

# Gambling and harm minimisation

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## Discussion paper

In local government policies on addressing gambling harm, the focus is primarily on electronic gaming machines (EGMs). While the legislation that frames the operation of EGMs is a state government matter, local councils are increasingly seeing gambling harm as a public health priority that they can influence through planning decisions, advocacy, and strategic decisions around how they provide community support. This is a recent development in line with a global shift moving away from pathologising individuals who gamble, understanding gambling harm as produced in social and economic contexts, and affecting families and communities – an understanding reflected in the World Health Organization adopting gambling as a public health priority in 2019.

This approach underpinned Banyule Council's Gambling Reduction & Harm Minimisation Policy 2019-2022. The policy was adopted to:

- Responsibly manage Electronic Gaming Machine density and reduction of gambling losses
- Support those affected by gambling harm
- Understand the social and economic impacts of gambling
- Advocate, advise, and take action on gambling

The Gambling Reduction & Harm Minimisation Policy 2019-2022 established a direction for Council activity as it relates to gambling in the community, and we seek to build upon this work in a way that reflects emerging understandings of addressing gambling harm and best practice for local governance.

This discussion paper outlines the current landscape in terms of what neighbouring councils are doing, the Banyule context, and the contemporary research-based understandings of gambling problems and policy solutions. It then outlines a range of prevention-focused that Council may take in terms of developing a gambling and harm reduction policy.

## Methods

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The following actions were taken to develop this paper:

- Benchmarking of neighbouring local government gambling policies
- Review of gambling loss data in Banyule
- Mapping of EGM locations in contrast with population density and SEIFA index
- Review of academic and grey literature to determine the current landscape of gambling, harm reduction and best practice for local Council responses
- Consultation with internal stakeholders to examine planning considerations and the potential impact of a gambling policy on the Banyule Economic Development Strategy 2023-2028
- Consultation with external stakeholders working in health, policy and research

Stakeholders consulted:

### *Internal*

Joel Elbourne (Manager Planning, Building and Laws)

Erica Hardie (Economic Development Coordinator)

Derek Ephrem (Acting Economic Development Coordinator)

#### *External*

Missy Ali (Banyule Community Health, Gambler's Help Senior Health Promotion Officer)

Rebecca Paterson (Alliance for Gambling Reform, Councils & Supporters Co-ordinator)

Dr Sarah MacLean (La Trobe University, Associate Professor)

Simon Harrex (Victorian Local Governance Association, Gambling Policy Lead)

## **Benchmarking**

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### **Yarra City Council**

The Yarra City Council Gambling Policy 2017 is explicitly aligned with the position of the Alliance for Gambling Reform. That is, that the rhetoric of 'responsible gambling' takes the focus away from the true cause of gambling harm, which is the gambling industry itself. Yarra Council sees addressing gambling harm as part of its role in promoting health and wellbeing, and it is on this basis that they oppose EGMs and online gambling.

The policy has five main goals:

- Advocacy to reduce the number of poker machines in Yarra.
- Support for gambling-free community activities.
- Improvement in community understanding about the risks posed to the community and the individual by the gambling industry.
- Reform of the gambling industry.
- Community participation in planning decisions concerning gambling activities.

While EGMs within the municipality are the main target of the policy, Yarra City Council recognises that residents gamble beyond its borders and is therefore committed to working with neighbouring municipalities to oppose new applications there as well.

Moreover, the social justice approach in this policy leads to an intersectional focus, such as past use of their community grants program to fund a Vietnamese women's Alcohol and other Drugs (AOD) support group to provide education on gambling and other social issues.

### **Monash City Council**

Monash considers itself a leader and change-agent when it comes to gambling and local government responses. Their Public Health Approach to Gambling Harm Policy was developed through extensive community consultation, through which they have developed six guiding principles for reducing gambling harm:

- Research
- Funding
- Partnerships
- Language
- Gender equity

- Intersectionality

Moreover, Monash Council has articulated their role through four key categories:

- Plan & Regulate
- Advocate & Lead
- Fund & Resource
- Communicate

Through these the policy seeks to oppose and prevent as many EGM planning applications as possible, influence the broader gambling landscape through its partnerships and advocacy, use funding and resources to steer community groups away from reliance on gambling revenue and prevent those who draw on such revenue from accessing Council property, and raise awareness of gambling issues and supports throughout the community and within the organisation itself.

## Darebin City Council

The Darebin Electronic Gaming Machine Policy 2018-2022 begins with the premise that State Government policies to reduce gambling harm from EGMs have not worked. In response to these shortfalls, Darebin Council has sought to maximise its investment and influence on gambling harm through a wide range of strategic actions across four priority areas:

- Legislation regulation
- Advocacy
- Organisational alignment
- Evidence, research and data

Such actions include:

- Prohibiting EGMs on Council owned or managed land
- Treating future applications for EGMs in clubs the same way as they do for pubs and other venue operators
- Ensuring that Council policy, action and advocacy is informed by public health and wellbeing research

This policy reflects the broader shift in which the responsibility for reducing gambling harm lies not on the shoulders of individuals but on the broader organisational entities – such as businesses and governments – that shape the conditions in which gambling harm is produced.

As such, the policy announces the ways that Darebin Council has changed its language and rhetoric around gambling and EGMs. For example, the term ‘problem gambler’ has been replaced with ‘people harmed by gambling’, and ‘gambling expenditure’ has been replaced with ‘gambling losses’ or ‘money taken’.

Darebin Council conducts its advocacy efforts through its memberships and involvement with AGR, VLGA, MAV and the network of Northern Metropolitan Councils.

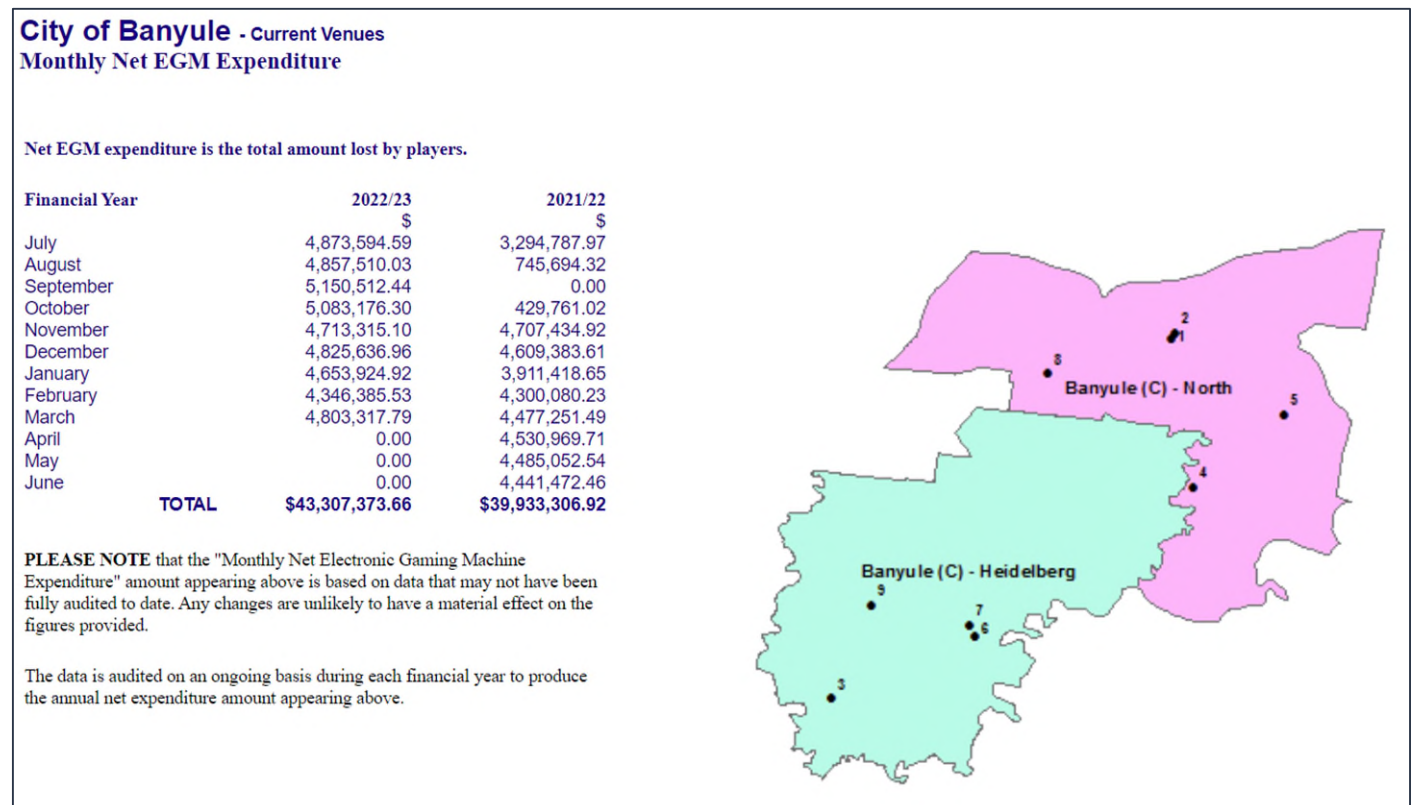
# The Banyule Context

In the City of Banyule there are 635 EGMs that operate across nine venues.

The following three tables illustrate the current situation in Banyule by showing:

1. the most recent EGM losses data in Banyule
2. the losses and EGM numbers by venue
3. the resident population, SEIFA decile and EGM numbers associated with each venue

## EGM losses in Banyule, month by month



Victorian Gambling and Casino Control Commission (2023)

## EGM losses by venue

Venue	Expenditure (July 2016-June 2017)	No. of EGMs	Expenditure (July 2021-June 2022)	Expenditure (YTD, July 2022-Mar 2023)
<b>Greensborough Hotel</b>	\$3,125,578	30	\$ 1,584,998.01	\$ 1,216,050.42
<b>Greensborough RSL</b>	\$4,312,241	78	\$ 4,030,206.94	\$ 2,868,350.64
<b>Ivanhoe Hotel</b>	\$9,807,255	100	\$ 7,998,449.97	\$ 5,720,476.99
<b>Lower Plenty Hotel</b>	\$9,462,993	85	\$ 5,978,180.28	\$ 4,101,775.55
<b>Montmorency RSL</b>	\$1,640,504	50	\$ 1,404,215.47	\$ 940,190.11

<b>Old England Hotel</b>	\$11,664,363	93	\$ 7,790,997.65	\$ 6,057,920.67
<b>Sir Henry Barkly Hotel</b>	\$7,521,055	65	\$ 4,906,319.55	\$ 3,825,102.16
<b>Watsonia RSL</b>	\$6,844,911	103	\$ 5,356,246.47	\$ 4,134,002.15
<b>West Heidelberg RSL</b>	\$1,182,391	31	\$ 883,692.58	\$ 639,876.73

Victorian Gambling and Casino Control Commission (2023)

## Banyule EGM venues, population and SEIFA

Venue	EGMs	Suburb		
		Suburb	Estimated Resident Population	SEIFA disadvantage (State decile)
			2021	2021 Census
Greensborough Hotel	30	Greensborough	15,931	9
Greensborough RSL	78	Greensborough	15,931	9
Ivanhoe Hotel	100	Ivanhoe	13,496	10
Lower Plenty Hotel	85	Lower Plenty	3,996	10
Montmorency RSL	50	Montmorency	9,416	10
Old England Hotel	93	Heidelberg	7,429	9
Sir Henry Barkly Hotel	65	Heidelberg	7,429	9
Watsonia RSL	103	Watsonia	5,468	7
West Heidelberg RSL	31	Heidelberg West / Bellfield	7,335	1 / 3

Australian Bureau of Statistics Census Data (2023)

Interpreting the table above, the SEIFA deciles order socially disadvantaged areas across the numbers 1-10. An area with a decile of 1 shows that it is among the 10% most disadvantaged areas in the state, and a score of 10 indicates that an area is among the 10% least disadvantaged.

Notice that although the West Heidelberg RSL has the least losses of the nine venues in dollar, the SEIFA deciles of 1 (for Heidelberg West) and 3 (for Bellfield, percentile of 22) make it clear that this local population is the least able to bear gambling losses. Also, Watsonia's low population and SEIFA decile of 7 (percentile of 62), coupled with the high number of EGMs at the Watsonia RSL compared to the size of the local population make this also a venue that deserves a high focus in terms of what Council may do to reduce gambling harms in the area.

## Gaming machine caps in Banyule

The Gambling Regulation Act 2003 outlines how the Minister for Casino, Gaming and Liquor Regulation can set a maximum number of EGM entitlements in a region, creating a cap. The general principle for determining regional and municipal gaps is to allow 10 EGMs per 1000 adults in any local government area. Overall, Victoria has a cap of 30,000 EGMs.

A cap of 392 EGMs exists in Banyule which covers the areas:

- Bellfield
- Bundoora
- Eaglemont

- Heidelberg
- Heidelberg Heights
- Heidelberg West
- Ivanhoe
- Ivanhoe East
- Rosanna
- Watsonia
- Watsonia North

This covers the venues:

- Ivanhoe Hotel
- Old England Hotel
- Sir Henry Barkly Hotel
- Watsonia Hotel
- West Heidelberg RSL

These five venues house the full 392 EGMs allowable within the capped area in Banyule.

The most recent review of regional and municipal caps occurred in 2017. Although a review was due in 2022 it is now not expected until mid-2023. This means that it is possible, following review, that the caps will increase and this opens the door to new planning applications for EGMs.

## EGMs on Council owned land

One of the EGM operating venues, the Montmorency-Eltham RSL, operates on Council owned land. Due to the lease agreement with Council, there may be future opportunities to leverage this position in order to have more substantial harm reduction measures in place (over the regulatory minimums). It is important that the stance taken by Council regarding EGMs is reflected in the way that Council engages with the venue that operates EGMs on Council land.

## Planning applications for EGMs

The most recent planning application for EGMs in Banyule was from the Montmorency-Eltham RSL in 2015. An extra 15 (on top of the existing 35) EGMs were sought on the basis that the Heidelberg RSL, which had 25 EGMs, had closed, and 15 of these were needed to be transferred to keep the Montmorency-Eltham RSL viable. In the Council report for this application, it was found that a 'mild' net social benefit would result from the additional EGMs. Part of this benefit was determined to be through the yearly revenue transferred to the Banyule Montmorency-Eltham RSL Trust – which no longer exists, see below – and through the economic growth afforded by the continuation and expansion of the venue itself.

While the Banyule Electronic Gaming Machine Policy 2014 was considered in the decision by Council to grant this application, it was noted in the report that the gambling policy had not been formally incorporated into the Banyule Planning Scheme, and therefore had limited impact. It is therefore crucial that if the next iteration of Banyule's gambling policy addresses planning concerns that it be incorporated into the relevant planning frameworks.

# Grants

## Banyule Grants Program Policy

The Banyule Grants Program Policy 2022-2026 states that applicants will be ineligible for Council grants if they 'undertake or promote gambling, unless there is significant community benefit demonstrated'. This policy position should be consistent with the next iteration of Banyule's gambling policy, and the definition of 'significant community benefit' needs to be articulated in clear terms.

## Banyule RSL Trust Fund

Up until 2019-2020, the Watsonia, Montmorency-Eltham, and Greensborough RSLs contributed \$1000 per EGM per year to Council administered trust funds as part of their obligations to provide community benefit. Banyule City Council used the money in these trust funds to provide community grants for equipment (up to \$10,000), minor capital works (up to \$20,000), community projects (up to \$10,000), and 'special purpose grants' to purchase defibrillators. An internal advocacy effort, underpinned by the principles in the most recent gambling policy, led to the permanent closing of these trust funds – and the associated grants program – to distance Council from the proceeds and promotion of gambling.

This resulted from a review that found the grants were working at cross purposes to Council's own priorities. The most recent gambling policy was instrumental in the closing down of the trust funds.

# Legislation

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In developing a gambling policy we need to take into account the following pieces of legislation:

- The Gambling Regulation Act 2003
- The Planning and Environment Act 1987
- The Local Government Act 1989
- The Public Health and Wellbeing Act 2008
- The Charter of Human Rights and Responsibilities Act 2006

Ensuring that the next iteration of Banyule's gambling policy is aligned with the above legislation is crucial. For instance, in response to Monash City Council's recently released gambling policy there was significant pushback from the Mulgrave Country Club, which operates many EGMs. The club is known to have sought legal advice in attempts to challenge the policy but no legal action has so far been made.

## Findings from literature review and consultations

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While there are many forms of gambling available, the most harmful forms are EGMs and online gambling. Addressing online gambling is extraordinarily complex and requires interventions at levels beyond that of local government – largely on the national and international levels. The role that local government can play is through advocacy, which will be addressed in its own section below.

That gambling harm extends beyond the individual gambler and into families and communities is now well-established. Further, evidence shows that gambling harm is not evenly distributed. While gamblers on higher incomes spend more money than those with lower incomes – something reflected in the gambling losses in



Banyule (see above) – when considered in relative terms it is those on lower income who contribute the most to gambling losses.

More vulnerable and disadvantaged groups tend to have more issues with gambling as well. This includes ethnic minorities, people experiencing homelessness, unemployed people, people experiencing mental health issues, alcohol and drug users, and people with lower incomes and socio-economic status generally. Therefore, when addressing gambling we are dealing with issues of social justice. Interestingly, while it is generally acknowledged that the gendered dimensions of gambling are poorly understood and more studies are required, the epidemiological and clinical data currently available does not determine that any gendered group is more susceptible to gambling harm than another.

One key theme from both the literature and consultations was that it is important to see the gambling industry as *extractive*. Embedded within current legislation and many policies around gambling is the idea that benefit and detriment can somehow work into an equation in which a given gambling scenario can be determined as either beneficial or detrimental overall. This is essentially a utilitarian position, in which something can be considered as good if it provides the greatest amount of good for the greatest number of people. However, contemporary good governance and the duty of care that governing bodies provide is increasingly being seen as needing to protect the health, wellbeing, and human rights of minorities. The need for major reform in the various arenas that concern First Nations people in Australia is a case in point. As such, it is not reasonable to support 'overall community benefit' to the detriment of the fewer people who are experiencing gambling harm.

The question then is, how can local governments best contribute to reducing gambling harm? Some see no place for EGMs in the community and the approach is therefore preventative. In this way of thinking, the more that can be done to remove EGMs from the community, the better.

In contrast, Dr Sarah MacLean – a researcher with extensive experience in both alcohol and gambling – considers that EGMs and other forms of gambling are best addressed in line with best practice for addressing alcohol. That is, the legality of these activities and substances does not preclude the need for strong regulation with the aim of reducing harm. This may involve a range of harm reduction strategies to reduce hours, visibility, advertising and promotion, and encourage lower spending.

Historically, attempts to prevent people engaging in harmful activities has led to unintended consequences that are often worse than the harms that were originally in place. We can see how the complete loss of access to EGMs may cause even more unintended harms than EGMs themselves through the case study of COVID. When EGMs were no longer accessible due to COVID lockdowns there was a significant uptake in online gambling, which is known to be more harmful and does not have the social elements that EGM users encounter when using in hotels or clubs. Take the following quote:

I played online pokies for the first time as I wasn't able to in person. I never knew how accessible it was, and I was hooked for a few days spending more than I typically do. In person it's easy to walk away from and perhaps grab another drink and enjoy the venue. During COVID, I found myself gambling during work hours and whilst working. (Consumer, Male, 22) Source: *Australian Institute of Family Studies, Gambling in Australia during COVID-19, October 2020*

In short, the literature review and consultation process revealed that local governments can play a key role in addressing gambling harm. This harm is disproportionately experienced by traditionally marginalised and disadvantaged groups. However, while the concerns of many researchers and stakeholders are similar in regards to EGMs, they differ in terms of how much they focus on harm reduction strategies (that seek to reduce harm through greater regulation, as people continue to engage in EGM use) as opposed to preventative strategies (in which the end goal is that EGM use is not an option that a person could choose).



# Advocacy

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Many reforms that could reduce gambling harm are unable to be enacted on the local government level. Through membership and engagement with the following organisations, many local Councils can extend their range of influence on these matters:

- Victorian Local Governance Association (VLGA)
- Municipal Association of Victoria (MAV)
- Alliance for Gambling Reform (AGR)

Banyule is currently a member of the MAV and VLGA, and participates in the VLGA's monthly Local Government Working Group on Gambling.

While Banyule had maintained membership with the AGR, this has not been renewed for the next financial year.

## Working position: A public interest approach

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Our research and consultations in preparation of this paper (outlined above) have led us to a working position from which to present policy options for consideration:

*We seek to best serve the public good, with an emphasis on harm prevention and minimisation. The public interest approach to gambling was developed in an academic context in 2018,<sup>1</sup> recognising that gambling issues involve other dimensions alongside health. In particular, the role of the gambling industry and the flows of resulting revenues are sharply in focus. The public interest approach is aligned with public health through its addressing of the environment and conditions in which gambling harm is produced, rather than targeting individual behaviour directly.*

## Options moving forward

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The following options are a range of potential options for our new policy. It is a non-exhaustive list to facilitate discussion and feedback as we seek guidance from Council to develop a policy position.

### EGM Venues

- EGMs are legal and as such applications for new EGMs or transfers must be considered case by case, but can be opposed if determined to cause net community detriment.
- Council may develop a stance on planning applications in areas of significant disadvantage (determined by venue proximity and SEIFA data).
- Council may take a stance on EGMs operating on Council-owned land (as is the case with the Montmorency-Eltham RSL).
  - Options include working harm reduction strategies into lease agreements or prohibiting EGMs on Council-owned land (as taken by Monash City Council).

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<sup>1</sup> Sulkunen et al. (2018), 'Setting limits: gambling, science and public policy', Oxford University Press.

## Address gambling promotion

- Council can clearly articulate how connections with the gambling industry may impact upon grant applications.
  - Considerations include whether a group provides gambling opportunities, benefits from or receives proceeds from gambling, promotes gambling in some form or another.
- Council can take a stance as to whether it can hold events at venues that provide gambling or have connections to gambling.
- Council can develop a stance on gambling advertising on Council owned or managed land and at Council facilities.
- Council may want a clear stance on accepting financial or other contributions from gambling venues.

## Organisational alignment

- Work gambling policy position into upcoming policies and strategies where relevant.
- Continue to block online gambling sites from Council Wi-Fi.
  - Consider mapping the available online gambling websites and making sure that these are all blocked on Council Wi-Fi.
- Determine whether a gambling portfolio should be assigned to a particular officer role at Council.
- Raise the profile of gambling issues across the organisation.

## Advocacy

As EGMs are regulated on the state level, and online gambling at the federal level, local government may pursue preventative strategies through advocacy.

- Some potential advocacy points are:
  - Regarding EGMs operators needing to use a portion of their revenue for 'community benefit', to change the definition of community benefit to include only genuine philanthropic organisations and charities.
  - Introduce a mandatory cashless pre-commitment scheme<sup>2</sup> (as committed to in Tasmania)
  - Reduction in EGM venue opening hours (e.g. for venues to be closed between 2am – 6am)
  - Introduce a state government fund to support gambling venues to transition away from EGMs
  - Prohibit sports betting advertising
  - Ban the use of credit and 'buy now pay later' schemes for online gambling sites
- If we are to advocate effectively we need the means to do so. Membership with up to three of the following key organisations will enable us to advocate on the kinds of issues noted above:
  - Municipal Association of Victoria (MAV)
  - Victorian Local Governance Association (VLGA)
  - Alliance for Gambling Reform (AGF)

## Community engagement

- Council may support local businesses to transition away from reliance on EGM revenue through the following existing services:
  - Business mentoring.
  - Small business grants.

- Consider whether to prohibit gambling advertising or promotion on Council owned or managed land, or in Council facilities.

## **Public health**

- Continue to foster community connections and social infrastructure.
  - This will involve reference to existing and emerging strategies and frameworks at Council.
- Consider what campaigns or partnerships will be appropriate.
  - Contemporary research suggests that awareness of industry responsibility and the context of gambling is appropriate and that we should avoid messaging that would further stigmatise or shame individuals who experience gambling harm.