

Victorian Commission for Gambling and Liquor Regulation

DECISION AND REASONS FOR DECISION

In the matter of an application under section 3.4.17(1)(b) of the *Gambling Regulation Act 2003* by Box Hill RSL Sub-Branch Inc for amendment of its venue operator's licence to vary the number of gaming machines at the approved premises, the Box Hill RSL, 26 Nelson Street, Box Hill, Victoria, from ninety-five (95) to one hundred and three (103).

Commissioners: Mr Ross Kennedy, Acting Chairman
Mr Des Powell, Commissioner

Appearances: Ms Nicola Collingwood as Counsel for the Applicant
(instructed by Bazzani Scully Priddle Lawyers)

Mr Cameron Warfe as Counsel Assisting the Commission

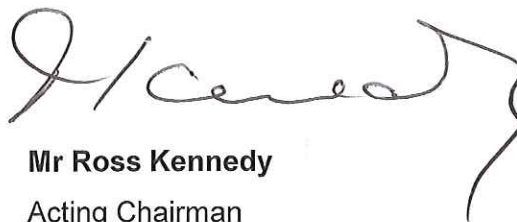
Date of hearing: 24 March 2015

Date of decision: 27 April 2015

Date of reasons: 27 April 2015

Decision: That the application be granted.

Signed:



Mr Ross Kennedy
Acting Chairman



REASONS FOR DECISION

INTRODUCTION

1. This is an application by Box Hill RSL Sub-Branch Inc (**the Applicant**) for amendment of its venue operator's licence to vary the number of electronic gaming machines (**EGMs**) operating at the Box Hill RSL (**the Club**) located at 26 Nelson Street, Box Hill, from 95 to 103 EGMs.
2. The relevant municipal authority is the Whitehorse City Council (**the Council**). The Council did not support the application and lodged an economic and social impact submission with the Commission (a copy of which was provided to the Applicant) but did not appear at the hearing.

THE LEGISLATION AND THE TASK BEFORE THE COMMISSION

3. Determination of this application is governed by Division 2 to Part 4 of Chapter 3 of the *Gambling Regulation Act 2003* (**the Act**).
4. Gambling on EGMs is a legal recreational and commercial activity in Victoria so long as it is done in accordance with the Act. The Act recognises that, notwithstanding individual rights of self-determination, gaming on EGMs causes harm to some communities and some members of some communities.¹ For this reason the Act includes safeguards to ensure an appropriate balance is struck between a lawful and legitimate recreational activity for some and harm for others. In particular, the balance is maintained by requiring an applicant who wishes to increase the number of EGMs at a venue to satisfy the Commission of the "no net detriment test" and the other matters set out in section 3.4.20(1) of the Act.²
5. The no net detriment test requires the Commission to weigh the likely positive social and economic impacts of an application against the likely negative social and economic impacts. The test will be satisfied if, following the weighing of any likely impacts, the

¹ See s 1.1(2) of the Act.

² See *Romsey Hotel Pty Ltd v Victorian Commission for Gambling Regulation* [2009] VCAT 2275, [247] (Bell J).



Commission is satisfied that the net economic and social impacts of approval on the well-being of the relevant community will be either neutral or positive.³

6. In addition to the requirements under the Act, the Commission has a discretion to grant or refuse an application, subject only to the condition stipulated in the Act that requires that the Commission not grant an application unless it is satisfied that the net economic and social impact of approval is not detrimental to the wellbeing of the municipality in which the premises are located.

THE CITY OF WHITEHORSE

7. The City of Whitehorse (**Whitehorse**) is a metropolitan Local Government Area (**LGA**) located approximately 15 kilometres east of Melbourne and comprises three Statistical Local Areas (**SLA**): Box Hill, Nunawading West and Nunawading East.
8. The Club is located within the Box Hill SLA in the west of Whitehorse and forms part of the broader Box Hill Activity Centre. It is in close proximity to a number of health and community support services, including Box Hill Hospital, Epworth Eastern Hospital and the Salvation Army Community Centre.
9. On the SEIFA scale of disadvantage,⁴ Whitehorse is ranked 69th of the 79 LGAs and the Box Hill SLA is ranked 164th of the 207 SLAs, indicating a relatively low level of disadvantage. Notably, only 1.3% of Statistical Area Level 1 (**SA1**) within a 2.5km radius of the Club are in the first quintile of disadvantage (relative to all Victorian SA1s) while 64.7% of SA1s are in the fourth or fifth quintile of disadvantage. This suggests that a large portion of residents living within 2.5km of the Club are likely to exhibit a low level of disadvantage. The Commission also notes there are no other gaming venues operating within this radius of the Club.
10. Whitehorse is subject to a municipal cap of 1217 EGMs.⁵ While there are seven gaming venues in Whitehorse with approvals to operate a total of 554 EGMs, there are

³ *Macedon Ranges Shire Council v Romsey Hotel Pty Ltd* (2008) 19 VR 422, 435 (**Romsey**).

⁴ Socio-Economic Indexes for Areas (**SEIFA**) is a product developed by the ABS to assist in the assessment of the welfare of Australian communities. SEIFA allows the ranking of regions/areas, providing a method of determining the level of relative social and economic well-being in each region. The SEIFA scale of disadvantage ranks municipalities from least disadvantaged to most disadvantaged on a relative basis.

⁵ Pursuant to s 3.4A.5(3A)(b) of the Act, the Commission determined, in accordance with the criteria specified in the Minister for Gaming's Order on 15 August 2012, the maximum permissible number of gaming machine entitlements under which gaming may be conducted in each region or municipality.



currently only six operating gaming venues in Whitehorse with a total of 425 attached EGMs.⁶

11. Whitehorse is characterised by below average gaming statistics, with:
 - a) a density of 3.25 EGMs per 1,000 adults (41.1% less than the metropolitan average of 5.51 and 44.2% less than the State average of 5.82); and
 - b) annual expenditure per adult of \$397 (30.6% less than the metropolitan average of \$572 and 27.7% less than the State average of \$549).
12. In addition, expenditure in the municipality is declining and has decreased by 19% in real terms (indexed to CPI) over the last five years. Declining expenditure is common in metropolitan municipalities, and it is noted that expenditure in Whitehorse is declining at a higher rate than the metropolitan average (12.77%).

THE BOX HILL RSL

13. The Club was formed in 1920 and has operated at three locations in Box Hill. In its current location, the Club consists of a bistro with indoor and outdoor dining areas, an open-air rooftop deck, function rooms, a lounge area, sports bar, a library, billiards room, a synthetic bowling green, a members-only carpark and a gaming room. The gaming room currently accommodates 95 EGMs and has sufficient room for an additional eight EGMs.⁷
14. Given its location within a 'dry area' for the purposes of the *Liquor Control Reform Act 1998*, all persons entering the Club must either be a member of the Club or signed in as a guest by a member. At the time of the application, the Club had approximately 2,800 full members (consisting of service, affiliate or social members with an annual membership fee of \$40) and 3,500 community members (with an annual membership fee of \$2). Approximately 50% of all Club members are residents of Whitehorse, with a further 25-30% of members residing in the neighbouring LGAs of Manningham and Boroondara.

⁶ This follows the closure of the Mitcham RSL, which remains licensed to operate 25 EGMs.

⁷ The Club previously operated 100 EGMs from the Premises, however reduced to 95 EGMs following the legislative changes that took effect in August 2012.



15. The Club operates or is affiliated with a number of different groups, including sports groups (lawn bowls, angling, darts, snooker and billiards), support groups (prostate disease or cancer support group and a senior men's group), special interest groups (bridge, genealogy, gardening, walking) as well as other local groups (Women's Auxiliary, Box Hill Legacy, Box Hill War Widows, Vietnam Veterans Association, Mont Albert Probus and the Whitehorse Day Club).
16. The Club also provides a wide range of welfare services for its members. This includes the provision of medical aids, transport assistance, a social support program, a home gardening service, free haircuts and general financial assistance for medical or household bills as required by its members.

THE MATERIAL BEFORE THE COMMISSION

17. The Applicant filed the following documents in support of its application:
 - a) a Social and Economic Impact Assessment, prepared by Mr Rhys Quick of Urbis Pty Ltd, dated December 2014;
 - b) an Expenditure Report, prepared by Mr Tim Stillwell of Moore Stephens Accountants and Advisors, dated 12 December 2014;
 - c) a Witness Statement of Denis Lambrou-Fernando, General Manager of the Club, dated December 2014;
 - d) a Witness Statement of Julie Ann Stewart, Responsible Gambling Coordinator and Compliance Manager of the Club, dated December 2014; and
 - e) a Witness Statement of Leigh James Barrett, Consultant, dated 24 November 2014.
18. The Commission also had before it:
 - a) the economic and social impact statement (including attachments and supporting material) lodged by the Council; and
 - b) a statistical report titled Economic and Social Impact Report (**the Commission Report**) dated March 2015 and a pre-hearing inspection and compliance report, both of which were prepared by Commission officers.



Evidence from the Applicant – Denis Lambrou-Fernando

19. Mr Lambrou-Fernando is the General Manager of the Club and has considerable experience working in licensed premises in Victoria that operate gaming machines. Mr Lambrou-Fernando has held the position of General Manager of the Club since July 2009.
20. Mr Lambrou-Fernando stated that the Club currently expends over \$570,000 on welfare services for its members annually, this having increased from \$535,000 for the 2013 calendar year. In 2013, the Club's welfare expenses included the salaries, allowances and office costs associated with welfare administration (\$223,000), cash donations to sub-groups and community organisations (approximately \$60,000), in-kind-contributions (\$46,600), subsidised meals (\$41,000), home maintenance assistance (\$20,700), transport assistance (\$18,800) and haircuts and other ex-gratia payments (\$20,000).
21. Mr Lambrou-Fernando told the Commission that the Club employs a full-time welfare co-ordinator and intends to employ a part-time assistant to help in the coordination and extension of welfare services. He also indicated that the Club wants to respond to increasing demand by expanding its welfare services and community contributions.
22. Mr Lambrou-Fernando gave evidence as to the increasing welfare demands on the Club from the membership base. The Club now houses members from recently closed RSLs (such as Balwyn and Mitcham), and members from other nearby RSLs (Blackburn, Doncaster and North Balwyn) also depend on the Club for their welfare needs.
23. With regard to external community contribution, Mr Lambrou-Fernando stated that the Club was currently working with the Eastern Health Foundation to establish a permanent funding arrangement of \$10,000 annually for nursing scholarships and medical research.



24. Mr Lambrou-Fernando gave evidence about the Club's 'Master Plan', which consists of a multi-stage plan for major capital building works at the Premises as follows:
- a) Stage 1 – Renovation of entry foyer and member's lounge (estimated cost \$1.2 million), to be completed by May 2015, and extension of the existing carpark structure (estimated cost \$5.5 million), to be complete by 2017
 - b) Stage 2 – Construction of convention/function centre and consolidation and refurbishment of welfare centre (total estimated cost \$10 million), to be complete by 2025
 - c) Stage 3 – Construction of new carpark structure and relocation of RSL clubrooms, to be complete by 2030
25. Mr Lambrou-Fernando told the Commission that the revenue from the additional EGMs was critical to funding the Club's Master Plan and continued operation of welfare services. He indicated that if the application was unsuccessful, it was likely that the expansion of the carpark structure as part of Stage 1 of the Master Plan would be delayed, the welfare budget would be affected and the Club would not be able to financially support the Eastern Health Foundation as indicated in the amount of \$10,000.
26. Following questioning from the Commission, Mr Lambrou-Fernando stated that the approval of the application would generate a financial benefit for the Club not only through the increased gaming expenditure, but also by reducing the Club's gaming tax liability as a result of the increase in EGM numbers at the Club.
27. In relation to the Club's RSG obligations, Mr Lambrou-Fernando provided evidence that the Club employs a dedicated compliance manager (Julie Stewart) to monitor and enforce RSG practices and undertakes regular staff training and gaming audits through Leigh Barrett and Associates as well as Gambler's Help. As a result of the gaming audits, Mr Lambrou-Fernando confirmed the Club's commitment to implement any changes proposed by Mr Barrett to improve the Club's RSG practices, such as room layout to restrict its visibility from other areas of the Club.



28. He also stated that the requirement for patrons to be a member of the Club (including the provision of photo ID) to use the gaming room acted as a mitigating factor against those wishing to gamble anonymously.

Evidence from the Applicant – Julie Stewart

29. Ms Stewart is the Responsible Gambling Coordinator and Compliance Manager of the Club and gave evidence at the hearing.
30. Ms Stewart told the Commission that she has been employed by the Club for approximately 18 months and her role is to monitor and ensure compliance with the Club's obligations to responsible service of alcohol (RSA), responsible service of gambling (RSG), anti-money laundering and counter-terrorism finance (AML/CTF) and occupational health and safety (OHS).
31. Ms Stewart stated that the Club operates under the RSL Responsible Gambling Code of Conduct and has implemented a venue-specific Responsible Gambling Policies and Procedures Manual. She undertakes daily in-house audits and has regular contact with the local Gambler's Help Eastern officer. Ms Stewart also gave evidence that the Club engages Leigh Barrett & Associates to undertake regular staff training and compliance audits.
32. Ms Stewart told the Commission that she works closely with the duty managers (whom are also RSG officers) to ensure that any RSG incidents are handled effectively and reported to Mr Lambrou-Fernando and, ultimately, the Club committee.
33. Ms Stewart told the Commission the Club has 120 individuals listed on its Self-Exclusion Program, of which approximately 10 are former patrons of the Club.

Evidence of responsible gambling practices – Leigh Barrett

34. Mr Barrett gave evidence about the responsible gambling practices at the Club and the potential impact the application may have on problem gambling.
35. Mr Barrett gave evidence that he was first engaged by the Club to provide regulatory compliance services on 24 February 2011. Since that time, he has assisted the Club develop the Club's Responsible Gambling Policies and Procedures Manual, conducted



- 3-monthly audits to ensure regulatory compliance and facilitated regular staff training and workshops.
36. Mr Barrett gave evidence that he has found the Club to be strongly compliant and willing to act immediately to rectify any identified problems.
37. Mr Barrett gave evidence that he has assisted the Club with the planned layout of the gaming room and recommended the installation of a barrier between the bistro and gaming room to minimise the visibility of EGMs from the bistro. He told the Commission the Club had accepted this recommendation, which would take effect as part of the layout modification application pending the result of this application.
38. Mr Barrett told the Commission that, in his opinion, the Club's RSG policy is assisted by the provision of a broad range of non-gambling recreational opportunities, constant staffing of the Club's front desk reception, the 1am closing time and the requirement for all patrons to be members or guests of a member to access the gaming room.
39. Overall, Mr Barrett stated that the potential for this application to result in an increase in problem gambling prevalence or incidence would be negligible.

Expenditure Assessment – Moore Stephens Accountants and Advisors

40. The Applicant engaged Moore Stephens to provide an estimate of the expenditure that would be generated by an additional eight EGMs at the Club. Mr Tim Stillwell, Director of ShineWing Australia (previously known as Moore Stephens Melbourne), gave evidence at the hearing of the application.
41. Mr Stillwell outlined that there are a number of different methods available in determining an estimate for additional gross gaming expenditure as a result of an increase in EGM numbers at an existing gaming venue. He concluded that, in light of the particular circumstances of the Club, the most appropriate approach to calculate an estimate of additional gross gaming expenditure was the anecdotal evidence method.
42. On the basis of the anecdotal evidence method, Mr Stillwell estimated that:
- a) an additional eight EGMs at the Club would result in increased expenditure of between \$267,362 and \$293,446 per annum;



- b) of this expenditure, an estimated 40% would be transferred from other venues in the vicinity of the Club (covering both Whitehorse and the neighbouring LGA of Manningham); and
 - c) after taking into account new expenditure and expenditure transferred from gaming venues within Whitehorse, new expenditure in Whitehorse would be between \$160,417 and \$176,068 for the first 12 months of operation.
43. The Commission noted that Mr Stillwell's transfer rate of 40% was in part based on the findings that there were two venues located within 2.5km of the Club and a further three venues located within 5km of the Club. The Commission sought clarification whether Mr Stillwell's assessment of the transfer rate would change given that all five venues were actually located between 2.5km and 5km from the Club. Mr Stillwell confirmed that the transfer rate would remain at 40% and there was no reason to adjust his overall transferred expenditure conclusion.

Social and Economic Impact Statement – Urbis Pty Ltd

44. The Applicant engaged Urbis to prepare a social and economic impact statement in support of its application. Mr Rhys Quick, Director of Economics and Market Research at Urbis, prepared the report and gave evidence at the hearing of the application.
45. Based on a gaming room patron count and survey conducted by the Applicant, Mr Quick found that:
- a) approximately 68% of the gaming patrons were residents of Whitehorse, which exhibited relatively low levels of disadvantage;
 - b) there were only limited times when the gaming room reached peak utilisation of 70%, which typically occurred after a lunch or other event at the Premises; and
 - c) the additional eight EGMs would only have a small impact on EGM availability during those limited periods of peak utilisation.
46. Mr Quick stated that the residents of Whitehorse could be characterised by above average incomes, a larger white collar workforce and a higher proportion of elderly residents and Asian-born residents.



47. In terms of EGM provision, Mr Quick noted that there are seven venues (including the Club) with a total of 425 attached EGMs within Whitehorse. Mr Quick also noted that this application was unlikely to have a material impact on the existing gaming expenditure, with total expenditure increasing by only 0.35%.
48. Mr Quick noted that changes to gaming taxes had impacted the Club's ability to maintain the current level of welfare support or increase the funding in line with the demand for such services from the Club's aging membership. He stated that the grant of the additional EGMs would ensure that no cuts were made to the Club's welfare budget, and would enable the Club to undertake additional welfare and support contributions, such as the proposed \$10,000 annual donation to the Eastern Health Foundation for nursing scholarships and medical research.
49. Mr Quick considered there would be minimal change to problem gambling if the application was approved based on the following facts:
- a) the application was for an increase of only 8% of current EGMs, which would only increase access during the limited times of peak utilisation experienced at the Club;
 - b) gaming will not be the focal activity at the Premises as the Club offers a wide range of dining, recreation, entertainment and welfare services;
 - c) although part of the broader Box Hill Activity Centre, the Club is a destination venue with a significant support network in location provided by both the Club and surrounding institutions;
 - d) the grant of the application would result in a very small increase in new gaming expenditure in Whitehorse, with 40% of increased expenditure transferred from other local venues; and
 - e) the Club has successfully operated EGMs for some time and demonstrated its ability to monitor and manage problem gambling behaviour during this period.
50. Mr Quick concluded that the risk of increased problem gambling as a direct result of the application was likely to be low.



51. Mr Quick provided the following summary of the identified economic and social benefits and impact risks with the application:

a) Economic benefits

- New gaming expenditure attributed to responsible gaming play, representing the value of the social benefit derived
- Economic support to the proposed redevelopment works in accordance with the Club's masterplan, with an estimated cost for Stage 1 of \$6.7 million (including a refurbished reception and lounge area, new café and additional carparking for members)
- Ability to maintain current welfare contributions at \$570,000 and contribute a further \$10,000 per annum for the Eastern Health Foundation
- Increased employment opportunities of one full-time position for the commercial operation and one part-time position for the welfare operation of the Club, in addition to employment generated through the proposed redevelopment

b) Economic impact risks

- New gaming expenditure attributed to and economic costs associated with problem gambling, however noting the negligible impact of the application on problem gambling given the small increase in EGMs in a venue and municipality already offering gaming
- New expenditure being derived from other local businesses, however this is unlikely to affect those businesses' ability to trade or impact current staffing levels
- Diversion of trade from other gaming venues in Whitehorse

c) Social benefits

- Provision of improved facilities at the Club for its members as part of the Club's masterplan



- Maintenance and enhancement of welfare services for members
 - Increased availability and variety in EGMs for gaming patrons
- d) Social impact risks
- Possible increase in problem gambling behaviour and associated social impacts, despite the risk of such impact being assessed as negligible
52. Based on his analysis of the social and economic profile of the municipality and the anticipated benefits and detriments of the application, Mr Quick concluded that an additional eight EGMs at the Club would result in no net detriment to the Whitehorse community.
53. In response to the Council's submission (see paragraphs 54 to 56 below), Mr Quick gave evidence that:
- a) a Department of Justice research paper concluded that people aged over 65 are under-represented amongst moderate-risk and problem gamblers;
 - b) the Club plays a positive role in reducing social isolation in elderly persons by providing a diverse recreational offering and a range of welfare and support services;
 - c) despite a higher proportion of Chinese and other Asian-born residents in the immediately surrounding area, the Club hosts very few Asian patrons as they prefer to gamble at large, impersonal venues and have a preference for card and other table games rather than playing EGMs;
 - d) while problem gambling among international students is an area for concern in general, it is less relevant in this application as international students are infrequent users of EGMs and the Club is not a venue that attracts a large number of younger patrons;
 - e) an improvement to the Club facilities and services will result in a community benefit on the basis that the persons relying on such services (e.g. persons utilising the nearby health facilities) are in greater need than others in the community; and



- f) a variety of activities of the welfare arm of the Club are of benefit to the wider community, such as Anzac Day services, free function room hire and various cash donations to community organisations and health and welfare facilities.

Evidence by the Council – Economic and Social Impact Submission

54. The Council filed an Economic and Social Impact Submission with the Commission. The Council did not avail itself of the opportunity to appear before the Commission at the public hearing in order to oppose the application and test the evidence of the Club, and as such the extent of the Council's position is limited to those documents lodged with the Commission.
55. The Council does not support the application on the basis that there would be a net detriment to the community, given:
- a) the potential increase in harm to vulnerable groups in the community (such as older people, culturally and linguistically diverse (CALD) communities, local and international students and people accessing health and other support services);
 - b) the limited community-wide benefits to be delivered by facility improvements; and
 - c) the lack of a need to increase EGM numbers based on current utilisation rates.
56. The Council's submission highlighted the high proportion in Whitehorse of older residents (more than 22% of residents aged over 60) and of CALD communities (particularly in the Box Hill area, where 20% of residents were born in China). Given the high proportion of these potentially vulnerable persons, the addition of further EGMs may subject these members of the local community to the prospect of increased gambling losses, which would have a compounding effect as those affected have less ability to absorb such losses.
57. Finally, the Council noted that its ability to respond to the Club's proposal was severely curtailed by the application of the McKinnon Hotel decision. While acknowledging that the addition of eight EGMs at the Club does not require a planning permit and does not trigger the Whitehorse Responsible Gambling Policy, the Commission finds that any concern regarding the impact of the McKinnon Hotel decision on a council's ability to enact local planning policy is not a relevant consideration and should be directed at the appropriate state bodies to consider legislative change in this area.



LIKELY ECONOMIC IMPACT OF APPROVAL

58. There is often a large degree of overlap between economic and social impacts of applications to operate EGMs.
59. The Commission accepts that approval of this application will result in an increase in gaming expenditure at the Club of between \$267,362 and \$293,446 in the first 12 months of operation. The Commission also accepts that a proportion of this expenditure will be transferred from other venues both within and outside of the municipality. The Commission considers that the use of the anecdotal evidence method and the predicted transfer percentage of 40% are not unreasonable in this case.
60. Accordingly, it can be expected that between \$160,417 and \$176,068 of the predicted increase in expenditure at the Club will be new expenditure in Whitehorse. In the context of a municipality with below average gaming machine density and below average levels of gaming expenditure, such an increase is relatively small. The Commission considers that this new expenditure is likely to include expenditure received from both responsible gaming (a benefit) and problem gaming (a disbenefit).
61. The Commission finds that the first part of Stage 1 of the Club's masterplan is soon to be completed and therefore is not a benefit derived from this application. The Commission is satisfied that the estimated \$5.5 million value of the remainder of Stage 1 (being the extension to the existing carparking structure) and the subsequent stages of the masterplan will be delayed or scaled back if this application is not successful. However, the Commission is not satisfied that the entire value of such works are as a direct result of this application and does not assign the total value of the Club's masterplan as an economic benefit. As such, the Commission finds that the timely commencement of those stages, and to the originally planned quality, represents a minor economic benefit to the community.
62. In relation to community contributions provided by the Club, the Commission finds that the Club currently provides extensive welfare and support services to its members and additional cash and in-kind contributions to a range of sporting and community clubs in the amount of approximately \$570,000. The Commission accepts that the Club is committed to the provision of these services for its members and that the maintenance at current levels is dependent on the outcome of this application. The Commission also acknowledges the Applicant's commitment to further increase its cash community



contributions by \$10,000 per year through funding to the Eastern Health Foundation. The Commission considers the Applicant's community contributions that would be maintained or moderately increased should this application be approved (in particular the welfare services provided to members of the Club) to be a moderate economic benefit.

63. The Commission accepts that this application is likely to create two new employment opportunities at the Club (one full-time position in the commercial operations of the Club and the other a part-time position in the welfare arm). The Commission considers that full-time commercial position may be transferred from another gaming venue in the vicinity of the Club, and therefore finds that the increased employment opportunities at the Club only represents a nominal economic benefit to the municipality.
64. In terms of the economic costs presented by the Applicant, the Commission considers the approval of the application is likely to result in a small loss of gaming revenue for a number of gaming venues, and a potential diversion of trade from other businesses in the area. However, the Commission notes that the predicted losses are essentially transfers without net cost and are minimal and therefore unlikely to impact the financial position of other gaming venues or local businesses.
65. The Commission accepts that Whitehorse is a diverse municipality with below average indicators of social disadvantage and gaming statistics. While acknowledging the higher proportion of certain groups identified by the Council as vulnerable to problem gambling (i.e. elderly persons, CALD communities and international students), the Commission finds that elderly persons are not a vulnerable group on the basis that they are under-represented among problem gamblers and the Club is not currently (nor does it intend to become) an attractive venue for CALD communities and international students. Accordingly, the Commission finds that the economic costs of this application relating to increased gambling expenditure attributable to problem gambling and the associated costs with problem gambling will likely only result in a negligible detriment to the community.
66. Overall, the Commission considers that there would be a moderate economic benefit to the community if the application were to be approved.



LIKELY SOCIAL IMPACT OF APPROVAL

67. Wherever accessibility to EGMs is increased, there is always a risk of an increase in problem gambling, which leads to other costs such as lost productivity, increased health and social service requirements and other social costs. Accordingly, the Commission accepts that there is a potential for negative social cost of the application through possible increased problem gambling expenditure. However, for the reasons set out in paragraph 65 above together with the Applicant's good RSG practices and compliance history, the Commission considers that the potential for increased problem gambling resulting from this application is low.
68. The Commission is satisfied the potential for an increase in problem gambling is minimal. The Commission considers that the Applicant is an experienced venue operator with an appropriate attitude towards harm minimisation and RSG strategies. Further, the Commission was not presented with any evidence to demonstrate that the operation of this venue is conducive to problem gambling and has been given no reason to conclude that an additional eight EGMs will materially change the nature of the Club or its approach to RSG.
69. The Commission finds that the increased number of EGMs at the Club will only marginally improve access to gaming facilities given the very low periods of peak utilisation currently experienced at the Club. Overall, the Commission considers this to be a negligible social benefit.
70. The Commission finds that the proposed improvement to Club facilities as part of the masterplan will create a modest social benefit to the community. However, the Commission refers to its findings in paragraph 61 and finds that timely commencement of those stages, and to the originally planned quality, represents a minor social benefit to the community.
71. The Commission considers that the approval of this application would enable the Club to maintain and potentially expand its welfare services (through both the additional gaming expenditure and the reduced tax liability of the Club). The Commission finds that these services generate a significant social benefit for both the members of the Club and the wider Whitehorse community through the Club's support of community groups and associated health organisations.



72. After considering the social benefits of the proposal against the detriments, the Commission considers that the likely social impact of the proposal will be moderately beneficial.

CONCLUSION

73. After considering all the evidence presented in this matter, the Commission is satisfied that there will be no net social or economic detriment to the immediately surrounding area or the wider community of Whitehorse. The application is therefore approved.

74. On the material that has been put before it, the Commission is satisfied of the other matters in section 3.4.20(1). The Commission is also satisfied that the Applicant understands and will continue to abide by its RSG obligations to take reasonable measures to prevent problem gambling.

The preceding paragraphs are a true copy of the Reasons for Decision of Mr Ross Kennedy (Acting Chairman) and Mr Des Powell (Commissioner).