



Brimbank
City Council



Brimbank Electronic Gambling Policy 2019

Reducing the economic, social and health harm associated with EGMs and other forms of electronic gambling in Brimbank.

May 2019

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1. Purpose

This policy sets out the aim, objectives, principles and commitments for how Council will seek to reduce the social, economic and health harm associated with electronic gambling in Brimbank. Electronic gambling in this policy primarily refers to electronic gaming machines (EGMs), otherwise known as poker machines or "pokies". Other forms of electronic gambling include online and sports betting.

2. Rationale

Gambling can be described as activities where people spend money to get the chance to win money. All types of gambling involve different levels of chance with the common principle being that the likelihood of losing is greater than the likelihood of winning. A number of forms of gambling are legal in Victoria, including electronic gaming machines, casino games, wagering, online sports betting, keno, lotteries and bingo.

Electronic Gaming Machines (EGMs) were introduced in Victoria in 1992. All EGMs must meet specifications set by the state government and gaming venue operators are regulated by the Victorian Commission for Gambling and Liquor Regulation (VCGLR).

While it is recognised that gambling is a legal activity, there is a body of evidence that many in our community are vulnerable to experiencing gambling-related harm. This is particularly evident in Brimbank, where there is both a high concentration of EGMs and high levels of socio-economic disadvantage.

Brimbank has the unenviable record of attracting the highest losses on EGMs of any local government area in Victoria for the last decade. Since 2007, over \$1.4 billion dollars was lost on EGMs in Brimbank. In Brimbank in 2017-18, over \$139,000,000 was lost on EGMs and \$382,000 was lost every day¹.

Brimbank also contains some of the most disadvantaged communities in Melbourne. The ABS Social Economic Index for Areas (SEIFA) ranks Brimbank as the second most disadvantaged municipality in metropolitan Melbourne. Communities experiencing disadvantage have the highest density of EGMs and in turn, the highest losses².

As a result, EGMs and other forms of electronic gambling are having an increasingly harmful impact on the health and wellbeing of the community. Research has found that all levels of gambling, including low, moderate and high risk gambling, results in some harm. Indeed, 85 per cent of gambling harm in Victoria is associated with low and moderate risk gambling³, contrary to the popular view that most harm is associated with high risk gambling (commonly known as problem gambling).

Harm experienced by people who gamble and those close to them can be broadly grouped into the following six areas⁴:

- Detriment to the person's health, both morbidity and mortality.
- Emotional or psychological distress.
- Financial difficulties, diverted financial resources, bankruptcy or reduction of financial situation.

¹ (Victorian Commission for Gambling and Liquor Regulation (VCGLR), 2019)

² (Brown, 2019)

³ (Browne, et al., 2017)

⁴ (Browne, et al., 2016)

- Reduced performance / loss of role at employment or study.
- Relationship conflict or breakdown.
- Criminal activity and neglect of responsibilities, including the consequences of such actions.

3. Scope

While the policy is concerned with electronic gambling, the primary focus is to reduce the negative impact of EGMs in Brimbank. The rationale for this is:

- EGMs generate the highest level of financial loss and other social and health harm when compared to all other forms of gambling⁵.
- Brimbank has the highest level of losses on EGMs of any local government area in Victoria⁶.
- The placement of EGMs in gaming venues has a distinct localised spatial element, unlike other forms of gambling.
- Council has a role in relation to gaming licence applications and planning permit approvals for EGMs.

The secondary focus of this policy is on negative impact of online gambling and sports betting. While the levels of harm from online gambling and sports betting are significantly lower than those caused by EGMs, the level of participation in this form of gambling is growing rapidly. Between 2001 and 2015 annual losses on sports betting grew by over 1000%².

Online gambling and sports betting is of particular concern due to this rapid rate of growth and the current lack of research into the prevalence and associated harm. The growing gamification of gambling and the targeted expansion of online gambling into non-traditional markets such as women and young people is of particular concern.

4. Principles

The following principles underpin Council's approach to reducing harm associated with electronic gambling:

4.1. Public Health

It is now widely accepted that gambling harm does not only affect people experiencing gambling related harm, but also has significant impacts on low and moderate risk gamblers, their family and friends, and the broader community. Recent evidence indicates that "EGM designs very successfully employ psychological principles to maximise users' bet sizes and machine usage. These characteristics, such as losses disguised as wins and programmed "near misses", have the effect of increasing the addictive potential of EGMs"⁷.

The public health model focuses on key risk and protective factors that impact the whole of population. It considers how gambling impacts on, and is impacted by, the social, economic, cultural and physical environment. This model is premised on a prevention approach and shifting the blame from the individual to the industry and the product (see appendix 1 for diagram outlining the partnership approach to health equity).

⁵ (Queensland Government Statistician's Office, 2018)

⁶ (Victorian Commission for Gambling and Liquor Regulation (VCGLR), 2019)

⁷ (Australian Gambling Research Centre , 2016)

4.2. Harm minimisation

A harm minimisation approach recognises that, at least in the short to medium term, people will be exposed to harmful forms of gambling. Consequently, it is important to identify and implement initiatives that increase the safety or reduce the risks of an activity or behaviour.

The harm minimisation approach can be categorised into the following three aspects;

Harm reduction - strategies that aim to reduce the harm caused by gambling for both individuals and communities. These strategies do not necessarily aim to stop gambling. Examples include limits on ATM withdrawals from gaming venues.

Supply reduction - strategies aimed at reducing availability and accessibility of gambling opportunities. Examples include reducing the number of EGMs in Brimbank.

Demand reduction - strategies aimed at preventing people from taking up harmful gambling activity. Examples include increasing the supply of safe, accessible and affordable non gambling recreational activities.

4.3. Social Justice

This policy is one of the mechanisms used to delivering on Council's commitment to social justice as defined by the *Brimbank Social Justice Charter*. The Charter pledges Council to promote and integrate the principles of access, equity, inclusion and human rights into all Council policies, procedures and plans.

The harm caused by gambling disproportionately impact disadvantaged communities. Lower levels of resilience mean that vulnerable communities feel the negative impacts from gambling sooner and more deeply. Social justice for the Brimbank community extends to protecting those most vulnerable from the harm caused by gambling.

5. Council roles

Local government does not have the power to regulate the number, location and operation of EGMs; nor is it responsible for the regulation of other forms of electronic gambling, being either State or Federal government jurisdictions. However, local government has a legislated responsibility to protect, promote and improve community health and wellbeing⁸ and recognises that "public health prevention works best when there is top down policy action coupled with bottom up community pressure for change⁹."

The following Council roles as identified in the *Brimbank Council Plan 2017-2021* are of relevance to this policy.

5.1. Plan and Regulate

The location and use of EGMs requires both a gaming license and a planning permit. The Victorian Commission for Gambling and Liquor Regulation (VCGLR) is responsible for gaming license approvals and Council, as a referral authority, may lodge a submission as to whether the net economic and social impact of the application will be detrimental to the wellbeing of the community.

⁸ Victorian Public Health and Wellbeing Act 2008

⁹ Associate Professor Samantha Thomas, Deakin University 2018

Council, as the responsible authority, has the power to grant or refuse a planning permit for the installation or use of EGMs. Before deciding on an application, on a case-by case basis, Council must consider any significant social and economic effects of the use or development for which the application is made.

5.2. Partner and Advocate

Council will take a collaborative and proactive approach to meeting the aims and objectives of this policy by partnering with key stakeholders whenever possible and appropriate.

5.3. Lead and Represent:

Council has a responsibility to identify and act on community needs and aspirations and recommend courses of action to State and Federal governments, statutory authorities and other sectors.

5.4. Fund and Resource:

Council funds and resources a range of services, infrastructure, programs and initiatives to meet a range of community needs and expectations. It also provides assets that are managed by non-profit organisations such as sporting clubs.

6. Aim and Objectives

6.1. Aim

This policy seeks to reduce the economic, social and health harm associated with electronic gaming machines (EGMs) and other forms of electronic gambling in Brimbank.

6.2. Objectives

- i. Advocate to Federal and State Governments for a safer gambling environment and stronger regulatory reforms to prevent and reduce harm.
- ii. Minimise the impact of electronic gambling and promote alternatives that have positive economic, social and health outcomes.
- iii. Increase understanding of and take action to prevent and reduce gambling related harm.

7. Commitments

The following commitments have been established to guide Council's action to meet the aims and objectives of this policy.

Objective i) Advocate to Federal and State Governments for a safer gambling environment and stronger regulatory reforms to prevent and reduce harm	Council Role	Intended outcome
7.1. Advocate for changes to State government legislation to support a reduction in the total number of EGMs in the municipality, including the introduction of a sinking cap.	Partner & Advocate	The total number of EGMs allowable in Brimbank is reduced over time.
7.2. Advocate for regulatory reform to increase harm reduction measures and reduce harmful practices in the gambling industry.	Partner & Advocate	Stronger regulatory and enforcement measures are adopted to reduce harm.
7.3. Make submissions to State and Federal government inquiries that reflect Council's policy positions.	Partner & Advocate	The needs of the Brimbank community are considered in State and Federal government decision making processes.
7.4. Build and maintain relationships with key strategic partners to inform gambling advocacy.	Lead & Represent	Council will work with a range of partners advocating for gambling reform locally, statewide and nationally, including peak bodies, local government, non-government organisations, ethno-specific, health and community service organisations.
7.5. Advocate for independent research into the prevalence and harm caused by online gambling, in particular sports betting and the gamification of gambling.	Partner & Advocate	The evidence base is improved and decisions are informed by relevant evidence.
7.6. Advocate to the Federal government for more stringent regulation of electronic gambling and its promotion.	Partner & Advocate	Stronger regulatory and enforcement measures are adopted to reduce harm.

Objective ii) Minimise the impact of electronic gambling and promote alternatives that have positive economic, social and health outcomes.	Council Role	Intended outcome
7.7. Oppose any licensing application for new EGMs, or the transfer of EGMs within the municipality or in neighbouring areas, where evidence indicates the net economic and social impact of the application will be detrimental to the wellbeing of the Brimbank community.	Plan & Regulate	The VCGLR will have regard to Council's submissions regarding net detriment to community wellbeing.
7.8. Assess any planning application for new EGMs, or the transfer of EGMs in the municipality to ensure that the area, site and gaming venue characteristics contribute to net community benefit.	Plan & Regulate	Approvals for new or additional EGMs provide a net community benefit as defined in the Planning Scheme.
7.9. Prohibit the siting and operation of any new EGMs on council owned land.	Plan & Regulate	There are no new EGMs on Council land.
7.10. Renegotiation of Council leases in which State Government approved EGMs are deployed by the existing lessee will be subject to commercial terms and limited term leases (see appendix for details).	Plan & Regulate	To recognise gaming venues as commercial operations, maximise community return for existing EGMs on Council land, and retain flexibility of lease arrangements over the long term.
7.11. Ensure that Council events, activities or programs are conducted in venues where no gambling-related activity is present.	Fund & Resource	Council business is conducted in environments where there is not exposure to gambling.
7.12. Prohibit access to online gambling at all Council provided, supported or sponsored internet access points.	Lead & Represent	Gambling activities will not occur in Council facilities.

Objective iii) Increase understanding of and take action to prevent and reduce gambling related harm.	Council Role	Intended outcome
7.13. Participate in and support independent research to increase knowledge and understanding of the prevalence and impact of gambling in Brimbank.	Partner & Advocate	Improved evidence base on local impacts and social, economic and health effects of gambling
7.14. Monitor emerging trends and ongoing issues in relation to EGMs and other forms of electronic gambling, in particular their impact on CALD and vulnerable communities in Brimbank.	Lead & Represent	Improved evidence base on local impacts and social, economic and health effects of gambling.
7.15. Inform and educate the community on gambling harm and where to seek support.	Lead & Represent	Improved awareness of risks and consequences of gambling and support available.
7.16. Build and maintain relationships with key strategic partners to develop and implement harm reduction measures.	Lead & Represent	Council will work positively and productively with a range of partners including gambling industry organisations and local gaming venues, peak bodies, local government, non-government, ethno-specific, health and community service organisations.
7.17. Work with community groups and sporting clubs to reduce reliance on funding or support received from the gambling industry.	Fund & Resource	Community groups and sporting clubs continue to deliver community benefits that are not dependent on gambling activity.
7.18. Engage with gaming venues in Brimbank to develop and/or expand approaches to prevent and reduce gambling related harm.	Partner & Advocate	Council and gaming venue operators will work in partnership to reduce harm.
7.19. Encourage, resource and promote a range of accessible social, cultural and recreational opportunities as alternatives to gambling.	Fund & Resource	Non-gambling recreation, leisure and entertainment activities are available and accessible to community.

8. Implementation and review

The Electronic Gambling Policy will be implemented over the next four years in partnership with relevant internal and external stakeholders. Progress will be reported each year through an Annual Action Plan.

9. Appendix 1: Description of terms

9.1. CALD (culturally and linguistically diverse)

Culturally and linguistically diverse is a broad and inclusive descriptor for communities with diverse language, ethnic background, nationality, dress, traditions, food, societal structures, art and religion characteristics.

This term is used broadly and often synonymously with the term 'ethnic communities'. CALD is the preferred term for many government and community agencies as a contemporary descriptor for ethnic communities.

CALD people are generally defined as those people born overseas, in countries other than those classified by the Australian Bureau of Statistics (ABS) as "main English speaking countries". The set of main English speaking countries other than Australia used by the ABS comprises: Canada, the Republic of Ireland, New Zealand, South Africa, the United Kingdom (England, Scotland, Wales, Northern Ireland) and the United States of America.

9.2. Electronic Gaming Machines (EGMs)

EGMs (also known as poker machines or "pokies") were introduced in Victoria in 1992. All EGMs must meet specifications set by the state government which are regulated by the Victorian Commission for Gambling and Liquor Regulation (VCGLR).

The number of EGMs in Victoria is limited to 30,000 with 2,628 of these located in Melbourne's Crown Casino. The rest are located in hotels and clubs across Victoria.

EGMs are computers that use randomised mathematical programming. This means the machine will pay out prizes at random intervals, keeping a percentage of the money put into them.

In Victoria, the law stipulates that EGMs must pay back 87 per cent of the money spent on it each year, after the deductions of any special jackpots. For every individual bet placed on an EGM, the user is likely to lose 13%. Therefore, based on the law of diminishing returns, people who gamble and use their returns to keep gambling will eventually lose all their money.

9.3. Gambling

Gambling can be described as activities where people spend money to get the chance to win money. All types of gambling involve different levels of chance with the common principle being that the likelihood of losing is greater than the likelihood of winning.

In principle gambling falls into two categories;

- Pure chance - these are activities where the chance of winning cannot be influenced by the user in any way. The probability of winning is mathematically constructed to ensure that over time the user will always lose more than they win. Examples include: EGMs, Keno, and casino games like roulette.
- Skill and chance - these activities incorporate a component of skill with the key principle of chance. In this category of gambling, the chance of winning can be influenced by some knowledge or judgement. Chance is still the most significant factor and the odds of losing are still always greater than the odds of winning. Examples include: poker, blackjack and betting on horses, football teams or events.

9.4. Gambling related harm

Research has found that any gambling can result in a diverse range of negative consequences to people who gamble, their family, friends and the broader community. While the gambling industry generates economic activity, tax revenue and recreational opportunities for community members, the cumulative economic, social and health cost of gambling arguably outweigh any actual or perceived benefit.

The seven dimensions of gambling harm

Potential problems arising from gambling can occur to the individual gambler, their family and friends, and to the broader community. A public health approach encourages us to understand these potential negative effects in terms of their impact on the totality of an individual's health and wellbeing. Harm experienced by people who gamble and those close to them can be grouped into the following seven dimensions¹⁰.

- Financial – such as diverted spending on essential and beneficial items, debt and bankruptcy.
- Work or study – such as reduced performance, absenteeism or exclusion.
- Health – such as stress, increased use of health related services, or suicidal or self-harming thoughts.
- Emotional or psychological – such as feelings of worthlessness, regret or extreme distress.
- Relationships – such as relationship conflict, neglect of responsibilities or family violence.
- Cultural harm and criminal activities – such as offending to pay back debt.

9.5. Gambling industry

For the purposes of this policy, Gambling Industry encompasses all businesses, services and organisations that promote or offer gambling as a commercial activity.

In Brimbank in 2018, there are a total of 15 gaming venues in Brimbank that are licenced to operate 953 EGMs (see appendix 2). These are comprised of nine hotels and six clubs. For more information on venues and locations refer to the [VCGLR](#).

9.6. Gamification

The application of typical elements of game playing (e.g. point scoring, competition with others, rules of play) to other areas of activity, typically as an online marketing technique to encourage engagement with a product or service¹¹.

9.7. Leases

There are currently lease agreements in effect with two clubs that are approved to operate EGMs on Council land. These are St Albans Sports Club and Green Gully Soccer Club.

The lease agreement refers to the occupancy of a specified Council facility for a set period of time that grants exclusive use.

The renegotiation of lease agreements, including the tenure, terms and conditions, are based on past history, the core business of the lessee and any relevant Council policies and plans that impact on the facility. As such exact conditions are to be determined on a case by case basis.

Market rent is defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on

¹⁰ (Browne, et al., The Social Cost of Gambling to Victoria , 2017)

¹¹ (Oxford Living Dictionary , 2018)

appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”¹².

Commercial terms refer to the commencing market rent payable for the leasehold of occupied land, determined by an independent commercial valuation conducted in advance of the commencement of a new lease.

Lessees are eligible for a discount up to a maximum of 80% on the market rent should they meet Council’s community and sports development objectives, and pursue additional gambling harm minimisation initiatives in excess of statutory community benefit obligations.

9.8. Online gambling

Online gambling comprises of a wide range of different forms of gambling that can be provided in an online format i.e. accessed and played via the internet. This can include forms of poker, casinos (blackjack, roulette etc.), sports betting, bingo, lotteries, horse racing betting.

9.9. Public health

To achieve health equity, the public health model is premised on a partnership approach that works to align public policy and community action, as described in the following figure.



Figure 1: The nutcracker effect (Baum, 2007)

¹² (Australian Property Institute , 2019)

9.10. Socio-Economic Index For Areas (SEIFA)

SEIFA is a product developed by the Australian Bureau of Statistics that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The index summarises different information collected from the Census of Population and Housing that indicates socio economic status such as such as: income, internet connection, occupation, and education and housing costs. The index is standardised with an average of 1000, meaning areas with an index below 1000 are more disadvantaged while those with an index above 1000 are more advantaged than average.

9.11. Sports Betting

Sports betting involve gambling on traditional sports such as football and cricket along with less traditional contests like the outcome of elections or the results of reality TV shows.

Bets can be placed on the result of a game and what happens during the game. For example, who will score the first goal or who will be ahead at half time.

Despite its rapid growth and high profile, sports betting accounts for a relatively small proportion of total gambling losses in Victoria.

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History of amendment

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Brimbank City Council

Telephone 9249 4000

Email info@brimbank.vic.gov.au

Post PO Box 70, Sunshine, VIC 3020

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