



**Submission to the Legislative Council Select
Committee Inquiry into Gaming Licensing in
Victoria**

May 2007

BACKGROUND

The City of Greater Geelong has had a long history in working on strategies to reduce the negative impact of Gaming in the community and welcomes this opportunity to re-iterate our concerns about gaming machine numbers, distribution and operation. This submission is based on the previous work done by Geelong in this area and the work of the Local Government Working group on Gambling (LGWOG).

In the past we have made submissions to the Caps Review Panel and presented to the Gaming Licence Review Panel. In addition Council has developed a policy on Gaming based on the principles of harm minimisation. The City has also been successful in receiving funding to review the Gaming policy for Geelong in light of the revisions to the Planning and Environment Act and Victorian Planning Provisions.

The City's gaming policy is based on the following five principles:

1. Gaming is a legal activity within the state of Victoria
2. The impact of gaming should not be unevenly distributed on particular communities/populations.
3. Whilst the total number of EGM's in the City of Greater Geelong exceeds the statewide average, Council will not support any additional machines in the municipality.
4. Whilst there is an uneven spread of EGM's in the municipality, Council will not consider the transfer of machines from a more advantageous area to a less advantageous area.
5. That gaming is carried out in an environment that develops and reinforces a commitment to responsible gaming.

The City of Greater Geelong is the largest regional centre in Victoria with an estimated population at June 2005 of 204,891 and covers an area of 1,240 square kilometres.

The municipality has 1,358 electronic gaming machines (EGM's) in 26 venues, taking \$683 per person in the 2005-6 financial year. Data relating to electronic gaming machines in the City of Greater Geelong includes:

- The number of electronic gaming machines per 1,000 adults which is 23% above the state-wide average
- The number of electronic gaming machines per 1,000 adults is 23% above the country municipality average
- Expenditure per adult is 12% above the average state-wide expenditure
- Expenditure per adult is 41% above the average country expenditure
- Net EGM expenditure per adult is fifth highest in the State
- Greater Geelong's Social and Economic Indicators for Advantage (SEIFA) ranking is 56th of 79 Victorian municipalities
- Greater Geelong's SEIFA ranking is 34th of 48 country municipalities

It should be noted in this introduction that the City of Greater Geelong and the Borough of Queenscliffe have not had an opportunity to collaborate on this submission and therefore the recommendations and observations of this paper relate only to the City of Greater Geelong.

While the terms of reference refer to a number of aspects of the gaming regulations our concern is primarily about Electronic Gaming Machines (EGM's) and falls into the following areas.

- Licensing in Victoria post - 2012
- Harm Minimisation
- The Community Support Fund
- Community Benefit Statements

LICENSING IN VICTORIA POST - 2012

PLANNING ISSUES

- The City of Greater Geelong has been a strong advocate of the role of local government in the licensing of EGM's. As the community voice, councils are in the best position to reflect the local views and opinions about EGM density and location.
- The City of Greater Geelong believes that there is room to move some of the planning controls from the Victorian Commission for Gaming Regulation (VCGR) to local councils who can better reflect local concerns and trends.
- This move is supported by the Victorian Local Governance Association who also argue that local government is best placed to evaluate the local social and economic dimensions of gaming.
- Local Government have information about traffic concerns, public amenity issues and neighbourhood character which may be impacted by decisions to increase or decrease the number of EGM's in a community.
- The City of Greater Geelong does not have a position on destination gaming however we continue to support the restrictions on gaming venues not being placed in shopping centres and strip shopping precincts.

REGIONAL CAPS

- Current caps by Victoria State Government of 10 machines per thousand adults (Victorian State Government Gaming Strategy October 2006) is more than lenient and should be set at 8 machines per thousand adults as recommended by the Regional Electronic Gaming Machine Caps Review Panel in 2006.
- Setting a cap of 8 machines per 1000 adults would help to address the issue of density for large municipalities like Geelong where there are areas of significant disadvantage with very high ratios of machines to residents, however the size of the LGA hides this figure.
- Further the City of Greater Geelong policy supports redistribution of machines within the municipality where the EGM's are leaving disadvantaged communities.

- While currently there are 6.87 machines per 1000 persons across Geelong that figure goes up to 10.3 in an area with significant levels of public housing, DVC Community Renewal and Norlane Corio Neighbourhood Renewal Funding. It is widely recognised that in Geelong there is a significant number of venues in those areas identifies as being most disadvantaged.
- In the City's application to the Caps Review Panel the issue was raised about venues having restrictions placed upon them so that machines cannot be moved around within a capped Local Government Area. The concern is that machines can still be moved within the Greater Geelong Area from low performing venues to venues in areas of relatively high levels of disadvantage.

VCAT

- In recent times a number of decisions by the VCGR have been overturned at the Victorian Civil and Administrative Tribunal (VCAT).
- These cases were all opposed by the local governments and tens of thousands of dollars are spent by councils at VCAT. On each occasion the VCGR did not defend their decision at VCAT and instead it fell to local government to engage barristers and prepare briefs to oppose these applications in the community's interest.
- The City of Greater Geelong would advocate for a change to the way VCAT operates with the development of explicit guidelines to set out the condition under which a case may proceed to VCAT. For instance this should include, minimum data requirements, financial data and set parameters for appealing a decision. These guidelines should take the form of Ministerial Guidelines or more possibly a schedule of statutory guidelines including the conditions to be met as to the planning requirements and socio economic impacts.

MACHINE DESIGN

- The City of Greater Geelong welcomes the changes that have occurred over time to the design of machines including the introduction of clocks, and support measures which break the cycle of gaming in order to limit losses and support harm minimisation measures.

LICENSING MECHANISMS

- Council does not have an agreed position in relation to gaming machines being placed in unlicensed venues. We would recommend that any changes to this aspect of the licence structure are done against an assessment of its social and economic impact on local communities where a particular proposed venue is located.
- All licences should be allocated only after venues are able to demonstrate their ability to operate gaming activity in relation to State Gaming Policy & Legislative objectives, in particular responsible gaming. Local Government through its own policy will also be seeking to establish mechanisms for venues to demonstrate compliance to responsible gaming principles.

- The City would like to see some separation between the monitoring and operation of the Electronic Gaming Machines. Our suggestion would be that there is a role for the VCGR to do the monitoring of data so that information is available to all parties not just the operators to improve revenue. As noted in the report by Peter Kirby on the Public Consultations and Submissions on Gaming Machine Licence Arrangements, ¹Victoria is the only state or territory to not separate these roles.
- The City of Greater Geelong would like the Committee to investigate the potential for EGM's to move from a 50/50 split between Hotels and Clubs to a model where the majority of machines are placed within Clubs. This would serve the purpose of addressing the community concern about EGM's making money for commercial operators and if all of the hotels machines are not picked up by clubs there may be a decrease in machine numbers. The Committee may be able to undertake some community consultation for a model that sees more community ownership of machines.

HARM MINIMISATION

- This gaming industry may argue that they have introduced measures to address harm from EGM's however this has been when Government has required them to do so.²
- As identified earlier the City of Greater Geelong welcomes the changes that have occurred over time to the design of machines including the introduction of clocks, and support measures which break the cycle of gaming in order to limit losses and support harm minimisation measures
- In the City's view there needs to be more data available and it needs to be more easily accessible.
- The City of Greater Geelong has advocated previously for data collected by the gaming industry to be made more publicly available for analysis and debate.
- Currently the data collected by venues is not publicly available for communities to assess in relation to impact on the wider community.
- The City questions the impartiality of venues to both operate gaming machines and monitor the data collected. Clearly data collected by the machines owners is used to improve the revenue stream. There is an opportunity here to also use this data to develop harm minimisation strategies.
- Councils have long argued that venue specific data is of great importance when looking at minimising harm from EGM's and developing community responses to gaming issues.

¹ *The Review of Electronic Gaming Machine, Club Keno and Wagering Licenses, and Finding Arrangements for the Racing Industry post-2012, Gaming machine Licence Arrangements post- 2012 Issues Paper, Melbourne*

² *The Review of Electronic Gaming Machine, Club Keno and Wagering Licenses, and Finding Arrangements for the Racing Industry post-2012, Gaming machine Licence Arrangements post- 2012 Issues Paper, Melbourne*

THE COMMUNITY SUPPORT FUND

- The City has strong concerns about the transparency of CSF benefits to the community.
- Due to the lack of data from commercial venues there is little information available as to how much money is collected from LGAs into the CSF.
- In reverse data is not available about the amount of money coming back into the community from the CSF. The city of would like to see more transparency in this system.

COMMUNITY BENEFIT STATEMENTS

- In a recent case before VCAT the Ocean Grove Bowling club claimed that an increase in EGM numbers in their venue would allow them to purchase a bus for community use. When this proposal was examined however it was discovered that in fact the bus was not high on the clubs priority list and if purchased would primarily be used to transport bowls club members to events.
- There seems to be an issue in regard to the requirement of hotels to contribute to the CSF however the same requirement does not exist for Clubs in terms of the amount they contribute to the community.
- The City is concerned about the ambiguity of the Community Benefit Statements and believes that improvements to gaming venues such as new chairs and carpet should not be claimed as a Community benefit.
- Similarly for the purpose of the statements employment should not be regarded as a Community Benefit as it is not possible to tell whether these jobs would exist in another place in the community if they were not at the gaming venue.