood Activity Centre despite its classification in the Maribyrnong Planning Scheme; and
- A restricted place of assembly was appropriate in terms of the applicable zone and policy encouraging employment opportunities, a mix of entertainment and other ancillary uses.



***Will the proposed location and premises be appropriate for gaming machines, having regard to the social and economic impacts of the location of gaming machines?***

***Will the net economic and social impact of approval be detrimental to the wellbeing of the community of the municipal district in which the premises are to be situated.***

With specific regard as to whether a permit should issue for the installation and use of EGMs, the Tribunal concluded that location and premises were suitable for a gaming venue and that the overall proposal would not cause social or economic detriment to the community. The Tribunal also considered that the proposal would result in various community benefits.

The Tribunal made the following findings with regard to appropriateness of the location, social and economic impacts:

- Gaming is a legitimate form of entertainment, general accessibility should be encouraged and gaming should not be located in inaccessible locations;
- There is no specific policy guidance in the Maribyrnong Planning Scheme identifying where a 'appropriate location' would be for EGMs, there is nothing to indicate that any other location is inappropriate;
- Clause 11, Introduction, goals and principles (as it was then) sets out policy considerations as guidance only, it does not set particular test for net community benefit;
- Despite the proximity of the venue to disadvantaged areas, the attractiveness of the venue and local community opposition, the 'whole package' of the proposal would provide a positive social outcome for Edgewater;
- Various benefits would be derived from the proposal including employment opportunities, recreation and entertainment facilities, removal of 11 EGMs from the municipality and removal of EGMs from more areas experiencing a higher level of disadvantage.

#### **Gaming issues to be considered**

While not related to the planning assessment of the proposal, the Tribunal gave further consideration to the net economic and social impact of the proposal when considering the VCGLRs determination to approve the proposal for 70 EGMs at the venue.

With particular regard to the following issues, it was contended that the location of the proposed venue would create a detrimental socio-economic impact:

- The venues proximity to a supermarket targeted at lower income shoppers;
- The venues proximity to a recognised disadvantaged area (Eldridge / Empire) to the south of the site, the underlying premise being that people with lower

incomes or particularly disadvantaged were more vulnerable to problem gambling; and

- Residents in close proximity to the site were unhappy about it being located close by.

The Tribunal concluded that there would be no net social or economic detriment to the community as a result of the gaming venue being established. In particular, the Tribunal made the following findings:

- Gambling is a valid activity for Victorians, and that responsible gambling should be fostered, not only to minimise harm caused by problem gambling, but also to accommodate those who gamble without harming themselves or others;
- Disadvantaged areas are already in close proximity to a gaming venue which provides them with convenient access to EGMs and which is not subject to membership and sign in requirements anticipated for the Edgewater development;
- A venue where admission is regulated, and there can be imposed limited hours operation of the gaming room, reduces the availability for problem gamblers and reduces impulse access
- The proposed venue will not contribute to the an increase in EGMs within the municipality, and rather it will have a positive benefit in reducing the number of EGMs in highly disadvantaged areas as well as the overall number within the municipality;
- While residents in close proximity to the proposed venue are opposed to gaming, they do not rate it as one of the top issues for the local community to address;
- The proposal would provide employment opportunities to a community with recognised low employment rate, and have a multiplier effect on the broader economy; and
- There will be transfer of expenditure to the proposed venue from areas in which existing EGMs are located.

A key recommendation from the VCAT decision on the Edgewater case was that Council should develop a Local Policy which outlines a clear set of objectives for EGMs in Maribyrnong. This will provide a consistent Council position on the location and management of EGMs in Maribyrnong, rather than assessing planning permit applications on a case by case basis. It will also assist Council to better protect the local community from the impacts of EGM gambling, by clearly outlining why EGMs should be discouraged from being located in certain areas in the municipality.

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## **9 Policy Development - Recommendations**

Based on the foregoing research and analysis it is recommended that the City of Maribyrnong adopt a local planning policy that seeks to protect the health, social and economic wellbeing of the community by providing a strategy and guidelines to assist decision making on planning permit applications for EGMs within the City.

### **9.1 Policy basis**

Substantial areas of the municipality can be characterised as vulnerable to potential harm from gaming. A series of strategy and policy recommendations are advanced to enhance harm minimisation and guide the use and installation of gaming machines to accessible locations, which offer a more robust environment for the conducting of gaming.

#### ***9.1.1 Retention or reduction of cap***

Despite forecast population growth community wellbeing would be strongly supported by retaining the overall existing cap on the number of EGMs in the municipality, or by securing a reduction to reflect the existing metropolitan average of EGMs per 1000 adults.

Council should advocate and negotiate with the State Government and the Victorian Commission for Gaming and Liquor Regulation to achieve such an outcome. It cannot be achieved through the application of local planning policy.

The residential population of Maribyrnong is forecast to grow from an estimated 75,400 people in 2012 to 107,901 people by 2031. Section 5.4.2 of this report has explored a series of scenarios showing how the future EGM market might look.

This population growth is likely to occur as a result of further urban consolidation and the redevelopment of strategic development sites. Such growth within the retention of the existing cap on EGMs would result in a net reduction in the overall density of machines per head of population within the city.

#### ***9.1.2 Accessibility and restricting the establishment of additional venues***

Most of the existing and foreshadowed Maribyrnong community has a high level of easy access to a choice of venues offering EGMs, proximate to the residential areas of the municipality. The only part of the City without such a high level of accessibility is the industrial precincts to the south-west.

In so far as there is scope for further growth in the number of EGMs between the existing cap and the existing level of supply, it is preferable that additional machines be absorbed within existing venues, outside of the Braybrook or Maidstone area. If new venues are to be permitted it is recommended that they be located in areas with lower levels of disadvantage in the municipality such as Yarraville, Seddon and the suburb of Maribyrnong, within or proximate to the

Footscray Central Activity Centre where a broad range of entertainment choices are actively encouraged by planning policy and where users of gaming machines are provided with genuine choices of alternative entertainment and recreation.

The creation of additional venues outside of the central activity centre would enhance convenient access to a greater proportion of resident vulnerable communities that have easy access to gaming venues. Potential harm would be exacerbated by additional convenient venues.

The above strategy protects reasonable accessibility and contains the proliferation of additional convenient locations. The concentration of any additional machines in existing venues in areas of lower disadvantage or around the central activity centre is judged to have less potential harm than more venues distributed throughout the City.

### **9.1.3 Prohibitions on gaming and mapping**

A key policy directive within existing Victorian planning policy, including the SPPF, is the establishment of mixed use and accessible activity centres. Entertainment facilities are encouraged in many activity centres. The objective of the activity centre policy at Clause 11 of the SPPF states *“To encourage the concentration of major retail, commercial, administrative, entertainment and cultural developments into activity centres which provide a variety of land uses and are highly accessible to the community”*. Activity Centres are reflected in a variety of zones to suit different purposes and outcomes. However, within these different zones the centres still function and are perceived as a shopping centre entity.

Clause 52.28 allows the prohibition of gaming venues in strip shopping centres and complexes. The clause includes criteria outlining the definition of strip shopping centre stating:

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

- *it is zoned for business 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.*

The Maribyrnong Planning Scheme includes a list of activity centres ranging from the higher order centres, such as Footscray Central Activities Area and Highpoint Principal Activity Centre through to lower order Neighbourhood and Local Centres. These centres have been defined as Activity Centres through an activity centres study and are listed as such at Clause 21.04 of the Municipal Strategic Statement (MSS). They function as either a shopping complex or strip shopping centre and are defined as Activity Centres under the Maribyrnong Planning Scheme. However, a number of the centres do not meet the criteria of a centre as defined under Clause 52.28 of the scheme.

As discussed at section 8.11 the strip shopping centre criteria is often the subject of debate, as was the case in the Edgewater application. To meet the definition of a strip shopping centre as defined under Clause 52.28 an area must meet all of the four criteria.

The first criteria 'zoned for business use' effectively eliminates a number of the municipalities activity centres. The table below details the activity centres within the City of Maribyrnong and how the assessment against the 52.28 criteria affects the centre.

<b>Activity Centre</b>	<b>Clause 52.28 Criteria Assessment</b>
<b>Central Activities Area</b>	
Footscray Central Activities Area	Large proportion of the centre meets the criteria. However, Footscray as a Central Activities Area is expected to provide opportunities for a variety of entertainment facilities. It is recommended that parts of the CAA be identified as prohibited areas based on the CAA precincts being: Precincts 1, 2A, 6A and 6E. To be Listed in Schedule 52.28-4
<b>Principal Activity Centre</b>	
Highpoint Principal Activity Centre	Part of the Activity Centre identified as a Shopping Complex. Listed in Schedule 52.28-3
<b>Major Activity Centre</b>	
Central West Major Activity Centre	Part of the Activity Centre identified as a Shopping Complex. Listed in Schedule 52.28-3
<b>Specialised Activity Centre</b>	
Victoria University Specialised Activity Centre	Forms part of the broader Footscray CAA
<b>Neighbourhood Activity Centres</b>	
Barkly Village West Footscray	Part of the centre meets the 52.28 criteria. However centre is broader under the MSS and includes areas zoned MUZ. To be discouraged in broader area. To be Listed in Schedule 52.28-4.
Braybrook Shopping Centre	Activity Centre identified as a Shopping Complex. Listed in Schedule 52.28-3
Edgewater	Part of the centre meets the 52.28 criteria. To be Listed in Schedule 52.28-4
Seddon	Part of the centre meets the 52.28 criteria. However, the centre is broader under the MSS and includes areas zoned MUZ. To be discouraged in broader area. To be Listed in Schedule 52.28-4
Yarraville	Majority of Activity Centre meets the 52.28 criteria. To be Listed in Schedule 52.28-4
Yarraville Square	Activity Centre identified as a Shopping Complex. Listed in Schedule 52.28-3
<b>Local Centres</b>	
Ballarat and Duke	All of AC within 52.28 map criteria To be Listed in Schedule 52.28-4

Ballarat and Summerhill	Centre is predominantly zoned MUZ so does not meet criteria of 52.28. To be discouraged in this centre.
Ballart and Gordon	Centre is zoned MUZ so does not meet criteria of 52.28. To be discouraged in this centre.
Braybrook Village	All of AC within 52.28 map criteria. To be Listed in Schedule 52.28-4
Gamon Street	Centre is zoned MUZ so does not meet criteria of 52.28. To be discouraged in this centre.
Mitchell and Hampstead	All of AC within 52.28 map criteria. To be Listed in Schedule 52.28-4
Waterford Gardens	Centre is zoned CDZ so does not meet criteria of 52.28. To be discouraged in this centre.
Wembley Avenue	All of AC within 52.28 map criteria. To be Listed in Schedule 52.28-4
The centres listed below are expected to decline as local convenience-oriented centres for their local neighbourhoods because of their location on very busy roads or their proximity to other centres providing a better range of goods and services:	
Geelong Road and Wales Street	Centre is zoned MUZ so does not meet criteria of 52.28. To be discouraged in this centre.
Kingsville – Somerville and Geelong Road	Centre is zoned MUZ and R1Z so does not meet criteria of 52.28. To be discouraged in this centre.
South Road and Duke Street	All of AC within 52.28 map criteria. To be Listed in Schedule 52.28-4.
Tottenham.	Centre is zoned MUZ and R1Z so does not meet criteria of 52.28. To be discouraged in this centre.
<b>Small Destination Centres</b>	
Western Gateway (Cnr Williamstown Road and Thomas St)	Centres do not meet criteria of 52.28. To be discouraged in these centres.
Williamstown Road at Francis Street	
Somerville Road from Wales to Coronation Streets	
Somerville Road at Williamstown Road	
Somerville Road at Gamon Street	

There is a policy conflict between directing gaming, as a legitimate form of entertainment, into activity centres and at the same time minimising accessibility and harm minimisation. The Panel Report on Amendment C168 to the Greater Geelong Planning Scheme summarises the policy conflict “*Gaming premises are ultimately nested in retail premises. There is however a tension between the policy drivers in clause 12 and 17 to concentrate recreation facilities in activity centres and the recognised need to minimise convenient access to gaming machines through prohibitions in shopping centres under Clause 52.28.*” The aim is to make gaming accessible, but not convenient.

To pursue the aim of making gaming accessible but not convenient it is proposed to prohibit gaming venues within the shopping centres that meet the criteria of 52.28. As part of the process it is recommended to list the shopping centres that meet the criteria in the relevant schedules to 52.28 and discourage gaming venues in other activity centres that do not meet the criteria due to their zoning. In addition policy should strongly discourage electronic gaming machines establishing within locations that abut, or are directly adjacent or opposite a prohibited location or can be easily viewed from a prohibited location.

Being mindful of recent Independent Panel findings and conclusions on mapping, it is recommended that an indicative approach be taken to mapping prohibited and discouraged areas for the installation of gaming machines to guide decision making. This approach would:

- Map the locations assessed to have the attributes of a shopping complex or strip shopping centre as defined by Clause 52.28;
- The mapping would not use a cadastral base to fix precise boundaries; and
- The maps would form an attachment to the Reference document to be utilised as a preliminary point as locations assessed as having the relevant attributes.

The maps should be clearly noted as being indicative only and would require review and re-evaluation at the time of a specific application being made so that all parties can confirm that the tool has been audited for relevance.

### **9.1.4 Vulnerable communities and social housing**

A primary tool in harm minimisation will be limiting the convenience of EGMs to vulnerable communities. Building upon the recent work undertaken by the City of Port Phillip, it is recommended that Council’s adopted local planning policy should identify inappropriate areas for the establishment of EGMs to include venues within 400 metres walking distance of concentrations of social (public or community) housing.

As discussed at section 6.5, Maribyrnong has a significant number of social housing dwellings across the municipality, with some areas having high concentrations of social housing. The definition of concentration, or clusters, was discussed in the Port Phillip Panel Report which states “A cluster is defined as a location where 50 or more dwellings are located in close proximity (either single or multiple sites). A maximum distance of 150 metres between sites is used to determine a cluster”.

Council has assessed existing social housing units based on the above definition. The map included at section 6.5 identifies areas Council considers to have



concentrations of social housing. That is areas having 50 or more individual social housing dwellings within a 150 metres radius.

## **9.2 Location Principles and Policy**

Within the above strategic context the following detailed location principles and policies should apply. In advancing these principles for the appropriate location of gaming facilities it is important to bear in mind the multifaceted nature of State and local policy considerations that should influence decision making.

Gaming does not exist or function in a vacuum. While the following advances gaming specific policies and guidelines it is equally appropriate that consideration of applications for gaming facilities have regard to the proposal in the context of:

- Recreation and entertainment policy for the city;
- Activity Centre Policy;
- The socio –economic conditions and context to the site; and
- The proximity, nature, influence and availability of other gaming venues, licensed premises and packaged liquor outlets.

It is the cumulative appreciation and balancing of these policy and practice issues that informs the appropriate decision.

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## **10 Recommended Local Gaming Policy**

### **10.1 Amendment to MSS Clause 21.08-5**

The existing MSS strategy on Economic Development (Clause 21.08) includes at Clause 21.08-5 a specific provision for licensed premises and gaming. To facilitate the new local policy it is recommended that the strategy provisions be amended to include an additional strategy and implementation point(new text italicised).

#### **LICENSED PREMISES AND GAMING**

Licensed premises can not only affect the amenity of locations but also the health and wellbeing of the community. Council wants to avoid a concentration of licensed premises which can disturb amenity and contribute to negative health and social impacts.

The city has one of the highest expenditure levels on gaming in Victoria and particularly high concentrations of gaming machines per head of population. The density of gaming machines and high levels of gaming expenditure have significant social and economic impacts on the community, which in turn places increasing pressure on community services and facilities. Council wants to reduce the impacts of gaming on the community.

#### **Objective 7**

To minimise adverse social impacts from electronic gaming machines.

#### **Strategies**

*Ensure the establishment of new or additional gaming machines does not occur proximate to relatively disadvantaged or vulnerable communities.*

Require a social impact assessment for electronic gaming machine applications. .

Reduce the number of gaming machines within the city and per head gaming expenditure to no greater than the Victorian average.

#### **Implementation**

*Apply Clause 22.06 Gaming Policy in considering an application to install or use a gaming machine or use of land for gaming.*

### **10.2 New local gaming policy**

The following details the recommended gaming policy to include in the Local Planning Policy Framework of the Maribyrnong Planning Scheme.

#### **Clause 22.06 GAMING**

This policy applies to all applications to install or use a gaming machine or use of land for gaming.

**Clause 22 06-1 Policy Basis**

Clause 52.28 requires a planning permit to be granted to install or use electronic gaming machines. This policy will guide decision-making by implementing the findings of the *Maribyrnong City Council –Electronic Gaming Machines – Reference Document and Local Planning Policy* (August 2012).

This policy:

Provides additional details to assist in the interpretation of Clause 52.28 – Gaming at the local level.

Implements the provisions of Clause 21.08-5 as it relates to gaming.

This policy is based on an understanding that there are links between vulnerable communities, problem gambling and proximity to gaming venues. This policy seeks to discourage the location of gaming machines that are proximate to vulnerable communities and seeks to ensure that the location of gaming machines minimises opportunities for convenience gaming. The municipality currently exceeds the metropolitan average density for gaming machines. This policy seeks to restrict increases in the density of gaming machines across Maribyrnong. This policy directs gaming machines to existing venues, with the exception of venues in Braybrook and in close proximity to vulnerable communities, to reduce increases in accessibility.

Taking into account specific characteristics of the local community that make it vulnerable to the negative impacts of gaming this policy guides the location of gaming machines to appropriate areas, sites and venues. The neighbourhoods of Maidstone and Braybrook are notably disadvantaged in social and economic terms and contain extensive concentrations of social housing. In addition, multiple support services and facilities are relied upon by the community, particularly the disadvantaged and those vulnerable to the potential harmful effects of gaming. Given these characteristics, the basis of the policy is to discourage gaming machines in disadvantaged areas and in locations that are convenient to local communities.

For the purposes of this policy social (community and public) housing means housing for people on lower incomes that is owned and leased by the Department of Housing, registered housing associations or not for profit housing organisations.

**Clause 22. 06-2 Objectives**

- To minimise harm from gaming and the incidence of problem gambling.
- To discourage the location of gaming machines in and proximate to disadvantaged and vulnerable communities.
- To minimise opportunities for convenience gaming.
- To protect the amenity of surrounding uses of venues containing gaming machines.



### **22.06-3 Policy**

It is policy to locate gaming machines in accordance with the following criteria:

#### ***Appropriate areas***

Gaming machines should be located in areas which are not:

- Where any ABS collection district within 400 metres of the proposed venue is in the 20% most disadvantaged collection of districts in Maribyrnong, as set out in the latest SEIFA Index of relative socio-economic disadvantage.
- Centres identified in the schedules to Clause 52.28.
- Locations within discouraged areas. Discouraged areas are:
  - Neighbourhood activity centres.
  - Local activity centres.
  - Small Destination Centres
  - Locations that abut, or are directly adjacent or opposite a prohibited location or can be easily viewed from a prohibited location
- Within 400 metres walking distance of a concentrations of social (public and community) housing developments.

Gaming machines should be located:

- Where they will make a positive contribution to the redistribution of gaming machines away from relatively disadvantaged areas, as defined by the latest ABS SEIFA index of relative socio-economic disadvantage.
- Where there is a choice of non-gaming entertainment and recreation facilities operating in the vicinity at the times that the proposed gaming venue will operate including hotels, clubs, cinemas, restaurants, bars and indoor recreation facilities.

#### ***Appropriate sites***

Gaming machines should not be located:

- Where they are convenient to concentrations of shops, major community facilities or key public transport nodes where large numbers of pedestrians are likely to pass in the course of their daily activities.
- On sites that abut or are adjacent or opposite to land identified as a strip shopping centre.



Gaming machines should be located on sites:

- That minimise the likelihood of people passing the venue in the course of their usual business or everyday activities.
- Where the location could reasonably be perceived as a destination in its own right. This would be achieved by separation from strip shopping centres, shopping complexes, railway stations and community facilities involving a high concentration of people undertaking daily activities.

### ***Appropriate venues***

EGMs should not be located in venues:

- That operate 24 hours a day.
- With a gaming floor area of more than 25% of the total floor area.

EGMs should be located in venues:

- That have a range of entertainment and leisure options and offer social and recreational opportunities other than gaming as the primary purpose of the venue.
- Where the premises and associated uses are compatible with the predominant surrounding land uses.
- Where the design and operating hours will not detrimentally affect the amenity of the surrounding area.

It is preferable that EGMs be located in existing venues, with the exception of venues in Braybrook and in close proximity to vulnerable communities.

### **22.07-4 Application Requirements**

All applications must include the following information to the satisfaction of the responsible authority:

- How the application is consistent with the broader State and Local Planning Policy Framework including policies on recreation and entertainment and activity centres.
- A statement showing how the proposal positively responds to the *Maribyrnong City Council –Electronic Gaming Machines Reference Document and Local Planning Policy (August 2012)* for the management of gaming machines in Maribyrnong.
- A venue management plan identifying mitigating strategies to manage patron behaviour and minimise problem gambling in relation to the design and management of the venue, including the applicant’s responsible gaming practices.

- Detailed plans of the design and layout of the premises including the location of all existing and proposed gaming machines, signage, external lighting, and evidence of compliance with any relevant gaming regulations for premises layout, design and operation of the gaming venue.
- Social and economic impact assessment prepared by suitably qualified and experienced persons that provides a robust assessment of the social, and economic benefits and dis-benefits impacts of the proposed EGMs.

The social and economic impact assessments should address but not necessarily be limited to the following:

- Details on the proposed number of gaming machines and associated forecast gaming expenditure (player losses).
- Details about the existing and proposed distribution and density of gaming machines in the municipality and local area, any proposed reallocation of gaming machines in the municipality, and the proposal's expected impact on patronage.
- If the applicant contends that gaming expenditure is likely to be transferred from other venues, the applicant is to provide:
  - Particulars as to how the level of transfer has been calculated (Including, but not limited to comparison per machine expenditure at the venue prior to and then after the additional machines, current usage levels of machines at the venue, and projected usage of machines at the venue after the additional machines); and
  - The amount of transfer expenditure anticipated.
- Details of the nature and extent of community benefits expected from the proposal and how the benefits are to be secured and distributed to the broader local community.
- A detailed social profile of the population within the catchment area (5km radius of the venue) including:
  - The relative socio-economic disadvantage of the local neighbourhood and suburb and broader 5km catchment of the venue;
  - In comparison to the latest ABS SEIFA index of relative disadvantage; and
  - Having regard to the projected growth, housing affordability and housing stress, income levels, unemployment rates, educational retention and attainment levels, and the percentage of social security recipients.

- Findings from an academically rigorous representative social impact survey from a CATI generated random digital sample of no less than 500 residents and businesses from the local community within a 5km radius of the proposed venue. The survey should measure current and anticipated levels of community satisfaction (happiness, contentment, and wellbeing) from living in the local area and having regard to the application with information on anticipated losses to players per year included in the preamble.
- Details of existing and proposed gambling and non-gambling entertainment and recreation facilities at the venue and within a 5km radius of the venue including existing and proposed electronic gaming machine density and location of other gambling venues.
- Details of the venues distance to shopping complexes, strip shopping centres, major areas of community congregation, proximity to areas of normal daily activity such as public transport, shops, community facilities, schools, early childhood centres, health services, and proximity to welfare and counselling services.
- Details of currently available social support services including specific problem gambling services, financial counselling services, and material and financial aid services; the location of these services in relation to both the revenue and patron catchment area; and the level of current demand for these services.
- Comparative pedestrian counts for venues within close proximity to places where large numbers of pedestrians are likely to pass in the course of their daily activities. Pedestrian counts should be taken different days and at a variety times to establish whether or not convenience gambling is likely to result having regard to the location of the venue and the proposed hours of operation.
- A detailed overall assessment, which shows and summarises the economic and social impacts of the proposal and their effect on community wellbeing and health.

### ***Decision Guidelines***

Before deciding on an application the Responsible Authority will consider, as appropriate:

- The consistency of the proposal with regard to the *Maribyrnong City Council –Electronic Gaming Machines – Reference Document and Local Planning Policy (August 2012)*.
- Whether the proposal will positively respond to harm minimisation.
- Whether the proposal will be proximate to areas of social disadvantage.
- Whether the proposal will facilitate convenience gambling.



- Whether there is to be a net community benefit derived from the application, regardless of any community contribution scheme.
- Whether users of the gaming venue will have a genuine choice of gaming and non-gaming entertainment in the local area, and in the venue itself.

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## 11 Venue Design Guidelines

### 11.1 Introduction

The previous section focused on the macro issue of developing policy and guidelines to assist proponents, advisors and decision makers in the determination of appropriate locations for electronic gaming machines in the city of Maribyrnong.

In this section the application of fostering responsible gambling to minimise harm caused by problem gamblers is taken to the next level by providing guidance on the design and layout of venues so that it contributes to the same objective.

The *Gambling Regulation Act 2003* is a legislative framework that provides some guidance on this subject. The provisions of the Victorian *Planning and Environment Act 1987* do not address this topic directly, nonetheless issues of amenity and safety in the use of premises and arising from the impact of premises, where EGMs have been installed, are relevant considerations in making a decision on applications for gaming machines.

Historically, Tabcorp and Tattersall's, as the primary operators of gaming venues, have developed their own manuals for the establishment and layout of gaming venues. The Victorian Commission for Gambling and Liquor Regulation (VCGLR) has historically accepted that approach. However, with the redistribution of entitlements changing in August 2012, that responsibility will fall on the Commission.

The Commission is currently preparing standards to address details regarding venue layout and design. These will become operational from mid 2012. The development of alternative guidelines by a Council should be mindful of this imminent change particular as the guidelines and standards will have standing and be applied regardless by the VCGLR. Accordingly while an outline of venue guidelines are advanced below as required, by the project brief, it is recommended that Council take no action to implement these guidelines until it has seen and reviewed the VCGLR document. Following review of the VCGLR document, if required the venue guidelines might be used as a checklist for applications.

### 11.2 Guidelines

The following guidelines are advanced as a checklist of features that if included as part of a proposal would positively contribute to harm minimisation. Applicants are encouraged to incorporate such features or provide justification for not meeting the preferred outcome.

An application for permit should address in plan or in a supporting statement the response to each of the following considerations:

### **11.2.1 Diversity of uses and attractions**

It is expected that gaming machines will be located in venues that:

- Offer a range of non-gambling entertainment.
- Do not offer other forms of gambling over and above gaming.
- Retain the majority of the available floor area for non-gambling purposes, with gaming constituting no more than 20 -25% of the available floor area.
- No live entertainment shall be provided for in the gaming area.

### **11.2.2 Layout of the building and uses**

- The gaming room should have no direct access from outside the building except for emergency exit doors.
- The layout of the building should not require access to other parts and functions of the venue via the gaming room.
- The machines in the gaming area should not be within direct line of sight from other locations within the venue where congregation of patrons might be reasonably expected.
- Premises should visually and acoustically screen the gaming room from other parts of the premises and provide barriers around the perimeter of the gaming room.
- The gaming room should be located in a space that provides a view to outside the premises and windows provided for such purposes shall not be obscured or blocked in any manner. Views of the gaming room from outside the premises should be prevented.

### **11.2.3 Hours of operation**

The *Gambling Regulation Act 2003* provides as a minimum that there must be a continuous break from gaming after every 20 hours and that there must be no more than 20 hours of gaming each day.

In order to minimise the harm to moderate risk and problem gamblers without impacting upon the reasonable needs of recreational gamblers it is preferred that gaming areas are closed for at least 8 hours per day.

## **11.3 Layout**

A plan shall accompany the application showing the detailed floor layout of the premises including the siting of all machines, seating areas and the availability of area(s) where persons who are gaming can retire to access refreshments and other facilities and amenities, other than gaming.

ATMs should not be located within 50 metres of the entrance to the gaming area.



Clocks shall be provided at the cashiers, adjacent to any ATM or eftpos facility and in multiple locations in the gaming room so that at least one is clearly visible from any machine.

### ***11.3.1 Signage and information***

A public address system shall be installed for use in promoting harm minimisation services and other services offered at the venue.

A venue-based code of conduct shall be prepared and clearly displayed in the gaming area, as will information on Gambler's Help Services.

'You cannot win' talkers will be placed on the poker machines.

'You cannot win' posters will be displayed throughout the venue. The number of posters will be determined by the number of machines and as set out in Section 16 of the Gambling Regulations Act.

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## **Attachment 1 – Summary of existing local gaming policies**



Municipality	Clause	Gazettal	Policy Model	Unique Policy Features	Panel	Panel Key Recommendations/Findings
Melbourne	22.12	NFPS		<ul style="list-style-type: none"> <li>- Basic gaming LPP with general objectives, policy statements and decision guidelines.</li> <li>- The LPP not refer to SEIFA Index of Relative Disadvantage.</li> </ul>		
Boroondara	22.14	NFPS		<ul style="list-style-type: none"> <li>- Basic gaming LPP with very little detail.</li> </ul>		
Hume	22.17	12/13/2009	Coomes	<ul style="list-style-type: none"> <li>- The first gaming LPP following the introduction of the NFPS.</li> <li>- The LPP generally sought to minimise the detrimental impacts of problem gambling in areas of high socioeconomic disadvantage.</li> <li>- The LPP introduced the SEIFA Index of Relative Disadvantage as an LPP gauge for socioeconomic disadvantage.</li> </ul>	No	
Greater Bendigo	22.28	26/03/2009	Coomes	<ul style="list-style-type: none"> <li>- Generally similar to the Hume gaming LPP, although there were also a number differences.</li> <li>- Unlike the Hume LPP, the Greater Bendigo LPP did not refer directly to avoiding areas of socioeconomic disadvantage as defined the SEIFA Index. Instead the LPP referred to a map of 'discouraged areas', which was in part based on the SEIFA Index. The map was incorporated in the Greater Bendigo Planning Scheme.</li> <li>- Introduced a policy structure, which would be used for a number of other gaming policies.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>- <b>Discouraged Areas</b> – The Panel accepted the use of a map to identify discouraged areas as well as incorporating it into the planning scheme. The Panel recommended however that the difference between discouraged areas (i.e. SEIFA Index and street characteristics) be clarified by colour.</li> <li>- <b>Non-Gaming Activities</b> – The Panel accepted that a gaming floor area of less than 25% was an appropriate test for ensuring alternative activities are provided.</li> <li>- <b>Density</b> – The Panel accepted that density is relevant to socioeconomic impact and that Council can seek to encourage or discourage certain locations on this basis, not impose a cap per se.</li> <li>- <b>General</b> – Recommended number policy neutral structural changes.</li> </ul>
Maroondah	22.16	12/11/2009	Maroondah	<ul style="list-style-type: none"> <li>- The LPP was not based on the common structure established by Coomes Consulting.</li> <li>- Although the application requirements of the Maroondah LPP were generally similar to Hume and Greater Bendigo, the policy statements varied to a degree.</li> <li>- In particular, the Maroondah policy did not make reference to the SEIFA index of Relative Disadvantage, nor did it include a map of 'discouraged areas' based on the SEIFA Index.</li> <li>- The Maroondah policy introduced two new concepts of what may be considered as an appropriate location.</li> </ul>		<ul style="list-style-type: none"> <li>- <b>Strategic justification</b> – The Panel accepted that the LPP is justified in the context of existing planning provisions and gaming regulations.</li> <li>- <b>Density</b> – The Panel rejected that the metro average is a valid benchmark for acceptable density and suggested that it is better to discourage increases in the number of gaming machines, venues or gaming losses.</li> <li>- <b>Clubs/Hotels</b> – The Panel found that it is not appropriate to differentiate between clubs and hotels through the LPP as they are both gaming venues. Net Community Benefit and other matters can still be considered on a case-by-case basis without distinguishing between the two.</li> <li>- <b>Location of venues</b> – Found that it is appropriate for 'should' to appear before 'not' in policy statements to provide clarity that an LPP does not provide blanket prohibition controls.</li> <li>- <b>Application requirements</b> – The Panel found that the requirements should provide more clarity of what is required and provide more flexibility of how it can be achieved. The Panel recommended Greater Bendigo C110 and Hume C100 as examples.</li> </ul>
Mitchell	22.07	24/06/2010	Coomes	<ul style="list-style-type: none"> <li>- The Mitchell LPP was based on the established Coomes policy structure.</li> <li>- Although the Mitchell LPP was in many ways similar to the Hume and Greater Bendigo LPPs, it was tailored specifically for the characteristics of a regional municipality i.e. diverse settlements and towns.</li> <li>- A map was included within the LPP to identify locations where gaming should be discouraged.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>- <b>Strategic justification</b> – The Panel accepted that there is sufficient strategic justification in the context of existing planning provisions and gaming regulations for the inclusion of a gaming LPP in the planning scheme.</li> <li>- <b>Planning framework tension</b> – The Panel acknowledged that there is an inherent conflict between encouraging entertainment uses in activity centres and discouraging EGM venues in commercial areas. The Panel found that the policy dilemma was reconciled as the LPP identified activity centres, parts of centres or areas on the edge as appropriate locations where EGM venues would be supported.</li> <li>- <b>Destination gaming</b> – The Panel accepted that the LPP was more concerned with reducing convenience gambling than encouraging destination gaming as discussed in the 2008 DoJ report.</li> <li>- <b>Net Community Benefit</b> – The Panel found that the LPP would provide NCB on the ground that it seeks to address concerns with problem gambling at a local level.</li> <li>- <b>Planning V Gaming Reg's</b> – The Panel found that inconsistency with other gaming regulations should be avoided with specific regard to operation hours i.e. max 17 hours of operation should be amended to less than 24 hours of operation.</li> <li>- <b>Discouraged area map</b> – the Panel recommended inclusion of a 'discouraged area map' in the LPP.</li> <li>- <b>General</b> – The Panel recommended a number of minor alterations.</li> </ul>
Yarra Ranges	22.08	15/07/2010	Symplan	<ul style="list-style-type: none"> <li>- Although not prepared by CPG, the Yarra Ranges gaming LPP is generally</li> </ul>	Yes	<ul style="list-style-type: none"> <li>- <b>Strategic Justification</b> – The Panel accepted that there is sufficient strategic</li> </ul>

Municipality	Clause	Gazettal	Policy Model	Unique Policy Features	Panel	Panel Key Recommendations/Findings
				<p>based upon the common policy structure established by Coomes.</p> <ul style="list-style-type: none"> <li>- The Yarra Ranges policy generally combined elements of the Coomes based LPPs and the Maroondah gaming LPP.</li> <li>- The Yarra Ranges LPP further clarified what might be considered an appropriate location with regard to the SEIFA Index of Relative Disadvantage.</li> </ul>		<p>justification in the absence of a State policy to guide the location of gaming machines and that there is scope within the P&amp;E Act for decision makers to consider socioeconomic impacts.</p> <ul style="list-style-type: none"> <li>- <b>Destination Gaming</b> – The Panel considered the destination gaming in the context of a 2008 DOJ report and found that there was no basis to support destination gaming, however there is basis to reduce convenience gambling and a variation of ‘destination gaming’ may be used to do so.</li> <li>- <b>Available V Accessible</b> – The Panel accepted that any venue on the edge of an activity centre in the Yarra Valley would be ‘convenient; and that a modified approach required. The panel recommended that gaming machines should not be located in or on the edge of activity centres.</li> <li>- <b>Objectives and Policy Statements</b> – The Panel was critical of a lack of understanding objective as opposed to policy statements or strategies and that the LPP should be amended accordingly.</li> <li>- <b>Parallel structures</b> – The Panel recommended that the heading structure established in past Gaming LPP’s be adopted.</li> </ul>
Greater Geelong	22.57	14/10/2010	Coomes	<ul style="list-style-type: none"> <li>- The Greater Geelong gaming LPP is very similar to the early Coomes policies with the exception of the language that is used in some make some policy statements.</li> </ul>	Yes	<ul style="list-style-type: none"> <li>- <b>Strategic Justification</b> – The Panel found a strong strategic justification to include a gaming LPP in the planning scheme.</li> <li>- <b>Activity centre locations</b> – The Panel concluded that current research and policy support an approach to make gaming accessible but not convenient.</li> <li>- <b>Central Geelong</b> – The Panel concluded that the LPP should provide guidance for permit applications in prohibited areas – i.e. further gaming machines are prohibited.</li> <li>- <b>Destination Gaming</b> – The Panel considered the concept of Destination Gaming in the context of the DOJ 2008 report definition. The Panel found that the concept of destination gaming proposed by Council and other LPP’s is not the same as the DOJ definition and more about reducing convenience gambling.</li> <li>- <b>Clubs/Hotels</b> – The Panel accepted that while different NCB contributions will be made between hotels and clubs, it is not appropriate for an LPP distinguish between the two. Policy should be amended to refer to NCB in respect of venues so that it can be considered on a case-by-case basis.</li> <li>- <b>Density</b> – The Panel concluded that it is appropriate to try to move a concentration of gaming machines away from disadvantaged areas based on density of EGMs.</li> <li>- <b>General</b> – The Panel made a number of relatively minor recommendations including use of parallel structures, language; remove overlapping advice, common structure.</li> </ul>
Yarra	22.15	11/11/2010	Coomes	<ul style="list-style-type: none"> <li>- Although prepared by CPG’, the Yarra Policy varied the established common policy structure.</li> <li>- The key difference between the Yarra gaming LPP with previous gaming LPPs included a greater emphasis to provide Net Community Benefit.</li> <li>- Although the Yarra policy did not refer to the SEIFA Index of Relative Disadvantage, it did include a map of ‘discouraged areas’, which appears to be based on the SEIFA Index.</li> </ul>	No	
Mansfield	22.09	25/11/2010	Coomes	<ul style="list-style-type: none"> <li>- The Mansfield gaming LPP generally returned to the Coomes’ common policy structure.</li> <li>- Although a Coomes’ based policy, the Mansfield policy adopted some elements of other policies not prepared by Coomes’.</li> <li>- Similarly to Mitchell, the Maroondah Policy refers specifically to small towns/settlements.</li> <li>- The Maroondah policy included a map within the policy to identify locations where gaming should be discouraged.</li> </ul>	No	
Port Phillip	22.07	08/09/2011	Own Model	<ul style="list-style-type: none"> <li>- This LPP is based on a gaming policy prepare prior to the NFPS. It contains a lack of detail in comparison to other examples. It has no application requirements, minimal emphasis on socioeconomic impacts and does not require consideration of the SEIFA Index</li> </ul>	Yes	<ul style="list-style-type: none"> <li>- <b>Amendment C62</b> was an LPPF revision. The gaming policy was based on the policy that appeared in the NFPS and was revised in accordance with the local policy practice note.</li> </ul>
Macedon Ranges		N/A	Coomes	<ul style="list-style-type: none"> <li>- Although prepared in association with CPG, the form and content of proposed Macedon Ranges gaming LPP varied somewhat from previous</li> </ul>		<ul style="list-style-type: none"> <li>- <b>Strategic Justification</b> – The Panel found that strong strategic justification of a gaming LPP had been provided.</li> </ul>

Municipality	Clause	Gazettal	Policy Model	Unique Policy Features	Panel	Panel Key Recommendations/Findings
				<p>policies.</p> <ul style="list-style-type: none"> <li>- While containing many similar concepts and criteria, the policy statement was not based on the established hierarchy, and it contained reference to 'discouraged area' maps.</li> <li>- Furthermore, the proposed application requirements were more extensive than other previous gaming LPP's, and in addition to the application requirements identified that a number additional documents and checklists outlined in a separate community policy were also required to be completed as part of an application.</li> </ul>		<ul style="list-style-type: none"> <li>- <b>Net Community Benefit</b> – The Panel found that rather than seeking NCB, the LPP and associated documents should relate to wider compliance with the purpose and goal of Clause 10 of the SPPF. Preferred wording is 'minimising harm' or 'ensuring that the net social and economic impact of gaming machines will not be detrimental to the well being of the community; as it better reflects strategic work and evidence provided by Council.</li> <li>- <b>Mapping Discouraged Areas</b> – The Panel found that while it adds value for areas of greatest vulnerability to harm from gaming to be defined in a local policy, it is better done in general terms rather than by attempting to define specific sites as this can lead to inconsistency and may largely predetermine failure.</li> <li>- <b>SEIFA Index</b> – The Panel found that the index is a useful guide for the location of gaming venues, however it should include a standard against which an application can be assessed. The standard used in the Mansfield LPP is the preferred approach.</li> <li>- <b>Density</b> – The Panel agreed that the use of gaming machine density is an appropriate guide to locating gaming machines, and a that a consistent standard should be adopted i.e. densities should be less than the regional Victorian average.</li> <li>- <b>Appropriate Venue Criteria</b> – The Panel agreed that venue criteria would assist in providing clarity to design requirements, although they may duplicate requirements set out by existing gaming regulations.</li> <li>- <b>Clubs/Hotels</b> – The Panel found that the distinction between clubs and hotels is not an issue an appropriate issue for a planning policy.</li> <li>- <b>Application Requirements</b> – The Panel concluded that while a number of the assessment criteria replicate the requirements of Clause 52.28 or other gaming regulations, they add value to the LPP by providing further clarity. Also concluded that the community policy and associated requirements go beyond the scope of a reference document. These should either be incorporated into the scheme or directly included within the LPP.</li> </ul>
Bayside	N/A			<ul style="list-style-type: none"> <li>- While generally similar to previous policies, the gaming LPP proposed by Bayside sought to vary a number of previously established concepts and structures.</li> <li>- In particular, the proposed Bayside gaming LPP sought to alter what may be considered as 'convenience' by identifying alternative criteria and thresholds such as an 800 metre buffer from sensitive community facilities.</li> <li>- In addition the proposed policy did not seek to encourage locations that could be considered as destination locations in their own right, nor did it seek to encourage the movement of EGMs away from disadvantaged locations.</li> <li>- It was also notable that the proposed policy included relatively simple application requirements while the decision guidelines were particularly detailed in comparison, and generally reflected the application requirements of other previous policies.</li> </ul>		<ul style="list-style-type: none"> <li>- <b>Strip Shopping Centres</b> – The Panel concluded that although there is merit in defining strip shopping centres, it is necessary to meet the criteria Clause 52.28 and as such the need to determine the classification of a strip shopping centre on a case-by-case basis remains.</li> <li>- <b>Net Community Benefit</b> – The Panel conformed the finding of Macedon Ranges C64 Panel i.e. Rather than NCB, the LPP should relate to wider compliance with the purpose and goal of Clause 10 of the SPPF.</li> <li>- <b>Sensitivity of Community Facilities</b> – The Panel found that the sensitivity of community facilities to gaming has not been established. As such it is not appropriate to specify particular threshold distances, instead a more generic reference should be used.</li> <li>- <b>Accessible but not convenient</b> – The Panel noted that the concept of 'convenience gaming' has not been conclusively defined and that the policy should include clarification to the effect of - exposure to gaming opportunities as part of day-to-day activities such that a decision to gamble may be spontaneous rather than predetermined.</li> <li>- <b>Density</b> – The Panel concluded that comparing density with the average of other metropolitan areas is an established benchmark for assessment.</li> </ul>



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## **Attachment 2 – Summary of Recent VCAT decisions**



<b>Issue</b>						
<b>Matter</b>	<b>LPP</b>	<b>Absence of Policy</b>	<b>Net Community Benefit</b>	<b>Strip Shopping Centres</b>	<b>Community Facilities / Convenience</b>	<b>Recreation Opportunities</b>
Beretta's Langwarrin V <b>Frankston CC</b> (2009)	No	<ul style="list-style-type: none"> <li>It does not assist Council that it has no local policy in the planning scheme, dealing with gaming, which might provide statutory guidance regarding Council's preferred position for gaming machines.</li> </ul>	<ul style="list-style-type: none"> <li>It is clear under Clause 11 that an applicant must demonstrate that the proposal will go beyond "break-even" to create a net community benefit.</li> </ul>			
Prizac Investments & George Adams V <b>Maribyrnong CC</b> (2009)	No	<ul style="list-style-type: none"> <li>There are no local policy guidelines within the planning scheme indicating where an appropriate location for gaming machines would be.</li> </ul>	<ul style="list-style-type: none"> <li>Disagree with the of Beratta's Langwarrin V Frankton. Clause 11 sets out policy considerations as guidance and does not require an applicant to demonstrate that a proposal will lead to net community benefit.</li> </ul>	<ul style="list-style-type: none"> <li>The subject site was not located within a strip shopping centre as the area failed to meet all four requirements of Clause 52.28 – 4, specifically as it is not an area zoned for business.</li> </ul>		
CK & Sons V <b>Bayside CC</b> (2010)	No		<ul style="list-style-type: none"> <li>Clause 11 does not set out a particular test for Net Community Benefit; rather it sets out policy considerations as guidance and does not require the applicant, in planning terms, to demonstrate that the proposal will lead to a Net Community Benefit.</li> </ul>		<ul style="list-style-type: none"> <li>Given that liquor licences prohibit persons aged less than 18 from entering a gaming room, and there is no evidence of convenience gambling being an issue where a venue is in proximity to facilities for person aged less than 18, there is no basis to refuse an application.</li> </ul>	
Bright New Bay V <b>Bayside CC</b> (2010)	No			<ul style="list-style-type: none"> <li>The subject site was not located within a strip shopping centre as the area failed to meet all four requirements of Clause 52.28 – 4, specifically the overall number of shops cannot be regarded as a 'significant proportion' of buildings in the centre.</li> </ul>	<ul style="list-style-type: none"> <li>There is no casual link associated with underage gambling as a result of the proximity of gaming venues to schools. There is no basis to refuse an application.</li> </ul>	
Sayers Property Holdings V <b>Wyndham CC</b> (2010)	No	<ul style="list-style-type: none"> <li>The lack of a local gaming policy in the planning scheme removes council's opportunity to provide any meaningful input.</li> </ul>	<ul style="list-style-type: none"> <li>Clause 11 does not set out a particular test for Net Community Benefit; rather it sets out policy considerations as guidance and does not require the applicant, in planning terms, to demonstrate that the proposal will lead to a Net Community Benefit</li> </ul>			<ul style="list-style-type: none"> <li>A lack of alternative recreation opportunities in a developing growth area is not a sufficient reason to refuse a hotel proposal on the basis that it includes gaming and there are few other recreational opportunities.</li> </ul>
DSL Securities V <b>Cardinia SC</b> (2011)	No		<ul style="list-style-type: none"> <li>Contrary to previous decisions, the Tribunal considered that policy required them to be satisfied that an out of centre development / use would result in a net community benefit.</li> </ul>			
Club Italia V <b>Brimbank CC</b> (2011)	No					

<b>Issue</b>						
<b>Matter</b>	<b>LPP</b>	<b>Accessible V Convenience</b>	<b>Venue Attractiveness</b>	<b>Community Surveys</b>	<b>Socio Economic Impact test</b>	<b>Community Policies</b>
Beretta's Langwarrin V <b>Frankston CC</b> (2009)	No					
Prizac Investments & George Adams V <b>Maribyrnong CC</b> (2009)	No	<ul style="list-style-type: none"> <li>Gaming venues should not be located in inaccessible locations away from either shops or residences. As a legitimate form of entertainment, generally accessibility should be encouraged.</li> </ul>	<ul style="list-style-type: none"> <li>The attractiveness of a venue could be curtailed legitimately, in comparison to other existing venues, by limiting the hours of operation. Other permit conditions included deleting an abutting smoking area and preparing a Patron Access and Management Plan.</li> </ul>			
CK & Sons V <b>Bayside CC</b> (2010)	No					<ul style="list-style-type: none"> <li>A Council adopted community policy that is not part of a planning scheme ought to be given very little weight in any decision, particularly as it has not been through a consultation or review process/</li> </ul>
Bright New Bay V <b>Bayside CC</b> (2010)	No				<ul style="list-style-type: none"> <li>The decision identifies criteria to test the socioeconomic impact of a proposal. It is specific to the particular location and its characteristics.</li> </ul>	<ul style="list-style-type: none"> <li>A Council adopted community policy that is not part of the planning scheme ought to be given very little weight as it has not been through a consultation and review process. In this case, it also contains objectives contrary to previous Panel recommendations.</li> </ul>
Sayers Property Holdings V <b>Wyndham CC</b> (2010)	No			<ul style="list-style-type: none"> <li>The Tribunal has the discretion to consider the likely local community views on proposed gaming machines, noting that is just one factor that will need to be balanced and taken into account in forming a decision.</li> </ul>		<ul style="list-style-type: none"> <li>A Council adopted community policy that is not part of the planning scheme ought to be given very little weight as it has not been through a consultation and review process. In this case, it also contains objectives contrary to previous Panel recommendations.</li> </ul>
DSL Securities V <b>Cardinia SC</b> (2011)	No				The Tribunal accepted a 'test' of why the proposed location was appropriate with regard to socioeconomic disadvantage, proximity to community facilities and activity centres and accessibility of alternative recreation opportunities.	
Club Italia V <b>Brimbank CC</b> (2011)	No					

<b>Issue</b>			
<b>Matter</b>	<b>LPP</b>	<b>The Role of VCAT</b>	<b>Existing Use Rights</b>
Beretta's Langwarrin V <b>Frankston CC</b> (2009)	No		
Prizac Investments & George Adams V <b>Maribyrnong CC</b> (2009)	No		
CK & Sons V <b>Bayside CC</b> (2010)	No		
Bright New Bay V <b>Bayside CC</b> (2010)	No		
Sayers Property Holdings V <b>Wyndham CC</b> (2010)	No	<ul style="list-style-type: none"> <li>Under the P&amp; E Act, the role of VCAT is not to determine if a municipality should absorb more EGMs. The role of VCAT is to review to what extent a proposal can be supported when assessed by Clause 52.28, any relevant planning issues and whether on balance the proposal deserves approval.</li> </ul>	
DSL Securities V <b>Cardinia SC</b> (2011)	No		
Club Italia V <b>Brimbank CC</b> (2011)	No		<ul style="list-style-type: none"> <li>Upheld a previous decisions that where a premises enjoys exiting use rights as a hotel which includes gaming activities that have been unregulated by the need for a planning permit at the time 52.28 became operational, no permission is required for the use of the land for gaming (even with additional machines) under the provision, so long as 25% of the max floor area restriction is adhered to.</li> </ul>



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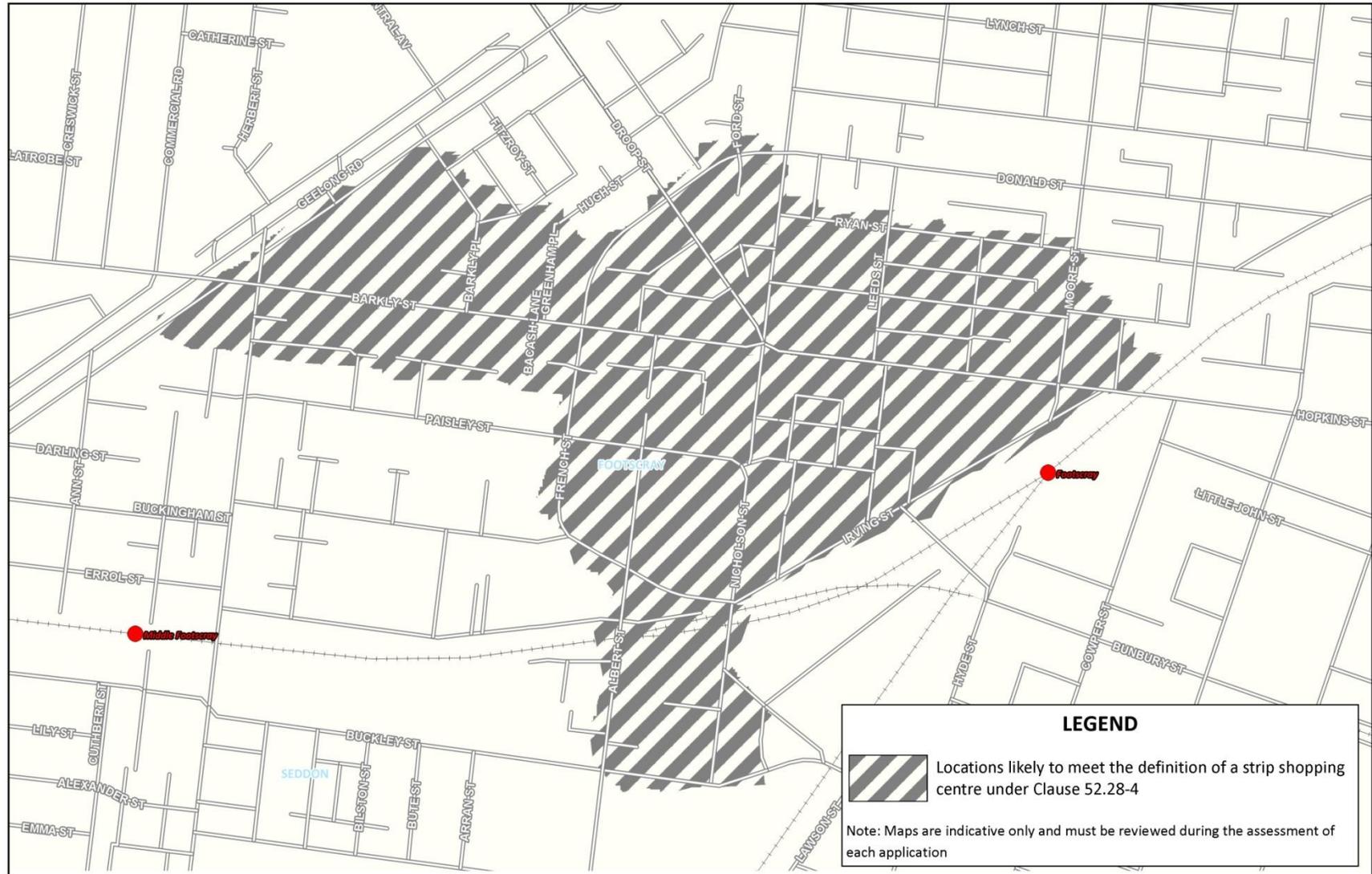
## **Attachment 3 – Generalised mapping of strip shopping centres**

## ATTACHMENT 3

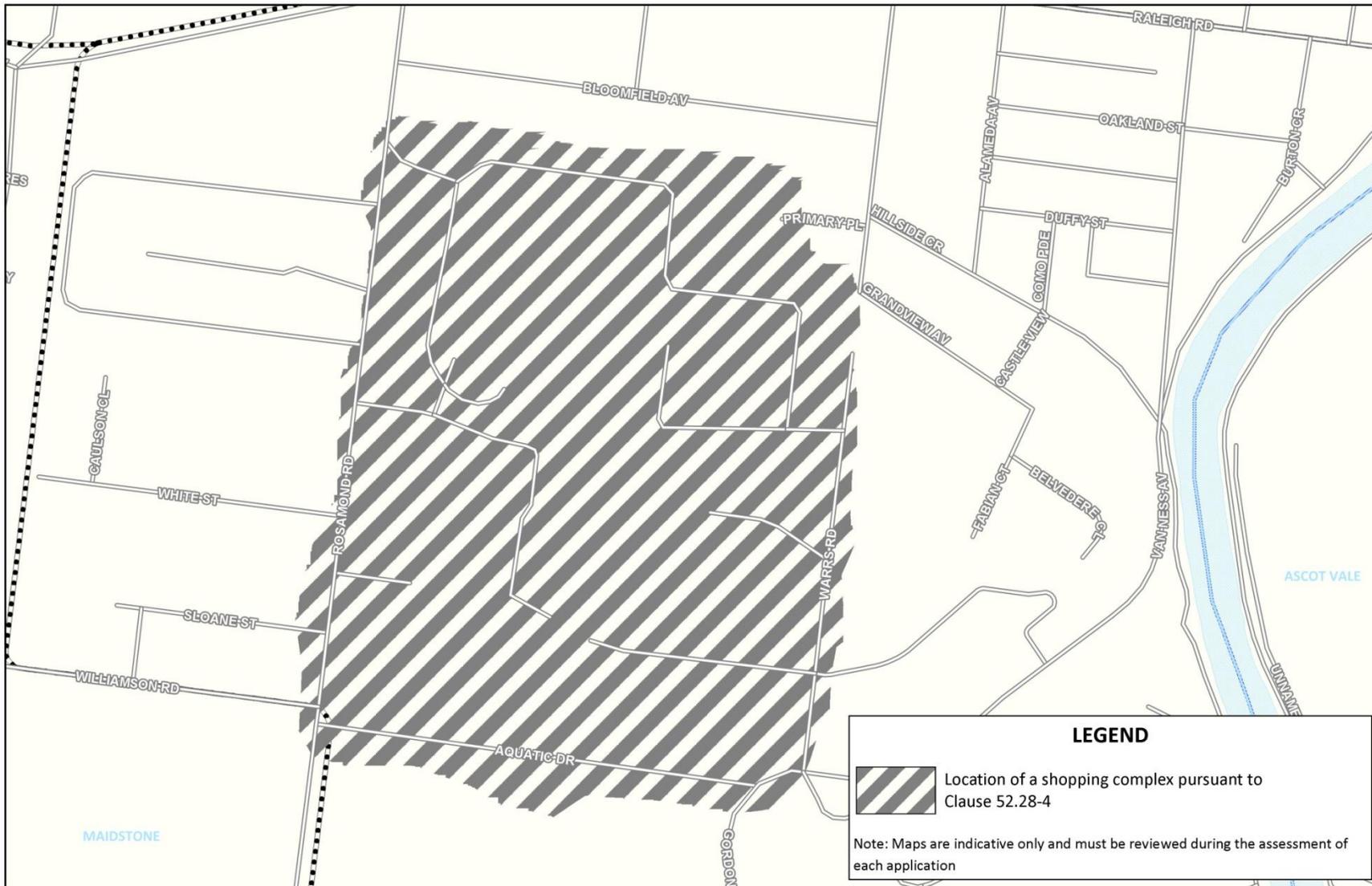
# GENERALISED MAPPING OF SHOPPING COMPLEXES AND STRIP SHOPPING CENTRES

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### Footscray Central Activity Area



### Highpoint Principal Activity Centre



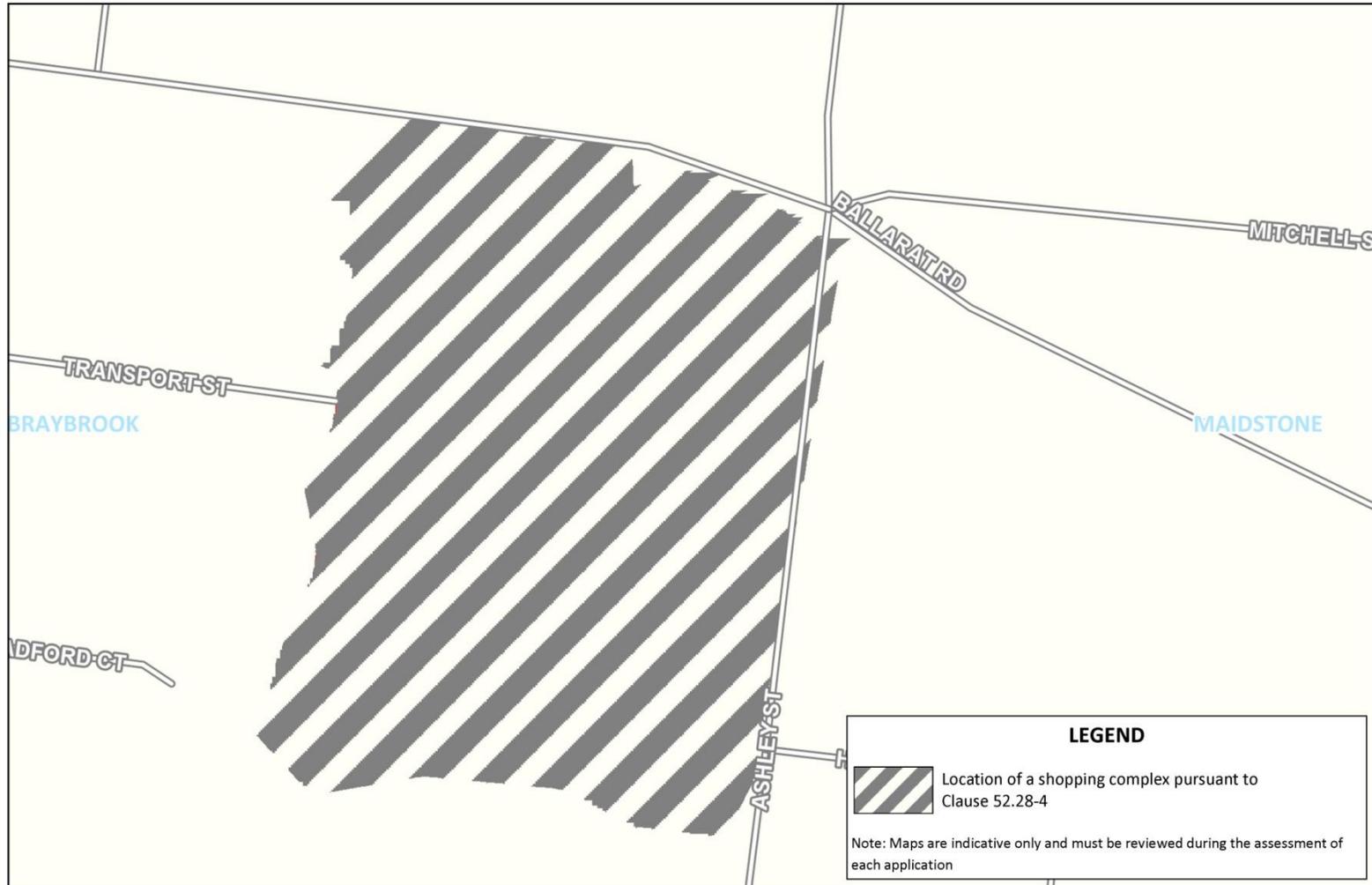
### Central West Major Activity Centre



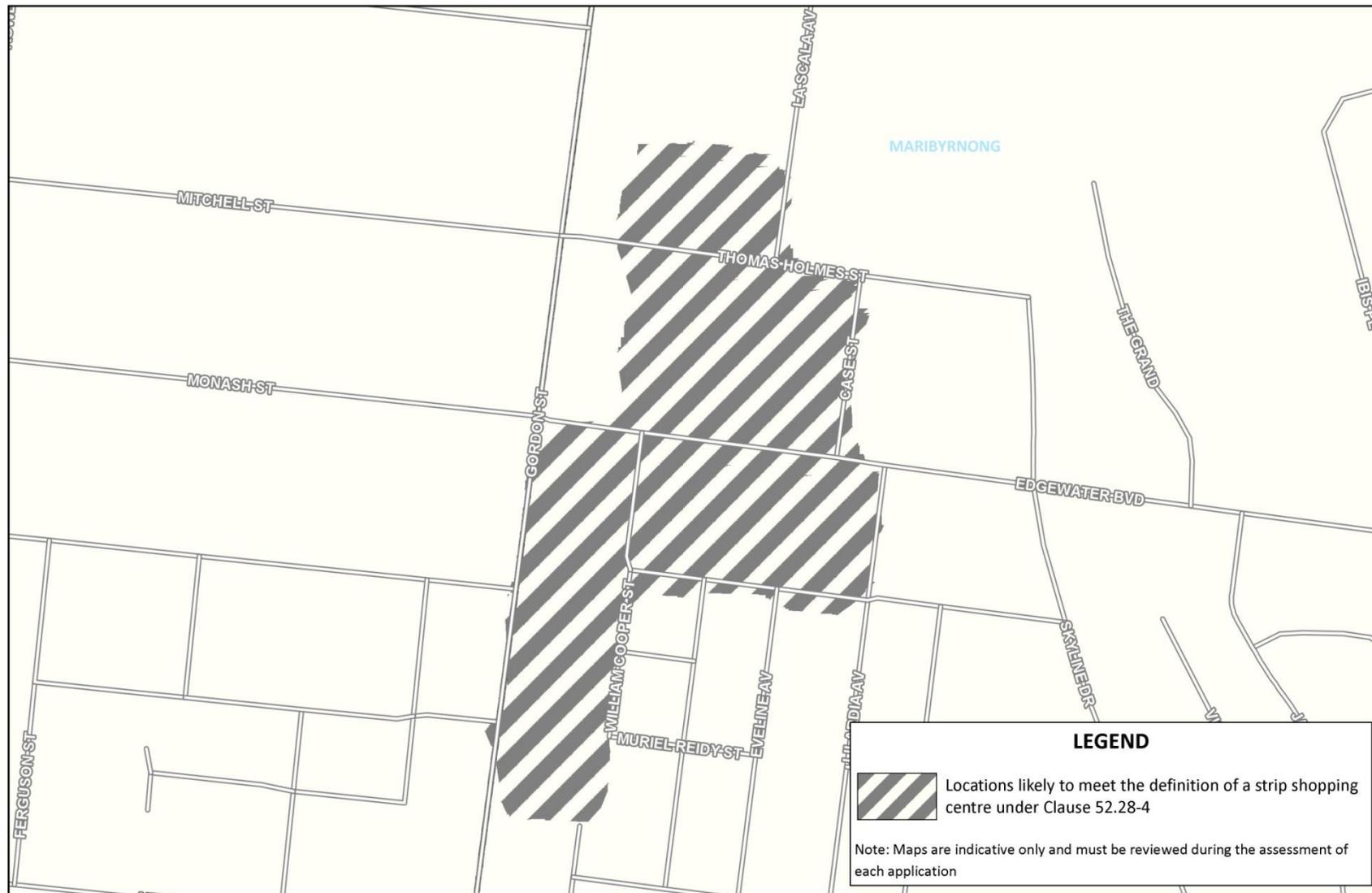
### West Footscray



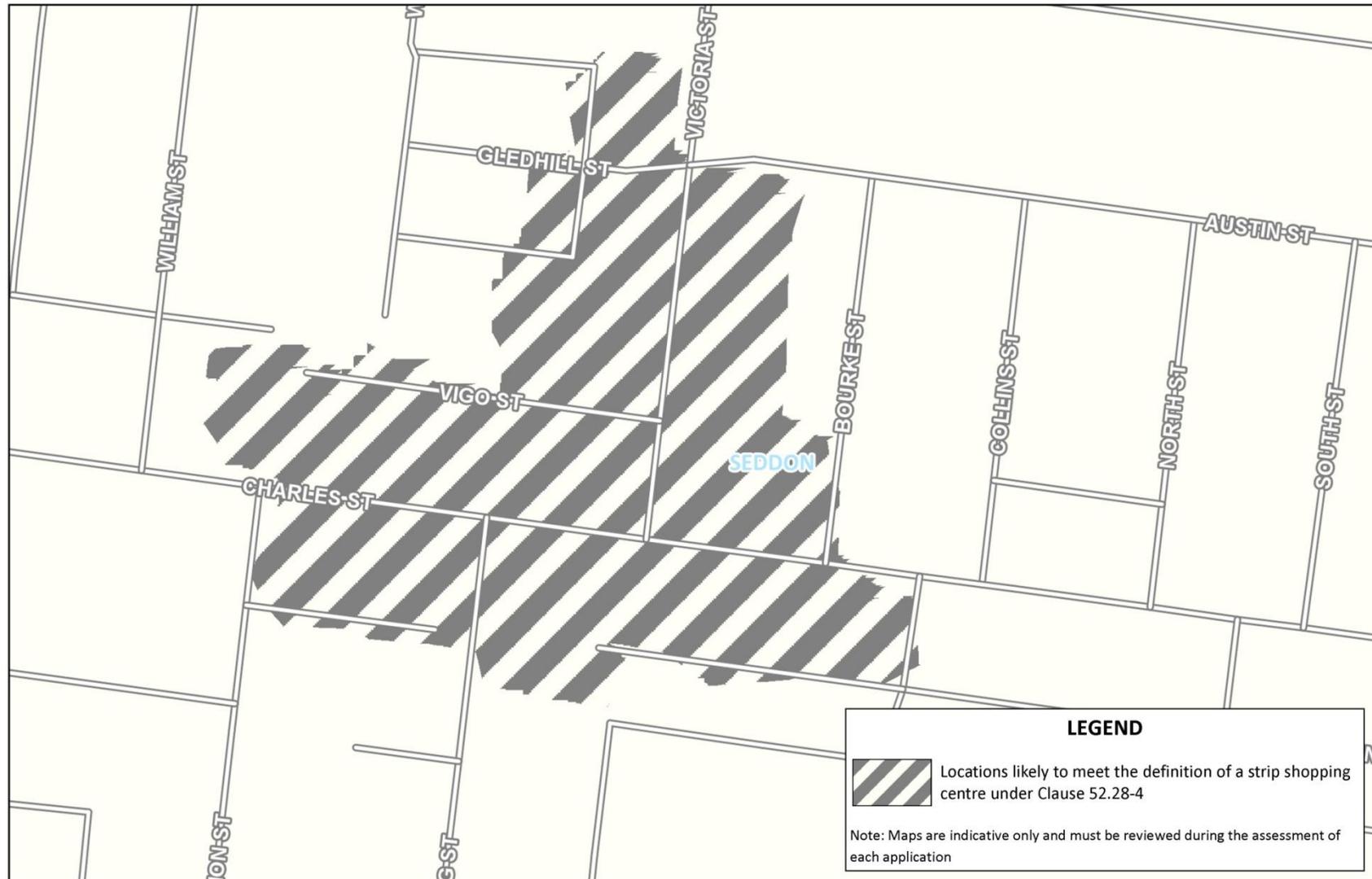
### Braybrook Shopping Centre



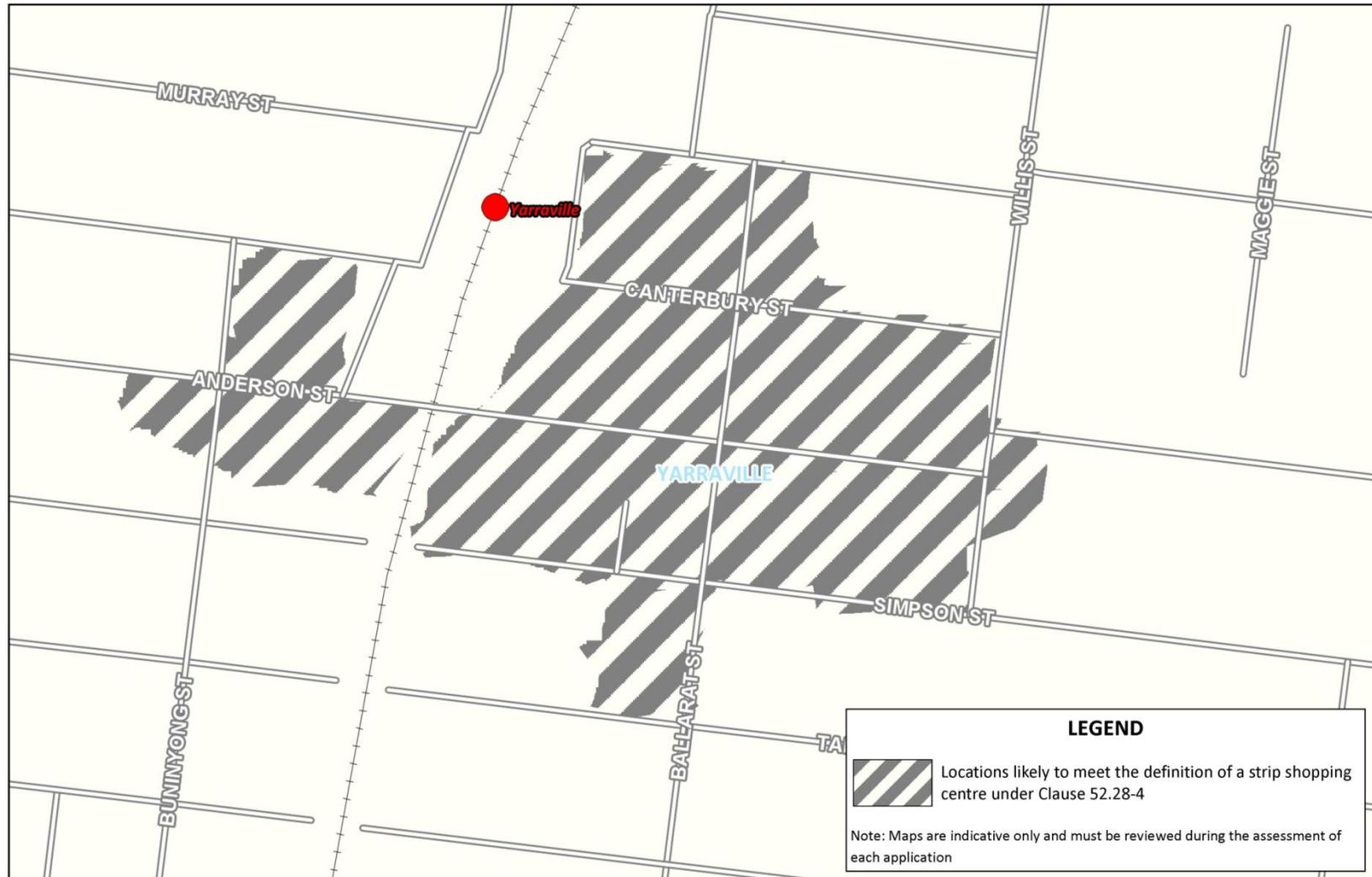
### Edgewater Neighbourhood Activity Centre



### Seddon Neighbourhood Activity Centre



### Yarraville Neighbourhood Activity Centre



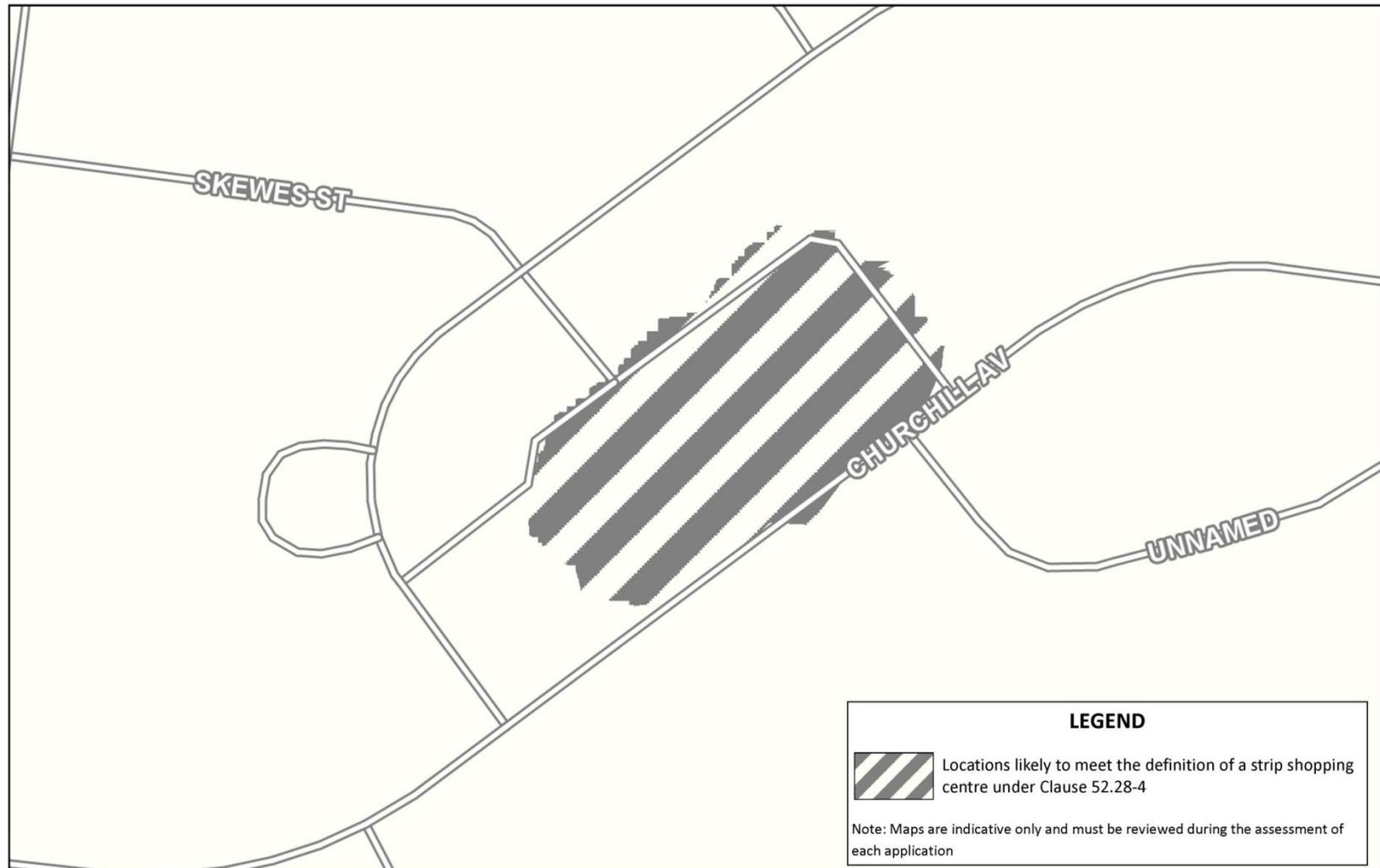
### Yarraville Village



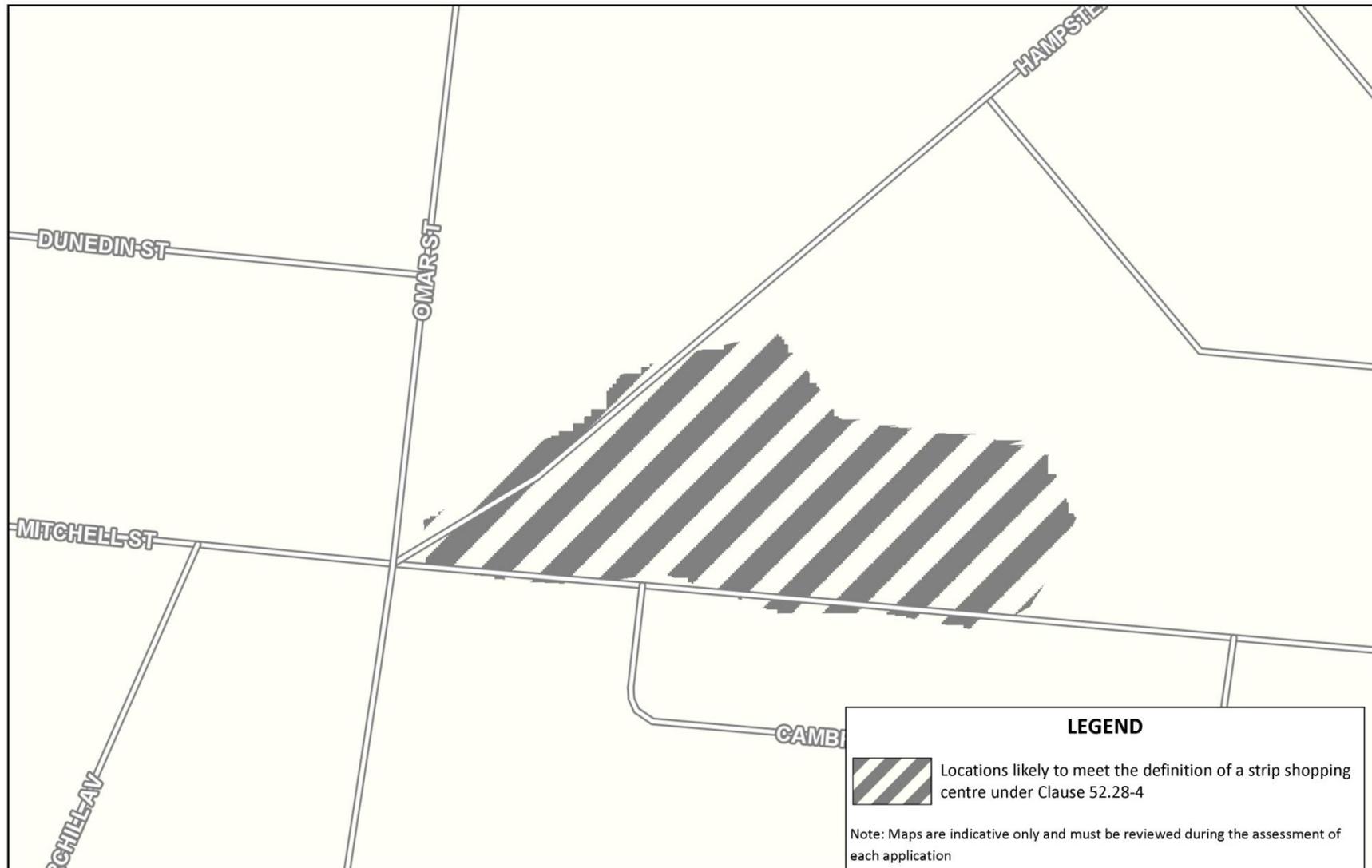
**Ballarat and Duke**



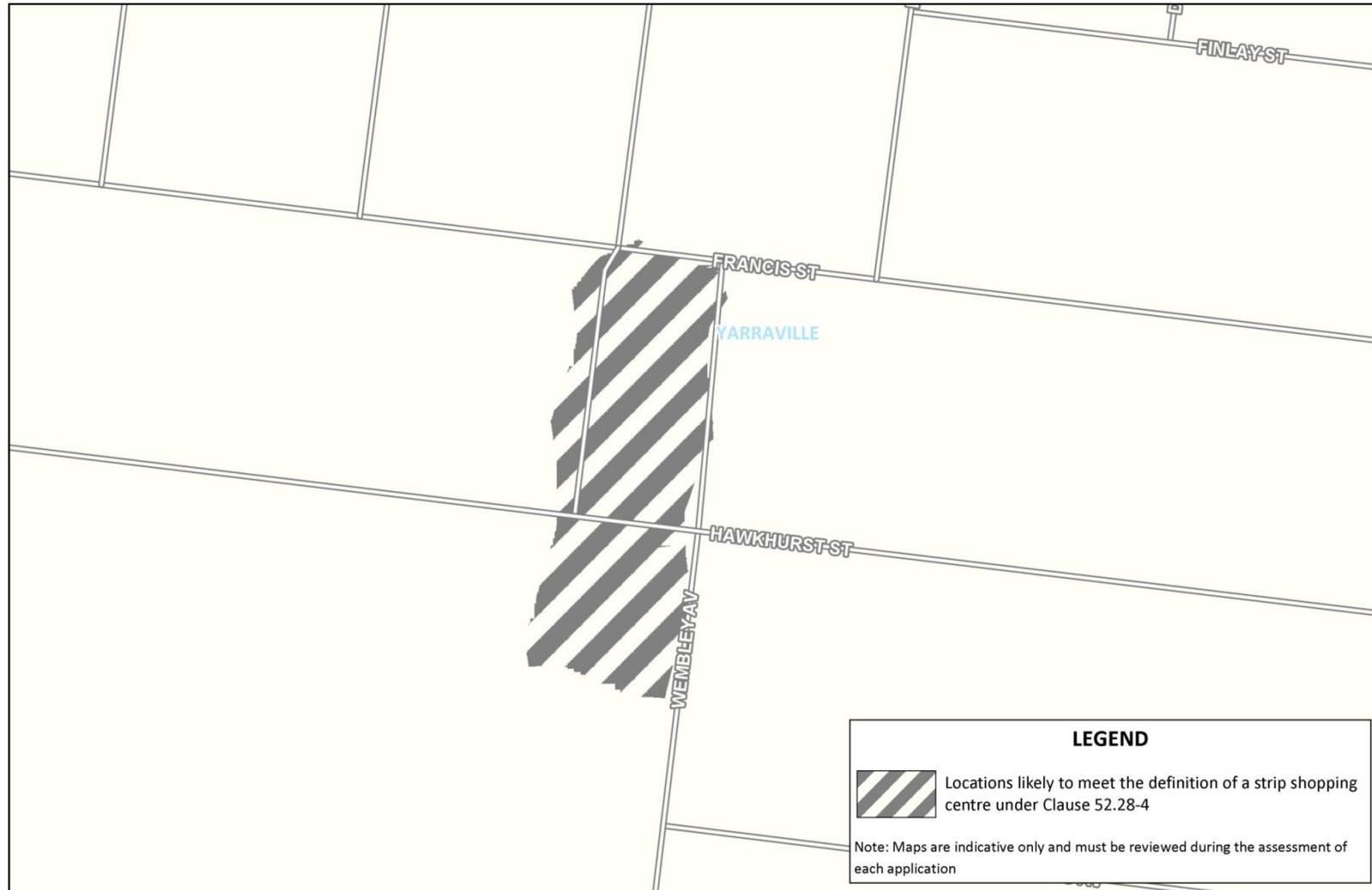
**Braybrook Village**



### Mitchell and Hampstead



### Wembley Avenue



South and Duke

