



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 Richmond Football Club Limited for amendment of its venue operator's licence to vary the number of electronic gaming machines at the approved premises, the Wantirna Club, located at 250 Stud Road, Wantirna, from eighty-seven (87) to ninety-seven (97).

Commission:

Dr Bruce Cohen, Chair
Miss Gail Owen, Deputy Chair

Appearances:

Ms Sarah Porritt of Counsel for the Applicant (instructed by Bazzani Scully Priddle)

Mr Justin Ghattas as Counsel Assisting the Commission

Date of Hearing:

18 June 2015

Date of Decision:

24 July 2015

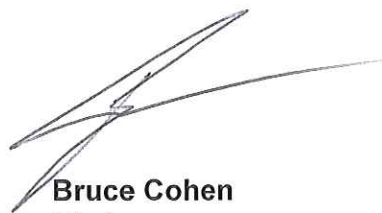
Date of Reasons:

24 July 2015

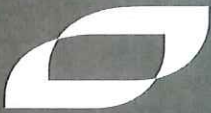
Decision:

The application is granted subject to the conditions outlined at Paragraph 107 of these Reasons for Decision.

Signed:



Bruce Cohen
Chair



REASONS FOR DECISION

INTRODUCTION

1. This is an application by Richmond Football Club Limited (**the Applicant**) to the Victorian Commission for Gambling and Liquor Regulation (**the Commission**) for amendment of its venue operator's licence to vary the number of electronic gaming machines (**EGMs**) operating at the Wantirna Club, 350 Stud Road, Wantirna (**the Premises**), from 87 to 97 (**Application**).
2. The Premises is located in the City of Knox (**Knox**) and the relevant municipal authority is the Knox City Council (**the Council**). By letter dated 25 May 2015 to the Commission, the Council indicated that it did not oppose the Application. On that basis, the Council did not make a submission or appear at the hearing of the Application.

THE LEGISLATION AND THE TASK BEFORE THE COMMISSION

3. 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.
4. The objectives of the Act are set out in s 1.1, which provides, inter alia:

...

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

- (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.*

5. Chapter 3 of the Act deals with the regulation of gaming machines. Section 3.1.1 of the 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.*

6. The relevant provision concerning this particular Application is to be found in s. 3.4.17(1)(b) of the Act, which provides:

- (1) *The conditions of a venue operator's licence including—*
- (a) *...*
 - (b) *variation of the number of gaming machines permitted in an approved venue;*
 - (c) *...*
 - (d) *...*
- may be amended in accordance with this Division.*

7. Section 3.4.20 sets out matters that are for consideration before the Commission with respect to a proposed amendment. Relevantly for this Application that section provides, inter alia:

- (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 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;*
- ...

8. Paragraph 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.¹
9. The Act does not specify the matters which the Commission must consider in deciding whether this '*no net detriment*' test is satisfied. However, the statutory signposts are provided by the test itself. The Commission must consider:
- the likely economic impacts of approval;
 - the likely social impacts of approval; and
 - the net effect of those impacts on the well-being of the relevant community.²
10. As such, the '*no net detriment*' test is a composite test requiring consideration of a single net impact in economic and social terms on well-being of the community.³ 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.
11. 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 consequences, and vice versa.⁴ On review, decisions in the Victorian Civil and Administrative

¹ *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [52] per Dwyer DP.

² *Macedon Ranges Shire Council v Romsey Hotel Pty Ltd* (2008) 19 VR 422, [42]-[43] per Warren CJ, Maxwell P and Osborn AJA.

³ *Romsey Hotel Pty Ltd v Victorian Commission for Gambling Regulation (Romsey #2)* [2009] VCAT 2275, [332], [348] per Bell J cited in *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [58] per Dwyer DP.

⁴ *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [57] per Dwyer DP.



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.⁵

12. The Commission also notes that on review, it has been indicated by VCAT that:

*A table of likely economic and social benefits and disbenefits, and with some comments relevant to the relative weight to be given to particular factors ... is a useful way of transparently dealing with the 'no net detriment' test, and might perhaps be considered for wider application.*⁶

This approach has been adopted in a number of VCAT decisions.⁷ To facilitate greater consistency between the Commission and VCAT, the Commission has adopted the same approach in this instance.

13. If the Commission is not satisfied that the '*no net detriment*' test is met, that is clearly fatal to the application given the opening words of s 3.4.20(1) of the Act. The test is a mandatory precondition to approval. However, although s 3.4.20(1) sets out certain mandatory considerations for the Commission, the provision is not cast in exhaustive terms. 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.⁸ The Commission must decide whether to make the proposed amendment, with or without any changes from that proposed by the Applicant, even where there applicant has satisfied the minimum threshold of the '*no net detriment*' test.⁹

14. In considering the exercise of this discretion:

- it must be exercised having regard to the purposes of the Act and, in particular, the specific purposes of Chapter 3 of the Act dealing with the regulation, supervision and control of gaming machines;¹⁰ and

⁵ See *Romsey Hotel Pty Ltd v Victorian Commission for Gambling Regulation (Romsey #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.

⁶ *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [60] per Dwyer DP.

⁷ See, for example: *Darebin CC v Victorian Commission for Gambling and Liquor Regulation & Anor* [2013] VCAT 1389; *Melbourne CC v Kingfish Victoria Pty Ltd & Anor* [2013] VCAT 1130; *Monash CC v L'Unico Pty Ltd* [2013] VCAT 1545; *Bakers Arms Hotel Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2014] VCAT 1192.

⁸ 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 s. 3.3.7).

⁹ *Gambling Regulation Act 2003*, section 3.4.20(2).

¹⁰ *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [98] per Dwyer DP.



- it may also be influenced by other factors such as broad policy considerations drawn from the content and objectives of the Act as a whole.¹¹

15. The Commission agrees with the comments of Deputy President Dwyer in *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors*¹² that if all of the mandatory considerations under the 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.

MATERIAL BEFORE THE COMMISSION

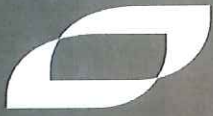
16. The Applicant provided the Commission with the following material in support of its Application:

- (a) Social and Economic Impact Assessment, prepared by Urbis Pty Ltd (**Urbis**), dated April 2015;
- (b) Expenditure Report, prepared by ShineWing Australia Pty Ltd (**ShineWing**), dated 2 April 2015;
- (c) Witness Statement of Michael Francis Stahl, Chief Operating Officer and Company Secretary of the Applicant, dated April 2015;
- (d) Witness Statement of Kevin William McMaster, General Manager of the Premises, dated April 2015;
- (e) Witness Statement of Sharon Cassidy, Gaming Attendant at the Premises, dated April 2015; and
- (f) a letter dated 16 June 2015 from the Applicant confirming that Michal Francis Stahl had been authorised by the Board of the Applicant to give evidence to the Commission and to represent the Applicant in all respects before the Commission.

17. The following material, prepared by Commission officers, was provided to the Applicant and considered by the Commission:

- (a) a report titled *Economic and Social Impact Report*, dated June 2015; and

¹¹ *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 *Macedon Ranges Shire Council v Romsey Hotel Pty Ltd* (2008) 19 VR 422, [7] per Warren CJ, Maxwell P and Osborn AJA.



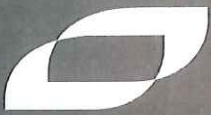
- (b) a report titled *Pre-Hearing Inspection and Compliance Report*, dated 16 June 2015.

CITY OF KNOX AND THE WANTIRNA CLUB

18. The Premises is located close to the intersection of Stud Road (a major arterial road) and the Burwood Highway, which provides access to the Premises from surrounding suburbs such as Scoresby, Knoxfield and Vermont. The area has a variety of land uses, including a school, university, police station, aged care facility, Council premises, and a large retail shopping precinct at the Westfield Knox complex.
19. The Premises currently comprises –
- (a) 120 seat bistro area with additional alfresco seating;
 - (b) lounge bar;
 - (c) function rooms; and
 - (d) gaming room with 87 EGMs.
20. Knox is a metropolitan Local Government Area (**LGA**) located approximately 30 kilometres east of the City of Melbourne, and covers approximately 114 square kilometres. Major centres within Knox include Ferntree Gully, Boronia and Rowville. Knox has an estimated adult population of 122,085 and the annual rate of population growth was projected by the then Victorian Department of Transport, Planning and Local Infrastructure to be 0.4% for the period 2011 to 2016, as compared with the Victorian average of 1.81%.
21. Knox is subject to a municipal limit of 1,173 EGMs.¹³ Currently, there are 11 gaming venues within the municipality with approvals to operate a total of 851 EGMs. However, the number of EGMs actually in operation in these venues, as opposed to the number permitted to be operated, is 763 EGMs. The Commission is satisfied in accordance with s.3.4.20(1)(b) that approval of this Application would increase the number of licensed EGMs within Knox to 861 and, as a result, the municipal limit would not be exceeded.
22. Knox has an EGM density of 6.25 EGMs per 1000 adults, which is 13.4% higher than the metropolitan average (5.51) and 7.4% higher than the State average (5.82). This ranks Knox as the 12th highest of 31 metropolitan municipalities in terms of EGM density per 1000 adults. If the

¹² [2013] VCAT 101, [98].

¹³ 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.



Application is approved, this would rise by 1.3% to 6.33 EGMs per 1000 adults.

23. Knox has an average gaming expenditure of \$608 per adult, which is 6.2% higher than the metropolitan average (\$572) and 10.7% higher than the State average (\$549). Applying the estimate of increased gaming expenditure as received from the Applicant, approval of this Application would result in an increase in average gaming expenditure per adult of 0.05%. Overall gaming expenditure within Knox has decreased by 18.37% in real terms over the past five years, which is a greater decrease than the metropolitan average of 8.96% in real terms over the past five years.
24. In relation to the area immediately surrounding the Premises (i.e. within 2.5km), less than 10% of SA1s¹⁴ within 2.5km of the Premises are in the two most disadvantaged quintiles of the SEIFA¹⁵ index of relative socio-economic disadvantage scores, with over 60% of SA1s being in the fourth or fifth quintiles.
25. The unemployment rate in Knox is 5.72%, which is below the metropolitan unemployment rate of 6.68%. Unemployment in Knox has increased from 4.82% to 5.72% over the past 12 months.

APPLICANT WITNESSES AND SUBMISSIONS

Mr Michael Francis Stahl

26. Mr Stahl provided oral evidence to the Commission about the operation and financial position of the Premises. Mr Stahl stated that the Premises had only recently become a profitable venture for the Applicant, and almost entirely on the basis of the operation of EGMs. Other parts of the Premises, such as the bistro, remained unprofitable.
27. Mr Stahl stated that the Premises has received a financial “boost” due to the temporary closure of a nearby competitor, the Knox Tavern, in September 2014. However, upon the Knox Tavern reopening, which is expected before the end of 2015, Mr Stahl expects the Premises to return to the “original circumstances” that existed prior to the temporary closure. This may necessarily include a loss of patrons that have utilized the Premises instead of the Knox Tavern.
28. Mr Stahl submitted that significant renovation works were part of a business plan formulated in 2009/10, which included forecasted revenue as a result of an approval of the 2010 gaming application that was made to the Commission. The proposed increase – from 77 to 87 EGMs –

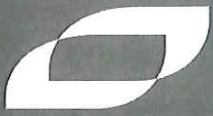
¹⁴ Statistical Area Level 1 (SA1) have been designed by the Australian Bureau of Statistics (ABS) as the smallest unit for the release of Census data.

¹⁵ Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. It consists of four different indexes, including the Index of Relative Socio-economic Disadvantage.



was expected to draw an additional \$666,000 per annum.

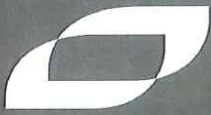
29. After the additional EGMs were installed at the Premises on 1 February 2011, Mr Stahl indicated that the actual increase in revenue was closer to \$100,000 per annum, which was a significant shortfall on the forecast. Whilst some minor renovations were undertaken, as a result of the shortfall the Applicant was unable to undertake more substantial works at the Premises, such as the installation of a lift joining the ground floor to the upper level.
30. For the financial year ending 31 October 2011, Mr Stahl stated that the Premises lost approximately \$480,000, and in the following financial year (ending 31 October 2012), the Premises lost approximately \$290,000.
31. It was the evidence of Mr Stahl that some prospective bookings for the function spaces are cancelled or cannot be accepted by the Premises where increased accessibility is required. Mr Stahl believed the installation of the lift was a crucial benefit of the Application as it would allow greater utility of the function spaces situated on the upper level which currently have limited use as they can only be accessed by stairs.
32. While Mr Stahl acknowledged that the Applicant had seen very little, if any, financial benefit from the Premises, it was nonetheless considered an important venue for the purpose of the Applicant maintaining presence in the area, consolidating a strong membership base, and providing broader social and economic benefit to the community by virtue of the activities the Applicant undertakes.
33. Mr Stahl stated that the Applicant sends four AFL footballers to attend the Premises each month, allowing the local community to interact with senior AFL players, as well as providing a connection with the region generally.
34. Mr Stahl submitted that although the Premises had recently become profitable, the generated profits had to be returned to upgrading the gaming products, given the competitive area in which the Premises operates, as well as continuing to maintain and upgrade the physical and cosmetic parts of the Premises.
35. Mr Stahl submitted that an increase in the number of EGMs at the Premises would result in taxation savings that would allow for approximately \$100,000 per annum to be added to cash profit of the Premises, which would be approximately \$340,000 per annum. The increase in profits would allow the Premises to commit to the installation of a lift at a cost of approximately \$130,000 so as to improve accessibility to the first floor facilities, including the function spaces.



36. Further, Mr Stahl submitted that the Applicant would commit an additional \$15,000 per annum in cash contributions to community organisations within the municipality. Suggested conditions submitted by the Applicant provided that this contribution would be indexed annually for inflation. It was the evidence of Mr Stahl that these contributions would be made in addition to the Applicant's current community contributions of \$5,900. The current contributions comprise \$5000 to the Wantirna South Junior Football Club, and nine \$100 meal vouchers provided to community organisations.
37. Mr Stahl concluded that granting the Application would allow the Premises to become more profitable, which would, in turn, allow for greater provision of gaming diversity, community contributions and access to range of facilities available to patrons.

Mr Timothy James Stillwell

38. Mr Stillwell is director of ShineWing, an accounting and advisory firm. Mr Stillwell has 18 years' experience in the accounting industry and, during that time, has advised a broad cross section of industries including gaming and hospitality. The Commission accepts that Mr Stillwell is qualified to give expert opinion relating to accounting and taxation matters in this Application.
39. By way of background, Mr Stillwell provided the Commission with information in respect of the number of EGMs permitted in Knox within the regulatory framework, as well as reasons why such a decline has occurred. In particular, Mr Stillwell stated that –
- (a) the municipal cap in place in Knox would still be significantly greater than the current number of EGMs in operation in the municipality, even if the Application were granted by the Commission;
 - (b) the number of EGMs in Knox had declined in recent years, due mainly to the regulatory requirement that hotel operators must not own greater than 35% of EGM entitlements; and
 - (c) gaming trends in Knox have been "relatively equivalent" to State trends, with a decline in expenditure over the past five years occurring at both State and municipal levels.
40. Considering these factors in combination, it was the evidence of Mr Stillwell that, at a municipal level, Knox is not a concerning municipality in terms of gaming statistics or profile.
41. At a venue level, Mr Stillwell indicated that the Premises has historically been a "moderately performing club venue", and had only recently experienced a noticeable upturn in revenue probably due to the temporary closure of the Knox Tavern.



42. Mr Stillwell also noted that his report had not considered the financial ramifications of the Knox Tavern reopening. However, it was his evidence that as a result of the Knox Tavern reopening, the annualised gaming expenditure estimate of approximately \$5.8 million, based on utilisation surveys undertaken at the Premises after the closure of the Knox Tavern, would likely be a slight overestimate. Given that there is no firm date for the reopening of the Knox Tavern, Mr Stillwell was unable to determine how the event would impact on his estimates.
43. However, Mr Stillwell did indicate that the current level of expenditure at the Premises was “at historical highs and not necessarily maintainable levels when the Knox Tavern reopens” and that the gaming revenues derived as a result of the current closure could be characterised as a “one-off and windfall gain”. It was the evidence of Mr Stillwell that the estimated gaming revenue from 97 EGMs would be between his lower estimate of \$5.8 million per annum, and the revenue achieved prior to the closure of the Knox Tavern of \$4.2 million per annum.
44. The results of utilisation surveys undertaken at the Premises in October 2014 indicate that there is currently very little unmet demand for access to EGMs. Mr Stillwell indicated that over a two-week period, there was no period where utilisation reached 70% of the EGMs at the Premises, and only two hours during this period where 60% utilisation was achieved. As such, Mr Stillwell surmised that an increase in EGMs at the Premises as a result of an approval of the Application would “most likely derive a very immaterial amount of additional expenditure”.
45. Mr Stillwell supported his forecast that the Premises would experience a modest increase in gaming expenditure by reference to other gaming matters where the subject venues – namely the Kilmore Racing Club and the Kangaroo Flats Sports Club – experienced low EGM utilisation both before and after their additional EGMs were installed. It was the evidence of Mr Stillwell that, especially in low to mid-performing venues, an increase in EGMs does not necessarily translate to increased utilisation rates.
46. Mr Stillwell indicated to the Commission that the use of the 70% utilisation figure was an industry standard that he had anecdotally adopted for an extensive period of time across several applications previously made to the Commission.
47. Mr Stillwell estimated that a grant of the Application to increase the numbers of EGMs at the Premises would generate between \$0 and \$58,429 in new gaming expenditure. This estimate is supported by historical data indicating that previous increases at the Premises resulted in relatively modest increases to new gaming expenditure.
48. Mr Stillwell estimated that approximately 40% – or up to \$23,371 – of new gaming expenditure would be transferred from other venues within the municipality. When considered against other



applications – where transferred expenditure estimates are often significantly higher than 40% - Mr Stillwell indicated that in this Application, the estimate was more conservative because–

- (a) Wantirna is a highly competitive municipality in relation to gaming; and
- (b) the Premises is a club in an area where several hotels form the main competition in the municipality.

49. It was the evidence of Mr Stillwell that transfers between clubs and hotels, and vice-versa, are more uncommon due to differences in the patronage profiles, service offerings and environment, and that transfers generally occur between 'like' venue types, such as between hotels to other hotels, or between clubs to other clubs.
50. In summary Mr Stillwell considered that while there would be a very marginal increase in EGM expenditure and density, there would be no material impact as a result of the grant of the Application.

Mr Kevin William McMaster

51. Mr McMaster has managed numerous hotel venues since 1999 and has been employed at the Premises for 11 years.
52. Mr McMaster indicated that very few substantive renovations or improvements have been undertaken at the Premises since opening 17 years ago. Generally, the improvements at the Premises were characterised by Mr McMaster as mainly cosmetic changes involving repainting, recarpeting and updating signage at the Premises.
53. Mr McMaster indicated that the patronage of the Premises was primarily aged over 60 years old and, as such, the services offered were tailored to that group. The Premises is located in an area with several retirement villages in the vicinity as well as good transport access and, when coupled with regular activities, these attributes make the Premises particularly appealing to an older age bracket.
54. According to Mr McMaster, the activities available at the Premises allow for a focus on the non-gaming offering available, with the use of EGMs being a secondary consideration. Mr McMaster indicated that the "Morning Melodies" program, involving a variety of notable entertainers, was extremely popular and often booked months in advance.
55. It was the evidence of Mr McMaster that the staff at the Premises formed strong relationships with patrons as they were generally regular attendees at the Premises. The Premises employs

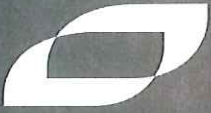


approximately 40 staff, eight of whom are full time management/supervisory positions, with the remaining positions filled on a casual basis.

56. Mr McMaster indicated that approval of the Application would attract more patrons to the Premises by virtue of a greater variety of EGMs being available, as well as the impact that the installation of a lift would have in enabling an increased number of functions.
57. In responding to questions from the Commission, Mr McMaster indicated that if the Commission granted the Application, the boardroom function space would continue to be available at no charge to community and sporting groups.
58. In relation to community contributions that the Applicant already makes, Mr McMaster indicated that the Wantirna South Junior Football Club is the main recipient, with a commitment to a major sponsorship of \$5000. The remaining contributions are by way of nine \$100 meal vouchers made available to community organisations by application to the Premises.
59. Mr McMaster also outlined the steps in place to overcome some issues identified by Commission inspectors. It was the evidence of Mr McMaster that the hopper may not have been properly filled with coins, which may have caused the variance identified by inspectors on audit. Mr McMaster indicated that the Applicant is working to resolve this matter as soon as possible, and has changed the rostering at the Premises.
60. In relation to Responsible Service of Gaming obligations, Mr McMaster indicated that the Premises has a "very strong relationship" with Gamblers Help, which makes regular visits to the Premises.
61. Mr McMaster was confident that additional EGMs at the Premises will allow increased competition with other venues in the area, as well as providing revenue to fund the installation of a lift.

Ms Sharon Leanne Cassidy

62. Ms Cassidy has been a gaming attendant at the Premises for 14 years.
63. Ms Cassidy indicated that other staff had also been employed at the Premises for a considerable period of time, with at least five staff members, mostly in the gaming area, having approximately eight years or more experience at the Premises.
64. Ms Cassidy outlined the patron profile at the Premises. Whilst supporting the evidence of Mr McMaster, Ms Cassidy outlined that the older patrons often attend the Premises with family and

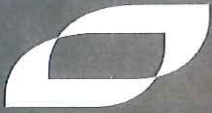


extended family. Ms Cassidy indicated that over three-quarters of the patrons at the Premises are what she would consider “regulars”.

65. Ms Cassidy described the methods that are used to utilize Responsible Service of Gaming training when a patron is at risk of problem gambling. Ms Cassidy indicated that the close relationships that staff enjoy with patrons allows a conversational approach to an issue that may be identified as a concern. This same approach has also been used in circumstances where a self-excluded patron is on the Premises.
66. It was the evidence of Ms Cassidy that the Premises’ RSG practices are of a high standard and provides a safe and welcoming environment for patrons.

Mr Rhys Matthew Quick

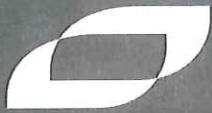
67. Mr Rhys Quick, a director of Urbis, prepared the Social and Economic Impact Assessment. Mr Quick is a qualified economist. While Mr Quick acknowledged he was not a qualified social planner, the Commission accepts that he has the broad experience to undertake and provide expert opinion on the level of combined socio-economic review that he has done for this Application.
68. Mr Quick assessed the local area – both within 2.5 kilometres and 5 kilometres of the Premises – to “exhibit a significantly lower than average level of disadvantage”. Mr Quick also submitted that this was also true for the municipality of Knox as a whole. In considering a small pocket of disadvantage within a 2.5 kilometre radius of the Premises, Mr Quick indicated that the SA1 in this area included a retirement village, which may skew the measurement of disadvantage as there is concentration of low-income individuals within that particular area.
69. Further, it was the evidence of Mr Quick that the high level of elderly patrons at the Premises represented a low risk group in respect of propensity to engage in problem gambling, which may insulate the Premises generally from instances of problem gambling. Research from the then Victorian Department of Justice (**DOJ**) referenced in support of the conclusion of Mr Quick indicates that whilst elderly patrons may utilise EGMs more frequently than other age groups, they are an under-represented group in respect of problem gambling.
70. In respect of economic benefits and disbenefits, it was the evidence of Mr Quick that:
 - (a) EGM utilisation at the Premises was generally quite low, and only peaked at times where other social activities were occurring at the Premises. For example, the period during the weekday lunch coincided with the conclusion of morning bingo at the Premises. Mr Quick



indicated that these heightened instances of utilization occur for approximately one hour, and generally utilization was consistent with the net machine revenue (**NMR**) being quite low;

- (b) the NMR at the Premises, being the second lowest of any venue in Knox, is indicative of both a low number of patrons utilising EGMs and a low level of spend relative to the number of EGMs at the Premises;
- (c) the “general characteristics” of Knox are quite robust, and that the community of Knox could be considered to be “not particularly disadvantaged and are generally well-off”. It was the view of Mr Quick that the community would be able to sustain an increase in the number of EGMs at the Premises;
- (d) both the benefits and disbenefits of the Application are “fairly minor”. Whilst the proposed benefits from the Applicant are “not overwhelming” – such as the proposed \$15,000 community contribution – there are very few negative aspects;
- (e) installation of a lift at the Premises at a cost of \$130,000 is both a social benefit in terms of the impact on the community, and also an economic benefit in respect of the short-term employment created in the construction phase;
- (f) given the forecasted increase in new expenditure is, at a maximum, approximately \$58,500, it was the view of Mr Quick that the flow-on impact of such an increase would be negligible; and
- (g) the more ‘obvious’ disbenefits of the Application, such as problem gambling, could be considered to be somewhat capped in their impact. If it is accepted that a portion of expenditure is attributable to problem gambling, where there is a small increase in expenditure coupled with the nature of the patron profile at the Premises, it is reasonable to conclude that the amount attributable to problem gambling will be similarly small. In contrast, a taxation decrease allowing for the installation of a lift to increase accessibility would be a significant benefit to both the patrons and community.

71. In questioning from the Commission, Mr Quick responded that whilst the decrease in taxation liability may be a benefit to the Applicant, it could also be considered a disbenefit to the community by virtue of reducing the amount of taxation revenue collected by the State of Victoria. However, it was the view of Mr Quick that this disbenefit was ‘diluted’ as it was ‘spread’ across Victoria, and as such was not a disbenefit that would impact directly on the community of Knox, or more accurately, would not be discernible.



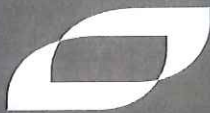
72. Mr Quick also provided evidence that while taxation payable to Victoria may be reduced, and therefore become a benefit to the Applicant, this may not be a benefit to the community of Knox if, for instance, the proposed taxation reduction of approximately \$100,000 per annum was returned to the Applicant in its capacity as 'financier' for the Premises.
73. In respect of social benefits and disbenefits, it was the evidence of Mr Quick that –
- (a) increased accessibility at the Premises would allow more people to access the upper level of the Premises; and
 - (b) in the instance of the sponsorship of the Wantirna South Junior Football Club, whilst the sponsorship amount of \$5000 is considered an economic benefit, research supports the social benefit to such organisations being a "four-fold increase in the total benefit that was generated relative to the expenditure that went into it in the first place" – essentially, the social impact of an economic benefit such as sponsorship is magnified when the organisation is a football club.
74. Mr Quick's assessment of the social and economic impact of the grant of the Application that there would be a slightly positive benefit to the community of Knox.

'NO NET DETRIMENT' TEST

75. Turning to the Commission's consideration of the '*no net detriment*' test, set out below (and summarised in tabular form at Appendix One) is the Commission's assessment of the economic benefits and disbenefits and social benefits and disbenefits associated with this Application, including the weighting given to each of these impacts.

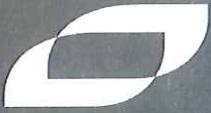
ECONOMIC IMPACTS

76. The Commission accepts that approval of this Application is likely to result in an increase in gaming expenditure at the Premises of no greater than \$58,429 over the first 12 months, consisting of approximately \$35,058 new expenditure and \$23,371 transferred expenditure from other gaming venues in Knox.
77. The Commission finds that the portion of new expenditure not attributed to problem gambling is an economic benefit, although some of that benefit is likely to be derived from patrons who live outside Knox. In any event, the extent of the additional expenditure is not large, and, as such, a low weight is given to this benefit.



78. To the extent that a portion of new expenditure is attributable to problem gambling, this represents an economic disbenefit.¹⁶ In assessing the extent of this disbenefit, the Commission recognises that it does not include transferred expenditure because such expenditure cannot exacerbate problem gambling.¹⁷ Given the low level of anticipated additional expenditure, the demographic profile of Knox and the age profile of patrons of the Premises, the Commission accepts that any increase in problem gambling as a result of the Application is likely to be minor, and hence a low weight is placed on this impact.
79. The Commission finds that the approval of additional EGMs will create an improved financial position for the Application which will enable the installation of a new lift in the venue at an estimated cost of \$130,000. This is primarily the result of taxation savings which is considered further below.
80. The installation of the lift at the Premises will provide an economic benefit by enabling the Premises to be operated more efficiently by allowing better use of the facilities on the first floor. This benefit is given moderate weight by the Commission. The Commission also considers the installation of the lift at the Premises will offer a marginal economic benefit to the community, by virtue of short-term employment created and other economic stimulus as a result of construction and installation, balanced against the benefit of employment and additional economic activity not being isolated entirely to Knox.
81. The Commission considers that the community contributions of \$15,000 per annum which the Applicant has volunteered to make if the Application is approved is an economic benefit to the community, which, although not large, is of moderate weight in an application of this nature.
82. The Commission also considers that there are various other economic benefits and disbenefits associated with the Application for which a low weight is given:
- (a) increase in competition in gaming in Knox – while this is an important factor in light of the statutory purposes of the Act and the consumer benefits that derive from competition, it is an economic benefit which is given a low weight in the current Application given the number of the EGMs operating in the Knox, the number of additional machines proposed

¹⁶ 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 Ltd 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 v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [178] and following per Dwyer DP. For completeness the Commission considers both the economic and social impacts of problem gambling in its assessment of this Application.



for the Premises and the current usage rates of existing machines at the Premises, which suggests that the level of unsatisfied demand is of a low level. This is consistent with the low estimates of additional revenue that is anticipated to flow if the Application is approved;

- (b) diversion of trade from other segments of the economy – this economic disbenefit is expected to be low given the low increase in EGM numbers at the venue, the low level of anticipated transferred expenditure and the size of the LGA economy;
- (c) decreased government revenue – evidence has been given that if this Application is approved, there will be an estimated reduction in State government revenue of \$100,000 per annum. While this is a significant amount relative to other impacts associated with this Application, it is given little weight in the context of the ‘*no net detriment*’ test as the reduction in the revenue otherwise enjoyed by the municipality of Knox is only a small proportion of the total. While this impact is given little weight in the context of the ‘*no net detriment*’ test, further consideration is given below to the effect of this Application on government revenue having regard to the Commission’s ultimate discretion in determining whether or not to approve the Application.

83. The Applicant also made a submission that, if the Application were approved, an associated economic benefit would be the ongoing viability of the Club. Reference was made to a previous decision of the Commission with respect to the Premises, in which the issue of viability was considered by the Commission to be of importance.¹⁸ In this instance, the Commission does not consider that significant weight should be given to this matter as the Premises appears now to be operating profitably having regard to the evidence of Mr Stahl that, with the current number of EGMs, the estimated profit of the venue for the year ending 31 October 2014 was \$240,000.

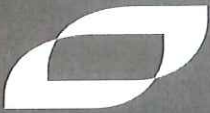
84. Overall, the Commission considers that there will be a minor, but positive, economic impact on the Knox community if the Application were to be approved.

SOCIAL IMPACTS

85. 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

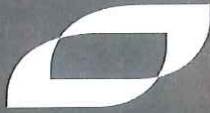
¹⁷ See *Bakers Arms Hotel Pty Ltd v Victorian Commission for Gambling and Liquor Regulation* [2014] VCAT 1192, [113] per Code PM and Nelthorpe M; *Kilsyth and Mountain District Basketball Association Inc v Victorian Commission for Gambling Regulation* [2007] VCAT 2, [40] per Morris J.

¹⁸ *Application by Richmond Football Club* [2010] VCGLR (9 March 2010) (Commissioners Thompson and Owen).



service requirements and other social costs. Accordingly, the Commission accepts there is potential for negative social costs through possible increased problem gambling expenditure.

86. The Commission accepts the evidence of Mr Quick that the Premises exhibits a number of factors that may decrease the risk of problem gambling, such as operating as a club rather than an hotel and the older patron profile utilising the Premises. The Commission finds that the Application will not directly alter any of these factors through the introduction of 10 EGMs.
87. The Commission considers it likely that these protective factors have some impact on the risk of problem gambling at the Premises.
88. The Commission also considers 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 in Knox and low NMR at the Premises. The Commission recognises that Knox has an above average number of EGMs per 1,000 adults. However, as President Morris noted in *Kilsyth and Mountain District Basketball Association Inc v Victorian Commission for Gambling Regulation (Occupational and Business Regulation)* [2007] VCAT 2 (11 January 2007) at [59]:
- ... it is unrealistic for all municipalities to expect that the number of gaming machines in their municipality per 1,000 adults will be average or below average. It is almost inevitable that the average number of gaming machines per 1,000 adults in some municipalities will be greater than the metropolitan average; and in other municipalities less than the metropolitan average.*
89. Overall, taking into account the extremely marginal increase in EGM density and EGM expenditure per adult together with the socio-economic profile of the municipality, the Commission finds that Knox does not present as particularly vulnerable to problem gambling and is satisfied that the potential for an increase in problem gambling is low.
90. The Commission finds that the increased number of EGMs at the Premises 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 Premises, the Commission considers this to be a negligible social benefit and hence one on which it places low weight.
91. The Commission also finds that the increased number of EGMs will enable the Applicant to renovate and enhance facilities at the Premises. The Commission places moderate weight on this benefit as it accepts that the installation of the lift would better enable use of the first floor by older patrons which is currently only accessible by stairs.
92. 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 which is given low weight. 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.

93. After considering the social benefits of the proposal and balanced against the detriments, the Commission considers that, on balance, there is likely to be a minor, but positive, social impact of the proposal.

NET ECONOMIC AND SOCIAL IMPACT

94. 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.¹⁹
95. After consideration of the material put forward by the Applicant, and weighted as outlined above and summarised in tabular form at Appendix One of these Reasons for Decision, the Commission has concluded that there is likely to be a minor net positive social and economic impact to the well-being of the community in the municipal district in which the Premises is located if the Application is approved.

OTHER RELEVANT CONSIDERATIONS

96. Having determined that the '*no net detriment*' test has been satisfied, there remains a discretion in the Commission to determine whether or not to approve the Application.
97. A feature of this Application is that, according to the evidence of Mr Stahl, if approved, the Applicant will enjoy estimated tax savings of \$100,000 per annum. As noted above, the Commission has accepted that these savings will enable the Applicant to commit to the installation of a lift to make the first floor more usable, at a cost of approximately \$130,000, and also enable the Applicant to commit to additional community contributions to the municipality of \$15,000 per annum. Further, the Commission has determined these benefits have contributed to its assessment that the '*no net detriment*' test has been satisfied. The Commission has further determined that, because the savings relate to the State's revenue base of which Knox would only receive a small proportionate share, the reduction in taxes is not a significant disbenefit for the purposes of the '*no net detriment*' test.

¹⁹ *Mount Alexander Shire Council v Victorian Commission for Gambling and Liquor Regulation & Ors.* [2013] VCAT 101, [52] per Dwyer DP.



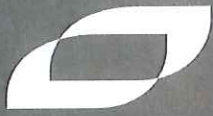
98. The Commission does recognise, nonetheless, that if approved the State's finances will be adversely affected. In exercising its discretion, the Commission is required to have regard to the purposes of the Act, and, in particular, the specific purposes of Chapter 3 of the Act dealing with the regulation, supervision and control of gaming machines. Further, it may be influenced by broader policy considerations drawn from the content and objectives of the Act as a whole. At issue for the Commission in this Application is whether approval should be granted, having regard to such matters, given the reduction in State taxation revenue that will result.
99. In considering its exercise of discretion in this instance, the Commission has benefited from the Applicant's supplementary submission in relation to this matter. In circumstances where the '*no net detriment*' test has been satisfied, the Commission accepts that the exercise of an overriding discretion requires clear and compelling justification. What amounts to compelling justification will depend on the circumstances of each individual application.
100. The Commission also agrees with the Applicant that the purposes set out in Chapter 3 are broad and not all purposes can be said to be relevant to all decisions and discretions set out in Chapter 3. For example, the purpose set out in s 3.1.1(2)(a) of the Act commences with the words "provide for the allocation of gaming machine entitlements", and hence while including reference to "financial ... benefits" is not relevant to this Application.
101. The purposes set out in Chapter 3 include, inter alia, to:
- promote a competitive gaming industry with the aim of providing financial and social benefits to the Victorian community. (see s. 3.1.1(2)(b))*
102. The Commission agrees with the Applicant's supplementary submission that the use of the term "financial" in this, and other sub-sections of s. 3.1.1, is likely to be less wide than the term "economic", which is used elsewhere in this section and also in s. 1.1 which sets out the objectives of the Act. At first blush, the use of the term "financial" as compared "economic" benefits suggests regard is required to be given to narrower financial outcomes, such as the impact of gaming on the State revenue base, rather than the broader economic activity.
103. While the Commission regards the specific purpose set out in s. 3.1.1(2)(b) requires consideration of the financial impact to the State of its decision, the Commission also recognises that this needs to be read in the context of the provision overall, that refers in the first instance to the promotion of competition. More generally, the Commission recognises its exercise of discretion may also be made having regard to broader policy considerations drawn from the content and objectives of the Act as a whole.



104. In this regard, the regulatory framework specifically provides for differential treatment of clubs and hotels, including different treatment for taxation purposes. To the extent that the approval of this Application will result in a reduction of taxation revenue, it does so because the taxation arrangements have been specifically structured by Government to result in that outcome. More generally, consistent with the six policy principles enunciated by the Minister for Gaming in his Second Reading Speech in relation to the Gaming Regulation Bill, the Commission recognises the Act establishes a regulatory framework which, in giving effect to these policy principles, operates to balance the financial benefits that derive to the State from the operation of EGMs against other outcomes.
105. In such circumstances, while it is the case that the Applicant will benefit from a reduction in gaming taxes, the Commission does not, in this instance, consider there is a clear and compelling basis for it to exercise a discretion not to approve the Application.
106. 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 prevent problem gambling. Accordingly, the Commission is satisfied that it should exercise its discretion to approve the Application.
107. The Commission was provided with draft conditions that the Applicant would be willing to accept should the Application be approved. In granting approval, the Commission believes it is appropriate that its approval should be subject to conditions of this nature. The conditions are as follows:

1. Community Contributions

- (a) *The operator of the Premises (**the Venue Operator**) undertakes to do the following:*
- (i) *Establish the Wantirna Club Community Fund (**the Fund**);*
 - (ii) *Make the cash contributions referred to in Condition 1(a)(iii) whilst and so long as any of the additional ten (10) additional electronic gaming machines (**Additional EGMs**) operate at the Premises up to 15 August 2022;*
 - (iii) *The annual cash contribution will be in the sum of \$15,000 (indexed each year by CPI all groups Melbourne) (**the Contribution**); and*



- (iv) *The Contribution will be allocated each year to not-for-profit community groups and sporting organisations providing services and facilities to residents in the City of Knox.*

- (b) *The distribution of the Contribution in accordance with Condition 1(a) above would be determined by a committee (**the Committee**) established by the Venue Operator comprising:*
 - (i) *Two representatives of the Venue Operator; and*
 - (ii) *One representative of Council or, in the event that Council is unwilling to provide a representative, a community representative nominated by the Venue Operator.*

- (c) *The Committee will advertise annually in a newspaper circulating in the City of Knox area for submissions from not-for-profit community and sporting organisations, providing services and facilities to residents within the City of Knox, regarding the distribution of the Contribution to be made by the Venue Operator each year. The Committee will assess requests for cash contributions in accordance with guidelines to be established by the Committee.*

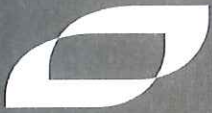
- (d) *The Venue Operator currently makes cash contributions to a range of community and sporting groups in the City of Knox in the sum of not less than \$5,900.00 per annum (**Existing Contributions**). The Venue Operator will continue to pay each year the Existing Contributions whilst and so long as any of the Additional EGMs operate at the Premises up to 15 August 2022.*

2. Works

- (a) *The works at the Premises (as defined in clause 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 twelve (12) months after the commencement of the operation of any of the Additional EGMs at the Premises;*

- (b) *For the purpose of this clause, **the Works** comprise the installation of a new lift linking the ground and first floors of the Premises;*

- (c) *If the Works referred to in condition 2(b) are not substantially completed by the date that is twelve (12) months after the commencement of the operation of any of the Additional EGMs at the Premises then the approval to operate the Additional EGMs at the Premises will lapse; and*



- (d) *The Commission may, on the request of the Venue Operator agree to extend the time for completion of the Works referred to in condition 2(b). The request must be made no later than the date that is 11 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 Dr Bruce Cohen, Chair, and Miss Gail Owen, Deputy Chair.

Appendix One

Summary of social and economic impacts

Economic impacts

	Impact	Comment relevant to weight
Benefit	Gaming expenditure not associated with problem gambling	Direct and measureable benefit to the community; Extent of additional expenditure not large; Low weight.
	Installation of lift improving efficiency of Premises' operations	Improved position primarily a result of taxation savings enables installation of lift, which will improve access and enable more efficient usage of facilities at the Premises; Moderate weight
	Short term employment creation	Construction and installation of lift at the Premises; Balanced against employment and economic activity not being isolated entirely to Knox; Marginal weight.
	Community contributions of additional \$15,000 per annum	Although not large contributions in respect of the actual amount, significant when considered against the Application as a whole; Moderate weight.
	Increased gaming competition in Knox	Important factor in light of the statutory purposes of the Act and the consumer benefits that derive from competition. However, in the current Application, the extent of this benefit is limited by the number of the EGMs already operating in the Knox, the number of additional machines proposed for the Premises and the current low utilisation rates of existing machines at the Premises, indicating that the level of unsatisfied demand is of a low level; Low weight.



Disbenefit	Diversion of trade from other segments of the economy	Expected to be low given the low increase in EGM numbers at the venue, the low level of anticipated transferred expenditure and the size of the LGA economy; Low weight.
	Decreased government revenue	Estimated reduction in government revenue of \$100,000 per annum; In the context of the 'no net detriment' test, it is a reduction in the revenue base of the State, of which the share enjoyed by the municipality of Knox would be anticipated to be only a small proportion; Low weight.
	Ongoing economic viability of the Applicant	Having regard to the evidence of Mr Stahl that with the current number of EGMs, the estimated profit of the venue for the year ending 31 October 2014 was \$240,000; As Premises operating profitability, there does not appear to be an issue of ongoing economic viability; No significant weight.
	Possibility of increased incidence and impact of problem gambling.	Low level of anticipated additional expenditure; Demographic profile of Knox and the age profile of patrons of the venue suggests increase in problem gambling likely to be minor; Low weight.



Social impacts

	Impact	Comment relevant to weight
Benefit	Increased gaming opportunities for those who enjoy gaming	Increased number of EGMs provide a wider variety of EGMs from which to choose. However, given the current number of EGMs and utilisation rates at the Premises, the Commission considers this to be a negligible social benefit; Low weight.
	Improved facilities enabling greater access to function space	The installation of the lift would better enable use of the first floor by older patrons (which is currently only accessible by stairs); Moderate weight.
	Increased community contributions	Level of community contributions and the impact on local community organisations to be a small social benefit; 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; Low weight.
Disbenefit	Possibility of increased incidence and impact of problem gambling on community	Accept evidence that the Premises exhibits a number of factors that may decrease the risk of problem gambling, such as operating as a club rather than an hotel and the older patron profile utilising the Premises;
		Risk of an increase to problem gambling is also limited in this instance given the existing accessibility to EGMs in Knox, low NMR at the Premises and that approval would result in only a marginal increase in EGM density and EGM expenditure per adult across the municipality;
		Risk of increase in problem gambling minimal; Low weight.