

POLICY FILE

CATEGORY: CHIEF EXECUTIVE OFFICER'S POLICIES

SUBJECT: Electronic Gaming Machines

NO: 6

Council at its meeting on 16th April, 2012 adopted the following policy:-

POLICY:



Horsham Rural City Council Policy on Electronic Gaming Machines

Contents

| | |
|---|---|
| HRCC Policy Position | 3 |
| Purpose | 3 |
| Council Context | 3 |
| Legislative Context | 3 |
| Electronic Gaming Machines in the HRCC municipality | 3 |
| Social and Economic Impact of EGMs in HRCC | 5 |
| HRCC Procedures | 7 |
| Compliance Responsibilities | 8 |
| Related Policies | 8 |
| Appendix A | 9 |

HRCC Policy Position

Horsham Rural City Council aims to minimise the negative impact of Electronic Gaming Machines (EGMs), while acknowledging that EGMs contribute to the community's recreational and social fabric.

Council will work with the community, service providers and venue operators to best manage the location and operation of EGMs, to promote responsible gambling and community wellbeing.

While Council is cognisant of the fact that EGM licences are distributed by the Victorian Government on a per capita basis, we will advocate for no further EGM licences to be made available in the municipality, and we will encourage a reduction in the number of licences being used if that opportunity arises.

Purpose

Horsham Rural City Council acknowledges that there are both benefits and disadvantages created by Electronic Gaming Machines (EGMs) in the municipality. Council also acknowledges that EGMs are only one of several gambling outlets across the municipality.

This Policy sets out Council's preference for housing EGMs in community clubs, which can have a positive recreational, social and economic impact on the community. However this Policy also aims to highlight the large body of evidence cataloguing the negative impacts that EGMs can have on the community, in particular the health, finances and family of problem gamblers.

The Victorian Government regulates EGMs and sets limits on the number of machines allowed in each municipality, and Council acknowledges that the current limit of 148 is an appropriate maximum cap for Horsham Rural City, based on 10 EGMs per 1000 adults.

Council acknowledges that EGMs are legal, already exist in our community and need to be managed in such a way as to protect the health and wellbeing of the community. Council believes this policy can provide guidance on its preferred location and operation of EGMs, as well outline the benefits of stakeholders working together to best meet community needs.

Council Context

This Policy reflects HRCC's vision and will have an impact on the Planning Scheme as Council's aim is to amend Clause 22 of the Planning Scheme to include the guidelines contained within this policy. This policy will also impact the Community Development work of Council.

Legislative Context

In Victoria, regulation of the gaming industry and activities is the responsibility of the Victorian Commission for Gambling Regulation (VCGR). The Gambling Regulation Act 2003 is a key piece of legislation designed to govern the conduct and licensing of gaming. Another important piece of legislation is the Planning and Environment Act 1987. Through this legislation, Councils manage gambling issues in relation to planning approvals for venues and in minimising harm to communities from gambling.

Electronic Gaming Machines in the HRCC municipality

HRCC has 147 machines, located in four venues (three clubs and one hotel as at February 2012). While expenditure data shows that EGMs in the municipality have a lower expenditure than others across the State, Council feels that this should not provide incentive to loosen planning regulations around the location and accessibility of EGMs.

HRCC as the regional centre for EGMs

It is important to note that the adjoining municipalities of Yarriambiack Shire, Hindmarsh Shire and West Wimmera Shire do not house any EGMs, and that residents of those Shires frequent the venues in HRCC, which is not indicated in the statistical data.

The Horsham Sports and Community Club has 2164 members who live in the adjoining LGAs mentioned above. Similarly, Horsham RSL has 258 of its 2059 members in those same LGAs. (Figures correct January 2012). This does not include visitors or, in the case of the Westside Tabaret, patrons who are not required to register their attendance.

One impact of this is that the density of EGMs in HRCC is 9.76 per 1000 adults, significantly higher than the State average and only just below the State wide limit of 10 per 1000 adults.

Expenditure

Total expenditure on the 148 EGMs located in HRCC in 2010-11 was \$ 9.3 million.

| Venue | Expenditure 10-11 | Expenditure 09-10 |
|--|-----------------------|-----------------------|
| HORSHAM RSL | \$2,048,985.89 | \$2,152,979.80 |
| HORSHAM SPORTS & COMMUNITY CLUB | \$4,266,190.08 | \$4,287,677.19 |
| ROYAL HOTEL (HORSHAM) | \$1,239,589.13 | \$1,301,044.27 |
| WEST SIDE TABARET | \$1,829,622.71 | \$1,810,982.29 |
| TOTAL | \$9,384,387.81 | \$9,552,683.55 |

Victorian Commission for Gambling Regulation website

The licences for those 148 machines were auctioned in May 2010. From August 2012, the EGM licences have been purchased by:

- Horsham Sports and Community Club - 78 machines
- Horsham RSL - 36 machines
- Horsham Racing Centre (Westside Tabaret) - 34 machines

Data shows that expenditure per machine is lower in HRCC venues than in other country and metropolitan venues.

| Expenditure Details | | | | |
|---|----------------|----------------|----------------|----------------|
| Rural City of Horsham - Not Capped - Country | | | | |
| Year | FY 2007/2008 | FY 2008/2009 | FY 2009/2010 | FY 2010/2011 |
| Hotels as at 30 June | 1 | 1 | 1 | 1 |
| Clubs as at 30 June | 3 | 3 | 3 | 3 |
| Expenditure | \$8,865,549.15 | \$9,632,694.65 | \$9,552,683.55 | \$9,384,387.81 |
| EGM as at 30 June | 147 | 147 | 147 | 147 |
| Expenditure Data Comparison | | | | |
| EXP per EGM in HRCC | \$60,309.86 | \$65,528.54 | \$64,984.24 | \$63,839.37 |
| Average Victorian EXP per EGM | \$97,455.23 | \$101,123.50 | \$97,338.40 | \$99,012.94 |
| Average EXP per EGM for | \$65,876.10 | \$61,986.49 | \$56,567.14 | \$53,895.18 |

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Hotels in HRCC | | | | |
| Average EXP per EGM in Victorian Hotels | \$127,213.32 | \$131,456.68 | \$126,157.13 | \$128,473.00 |
| Average EXP per EGM in Country Hotels | \$97,465.56 | \$102,207.63 | \$96,972.86 | \$99,676.92 |
| Average EXP per EGM for Clubs in HRCC | \$59,277.41 | \$66,185.53 | \$66,545.48 | \$65,683.86 |
| Average EXP per EGM in Victorian Clubs | \$67,991.08 | \$71,007.09 | \$68,228.74 | \$68,871.79 |
| Average EXP per EGM in Country Clubs | \$64,958.39 | \$69,592.35 | \$65,807.26 | \$67,569.69 |

Social and Economic Impact of EGMs in HRCC

Horsham Rural City Council places high priority on the health and wellbeing of the community.

This policy aims to minimise the harm that gambling can inflict on individuals, families and communities, by encouraging best practice in responsible gambling and regulating the location and density of EGMs through the Planning Scheme.

All four EGM venues in the municipality are signatories to the State Government's Responsible Gambling Code of Conduct, which requires:

- the Code of Conduct to form part of the organisation's Policies and Procedures
- gaming staff undergo an approved Responsible Service of Gaming (RSG) course within six months of commencing employment
- gaming staff not to gamble in their place of employment
- display of signage encouraging responsible gambling of patrons
- patrons to be made aware of the passage of time and to be encouraged to take breaks from extended or intensive play
- a clear process for dealing with customer complaints
- a Self-Exclusion Program

Regional population

It is important, however, to interpret population and expenditure data in the context of the regional membership and patronage of the venues.

| LGA | Adult Population | EGMs |
|---------------------------|-------------------------|-------------|
| HRCC | 15055 | 148 |
| Hindmarsh Shire | 4641 | 0 |
| Yarriambiack Shire | 5869 | 0 |
| West Wimmera Shire | 3389 | 0 |
| TOTAL | 28954 | 148 |

VCGR website, 16 February, 2012

| Population Stats - Rural City of Horsham | | | |
|---|-----------|--|--------|
| Adult population | 15,055 | Adults Per Venue | 3,764 |
| EGMs Per 1000 Adults | 9.76 | EXP Per Adult | \$623 |
| Population Stats - Victoria | | | |
| Adult population | 4,322,850 | Adults Per Venue | 8,460 |
| EGMs Per 1000 Adults | 6.19 | EXP Per Adult | \$613 |
| SEIFA index of Disadvantage | | SEIFA index of Advantage Disadvantage | |
| Score | 993.32 | Score | 953.46 |
| Rank in Victoria (out of 79) | 40 | Rank in Victoria | 50 |
| Rank for Country LGAs out of 48 | 16 | Rank for Country LGAs out of 48 | 21 |
| Unemployment - Rural City of Horsham | | | |
| Workforce | 11,224 | Unemployment Rate | 4.9% |
| Unemployment | 550 | | |

VCGR website, 7 December, 2011

Economic Impact

Club venues with EGMs in the HRCC municipality have a strong commitment to returning economic benefits to the community.

- Horsham Sports and Community Club contributed \$192,790 in cash and in-kind sponsorship in 2010-2011
- Horsham RSL contributes approximately \$100,000 per annum in direct assistance through welfare payments and assistance to pensioners
- Westside Tabaret, which is jointly owned by Wimmera Racing and Wimmera Harness Racing, returns all EGM profits to nine horse racing clubs across the Wimmera as well as Horsham-based Harness racing.

Local clubs also have a positive impact on employment, with between 10 and 28 staff employed at each venue.

EGM revenue from the local hotel also contributes to the Community Support Fund, which is, in part, returned to the community through Victorian Government grants.

However, the presence of EGMs in a community does result in the redistribution of expenditure and employment within local economy.

Social Impact

The negative impact of gambling is evident in the incidence of problem gambling within the municipality, including self-identifiers, those identified by venue operators, and those who seek assistance from community service organisations.

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.

Problem Gambling and Harm: Towards a National

South Australian Centre for Economic Studies and University of Adelaide

All three of the club venues in Horsham are located with 600-700 metres of lower socio-economic housing, which research shows are more vulnerable areas.

The Horsham Responsible Gambling Interest Group (RGIG) has identified women over the age of 45 and young men as particularly vulnerable to problems with EGMs. Implications of problem gambling have been identified as:

- Stress and financial hardship for the problem gambler and their family, including loss of relationships and friendships
- Increased incidence of mental health, alcohol and drug problems amongst problem gamblers
- Potential safety hazards for venue staff.

As at February 2012, Grampians Community Health advised that approximately 20 people had 'self-excluded' from Horsham's EGM venues, while approximately 75 had identified as having a gambling problem.

HRCC Procedures

Accessibility

HRCC will advocate for the maximum number of EGMs in the municipality to remain at 148.

All future applications for operation of EGMs will be considered within the following Council Guidelines. Council's aim is to amend the Planning Scheme to include the following requirements.

1. Gaming venues are prohibited from locating in shopping complexes or strip shopping.
2. Community clubs rather than hotels are the preferred venue for EGMs.
3. Gaming venues should not be located in areas:
 - a. of identified socio-economic disadvantage
 - b. within close proximity to uses associated with people's day to day activities such as convenience shops, medical centres, child care, schools and community centres etc.
4. It is more desirable for gaming venues to be located in areas:
 - a. where residents have a number of choices of entertainment and recreation facilities in the local area
 - b. where there are currently limited existing gaming opportunities for residents
 - c. where the redistribution of EGMs results in a net decrease in EGMs from an area of socio-economic disadvantage
 - d. of the Central Business District (CBD) and tourism precincts where they will be accessible to visitors to Horsham.
5. It is preferable for venues to:
 - a. restrict EGMs to less than 25% of usable floor space
 - b. provide other activities in-house that will allow a break from play
 - c. not make Automatic Teller Machines available in the venue.

Social and Economic Impact Assessment

HRCC will require all planning permit applications to be accompanied by a social and economic impact assessment, as contained at Appendix A, and available at <http://www.socialimpactsofpokies.org.au/index.php/framework/downloads> .

The Framework outlines social and economic indicators, priority populations and locational factors. Identifying which indicators are relevant and weighing them up is the point of the Social and Economic Impact Assessment, and must be done on a case-by-case basis. People using this Framework will need to use discretion to assess the risk and likeliness of each indicator, and the potential impact it will have on the community.

Locational factors and presence of any priority populations must be balanced to identify if a locations is appropriate or inappropriate for EGMs.

Once the relevant negative and positive impacts have been identified, they must then be balanced and weighed up. A logical conclusion must be drawn to assess the net impact on the community.

Partnerships

HRCC will commit to participating in a collaborative partnership with members of the Responsible Gambling Interest Group, which is co-ordinated by Wimmera Uniting Care and Grampians Community Health.

HRCC will advocate for increased funding and resources to address problem gambling issues in the region.

HRCC will work to encourage venue operators to continue their implementation of best practice principles in relation to the Responsible Gambling Code of Conduct.

Community Engagement

HRCC recognises that EGMs have an impact on the whole community, not just problem gamblers. As such, we encourage awareness raising and capacity-building activities at the community, as well as the individual level.

HRCC will consult with the community on the issue of future potential increases in the number of EGMs in the municipality, as legislated by the State Government.

Providing Recreation Alternatives

HRCC will continue to provide information to the community on alternative recreation activities, and will look to improve communication of these activities in partnership with venue operators.

HRCC will also continue to work with community through community building and renewal projects that will foster the development of alternative recreation activities.

Compliance Responsibilities

The General Manager, Planning and Promotion Services and the Manager, Community Development are responsible for HRCC compliance with this Policy.

Related Policies

This Policy should be read in conjunction with the HRCC Planning Scheme, the Sport and Recreation Plan and the Community Engagement Strategy.

Date: March 2012

Appendix A

Social and Economic Impact Assessment Framework for EGMs (Pokies)

Inner Northern Working Group on Gambling

| 1. Quick Reference Guide | | | |
|--|---|---|--|
| Catchment Area | | | |
| <p><i>A catchment area is defined in order to assess the social and economic impact of EGMs (pokies) on a community. Each of the following indicators must be considered, and a clear and logical conclusion drawn from them to identify the likely catchment area of a proposed venue.</i></p> | | | |
| <ul style="list-style-type: none"> Radius of 2.5– 5km, consider if area is urban or rural. | <ul style="list-style-type: none"> Surrounding land uses and any existing barriers | <ul style="list-style-type: none"> Venue patronage | <ul style="list-style-type: none"> Current traffic, transport and pedestrian routes |
| Location Factors | | | |
| <p><i>These location factors influence the level of impact on the local community and gambling behaviour. These factors must be weighed up to assess whether a location is appropriate for EGMs (pokies).</i></p> | | | |
| Socio-economic disadvantage | EGM density | EGM expenditure | Community attitudes to gambling |
| Geographical accessibility: <ul style="list-style-type: none"> EGM density Transport Surrounding land uses Convenience Rural or urban | Venue accessibility: <ul style="list-style-type: none"> Social accessibility Number of machines Information available | Presence of vulnerable groups (Priority Pop., below) <ul style="list-style-type: none"> Resident and visiting populations | Alternative entertainment: <ul style="list-style-type: none"> Ensure a range of both gaming and non-gaming entertainment in the area |
| Temporal accessibility <ul style="list-style-type: none"> Opening hours | | | |
| Priority Populations | | | |
| <p><i>These priority populations or vulnerable communities should be considered within any social impact assessment of EGMs (pokies). They should be considered when assessing whether a location is appropriate for EGMs (Location Factors, above). For various reasons, research has shown that these populations are more vulnerable to the harm the gambling can cause.</i></p> | | | |
| People who are socially isolated or disengaged: <ul style="list-style-type: none"> Older people Newly arrived communities | Socio-economic disadvantage: <ul style="list-style-type: none"> Low income Education Public housing tenants Pension/paym't recipients Unemployment | Co-morbidities : <ul style="list-style-type: none"> Alcohol and other drugs Mental health issues Family violence | Cultural background: <ul style="list-style-type: none"> CALD background Indigenous background Newly arrived communities |
| Problem gamblers <ul style="list-style-type: none"> Friends and family | Lack of financial resilience: <ul style="list-style-type: none"> Housing stress Bankruptcies | People with cognitive impairment | Young people: <ul style="list-style-type: none"> Aged 12-25 Students International students |