



**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 Horsham Sports & Community Club Ltd for amendment of its venue operator's licence to vary the number of electronic gaming machines permitted in the approved premises, the Horsham Sports & Community Club, located at 177-181 Baillie Street, Horsham, from seventy-eight (78) to eighty-three (83).

**Commission:** Ms Deirdre O'Donnell, Deputy Chair  
Mr Des Powell AM, Commissioner

**Appearances:** Ms Margaret Kearney of Kearney Guy Legal, Counsel for the Applicant  
Ms Caitlin McAlister, Counsel Assisting the Commission

**Date of Hearing:** 26 March 2018

**Date of Decision:** 23 April 2018  
**Date of Reasons:** 23 April 2018

**Decision:** The application is granted subject to the condition set out in paragraph 93 of these reasons for decision.

**Signed:**

A handwritten signature in black ink, appearing to read 'D O'Donnell', written in a cursive style.

**Ms Deirdre O'Donnell**  
Deputy Chair

## REASONS FOR DECISION

### INTRODUCTION

1. This is an application by the Horsham Sports & Community Club Ltd (**the Applicant**) to the Victorian Commission for Gambling and Liquor Regulation (**the Commission**) to amend its venue operator's licence to vary the number of electronic gaming machines (**EGMs**) permitted in the Horsham Sports & Community Club, located at 177-181 Baillie Street, Horsham (**the Premises**), from seventy-eight (78) to eighty-three (83) (**the Application**).
2. The relevant municipal authority is the Horsham Rural City Council (**the Council**). By correspondence dated 22 February 2018 to the Commission, the Council stated that it neither accepted nor opposed the Application, and would not be making a submission in relation to the Application.
3. The Commission considered the Application by way of a public inquiry,<sup>1</sup> which was conducted on 26 March 2018 (**the Hearing**). Ms Margaret Kearney of Kearney Guy Legal appeared as Counsel on behalf of the Applicant.

### THE LEGISLATION AND THE TASK BEFORE THE COMMISSION

4. Gaming on EGMs is a legal recreational and commercial activity in Victoria so long as it is done in accordance with the *Gambling Regulation Act 2003* (**GR Act**). The GR Act recognises that, notwithstanding individual rights of self-determination, gaming on EGMs causes harm to some communities and some members of some communities. For this reason the GR Act includes safeguards to ensure an appropriate balance is struck between a lawful and legitimate recreational activity for some, and a potentially harmful activity for others.
5. The objectives of the GR Act are set out at section 1.1, which provides:

...

(2) *The main objectives of this Act are—*

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<sup>1</sup> A public inquiry is required to be conducted by the Commission in relation to the Application pursuant to section 28(g)(iii) of the *Victorian Commission for Gambling and Liquor Regulation Act 2011* (**VCGLR Act**). As to the manner in which the Commission is to conduct an inquiry, see generally Pt 3 Div 2 VCGLR Act (Inquiries), see also Pt 2 Div 3 VCGLR Act (Performance and exercise of the Commission's functions, powers and duties).



- (a) *to foster responsible gambling in order to-*
  - (i) *minimise harm caused by problem gambling; and*
  - (ii) *accommodate those who gamble without harming themselves or others;*
- (ab) *to ensure that minors are neither encouraged to gamble nor allowed to do so;*
- (b) *to ensure that gaming on gaming machines is conducted honestly;*
- (c) *to ensure that the management of gaming equipment and monitoring equipment is free from criminal influence and exploitation;*
- (d) *to ensure that other forms of gambling permitted under this or any other Act are conducted honestly and that their management is free from criminal influence and exploitation;*
- (e) *to ensure that-*
  - (i) *community and charitable gaming benefits the community or charitable organisation concerned;*
  - (ii) *practices that could undermine public confidence in community and charitable gaming are eliminated;*
  - (iii) *bingo centre operators do not act unfairly in providing commercial services to community or charitable organisations;*
- (f) *to promote tourism, employment and economic development generally in the State.*

6. Chapter 3 of the GR Act deals with the regulation of gaming machines. Section 3.1.1 of the GR Act sets out the purpose of Chapter 3 as follows:

- (1) *The purpose of this Chapter is to establish a system for the regulation, supervision and control of gaming equipment and monitoring equipment with the aims of—*
  - (a) *ensuring that gaming on gaming machines is conducted honestly; and*
  - (b) *ensuring that the management of gaming equipment and monitoring equipment is free from criminal influence or exploitation; and*



- (c) *regulating the use of gaming machines in casinos and other approved venues where liquor is sold; and*
- (d) *regulating the activities of persons in the gaming machine industry; and*
- (e) *promoting tourism, employment and economic development generally in the State; and*
- (f) *fostering responsible gambling in order to—*
  - (i) *minimise harm caused by problem gambling;*
  - (ii) *accommodate those who gamble without harming themselves or others.*

(2) *The purpose of this Chapter is also to—*

- (a) *provide for the allocation of gaming machine entitlements in order to maximise the financial and social benefits to the Victorian community within the regulatory framework applying to the allocation of entitlements;*
- (b) *promote a competitive gaming industry with the aim of providing financial and social benefits to the Victorian community.*

7. The relevant provision concerning the Application is in section 3.4.17(1)(b) of the GR Act, which states that variation of the number of EGMs permitted in an approved venue may be amended in accordance with Division 2, Part 4 of Chapter 3 of the GR Act.

8. Sections 3.4.18 to 3.4.19 of the GR Act provide for the manner in which requests for amendments under section 3.4.17(1)(b) are to be made. Relevantly for the Application, section 3.4.18 provides, inter alia, that:

(1) *A request by a venue operator for an amendment of licence conditions—*

...

- (c) *in the case of ... an amendment to increase the number of gaming machines permitted in an approved venue, must be accompanied by a submission—*
  - (i) *on the net economic and social benefit that will accrue to the community of the municipal district in which the approved venue is located as a result of the proposed amendment; and*



*(ii) taking into account the impact of the proposed amendment on surrounding municipal districts—*

*in the form approved by the Commission and including the information specified in the form.*

9. Section 3.4.18(2) provides that if the request is for an amendment to increase the number of gaming machines permitted in an approved venue, the venue operator must give the relevant municipal council a copy of the proposed request before submitting the request to the Commission.<sup>2</sup>

10. Further, section 3.4.19(1) of the GR Act provides:

*(1) Subject to this section, after receiving a copy of a request for an amendment referred to in section 3.4.18(2), a municipal council may make a submission to the Commission—*

*(a) addressing the economic and social impact of the proposed amendment on the well-being of the community of the municipal district in which the approved venue is located; and*

*(b) taking into account the impact of the proposed amendment on surrounding municipal districts.*

...

11. Section 3.4.20 sets out matters that are required to be considered by the Commission with respect to such a proposed amendment. Relevantly for this Application, that section provides:

*(1) Without limiting the matters which the Commission may consider in deciding whether to make a proposed amendment the Commission must not amend a venue operator's licence unless—*

...

*(b) if the proposed amendment will result in an increase in the number of gaming machines permitted in an approved venue, the Commission is satisfied that the regional limit or municipal limit for gaming machines for*

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<sup>2</sup> The Applicant provided the Commission with a proof of delivery email dated 20 December 2017, which the Commission regarded as sufficient evidence for the purposes of s 3.4.18(2) of the GR Act.



*the region or municipal district in which the approved venue is located will not be exceeded by the making of the amendment; and*

- (c) *if the proposed amendment will result in an increase in the number of gaming machines permitted in an approved venue, the Commission is satisfied that the net economic and social impact of the amendment will not be detrimental to the well-being of the community of the municipal district in which the approved venue is located;*

...

12. Section 3.4.20(1)(c) provides for what is now commonly described as the ‘*no net detriment*’ test. It requires the Commission to be satisfied that there is no net detriment arising from the approval through positively and objectively establishing that the net economic and social impact will not be detrimental to the well-being of the community.<sup>3</sup>
13. The GR Act does not specify the matters which the Commission must consider in deciding whether the ‘*no net detriment*’ test is satisfied. However, the statutory signposts are provided by the test itself. The Commission must consider:
- (a) the likely economic impacts of approval;
  - (b) the likely social impacts of approval; and
  - (c) the net effect of those impacts on the well-being of the relevant community.<sup>4</sup>
14. As such, the ‘*no net detriment*’ test is a composite test requiring consideration of a single net impact in economic and social terms on the well-being of the community.<sup>5</sup> The test will be satisfied if, following the weighing of any likely impacts, the 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.
15. The Commission recognises that the task of identifying likely benefits and disbenefits will not always be straightforward given the overlap of socio-economic issues, and the quality and availability of relevant data and cogent evidence. Some economic outcomes may have social

<sup>3</sup> *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [52] per Dwyer DP.

<sup>4</sup> *Macedon Ranges Shire Council v Romsey Hotel Pty Ltd* (2008) 19 VR 422, [42]-[43] per Warren CJ, Maxwell P and Osborn AJA (‘**the Romsey case**’).

<sup>5</sup> *Romsey Hotel Pty Ltd v Victorian Commission for Gambling Regulation (Romsey No. 2)* [2009] VCAT 2275, [332], [348] per Bell J (‘**Romsey No. 2**’) cited in *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [58] per Dwyer DP.

consequences, and vice versa.<sup>6</sup> On review, decisions in the Victorian Civil and Administrative Tribunal (**VCAT**) have held that for impacts that may be both economic and social – for example the benefits of gaming consumption – it does not matter whether the impact is considered on the economic side, or the social side, or both, so long as it is included and not double-counted in the ultimate composite test.<sup>7</sup>

16. The Commission has adopted the same approach as VCAT in setting out a table of likely economic and social benefits both to enhance clarity of Commission decisions and facilitate greater consistency between the Commission and VCAT.<sup>8</sup>
17. If the Commission is not satisfied that the ‘*no net detriment*’ test is met, that is clearly fatal to the application before it, as given the opening words of section 3.4.20(1) of the GR Act, satisfaction of the test is a mandatory pre-condition to approval. However, although section 3.4.20(1) sets out certain mandatory considerations for the Commission, the provision is not exhaustive. If the Commission is satisfied that the ‘*no net detriment*’ test is met, it still has an ultimate discretion as to whether or not to grant the approval.<sup>9</sup> The Commission must decide whether to make the proposed amendment, with or without any changes from that proposed by the applicant, even where the applicant has satisfied the minimum threshold of the ‘*no net detriment*’ test.<sup>10</sup>
18. In considering the exercise of this discretion:
  - (a) it must be exercised having regard to the purposes of the GR Act and, in particular, the specific purposes of Chapter 3 of the GR Act dealing with the regulation, supervision and control of gaming machines;<sup>11</sup> and
  - (b) it may also be influenced by other factors such as broad policy considerations drawn from the content and objectives of the GR Act as a whole.<sup>12</sup>

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<sup>6</sup> *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [57] per Dwyer DP.

<sup>7</sup> See *Romsey No. 2* [2009] VCAT 2275 [352] per Bell J; *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [58] per Dwyer DP.

<sup>8</sup> See e.g., *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [60] per Dwyer DP.

<sup>9</sup> See *Ocean Grove Bowling Club v Victorian Commission for Gaming Regulation* [2006] VCAT 1921, [32] and following per Morris J; *Bakers Arms Hotel Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2014] VCAT 1192, [126] per Code PM and Nelthorpe M; see also *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [97] and following per Dwyer DP (with respect to section 3.3.7 GR Act).

<sup>10</sup> GR Act, section 3.4.20(2).

<sup>11</sup> *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [98] per Dwyer DP.

<sup>12</sup> *Ocean Grove Bowling Club v Victorian Commission for Gaming Regulation* [2006] VCAT 1921, [32] per Morris J; *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors* [2013] VCAT 101, [99] per Dwyer DP; *Bakers Arms Hotel Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2014] VCAT 1192, [126] per Code PM and Nelthorpe M. As to policy principles identified for consideration, see the *Romsey* case (2008) 19 VR 422, [7] per Warren CJ, Maxwell P and Osborn AJA.



19. The Commission agrees with the comments of Deputy President Dwyer in *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors*<sup>13</sup> that, if all of the mandatory considerations under the GR Act favour the grant of an approval, one would expect that the ultimate discretion will commonly favour approval - other than in relatively rare or exceptional circumstances arising in a particular case. In such a case, any such circumstances should be separately and transparently identified.
20. Finally, pursuant to section 3.4.20(1)(a) of the GR Act, the Commission must be satisfied that the proposed amendment does not conflict with a Ministerial direction, if any, given under section 3.2.3 of the GR Act. Additionally, pursuant to section 9(4) of the *Victorian Commission for Gambling and Liquor Regulation Act 2011 (VCGLR Act)*, the Commission must have regard to Ministerial guidelines issued under section 5 of the VCGLR Act when performing functions under gambling legislation.
21. There is no relevant direction issued pursuant to section 3.2.3 of the GR Act that relates specifically to the Application.<sup>14</sup>

## MATERIAL BEFORE THE COMMISSION

22. The Applicant provided the Commission with the following material in support of its Application:
  - (a) Application form – Application to increase the number of gaming machines received by the Commission on 20 December 2017 (**the Application Form**);
  - (b) Social and Economic Impact Statement jointly prepared by Dr Rohan Miller and Professor Gwyneth Howell of Harvest Strategy Pty Ltd (**Harvest Strategy**), dated December 2017 (**the Harvest Strategy Report**). Dr Miller was a witness at the Hearing, adopted the Harvest Strategy Report as his evidence and provided oral evidence, via telephone, to the Commission;
  - (c) report of Mercury Group Victoria Inc (**Mercury**), consultants dated December 2017 (**the Mercury Report**). Mr David Baldi, general manager of Mercury Group Victoria Inc, was a

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<sup>13</sup> [2013] VCAT 101, [98].

<sup>14</sup> For the sake of completeness, the Commission has considered both the Decision-Making Guidelines entitled 'Approval of Premises as Suitable for Gaming' dated 13 February 2017 (Victorian Government Gazette, S30, 14 February 2017), which relate to locating gaming machines in a building with permanent residential accommodation, and the Decision-Making Guidelines entitled 'Assessment of children's play areas in gaming premises' dated 14 October 2013 (Victorian Government Gazette, S361, 16 October 2013), which relate to assessment of new gaming venues as to suitability of the premises for gaming. As the Premises do not contain residential accommodation nor are a new gaming venue with a children's play area in the line-of-sight of the gaming room, the Commission is satisfied that both Guidelines are not relevant for this particular Application.





witness at the Hearing, adopted the Mercury Report as his evidence and provided oral evidence to the Commission;

- (d) witness statement of Mr Gary Howden, President of the Board of the Applicant, dated 18 December 2017. Mr Howden was a witness at the Hearing, adopted his witness statement as his evidence and provided oral evidence to the Commission;
- (e) witness statement of Mr Glenn Carroll, General Manager of the Applicant, dated 18 December 2017. Mr Carroll was a witness at the Hearing, adopted his witness statement as his evidence and provided oral evidence to the Commission;
- (f) witness statement of Ms Jacqueline Hutchison, Compliance Officer of Mercury, dated 14 December 2017. Ms Hutchison was a witness at the Hearing, adopted her witness statement as her evidence and provided oral evidence to the Commission;
- (g) a copy of proof of delivery email, dated 20 December 2017 (described at footnote 2 above);
- (h) a copy the public notice appearing in the Wimmera Mail-Times newspaper, dated 22 December 2017; and
- (i) a letter from LGS Legal on behalf of the Applicant, dated 20 December 2017.

23. On 22 February 2017, the Council provided the Commission with correspondence in which it stated that it neither accepted nor opposed the Application, and would not be making a submission in relation to the Application.

24. The following material, prepared by Commission staff, was provided to the Applicant and the Council and considered by the Commission:

- (a) a report titled *Economic and Social Impact Report of 2018* (**the VCGLR Report**); and
- (b) a report titled *Pre-Hearing Inspection and Compliance Report* dated March 2017 (**the Pre-Hearing Report**).

25. At the Hearing, the Applicant provided the Commission with:

- (a) an amended economic and social impact summary prepared by Harvest Strategy to replace the economic and social impact in the Harvest Strategy Report (**the Applicant's Amended Economic and Social Impact Summary**);
- (b) a map of the LGA showing distances from the Premises to other gaming venues in the LGA and the surrounding area;
- (c) results of a compliance check-list, dated 20 November 2017, as completed by gaming

supervisors from the Premises; and

(d) written submissions of the Applicant, prepared by Ms Kearney.

26. After the Hearing, the Applicant provided the Commission with a letter, dated 27 March 2018, regarding suggestion of a condition to attach to approval of the Application, were the Commission to approve the Application.
27. Prior to the determination of this matter, Deputy Chair O'Donnell visited the Premises.

## DECISION AND REASONS FOR DECISION

### Background

#### *Location*

28. The Premises are located on Ballie Street in the Rural City of Horsham.<sup>15</sup> The Premises' site includes a bistro, alfresco dining area, two bars, a lounge, a gaming room, a children's play area, and a function room.
29. The Rural City of Horsham is a regional Local Government Area (**LGA**) located 300km west of Melbourne and covers an area of 4,267 square kilometres. Major centres in the Rural City of Horsham include Horsham and Natimuk. According to the VCGLR Report, the Rural City of Horsham has an estimated adult population of 15,399, which ranks it as 11<sup>th</sup> out of the 13 regional municipalities (1 being the most populated area). The annual rate of population growth projected by Victoria in Future is 0.6% as compared with the Victorian average of 1.8%.
30. Currently, there are three gaming venues within the Rural City of Horsham with approvals to operate 148 EGMs.
31. The VCGLR Report notes that the Rural City of Horsham has an EGM density of 9.6 EGMs per 1000 adults, which is 27.4% more than the regional LGA average (7.5) and 74.6% more than the State average (5.5). This ranks the Rural City of Horsham as the 4<sup>th</sup> highest of 13 regional LGAs in terms of EGM density per 1000 adults. Also as stated in the VCGLR Report, in the 2016-17 financial year, the Rural City of Horsham had an average gaming expenditure of \$598 per adult (based on the 2016 population estimate), which is 0.9% less than the regional LGA average (\$603) and 10.3% higher than the State average (\$542). Applying the estimate of increased

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<sup>15</sup> Where reference is made in these reasons to the Rural City of Horsham, this is a reference to the local government area (**LGA**).

gaming expenditure as received from the Applicant in the first year of operation of the additional five EGMs, according to the VCGLR Report, approval of this Application would result in an increase in average gaming expenditure per adult of 0.2%.

32. The Commission notes that the Applicant holds a club venue operator's licence within the meaning of the GR Act, and so is established for a community purpose.<sup>16</sup>

#### *Nature of the Premises*

33. The Premises itself currently comprises of:
- (a) a bistro area, which can accommodate approximately 220 people, and is open daily<sup>17</sup>;
  - (b) an alfresco dining area which is open daily;<sup>18</sup>
  - (c) a non-members' bar, which is open daily;<sup>19</sup>
  - (d) a members' bar, which is open daily;<sup>20</sup>
  - (e) a members' lounge;
  - (f) a gaming room with 78 EGMs, which is open daily;<sup>21</sup>
  - (g) a children's play area, and
  - (h) a function room, which can accommodate approximately 60 people.<sup>22</sup>
34. The Applicant has 16,754 members. Further, there are on average 680 visitors attending the Premises each week. The Harvest Strategy Report indicates that the majority of the Premises' patrons are from Horsham and surrounds, and part of an older demographic.<sup>23</sup>
35. The Applicant has approximately 34 employees. Approximately 24 of the 34 staff members work (amongst other duties) in the gaming area and have RSG training and certificates. Five of those

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<sup>16</sup> In the GR Act, 'community purpose', when not used in Division 2 of Part 6 of Chapter 3 means, amongst other things, any sporting or recreational purpose, including the benefiting of any sporting or recreational club or association. Also, the constituting document of a club must contain provisions prohibiting the distribution of any annual profit or surplus to its members: See GR Act, s 3.4.8(1A).

<sup>17</sup> The bistro is open every day for lunch between 12 pm and 2 pm, Sunday to Thursday for dinner 6 pm to 8:30 pm, Friday and Saturday for dinner between 6 pm and 9 pm, and Sunday for breakfast between 8:30 am to 11 am.

<sup>18</sup> The alfresco dining area is open between the hours of 10 am and 10 pm on Sundays, between 12 noon and 10 pm on Good Friday and ANZAC Day, and on any other day between 7 am and 10 pm.

<sup>19</sup> The non-members' bar is open at any time on any day except for Sundays, in which it is open between 12 midnight to 3am and between 10 am and 12 midnight, and Good Friday and ANZAC Day between 12 noon and 11pm.

<sup>20</sup> The members' bar is open during the same hours as the non-members' bar. See footnote 19 above.

<sup>21</sup> Use of the gaming room for gaming on gaming machines must not be more than more than 20 consecutive hours each day: See GR Act, s 3.3.9(1).

<sup>22</sup> The function room is open Sundays between 10 am and 11 pm, Good Friday and ANZAC Day between 12 noon and 11 pm and any other day between 7 am and 1 am the following morning.

<sup>23</sup> Harvest Strategy Report, p24.

24 staff members are employed on a full-time basis, and the remainder are employed on a casual basis.

#### *Catchment area of the Premises*

36. The '*no net detriment*' test refers to 'the community of the municipal district in which the approved venue is located'. In determining the impact of an application of this nature on a municipal district, previous Commission and VCAT decisions have had particular regard to the area serviced by the relevant premises, which is generally referred to as the 'catchment area'.<sup>24</sup> The determination of the likely catchment area in this instance is important in the Commission's consideration of the identity of those residents who will be most affected by the Application in terms of gambling-related benefits and harms.
37. The Applicant gave evidence that while most patrons are members of the LGA, the Premises also draws customers from the bordering LGAs and tourists. The Commission acknowledges, however, that the Applicant did not conduct patron surveys (or present acceptable data) for the purposes of showing the Commission the average figures as to the areas from which the Premises' patrons are drawn. Therefore, the split between the average number of non-local to local patrons is unclear. In considering this matter, the absence of that information makes it difficult to comprehensively assess the proportion of economic and social benefits and disbenefits of this Application on the residents of the LGA.
38. In discussing the catchment area, the VCGLR Report and Dr Miller analyse the immediate surrounding area as a radius of 5 km around the Premises. The Commission also considers that the appropriate catchment area consists of the immediate surrounding areas from the venue out to a radius of 5 km.

#### **Issues for determination**

39. Pursuant to section 3.4.20 of the GR Act, the Commission cannot grant the Application unless it is satisfied of the following two matters:<sup>25</sup>
- (a) that the relevant regional or municipal limit for EGMs applicable to the Rural City of Horsham will not be exceeded by the making of the amendment the subject of the Application; and

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<sup>24</sup> See for example, *Romsey Hotel Pty Ltd v Victorian Commission for Gambling Regulation & Anor (Occupational and Business Regulation)* [2009] VCAT 2275 (12 November 2009); *Whittlesea CC v George Adams Pty Ltd* [2011] VCAT 534 (7 April 2011).

<sup>25</sup> The Commission also considered and was satisfied as to the matters set out in section 3.4.20(1)(a) and (d) of the GR Act.



- (b) that the net social and economic impact of the increase in EGMs permitted in the Premises will not be detrimental to the well-being of the community of the Rural City of Horsham (the '*no net detriment*' test).

40. If having determined that these matters have been satisfied, the Commission is then required to exercise its discretion under section 3.4.20 to determine whether or not the Application should be granted; that is, whether or not the proposed amendment to the venue operator's licence should be made.<sup>26</sup>

**A. *Municipal limit***

41. The Rural City of Horsham is subject to a municipal limit of 153 EGM entitlements. At the time of the Application, there are three gaming venues within the LGA, with approvals to operate a total of 148 EGMs. Approval of the Application would result in the total number of EGMs operating in the LGA increasing to 153.

42. On that basis, the Commission is satisfied that granting the Application would not cause the relevant municipal limit for gaming machines for the Rural City of Horsham to be exceeded, and hence considers this aspect of the statutory test set out in section 3.4.20 of the GR Act to be satisfied.

**B. '*No net detriment*' test**

43. The Commission must be satisfied that if this Application is granted 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. Set out below (and summarised in tabular form at Appendix One) is the Commission's assessment of the economic and social benefits and disbenefits associated with this Application, including the weighting given to each of these impacts.

**Economic Impacts**

44. The materials before the Commission, including the evidence adduced at the Hearing, either referred specifically to, or provided the evidentiary basis for, a range of economic benefits and disbenefits associated with this Application.

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<sup>26</sup> An amendment may be made subject to any conditions the Commission thinks fit: GR Act, section 3.4.20(3).

Expenditure on community contributions

45. In determining the net economic and social impact of applications of this nature, both the Commission<sup>27</sup> and VCAT<sup>28</sup> have regularly treated community contributions proposed by an Applicant as a positive benefit. However, for such contributions to be regarded as a benefit associated with the Application, it is necessary that they are properly regarded as community contributions and that they will result as a consequence of the Application. In assessing the weight to be placed on such a benefit, it is important that the Commission does not conflate this benefit with the social benefit associated with such contributions.
46. Having regard to the evidence and submissions made with respect to the community contributions that are set out in paragraphs 76 to 82 below, such contributions can also have a positive economic impact. With particular emphasis on the contributions arising as a result of this Application, the Commission considers the community contributions and the impact on local community organisations to be an economic benefit which is given no to marginal weight.

Short term additional employment

47. According to the Applicant, employment benefits associated with the Application involve short term employment benefits in the LGA associated with the installation of the additional five EGMs at the Premises.
48. In the Applicant's Amended Economic and Social Impact Summary, Dr Miller refers to local contractors being afforded the opportunity to undertake the installation of the additional five EGMs. He gave it a "negligible to very low" weight.
49. The Commission notes that there is a lack of evidence before it in relation to the short term additional employment benefit for the LGA associated with the installation of the additional five EGMs at the Premises. Accordingly, the Commission accords this particular benefit no weight.

Gaming expenditure not associated with problem gambling

50. To the extent that gaming expenditure is not associated with problem gambling, it has been recognised that such expenditure can be treated as an economic positive.<sup>29</sup> As Bell J notes in *Romsey No. 2*, this approach also brings to account the benefit obtained from pure consumption

<sup>27</sup> See e.g., *Application by Richmond Football Club* [2015] VCGLR (24 July 2015) (Commissioners Cohen and Owen).

<sup>28</sup> See e.g., *Melbourne CC v Kingfish Victoria Pty Ltd & Anor* [2013] VCAT 1130; *Bakers Arms Hotel Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2014] VCAT 1192.

<sup>29</sup> See *Romsey No. 2* [2009] VCAT 2275 [351] per Bell J.

by the lone gambler who does not use EGMs for social reasons.<sup>30</sup>

51. The Commission notes from the VCGLR Report that based on the 2016/2017 financial year, the average net EGM expenditure per adult (\$598), is higher than the average for the State (\$542).<sup>31</sup> Based on a 2016/17 adult population estimate, were the Application to be granted, after the installation of the additional 5 EGMs, it is expected in the VCGLR Report for the figures for the Rural City of Horsham to increase to \$599 in the first 12 months of trade.<sup>32</sup>
52. Mr Baldi, in the Mercury Report and his oral evidence, gave evidence regarding the likely increase in gaming expenditure should the Application be granted. Based on existing utilisation statistics for the Premises, he estimates the additional gross gaming expenditure derived from the additional five EGMs to be a 0.6% increase from the current level of gaming expenditure for the Premises. On that basis, he estimates the range of additional gross gaming expenditure for the Premises at between \$32,400 and \$39,600 in the first 12 months after installation of the additional EGMs at the Premises.
53. Of the gross gaming expenditure derived from the additional five EGMs at the Premises, Mr Baldi estimated that 60% would be transferred expenditure from other venues within the Rural City of Horsham, and approximately 40% of the expenditure generated by the EGMs at the Premises would be new expenditure. In other words, for new expenditure generally (i.e. 40% of gross expenditure), Mr Baldi believed that a figure of approximately \$14,404 would result due to the Application.
54. In the absence of alternative evidence to Mr Baldi's gross gaming expenditure figures for the Premises from the additional five EGMs, the Commission accepts Mr Baldi's analysis.
55. In assessing the extent of the benefit associated with this increased gaming expenditure, the Commission has had regard to the evidence outlined in paragraphs 57 to 68 below with respect to gambling expenditure associated with problem gambling.
56. Generally the Commission considers that the portion of new expenditure not attributable to problem gambling is an economic benefit. Having regard to the matters discussed in paragraphs 51 to 53 above regarding the Premises and in the sections below related to problem gambling, the Commission accepts the Applicant's evidence that the majority of new expenditure would not

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<sup>30</sup> Ibid. Bell J further notes at [352] that the other approach is to say (as Morris J did in *Branbeau Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2005] VCAT 2606 at 79) that gaming extends 'substantial economic and social benefits' to gaming machine users, which treats consumption as a benefit without saying whether it is economic or social. While Bell J states both approaches are correct, for the purposes of this Application, this benefit is treated as an economic benefit.

<sup>31</sup> See paragraph 31 above.

<sup>32</sup> VCGLR Report, p.16-17.

be associated with problem gambling. However, given the relatively small estimated levels of new expenditure that the Commission considers will result if this Application is granted, the Commission considers this benefit to be one to which it attributes no to marginal weight.

*Gambling expenditure associated with problem gambling*

57. To the extent that a portion of the new expenditure is attributable to problem gambling, this represents an economic disbenefit.<sup>33</sup> In assessing this impact (and other effects of problem gambling), the Commission recognises that harms associated with problem gambling may be experienced directly and indirectly as a consequence of gambling undertaken by those who may be defined as ‘problem gamblers’, as well as those who may be otherwise regarded as ‘low-risk’ or ‘moderate-risk’ gamblers.
58. In assessing the extent of this disbenefit, the Commission has had regard to the expenditure evidence set out in paragraphs 51 to 53 above. In doing so, the Commission recognises that in considering this aspect of the ‘*no net detriment*’ test it does not include consideration of transferred expenditure because such expenditure cannot be said to exacerbate problem gambling.<sup>34</sup>

*The vulnerability of the Rural City of Horsham*

59. The extent to which it can be considered that new expenditure will be associated with problem gambling, and hence may be regarded as a disbenefit associated with this Application, will be influenced by the socio-economic status and vulnerability of the community of the Rural City of Horsham. This is because communities characterised by socio-economic disadvantage and greater vulnerability are more susceptible to the harms arising from problem gambling.<sup>35</sup>
60. The SEIFA indices scores indicate that the resident population within a 5 km radius of the Premises has relatively low housing stress and unemployment, and comparatively average rates of SEIFA disadvantage and pensions, compared with regional Victoria.<sup>36</sup> However, the SEIFA indices scores in the VCGLR Report also indicate that the resident population within a 5 km radius

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<sup>33</sup> The Commission recognises that, on review, the key likely disbenefit of ‘problem gambling’ has, for convenience, been treated under the heading of ‘social impacts’ in various instances: see *Mount Dandenong Tourist Hotel Pty v Greater Shepparton CC* [2012] VCAT 1899, [121] and following; *Melbourne CC v Kingfish Victoria Pty Ltd & Anor* [2013] VCAT 1130, [47] per Martin PM and Naylor M. However, this is not an approach that has been uniformly adopted; see, for example, *Mount Alexander Shire Council* [2013] VCAT 101 at [178] and following per Dwyer DP. For completeness, the Commission considers both the economic and social impacts of problem gambling in assessing this Application.

<sup>34</sup> See *Bakers Arms Hotel Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2014] VCAT 1192 at [11] per Code PM and Nelthorpe M; *Kilsyth and Mountain District Basketball Association Inc v Victorian Commission for Gambling Regulation* [2007] VCAT 2, [40] per Morris J.

<sup>35</sup> This common-sense approach accords with the VCAT’s treatment of this issue in *Molwin Pty Ltd v Mornington Peninsula SC* [2015] VCAT 1982 (23 December 2015), [68].

<sup>36</sup> VCGLR Report, p.6.



of the Premises experience relative disadvantage in terms of household income, crime and homelessness, in comparison to regional Victoria.<sup>37</sup> In particular, it is noted in the VCGLR Report that approximately 22.5% of the population in the 5 km radius of the Premises are in the first quintile of the SEIFA index of disadvantage, and therefore relatively disadvantaged. And approximately a further 25% are in the second quintile of the SEIFA index of disadvantage.<sup>38</sup>

61. While acknowledging the SEIFA indices scores as described in paragraph 60 above, Dr Miller was of the view that the risk of an impact of gambling expenditure associated with problem gambling from the introduction of an additional five EGMs at the Premises was likely to be low, as:
- (a) based on the index of relative socio-economic disadvantage, the LGA ranked 36 of all 79 Victorian LGAs;
  - (b) according to the index of economic resources, the Rural City of Horsham ranked 32 of all 79 Victorian LGAs;
  - (c) unemployment levels (as at the time of the Harvest Strategy Report, December 2017) were no more than 4%, which are lower than average rates in regional Victoria and Australia;
  - (d) results from wellbeing checks of residents in the LGA showed an average score of 80 out of 100, which are higher than the overall State average results;
  - (e) the LGA's average life satisfaction score was recorded as 8.2, which is higher than the average State score of 7.8;
  - (f) based on assessment of relative disadvantage in regional Victoria, Horsham scored 252 out of 270 (with high rankings reflecting less disadvantage);
  - (g) both the mortgage stress and rent stress in the LGA are below the State averages;
  - (h) there are a range of other entertainment options at the Premises for patrons, including the bars and the bistro where they can eat as well as catch up with people they know. The meals are moderately priced;
  - (i) the additional gaming expenditure in the LGA anticipated from the additional five EGMs is relatively minimal (0.15%);

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<sup>37</sup> VCGLR Report, p.6.

<sup>38</sup> VCGLR Report, p.35.



- (j) the Premises are located in an area where there is relatively close proximity to other gambling venues, and gaming is already present at the Premises. Therefore, it would be unlikely that the additional EGMs would create new problem gamblers; and
- (k) while the Premises are in a central location, which makes it close at hand to vulnerable people who utilise services in the retail district of the Horsham town, the Applicant has sound RSG practices in place (as discussed in paragraphs 63 to 64 below).

62. In summary, Dr Miller was of the view that problem gambling arising from granting the Application was a disbenefit, which should be attributed “negligible to marginal” weight, if any.

#### *RSG practices at the Premises*

63. In considering the extent to which any new expenditure may give rise to an increased risk of problem gambling, the manner in which gaming is to be conducted at the Premises is also a relevant consideration. Specifically in relation to the Premises’ Responsible Service of Gaming (**RSG**) practices:

- (a) Dr Miller said all members of the board have undertaken RSG training, which he believed suggests strong leadership and recognition of risks associated with problem gambling. Further, all staff working in the gaming room have undertaken RSG training, and a member of staff is nominated as the RSG Manager who is responsible for coordinating RSG training (amongst other RSG items). Arrangements are also made for periodic compliance checks to be undertaken by Ms Hutchison of the Mercury Group. At the reception area, the club maintains signing-in rules and/or proof of membership requirements.
- (b) Mr Carroll gave evidence that responsible gambling help information is offered at the Premises in easily visible locations, and annual meetings are conducted with staff working in the gaming room for the purposes of refreshing their awareness of problem gambling. He said the Applicant adopted a Responsible Gambling Code of Conduct through the Mercury Responsible Gambling Initiative, and the Australian Hotels Association (**AHA**) Self-Exclusion Program. This means all staff employed in the gaming area of the Premises have not only completed RSG training, but also training for the purposes of the Mercury Responsible Gambling Initiative and the AHA Self-Exclusion Program. In addition, the member of staff nominated as the RSG Manager must complete additional training for that role. Mr Carroll said that in making this Application, the Board directed him to arrange an audit of the Applicant’s RSG policies and procedures to ensure the Applicant meets best



practice.<sup>39</sup> Based on those audit results, the Applicant is compliant with the Responsible Gambling Code of Conduct and legislative requirements. He said that as the General Manager of the Premises, he adopts a hands-on approach, and has personally accompanied, on occasions, members of the Premises to meet with a Gamblers Help officer and consider the option of self-exclusion.

- (c) Ms Hutchison of Mercury informed the Commission that her most recent attendance at the Premises for the purposes of an audit was on 20 November 2017. According to the results of that audit, there were no matters of concern with the Applicant's RSG regime. She concluded that the Applicant exceeded its mandatory responsibilities in respect of delivering responsible gambling. She also said the Applicant's sign-in rules would likely deter self-excluded persons or detract any anonymity sought by problem gamblers.

64. The Commission also notes that the Pre-Hearing Report detected no issues from recent gaming and liquor inspections. The Commission considers that the Applicant is conscious of its RSG requirements and believes that this assists to mitigate any risk of an increase in the incidence of problem gambling that the grant of the Application could cause.

#### *The Commission's findings*

65. Having regard to all of the circumstances, should this Application be granted, the Commission considers that there is a risk of increased problem gambling expenditure associated with this Application. That is, increased expenditure would come from the new expenditure generated by the additional five EGMs discussed in paragraphs 50 to 56 above.
66. However, in relation to the risk of an increased incidence in problem gambling to the community of the Rural City of Horsham that may arise were the Application to be granted, the Commission is persuaded that any impact on such residents is likely to be mitigated due to the factors listed above at paragraphs 61 and 63.
67. Considering the Premises' RSG practices and the current level of exposure of the local community to EGMs, this mitigates the potential risk of an increase in gaming expenditure associated with problem gambling.
68. Accordingly, and having regard to all circumstances and factors, the Commission considers with respect to this Application that the potential expenditure associated with problem gambling is a negative economic impact upon which it should place a marginal weight. Issues relating to the

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<sup>39</sup> Mr Carroll's evidence regarding the Board is consistent with the evidence of the President of the Board, Mr Gary Howden.



negative social impacts associated with problem gambling are considered further in paragraphs 83 to 86 below.

### Conclusion on economic impacts

69. After considering the economic benefits of the Application and balanced against the detriments, the Commission considers that, on balance, the Application is likely to have a neutral economic impact.

### **Social Impacts**

70. The materials before the Commission and the evidence adduced at the Hearing detailed a range of social benefits and disbenefits associated with the Application.

### Increased gaming opportunities for those who enjoy gaming

71. This is a positive impact if the Application will better serve the needs of gaming patrons through providing additional opportunities and choice for those who choose to play EGMs. Dr Miller gave evidence that the existing EGM utilisation rates at the Premises showed several times when use of the EGMs is at, or close to, full capacity, and therefore this suggested an immediate and longer-term market demand for more EGMs in the Premises. He said the additional five EGMs would reduce EGM congestion/waiting times, and therefore increase consumer enjoyment. It would also avoid consumers otherwise using EGMs from another venue.

72. The Commission finds that granting approval of the Application will better serve the needs of gaming patrons through providing additional EGMs. However, given the current number of EGMs in the Rural City of Horsham, including those from the other two gaming venues in the LGA, the Commission considers this to be a negligible social benefit to the community in the Rural City of Horsham itself, and hence one on which it places no to marginal weight.

### Reducing the probability of a new gaming venue

73. The Applicant submitted that if the Commission were to grant the Application, it would:

- (a) reduce the possibility of a new gaming venue in the LGA; and/or
- (b) minimise the opportunity for a less community-minded venue operator to operate the remaining EGMs.

74. The Commission notes that there is no evidence before the Commission, beyond mere speculation, as to whether any venue would seek to utilise some or all of the five EGM



entitlements as sought by the Applicant were the Application to be refused. To date, the relevant five entitlements have not been sought before, and there has been no identified prospect, by way of evidence, that they would be utilised elsewhere in the LGA. In this matter, the Commission acknowledges that granting the Application would result in the Applicant increasing its share in the total number of EGM entitlements in the municipality to over 60%, and thereby potentially lessening the competitiveness of the existing gaming venues in the LGA.

75. For the reasons discussed in paragraph 74 above, the Commission assigns this factor no weight.

*Social benefit derived from increased community contributions*

76. Related to the economic impact associated with increased community contributions, such contributions can also have a positive social impact by improving the social fabric of the community in which they are made. In assessing the weight to be placed on such a benefit, it is important that the Commission does not conflate this benefit with the economic benefit associated with such contributions.

77. In the Applicant's Amended Economic and Social Summary, and Mr Carroll's statement, reference is made to the Applicant's Annual Sponsorship Program, in which 100% of the Applicant's surplus income (after provisions) is applied to local community organisations for their benefit in the form of sponsorship money. Mr Carroll gave evidence as to the Applicant's process for determining who should receive sponsorship money under the Annual Sponsorship Program.

78. While much evidence was provided to the Commission as to community contributions the Applicant makes, the Commission notes from the club materials that there is an absence of a fixed minimum cash amount through a formal agreement or licence condition that the Applicant would be obliged and/or committed to contribute per annum from the operation of the EGMs at the Premises. In other words, the Applicant appears to be making contributions wherever it can after determinations are made by the club's board.

79. In response to a request from the Commission in the Hearing as to whether it would be prepared to commit to a condition relating to contribution of funds to the local community arising from the additional five EGMs, the Applicant advised the Commission in a letter, dated 27 March 2018, that (in summary):

- (a) it is a club with a proven track record as a contributor to the community; and
- (b) while annual community contributions were difficult for the Applicant to quantify for the Commission (particularly given the ups and downs with EGM utilisation rates), it would be



prepared to commit to a condition to the effect that, if the Application was granted, it would make community contributions of not less than \$90,000 per annum, up to 30 June 2022.

80. On the information provided, the Commission is satisfied that in making a condition of approval for this Application for community contributions in cash of not less than \$90,000 per annum, it would result in funds being distributed to not-for-profit community groups and sporting organisations providing services and facilities to residents in the Rural City of Horsham, but also be dependent upon the granting the Application.
81. The Commission appreciates that satisfaction of the condition of approval as described in paragraph 80 above, would require the club in setting its annual budget to have adequate funds to meet its licence obligations, and in its annual financial report to its members, to clearly explain budget considerations relevant to the condition of approval. On any enquiry as to satisfaction of the relevant licence condition, the Commission would expect the Applicant to produce its annual budget report, if requested by a VCGLR inspector.
82. In relation to the specified minimum quantum of the annual community contributions, the Commission notes that it is comparatively smaller to previous donation amounts the Applicant has recently demonstrated it is capable of paying (and therefore, an increase in contributions arising from the additional five EGMs is not entirely clear here). In the circumstances, the Commission considers this to be a positive social benefit to which it accords no to marginal weight.

*Possibility of increased incidence and potential impact of problem gambling on community*

83. Wherever accessibility to EGMs is increased, there is a risk of an increase in problem gambling, which leads to other costs (such as adverse health outcomes, family breakdowns and other social costs). Accordingly, the Commission accepts that there is potential for a negative social impact through possible increased problem gambling expenditure.
84. The Commission refers to and relies upon the evidence set out in paragraphs 57 to 68 with respect to the economic impact of problem gambling on the community, which equally applies to the social impact of problem gambling. As is concluded there, the Commission is satisfied that there is potential for an increased risk in problem gambling as a result of this Application. This gives rise to a negative social impact. The Commission accepts (as outlined in paragraph 57 above) that harms associated with the incidence of problem gambling are wide-ranging and attributable to all categories of gamblers ('low-risk', 'moderate-risk' and 'problem gamblers') and across the community more broadly.



85. Dr Miller indicated that risk of adverse instances in the Rural City of Horsham being created by the additional five EGMs at the Premises would be low. His reasons included the existing access to 78 EGMs at the Premises, the relative close proximity to other gambling venues from the Premises, and the range of other entertainment options for patrons besides gaming, including the bars and bistro.
86. Referring to and relying on its findings in relation to the economic impact of problem gambling at paragraphs 57 to 68 above, the Commission recognises that, based on the figures discussed in paragraph 60 above, approximately 47.5% residents coming from within a 5 km radius of the venue have a level of socio-economic disadvantage and financial vulnerability that would make them more susceptible to gambling-related harms. At the same time, the Commission accepts that the risk of increased incidence and potential impact of problem gambling on the community in this Application is less than would otherwise be the case for the municipality, particularly given the RSG practices at the Premises as discussed in paragraphs 63 above. As such, the Commission considers this impact it is one upon which it places marginal weight in this Application.

#### Conclusion on social impacts

87. After considering the social benefits of the Application and balanced against the disbenefits, the Commission considers that, on balance, there is likely to be a neutral social impact of the Application.

#### **Net economic and social impact**

88. The '*no net detriment*' test in section 3.4.20(c) of the GR Act requires the Commission to weigh the likely positive social and economic impacts of an application against the likely negative social and economic impacts. This test will be satisfied if, following the weighing of any likely impacts, the Commission is satisfied that the net economic and social impact of approval on the well-being of a relevant community will be either neutral or positive.<sup>40</sup>
89. After consideration of the material before it, including the evidence provided at the Hearing (and weighted as outlined above and summarised in tabular form at Appendix 1 of these Reasons for Decision), the Commission is satisfied that the social and economic impact to the well-being of the community of the municipal district in which the Premises are located if the Application is approved will be neutral.

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<sup>40</sup> *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101 at [52] per Dwyer DP.

### Determination of Application

90. On the material that has been put before it, the Commission has determined that the ‘*no net detriment*’ test has been satisfied and that the total number of EGMs will not exceed the relevant municipal limit.<sup>41</sup> The Commission notes that there remains a discretion to determine whether or not to grant the Application.
91. The Commission is satisfied that the Applicant understands and will continue to act in accordance with its obligations to, so far as is reasonable, take measures to prevent problem gambling. Further, the Commission is not aware of any other matter that would warrant it to refuse to grant this Application.
92. Accordingly, the Commission is satisfied that it should exercise its discretion to approve the Application and make the proposed amendment to the venue operator’s licence to vary the number of EGMs permitted in the Premises from seventy-eight (78) to eighty-three (83) subject to the condition which, for the purposes of clarity, is contained in paragraph 93 below.
93. The condition is as follows:

#### 1. Community Contributions

(a) The Venue Operator will undertake to do the following:

- i. Make cash contributions in the sum of not less than \$90,000.00 per annum, up to 30 June 2022 (**Minimum Annual Contribution**).
- ii. The Minimum Annual Contribution will be distributed each year to not-for-profit community and sporting organisations in the Rural City of Horsham.

***The preceding 93 paragraphs and the following Appendix are a true copy of the Reasons for Decision of Ms Deirdre O’Donnell, Deputy Chair, and Mr Des Powell AM, Commissioner.***

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<sup>41</sup> See paragraphs 41 and 42 above.





**Appendix One**

**Summary of economic and social impacts**

*The following table is a summation of the economic and social benefits and disbenefits considered by the Commission in reaching its decision. The table is to be read in conjunction with the main body of the Reasons for Decision, as the weight attributed to each factor is determined in light of the particular circumstances of the Application and the evidence presented.*

***Economic impacts***

	<b>Impact</b>	<b>Paragraph numbers</b>	<b>Comment relevant to weight</b>
<b>Benefit</b>	Expenditure on community contributions	45-46	Additional contribution can have a positive impact. However, the proposed minimum quantum of the annual community contributions for the purposes of a conditional approval is comparatively smaller than previous donation amounts that the Applicant has recently demonstrated it is capable of paying (and therefore, an increase in contributions arising from the additional five EGMs is not entirely clear).  Positive impact, no to marginal weight.
	Short term additional employment	47-49	In light of the scale and lack of evidence, the Commission considers this to be a benefit, but attributes no weight.  Positive impact, no weight.



	Impact	Paragraph numbers	Comment relevant to weight
<b>Disbenefit</b>	Gaming expenditure not associated with problem gambling	50-56	<p>The portion of new expenditure not attributable to problem gambling is an economic benefit. The Commission accepts Mr Baldi's evidence as to transferred expenditure. While the Commission also accepts that the majority of new expenditure would not be associated with problem gambling, the estimated levels of new expenditure are relatively small.</p> <p>Positive impact, no to marginal weight.</p>
	Gaming expenditure associated with problem gambling	57-68	<p>SEIFA indices indicate a mixed socio-economic profile of the catchment area, including some residents having a level of socio-economic disadvantage and financial vulnerability that would make them more susceptible to gambling-related harms. However, any impact is likely to be mitigated largely by the Premises' RSG practices and the current level of exposure of the local community to EGMs.</p> <p>Negative impact, marginal weight.</p>



**Social impacts**

	<b>Impact</b>	<b>Paragraph numbers</b>	<b>Comment relevant to weight</b>
<b>Benefits</b>	Increased gaming opportunities for those who enjoy gaming	71-72	<p>Granting the Application will better serve the needs of gaming patrons through providing additional opportunities for those who choose to play EGMs. However, there are already 148 EGMs in the Rural City of Horsham, including those from the two other gaming venues in the LGA.</p> <p>Positive impact, no to marginal weight.</p>
	Reducing the probability of a new gaming venue	73-75	<p>There is no evidence, beyond mere speculation, as to whether any venue would seek to utilise some or all of the five EGM entitlements.</p> <p>Positive impact, no weight.</p>
	Social benefit derived from increased community contributions	76-82	<p>The Commission accepts that the positive social impact of community contributions is by improving the social fabric of the community in which they are made.</p> <p>The Commission notes that the proposed minimum quantum of the annual community contributions for the purposes of a conditional approval is comparatively smaller than previous donation amounts the Applicant has recently demonstrated it is capable of paying (and therefore, an increase in contributions arising from the additional five EGMs is not entirely clear).</p> <p>Positive impact, no to marginal weight.</p>



<b>Disbenefit</b>	Possibility of an increased incidence and potential impact of problem gambling on the community (including family violence)	83 to 86	For the reasons set out with respect to 'Gambling expenditure associated with problem gambling,' the Commission is satisfied there is a disbenefit in the potential for increased risk of problem gambling, however, the risk is likely mitigated by the Premises' RSG practices.  Negative impact, marginal weight.
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