

Review of Manningham Gambling Policy

Responsible Director: Director Community Services

File No. .

The ultimate destination for this report is: COUNCIL AGENDA

SUMMARY

Council's SBS considered the draft Manningham Gambling Policy in May 2009 which was revised in accordance with the 2008/2009 Council Plan Action 1.2.14. Council officers were requested to further review the draft Policy to enhance the measures identified for preventing problem gambling. Consequently an Officers Working Group was established to further review the draft Gambling Policy.

Further to this, Councillors also advised officers to await the outcome of the Productivity Commission's Gambling Inquiry Report. The final report of the Productivity Commission Inquiry was released on 23 June 2010. Findings have been reviewed in the preparation of the draft Policy and this report

The attached draft Manningham Gambling Policy was developed in consultation with the Manningham Gambling Policy Steering Committee, community service providers and relevant Council staff. The report proposes that Council endorse in principle the attached draft Manningham Gambling Policy and display the draft Policy for public comment for a period of six weeks. The report also proposes that following public exhibition and consideration of comments, a further report be presented to Council with the amended draft Gambling Policy and Action Plan for adoption.

1. BACKGROUND

- 1.1. Action 1.2.14 of the 2008/2009 Council Plan was to "Undertake a review of Council's Responsible Gambling Policy and Action Plan to address any gaps between this and the new gaming provisions within the Local Planning Scheme".
- 1.2. On 5 May 2009 Council's SBS considered a report presented with a revised draft Responsible Gambling Policy and requested that Council officers further review the draft policy.
- 1.3. Councillors also requested that the following be considered as part of the review:
 - Promotion of the introduction of the pre-commitment strategy for gamblers
 - Advocate for the removal of ATMs from gaming venues
 - Promote alternatives to gambling
 - Supporting seniors by subsidising social events/outings for alternative entertainment
 - Consider Land Use Planning – creating a planning framework for gaming machines

- Consider the usefulness of developing a Gambling Vulnerability Index
 - Consider the feasibility of the introduction of a Differential Rating System for gambling venues
- 1.4. A number of issues listed in 1.3 have already been addressed through amendments incorporated into the Gambling Regulation Amendment (Licensing) Act 2009 which came into operation on 24 June 2009.
- 1.5. Among other measures that are intended to promote responsible gambling the Gambling Regulation Amendment (Licensing) Act 2009 also introduces the following:
- Pre-commitment (choice of identifying the maximum amount of money and time to be spent prior to the commencement of playing an Electronic Gaming Machine) which will be effective from 2010 and will be implemented in several stages. From 1 December 2010 pre-commitment would be required for all new generation electronic Gaming Machines (EGMs) and from 2013 for all EGMs. A more stringent pre-commitment regime will be rolled out from 1 December 2015.
 - Banning Automatic Teller Machines (ATMs) from locating within 50 metres of an entrance to a Gaming venue from 2010.
- 1.6. Council's current Responsible Gambling Policy and Action Plan was adopted in 2004.
- 1.7. Some of the achievements over the past four years through the implementation of the Action Plan were as follows:
- Responsible Gambling Policy Steering Committee met regularly;
 - Provided information regarding alternative recreation activities to gambling venues to be distributed and displayed to the public;
 - Conducted gambling information sessions in association with Gamblers Help Eastern on an annual basis (2 per annum);
 - Organised a gambling information session for members of the Seniors Reference Group;
 - A presentation on services available through Gamblers' Help to Social and Community Services Staff;
 - Developed and launched the Manningham Responsible Gambling Charter in 2005 in partnership with representatives of the gambling industry with a view to promoting responsible gambling practices. This was distributed to all EGM venues in Manningham;
 - Continued provision and promotion of a range of sport, leisure and recreational facilities and events as alternatives to gambling;
 - Continued active participation in the Eastern Region Gambling Group (ERGG) which meets bi-monthly to discuss issues relating to gambling and information sharing. The ERGG also undertakes gambling research and makes submissions to State Government regarding issues related to gambling as appropriate;

- Continued involvement in and supporting initiatives of the Local Government Working Group on Gambling (auspiced by the VLGA) and attending meetings; and
 - More recently in May 2010 in association with ERGG and Inner East Primary Care Partnership organised the 'Building Community Resilience to Problem Gambling Forum' which was attended by sixty representatives from local and regional community service organisations.
- 1.8. An Officers Working Group was established to monitor the review comprised of Executive members, Managers and relevant staff from Social & Community Services, Aged & Disability Support Services, Economic & Environmental Planning, Statutory Planning and Finance.
 - 1.9. During the review process a number of documents relating to the overview of gambling, research findings, A&DSS' Activity Groups Program and Manningham Planning Framework were developed and considered by the Officers Working Group who met on three occasions.
 - 1.10. During this process an extensive literature review was undertaken which included gambling legislation, various socio-economic research reports, gambling and gaming policies developed in other local governments and the Productivity Commission Inquiry Report 2010.
 - 1.11. Consultations were undertaken with a number of stakeholders including gambling service providers, the Manningham Youth Service Providers Network and the Manningham Community Services Planning Group.
 - 1.12. The Manningham Gambling Steering Committee was also consulted in reviewing and finalising the draft Gambling Policy and Action Plan (refer attached).
 - 1.13. The Gambling Policy is one of Council's key social policies and provides a framework for decision making, whereas the Manningham Local Planning Scheme is legally enforceable and could include further restrictions relating to locations and operations of gaming machines within the municipality.
 - 1.14. Although Council has not received any planning permit applications to locate additional EGMs within the municipality over the past twelve months, it is recognised that the existing planning provisions would not prohibit EGMs being located in new venues located outside of existing strip shopping centres and other identified shopping centres.
 - 1.15. At present there are 617 Electronic Gaming Machines in Manningham's eight EGM venues. The total loss at these eight venues in 2008/2009 was \$67 million.
 - 1.16. Furthermore, in terms of recorded losses in the State, two of the top ten venues in 2007/08 and one of the top ten venues in 2008/09 are located in Manningham.
 - 1.17. Investigation of a Differential Rating Scheme proposed by Moreland City Council was also undertaken. In May 2009 Moreland City Council proposed a special annual rate for commercial gaming venues (twice the standard rate).
 - 1.18. However, the legality of this was challenged by a gambling venue owner who filed a case with the Supreme Court and recently there has been an out of court settlement of the issue and a rate increase did not occur in 2009/10 as

expected. Nevertheless this has been included again in the 2010/11 proposed Budget.

- 1.19. One of the actions (3.2.3) identified in the attached draft Gambling Policy Action Plan is to investigate the feasibility of introducing a Differential Rating System for gambling venues in Manningham with a view to collecting additional income to be invested in a program to support socially and economically disadvantaged families/individuals within the municipality.
- 1.20. In preparing this report a further issue investigated was the Supreme Court of Appeal decision (of March 2008) setting aside a Victorian Civil Administrative Tribunal (VCAT) decision approving an application (which was rejected earlier by the Victorian Commission for Gambling Regulation) by Romsey Hotel to install 30 gaming machines in its premises. The Supreme Court's ruling was made on the basis that VCAT had not taken community views into consideration in making its decision. Consequently the matter was re-heard in VCAT in November 2009 and VCAT revoked its decision and rejected Romsey Hotel's application to install gaming machines in its premises.
- 1.21. In regard to the social impact, Macedon Ranges Council conducted three surveys in 2005 and 2008 where a substantial part of the Romsey community expressed strong opposition to gaming machines in the town and the hotel in particular. The report concluded that democratic participation by people at the local level about issues affecting them reflects their capacity to build a healthy and prosperous community and this was considered an important aspect of wellbeing.
- 1.22. Victorian Local Governance Association then Chief Executive Rae Perry applauded the Macedon Ranges Council's leadership and believes that "it is an important breakthrough in the campaign for more local control over pokies".
- 1.23. A further issue relevant to this review is one of transparency of disclosure of "community benefit" derived from the profit from poker machine venues. Generally much of the "benefit" of pokies is related to the operation and expansion of the host venue while a small amount of cash or in kind assistance may be allocated directly to the community. This local benefit comes under the Victorian Commission for Gambling Regulation benefit fund categories of "gifts of funds"; "sponsorships"; "gifts of goods" and "voluntary services provided to the community". There is currently a groundswell of concern regarding the transparent disclosure of "benefits" which is yet to be resolved.
- 1.24. In November 2008 the Australian Government requested the Productivity Commission to undertake a public inquiry into Australia's gambling industries. In June 2010 the Productivity Commission released its final report.
- 1.25. While the Productivity Commission's Report 2010 has included a range of recommendations to be considered mainly by the Federal and State/Territory Governments, it has identified the role of local government and communities in having a say on new applications for gambling.
- 1.26. However, there are not any specific recommendations within the productivity Commission Report 2010 targeting local Government.
- 1.27. The Productivity Commission Report 2010 provides valuable information on adverse impacts of gambling which could be used in advocating against the

further spread of gambling, particularly electronic gaming machines and for the introduction of more regulations to minimise harm caused by gambling.

1.28. Some of the key findings of the Productivity Commission Report 2010 are as follows:

- There is strong evidence that gambling can have adverse health, emotional and financial impacts on many more people than those categorised as 'problem gamblers'
- Problem gamblers account for around 40 % of total EGM spending.
- Around 600,000 Australians or 4% of the adult population play pokies at least weekly, around 15% or 95,000 of them are problem gamblers.
- While the gaming industry providing accessible venues for local communities, large tax concessions enjoyed by clubs cannot be rationalised on basis of community benefits realised.
- The benefits of gambling from tax revenue and enjoyment for recreational gamblers ranged between \$12.1 and 15.8 billion and the cost of problem gamblers ranged between \$4.7- 4.8 billion. The overall net benefit is estimated to be between 3.7 and 11.1 billion. These net benefits could be much higher if governments reduce the costs through effective preventive and harm minimisation policies.
- A shrinking interest in gambling by some has been partly offset by intensifying interest by others. Real spending per EGM gamble has grown strongly, in Victoria average annual spending of those who play EGMs has risen in real terms from around \$1,750 per person in 1999 to nearly \$3,100 in 2008.
- While there is little evidence on the effects of school based gambling education programs on students' gambling behaviour, considering evaluations of similar programs in alcohol and vehicle safety such education programs can raise awareness but they tend to have no, or even adverse behavioural effects.
- In addition a number of findings have made in relation to treatment, gaming futures and machine design, access to cash and credit etc. which are specifically relevant for Federal and State level decision making.

1.1. In developing the attached draft Gambling Policy and Action Plan, outcomes of community consultations, research findings including the findings of the Productivity Commission Report 2010 on Gambling, recent developments relating to gambling in other local government areas as well as issues relating to gambling at Federal/State levels including new regulations have been taken into consideration.

2. PROPOSAL/ISSUE

- 2.1. It is proposed that Council resolve to display the attached draft Gambling Policy and Action Plan 2010 – 2013 for public comment for a period of six weeks.
- 2.2. It is further proposed that following public display and consideration of comments, a further report be presented to Council along with the amended (based on public comments) draft Gambling Policy and Action Plan for adoption.

3. PRIORITY/TIMING

3.1. Review of the Gambling Policy is a Council Plan Action of 2008/2009.

4. POLICY/PRECEDENT IMPLICATIONS

4.1. Once adopted the current 'Responsible Gambling Policy and Action Plan 2004-2008' will be replaced with the new Gambling Policy and Action Plan 2010-2013.

5. BEST VALUE

5.1. Review of the Responsible Gambling Policy and Action Plan 2004-2008 was undertaken in line with Council's Best Value principles including 'continuous improvement', and 'community consultation'.

6. CHARTER OF HUMAN RIGHTS

6.1. There are no direct issues related to Charter of Human Rights.

7. COUNCIL PLAN/ MEASURE OF ACHIEVEMENT OF ACTION

7.1. This review was undertaken in accordance with the Action 1.2.14 of the 2008/2009 Council Plan. The completion of the revised Gambling Policy has been identified as the Measure of Achievement of Action.

8. FINANCIAL RESOURCE IMPLICATIONS

8.1. There are no direct financial implications related to this report

9. CONSULTATION

9.1. Consultations were undertaken with community service providers, Gambling Policy Steering Committee and Council officers in reviewing the attached Gambling Policy and Action Plan.

9.2. Gambling industry representatives were consulted in 2008 during the initial review and more recently invited to provide comments on potential implications of the Gambling Regulation Amendment (Licensing) Act 2009.

OFFICER'S RECOMMENDATION

That:

- (A) Council display the attached draft Gambling Policy and Action Plan 2010 – 2013 for public comment for a period of six weeks from August 11 2010; and**
- (B) a further report be presented following public exhibition process and consideration of public comment along with the amended (based on public comments) draft Gambling Policy and Action Plan.**

"Refer Attachments"

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