



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 Croydon Hotel (TGG) Pty Ltd for amendment of its venue operator's licence to vary the number of electronic gaming machines at the approved premises, Croydon Hotel, 47 Maroondah Highway, Croydon, from ninety-five (95) to one hundred and five (105).

Commission:

Miss Gail Owen, Deputy Chairman

Mr Robert Kerr, Commissioner

Appearances:

Ms Nicola Collingwood of Counsel on behalf of the Applicant (instructed by Bazzani Scully Priddle)

Ms Emma Pepler of Counsel on behalf of the Maroondah City Council (instructed by Maddocks)

Mr Cameron Warfe as Counsel assisting the Commission

Date of Hearing:

20 January 2015

Date of Decision:

12 February 2015

Date of Reasons:

12 February 2015

Decision:

The application be granted subject to the conditions outlined at paragraph 108 of these Reasons

Signed:

A handwritten signature in black ink, appearing to be 'Gail Owen'.

Gail Owen
Deputy Chairman



REASONS FOR DECISION

INTRODUCTION

1. This is an application by Croydon Hotel (TGG) Pty Ltd (**the Applicant**) for amendment of its venue operator's licence to vary the number of electronic gaming machines (**EGMs**) operating at the Croydon Hotel, 47 Maroondah Highway, Croydon (**the Hotel**), from 95 to 105.
2. The Applicant is a wholly owned subsidiary of Thoroughbred Gaming Group Pty Ltd (**TGG**), which is 50/50 joint venture between Country Racing Victoria Ltd and the Victorian Amateur Turf Club, trading as the Melbourne Racing Club (**VATC**). The Hotel is managed by Melbourne Racing Club Investments Pty Ltd, trading as Pegasus Leisure Group (**MRCi**) (a wholly owned subsidiary of VATC), which operates a number of gaming venues throughout Victoria (collectively, VATC and MRCi are referred to as "**the Group**"). The Applicant purchased the Hotel from the Dominion Group on 9 December 2013.
3. The relevant municipal authority is the Maroondah City Council (**the Council**). The Council opposed the application and was represented at the hearing of the application.

THE LEGISLATION AND THE TASK BEFORE THE COMMISSION

4. Gambling 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* (**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. For this reason the 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. 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.
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 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.



6. Section 3.4.19 of the Act allows the Council to make a submission addressing the economic and social impact of the proposal on the well-being of the community and taking into account the impact of the proposal on surrounding municipal districts. The Commission is bound to take this submission into consideration when applying the no net detriment test. This recognises the special role of local government in representing the people of a community.

MATERIAL BEFORE THE COMMISSION

7. The Applicant provided the Commission with the following material in support of its application:
 - (a) Social and Economic Impact Assessment, prepared by Ratio Consultants Pty Ltd (**Ratio**), dated September 2014;
 - (b) Addendum to the original Social and Economic Impact Assessment, prepared by Ratio dated January 2015;
 - (c) Expenditure Report, prepared by Progressive Venue Services (**PVS**), dated 22 September 2014;
 - (d) a copy of the Applicant's planning permit application to Council, including a Town Planning Report, prepared by Ratio, dated October 2014;
 - (e) Witness Statement of Broderick Ernst George Arnhold, CEO of VATC, dated September 2014;
 - (f) Witness Statement of Simon Gerard Gardner, CEO of MRCi, dated September 2014;
 - (g) Witness Statement of Pauline Mary Garvey, Venue Manager of the Hotel, dated September 2014; and
 - (h) Witness Statement of Leigh James Barrett, Director of Leigh Barrett and Associates Pty Ltd, dated 22 September 2014.
8. In opposition to the application, the Council provided the Commission with an economic and social impact submission dated 10 December 2014, which included:
 - (a) a submission from Yarra Ranges Council, prepared by Ms Ali Wastie, Director Social and Economic Development, dated 28 October 2014;
 - (b) Social Impact Assessment, prepared by Ms Bonnie Rosen of Symplan, dated 12 December 2014;



- (c) a letter from Gambler's Help Eastern, prepared by Mr Dom Vigilanti, Manager Gambler's Help Eastern & Financial Counselling, dated 11 December 2014;
 - (d) a letter from Women's Health East, prepared by Ms Kristine Olaris, CEO Women's Health East, dated 16 December 2014; and
 - (e) an email between Ms Rosen and Mr Vigilanti dated 15 December 2014.
9. Additionally, the following material, prepared by Commission officers, was considered by the Commission:
- (a) a statistical report titled Economic and Social Impact Report dated January 2015; and
 - (b) an undated compliance report titled Pre-Hearing Inspection and Compliance Report.

CITY OF MAROONDAH AND THE CROYDON HOTEL

- 10. The Hotel is located on the northern side of the Maroondah Highway within the City of Maroondah (**Maroondah**) and is approximately 1.5km north-west of the Croydon Activity Centre.
- 11. The Hotel currently comprises a bistro with alfresco area, lounge/café area, TAB/sports bar, outdoor beer garden, children's play area and a gaming lounge with 95 EGMs. A number of disused motel units are located along the north-east side of the Hotel. Other facilities on the site are a fast food restaurant, a drive through bottle shop and a large car park with approximately 300 spaces.
- 12. The Hotel is bordered to the north-east by the Cherry Tree Hill Retirement Village, which provides accommodation for approximately 370 people aged between 59 and 99 years. There are also a number of educational sites in the vicinity, including the Yarra Valley Grammar School located less than one kilometre to the north of the Hotel.
- 13. Maroondah is a metropolitan Local Government Area (**LGA**) located approximately 22 kilometres east of Melbourne. Maroondah has an estimated population of 108,828 and the annual rate of population growth is estimated to be 0.9% in the period 2011-16 (compared to the Victorian average of 1.81%).
- 14. Maroondah is subject to a municipal limit of 806 EGMs.¹ Currently, there are 10 gaming venues

¹ Pursuant to section 3.4A.5(3A)(b) of the Act, the Victorian Commission for Gambling and Liquor Regulation 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.



within the municipality with approvals to operate a total of 770 EGMs. Approval of this application would increase the number of licensed EGMs within Maroondah to 780 and would not exceed the municipal limit.

15. Maroondah has an EGM density of 8.47 EGMs per 1,000 adults, which is 53.8% higher than the metropolitan average (5.51) and 45.5% higher than the State average (5.82). This gives Maroondah the highest EGM density of the 31 metropolitan municipalities. If this application is approved, the EGM density in Maroondah would rise by 1.4% to 8.59 EGMs per 1,000 adults.
16. Maroondah has an average gaming expenditure of \$720 per adult, which is 25.9% higher than the metropolitan average (\$572) and 31.2% higher than the State average (\$549). Applying the Applicant's estimate of increased gaming expenditure, approval of this application would result in an increase in average gaming expenditure per adult of 0.9%. Overall gaming expenditure within Maroondah has decreased by 23.65% in real terms (indexed to CPI) over the past five years, which is greater than the metropolitan average of 15.90%.
17. Maroondah is characterised by a mixed socio-economic profile with indices both above and below metropolitan averages. Overall, Maroondah is ranked 65th out of 79 LGAs in Victoria on the SEIFA scale of disadvantage,² indicating a relatively low level of disadvantage across the LGA.
18. In relation to the immediately surrounding area of the Hotel (i.e. within 2.5km), only 3.6% of SA1s within 2.5km of the Hotel are in the 1st quintile of SEIFA scores, with 44.1% of SA1s being in the 5th quintile.
19. The unemployment rate in Maroondah is 6.55%, which is comparable to the metropolitan unemployment rate of 6.59%. Unemployment in Maroondah has increased from 4.94% to 6.55% over the past 12 months.

APPLICANT'S WITNESSES AND SUBMISSIONS

Mr Simon Gardiner

20. Mr Gardiner is the Chief Executive Officer of MCRi and a director of the Applicant and has over 20 years experience in the gaming industry in both Victoria and New South Wales. Mr Gardiner provided a witness statement and gave evidence at the hearing of the application.
21. Mr Gardiner told the Commission that the Hotel has had no money spent on renovations or



refurbishment for many years, resulting in a very tired and run-down establishment which struggles to attract new patronage. He stated that the Hotel requires a major redevelopment to transform it into a modern and attractive venue with a diverse offering of gaming and non-gaming amenities for its local patrons.

22. Mr Gardiner stated that approval for additional EGMs would allow a substantial redevelopment at the Hotel at a cost of \$6 million, including new furnishings and carpets throughout and the following additions/improvements:

- (a) extension and diversification of the bistro to create two separate dining zones, both with dedicated outdoor dining areas:
 - (i) a family dining zone at the rear of the Hotel designed for young families and serving a traditional family bistro menu, with a kids play area and dedicated entrance from the rear car park; and
 - (ii) a dining zone at the front of the Hotel designed for young professionals and groups without children with an emphasis on tapas-inspired food, craft beer and quality wines;
- (b) creation of a community room / function space for groups of up to 55-60 patrons;
- (c) relocation and refurbishment of the gaming room with a new bar/cashier and lounge area;
- (d) refurbishment of the sports bar and TAB (including a weather-proofed beer garden);
- (e) refurbishment of the exterior of the Hotel and construction of new entrances to provide multiple access points from the car park into each of the specific zones in the Hotel (excluding the gaming room); and
- (f) remodelling of the bottle shop, including the creation of a wine tasting space.

23. Mr Gardiner gave evidence that, as a result of the proposed renovations, the focus of the Hotel would transition from gambling to its food and beverage business, demonstrated by:

- (a) the increase in the capacity of the bistro by 180 seats;
- (b) the diversification of food and beverage offerings at the Hotel; and



- (c) despite the size of the gaming room increasing from 334m² to 430m², the overall proportion of floor space dedicated to gambling (i.e. the TAB and gaming room) would decrease by approximately 5%.
24. Mr Gardiner told the Commission that the redevelopment work would not be feasible without the revenue to be derived from the additional 10 EGMs. Mr Gardiner indicated that the Applicant was prepared to accept a condition that any approval for 105 EGMs would lapse and revert to the existing 95 EGMs if the redevelopment was not substantially complete within nine months after the commencement of the operation of the additional 10 EGMs.
25. Mr Gardiner gave evidence that the proposed redevelopment would be funded through an existing debt facility of \$3 million, with the remainder being contributed by CRV and MRCi. In the absence of the approval, Mr Gardiner stated that the Applicant would only be able to fund a more modest and cosmetic refurbishment of the Hotel. The cost of such refurbishment was estimated at approximately \$2 million. Following questions from Counsel for the Council, Mr Gardiner confirmed that while some aspects of the major redevelopment could be completed for less than \$6 million, the total cost would be considerably more than \$2 million and would not be a feasible option for the Applicant in the absence of the approval of this application.
26. In relation to the responsible service of gaming (**RSG**), Mr Gardiner stated that the Group placed a strong emphasis on RSG compliance and had implemented its standard corporate governance practices at the Hotel on its purchase in December 2013. He confirmed that all directors of the Applicant hold RSG certificates. He also stated that all gaming room and TAB staff hold RSG qualifications and participate in regular training sessions and the Hotel is further assisted in its RSG obligations through the conduct of quarterly unannounced RSG compliance audits by Leigh Barrett & Associates.
27. Mr Gardiner stated that MRCi has a very strong relationship with Gambler's Help, which has recognised the Group's work in the delivery of RSG practices across its venues. Although he has not had personal contact with the current venue support worker at Gambler's Help – Eastern, Mr Gardiner told the Commission that he considered the Applicant had a good and open relationship with that organisation.
28. Mr Gardiner told the Commission that entry into the new gaming room through any of the proposed entrances could be adequately monitored by gaming staff (both at the cashier and on the floor) either physically or electronically using CCTV. Mr Gardiner confirmed that there would be at least two gaming staff on duty at all times while the gaming room was operational, plus a manager that could be called upon to assist if required. Mr Gardiner noted that the proposed



gaming room layout is a preliminary plan only and approval of the layout by the Commission was pending.

29. Under cross-examination, Mr Gardiner conceded that it is currently cheaper to purchase and consume a snack in the gaming room than it is outside the gaming room. However, he indicated that the diversification of the bistro and introduction of tapas-styled meals would provide patrons with an alternative and reasonably-priced snack option outside the gaming room.
30. In relation to self-exclusion, Mr Gardiner confirmed that if a member of the Group's loyalty program decided to self-exclude from the Hotel, they would not be entitled to earn or redeem their Player Reward points, which relates to the Group's gaming operations. However, they could continue to gain and redeem Diamond Reward points, which are aligned with the food and beverage component of the business.
31. Mr Gardiner told the Commission that as the Applicant only recently took over operation of the Hotel, it currently does not have a formal community contributions program in place, but has donated to various community groups on an ad hoc basis. He indicated that the Applicant would implement a community grants program through which contributions, totalling \$15,000 per annum, would be made to local community groups. Mr Gardiner indicated that the Applicant was willing to accept a condition on the approval of the application which linked the successful implementation of the community grants program to the application.
32. Mr Gardiner also stated that the Applicant would provide priority access to the new community room for community groups free of charge between the following hours:
 - (a) Monday to Wednesday, 9am to 5pm; and
 - (b) Monday and Tuesday, 6pm to 9pm.
33. Under cross-examination, Counsel for the Council put to Mr Gardiner that when compared to the estimated increase in gaming revenue, the amount of community contributions in this case (\$15,000 from \$1.4 million additional revenue) was not proportionate to the amount proposed by the Group in relation to the Cove Hotel's application (which was \$10,000 from \$660,000 additional revenue). Mr Gardiner explained that this application differed from the Cove Hotel application due to the scope and cost of the proposed redevelopment, which would provide an additional benefit to the community.



Mr Broderick Arnhold

34. Mr Arnhold is the Chief Executive Officer of VATC and a director of the Applicant, TGG and MRCi. Mr Arnhold provided a witness statement and gave evidence at the hearing of the application.
35. Mr Arnhold told the Commission that he has held an RSG certificate since approximately 2007. He gave detailed evidence about the chain of command and passage of information within the corporate group to demonstrate the importance placed on the Applicant's compliance with its liquor and gaming obligations. He outlined the reporting procedure from the Hotel to corporate headquarters and the required actions at each level of management, including in response to a reportable incident at the Hotel. Mr Arnhold told the Commission that these procedures enabled the Group to maintain effective corporate governance control over the premises it operates, including the Hotel.
36. Mr Arnhold told the Commission that this application differed from the Cove Hotel's application as the planned renovations for the Hotel were significantly larger than those undertaken at the Cove Hotel and involved additional financial risk for the Group. He stated that funding for the proposed renovations would involve debt of approximately \$3 million; the repayment of which would be a core focus of the Applicant in the first three to five years of operation after the renovation.

Ms Pauline Garvey

37. Ms Garvey is the Venue Manager of the Hotel, and has held that position for approximately three years. She has been involved in the hospitality industry for over 14 years in various employment positions and has previously managed a number of other gaming venues in Victoria. Ms Garvey provided a witness statement and gave evidence at the hearing of the application.
38. Ms Garvey told the Commission that the Hotel suffered from a number of limitations, including:
- (a) the gaming room is highly visible upon entry to the Hotel and from the bistro and requires staff to be constantly vigilant to ensure minors do not access the gaming room;
 - (b) the outdoor areas are unattractive and have limited protection from the weather;
 - (c) there are no dedicated function rooms, which limits the Hotel's ability to cater for community groups;



- (d) previous repairs to the Hotel have been cosmetic only and require ongoing maintenance (e.g. roofing leaks); and
 - (e) outdated and worn furniture and equipment throughout the Hotel impacts on functionality and the comfort of patrons.
39. Ms Garvey told the Commission that many of the Hotel's competitors in the area (e.g. Dorset Gardens, Daisy's Hotel and Club Ringwood) have had recent renovations and the Hotel requires significant work to remain competitive. She believes the proposed redevelopment would eliminate all of the current limitations of the Hotel.
40. Ms Garvey gave evidence that the Hotel currently offers a broad range of dining options through its bistro menu (supplemented by the seniors and kids menus) and also offered a snack menu for the gaming room to provide patrons an opportunity to take a break and have a meal. She considered that the proposed redevelopment would further diversify this food offering through the introduction of the higher quality dining space in the bistro.
41. Ms Garvey stated that the Hotel has received requests from the public to host private and corporate functions. However, the current facilities cannot accommodate functions. She considers that the proposed community / function room would be asset for the Hotel and would be utilised by a broad cross-section of the community.
42. Ms Garvey told the Commission the Hotel currently employs one gaming manager, two assistant managers, one duty manager and approximately 12 gaming supervisors. She noted that there has been low staff turnover in the gaming room and across the whole Hotel, which has resulted in staff having a very good understanding and relationship with regular patrons and assisted in the ongoing monitoring and management of unauthorised or problem gambling at the Hotel. Ms Garvey told the Commission that instances of dealing with problem gamblers at the Hotel were rare.
43. Ms Garvey reiterated Mr Gardiner's evidence in relation to the Hotel's RSG obligations, noting that the Group adopts best practice procedures, including the employment of an internal audit staff member and daily checks of RSG requirements. She told the Commission that all gaming room and TAB staff hold RSG certificates, conduct regular training with Gambler's Help Eastern (most recently on 13 October 2014) and additional annual training through Leigh Barrett & Associates. Ms Garvey stated that the Hotel has regular contact with Gambler's Help and had a good relationship with the local police.
44. Ms Garvey stated that there are currently 136 self-excluded persons, of whom approximately 10



were regular patrons of the Hotel. She told the Commission that gaming staff routinely review photos of self-excluded persons, and are well trained to deal with situations of unauthorised gaming room access.

45. Ms Garvey believes that, due to the experience of the gaming staff and the policies and procedures in place at the Hotel, the high standard of RSG at the Hotel would not be compromised by the addition of 10 EGMs.
46. Under cross-examination, Ms Garvey was asked about the operational hours of the various areas of the Hotel and she conceded that the sole activity at the Hotel between midnight and 4am is gambling in the gaming room. However, Ms Garvey told the Commission that it was proposed that one section of the bistro would be open much later (until about 2am).
47. Ms Garvey noted that surveillance in the current gaming room is hampered by the location of the cashier and the multiple entrances into the gaming room. In her opinion, the proposed gaming room would provide better overall surveillance for her staff, particularly when access to the CCTV vision is incorporated into the proposed cashier point.

Mr Leigh Barrett

48. Mr Barrett is the principal RSG consultant of Leigh Barrett & Associates and gave evidence about the responsible gambling practices at the Hotel and the potential impact the application may have on problem gambling.
49. Mr Barrett gave evidence that he was first engaged by the Group to provide regulatory compliance services for its premises on 20 May 2012 and has provided such services at the Hotel since December 2013. During that time, he has assisted the Hotel in its RSG obligations through the conduct of 3-monthly audits to ensure regulatory compliance, the facilitation of regular staff training and the coordination of staff problem gambling self-assessments. Mr Barrett gave evidence that he has not witnessed, nor is he aware of, any non-compliance with the Hotel's RSG obligations and considers the Hotel has robust and effective procedures in place to deal with instances of problem gambling.
50. Mr Barrett told the Commission that, in his opinion, the Hotel's RSG policy exceeds minimum requirements, pointing to the Hotel's good corporate governance practices and its regular consultation and staff training with Gambler's Help Eastern.



51. Mr Barrett stated that the proposed renovations would lessen the Hotel's focus on gambling and act as a protective factor against potential problem gambling as it would:
- (a) improve the current layout so that patrons would enter non-gaming areas of the Hotel before reaching the gaming lounge, thereby requiring a patron to make a conscious decision to enter the gaming lounge; and
 - (b) broaden the recreational offerings at the Hotel through increasing the size of the bistro, establishing an informal lounge area, use of external areas and diversifying the dining environments at the Hotel for both family groups and couples and young professionals.
52. Mr Barrett gave evidence that he had been involved in the design of the renovations and the Applicant had shown a willingness to accept his recommendations (such as eliminating entrances directly into the gaming lounge and including barriers to prevent direct line of sight into the gaming room) to avoid potential gaming issues. While he acknowledged that it would be difficult for an employee in the cashier station to directly monitor the entrances into the gaming lounge from the sports bar, Mr Barrett told the Commission that electronic surveillance through CCTV would allow all entrances into, and activity in, the gaming room to be monitored.
53. At the hearing, Mr Barrett provided a further recommendation that all front of house staff at the Hotel (not just gaming and TAB staff) should hold RSG certificates to provide additional patron care at the Hotel. The Applicant indicated, through Counsel, that it would be willing to implement this recommendation.
54. Mr Barrett accepted that there is a risk of gaming staff developing gambling problems, but stated that this risk was addressed by the Applicant prohibiting gaming staff from gambling at any premises operated by MRCi.
55. Mr Barrett accepted there were a number of factors at the Hotel that raised the risk profile for problem gambling, such as its status as a hotel rather than a club, the number of EGMs available and the hours of operation in the gaming room. However, Mr Barrett told the Commission that:
- (a) there is no evidence that an increase in the physical size of a gaming room had any impact on the risk of problem gambling at a venue;
 - (b) accessibility to gambling at the Hotel would not be significantly affected by the addition of 10 EGMs given the current lack of EGM peak utilisation; and
 - (c) the provision of meals and snacks in the gaming room was beneficial as it provided further



opportunity for staff to interact with patrons.

56. Overall, Mr Barrett considered the Applicant had strong and effective RSG policies and procedures in place and the likely impact of the approval of the application on the level of problem gambling within Maroondah would be minimal.

Expenditure Assessment – PVS Australia Pty Ltd

57. The Applicant engaged PVS Australia Pty Ltd to provide an estimate of the expenditure that would be generated by an additional 10 EGMs at the Hotel (from 95 to 105 EGMs). Mr Richard Whitehouse, Director of PVS Australia, gave evidence at the hearing of the application based on the outputs of the Geotech Model.

58. Mr Whitehouse gave evidence that, given the recent increase of EGMs at the Hotel from 91 to 95, the calculation of estimated increase in expenditure required a staged process, namely:

- (a) the Model was run based on an increase from 91 to 95 EGMs with no change in facility score;
- (b) the Model was then run a second time based on an increase from 91 to 105 EGMs with an amended facility score taking into account the additional EGMs and proposed redevelopment; and
- (c) the estimated increase in expenditure was calculated by subtracting the first estimate from the second estimate.

59. Following the above process, Mr Whitehouse estimated that:

- (a) an additional 10 EGMs at the Hotel would result in increased expenditure of \$1,423,479 per annum;
- (b) of this expenditure, approximately 66.5% would be transferred from other venues in the Hotel's local network (which covers both Maroondah and the neighbouring LGAs of Manningham, Whitehorse, Knox and Yarra Ranges); and
- (c) after taking into account new expenditure and expenditure transferred from gaming venues within Maroondah and neighbouring LGAs, gaming expenditure in Maroondah would rise by \$574,085 in the first 12 months of operation (an increase of 0.92% of the total gaming expenditure within Maroondah for the year ending June 2014).

60. Mr Whitehouse noted that it would be highly unlikely for the actual results at the Hotel to exceed



the predicted figures in light of further increases of EGMs in the surrounding area (reintroduction of EGMs at The International in May 2014 and the increase of EGMs at Daisy's Club Hotel) and the potential overstatement of the impact of the redevelopment on the attractiveness of the Hotel. Despite this, Mr Whitehouse considered that the predicted increase in gaming expenditure was reasonable.

61. Mr Whitehouse also told the Commission that Maroondah is an "importer" of gaming expenditure, meaning that venues within Maroondah brought into the municipality more expenditure from neighbouring LGAs than venues in those LGAs receipted from Maroondah residents. This was demonstrated through a series of maps showing the trade areas of three venues within Maroondah and three venues in neighbouring LGAs and the extent that the trade areas extended into each LGA. Mr Whitehouse submitted that this should be taken into account when considering the above average gaming expenditure for Maroondah. This evidence was later confirmed by Mr Whitehouse in a letter to the Commission dated 27 January 2015.

Social and Economic Assessment - Ratio

62. The Applicant engaged Ratio to prepare a social and economic impact statement to accompany the application. Ms Colleen Peterson, Managing Director of Ratio, prepared the Social and Economic Impact Statement and gave evidence at the hearing of the application. In addition to the initial statement, Ms Peterson prepared an addendum report responding to issues raised in the Council's submissions. The Commission accepts that Ms Peterson is qualified to give expert opinion on the likely social and economic impacts of the application.
63. Ms Peterson assessed the local area around the Hotel as being of a mixed socio-economic profile with indices both above and below the Greater Melbourne average. With reference to SEIFA scores, she noted that a majority of the surrounding area placed in the 7th decile or above, while there were four small pockets exhibiting increased signs of disadvantage (i.e. in the bottom 20%) in the immediately surrounding area of the Hotel.
64. Ms Peterson gave evidence that the redevelopment of the Hotel would result in a greater emphasis on non-gaming options at the Hotel by way of:
 - (a) the increase in the size of the bistro (both interior and exterior) and diversifying the food offering to cater for both family groups and couples and young professionals;
 - (b) the decrease in the overall size of the sports bar and TAB; and
 - (c) the introduction of a community/function room.



65. Although the size of the gaming room was actually increasing, Ms Peterson stated that this increase would provide greater passive surveillance by gaming staff due to increased space between banks of EGMs, reducing the level of anonymity for patrons.
66. Ms Peterson told the Commission that the redevelopment of the Hotel was expected to create an additional 15 EFT positions across the Hotel, including three gaming staff. The proposed redevelopment was also expected to provide short term employment for subcontractors during the construction phase of the redevelopment.
67. Ms Peterson referred to patron surveys conducted in the gaming room at the Hotel to identify patron origins and noted that, while a majority of patrons were from within Maroondah (with 30.6% of patrons from the suburb of Croydon), there was also a strong representation of patrons from neighbouring LGAs (predominately Yarra Ranges and Manningham).
68. In terms of EGM provision and expenditure, Ms Peterson told the Commission that there are 10 venues within Maroondah with a total of 718 attached EGMs and 770 licensed EGMs. Ms Peterson gave evidence that:
- (a) the EGM density within Maroondah was 8.27 EGMs per 1,000 adults, which is considerably higher than the Metro (5.48) and State (5.75) averages, and noted that, if the application was approved, this would marginally increase to 8.43 EGMs per 1,000 adults; and
 - (b) gaming expenditure in Maroondah per adult was \$718, which is higher than the Metro (\$574) and State (\$544) averages, but noted that a number of venues (e.g. Club Kilsyth and the Manhattan Hotel) were located close to the boundary of neighbouring LGAs and it was likely that a proportion of that expenditure was contributed by non-Maroondah residents.
69. Ms Peterson gave evidence that the patron survey indicated that there were no periods of peak utilisation of EGMs (i.e. greater than 70%) over the survey period. She told the Commission that this situation, along with the below average NMR of \$294 (compared to the Metro average of \$365), indicated that problem gambling was not a significant issue at the Hotel.
70. Ms Peterson considered the economic benefits of the application would include the increase in gaming expenditure, the redevelopment construction costs of \$4 million³, complimentary expenditure of \$1.01 million, additional community contributions of \$15,000 per annum and the

³ Being the difference between the proposed redevelopment of \$6 million and the alternate cosmetic renovations estimated at \$2 million in the event of an unsuccessful application.



additional employment opportunities at the Hotel. However, she noted that reduced weight could be placed on the increase in gaming expenditure (due to a proportion of that expenditure coming from problem gamblers or transferred from other venues) and additional employment opportunities (due to the uncertainty that positions will be sourced from the local community and the potential decrease in employment elsewhere).

71. Ms Peterson considered the application would bring social benefits to Maroondah due to the provision of improved facilities at the Hotel for the community (including the community/function room), the increased accessibility and variety in EGMs for gaming patrons and the additional employment opportunities at the Hotel.
72. Ms Peterson noted that the most significant negative social impact of the application was the risk of an increase to problem gambling. She stated that, in her opinion, there was unlikely to be any significant change to levels of problem gambling at the Hotel if the application were approved for the following reasons:
- (a) the Hotel is a destination venue and is generally separated from retail facilities;
 - (b) the Hotel offers a diverse range of entrainment options to its patrons (which would be further enhanced through the proposed redevelopment), resulting in gaming becoming an ancillary element of the Hotel's operation;
 - (c) the addition of extra EGMs at an existing venue with no peak utilisation would not change accessibility to EGMs at the Hotel;
 - (d) there is a relative lack of disadvantage in the area immediately surrounding the Hotel, with the most disadvantaged areas being on the periphery of the 2.5km radius and closer to another large gaming venue;
 - (e) on the basis that there is an underrepresentation of persons aged 65 years and older among problem gamblers, the Hotel's proximity to a retirement village is not likely to create any significant increase in risk to those residents;
 - (f) the RSG practices employed by the Applicant and the involvement of Leigh Barrett & Associates to assist the Hotel with the management and operation of the gaming room; and
 - (g) the Applicant (and the Group) has successfully operated EGMs for some time and demonstrated its ability to monitor and manage problem gambling behaviour.



73. As a result, Ms Peterson concluded that the risk of increased problem gambling as a direct result of the approval of the application was likely to be low.
74. Based on an analysis of the social and economic profile of the municipality and the anticipated benefits and detriments of the application, Ms Peterson concluded that an additional 10 EGMs at the Hotel would not produce a net detriment result on the Maroondah community and should be granted by the Commission.
75. In relation to the Council's social impact statement, Ms Peterson referred to her addendum report dated January 2015 and the Victorian Responsible Gambling Foundation publication titled "The Victorian Gambling Study: A Longitudinal Study of Gambling and Health in Victoria 2008-2012" (**Longitudinal Study**) and made the following comments:
- (a) the Longitudinal Study found that:
 - (i) indicators with higher representation among problem gamblers were indigenous persons, sales workers, machinery drivers/operators, labourers, individuals with incomes between \$31,200 and \$51,999 and households with incomes between \$65,000 and 103,999;
 - (ii) indicators with lower representation among problem gamblers were persons aged 65 years or older, professionals, technicians, clerical/administrative staff, personal income less than \$31,199, household income under \$33,799 and persons migrated to Australia in the past five years; and
 - (iii) factors considered indeterminate to the incidence of problem gambling included single parent families, people with low educational attainment and persons speaking a language other than English at home;
 - (b) analysis of the above factors confirmed that the primary (i.e. Croydon) and secondary (i.e. surrounding suburbs) patron catchment of the Hotel displayed a mixed social-economic profile;
 - (c) residents of Maroondah are not particularly vulnerable to problem gambling on the basis that:
 - (i) the above average EGM density and expenditure figures cannot, in isolation, be used to demonstrate a community's vulnerability to problem gambling, as the socio-economic profile of Maroondah (e.g. strong SEIFA scores, average unemployment, above-average household income) indicates that it is better placed to absorb a



higher concentration of EGMs than more disadvantaged areas;

- (ii) while categorised within the Eastern Metro high EGM spend band, Maroondah recorded a prevalence of 0.41% of adults surveyed as problem gamblers, being well below the Victorian average of 0.70%;⁴
- (d) the additional EGMs will have little impact on increased accessibility for problem gamblers given the current, relatively low, levels of utilisation at the Hotel;
- (e) the Council's assertion that certain groups are at risk of problem gambling (e.g. older adults, people born in China, unemployed, technicians/trades workers and people with low educational attainment) are either refuted or not supported by the Longitudinal Study;
- (f) the Council's social assessment focused on the overall risk associated with EGMs rather than the **additional risk** resulting from approval of the application, which is assessed as marginal given:
 - (i) the current operation of 95 EGMs at the venue, reducing the impact on accessibility;
 - (ii) the additional 10 EGMs will not fundamentally change the gaming offer at the Hotel;
 - (iii) the removal of the Hotel from day-to-day retail zones; and
 - (iv) the modest NMR and utilisation which indicates that problem gambling is not a significant issue at the Hotel;
- (g) it is inappropriate to directly apply the Productivity Commission's figure of 40% expenditure from problem gamblers to a particular venue as it does not take into account the individual attributes and circumstances of that venue;
- (h) in its overall consideration of the impact of the application, the Council's social assessment has over-emphasised the potential risk to problem gambling and downplayed the benefit to the community attached to the proposed redevelopment of the Hotel;
- (i) little weight should be given to the submissions by Women's Health East and the Shire of Yarra Ranges as there are significant limitations to the research relied on in those submissions (such as sample size, applicability of findings to a Victorian context and the currency of research conducted); and
- (j) to the extent they are of assistance to decision-makers (i.e. excluding non-discretionary

⁴ Department of Justice, 'Problem Gambling from a Public Health Perspective', September 2009, p 61



factors), the application broadly complies with Council's Gaming Policy and Statement of Practice, as well as the Council's Community Wellbeing Plan.

76. Under cross-examination, Ms Peterson acknowledged that high EGM density, the number of EGMs at the venue and extended operating hours (particularly between 1am and 4am) were factors that could lead to an increase in problem gambling at a venue. Ms Peterson told the Commission that each of the relevant factors needed to be considered cumulatively to determine the overall impact of an application on the risk of problem gambling.
77. Ms Peterson also agreed that there was no proposal, as part of the application, for a proportion of the community contributions to be applied to bodies concerned with alleviating the effects of problem gambling. However, she noted that, not only there was only a modest level of contributions proposed in this case, but most problem gambling counselling services won't accept donations directly from gaming venues. While some councils had established problem gambling funds within their municipality, Ms Peterson was unaware of such a fund being established within Maroondah.

THE COUNCIL'S SUBMISSION

78. In opposition to the application, the Council filed a Social Impact Assessment Report prepared by Symplan. Ms Bonnie Rosen, principal director of Symplan, authored the report and gave evidence at the hearing of the application.
79. Ms Rosen has over 25 years experience in urban and social planning and advised the Commission that, although she is not qualified to give expert opinion on economic matters, she is able to comment on some aspects of economic issues to the extent they relate to social impacts.
80. Ms Rosen gave evidence that the approval of the application would be detrimental to the wellbeing of the Maroondah community, primarily as it would result in an increase in the risk of problem gambling in Maroondah and surrounding municipalities. Ms Rosen told the Commission that this potential increase in problem gambling outweighed the benefits of the application. Ms Rosen considered that:
 - (a) the community of Maroondah displays high levels of vulnerability to problem gambling through its high EGM density, high EGM expenditure and various characteristics of its socio-economic profile that increase the risk of problem gambling (such as an above average number of persons with mid-range personal and household incomes, technicians, people with low educational attainment, single person households and persons older than



- 65 years);
- (b) the Hotel exhibits attributes that make it more susceptible to problem gambling, such as the high number of EGMs, the large floor area of the gaming room, the operation as a hotel rather than a club, high expenditure per EGM, extended operating hours, incentives to participate in gaming through loyalty schemes and poor physical surveillance within the gaming room;
 - (c) the addition of 10 EGMs would make the Hotel the largest venue in Maroondah with the maximum permissible number of EGMs for a venue in Victoria (105), although this is unlikely to have a significant impact on accessibility of EGMs at the Hotel;
 - (d) the amount of EGM expenditure at venues within Maroondah derived from non-Maroondah residents ('leakage in') is likely to be similar to the amount of EGM expenditure at venues in neighbouring municipalities derived from Maroondah residents ('leakage out');
 - (e) the classification of Maroondah within the Eastern Metro Region high spend band indicates a likelihood of a relatively high incidence of problem gambling in the municipality;
 - (f) new patrons using non-gaming facilities at the Hotel and the three additional staff to be employed in the gaming room will be at a higher risk of problem gambling through increased exposure to gaming at the Hotel;
 - (g) the proximity of an aged care facility increases the risk of problem gambling to that vulnerable group (being person aged 65 and older);
 - (h) the proposed community contributions will not address the harms associated with problem gambling, or support groups for problem gamblers due to the tendency of problem gamblers to be socially isolated;
 - (i) while likely to reduce access and exposure of the gaming room and result in a significant improvement to existing facilities, the proposed redevelopment will:
 - (i) increase the proportion of gambling floor space dedicated to higher-risk gambling (i.e. the gaming room) compared with lower-risk gambling (i.e. sports bar and TAB);
 - (ii) not diversify the range of recreational, social or leisure offerings at the Hotel;
 - (iii) result in any offering that is not already available at other venues within Maroondah;and



- (j) compliance with RSG obligations is not a social benefit, and there is no evidence that venue-specific RSG measures are effective in lessening the risk of problem gambling; and
- (k) the application is inconsistent with aspects of the Council's strategic policy framework and does not address community concern with the existing prevalence and impacts of problem gambling.

81. During oral submissions, Ms Rosen told the Commission that she had placed "great weight" on the qualitative and anecdotal information she had received through her research into problem gambling. She also confirmed that, to the extent of any inconsistency between such anecdotal information and the findings of the Longitudinal Study (e.g. whether older people and people with low educational attainment are at a lower or higher risk of problem gambling), she preferred, and gave greater weight to, the findings of her anecdotal research. She told the Commission that she considered the anecdotal information to be more reliable as:

- (a) it had been sought from people dealing directly with a large number of problem gamblers;
- (b) there is supporting research and resources demonstrating that older people and people with low educational attainment are at a higher risk; and
- (c) the Longitudinal Study was based on survey responses from the public and the Productivity Commission found that only 33% of people answer surveys honestly.

82. Under cross-examination, Counsel for the Applicant put to Ms Rosen that the documents she relied on to ground her findings that older people were a vulnerable group to problem gambling did not contain or refer to any actual empirical evidence to support that position. By way of example, the document titled "Betting on Older Adults, a Problem Gambling Prevention Clinical Manual for Service Providers" was a guide for medical service providers when communicating with elderly problem gamblers and made no mention of elderly persons being more vulnerable to problem gambling than any other group in the community. Ms Rosen told the Commission that, although the documents were not themselves pieces of research, the fact that they had existed indicated that there was an issue of problem gambling within the older community.

83. Counsel for the Applicant also put to Ms Rosen that she was not qualified to give expert evidence in relation to the economic impacts of the application. Ms Rosen told the Commission that she had relevant experience in assessing the social impact of the economic changes in Maroondah as a result of the approval of the application. While conceding that a previously constituted Commission had found that she was not qualified to make findings on even that limited basis, Ms Rosen submitted that it is ultimately for this Commission to determine the



weight to give her evidence.

LIKELY ECONOMIC IMPACT OF APPROVAL

84. There is often a large degree of overlap between economic and social impacts of applications to operate EGMs. The Commission considers it useful for the purpose of balancing community benefits and detriments that a thorough analysis and identification of the economic and social impact on the community be undertaken.
85. The Commission accepts that approval of this application is likely to result in an increase in gaming expenditure at the Hotel of \$1,423,479 over the first 12 months, consisting of \$477,105 new expenditure and \$946,374 transferred expenditure from other gaming venues. The Commission finds that the portion of the new expenditure not attributed to problem gambling is an economic benefit, however notes the risk that a proportion of this economic benefit will be transferred out of the municipality through the operation of the joint venture with CRV, as well as within the Group more generally.
86. The Commission considers that the proposed redevelopment of the Hotel will offer a marginal economic benefit to the community. The Commission finds that the construction costs directly attributable to this application is limited to \$4 million, and considers that only a small portion of that amount will flow to the local community through local construction and supply contracts.
87. The Commission considers that community contributions of \$15,000 per annum and in-kind contributions arising from priority access to the proposed community/function room are an economic benefit to the community (albeit not significant).
88. Employment impacts are traditionally viewed (e.g. by the Productivity Commission) as transfers and based on the level of anticipated transferred expenditure, the Commission considers it likely that a mixture of new and transferred staff positions will be created. The Commission also notes that there is no guarantee that new employment opportunities (including any short term employment during the construction phase) would be filled by local residents, thereby further reducing the potential likely benefits for the Maroondah community. As a result, the Commission considers the proposed increase in employment at the Hotel to be a slight economic benefit.
89. Overall, the Commission considers that there will be a marginal positive economic impact on the Maroondah community if the application were to be approved.



LIKELY SOCIAL IMPACT OF APPROVAL

90. 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 there is potential for negative social costs through possible increased problem gambling expenditure.
91. The Commission accepts the evidence of the Council that the Hotel exhibits a number of factors that may increase the risk of problem gambling, such as being a large venue, operating as a hotel rather than a club and the extended operating hours of the gaming room. However, it is not the Commission's role to determine the overall impact of the Hotel on the risk of problem gambling, but rather to determine the impact of **this application** on that risk. As such, the Commission finds that the application will not directly change any of the above factors, and although the introduction of 10 EGMs into a venue exhibiting such features is likely to have more impact than at a less risky venue, the impact on the risk of problem gambling at the Hotel is considered to be minimal.
92. The Commission also accepts that, although the physical size of the gaming room is increasing, the impact of this change is mitigated by other aspects of the proposed redevelopment, such as the relocation, the lower visibility of the new gaming room to patrons entering the Hotel and the overall decrease in the floor space dedicated to gaming offerings.
93. In relation to the vulnerability of the municipality, the Commission finds that Maroondah has very high EGM density and EGM expenditure per adult (when compared to the metropolitan and State averages) and accepts the Council's evidence that these are indicators of vulnerability towards problem gambling.
94. While the Commission accepts that the high EGM expenditure in Maroondah may be impacted by a number of Maroondah venues drawing patrons from outside the municipality, there remains uncertainty as to the degree that this impacts on total EGM expenditure within Maroondah. The Commission notes the evidence of Mr Whitehouse that Maroondah is an "importer of gambling revenue", however gives that evidence less weight given that not all venues within and proximate to Maroondah were analysed by Mr Whitehouse and his evidence at paragraph 35 of his report that "[i]t is not possible for the model to identify the specific area that would contribute the new expenditure within the trade area itself, or the relative quantities and new expenditure generated by each area".
95. Even if the Commission were to accept Mr Whitehouse's evidence, the overall EGM expenditure for Maroondah would remain at a relatively high level compared to metropolitan and State



averages. Consequently, the Commission does not accept that this aspect reduces the significance of this indicator to any great extent and considers that the very high EGM density and EGM expenditure per adult within Maroondah suggests that the local community is likely to be more vulnerable to problem gambling.

96. The Commission finds that Maroondah is characterised by a mixed socio-economic profile with indicators both above and below the metropolitan averages. In relation to the identification of vulnerable groups within the community, the Commission prefers the evidence of Ms Peterson and the evidence presented from the Longitudinal Study. The Commission does not accept Ms Rosen's evidence in relation to certain groups being classed as vulnerable, including persons aged over 65 years, technicians and persons with low educational attainment. As a result, the Commission finds that the trade area of the Hotel shows only limited signs of relative disadvantage and, on balance, few characteristics of problem gambling.
97. Overall, taking into account the very high EGM density and EGM expenditure per adult together with the socio-economic profile of the municipality, the Commission finds that Maroondah does not present as particularly vulnerable to problem gambling. Consequently, the Commission agrees with the comments of Morris J in the Club Ringwood decision⁵ that Maroondah does not appear to have an excessive number of gaming machines or that Maroondah residents spend an excessive amount on gaming.
98. The Commission also considers that the risk of an increase to problem gambling as a result of this application being approved is limited by the already high accessibility to EGMs and low NMR at the Hotel. The risk is further reduced as the Applicant, as part of the Group, is an experienced venue operator with an appropriate attitude towards harm minimisation and RSG strategies. The Applicant has adopted best practice with a number of protective factors being introduced to minimise the impact of problem gambling at the Hotel.
99. In conclusion, the Commission is satisfied that the potential for an increase in problem gambling is low.
100. The Commission finds that the proposed redevelopment will result in a substantially updated venue with a decreased emphasis and reliance on its gaming operations. The Commission accepts the Applicant's evidence that the redevelopment will result in a diversification of entertainment and recreational offerings at the Hotel through the improvement of its food and beverage offer and the introduction of distinct spaces for family groups and couples and young

⁵ *Kilsyth and Mountain District Basketball Association Inc v Victorian Commission for Gambling Regulation (Occupational and Business Regulation)* [2007] VCAT 2 (11 January 2007), [64].



professionals. The proposed relocation and layout of the gaming room will also reduce its visibility within the Hotel, which the Commission considers to be an additional social benefit of this application.

101. The Commission finds that the increased number of EGMs at the Hotel will better serve the needs of gaming patrons through providing a wider variety of EGMs from which to choose. However, given the current number of EGMs and utilisation rates at the Hotel, the Commission considers this to be a negligible social benefit.
102. The Commission finds that some social benefit will result from the community room proposed by the Applicant but considers the benefit to be constrained having regard to the limited time during which the community will be given priority access to the rooms and the availability of similar facilities at nearby venues within Maroondah.
103. In relation to proposed community contributions, the Commission considers the level of community contributions and the impact on local community organisations to be a small social benefit. The Commission notes that, while the Applicant has not proposed that any part of the community contributions be available to bodies concerned with problem gambling, the proposed method of distribution would not preclude such an outcome.
104. After considering the social benefits of the proposal and balanced against the detriments, the Commission considers that, on balance, the likely social impact of the proposal will be neutral.

CONCLUSION

105. The no net detriment test in section 3.4.20(1)(c) of the Act 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 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.⁶
106. After consideration of the material put forward by both the Applicant and the Council, the Commission has concluded that the social and economic impacts of the proposal are likely to be marginally positive.
107. 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 act in accordance with its obligations to, so far as is reasonable, take measures to

⁶ *Macedon Ranges Shire Council v Romsey Hotel Pty Ltd & Anor* (2008) 19 VR 422, 435.



prevent problem gambling. Accordingly, the Commission is satisfied that it should exercise its discretion to approve the application.

108. The Commission was provided with draft conditions that the Applicant would be willing to accept should the application be approved. The Commission considers it necessary to impose conditions in this case given the temporal disconnect between the immediate detriments of this application and the future benefits from the Hotel's proposed redevelopment, as well as the potential for certain economic benefits of the application being derived by the Group, rather than the local community. The conditions are as follows:

1. Community Contributions

- (a) The operator of the premises (**the Venue Operator**) must:
 - (i) establish the Croydon Hotel Community Fund (**the Fund**);
 - (ii) make cash contributions in the amount of \$15,000 (indexed each year by CPI all groups Melbourne) (**the Contribution**) from the commencement of the operation of the 10 additional electronic gaming machines (**EGMs**) at the Hotel until 15 August 2022;
 - (iii) allocate the Contribution each year to not-for-profit community groups and sporting organisations providing services and facilities to residents in the City of Maroondah.
- (b) The distribution of the Contribution in accordance with Condition 1(a) above is to be determined by a committee established by the Venue Operator (**the Committee**) comprising:
 - (i) two representatives of the Venue Operator; and
 - (ii) one representative of Council or, if Council is unwilling or fails to nominate a representative, a community representative nominated by the Venue Operator.
- (c) The Committee must advertise annually in a newspaper circulating in the City of Maroondah for submissions from not-for-profit community and sporting organisations providing services and facilities to residents in the City of Maroondah, regarding the distribution of the Contribution from the Fund. The Committee will assess requests for cash contributions in accordance with guidelines to be established by the Committee.



2. Works

- (a) The works (as defined in Condition 2(b)) must be substantially completed to the satisfaction of the Victorian Commission for Gambling and Liquor Regulation (**the Commission**) by the date that is nine (9) months after the commencement of the operation of any of the additional 10 EGMs the subject of this approval (**the Additional EGMs**) at the Premises.
- (b) For the purposes of this Condition, **the Works** must be:
 - (i) generally in accordance with the floor plan of the Premises prepared by Round 6 drawing no. DD20.03 Revision J of April 2014; and
 - (ii) authorised under permit application no. M/2014/904.
- (c) If the Works referred to in Condition 2(b) are not substantially completed by the date specified in Condition 2(a) the approval to operate the Additional EGMs at the Premises will lapse and the maximum number of EGMs that may be operated at the Premises will revert to 95.
- (d) The Commission may, in its absolute discretion, upon the request of the Venue Operator, agree to extend the time specified in Condition 2(a). The request must be made no later than the date that is eight (8) months after the commencement of the operation of any of the Additional EGMs. Any request for an extension of time must include an explanation as to why the Works have not been substantially completed.

The preceding paragraphs are a true copy of the Reasons for Decision of Miss Gail Owen, Deputy Chairman and Mr Robert Kerr, Commissioner