



**Brighton
Council**

SUBMISSION TO THE

PRODUCTIVITY COMMISSION

AUSTRALIA'S GAMBLING INDUSTRIES

INQUIRY

December 1998

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INTRODUCTION:

The Brighton Council became involved in the poker machine issue when a planning application from the local hotel was submitted to Council in December 1996.

In accordance with Council's Planning Scheme Council took into consideration the social and economic objectives of the *Land use Planning and Approvals Act* and determined that the application should be refused.

A subsequent appeal was lodged by the applicant and was successful because of an overriding condition contained in the *Gaming Control Act 1993*.

Council was overwhelmed with the public response to the decision and subsequently took steps through the Local Government Association of Tasmania (LGAT) in an endeavour to ensure that the *Gaming Control Act* did not override the intention of Council's Planning Schemes.

History has since revealed that Council's concerns for the social and economic well being of the community have been confirmed as the hotel concerned has consistently been in the top three for weekly turn-over on the poker machines in Tasmania.

Council is also concerned that the Tasmanian Government intends to remove the limits on poker machine betting, effective from 1st January 1999, and Council has endeavoured to lobby State politicians to defer the removal until the completion of the Gaming Inquiry.

Regretfully, the Governments have not taken Council's concerns into consideration and have advised that the limits will still be removed on 1st January.

SOCIAL BACKGROUND:

The State Housing Department commenced the Bridgewater subdivision in 1972, and development continued until 1983. The original proposal was to sell up to 40% of land on the open market, with the remainder being a mix of rental and purchase public housing.

Poor sales in Bridgewater and a change to Federal Government Policy meant that all houses in the new adjacent subdivision of Gagebrook were to be rental houses and the balance between private and rental was now heavily biased towards low rental public housing.

As a result of State Government Policy the government in 1983, decided not to continue with broad-acre public housing subdivisions and development ceased. The result was that a population of some 8,500 people were left with very few commercial facilities, poor transport, infrastructure and a heavy reliance on the welfare system.

The subdivisions of Bridgewater and Gagebrook are the two largest public housing estates in Tasmania.

The area of Gagebrook in particular has a very high record of unemployment and an extremely high rate of dependence on the Social Security system. It has been as high as 70%.

In recent years the Brighton Council has been pro-active in addressing the needs of the community and a number of programs have been successful in improving both the image and the lifestyle of the residents. There have been established a couple of community action groups that have assisted the community to address the local issues and these are already having a positive impact on the community.

Despite the above, the area still has one of the highest dependence on the social security system, and disposable income of the residents is much lower than in other areas of southern Tasmania.

BACKGROUND & PLANNING PROCESS:

A development application was received from the owners of the Derwent Tavern in Bridgewater requesting Council approval for the installation of 15 poker machines. The applicant, Mrs. Barnes, had already received approval from the Gaming Commission and Licensing Commission for installation of the poker machines and alterations to the building, respectively. However, it was the view of Council's Planning Staff that a Council Development Permit was also required.

At Council's Ordinary Council Meeting held on the 20th January 1997, a motion was carried unanimously that Council request the State Government to immediately conduct an ongoing social and economic impact study into the effects of the introduction of electronic gaming machines to hotels and clubs.

The inquiry should:-

- Identify social and economic problems within communities and their relationship to the introduction of electronic gaming machines.
- Identify the effects of electronic gaming machines on businesses, particularly retails and even more particularly in rural and regional areas.

In regard to the application from Mrs Barnes Council considered the application and in making a decision the Council took into consideration the negative impact the machines could have on a community such as Bridgewater and Gagebrook. Subsequently, the Council refused the application for the following reasons:-

1. The development is inconsistent with the social and economic objectives of the Land Use Planning and Approvals Act 1993, in that it is contrary to Parts 2(c) and (d) of Schedule 1.
2. The development will be detrimental in terms of the wider amenity of the area.

3. The 'use' is inappropriate within the hotel.
4. The negative effects of electronic gaming machines out weigh any benefits.

The Council believed that it acted properly with the best interests of the community in mind.

Unfortunately, the applicant appealed the decision and was subsequently successful.

In making a decision the Resource Management and Planning Tribunal acknowledged that Council had acted correctly, and followed all correct procedures. However, the reason for their decision was based on Section 9(1) of the *Gaming Control Act 1993*, which provided overriding powers in regard to all other Legislation.

In effect the result was that the Planning process had not been taken into consideration and that Council was unable to determine the issue on social or economic grounds.

The subsequent media attention showed an overwhelming support for Council's decision in regard to this matter and enclosed as Annexure 'A' are copies of newspaper articles following the decision of the Tribunal. Also enclosed as Annexure 'B' are copies of letters that were received by Council which also demonstrate a strong public support for Council's stand on this issue.

It should be noted that these letters came from all over Australia and that apart from one letter, all others supported Council's position.

In an endeavour to ensure that the integrity of Council's Planning Scheme and the objectives of the Resource Management Planning system of Tasmania was maintained, Council raised the matter through its peak body the Local Government Association of Tasmania. At the 1997 State Annual Conference, the following resolution was adopted:-

That the LGAT express to the State Government the concern of Local Government in relation to the lack of public consultation with Local Government concerning the introduction of Gaming Machines to licensed establishments throughout Tasmania as provided in the Gaming Control Act 1993.

and

That the LGAT request the State Government to immediately conduct an ongoing social and economic impact study into the effects of the introduction of electronic gaming machines to hotels and clubs.

Council also wrote to the then Premier of Tasmania the Hon. T. Rundle MHA, requesting the State Government to immediately conduct an ongoing social and economic impact study into the effects of the introduction of electronic gaming machines to hotels and clubs. The inquiry should:-

- Identify social and economic problems within communities and their relationship to the introduction of electronic gaming machines.
- Identify the effects of electronic gaming machines on businesses, particularly retails and even more particularly in rural and regional areas.

A response received from the Minister for Finance, on behalf of the Premier, was not supportive and Council sought legal advice.

Advice received from a Queens Counsellor was that Council would not succeed in a court hearing and Council decided not to pursue the matter further, despite the public outcry that wanted Council to pursue the matter to some finality.

Council became aware of the deed between the State Government and Australian National Hotels which was approved by Parliament in 1993, which meant that betting limits would be removed at the end of 1998. The Council was extremely upset because the negative impact of the Gaming Machines in the municipality was detrimental to the social and economic wellbeing of the community and any increase in betting limits would only make the problem worse.

Council also wrote to the Prime Minister urging a National Inquiry as it appeared that to date Council's concerns had not been taken seriously by other levels of Government.

CONCLUSION:

The news of this Inquiry was most welcome by Council and as a consequence Council has decided that our Mayor (Cr Tony Foster) should make a presentation to the Inquiry when it visits Hobart in December 1998.

The major concerns of this Council can be summarised as follows:-

1. The Planning Scheme - Despite the fact that Councils are in a position to look after the social and economic needs of their communities through their Planning Schemes and the State's Resource Management and Planning System, other State Legislation does not permit Councils to protect their communities when it comes to the introduction of Gaming Machines. This anomaly occurs as a result of the overriding provisions contained in the *Gaming Control Act*.
2. Betting Limits - Brighton Council is concerned that the social impact of gaming machines needs to be readdressed and has suggested that the limits should not be removed until this Inquiry is completed.