

# **Mornington Peninsula Shire Responsible Gaming Strategy**

**September 2001**

**Based on a draft prepared by Beverley Kliger & Associates**

# Table of Contents

<b>SECTION I: BACKGROUND AND INTRODUCTION</b>	<b>4</b>
<b>THE MORNINGTON PENINSULA SHIRE</b>	<b>4</b>
<b>GAMING IN THE MORNINGTON PENINSULA SHIRE</b>	<b>5</b>
Electronic Gaming in the Shire	5
Gaming Venues in the Shire	6
<b>PLAYER LOSSES IN THE MORNINGTON PENINSULA SHIRE</b>	<b>12</b>
<b>COMMUNITY SUPPORT FUND</b>	<b>13</b>
<b>TOURISM AND ELECTRONIC GAMING MACHINES</b>	<b>14</b>
<b>GAMING AND LOCAL COMMUNITIES AND ECONOMIES</b>	<b>15</b>
Economic Impacts	15
Social Impacts	16
<b>IMPACTS OF GAMING IN THE MORNINGTON PENINSULA SHIRE</b>	<b>17</b>
Gaming Revenue and Community Development	17
Community Perceptions	17
Positive Benefits to Local Communities	18
The Detrimental Impacts on Local Communities	18
Gaming and Recreation and Leisure	18
Gaming and Community Health and Well Being	19
<b>SECTION II: MORNINGTON PENINSULA SHIRE RESPONSIBLE GAMING STRATEGY</b>	<b>21</b>
<b>1. Mornington Peninsula Shire Responsible Gaming Position</b>	<b>21</b>
1.1 Goal and Objectives	21
<b>2. Mornington Peninsula Shire’s Advocacy for Positive Change</b>	<b>21</b>
2.1 Community Support Fund (CSF)	22
2.2 Regional and Local Caps	23
<b>3. Shire Policies and Strategies</b>	<b>24</b>
3.1 Fostering Community Health and Well Being	24
3.2 Enhancing Leisure and Recreational Opportunities	25
3.3 Economic Development Strategy	26
3.4 Future Policy Positions	27

<b>4. Electronic Gaming Machines and Land Use Planning Policy</b>	<b>27</b>
4.1 Planning Powers	27
4.2 Social and Economic Impact Assessment	28
4.3 Gaming Land Use Planning Policy	29
4.3.1. Application of the Policy	29
4.3.2. Notice of a Planning Application	29
4.3.3. Location of Venues	30
4.3.4 24 Hour Trading	31
4.3.5 Signage	32
4.3.6 Responsible Gaming Operations	33
<b>5. Gaming and Shire Owned and Managed Land and Property - Position Statement</b>	<b>33</b>
5. 1 Gaming Operations	33
5. 2 Signage on Shire Owned or Managed Reserves	35
<b>6. Evaluation and Monitoring of the Responsible Gaming Strategy</b>	<b>36</b>
<b>BIBLIOGRAPHY</b>	<b>37</b>
<b>Maps</b>	

# Mornington Peninsula Shire Responsible Gaming Strategy

This strategy focuses exclusively on gambling activities conducted with electronic gaming machines (gaming) located in licensed hotels and licensed clubs (gambling venues) in the Mornington Peninsula Shire.

Throughout the Responsible Gaming Strategy (RGS) the following terms are used:

- *Gaming* – refers to gambling carried out exclusively with electronic gaming machines; and,
- *Gambling venues* – refers to licensed clubs and hotels in which electronic gaming machines are located and where other forms of gambling may also be situated.

The Strategy is presented in two sections. Section I provides the background and context used to inform the development of the Strategy. It presents a discussion of gaming in the Shire and summarises the social and economic impacts of electronic gaming on local areas and economies. Section II contains the recommended actions and policy development strategies regarding responsible gaming in the Shire.

## **Section I: Background and Introduction**

On 23 November 1999, Council established a Community Consultative Committee on Gambling to respond to:

- community concerns about the increased number of electronic gaming machines in the municipality; and,
- the impact of gaming on the quality of life of residents of the Shire.

In May 2000, the Consultative Committee on Gambling in Local Communities held a public forum attended by 50 people. In September 2000, the Consultative Committee held a specific Venue Operators' Forum with gambling venue operators.

The Mornington Peninsula Shire resolved on the 18 September 2000 to:

- Develop a Mornington Peninsula Shire Responsible Gaming Strategy;
- Adopt an interim policy that supports a cap on the number of electronic gaming machines and gambling venues in the municipality at the current level until the development of the Mornington Peninsula Shire Responsible Gaming Strategy;
- Encourage community input into the application process for gaming;
- Advocate with, and on behalf of, the community in relation to the impacts of gaming, where appropriate;
- Hold public forums on gaming and related issues; and,
- Advocate to the Community Support Fund for notification of applications for funding to enable co-ordination and better equity of distribution of funds across the municipality.

## **The Mornington Peninsula Shire**

The Mornington Peninsula Shire is bounded by Port Phillip Bay, Bass Strait and Western Port. The Shire contains a diversity of scenic landscapes, with coastal boundaries of over 190 kilometres. It is a mixture of urban areas, resort towns, tourist development and rural land. The Shire is approximately 720 square kilometres in size, with an estimated resident population in 1996 of approximately 117,800 compared to 74,000 in 1991. The majority of the population is clustered along the coastline of Port Phillip Bay between Mount Eliza and Dromana while most of the traditional beach holiday resorts are based along the Port Phillip coastline.

Population growth has been focused in new residential developments, such as Mornington East and Somerville. New residents are attracted to the lifestyle opportunities, access to regional areas such as Dandenong, Frankston and Cranbourne and the growing number of job opportunities in Melbourne's south east Corridor.

The population of the Shire swells dramatically in holiday periods, with the peak summer period attracting in excess of 60,000 people to the Peninsula. Most of this increase is experienced in the southern bayside townships, where numbers double and in some cases quadruple over that time<sup>1</sup>.

## **Gaming in the Mornington Peninsula Shire**

This section presents a discussion of gaming in the Shire. It provides an overview of the distribution of venues and gaming machines in the Shire and summarises the issues raised in the community consultations held to date regarding gaming and its positive and detrimental impacts on the local communities of the Shire.

### **Electronic Gaming in the Shire**

There are 864 electronic gaming machines and 20 gambling venues (8 clubs and 12 hotels) in the Shire. The distribution of gaming machines in the Shire is 388 or 45% of the machines in clubs and 476 or 55% of the machines in hotels.

This represents:

- ❑ 8.8 gaming machines per 1000 adults over 18 years of age in the municipality; and,
- ❑ an average player loss of \$644<sup>2</sup>.

The density of gaming machines and the average player loss are both higher than for Victoria (7.6 gaming machines per 1000 adults over 18 years and \$603 respectively). In addition, the Mornington Peninsula Shire has the second highest number of gambling venues in Victoria and the most gambling venues of all metropolitan municipalities.

Research by the VCGA has revealed that individuals tend to use gaming machines at local gambling venues. As such, it is estimated that people using gaming machines located in the Shire live or work in the Shire. Based on the VCGA research, the Shire proposes that the extensive losses due to gaming machine play (\$57.56 million in 1998-99 and \$65.23 million in 1999-2000) are drawn from local residents and workers. At the same time, the Shire has received only \$1.9 million in grants (see Table 4) through programs funded by the Community Support Fund.

Despite the disproportionate relationship between grants received and player losses in the Mornington Peninsula, the Shire recognises that gaming can provide a range of local social and economic benefits such as leisure opportunities and local employment opportunities to many individuals in the municipality.

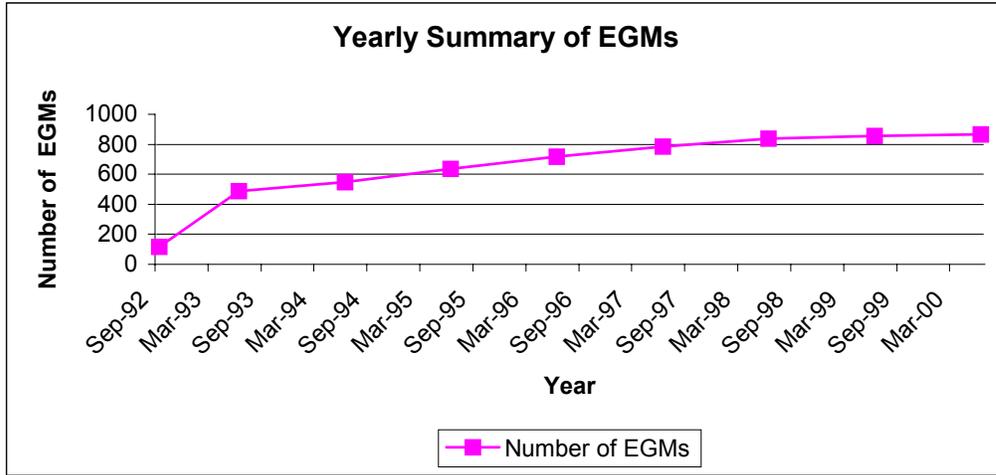
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<sup>1</sup> Mornington Peninsula Shire Community Profile, i.d. Consulting (August 2000).

<sup>2</sup> VCGA 2001. Average player loss is based on the population of residents 18 years of age and older.

### Gaming Venues in the Shire

The number of gaming venues in the Shire has increased from 2 in September 1992 to the current 20 while the number of gaming machines (EGMs) has increased from 115 machines to the current 864 in the same period. The growth in gaming machines over this period is presented below.



Source: VCGA

The table below shows the distribution of the current gaming machines in the Shire by venue, type of venue and operator.

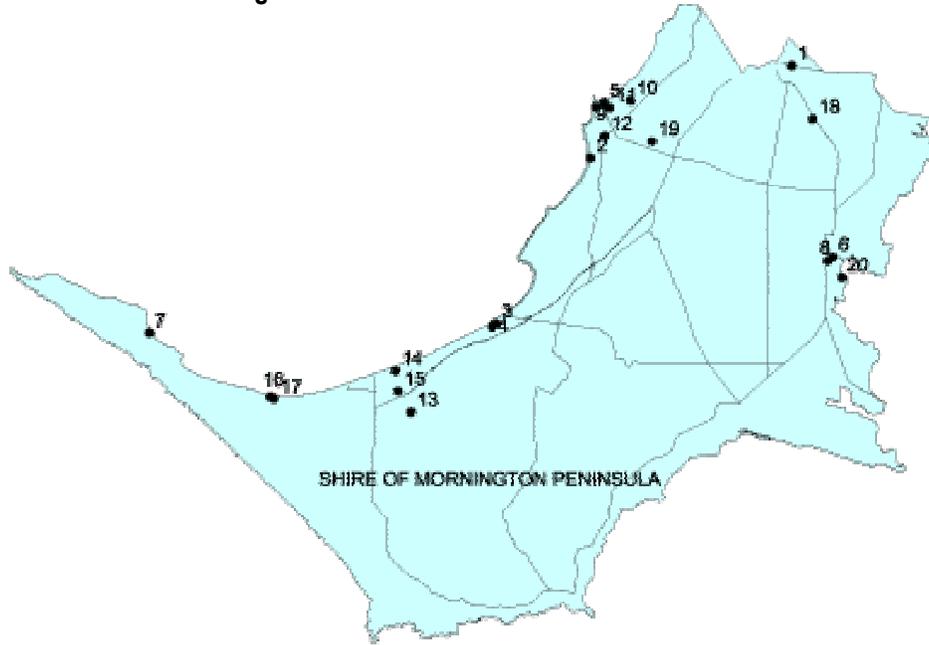
**Table 1: Gaming Venues in the Mornington Peninsula Shire**

	Venue	Operator	Electronic Gaming Machines	Venue Type
1	BAXTER TAVERN HOTEL MOTEL	TABCORP	30	Hotel
2	DAVA HOTEL	TABCORP	40	Hotel
3	DROMANA HOTEL	TABCORP	41	Hotel
4	DROMANA RED HILL RSL	Tattersall's	10	Club
5	GRAND HOTEL	TABCORP	70	Hotel
6	HASTINGS CRICKET & FOOTBALL SOCIAL CLUB	Tattersall's	50	Club
7	HOTEL SORRENTO	TABCORP	20	Hotel
8	KINGS CREEK HOTEL	TABCORP	33	Hotel
9	KIRKS ROYAL BEACH HOTEL (KIRKPATRICKS)	Tattersall's	40	Hotel
10	MORNINGTON COUNTRY GOLF CLUB	Tattersall's	18	Club
11	MORNINGTON SERVICES CLUB	TABCORP	20	Club
12	MORNINGTON TAVERN	TABCORP	23	Hotel
13	ROSEBUD COUNTRY CLUB	TABCORP	60	Club
14	ROSEBUD HOTEL	Tattersall's	70	Hotel
15	ROSEBUD RSL	Tattersall's	65	Club
16	RYE HOTEL	Tattersall's	30	Hotel
17	RYE RSL SUB-BRANCH	Tattersall's	100	Club
18	SOMERVILLE HOTEL	TABCORP	39	Hotel
19	STEEPLES	TABCORP	65	Club
20	WESTERNPORT HOTEL	Tattersall's	40	Hotel

Venue	Operator	Electronic Gaming Machines	Venue Type
		864	

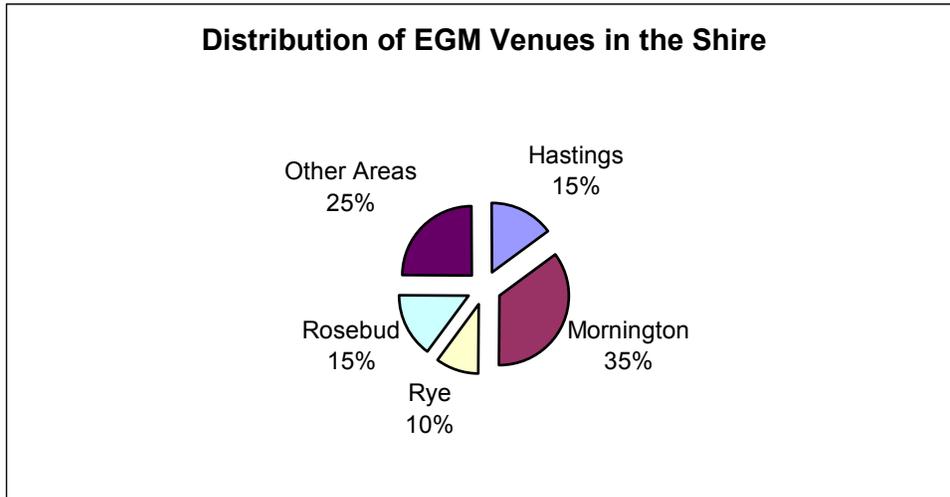
As indicated on the following map, the majority of the venues in the Shire are located in four areas, including Hastings, Mornington, Rye and Rosebud.

Figure 1: Distribution of Gaming Venues



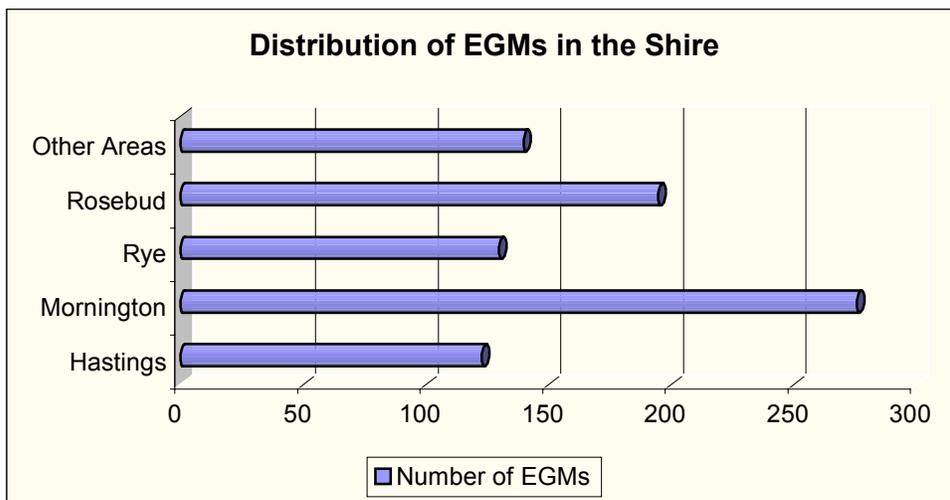
There are 3 venues in Hastings (123 gaming machines), 7 in Mornington (276 gaming machines) 3 in Rosebud (195 gaming machines) and 2 in Rye (130 gaming machines). This represents 724 of the 864 gaming machines (83.8%) and 15 of the 20 gaming venues (75%) in the Shire. This distribution of venues and gaming machines is presented below.

Figure 2: Distribution of Venues by Area



Source: VCGA

Figure 3: Distribution of Gaming Machines by Area



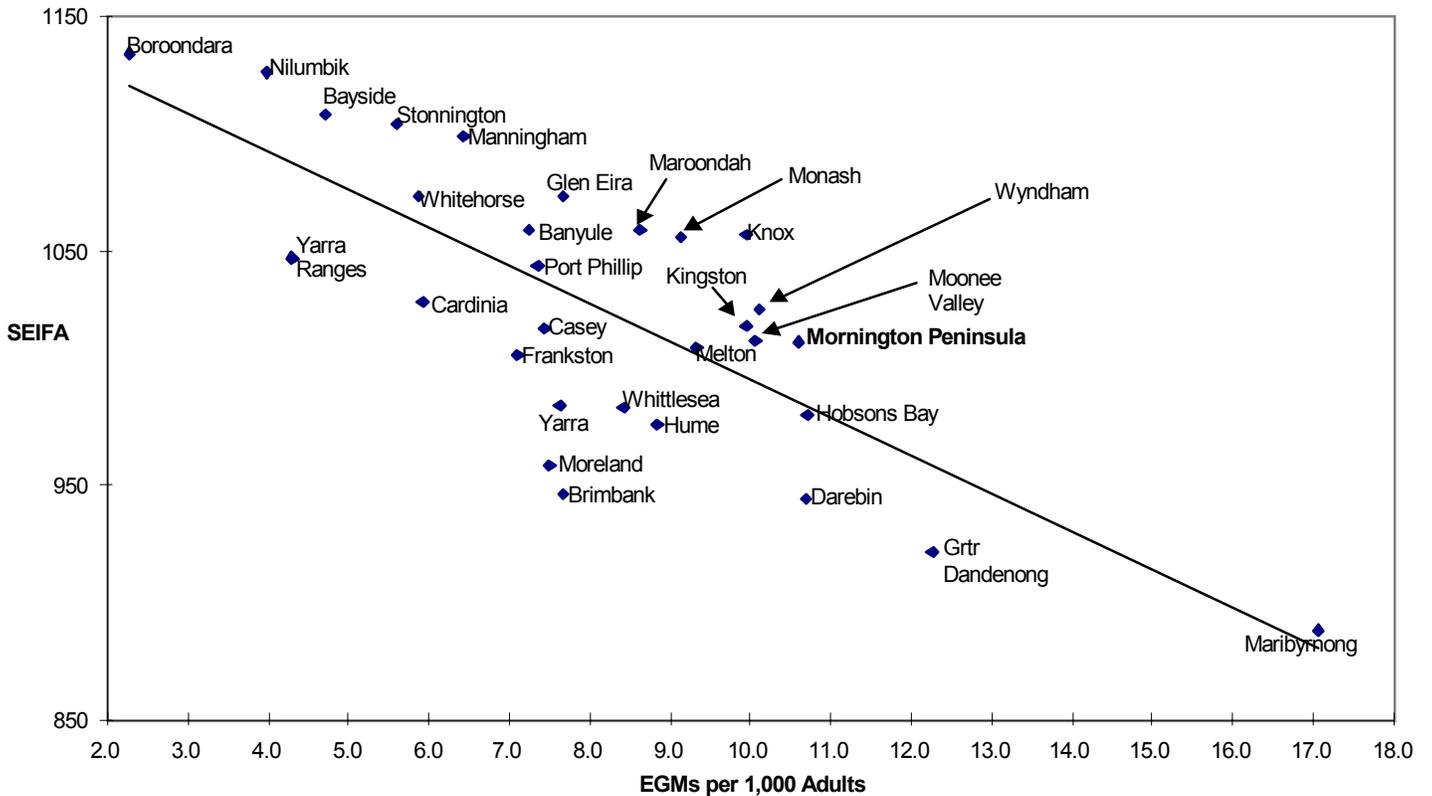
Source: VCGA

The Shire is cognizant of the demonstrated link between the accessibility of gaming venues and problem gambling (Productivity Commission 1999). It is also aware of the relationship between the socio-economic composition of an area and the density of gaming machines identified by the Victorian Local Governance Association (VLGA).

The graph below illustrates the correlation between higher gaming machine density and level of socio-economic disadvantage, expressed as the socio-economic index for areas (SEIFA index)<sup>3</sup>.

<sup>3</sup> Developed by the Australian Bureau of Statistics based on 1996 data.

Figure 4: Gaming Machine (EGM) Density and ABS Index of Disadvantage - Melbourne



As such, it is concerned about the prevalence of gaming machines and venues in areas where there is also a higher proportion of socio-demographic and socio-economic groups of individuals who are at risk of problem gambling. The four areas of the Shire that have the highest number of gaming machines and gambling venues (Hastings, Mornington, Rosebud and Rye) are of particular concern to the Shire. The socio-demographic and socio-economic characteristics of these areas are summarised below<sup>4</sup>.

**Hastings**

The population of Hastings is relatively younger than that of the Shire as a whole, with higher proportions of children and young adults, potentially reflecting the affordability of the housing market in this area. As would be expected, there is a higher proportion of couples with children but there is also a higher proportion of one parent families living in Hastings than in the Shire overall. In fact, Hastings has a higher proportion of sole parent families (16.2%) than the State average (9.8%)<sup>5</sup>.

There are a higher proportion of households in the two highest income quartiles, likely indicative of the number of households with two incomes who are purchasing their homes. At the same time, the area has a higher proportion of residents without qualifications and a higher proportion of individuals working in the manufacturing sector

<sup>4</sup> The following discussion utilises the 1996 ABS Census of Population and Housing, extrapolated from the *Mornington Peninsula Shire Community Profile* (i.d. Consulting 2000) and *Mornington Peninsula Shire Small Area Population Forecasts 1996 – 2016* (i.d. Consulting 2000) unless otherwise stated.

<sup>5</sup> *Suburbs in Time 2000*, Department of Infrastructure, using 1996 census data

than the Shire. The largest occupation group in Hastings is clerical, sales and service. There is also a significantly lower rate of vehicle ownership in Hastings as compared to the Shire.

### **Mornington**

Mornington<sup>6</sup> has an older population than the Shire, reflecting the age of the settlement here while Mornington East has a significantly younger population attributable to the new development that occurred since 1991. The household structure of Mornington is different than the Shire with a significantly higher proportion of lone person households and significantly lower proportions of couples with and without children. Mornington East, on the other hand, has a significantly higher proportion of couples with children and one parent families in its household composition. The former is most likely attributable to the age of the population in Mornington and the latter to new development that is attractive to young families.

There are higher proportion of households in the two highest income groups residing in both Mornington and Mornington East. Employment in Mornington and Mornington East is spread across all sectors, reflecting the access of the area to a variety of opportunities.

### **Rosebud**

Rosebud<sup>7</sup> has a significantly higher number of individuals aged 60 years and older than the Shire, reflecting the attraction of the area to retirees. This population is ageing in place, i.e. remaining at home or in facilities in the local area. There are a higher proportion of couples without children and lone person households in the area, likely to be retirees and empty nesters. The area also has a higher proportion of households in the two lowest income quartiles compared to the Shire and experienced a decline in household income from 1991 to 1996.

While the unemployment rate decreased from 1991 to 1996, it remained significantly higher than the Shire overall. All of the employment growth in Rosebud between 1991 and 1996 – similar to the Shire - was in part time employment. There are a higher proportion of residents without qualifications than in the Shire and the area has a higher proportion of its workforce employed in the retail trade and recreation sectors compared to the Shire, with the largest increase in employment between 1991 and 1996 in recreation. The largest occupational group in Rosebud is clerical, sales and service with almost one in three workers employed in these occupations.

### **Rye**

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<sup>6</sup> Mornington is considered as part of small area 8 in the small area population analysis and forecast by i.d. Consulting which also includes Moorooduc and Tuerong. Mornington East is considered as small area 7. This discussion is based on these two small areas and the localities therein.

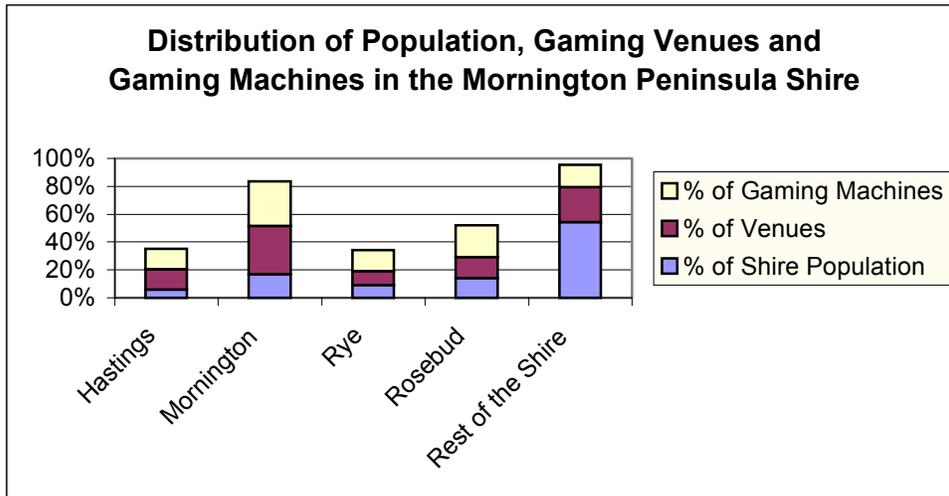
<sup>7</sup> Rosebud is considered as part of small area 13 in the small area population analysis and forecast by i.d. Consulting which also includes Rosebud West, McCrae, Boneo, Fingal and Cape Schanck. This discussion is based on the aggregate area encompassed by these localities.

Rye<sup>8</sup>, similar to Rosebud, has a higher proportion of individuals aged 60 years and older than the Shire as a whole. The area also has a higher proportion of individuals in each of the three lowest income quartiles. Households in Rye are more likely to be couples without children and lone person households, likely to be empty nesters and retirees as in Rosebud.

There are a higher proportion of residents without qualifications in this area and smaller proportions of residents with either tertiary and trade qualifications than in the Shire. Of those employed, there are higher proportions of the workforce in the retail and recreation sectors and also a higher proportion of workers in the construction sector than in the Shire. There are a significantly lower proportion of individuals employed as professionals or managers in this area. The growth in employment in Rye between 1991 and 1996 was all in part time positions, a trend similar to the Shire overall.

The preceding discussion outlines that in the four areas of high density of gaming machines in the Shire there is a higher proportion of aged, lone parent and lone person households as well as a higher proportion of households in the lower income quartiles. While there are higher proportions of households in the higher income quartiles in Mornington East, Mornington and Hastings, many of these households are dual income home purchasers rather than households with high levels of disposable income. There is also a relatively higher degree of geographic isolation in Rye, a higher level of unemployment in Rosebud and a lower rate of vehicle ownership in Hastings than in the Shire overall. Many individuals in these areas are also employed in sales, clerical and services positions in the retail and recreation sectors reflecting the Shire's overall trend of growth primarily in part time employment.

**Figure 5: Distribution of Population, Gaming Venues and Gaming Machines in the Mornington Peninsula Shire**



An analysis of the distribution of gaming machines and gambling venues against the Shire's resident population reveals the intense concentration of gaming in the above four

<sup>8</sup> Rye is considered as part of small area 14 in the small area population analysis and forecast by i.d. Consulting which also includes Tootgarook and St. Andrews Beach. This discussion is based on the aggregate area encompassed by these localities.

areas in the Shire. More than half of the Shire’s population (54.25%) live in areas other than Hastings, Mornington, Rye and Rosebud yet only a quarter of gambling venues and just 16% of gaming machines are located outside these four areas.

In light of this, the Shire will not support applications for the expansion of gaming in the four areas of concentration of gaming (Hastings, Mornington, Rye and Rosebud) due to concerns regarding detrimental economic and social impacts on these local communities.

## Player Losses in the Mornington Peninsula Shire

Expenditure in the Mornington Peninsula Shire on gaming, i.e. funds lost by people playing gaming machines, has increased in the last three years from \$57 and a half million per annum to \$72 and half million. The table below provides a breakdown of total player loss, average player loss and average player loss (per population 18 years and older) per gaming machine for the Shire against the averages for Victoria.

Table 2: Player Loss Data

Year	Total Player Loss in Mornington Peninsula Shire	EGM Density Per 1000 Residents 18 + M.P. Vic.		Average Player Loss In Victoria	Average Player Loss in Mornington Peninsula Shire	Average Player Loss Per EGM in Victoria	Average Player Loss Per EGM in Mornington Peninsula Shire
1998-1999	\$57,560,132	8.9	7.7	\$549.66	\$596.31	\$71,614	\$67,322
1999-2000	\$65,230,419	8.8	7.6	\$603.47	\$644.17	\$79,195	\$75,498
2000-2001 <sup>1</sup>	\$72,624,848	9.6	7.7	\$668.00	\$807.80	\$86,300 <sup>2</sup>	\$84,056

Source: VCGA <sup>1</sup> Information for 2000-2001 from City of Greater Dandenong Gaming Indicators and Ranking, 5 September 2001  
<sup>2</sup> 27,416 EGMs per information for 2000-2001 from City of Greater Dandenong Gaming Indicators and Ranking, 5 September 2001

Based on the preceding figures, expenditure on gaming machines (i.e. player loss) has risen 13.3% in the Mornington Peninsula Shire from 1998-99 to 1999-2000 and 11.3% in 2000-2001. This is higher than the growth in player losses across Victoria of 11.1% in 1999-2000 and 9% in 2000-2001.

The figures also reveal that whilst the average losses per machine are lower in Mornington Peninsula than the Victorian average the losses per player were higher than the Victorian average by 7.7% in 1998-1999 and 6.4% in 1999-2000. However, in 2000-2001 the average losses per player in the Shire grew exponentially by \$163.63 or 25.40%. At the same time Mornington Peninsula experienced an intensification in density of gaming machines in the municipality. In 2000-2001 the density of gaming machines was 25% higher than the average for Victoria and 23% higher than the density

of 7.8 gaming machines per 100 adults over 18 years of age for Metropolitan Melbourne<sup>9</sup>.

The growth in the density of gaming machines and increases in the player losses from electronic gaming substantiates the Shire's concern regarding gaming.

### Distribution of Gaming Expenditure

The Gaming Machine Control Act 1991 sets out that:

- the net annual return to players should be no less than 87%; and,
- the distribution of the net cash balance is split between the venue operator, the gaming operator and the Government.

The State Government Budget Papers (2001 Budget) set out the current distributions of the net cash balance. The net cash balance is the difference between the amounts bet and the amounts paid out in prizes.

**Table 3: Distribution of Net Cash Balance**

Distribution of net cash balance	Clubs % Tattersall's	Clubs % TABCORP	Hotels % Tattersall's	Hotels % TABCORP
Gaming Operators <sup>10</sup>	26.3	33.3	26.3	33.3
Gambling Venue	33.3	33.3	25	25
Community Support Fund			8.33	8.33
State Government	40.33	33.3	40.33	33.3

The State Government also applies a levy<sup>11</sup> on gaming machines owned by the operators. In 2001 the levy will increase to \$1,533 per gaming machine per annum (previously \$333 per machine). Gaming operators also pay a supervision charge designed to cover VCGA's costs of regulating gaming activities.

### Community Support Fund

The Community Support Fund (CSF) funds:

1. A range of programs such as support services for problem gamblers, financial counselling services and drug treatment and rehabilitation services administered by other government departments; and,
2. Specific projects following direct applications for grants.

The Shire received \$1,972,951.75<sup>12</sup> in 52 grants, including grants provided through a range of programs resourced by the CSF such as the Life Saving into the 21<sup>st</sup> Century program of Sport and Recreation. The total grants to the Shire, according to CSF Grants Scheme for the financial years 1998-99 and 1999-2000 are presented in the table below.

<sup>9</sup> City of Greater Dandenong Gaming Indicators and Ranking, 5 September 2001

<sup>10</sup> Tattersall's pays the Government a licence fee of 7% decreasing the distribution to Tattersall's to 26.3% and increasing the distribution to Government to 40.33%.

<sup>11</sup> Health Benefit Levy

<sup>12</sup> Listing of grants provided by the CSF to the Shire 8 March 2001

**Table 4: Community Support Grants in Mornington Peninsula Shire for 1998-99 and 1999-2000**

<b>Grant Scheme</b>	<b>Total of Grants</b>
	<b>\$</b>
Minor Facilities Grant Scheme	214,339
Lifesaving Scheme	614,091
Mobile Library Scheme	93,156
Bush Nursing Hospital Grant Scheme	230,000
Older Persons Grants Program	20,456
Disabilities Service Agencies Capital Grants Program	127,500
Victorian Federation Grants Scheme	42,875
Adult, Community & Further Education Program	7,960
General Grants (Direct CSF grants)	622,574
<b>TOTAL</b>	<b>1,972,951</b>

Source: Community Support Fund 8 March 2001.

These grants include funds provided for the benefit of those outside the Shire such as the \$481,574 provided to the Portsea Camp in general grants.

These figures clearly demonstrate the disproportionate relationship between player losses (\$122 million) and grants received (\$1.9 million) in the Mornington Peninsula Shire for the periods 1998-99 and 1999-2000.

### **Estimate of Hotel Contributions to the Community Support Fund**

Hotels provide a significant amount of funds to the Community Support Fund through the State levy of 8.33% of hotel gaming machine revenue. Using VCGA data of player losses in the Shire, it is estimated that \$4,863,918<sup>13</sup> has been contributed by hotels in the Mornington Peninsula Shire to the Community Support Fund in 1999-2000. This figure is an estimate only as accurate information regarding the amount of monies lost in specific hotels per local government area is not available

In 1999-2000 the CSF levy on hotels provided \$96.3 million to the CSF<sup>14</sup>. Using the above calculation it is estimated that hotels in the Mornington Peninsula Shire contributed 4.5% of total hotel contributions to the CSF in 1999-2000.

## **Tourism and Electronic Gaming Machines**

Research undertaken in 1999 examined the value and benefit of tourism to the Mornington Peninsula. The overall finding of this research is that tourism is the most significant economic sector for the Peninsula, based on investment in property, employment levels and capital investment levels (Urban Enterprise 1999: 2). Unfortunately, the research does not examine gaming as a specific activity within the

<sup>13</sup> This figure has been calculated using the following formula provided by the Institute for Primary Care at LaTrobe University.  $CSF = (T * PH * 1.34) * 0.0833$  where CSF is the contribution to the Community Support Fund, T is total poker machine expenditure in the LGA, PH is the proportion of hotels in the LGA expressed as a decimal, 1.34 is a constant reflecting the relative weighting of poker machine expenditure in hotels as against clubs and 0.0833 is the constant proportion of hotel pokie revenue directed to the Community Support Fund.

<sup>14</sup> Department of Premier and Cabinet Annual Report 1999-2000

Peninsula's tourism industry. As such, it is not possible to identify the direct benefits of electronic gaming to tourism in the Shire.

However, KPMG's (2000) analysis of tourism and gaming found that provision of gaming does not have a significant impact on attracting tourism to a local area. Nevertheless, it can be inferred that some of the investment in commercial properties, in particular, those relating to restaurants and cafes (9% of tourism related property) and entertainment/cultural activities (7% of tourism related property), relates to investment in gaming venues. However, the proportion of this investment that relates to electronic gaming is not identifiable based on the 1999 research.

There is a lack of information on the impact of gaming and tourism on local communities and economies. It would be appropriate for the Victorian Casino and Gaming Authority to carry out or commission research into the interrelationship between gaming in local venues, local resident player losses and seasonal and regular tourism.

## **Gaming and Local Communities and Economies**

### **Economic Impacts**

There has been considerable research undertaken regarding the impact of gaming on local economies. While this research identifies economic benefits of gaming to local economies, the findings clearly indicate that there is a net negative economic impact of gaming on local economies.

The economic benefits of gaming in a local area are:

- New employment associated with the growth of a hotel or club when it becomes a gambling venue;
- A stimulus to local trades-people and suppliers when gambling venues use local supplies and services for regular supplies and for building and facility upgrades; and,
- An improved financial position of clubs and hotels enabling them to make significant financial and in-kind contributions to local community organisations including sporting clubs, community organisations and charities.

However, these gains are more than offset by declines in other existing industries that lose the consumers' dollar to gambling (Productivity Commission 1999, Johnson 1998). Further, recent studies of the impact of gaming on local economies have concluded that gambling taxes and returns to TABCORP and Tattersall's represent a leakage of 66% of gaming revenue from the local economy (KPMG 2000).

*'Pokie [gaming machine] expenditures are individually and socio-geographically regressive: they fall heaviest on low-income households and they leak heavily from low income areas' (Doughney, J. & Kelleher, T. 1999 pg 70).*

## **Social Impacts**

The research also indicates that there is a net negative social impact of gaming at the local level.

The social benefits of gaming are derived from the:

- expansion in the provision of leisure and recreational opportunities in areas with limited access to recreation facilities; and,
- increased opportunities for social contact for isolated individuals, particularly women and older people.

These benefits, however, are substantially undermined by the adverse social effects of gaming for many individuals and their families. The Productivity Commission (1999: 7.2) stated that 'inappropriate and/or excessive participation in a legal and widely pursued leisure activity can exact an undesirable toll on individuals, family, friends and the surrounding community'. Research has found that, on average, seven other people were reported to be adversely affected by a problem gambler's behaviour and around one in five weekly gaming machine players have a significant gambling problem (Productivity Commission 1999). Research has revealed that harms associated with gaming can be traced to gambling itself and include:

- behaviour conditioned by the nature of the rewards offered by gambling;
- misconceptions regarding chances of winning or recouping losses; and,
- gambling exacerbating pre-existing problems or disorders in ways that would be hard to achieve through alternative outlets other than drug abuse or alcohol (Productivity Commission 1999:27).

The Productivity Commission (1999) stated that it is impossible to quantify the impacts of gambling however, it suggested it is possible to identify adversely affected groups. Marginalised and disadvantaged groups within the community are particularly susceptible to the effects of problem gambling. For many of these people, social isolation is recognised as being a primary cause of gambling problems. The groups at risk of harm from the impact of gaming include:

- Problem gamblers;
- Individuals earning low incomes;
- Individuals with an intellectual disability;
- Sole parents;
- The unemployed;
- Individuals who have been recently retrenched; and,
- Women who are financially dependent (VCGA 1997a).

The main trigger for most problem gamblers is financial loss that leads to a range of social and personal repercussions for the gambler and his or her family and contacts (Productivity Commission 1999: 19). These repercussions include depression,

relationship difficulties that result in family violence and family breakdown, loss of control and ultimately loss of work and loss of the family home.

Alongside the personal and family problems that flow from the adverse affects of gaming, there has been an increased demand for social and support services including counselling and emergency relief assistance. However, not all people experiencing problems associated with gaming seek help or identify the problems that lead them to seek assistance as gaming related.

## **Impacts of Gaming in the Mornington Peninsula Shire**

This section presents a discussion of the specific impacts of gaming in the Shire. It addresses the relationship between gaming and community development, recreation and leisure, health and well being.

### **Gaming Revenue and Community Development**

The increased revenue generated by gaming has stimulated the expansion and development of a range of leisure and recreation services and facilities in local clubs and hotels in the Shire. Gambling venues also offer a range of financial and in-kind contributions to the community of Mornington Peninsula such as:

- Donations to local charities, clubs and public services such as local hospitals, health services and schools;
- Fundraising activities for local groups, for instance, the provision of meal vouchers for raffles and the organisation of bingo nights; and,
- Provision of free meeting room facilities for local community groups such as Rotary.

### **Community Perceptions**

In 1999 Good Shepherd Youth and Family Services conducted a community survey of 184 community members, 47 retailers and 29 community workers regarding the impact of electronic gaming on the local community. The report *Peninsula on Pokies* (Ayres-Wearne & Farnsworth 1999) indicated that there is growing community concern regarding the negative impacts of electronic gaming.

In 2000, approximately 60 people attended community and industry consultations about the local impacts of the electronic gaming industry in Mornington Peninsula<sup>15</sup>. In 2001, a Responsible Gaming Strategy Discussion Paper was circulated and discussed at four consultations with 30 community members and venue operators. A further nine written commentaries regarding the discussion paper were received.

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<sup>15</sup> Gambling in Local Communities, A Summary of Workshop Outcomes (May 2000), Mornington Peninsula Shire Council.

These consultations reveal a diversity of interests and perspectives regarding the impact of gaming on the local community.

### **Positive Benefits to Local Communities**

The research undertaken by Ayres-Wearne & Farnsworth (1999) and the consultations held in the Shire identified the following local positive benefits of gaming:

- Increased social opportunities especially for women and older people;
- Extended safe and affordable leisure and recreational opportunities, particularly for people who are isolated;
- Expansion of local employment opportunities in the hospitality industry;
- Contribution to the local economy through the increased use of local trades-people and services;
- Improved or enhanced physical infrastructure of venues; and,
- Increased financial and in-kind contributions to development of local sporting clubs and support for charities and community groups and services.

### **The Detrimental Impacts on Local Communities**

At the same time, the research and consultations have identified the following detrimental impacts of gaming for the Shire:

- Negative social impacts of intensified personal risk, particularly increased financial hardship, increased poverty and increased family distress;
- Limited competition between recreation and leisure options;
- Detrimental impact on local employment eg., casualisation of employment;
- Negative economic impact on the local economy including reduced expenditure on 'non-essentials' and downturn in non-gaming local business;
- Changes in the character of key venues in the community that now focus on gaming recreation;
- Erosion of the urban character or amenity of local towns; and,
- Increased dependence on gaming generated resources for local community development, support and sponsorship.

### **Gaming and Recreation and Leisure**

Playing gaming machines is often referred to as recreational gambling because gambling is considered a form of leisure providing recreation and/or entertainment. However, electronic gaming should not be considered as a benign passive recreation activity. Similar to all forms of gambling, players risk substantial financial losses that can flow on to financial hardship and family breakdown for people who develop gambling problems.

At the same time studies have revealed that gaming venues are seen as a place to visit to allay feelings of isolation and dislocation, especially for women, young and old people. Gambling venues are attractive to people who are vulnerable, low income and isolated as they offer a range of facilities and services in an unobtrusive environment.

Some of the attractive features of gaming venues are:

- A range of self-activated electronic entertainment facilities;
- Provision of increased social outlets with a comfortable, non-judgemental “welcoming” atmosphere in which to meet and congregate;
- A social setting that allows privacy and non-participation in any organised activity;
- Low cost refreshments and quality meals as well as complementary products; and,
- Accessibility and personal security over a wide time-range.

Electronic gaming is also attractive to local sporting clubs as the revenue from gaming machines provides an income source for the club to subsidise other activities and expand the recreational activities they can offer.

### **Gaming and Community Health and Well Being**

The Mornington Peninsula Shire is in an advantageous position as the majority of the hotels and clubs are owned by local people and are a part of Mornington Peninsula’s community infrastructure. The introduction of gaming machines has provided keenly sought after resources that have enabled venue operators to expand their facilities as well as increase the range of leisure and recreation activities on offer. At the same time, the growth in resources has enabled venue operators to increase their sponsorship of and contributions to the local community and sporting groups.

However, the growth in gaming machines in the Shire has created new divisions between different sections of the community resulting in tensions between the gaming industry and other segments of the community. One issue of community concern is multiplier effect of problem gambling for individuals and their families and associates. It is estimated that for each individual problem gambler several other people are detrimentally affected by the associated loss of work, loss of the home and family breakdown (Productivity Commission 1999).

Moreover, the limited capacity social and sporting clubs have to raise or access resources to expand their facilities and offer a range of activities has led many clubs (8) in the Shire to invest in gaming machines. However, the resources gained by clubs with gaming machines creates an inequity as clubs without gaming machines are unable to provide the same quality of services and facilities and, as a result, lose membership and patronage.

Local retailers, clubs without gaming machines and social and community support organisations have expressed concern about the negative social and economic impacts of gaming on the community. This has created a feeling amongst local gambling venue

operators that they are under attack and are no longer seen as contributing and respectable business and community members of the Shire.

These divisions have a negative impact on community health and well being. The negative impact can detrimentally affect the cohesion and capacity of local communities and the sense of belonging of individuals in the Shire.

The different impacts of gaming on the health and well being of the community also place the Shire in a difficult position. The Shire could raise revenue from local gambling venues for the development of services and facilities to improve the quality of life, health and well being of the community. However, raising revenue from gambling venues would result in the Shire:

- being unable to comment on the impacts of gaming due to a perceived conflict of interest;
- becoming dependant on revenue from gaming, an activity that has a diverse range of impacts on the community of Mornington Peninsula; and,
- limiting its capacity to undertake regulatory actions as a responsible authority particularly in relation to planning matters affecting gambling venues and gaming machine activity.

## **Section II: Mornington Peninsula Shire Responsible Gaming Strategy**

The Mornington Peninsula Shire does not advocate the prohibition of electronic gaming machines but it does have a strong commitment to mitigating the negative impacts of gaming on the community. This commitment to the mitigation of the negative impacts of gaming is the foundation upon which the Mornington Peninsula Shire's Responsible Gaming Strategy has been developed.

### **1. Mornington Peninsula Shire Responsible Gaming Position**

The Mornington Peninsula Shire will encourage the responsible service of gaming in the municipality. The Mornington Peninsula Shire is committed to fostering community health and well being. As such, the Shire is dedicated to diminishing the negative social and economic impacts of electronic gaming on local communities.

#### **1.1 Goal and Objectives**

The Mornington Peninsula Shire is committed to fostering responsible gaming and gambling venues. The Shire will adopt all necessary actions to minimise the adverse effects of electronic gaming on individuals and the community by:

1. Providing transparent and co-ordinated decision making processes with regard to electronic gaming and gambling venues;
2. Encouraging gambling venues to operate in a responsible manner and be responsive to local community needs;
3. Providing mechanisms to improve the benefits and mitigate the negative impacts of gaming and the gambling industry; and,
4. Advocating for an equitable distribution of the financial gains from electronic gaming to and within the Mornington Peninsula.

#### **Recommended Action:**

The Shire adopts the Gaming Position, Goal and Objectives.

### **2. Mornington Peninsula Shire's Advocacy for Positive Change**

The Shire is aware that there is a range of diverse social and economic effects that emanate from the development and expansion of the electronic gaming machine industry in the Shire. The Shire has been involved with the *Local Government Working Group on Gambling* convened by the Victorian Local Governance Association. This

Working Group has been advocating for a range of changes to the manner in which gaming is regulated and funds derived from gaming machines are allocated. Key areas of advocacy in which the Shire has participated include:

- recognition that gaming machines are substantially located in areas of high socio-economic disadvantage;
- restoration of local planning powers over the regulation and determination of the location of gambling venues;
- revision of management and funding allocations of the Community Support Fund that ensures an equitable distribution of funds; and,
- development of social and economic impact assessment criteria for use by local government in submissions to Office of Gambling Regulation regarding applications for the introduction or expansion of gaming machines into a hotel or club venue.

**Recommended Action:**

The Shire continues its involvement with the Victorian Local Governance Association *Local Government Working Group on Gambling*.

**2.1 Community Support Fund (CSF)**

One of the disincentives for local government making applications to the CSF is the requirement that local government make a direct contribution (finances or resources) at the same time as substantial funds are leaving the area due to gaming losses. However, the CSF is a source for gaining substantial funds for research into the local impacts of gaming as well as investment in community services and recreation infrastructure.

The sponsorship funding provided by the gaming industry (gaming operators and local gambling venues) has become essential for the survival of local community sport and social clubs. However, this sponsorship involves advertising and promotion of gaming, a recreational activity that has negative social impacts.

The CSF should emulate the sponsorship and harm minimisation role taken by the Health Promotion Foundation and provide an alternative source of sponsorship funds to those provided by gambling operators and local gaming venues.

**Recommended Actions:**

The Shire adopts a lead role in formulating project proposals for submissions to the CSF. These proposals encompass research into the local impacts of gaming, community building and partnerships with local organisations for developing leisure and recreation options and community health and well being opportunities.

The Shire advocates to the State Government and the CSF that municipalities that have greater average player losses than the average for Victoria<sup>16</sup> are not required to make a resource contribution in any funding proposal to the CSF.

The Shire advocates to the CSF that it:

- provide grants to local municipalities in direct proportion to the funds allocated to the CSF from the levy on gaming machines in hotels in the local municipality; and,
- notify the Shire of all grant applications for projects within the municipal boundary.

The Shire advocates to the State Government and the CSF that it provide sponsorship funds for local clubs and community organisations as an alternative to those provided by gambling venues or gaming operators.

The Shire raises community awareness and promotes the availability of CSF funding to communities in Mornington Peninsula.

## **2.2 Regional and Local Caps**

The State Government has imposed regional caps in five areas across Victoria.

However, the Shire holds the view that there are 3 factors that have resulted in negative impacts of gaming:

1. the number of gaming machines in the municipality;
2. the location within the Shire of EGMs and gambling venues; and,
3. the type of gaming machines (eg spin rate) operating in gambling venues.

The majority of gaming machines in the Shire (83.3%) and gambling venues (75%) are located in four small areas - Hastings, Mornington, Rosebud and Rye. These areas have a higher proportion of aged, lone parent and lone person households as well as a higher proportion of households in the lower income quartiles than the Shire overall. Yet, other small areas in the Shire have no gaming machines.

### **Recommended Actions:**

The Shire advocates to State Government that local government is granted planning authority to determine the location of gambling venues and the density of machines within municipal boundaries.

The Shire not support applications for expansion of gaming in Hastings, Mornington, Rosebud and Rye.

The Shire advocates to State Government that regulations be established for monitoring the types of electronic gaming machines operating in gambling venues.

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<sup>16</sup> VCGA data on player loss by local government area

### **3. Shire Policies and Strategies**

The Responsible Gaming Strategy responds to the Shire's Community Plan and other relevant policies and strategies.

#### **Mornington Peninsula Shire Community Plan 2000-2003.**

The Community Plan sets out the Mission and Vision for the Shire. The Vision sets out that the Shire will work towards ensuring that the municipality is

*"A place where diverse communities can enjoy a quality lifestyle".*

Two of the five themes of the Community Plan are:

To Facilitate A Robust Local Economy

*"Council will actively support economic development that encourages employment opportunities, enhances social and community well being and is consistent with the special character of this Shire."*

To Service and Strengthen Local Communities

*"Council is committed to strengthening its communities and will promote and provide quality services, facilities, programs and opportunities that foster community health and well being."*

A key action of the Community Plan is to:

*"Establish a Community Consultative Committee on Gambling to respond to community concerns and develop strategies to address these concerns."*

#### **Recommended Action:**

The Responsible Gaming Strategy reflect the direction of the Shire's Community Plan.

#### **3.1 Fostering Community Health and Well Being**

The tensions that have been created by the introduction and growth of gaming in the Shire need to be addressed in this Strategy in a way that recognises and respects the different perspectives and impacts of electronic gaming.

#### **Responsible Gaming Forum**

The establishment of a Responsible Gaming Forum with membership drawn from all hotels and clubs offering gaming and local community agencies would create an environment where the different members:

- meet and exchange views and information; and,

- develop respect for and understanding of the perspectives of other interests and members of the community of the Mornington Peninsula.

The Forum should meet regularly to exchange information between the members and develop collaborative responses to changes in the electronic gaming industry.

The terms of reference for the Forum are:

- ❑ Provide information on changes to gaming operations in the municipality, including changes to the gambling industry's Code of Practices;
- ❑ Develop collaborative responses or submissions regarding electronic gaming regulation, legislation, Codes of Practices or funding from the Community Support Fund, where appropriate;
- ❑ Develop a process for information exchange regarding gaming operators' and gambling venues' community contributions to the municipality and the priority needs of local community groups and organisations;
- ❑ Provide updates on support services and programs in the municipality for people facing gambling problems; and,
- ❑ Contribute to the monitoring of the *Responsible Gaming Strategy*.

**Recommended Actions:**

The Shire undertakes the necessary steps to establish and resource a Responsible Gaming Forum that would meet three times a year.

The effectiveness of the Responsible Gaming Forum be decided by the membership after the Forum operates for an initial 12 months.

**3.2 Enhancing Leisure and Recreational Opportunities**

Local studies and consultations (such as *Peninsula on Pokies*) on the impacts of gaming on recreation raised concerns about:

1. Gambling venues being located in areas with the highest proportion of low income and vulnerable groups where there are few other affordable leisure and recreation options.
2. The inability of hotels and clubs without gaming machines to compete or offer similar activities or incentives to members and the public as hotels and clubs with gaming machines.

The challenge for the Shire is to promote, develop and encourage a range of leisure and recreation options for low income and vulnerable members of the community that emulate the positive features of gambling venues without exposing people to the risks.

**Recommended Actions:**

The social impacts of gaming and the need to provide alternative passive leisure and recreation be taken into consideration in the development of the Shire's Open Space Strategy and Community Health and Well Being Indicators.

The Shire actively promotes and informs residents about the range of open space facilities and recreation activities available across the municipality.

Passive leisure and recreation activities contribute to harm minimisation for problem gamblers and vulnerable groups. Thus, the criteria for, and provision of, grants under the Mornington Community Grants Program should take account of promotion and provision of alternative passive leisure and recreation options to gaming.

The Shire undertakes and supports in-depth research into the reasons that people who are vulnerable and/or isolated are attracted to gaming and gambling venues in the Shire.

The fees and charges policy for clubs located on Shire owned or managed land take into account the limited funds available to clubs without gaming machines and /or other commercial activity such as bars or restaurants.

The Shire facilitates the development of partnerships with and between local social, community and sporting clubs without gaming machines to assist making grant applications to the Community Support Fund.

### **3.3 Economic Development Strategy 1999-2002**

The Mornington Peninsula Shire's economic development strategy is based on the principles of encouraging economic development that is *environmentally responsible, offers fair market mechanisms and results in social and community well being*.

The development and expansion of gaming in local municipalities has a diversity of impacts on local economies:

- The creation of jobs in the hospitality industry, increased use of local trades-people and increased patronage of local services such as cleaners and food suppliers.
- Provision of extensive financial and in-kind support to a range of local community clubs and groups.
- Diversion of resources away from other local industries such as retail commerce.

As well, economic modelling<sup>17</sup> has shown the multiplier effect of consumer spending on gaming sets out that two-thirds of gaming revenue is directed out of local economies to Tabcorp and Tattersall's and the State Government.

#### **Recommended Actions:**

As gaming is an industry that can provide negative effects on social and community well being that the Shire undertake an analysis of economic impact of expansion of the

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<sup>17</sup> such as the Victoria University LAPIST model

gaming industry on consumer and household expenditure and local employment patterns. That funding for such an analysis be referred to the 2002/3 budget.

The Shire continue to assist and encourages local gambling venues to use local suppliers, trades-people and employment services, where possible and appropriate.

### **3.4 Future Policy Positions**

Community consultation and wider research undertaken by other municipalities into problem gambling has outlined that problems often result in loss of family support and psychological disorders. Some of the groups that research has identified as being vulnerable to problem gambling are priority groups for other Council actions.

The Shire is in the process of developing health and well being indicators and a Municipal Health & Well Being Plan.

#### **Recommended Actions:**

The net negative social impact of gaming on individuals and the community be included in the Health and Well Being Indicators.

The Municipal Health & Well Being Plan implementation strategies include an action that funds be sought from sources, such as the Community Support Fund and the Health Promotion Foundation, for programs to ameliorate the negative effects of gaming.

## **4. Electronic Gaming Machines and Land Use Planning Policy**

### **4.1 Planning Powers**

The Shire has limited planning powers in relation to the location of gaming machines. State Government planning policy and legislation sets out the limitations on local government making determinations regarding gaming. The State planning policy is set out in the *Mornington Peninsula Planning Scheme* (Clause 19.02 and Clause 52.28).

The key aspects of the policy are:

- Gambling venue operators do not need to apply for a permit if less than 25% of the liquor licensed floor space is to be used for gaming machines .
- The installation and use of a gaming machine should be allowed in a hotel or club if it does not result in a change of land use.
- Gaming premises should have a full range of hotel or club facilities and services available to patrons.
- Gaming machines should not be located in nominated shopping complexes for venues established since 20/12/95.
- Gaming machines should not be allowed in strip shopping centres unless:

- within an existing hotel or club, or a premises where approval was obtained for the installation of gaming machines prior to 19/12/97; and,
- within a hotel or club issued with a permit and a liquor licence prior to 16/6/98.

**Recommended Action:**

The Shire advocates to State Government that local government is granted full planning authority to determine the location of gambling venues and the density of machines within municipal boundaries.

If such authority was given to local government then objectives identified in 1.1 be included in the Local Planning Policy Framework. Additionally, the Responsible Gaming Strategy be incorporated as a reference document in the Mornington Peninsula Planning Scheme.

**4.2 Social and Economic Impact Assessment**

In May 2000, local government authorities were granted the capacity to make submissions to the Office of Gambling (OGR)<sup>18</sup> to assist the OGR in its deliberations regarding the determination to grant or vary a gaming venue licence.

The local government submission should be made to the OGR within 28 days of receiving an application of approval for a premises and:

*‘address the economic and social impact of the proposal for approval on the well-being of the community of the municipal district in which the premises are located; and take into account the impact of the proposal on surrounding municipal districts’<sup>19</sup>.*

The OGR’s determination must be based on its assessment that:

*‘the net economic and social impact of approval will not be detrimental to the well-being of the community of the municipal district in which the premises are located’<sup>20</sup>.*

**Recommended Actions:**

The Shire makes submissions to the OGR setting out the net economic and social impact on the well being of the community when:

- a club or hotel in Rye, Rosebud, Mornington or Hastings applies for a new, or seeks to vary an existing gaming venue licence; or
- the Shire considers there may be adverse impacts or no net community benefit from a club or hotel within or bordering on the municipality which applies for a new, or seeks to vary an existing gaming venue licence.

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<sup>18</sup> Previously covered by the Victorian Casino and Gaming Authority (VCGA)

<sup>19</sup> Gambling Legislation (Responsible Gambling) Act 2000, Division 4 Section 19.

<sup>20</sup> Gaming Machine Control Act 1991 12D(1)(c).

The Shire allocates appropriate resources to ensure that the Shire produces comprehensive research setting out the net economic and social impact of gaming on the well being of the community.

The Shire advocates together with the Victorian Local Governance Association (VLGA) to the VCGA that applications for gaming licences be advertised publicly, by the OGR and/or the applicant providing funds for advertisements, in the relevant municipalities to enable members of the public to make submissions and comments to the OGR on the social and economic impact of the application.

That, in the interim to encourage community input into the gaming application process that a public notice be given so that the community can input into Council's submission to the OGR in response to any new EGMs or venues.

### **4.3 Gaming Land Use Planning Policy**

#### **Rationale**

The Gaming Land Use Planning Policy provides a context for consideration of new gaming machines and the expansion of existing gaming machines. The Shire recognises that it has a limited capacity to use its formal planning authority. However, the Shire proposes to use this land use planning policy in relation to areas outside its formal authority set out in the *Mornington Peninsula Planning Scheme* as a basis of negotiation and mediation with local gambling venues.

#### **4.3.1. Application of the Policy**

This Policy applies to all gaming venues whether:

- the establishment of a new or potential gaming venue,
- the installation of gaming machines in an existing venue,
- an increase in the number of gaming machines in an existing venue, or
- a change of operations of an existing venue.

#### **4.3.2. Notice of a Planning Application**

*Objectives:*

*To ensure that the Shire is aware of all potential sites for the placement of gaming machines.*

*To alert potential gambling venue operators of the need to determine net social and economic impact assessment prior to the installation of gaming machines.*

#### **Recommended Actions:**

The Shire's statutory planners advise all applicants for clubs and hotels, or other licensed premises, whether a new development or change of land use:

1. Of Shire's Responsible Gaming Position Statement as well as the Gaming and Land Use Planning Policy.
2. That the applicant should as part of the planning application:
  - Provide a social and economic impact assessment of the installation, or increase of gaming machines or change of operation to gaming; or,
  - Enter into an in-principle agreement with the Shire that no gaming machines will be installed in the venue.

#### **4.3.3. Location of Venues**

*Objective:*

*To ensure gaming venues are located in appropriate areas within the municipality.*

##### **4.3.3.1 Shopping Complexes**

The *Mornington Peninsula Planning Scheme Clause 52.28-5* currently nominates three shopping complexes and localities where gaming venues are prohibited from operating: Port Phillip Plaza, Rosebud; Mornington Safeway Complex, Mornington; and Rosebud Village Shopping Centre, Rosebud.

Since the nomination of these shopping complexes there has been development of further shopping complexes in the municipality.

##### **Recommended Action:**

That an amendment be commenced to the Mornington Peninsula Planning Scheme for the nomination of three further shopping complexes as areas prohibited for the purpose of location of gaming venues. The three shopping complexes to be nominated are:

1. Mornington Central Shopping Complex, Railway Grove, Mornington.
2. Somerville Shopping Centre, Eramosa Road West, Somerville.
3. Dromana Shopping Centre, Pt Nepean Road, Dromana.

##### **4.3.3.2. Strip Shopping Centres**

The *Mornington Peninsula Planning Scheme Clause 52.28-6* sets out that no gaming machines be used or installed in any building on land in a strip shopping centre unless:

- within an existing hotel or club, or a premises where approval was obtained for the installation of gaming machines prior to 19/12/97; and,
- within a hotel or club issued with a permit and a liquor licence prior to 16/6/98.

**Recommended Action:**

The blanket prohibition on locating gaming machines in strip shopping centres as per *Mornington Peninsula Planning Scheme* Clause 52.28-6 be maintained.

**4.3.3.3. Residential Neighbourhoods**

Electronic gaming machines are located in premises licensed under the Liquor Control Reform Act 1998 and a planning permit is required to use land for the consumption of liquor. Consideration of the impact on the residential neighbourhood of gaming such as car parking, and access and amenity of local residents are similar to considerations regarding the sale and consumption of alcohol. Moreover, research by the VCGA has indicated that there is a link between problem gambling and hazardous use of alcohol, particularly amongst men who are regular gamblers.

It is preferable that gaming venues not be located in residential neighbourhoods. The preferred location is in industrial and mixed-use zones.

**Recommended Actions:**

The impact on the amenity of the local neighbourhood of a gambling venue be canvassed at the time of application for a liquor licence, extension of the area or change of hours for liquor consumption.

Gaming venues not be located within close proximity to community facilities, including nursing and special accommodation homes, medical centres and facilities such as Centrelink offices and community facilities used by people who are young and/or unemployed people, older people and women.

**4.3.4 24 Hour Trading**

*Objective:*

*To ensure that gaming operations do not negatively impact on neighbourhood amenity or contribute to harm associated with problem gambling.*

A number of gambling venues in the municipality operate for 24 hours. The eight clubs operating gaming machines have 24 hour licences as part of their licensing agreements but the majority have elected not to operate for 24 hours.

The community has expressed concern in consultations regarding gaming being offered over a 24-hour period. In particular concern was raised that gaming is offered at times when no other leisure or recreation opportunities are available.

**Recommended Actions:**

The Shire advocates to State Government that local government be granted planning authority to determine the appropriate operating hours for gambling venues, particularly for venues located in residential neighbourhoods.

The Shire's preferred hours of operation of gambling venue in a residential neighbourhood are the same as those preferred for venues supplying alcohol.

#### **4.3.5 Signage**

*Objective:*

*To ensure that gaming venue signage adheres to the Mornington Peninsula Comprehensive Signage Policy and Planning Scheme.*

The Productivity Commission (1999) recommends that gaming advertising (across all modes and mediums) should not:

- ❖ Target people who are disadvantaged in a way that is calculated to increase their participation because of their desperate financial circumstances;
- ❖ Encourage people to gamble in a way that is irresponsible, such as staying for a long period in a venue in order to be eligible for an attendance prize or other inducements; or
- ❖ Target high-risk groups of gamblers through complimentary or individual promotions.

The State Government and the Gambling Industry have recognised the negative role that advertising can play in encouraging people into electronic gaming that can result in that person experiencing adverse personal, financial and social problems.

The Gambling Industry has produced an Advertising Code of Practice and the State Government has recently introduced the New Gaming Machine Control (Advertising) regulations May 2001 pursuant to the Gaming Machine Control Act 1991.

At the same time the Shire has introduced a Comprehensive Signage Policy that has as an objective that '*signage compliments, rather than dominates or intrudes upon, the character and visual amenity of an area, the buildings on which they are displayed, and the general environment.* Further the guidelines applicable to advertising signs have as their purpose that signs '*do not cause a loss of amenity or adversely affect the natural or built environment*'.

The Shire's signage policy should compliment the State Government's regulations on gaming advertising and not encourage the playing of gaming machines.

#### **Recommended Actions:**

The Shire's strategic planners in collaboration with the statutory planners prepare guidelines relating to appropriate signage for gambling venues setting out that the signage:

- should be non-intrusive; and,
- indicate that the venue offers a range of recreation activities.

Gaming venues located in heritage buildings ensure that advertising signage compliments the urban character and visual amenity of the built environment.

#### **4.3.6 Responsible Gaming Operations**

*Objective:*

*To ensure that gaming operations are conducted in a manner that reduces the negative effects of gaming on the individuals and communities of Mornington Peninsula.*

Gambling venues provide a pleasant and safe environment with a variety of spaces and activities including places to take breaks from gaming and clear information on the odds on winning in a variety of formats including large print.

Gambling venues have committed themselves to the industry Codes of Practice that promote the responsible service of gaming through a number of measures including the provision of staff training, self-exclusion programs for patrons and establishing links with support services such as Gambler's Help.

#### **Recommended Actions:**

The Shire encourages all venues to:

- Provide information on odds on winnings displayed prominently in the gaming room;
- Provide opportunities for gaming patrons to take a break from gaming, for example tea and coffee facilities being provided outside of the gaming area;
- Provide a healthy smoke-free environment;
- Adhere to the Industry Codes of Practice; and,
- Be members of the Mornington Peninsula Shire Responsible Gaming Forum.

That the Shire advocates to State Government that EGM's be prevented from accepting electronic debit and credit cards.

## **5. Gaming and Shire Owned and Managed Land and Property - Position Statement**

*Objective:*

*To ensure that venues operating gaming machines on Shire owned land make a positive contribution to the community.*

### **5. 1 Gaming Operations**

It is recognised that the presence of gaming machines changes the nature of operations of a community club. Gaming machines are a commercial activity that attracts new financial resources to the venue, resources that are not available to clubs without gaming machines.

The organisations proposing to operate gaming machines or expand the number of gaming machines in a Shire owned or managed property or facility should undertake a community consultation process prior to the introduction or expansion of gaming operations. The community consultation process should include the distribution of information detailing the potential positive and negative social and economic impacts of the introduction or expansion of gaming machines to the local community.

The organisation operating gaming machines on Shire owned or managed property should pay a fair rent for the property. This fair rent should be based on a commercial/market rent for the property discounted by the demonstrated social benefit provided by the organisation to the broad community. In making a submission for the discount of the commercial/market rent the organisation must specify in what manner the benefits are derived and which members of the community will receive the benefit.

### **Recommended Actions:**

Any operation of gaming in a Shire owned or managed property or facility not be the primary activity of the organisation.

Any organisation seeking to operate or extend the operation of gaming in a Shire owned or managed property or facility:

1. Obtain explicit approval from Council that the organisation can begin a process for considering the impact of the operation of gaming<sup>21</sup>.
2. After receipt of the Council's approval the organisation:
  - 1.1 Undertake a social and economic impact assessment of proposed gaming operations.
  - 1.2 Conduct a community consultation process.
3. The organisation submit to the Shire the social and economic impact assessment and a report on the community consultation process.

The Council's decision on the application for gaming operations will be based on the organisation demonstrating a net community benefit.

The Shire develop a fees and charges policy for clubs located on Shire owned or managed land with gaming machines. The development of a fees and charges policy takes into consideration:

- Income generated for the club from gaming machines and the application of a commercial rent for all or part of the premises;

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<sup>21</sup> Council will take account of the freeze on expansion of gaming in Hastings, Mornington, Rosebud and Rye in making its determination.

- The contribution to the broad community including donations and sponsorship towards Mornington Peninsula social and community groups; and
- Community attitudes following a community consultation process.

## **5. 2 Signage on Shire Owned or Managed Reserves**

Sporting and social clubs are in need of financial resources and the placement of signs is one mechanism available to gain resources. Local gambling venues and the gaming operators provide considerable financial and in-kind support to Mornington Peninsula clubs in exchange for the placement of advertising (sponsorship) signage.

The Shire has developed a *Comprehensive Signage Policy* that sets out guidelines for clubs and organisations seeking to raise revenue from placement of advertising (sponsorship) signage on reserves managed or owned by the Shire. The policy currently prohibits the erection of advertising (sponsorship) signage for tobacco products and alcohol.

The Shire is faced with the dilemma of mediating between the interest of impecunious clubs and the adoption of harm minimisation strategies for members of the community susceptible to the negative impacts of gaming.

### **Recommended Actions:**

The Shire adopts restrictions on advertising (sponsorship) signage on reserves managed or owned by the Shire similar to those established for the advertising of alcohol and tobacco, both legal leisure pursuits with potential adverse impacts on individual health and well being.

The restrictions be:

- Prohibition on the erection of new advertising (sponsorship) signage for gaming operators (TABCORP and Tattersall's) and gaming-associated products on reserves managed or owned by the Shire.
- That local gambling venues advertising (sponsorship) signage erected on reserves managed or owned by the Shire not display gaming or gaming-associated activities as the sole attraction of the venue.

The Shire's statutory planners in collaboration with the strategic planners and recreation and cultural officers develop guidelines regarding temporary and permanent signage on reserves managed or owned by the Shire.

Statutory planners together with the recreation and cultural officers undertake negotiations in accordance with Shire's signage guidelines where existing signage on reserves managed or owned by the Shire does not comply with the restrictions or there are changes proposed to the signage.

The Shire advocates to the CSF for the provision of alternative sponsorship funds for local clubs and community organisations to those provided by gambling venues or gaming operators.

## **6. Evaluation and Monitoring of the Responsible Gaming Strategy**

The Mornington Peninsula Shire's Responsible Gaming Strategy will operate alongside State Government legislation, regulations and policy with regard to electronic gaming and the Victorian Gaming Machine Industry (VGMI) Codes of Practices. At the same time the Shire of Mornington Peninsula is in the process of developing a range of policies that compliment this strategy. To ensure that the Strategy takes account of changes to State Government legislation and policy, VGMI regulations and is compatible with new policies of the Shire it is necessary to carry out monitoring and review of this Strategy.

### **Recommended Actions:**

The Shire establishes an interdisciplinary internal group to closely monitor and review the Responsible Gaming Strategy after 12 months.

The evaluation include consideration of:

- Changes to State Government regulation and policy with regard to electronic gaming;
- Changes to Victorian Gaming Machine Industry Codes of Practices; and,
- Development of a range of Mornington Peninsula Shire policies and strategies.

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