

RESPONDING TO

GAMING APPLICATIONS

Considerations for Victorian Local Governments







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INTRODUCTION

This document reviews some issues of relevance to local governments in contesting gaming applications to the Victorian Commission for Gambling and Liquor Regulation (‘the Commission’). It is divided into three sections, relating to the assessment of:

* harm which may be caused by the addition of gaming machines to a venue, or by the establishment of a new venue;
* claimed economic and social benefits of such an application; and
* venue features and practices which may alleviate any harm associated with the application.

In surveying these issues, emphasis is placed upon conclusions founded upon multiple, balanced, substantial sources of evidence, in preference to mere assertions or the selective presentation of facts to corroborate conclusions already reached.

Efforts are made to explore the strands of evidence, reasoning and preconception traced by the Commission in reaching its decisions. Consideration is frequently given to its views, with its perspectives guiding suggested approaches to some facets of applications, though in some instances, evidence and arguments are proposed to challenge its views and perceptions.

Sources of the information presented here include published decisions on gaming applications; statistical data concerning gaming losses, gaming machine density and other trends; social conditions and trends in Victorian municipalities and suburbs; and research on the nature, extent and impact of gambling.

This is supplemented by links to details of social conditions in municipalities and suburbs; tools for generating resident profiles within the municipality or local area; and techniques for estimating increases in gaming expenditure associated with applications.

Relevant information has been prepared and installed on the internet to make these trends and information conveniently accessible.

In recent years, the prospect of a council successfully opposing a gaming application has improved decisively, with the rate of refusal of applications by the Commission rising from 8% in 2012-2016, to 33% in 2017-2018 - a five-fold increase.

It is hoped that the observations presented here may assist councils in continuing to contest gaming applications which, in their judgement, prejudice the welfare of their residents.

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SOCIAL HARM

The addition of gaming machines results in a rise in gaming losses and an increase in EGM density, thereby worsening financial hardship among residents in the vicinity of the venue – particularly among communities of socioeconomic disadvantage.

**SOCIOECONOMIC DISADVANTAGE**

**Documenting Socioeconomic Disadvantage and Gaming Losses: the municipality**

In assessing the impact of an application, one may first set the scene by describing social and economic conditions within the municipality. While such information is of limited relevance to conditions near the venue, it may serve to illustrate the scope, intensity and nature of any disadvantage across the region.

Points of relevance include:

❖ *Education*: percentage of residents who had left school before completing year 11

❖ *Occupations*: percentage of employed residents who work in labouring, machinery operating and driving, and sales occupations

❖ *Incomes*: median personal weekly gross income

❖ *Unemployment*: unemployment rates among persons aged 15 or more

❖ *English fluency*: percentage of residents who speak English either ‘not well’ or ‘not at all’

❖ *Housing*: percentage of homes that are rented from the government or charitable organisations; and rates of rent- or mortgage-related financial stress

❖ *Crime:* rates of alleged offences against the person and rates of family violence

❖ *Health & wellbeing*: selected contemporary health indicators

Information about general conditions in any municipality is available [**here**](http://www.greaterdandenong.com/document/18100/statistics-summary-vic-municipalities), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Profiles > Community Profiles > Summaries all municipalities. This file includes education levels, incomes, occupations, unemployment rates and other information

Information about rent and mortgage-related financial stress is available [**here**](http://www.greaterdandenong.com/document/18515/statistics-vic-rent-related-financial-stress), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Profiles > Community Profiles > Rent and mortgage-related financial stress

Selected measures of health and wellbeing at a municipal level are located [**here**](http://www.greaterdandenong.com/document/24412/statistics-measures-of-physical-and-mental-health-etc), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Health > [Measures of physical and mental health and health behaviours](http://www.greaterdandenong.com/document/24412/statistics-measures-of-physical-and-mental-health-etc)

However, where the area in the vicinity of the venue is markedly more disadvantaged than the municipality, municipal data may perhaps be omitted.

An outline of such municipal gaming statistics can also be provided, including:

❖ *Venues –* number

❖ *EGMs –* number

❖ *EGM Density –* per 1,000 adults compared with metropolitan or Victorian density

❖ *Losses –* total

❖ *Losses per 1,000 adults,* comparedwith metropolitan or Victorian levels

❖ *Losses per 1,000 adults,* rankedagainst metropolitan or Victorian municipalities

Information about EGM numbers and density, as well as gaming losses and losses per adult is available for each Victorian municipality [**here**](http://www.greaterdandenong.com/document/18526/statistics-vic-gambling-venues-machines-and-losses), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > Gambling venues, machines and losses.

❖ The proportion of annual income lost by *residents* of the municipality who use gaming machines. The 2014 Victorian Gambling Prevalence Survey (Hare, 2015) found that approximately 17% of adults in Victoria use gaming machines in a given year. Accordingly, for each municipality, average gaming losses per adult may be calculated as: annual municipal gaming losses/(median personal weekly income x 52 x adult population x 0.17) x 100. In 2016/17, the estimated average proportion of annual income lost to EGMs by gaming patrons ranged from 16% in Brimbank to 1.5% in Boroondara.

Information about average losses per EGM gambler, by municipality is available [**here**](http://www.greaterdandenong.com/document/31512/social-statistics-estimated-gaming-machine-losses-as-porportion-of-income), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > Estimated Gaming Losses as a Proportion of Income

**Legislative basis for assessing the municipal and regional impacts of gaming applications**

The Gaming Regulation Act 2003 stipulates that assessment of applications should take into account their prospective impact upon the relevant municipality and of adjoining municipalities. Examination of gambling and socioeconomic conditions, either within a municipality, or in the vicinity of the venue, is therefore of relevance to the assessment of applications.

*Impact on the municipality*

Section 3.3.6 of the Gambling Regulation Act 2003 (relating to applications for approval of new premises) and S.3.4.19 (concerning applications for EGMs), state that the ‘relevant authority’ - for approval of premises, or ‘council’ – for approval of additional EGMs – may make a submission to the Victorian Commission for Gambling and Liquor Regulation (hereafter, ‘the Commission’) relating to the “economic and social impact” of the proposal “on the wellbeing of the community in the municipal district” where the venue is located.

In addition, the ‘no net detriment' test applies only to the municipality where the subject venue is located, with S.3.3.7(1)(c) of the Act stating that “the net economic and social impact of approval will not be detrimental to the wellbeing of the municipal district in which the premises are located.”

Accordingly, in Club Caroline Springs, Melton 2013, the Commission contended that community donations to organisations which operate largely outside the municipality were of no consequence.

*Impact on surrounding municipalities*

The Gambling Regulation Act, S 3.3.6 (1)(b) and S 3.4.19 (1)(b), states that a submission by the council or responsible authority may also take into account “…the impact of the proposed amendment on surrounding municipal districts”.

Accordingly for example, in Glenroy RSL, Hume, 2015, the Commission remarked that the impact of the application on “surrounding municipalities are relevantly matters for the Commission in its considering of its ultimate discretion as to whether or not to approve the application.” (Para. 86)

In other decisions, the Commission has asserted that the prospective economic benefits of increased gaming expenditure at a venue may be negated if it is merely transferred from venues in neighbouring municipalities.[[1]](#footnote-1) Such a view reflects a concern for impacts in neighbouring municipalities, in addition to the municipal district where the venue is located.

In a further example, the Commission registered its acceptance of the relevance of the impact upon neighbouring municipalities in Dandenong RSL, Greater Dandenong, 2018, where it concluded that a 5 km. radius was most pertinent to consideration of the socioeconomic impact of the proposal. This area encompassed portions of the neighbouring municipality of Casey, affirming the importance of the impact of the application upon a neighbouring municipality.

The selection of an area in the vicinity of a venue forms the basis for assessing the impact of an application. This topic is addressed in the next section.

**Regions accepted as relevant to assessment of conditions in the vicinity of the venue**

To assess the impact of an application, the Commission tends to settle upon an area defined by the radius of a circular area, centred upon the venue, which encompasses most of its gaming patrons. In Highlands Hotel Craigieburn, Hume, 2017, for instance, the Commission deemed 5 km to be a suitable radius, owing to the high proportion of patrons who lived within that distance of the venue. In Club Noble, Greater Dandenong, 2017, on the other hand, the Commission preferred 2.5 km. as a more suitable radius, since 60-70% of its patrons resided in that region.

The Commission generally favours areas within a 2.5 km. radius of a venue in metropolitan areas and 5 km. in non-metropolitan regions.[[2]](#footnote-2) In outer-metropolitan localities though, the preferred area around a venue varies, with 5 km. chosen in some cases,[[3]](#footnote-3) 2.5 km. in others,[[4]](#footnote-4) or even 10 km.[[5]](#footnote-5)on occasion - due perhaps to variations in population density within such localities.

In selecting geographic areas to gauge the possible impact of the application upon the local community, two matters may therefore be considered:

* The Commission will generally accept either 2.5 km or 5 km distance from the venue
* The radius should be one which encompasses a decisive majority of gaming patrons. Gaming room patrons survey results, presented in the applicant’s socioeconomic impact assessment[[6]](#footnote-6), should give a count of the number of patrons, by postcode of residence. With this information, one may determine the approximate proportion of patrons who live within 2.5 km. and 5 km. of the venue.

**Documenting socioeconomic disadvantage: the vicinity of the venue**

*Specific measures of disadvantage*

To document socioeconomic circumstances among residents living within 2.5 km. or 5 km. of a venue, relevant conditions include incomes, educational attainments, occupations, unemployment, government-rented accommodation, and housing.

Most of these conditions can be measured among residents within a particular distance of a venue, as such information is recorded in the Census then published at an SA1 area level (small neighbourhood-sized areas, typically inhabited by 300 or so residents). A number of these SA1 areas may therefore be selected to match the region within 2.5 or 5 km. of a venue. Then the number of residents in each SA1 area may be added to generate a profile of social conditions in that locality.

To this end, the SA1 areas within 2.5 km. and 5 km. of a venue may be selected using a mapping program, then the unique 7-digit numbers obtained and pasted into a ‘profiling tool’. With the click of a button, the tool generates a concise profile of the community in the vicinity of the venue, composed of the selected SA1 areas, and featuring information about incomes, unemployment, education and other conditions.

Instructions for using this tool to create a statistical profile of residents in the vicinity of a venue are presented in Appendix One.

The file required to create such a customised, local profile of residents is available [**here**](http://www.greaterdandenong.com/document/18478/statistics-vic-small-area-profile-builder), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > [Small Area Profile Builder](http://www.greaterdandenong.com/document/18478/statistics-vic-small-area-profile-builder)

The key local indicators obtained in this fashion may be briefly described in a submission to the Commission and presented in a table. An example is shown here for the area 2.5 km. from a gaming venue.

Selected Social Conditions: 2.5 km. of the Venue, the Municipality and metropolitan Melbourne, 2016

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2.5 km from venue | The Municipality | Metro Melbourne |
| Limited English fluency (% pop.) | 17 | 18 | 6 |
| Early School Leaving (% pop. 15+) | 37 | 34 | 28 |
| Dwellings Rented from Govt Charity (% dwellings.) | 5.9 | 3.4 | 2.4 |
| Unemployment rate | 12.9 | 10.3 | 6.6 |
| Median Individual Gross Income | $458 | $476 | $673 |
| Managers Professionals (% employed persons) | 17 | 22 | 39 |
| Sales, Machinery Operators, Drivers, Labourers (% employed persons) | 40 | 40 | 24 |

[All data cited here and further below are derived from the findings of the 2016 Census, unless otherwise stated]

*An overall measure of disadvantage: the SEIFA Index*

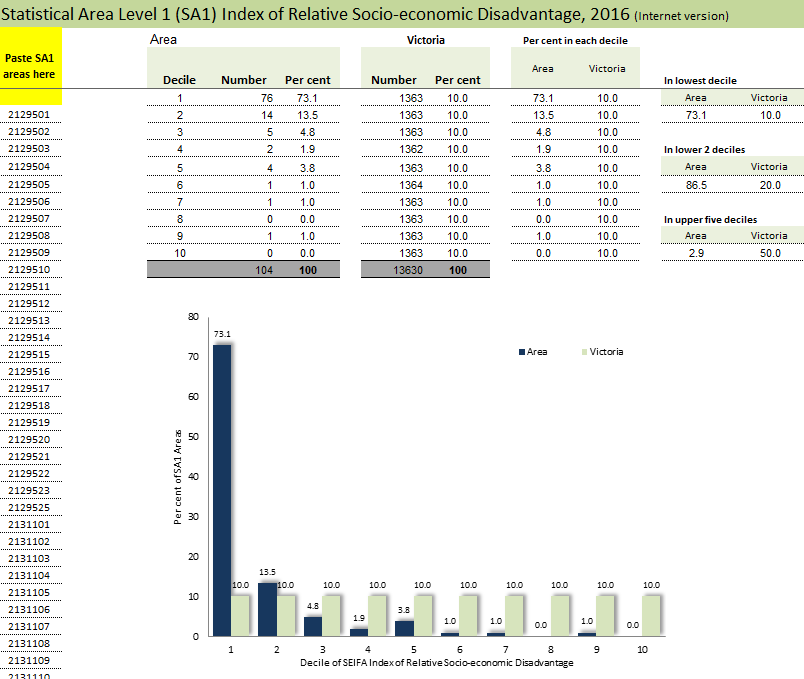
As an overall measure of socio-economic disadvantage, one may also determine the SEIFA Index of Relative Socio-economic Disadvantage for each of the SA1 areas that encompass a region 2.5 km. or 5 km. from the venue. Then the percentage of those SA1 areas whose SEIFA scores fall within the range of the lowest ten percent (or ‘decile) of SA1 areas across the state, is calculated. This step may be repeated for the second lowest ten per cent, right up to the top ten percent. Essentially, this process determines the proportion of SA1 areas in the vicinity of the venue that are relatively disadvantaged on the SEIFA Index (typically those in the lowest two deciles). This may then be compared with the percentage of all SA1 areas across Victoria that are similarly disadvantaged.

Here is a convenient way to prepare this information:

* Copy the list of 7-digit numbers for the SA1 areas within 2.5 or 5 km. of the venue (identified with a mapping program and used to create a local area profile, described earlier)
* Open the file located [**here**](http://www.greaterdandenong.com/document/18524/statistics-vic-seifa-index-of-disadvantage), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Social Disadvantage > SEIFA Index of Disadvantage
* Select the tab at the lower right-hand side of the screen
* Paste the SA1 numbers into the green-shaded cells at the far left-hand side of the screen, shown in the illustration at right.

The spreadsheet will then automatically calculate the percent of SA1 areas whose SEIFA Indices fall within the range of each decile of SEIFA Indices of all SA1 areas in Victoria.

Essentially, these results permit one to compare the levels of overall disadvantage of the customised, local area in the vicinity of the venue, with corresponding levels of disadvantage across Victoria.

The results may reveal the presence of ‘pockets’ of disadvantage within a wider area, while providing a balanced measure of disadvantage in the community near the venue.

The output is displayed at right.

**Documenting socio-economic disadvantage in the local suburb or postal district**

Further measures of social conditions in the suburb or postal district where the venue is situated – some of them not readily available using the technique described above, may substantiate evidence of disadvantage around the venue. These measures are listed below, with links and directions to their location on the internet.

❖[Current (as distinct from the last Census) unemployment levels](http://www.greaterdandenong.com/document/18511/statistics-vic-unemployment-rates-and-numbers)

Click [**here**](http://www.greaterdandenong.com/document/18511/statistics-vic-unemployment-rates-and-numbers) or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Unemployment > Unemployment rates and numbers

❖[Proportion of families with children that have no parent in paid work](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\Families%20with%20no%20parent%20or%20partner%20in%20paid%20employment)

(From the Census, but difficult to document at a customised local area level in the manner described earlier)

Click [**here**](http://www.greaterdandenong.com/document/26030/statistics-families-with-no-partner-or-parent-in-paid-employment) or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Unemployment > Families with no parent in paid employment

❖[Percentage of adults that are Health Care Card holders](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments)

Click [**here**](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments) or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) >Incomes > Centrelink payments

❖[Percent of persons living in households experiencing rent-related financial stress](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\Rent%20and%20mortgage%20related%20financial%20stress)

Click [**here**](http://www.greaterdandenong.com/document/18515/statistics-vic-rent-related-financial-stress) or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) >Housing > Rent and mortgage related financial stress

❖[Homelessness per 100,000 population](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\Homelessness)

Click [**here**](http://www.greaterdandenong.com/document/32170/statistics-homelessness), or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Housing > Homelessness

❖[Rate of alleged incidents of family violence](http://www.greaterdandenong.com/document/18523/statistics-vic-family-violence-incidents)

Click[**here**](http://www.greaterdandenong.com/document/18523/statistics-vic-family-violence-incidents), or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Crime > Family violence incidents

This information is available through the links attached to the headings above, or under relevant headings at: [www.socialstatistics.com.au](http://www.socialstatistics.com.au)

As with the summary of socio-economic conditions within 2.5 km. or 5 km. of the venue, this information may be briefly recounted in a few paragraphs and presented in a simple table.

Social Conditions in Dandenong, *the local suburb* and metropolitan Melbourne, 2016

|  |  |  |  |
| --- | --- | --- | --- |
|  | Local Suburb | Municipality | Metro Melbourne |
| Unemployment Rate (%) March 2018 | 17.3 | 10.2 | 6 |
| Families with children & no parent in paid work (%) 2016 | 36% | 31% | 19% |
| Heath Care Card holders (% of pop.) June 2017 | 18.4 | 9.7 | 6.7 |
| Persons Living in Households experiencing Rent-related Financial Stress (%) 2016 | 69% | 68% | 53% |
| Homeless per 10,000 pop (Dandenong SA2 area) 2016 | 22.5 | 12 | 3.8 |
| Police family incidents per 1,000 population 2016/7 | 23.3 | 15.7 | 10.8 |
| Violent offence rates per 100,000 population 2016/17 | 3,173 | 1,989 | 1,139 |

**Social change in the vicinity of the venue**

An applicant may contend that, despite evidence of disadvantage within a municipality, suburb or in proximity to a venue, such conditions have eased in recent years, and as they improve further, potentially adverse effects of the application may be alleviated. Such claims may be checked against evidence of the actual extent and direction of recent social change – either across the municipality or within the suburb or postal district where the venue is situated.

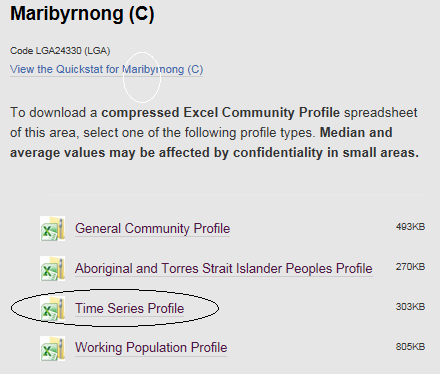
For this purpose, a few key measures may be sufficient:

❖Unemployment rates, relative to metropolitan rates

❖Income levels, relative to metropolitan levels

❖Educational attainments among young adults (usually measured as the percentage of persons aged 20-24 years who had left school before completing year 11)

Information depicting changes in these measures in each Victorian suburb, from 2011 to 2016, is available [**here**](http://www.greaterdandenong.com/document/27314/statistics-time-series-profile), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Time series profile



Corresponding information about municipalities is available from [Table Builder](http://www.abs.gov.au/websitedbs/censushome.nsf/home/tablebuilder), online, or from Time Series Census Profiles, available [here](http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/communityprofile/LGA22620?opendocument), or at [www.abs.gov.au](http://www.abs.gov.au) > Census > Community Profiles. To select a time series profile, choose the municipality, then click on the heading ‘Time Series Profile’ at lower left.

**Social disadvantage and vulnerability to gambling problems**

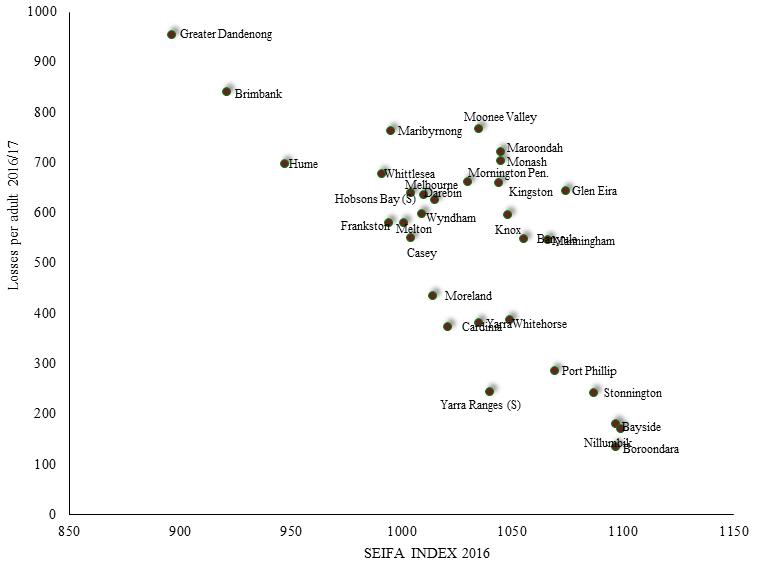
The link between socioeconomic disadvantage and prevalence of gambling-related problems is supported by two strands of evidence, one relating to communities and the other to individuals.

1. *Disadvantaged communities experience high levels of gambling losses*

First, evidence shows that disadvantaged communities experience higher rates of gaming expenditure than others, which, coupled with their lower income levels, makes them acutely vulnerable to gambling-related financial hardship – since their residents experience relatively high gaming losses, yet have limited income to cushion the impact of these losses.

This trend is illustrated in the accompanying diagram which shows the association between gaming losses per adult and the SEIFA Index of Relative Socioeconomic Disadvantage. Losses per adult are highest among the more disadvantaged municipalities (with the lower SIEFA indices, at the upper left of the chart), and *least* among the more affluent municipalities (lower right).

EGM Losses per adult 2016/17 and the 2016 SEIFA Index of Relative Socioeconomic Disadvantage: metropolitan municipalities



A similar relationship exists between gaming losses per adult and incomes, with communities in receipt of low incomes generally experiencing the highest gaming losses.

Elevated levels of gaming expenditure recorded in municipalities with lower incomes and exhibiting other forms of disadvantage show that the highest gaming losses are largely experienced by communities which are least able to accommodate them without hardship – a circumstance which predisposes to gambling problems.

The Commission has concurred with this observation, finding that disadvantaged communities are more vulnerable to a rise in gaming losses resulting from the addition of EGMs,[[7]](#footnote-7) having limited capacity to incur gaming losses without harm.

1. *Disadvantaged segments of the community are most vulnerable to gambling problems*

Second, population surveys show that disadvantaged individuals – including those in receipt of lower incomes, with lesser formal educational attainments, without paid employment or in certain occupational categories – are more likely to participate in gambling and to experience gambling problems than others. Accordingly, socio-economically disadvantaged communities, where such individuals are represented in relatively high proportions, may also be expected to exhibit a high prevalence of gambling problems.

Naturally, the addition of gaming machines in such a vulnerable community may be expected to exacerbate gambling problems and worsen financial hardship.

Details of research findings which confirm an association between high levels of gaming losses and problems among people of certain segments of the community, are reviewed here.

*Education:* Research shows that the prevalence of gambling and of gambling-related problems is relatively high among people with limited educational attainments.

The ‘Victorian Longitudinal Community Attitudes Survey’ (McMillen and Marshall, 2003) reported that people with less than year 11 education accounted for 20% of the general population, yet represented 34% of regular and problem gamblers. By contrast, those with university education constituted 44% of the population but only 22% of regular and problem gamblers.

‘Risk Factors for Problem Gambling’ (Miller: 2015) cites investigations by Wardle et al (2010) and Sporston et al (2012), all of which documented high rates of problem gambling among people of limited educational attainments. A further investigation disclosed that 1.7% of people with a university degree were moderate-risk or problem gamblers, compared with 3.7% of those with only secondary education (Office for Problem Gambling, 2013).

*Incomes:* The ‘Victorian Longitudinal Community Attitudes Survey’ found that problem gamblers were more likely than others to have personal incomes of $10,000 to $25,000, adding that: “In general, Australian-born men with lower personal incomes…were more likely to experience difficulties with poker machines.” (2003:94). The 2014 Victorian Gambling Prevalence Study also determined that problem gambling was more widespread than average among people on lower incomes (Responsible Gambling Foundation, 2015). Similarly, in a review of contemporary research, Miller (2015) concluded that low incomes and socioeconomic disadvantage are associated with a higher prevalence of gambling. In its earlier study of gambling patterns in Australia, the National Institute of Economic Research found that losses were largely sustained by those who could least afford them including those on lower incomes (NIER, 2000).

By contrast, the ‘Victorian Gaming Study: a longitudinal study of gaming and health in Victoria 2008-12’ (2014) found that, among its survey sample, problem gamblers were under-represented among those with incomes below $31,000 p.a. This finding is unusual though, with the report ‘Risk Factors for Problem Gambling’ stating that this finding “…has not been replicated in other studies”, and concluding, in line with other research cited here, that “…the most common finding has been that low income is associated with higher rates of problem gambling” (Miller, 2015: 9).

*Unemployment and Joblessness:* People who are unemployed or without paid work also exhibit a high prevalence of gambling problems. The ‘Victorian Longitudinal Community Attitudes Survey’ found that “A higher proportion of people who were unemployed…had gambling problems than gamblers with a different employment status” (2003: 23) with 2.1% of regular gamblers on unemployment benefits, compared with 1.2% of the general population.

The 2013 report 'Gambling Prevalence in South Australia 2012' determined that 11.2% of unemployed people were moderate-risk or problem gamblers, compared with 4% of those in full-time employment, 2.3% in part-time employment, 1.4% of people in home duties and 2.1% of students (Office for Problem Gambling, 2013).

A similar trend emerged in the findings of the Household, Income and Labour Dynamics in Australia (HILDA) survey, in which unemployed Australians accounted for 3.1% of the sample but 12% of problem gamblers. Respondents whose main income was derived from welfare payments were over-represented among those with severe gambling problems in the findings of a further study (Armstrong and Carroll, 2017).

The report ‘Risk Factors for Problem Gambling’ (Miller, 2015) recounts a selection of other research which documents the association between unemployment and a high prevalence of gambling-related problems.

*Occupations :* Further evidence reveals that people in less skilled occupations tend to experience higher gambling losses than others (Wardle et al, 2007; Williams et al, 2007; National Institute of Economic Research, 2000; Dept. Justice, 2011). Hare’s 2009 study, for example, disclosed that sales workers, machinery operators and drivers, and labourers were over-represented among moderate-risk gamblers.

Another investigation revealed that sales workers, machinery operators and drivers and labourers were disproportionately represented among problem gamblers in a population sample, while people employed as professionals, technicians and trades workers and clerical or administrative workers, were under-represented (Billi et al, 2014). (accompanying table)

Prevalence of Problem Gambling by Occupational Category: Victoria, 2012

|  |  |  |
| --- | --- | --- |
|  | % of Problem Gamblers | % of Victorian Adults |
| **Over-represented among problem gamblers** | |  |
| Sales workers | 30.9 | 6.1 |
| Machinery operators and drivers | 14.9 | 4 |
| Labourers | 18.3 | 5.4 |
| **Under-represented among problem gamblers** | |  |
| Professionals | 12.4 | 32.3 |
| Technicians and trades | 2.8 | 17 |
| Clerical and administrative | 1 | 12.3 |

The trends described in this section also appear to hold for people with moderate and mild gambling-related problems, with Miller (2017) finding that such individuals were more likely than others to receive low incomes, and less likely to own a home, hold a professional occupation or to be tertiary-educated.

*CALD groups and recent settlers:* Evidence relating to people of culturally and linguistically diverse backgrounds, and recent settlers, points to conflicting conclusions and is briefly related here.

Research directed broadly at people of CALD backgrounds has yielded findings which variously suggest that they may be more vulnerable to gambling problems than the general population, less so, or much the same.

In 2017, Ethnic Communities Council of Victoria (ECCV) determined that recent settlers and some cultural communities were at heightened risk of gambling harm due to limited understanding of gambling products; increased access to gambling in Australia; and limited access to culturally-sensitive support for people with gambling problems. They concluded that women, older people and students of culturally diverse backgrounds appeared to be most at risk. Other research indicates that conditions associated with settlement, including depression, boredom, social isolation and exposure to unfamiliar gambling opportunities, may accentuate gambling problems, while isolated migrants may be attracted to venues that are safe and accessible after dark, and others lured by irrational beliefs about gambling (Dickins and Thomas, 2012; Feldman et al, 2014). Accordingly, in her report 2015 ‘Study of Gambling and Health in Victoria’, Hare determined that 5% of adults who spoke languages other than English in their homes were problem or moderate-risk gamblers, compared with 3.2% of English speakers – a finding that is consistent with these this research. Dickins and Thomas (2012) concluded that, while fewer CALD people gamble, those who do are more likely to experience gambling problems than ohters.

In contrast, the 2008-2012 Victorian Gambling Study found that recent settlers were under-represented among problem gamblers, with those who had migrated to Australia during the past five years accounting for no problem gamblers in their population sample, but 5% of the overall population (Billi et al, 2014).

Finally, an investigation by Browne et al (2016) indicated that the prevalence of gambling problems among people who speak languages other than English was similar to the general population.

‘\* \* \* \*

The evidence reviewed here shows that people from disadvantaged segments of the community are more likely to participate in gambling (including gaming) than others, and incur higher gambling losses. At the same time, they are often less able to accommodate such losses than others, due to their relatively low income levels.

The Commission has acknowledged the vulnerability of some segments of the community to gaming losses and gambling problems, including people in receipt of lower incomes[[8]](#footnote-8), of limited educational attainments[[9]](#footnote-9), in menial occupations[[10]](#footnote-10) who speak languages other than English at home[[11]](#footnote-11), who are experiencing housing-related financial stress[[12]](#footnote-12), indigenous residents[[13]](#footnote-13),those without paid employment[[14]](#footnote-14)and in communities with a high rate of dependence upon pensions and benefits.[[15]](#footnote-15) It also has concluded that disadvantaged communities as a whole are less able to accommodate the impact – presumably owing to their lower income levels.[[16]](#footnote-16)

It follows that socioeconomically disadvantaged areas (including communities in the vicinity of a venue), where such groups are generally represented in higher proportions than elsewhere, must experience a relatively high prevalence of gambling problems.

The use of demographic data to identify the presence and representation of vulnerable segments of the community near a venue, or among venue patrons (discussed earlier), may be coupled with evidence establishing their level of participation in gambling and susceptibility to gambling problems, to strengthen the case advanced by a council.

**Communities which are not disadvantaged are still vulnerable to gambling problems**

Emphasis has been placed upon the level of disadvantage among the community in the vicinity of a venue, generally within 2.5 or 5km. of a subject venue. However, incomes or a SIEFA Index approaching the Victorian average in the vicinity of a venue, need not preclude the possibility of local vulnerability to gambling harm.

First, overall statistical measures of social conditions within a community conceal a wide diversity of circumstances among its residents, for there are few statistically ‘average’ people in most communities. Communities with average incomes and other conditions still include many people on lower incomes or in other disadvantaged circumstances. An example is older residents – many of whom may be vulnerable to gambling problems, as population surveys suggest (see pages 23-24). Such disadvantage may be concentrated in geographic ‘pockets’ or interspersed among residents across the community.

Moreover, residents of middle or even higher incomes may also experience gambling harm, though at a lower prevalence than among those on lower incomes. The presence of gambling harm among such residents therefore should not be discounted.

Finally, evidence reviewed in page 23 indicates that a half or more of gaming *expenditure* across Victoria flows from people with severe, moderate or mild gambling problems, with those experiencing gambling harm accounting for a similar proportion of gaming *patrons*. This gives an approximation of the prevalence of gambling harm in an ‘average’ community, a point which may be emphasised.

In light of these circumstances, where socioeconomic conditions among the community in the vicinity of a venue are not markedly disadvantaged, it is still reasonable to submit that many of its residents are vulnerable to the impact of further gaming machines.

**Propositions which seek to minimise socioeconomic disadvantage**

A few arguments advanced by the Commission and others at hearings, which minimise the significance of local disadvantage, are reviewed here.

* The Commission has concluded that “pockets” of social disadvantage in a municipality only appear so when compared with municipal conditions, and were “less concerning” when contrasted with circumstances across metropolitan Melbourne.[[17]](#footnote-17) In other instances, it has been noted that a venue was disadvantaged, but less so than other localities within the same municipality.[[18]](#footnote-18) Thus, the point of reference for assessing disadvantage was metropolitan Melbourne in the first instance, and the municipality in the latter – an inconsistent approach. To adopt a single, consistent frame of reference, it may be preferable that the prospect of gambling harm from an application be assessed as objectively as possible, on the basis of local conditions and vulnerability, rather than by comparison with other localities. A council may advocate for such a position, when circumstances require.
* In some instances, the Commission has observed that, although the locality where the venue is situated is disadvantaged, its patrons largely come from a wider and less disadvantaged geographic region.[[19]](#footnote-19) This underscores the importance of selecting a region around the venue for assessment of the impact of the application which incorporates at least half of its patrons, thereby establishing the relevance of that area for the assessment of the socioeconomic impact of a proposal.
* It has been proposed, in favour of some applications, that disadvantaged local residents already have ready access to other gaming venues. In one instance, the applicant maintained that of four venues in proximity to the applicant, Craig’s Royal Hotel, Ballarat, 2013 (the subject venue) was furthest from the disadvantaged areas of the municipality – with the implication that disadvantaged residents had more convenient access to other venues and would be unlikely to patronise the subject venue. A similar line of reasoning was advanced by the Commission in Valley Inn Hotel, Greater Geelong, 2016 and in Geelong RSL, Greater Geelong, 2018.

If such a proposition was accurate, then the venue gaming patron profile would record few people from the local disadvantaged postcode districts. If not however, then the argument would be lost.

* It has been contended by some applicants that, since gambling problems are present among all segments of the community, the representation of certain ‘vulnerable’ community groups in the vicinity of a venue is irrelevant. This argument however, does not alter the fact that gambling problems are most prevalent among people from disadvantaged segments of the community, making a community with a high representation of disadvantaged groups more vulnerable to gambling problems than otherwise.

**Other issues concerning evidence of socio-economic disadvantage**

A selection of issues concerning the presentation and interpretation of evidence relating to socioeconomic disadvantage is outlined below.

*Assertions should be accompanied by evidence*

On occasion, the Commission has discounted claims that segments of the community, such as people on low incomes, in manual occupations or with limited formal education, are more vulnerable to gambling problems than the general population,[[20]](#footnote-20) despite abundant evidence to the contrary.

Such misconceptions may be forestalled by the presentation of evidence drawn from a representative and substantial selection of the available, contemporary research.

*Gambler’s Help statistics are an unreliable gauge of gambling harm*

Records from Gambler’s Help concerning the number of people who receive counselling, are occasionally cited as evidence of the local prevalence of gambling problems. However, those who seek support from Gambler’s Help constitute a small proportion of people experiencing gambling harm. For example, in 2017/18, 6,540 people obtained either financial or therapeutic counselling with Gambler’s Help, representing 1.05% of the estimated 12.5% of Victorian adults who experience severe, moderate or mild gambling harm (see page 24). Such information therefore provides no indication of the actual, or comparative, prevalence of gambling problems in a community.

Accordingly, the Commission has tended to dismiss evidence relating to Gamblers Help counselling, characterising such data as “inherently unreliable”[[21]](#footnote-21) and a “tiny proportion” of people with gambling problems in the community.[[22]](#footnote-22)

*Availability of welfare services*

The idea that the harm associated with an application may be aggravated by a lack of welfare agencies to address such consequences, has been advanced by councils in a few hearings, though seldom to a receptive Commission.

First, if the Commission determines that the application will not cause significant gambling problems, it may be inclined to conclude that such services would not be required to address its impact.[[23]](#footnote-23)

Moreover, the Commission may acknowledge the possible need for counselling service to address an escalation in gambling problems, yet contend that no evidence has been submitted to show that local agencies would struggle to accommodate a rise in service demand.[[24]](#footnote-24)

Finally, evidence that very few people with gambling problems seek professional counselling, suggests that limited local welfare service capacity would not perceptibly worsen the adverse impact of a gaming application an any case.

**EXPENDITURE FORECASTS AND GAMBLING PROBLEMS**

**New and transferred expenditure**

Most applicants include a forecast of the impact of their proposal upon venue gaming expenditure in their submission to the Commission. This projection is usually prepared by a consultant and incorporated into the applicant’s social and economic impact assessment, with the author of the forecast frequently appearing before the Commission to explain and justify these estimates.

Such expenditure estimates include these components:

1. Overall Expenditure: The forecast rise in expenditure at a venue as a consequence of the addition of the gaming machines sought in the application, usually applying to the first year after the installation of these machines.
2. Transferred Expenditure: An estimate of the proportion of the overall forecast expenditure increase that would be transferred from local venues, as a result of some of their patrons choosing instead to gamble at the subject venue.
3. New Expenditure: The overall forecast increase in expenditure, minus the transferred expenditure. This represents the net rise in overall losses incurred by people living in the catchment of the venue, resulting from the installation of gaming machines at that venue – as distinct from expenditure which is merely transferred from local venues to the subject venue.

**Overall expenditure estimates are unreliable and tend to be underestimated**

The report ‘Using Retail Gravity Theory to Model Gaming Venue Expenditure and Transfer in Victoria’ (hereafter, ‘The Geotech Report’) describes a technique for forecasting overall expenditure increase, and a method for estimating the proportion of such expenditure that is ‘new’ and ‘transferred’. Importantly, the report explains that the estimation of ‘new’ and ‘transferred’ expenditure “…is separate from the gravity process.” (p. 7) – the technique used to forecast overall expenditure increase. The methods for forecasting overall rise in gaming expenditure, and for estimating the levels of ‘new’ and ‘transferred’ expenditure, are therefore addressed separately here.

*Overall expenditure*

The procedure used by applicants to predict overall expenditure changes has several shortcomings.

First, the Geotech Report observes that the public may take some time to become aware of an increased range of EGMs at a venue, with the result that “It is reasonable to expect a period of ramp-up at a venue post the introduction of new EGMs…” (p. 12). Therefore, any estimated rise in expenditure at a venue in the *first year* may understate the medium- to long-term impact of the addition of EGMs upon expenditure.

Second, many applicants propose that revenue from additional gaming machines will fund extended or refurbished dining facilities. Practical experience, outlined on pages 38 and 39, shows that such an approach may attract more patrons to the venue, including its gaming room, thereby raising gaming revenue in excess of the applicant’s estimate.

Third, estimates of increases in gaming revenue submitted by applicants generally fall short of the medium-term rises in gaming losses following the installation of EGMs. Eight applications approved in 2015, and which resulted in the installation of the approved gaming machines within two or three years, form the basis of the evidence presented here. Applications have been omitted from these observations where they were refused; where information was inaccessible from the VCGLR website or ambiguous; where predictions of expenditure change were not recorded in the ‘Reasons for Decision’; or where the gaming machines approved were not installed in time to register an impact for at least a full financial year (the ‘post year’).

To compare gaming expenditure prior to, and soon after, the installation of gaming machines, expenditure at each venue for the financial year prior to the year of the decision on the gaming application for an increase in gaming machine numbers (the ‘pre-year’), has been compared with expenditure during the soonest available financial year during which they were clearly operational for the full 12 months – usually 2-3 years after the year in which approval was granted.

In each instance, this latter, or ‘post year’, has been selected to ensure that the additional gaming machines would have been in operation for its duration, so that comparison between the pre- and post-years encompasses the impact of the first full financial year of operation of the EGMs approved in 2015.

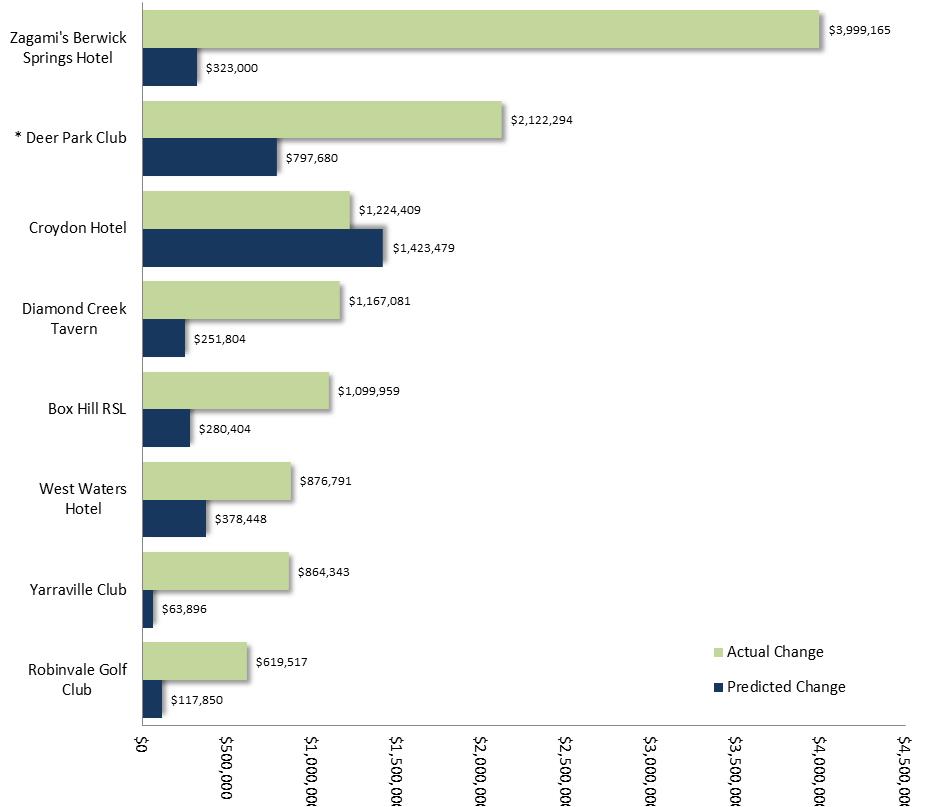
In the following table, for each application, the year for which the operation of EGMs in June was confirmed by VCGLR data, is given. It is accompanied by the maximum and minimum number of months for which the EGMs could have been operating prior to and during the ‘post-year’. Notably, the additional EGMs were operating for the full 12 months of these ‘post-years’.

Year by which EGMs had been installed and their duration of operation prior to June of the ‘Post-year’



For each venue, the difference between *predicted* rises in expenditure in the year after the installation of additional EGMs, and *actual* subsequent rises in expenditure in the first year or two of their operation, expressed as a percentage of the original forecast, are illustrated in the accompanying chart.

Difference between actual and forecast expenditure (as % of forecast): selected venues



A table setting out the data used to prepare this information is presented on the final page.

On average, actual changes in gaming revenue following the addition of gaming machines exceeded forecasts supplied by applicants for the first year of their operation, by 470% of the forecast amount. Of the four instances where Geotech was identified in the VCGLR ‘Reasons for Decision’ as the basis for the expenditure forecast, the average difference between actual and forecast expenditure was 355% - over four times the forecast.[[25]](#footnote-25)

These findings do not constitute a strict comparison between the forecast expenditure in the first year after the installation of EGMs, and actual expenditure in their first year of operation, as in most instances the additional gaming machines may have operated for up a year prior to the ‘post-year’ when actual expenditure was recorded.

However, they demonstrate that this sample of expenditure forecasts generally underestimated actual changes in gaming expenditure by the conclusion of the first or second full financial year of their operation.

While the eight instances recounted here are insufficient to conclusively settle the issue – as a larger sample would be required – these results suggest a general tendency for actual expenditure soon after the installation of gaming machines to substantially exceed applicants’ forecasts.



As it would appear, expenditure forecasts are highly unreliable and generally underestimate gaming expenditure following the installation of the EGMs.[[26]](#footnote-26) – a finding which discredits the techniques used by applicants to generate these projections.

In addition, details of the procedure used by applicants are seldom revealed in their submissions, making it impossible for councils or other parties to an application to assess their validity.

**Informed criticism or alternatives may help councils to contest expenditure forecasts**

However, if a Council does not contest the forecasts presented by an applicant, the Commission tends to accept them. In a number of cases, the Commission has been disposed to accept the applicant’s estimate where the council did not dispute an estimate provided by the applicant, or as council contested such an estimate without presenting an alternative of its own.[[27]](#footnote-27) This is a curious viewpoint, since questioning a theory or technique does not inherently require that an alternative be submitted to take its place.

**Alternative forecasts of overall expenditure increase**

A council may contest forecasts supplied by the applicant with its own, alternative projections. Two possible approaches are suggested:

*Benchmark* *Estimate*: featured in Highlands Hotel Craigieburn, Hume, 2017, this approach seeks to identify a similar, previous application for gaming machines by a venue in a community of comparable socioeconomic characteristics. Records of its gaming revenue are then examined to determine the rise in gaming revenue at that venue following the installation of EGMs. This information provides the means to calculate the ratio between the percentage rise in gaming revenue and the percentage increase in EGMs a few years after the installation of EGMs. This ratio may be multiplied by the number of gaming machines sought in an application to forecast the change in gaming revenue. A similar method was presented to the Commission in Tiger Clubhouse, Wyndham, 2018.

However, it is probable that the resemblance between the predictions and actual rises in gaming expenditure following the installation of EGMs would vary widely from one application to another, making the results somewhat unreliable.

*Modelling estimate*: Using statistical modelling, a formula may be developed to estimate gaming losses per adult, based on the number of EGMs and social conditions within a municipality. This may be used to predict the net effect upon municipal gaming revenue of the addition of gaming machines at the venue – a measure of ‘new’ expenditure at the venue. An outline of the procedure is set out in Appendix Three.

An applicant may contest estimates prepared by a council as inexpert and invalid, making it prudent for a council to arrange for such a forecast, should it be attempted, to be presented by an expert consultant.

‘\* \* \* \*

In light of the matters discussed here, several options may be available in responding to applicant forecasts of overall expenditure increases:

* It may be feasible to critically appraise an applicant’s forecast, based upon consideration of the shortcomings of the techniques used by applicants, outlined on pages 16 and 17, and raise the point that the forecast substantially underestimates the probable rise in expenditure;
* In conjunction with the first step, it may be possible to present an alternative forecast for the consideration of the Commission, to further establish the possibility of a higher level of expenditure increase than that predicted by the applicant;
* A further option may be to propose that the applicant forecasts be dismissed, or at least treated with caution, on the grounds that situations which influence expenditure are so varied and inherently unpredictable as to make forecasts of acceptable reliability and precision unattainable;
* Finally, the applicant’s forecast may be ignored altogether to avoid the burden of debating this issue before a possibly unreceptive Commission.

**Transferred expenditure is not considered detrimental**

The preceding comments concern forecasts of the overall rise in gaming expenditure following the addition of gaming machines. A further issue is the estimate of the proportion of that increase which is ‘new’ and that which is ‘transferred’ from other venues.

The Commission maintains that expenditure which is merely transferred from nearby venues does not increase municipal gaming expenditure, exerts no net impact upon residents, and therefore cannot be detrimental to the community.[[28]](#footnote-28) New expenditure however, is acknowledged by the Commission as a potential liability of an application,[[29]](#footnote-29) on the grounds that much of it may aggravate gambling problems.[[30]](#footnote-30)

Accordingly, a high estimated level of transferred expenditure is construed by the Commission as evidence that the application may exert only a limited adverse impact upon local residents. Conversely, a low transfer expenditure, and correspondingly high levels of ‘new’ expenditure, point to the possibility of more detrimental impacts.

Estimates supplied by applicants of the proportion of forecast overall expenditure increase that is transferred, typically range from 40% to 95% in Melbourne,[[31]](#footnote-31) but may be as little as 10% in rural areas.[[32]](#footnote-32)

**Estimates of transferred and new expenditure have not been validated or tested**

The preceding section was concerned with the methods used by applicants to forecast the overall rise in gaming expenditure that would result from the addition of gaming machines. These comments concern the proportion of that expenditure which is transferred from local venues and that which is new – representing a net rise in gaming expenditure by residents in the venue catchment.

The principal difficulty in calculating ‘new’ and ‘transferred’ expenditure is that the resulting estimates cannot be verified or checked against actual conditions.

If a technique is to be accepted as a means for predicting actual events, it must be possible to test that procedure by comparing its predictions with real-world conditions. For example, the forecast rise in gaming expenditure at a venue following an increase in EGMs may be compared with *actual* gaming revenue measured at the venue after their installation. Indeed, this provided the means to test the accuracy of such estimates in an earlier section.

However, unlike the overall rise in gaming revenue, it is not feasible to measure the *actual* ‘new’ and ‘transferred’ expenditure at a venue, as no direct method for doing so exists. This makes it impossible to verify applicants’ estimates of ‘new’ and ‘transferred’ expenditure, making them the hypothetical propositions, rather than the products of a duly tested and validated technique.

**The technique for estimating ‘new’ expenditure is unfounded**

Moreover, the techniques employed by consultants engaged by applicants for estimating the ‘new’ and ‘transferred’ expenditure appear to lack a sound theoretical or practical foundation.

‘New’ expenditure, the Geotech Report explains, is calculated as the ratio between the predicted expenditure at a venue [if a new venue – otherwise, current expenditure] and the total estimated potential gaming expenditure in the trade area[[33]](#footnote-33) – which encompasses all neighbourhoods with any possibility of a resident attending the venue[[34]](#footnote-34) – multiplied by the expected rise in venue expenditure.

In other words, ‘new’ expenditure is estimated as the venue’s current share in potential gaming revenue within its catchment, multiplied by the forecast rise in gaming expenditure.

This means that the new expenditure will equal the same fraction of estimated revenue increase, as the fraction of potential expenditure within its catchment that is currently received by the venue.

This technique has no apparent basis in theory or common sense.

* There is no self-evident reason why the proportion of any increase in gaming expenditure that is ‘new’ should equal the ratio between current gaming expenditure at a venue and potential expenditure by residents in its catchment – and no explanation is given.
* The technique takes no account of what proportion of potential expenditure in the venue catchment results in actual expenditure; the likely capacity of the venue to attract that potential expenditure from residents, and actual expenditure from competing, local venues. Omission of such considerations gives this formula little chance of generating a realistic estimate of ‘new’ expenditure.
* Under abstract conditions, where the proportion of expenditure that is ‘new’ may be inferred, the technique results in wholly unrealistic estimates. This is illustrated here by the illogical results it generates under particular conditions where the actual and new expenditure may be inferred. For example, suppose a venue received $5m. in annual revenue from a catchment of $10m. potential expenditure, in which there were no other gaming machines. In this circumstance, 100% of any rise in gaming revenue (to a limit of $5 million) resulting from the installation of further gaming machines would be new expenditure. By contrast, the technique would yield an estimate of 50% (venue expenditure/catchment potential expenditure) ‘new’ expenditure.

On the other hand, if all $10m. of potential expenditure within the catchment of the venue was being received by local venues, then none of the rise in revenue resulting from the addition of EGMs at the venue would be ‘new’ expenditure – even though the formula yields a result of 50%, as above.

* In addition, its estimates of ‘new’ expenditure are inordinately sensitive to the distribution of gaming patrons, to an extent which cannot be justified by logic or practical considerations. To illustrate, if a venue received $1m. in annual gaming revenue and its patrons were distributed across a geographic area whose potential gaming expenditure was $2m., then the formula would ascribe half of an overall rise of $1m. in expenditure at the venue to ‘new’ expenditure, equalling $500,000.

However, if a small percentage of its patrons were distributed across a much wider geographic area, with a potential gaming expenditure of $10m., then the calculation of ‘new’ expenditure would fall to $100,000 ($1m. venue expenditure/$10m. catchment potential expenditure) – all as a consequence of the re-distribution of a trifling number of patrons.

* The statistical modelling used to estimate the potential gaming expenditure of the residents within the venue catchment takes no account of the density of gaming machines in the area, which research shows, exerts an influence upon gaming expenditure. This defect is of less concern that the issues raised above, but would further contribute to an underestimation of the level of ‘new’ expenditure.

For these reasons, it may be feasible to argue that a technique currently applied in estimating the proportion of a forecast overall rise in gaming revenue that is ‘new’ and ‘transferred’, along with its predictions, should be dismissed as unfounded.

Finally, estimates of ‘new’ and transferred expenditure submitted to the Commission are not accompanied by a detailed explanation of the techniques applied, thereby depriving councils of the opportunity to replicate such findings or assess the validity of the technique employed to reach those conclusions.

**The Commission may doubt applicant expenditure estimates**

While expenditure forecasts prepared by applicants are generally accepted by the Commission,[[35]](#footnote-35) it has occasionally challenged estimates of overall expenditure increases, and of the proportions of that increase which are ‘new’ and ‘transferred’. In Waurn Ponds hotel, Greater Geelong, 2013, the Commission observed that such calculations were uncertain and based upon numerous opinions and difficult-to-measure conditions. Similar misgivings were expressed in its decision in Craig’s Royal Hotel, Ballarat, 2013, where the Commission called attention to the personal judgements evident in the calculation of these estimates, citing a failure to give examples of comparable applications where expenditure estimated in the same fashion had actually transpired. In Greensborough Hotel, Banyule, 2013, too, it contested an expenditure forecast for lacking “…analytical basis or proven history or accuracy”.

These observations confirm that the Commission may be receptive to a rigorous and critical assessment of the methods employed by applicants to forecast overall expenditure, and to estimate ‘new’ and ‘transferred’ expenditure.

**Alternative, ‘suggestive’ estimates of transferred and new expenditure may be proposed**

Aside from challenging the validity of the method used to estimate ‘new’ and ‘transferred’ expenditure, it may be feasible in some instances to examine local regional expenditure trends to gauge the likely scale of ‘new’ and ‘transferred’ expenditure.

To this end, changes in gaming expenditure at the subject venue may be compared with those recorded at nearby venues. To illustrate, suppose gaming revenue at the venue had risen by $1 million in recent years and local venues had experienced an overall decline in gaming revenue during the same period, of $300,000. This gives the suggestion that when gaming revenue rises at the venue, about 30% may be transferred from local venues, while approximately 70% represents a net increase in gaming losses by members of the local community. It may be then argued that a plausible estimate of ‘new’ revenue in an application for EGMs at this venue would be in the vicinity of 70%. This approach is suggestive rather than conclusive; but it may provide a basis for an approximation of the proportion of any expenditure increase that would be ‘new’ and ‘transferred’, and for challenging more conservative estimates of ‘new’ expenditure.

Applying this approach in Club Noble, Greater Dandenong, 2017, the council observed that gaming revenue had risen at the venue without any corresponding decline in revenue at nearby venues, suggesting that recent gaming revenue growth at the venue was predominantly ‘new’ rather than ‘transferred’ revenue. This, the council maintained, signified that the level of ‘new’ revenue forecast by the applicant (12%) was unrealistically low. This argument was cited in the Commission’s decision, though it is not clear what weight was assigned to it.

**PREVALENCE OF GAMBLING PROBLEMS AMONG VENUE PATRONS**

**Gaming Expenditure comes largely from people who are experiencing gambling harm**

It has been seen that the Commission concedes that a substantial proportion of ‘new’ expenditure – whatever its true level may be – may contribute to gambling-related problems.

Evidence shows that between 50% and 70% of any rise in gaming expenditure occasioned by the addition of gaming machines, comes from the hands of people who are experiencing mild, moderate or severe gambling harm. Other evidence indicates that people experiencing gambling harm also account for a substantial proportion of gaming patrons. It follows that a similar fraction of ‘new’ expenditure contributes to gambling harm.

**The scope of gambling harm**

The percentage of adults who meet the criteria for ‘problem gamblers’ in population surveys, is in the order of 0.7% to 2% (Department of Justice, 2009B; Hare, 2011, 2015; Productivity Commission, 2019). The impression conveyed by such information is that the extent of gambling-related problems is relatively small. However, such findings understate the proportion of gaming patrons who are experiencing gambling harm.

For gambling harm not only affects ‘problem gamblers’, but is experienced by a wide range of gamblers to varying degrees, resulting in a substantial prevalence of harm among gaming patrons. The report ‘Using a Public Health Approach to the prevention of Gambling-related Harm’ (2015) concluded that “While the rate of harm is much lower among non-problem gamblers than those who meet the criteria for problem gambling, the absolute number of people experiencing some form of harm is significant.” (p. 10). Like-minded, the Productivity Commission recognised that “…harm is experienced by many non-problem gamblers, with this group accounting for a greater share of the aggregated harm than problem gamblers” (2010: 4.24). These views are echoed by the findings of Browne et al (2016) and Miller (2016).

Acknowledging such evidence, the Commission concedes that gambling problems are distributed across a wide spectrum of intensity, from most severe (widely termed ‘problem gambling’) to moderate and mild, with the latter categories accounting for most people with gambling problems and the bulk of the harm caused by gambling.[[36]](#footnote-36) In Highlands Hotel Craigieburn, Hume, 2017, for instance, the Commission observed: “…harms associated with problem gambling may be experienced directly and indirectly as a consequence of gambling undertaken by those who may be defined as ‘problem gamblers’, as well as those who may be otherwise regarded as ‘low-risk’ or ‘moderate-risk’ gamblers.

**Gambling harm accounts for a substantial proportion of gaming patrons and revenue.**

Available evidence also confirms that people with gambling problems attend gaming venues more frequently than others, and therefore account for higher proportion of gaming venue patronage than even these numbers suggest.

The Productivity Commission (2010: 5.25) stated that “While problem gamblers may account for only 0.7% of the population they may account for 10 to 40 times this among venue patrons at any one time”. The South Australian Centre for Economic Studies (2005) concluded that 28% of regular gaming patrons were experiencing severe gambling-related problems.

Estimates which encompass moderate and mild gambling harm indicate that an even higher proportion of gaming patrons experience harm. Referring to the findings of a Victorian survey, the Productivity Commission concluded that between 27% and 76% (or a midpoint of 52%) of regular EGM players were problem- or moderate-risk gamblers.

Even higher estimates have been generated by research which includes people who experience mild gambling harm. In a recent study, 444 gaming patrons at 18 Victorian venues were interviewed on their departure from the venue, and the Problem Gambling Severity Index was administered. Among them, 71% were found to be experiencing gambling harm (problem gambling: 20%; moderate harm: 26%; and low harm: 25%) (Bartley et al, 2017).

Similarly, in a report published by the Victorian Responsible Gambling Foundation, Miller (2017) cites a population survey by Hare (2015) which found that 8.9% of Victorian adults were low-risk and 3% moderate-risk gamblers, compared with 0.8% of adults who were identified in the survey as ‘problem gamblers’ – representing a total of 12.7% of adults. If, for the purpose of illustration, two-thirds of them used gaming machines (for a total of 8.2% of adults), then they would represent about half of all gaming patrons – who account for approximately 17% of Victorian adults in total.

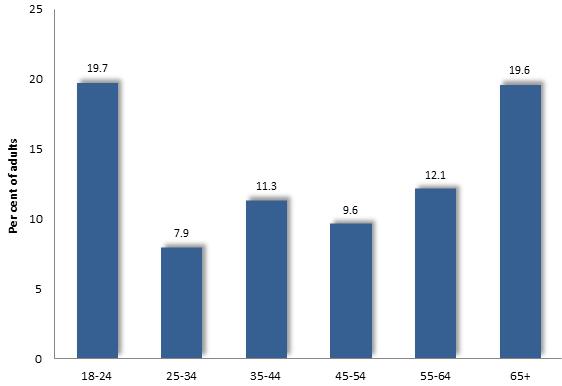
Mild, moderate and problem gamblers also account for an appreciable percentage of gaming *revenue*. The Productivity Commission (2010: 5.1) concluded that moderate and problem gamblers account for between 42% and 75% of gaming losses – representing a mid-range of 58%. Since gamblers experiencing mild harm were not taken into consideration in these estimates, their inclusion would further raise this percentage.

Evidence therefore shows that people who experience harm from gambling may account for at least a half of any net rise in gaming revenue in the catchment of the venue (as ‘new’ gaming expenditure) and a similar proportion of any increase in patronage, stemming from an application.

**Older venue patrons and gaming problems**

A proposition sometimes advanced by club applicants is that few of their patrons experience gambling harm, as many are older people who tend not to have gambling problems. The Commission itself, has stated that older people are less susceptible to gambling problems than others.[[37]](#footnote-37) However, the findings of population surveys show that residents aged 65 years are actually *more* likely to use gaming machines and to experience gambling problems, than people of most other age groups.

Hare (2015) found that 23% of Victorians of retirement age had used gaming machines in the past 12 months, compared with 13% of those aged 25-54.

Perentage of persons expericing gambling harm, by age: Victoria, 2014

In addition, her 2014 investigation, ‘Study of Health and Gambling in Victoria’, determined that 12.5% of Victorian adults fell within the range of problem to mild-risk gamblers, compared with 20% of people aged 65 years or more (Hare, 2015).

Similarly, ‘Assessing Gambling Related harm in Victoria’ recorded a higher-than-average prevalence of gambling problems among 55+ year-olds (Browne et al, 2016).

Moreover, older people are more financially vulnerable than other adults.

* At the age of 65 years or more, 61% of Victorians were dependent upon the aged pension as their primary source of income in 2018. Reflecting such circumstances, median personal incomes among Victorians aged 65 or more stood at $437 in 2016, compared with $747 among those aged 15 to 64.
* A substantial proportion of older residents in more disadvantaged metropolitan suburbs rent their accommodation.
* Residents approaching traditional retirement age in disadvantaged communities, have lesser incomes than those in other localities – with the 2016 Census revealing that residents aged 55-59 in less affluent communities were in receipt of incomes substantially lower than the metropolitan average for the same age group, thereby setting limits to their ability to accumulate savings, which might enable them to absorb gambling losses without hardship.

Relevant data for Victorian suburbs or postal districts is available through the links presented below:

[Low incomes in the years prior to, and in, retirement](http://www.greaterdandenong.com/document/24410/statistics-incomes-by-age-and-sex)

Click [**here**](http://www.greaterdandenong.com/document/24410/statistics-incomes-by-age-and-sex), or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Income > Income by age and sex

(for instance, see income among 55 to 59 year-olds in linked file)

[Dependence on the aged pension](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments)

Click [**here**](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments), or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Income > Centrelink incomes

[Older people renting their accommodation](http://www.greaterdandenong.com/document/31519/social-statistics-housing-tenure-type-by-age)

Click [**here**](http://www.greaterdandenong.com/document/31519/social-statistics-housing-tenure-type-by-age), or goto: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Housing > Housing tenure type by age

‘\* \* \* \*

It has been seen that the community near a venue may experience a substantial net rise in losses after the addition of gaming machines (as ‘new’ gaming revenue) and that a half or more of this increase contributes to gambling harm. Finally, further evidence has shown that such harm may be aggravated in a community of socioeconomic disadvantage, where residents have limited capacity to absorb losses without hardship.

**RISE IN GAMING MACHINE DENSITY AND LOSSES**

**Gaming Machine Density**

Access to gambling opportunities is associated with elevated levels of gambling losses and a relatively high prevalence of gambling problems.

Storer, Abbott and Stubs (2009) reviewed 34 gambling prevalence surveys, concluding that the number of problem gamblers rose with increasing gaming machine density by between 0.6 and 1 per gambling machine. Similarly, the ‘Report to the Municipal Association of Victoria’ (Livingston and Francis, 2014) which inquired into gambling patterns across Victorian regions, concluded that “40% of the apparent effect of disadvantage was explained by the density of EGMs.”

The relationship between accessibility of gambling opportunities and the prevalence of gambling problems was explored by the Productivity Commission (2010: 14.6) which explained that “Accessibility stimulates demand, with the result that some gamblers are exposed to risk that was originally muted or absent”. Lam and Mizarski (2009: 273-4) add that “Increasing opportunities to gamble would result in more individuals picking up the habit of gambling and potentially increase the incidence of problem gambling.” Harris and Griffiths (2017) recount evidence that increased gambling accessibility shifts “…those at risk into the problem gambling category, as well as converting those who gamble recreationally, problem-free, to at-risk gamblers.” As a consequence, high gaming machine densities in disadvantaged areas “…concentrate the social costs in communities that are less able to bear them”, according to the Productivity Commission (1999: 30).

‘\* \* \* \*

Since evidence indicates that gaming machine density contributes to gaming losses and the prevalence of gambling-related problems, the addition of EGMs may worsen financial hardship for residents near the venue.

The Commission has voiced the opinion that high gaming machine density and losses per adult in the presence of socioeconomic disadvantage, show that a local community is vulnerable to gambling-related problems.[[38]](#footnote-38) It also holds that a rise in gaming machine numbers may actually worsen local gambling problems, remarking in Lakeside Hote, Cardinia, 2007, that ”…a greater availability of EGMs in a particular area is likely to lead to increased…problem gambling in the area.” Further, it has commented that an increase in number and accessibility of gaming machines would “…have the potential to negatively impact on the risk of problem gambling”[[39]](#footnote-39), and that a rise in their numbers accentuates the risk of gambling problems and their adverse health and social impacts.[[40]](#footnote-40)

Elsewhere however, the Commission has variously concluded that both high and low local EGM density may lessen the adverse impact of the addition of gaming machines.

In some instances, the Commission has contended that a high density of EGMs in a community, or elevated numbers at the subject venue[[41]](#footnote-41) mean that any additional machines will exert only a modest influence upon the accessibility of gaming.[[42]](#footnote-42) In Club Noble, Greater Dandenong, 2017, for example it stated that any increase in accessibility of EGMs would be minimal, due to the high existing EGM density in the community.

Conversely though, the Commission has commented that the impact of additional EGMs would be limited, owing to the low density of EGMs in a locality[[43]](#footnote-43), noting in Zagame’s Berwick Springs Hotel, Casey, 2015, that any detrimental impact of the addition of EGMs would be minor, since EGM density was not high in Casey.

Thus, in these particular decisions, its views about the implications of increased gaming machine density appear contradictory, and taken together, allow no latitude for acknowledging any detrimental effect of a rise in EGM numbers. While neither position is corroborated by evidence, these observations indicate that, in the absence of persuasive evidence about the impact of gaming machine density upon gambling losses and problems, the Commission may discount the adverse impact of a local rise in gaming machine density resulting from an application.

**Population and gaming trends and their impact on gambling harm**

On occasion, the Commission has observed that current[[44]](#footnote-44) or expected[[45]](#footnote-45) population growth would reduce gaming machine density, thereby partially negating some of the adverse effects of the installation of gaming machines at a venue.

On other occasions, the Commission has forecast gaming trends, concluding that declining losses in a municipality would balance any rise in expenditure occasioned by the addition of EGMs at a venue.[[46]](#footnote-46) However, existing trends in population growth (and its ensuing dilution of EGM density) and gaming losses, are independent of an application and would persist regardless of its outcome. Accordingly, it may be argued that they should be accounted as marginal impacts of a proposal.

**Small proportional rise in gaming machine numbers and density**

In a number of decisions, the Commission has expressed the veiw that a small number of gaming machines sought by an applicant represents a modest rise in EGM numbers[[47]](#footnote-47) or revenue,[[48]](#footnote-48) relative to municipal levels. However the net impact of an application depends upon the *balance* between the likely adverse impact of the proposal and its prospective benefits.

Just as an applicant may point to the relatively modest scale of the additional EGMs sought and their limited prospective impact, benefits ascribed to the proposal may also appear trifling, when set against a backdrop of municipal conditions.

* The number of additional welfare positions (or their equivalent) to be created as part of a proposal would represent a small proportion of the welfare and community workers employed within the municipality.
* Expenditure on community benefits as part of the application accounts for a modest proportion of the wages of community and welfare workers employed within the municipality.
* Employment of further venue staff proposed in an application, generally represents a small percentage of all persons employed within the municipality.

For example:

* The proposed employment of one community worker by a venue situated in Brimbank, at an annual cost of $50,000, would represent an increase of one person relative to a total of 289 welfare workers employed within Brimbank, resulting in a mere 0.25% rise in local welfare employment and a rise of 0.23% in wages of local welfare workers across the municipality.
* The permanent employment of five full-time workers at the venue would represent a miniscule 0.008% increase in the 66,450 persons employed within Brimbank.

(All figures relating to employment in Brimbank based on findings of the 2016 Census)

Details of the number of persons employed as social or community workers within each municipality, the approximate incomes of those workers in total, and the total number of persons employed, are presented in Appendix Two.

Moreover, the municipal total is generally not a relevant point of comparison with the increase in EGMs proposed in an application or the estimated rise in expenditure, since the impact of the EGMs is not dispersed across the municipality, but localised. Indeed, it is for this reason that the applicant, Commission and council usually focus their community impact assessments upon the community in the vicinity of the venue, and not upon overall, municipal conditions. It may be argued therefore, that to measure local impact, including both the potential benefits and detriments of an application, the local community - rather than the entire municipality - is the relevant frame of reference; and that it is the balance between the prospective local benefits and detriment of the application which should decide the application.

**Impact of new venues**

A related issue concerns the establishment of a new gaming venue. Available research findings show that a rise in the number and accessibility of gaming venues may accentuate the prevalence and intensity of gambling problems among local residents. Research recounted in ‘Problem Gambling in New Zealand: preliminary results from the New Zealand Health Survey’ (2012), found that people living near gambling venues were more likely to experience gambling problems than others. Welte et al (2006) similarly concluded that proximity to gambling outlets was associated with an increased prevalence of problem gambling.

Such a relationship between accessibility of gambling opportunities, and the prevalence of gambling-related problems, is explained in the report ‘Destination Gambling’ (2008: 6), its authors concluding that high accessibility makes “…gambling tempting for emotionally vulnerable problem gamblers” adding that “Where the presence of…gaming venues is increased, impulse behaviour will be more frequent”.

In Grandview Hotel, Darebin, 2012, the Commission concurred with this proposition, noting that the addition of a venue would increase access to gaming and escalate the risk of gambling problems among local residents. On the other hand, in Pink Hill Hotel, Cardinia, 2010, the Commission concluded that the impact of the proposal was mitigated by the presence of other local venues, with the implication that the addition of EGMs would increase accessibility of gaming and raise the prevalence of gambling problems, to a lesser extent than otherwise.

**Net machine revenue**

The Commission has expressed concerns that high levels of gaming revenue per EGM (often termed net machine revenue or NMR, calculated as annual gaming revenue / number of EGMs) constitute evidence of a high prevalence of gaming problems at the venue,[[49]](#footnote-49) while a low NMR reflects low levels of problem gambling among its patrons.[[50]](#footnote-50) The basis for such a conviction is unclear.

In any case, where a high NMR at a venue appears to warrant concern, such conditions may be pointed out as an indication of gambling problems at a venue.

Venue-level data of this kind is available [**here**](http://www.greaterdandenong.com/document/18526/statistics-vic-gambling-venues-machines-and-losses), or at: [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > [Gambling venues, machines and losses](http://www.greaterdandenong.com/document/18526/statistics-vic-gambling-venues-machines-and-losses) > Then click on the heading ‘Listing of gambling venues by municipality’

**Peak utilisation and gambling problems**

With some exceptions,[[51]](#footnote-51) applicants give measures of the level of utilisation of the gaming room. The level of peak utilisation is a further measure of interest to the Commission - typically defined as the proportion of opening hours per week in which 70% or more of the EGMs at a venue are in use. For reasons which are not convincingly explained, the Commission often interprets low utilisation rates as an intimation that the venue is not conducive to problem gambling.[[52]](#footnote-52)

More importantly, the Commission further maintains that the addition of a few more EGMs under conditions of low utilisation would not facilitate access to gambling, since people with gambling problems would have every opportunity to gamble already, which an increase in EGM numbers would not markedly alter.[[53]](#footnote-53) While appealingly plausible, this idea is contradicted by evidence, with an examination of rises in gaming revenue after the addition of EGMs showing that even venues with relatively low levels of NMR generally experience a pronounced rise in gaming revenue following the installation of gaming machines.

To explore the relationship between levels of peak utilisation at venues, and the impact of the addition of gaming machines upon gaming expenditure, a selection of seven gaming applications were examined. These were cases where approval for additional EGMs was granted in 2015, the level of peak utilisation was documented in the Commission’s ‘Decision and Reasons for Decision’, and the further gaming machines were installed within three years.

For example, in Yarraville Club, Maribyrnong 2015, the applicant stated that peak utilisation occurred in only 0.49% and 2.25% of hours surveyed in two one-week periods, signifying that the premises had sufficient EGMs to meet demand (para 50). However, the predicted rise in annual expenditure, of $42,597-$85,194, was exceeded by actual revenue growth from 2014/15 to 2016/17, of $864,343 – *1,253 per cent higher* than the predicted level.

Details of the forecast and actual expenditure, and NMR, in each case are set out in the footnote below.[[54]](#footnote-54)

Examination of these gaming applications confirms that low levels of EGM utilisation do not reliably predict low levels of expenditure increase at such venues, after the addition of gaming machines.

**EFFECTS OF GAMBLING PROBLEMS**

It has been seen that an increase in gaming losses and elevated EGM density resulting from the addition of EGMs, exposes residents to a heightened risk of gambling harm – particularly so in disadvantaged communities. Evidence about the nature of this harm is reviewed here.

**Financial difficulties**

Gambling losses are largely funded by reductions in expenditure on essential household goods, such as food and clothing, resulting in a diminished standard of living for the children and other dependents of many regular gamblers. While for some, accumulated losses may be significant, for others on low or fixed incomes (Harrigan, 2007), even the sustained loss of modest amounts of money may have a substantial financial impact.

Indeed, aside from those people who experience more severe financial losses as a result of gambling, a greater number of regular gamblers may persistently loose more money than they can comfortably afford, with the result that they and their families live less decently than otherwise.

The South Australian Centre for Economic Studies (2005) found that, as the highest levels of gambling losses were incurred among people in the least affluent localities, most losses were funded not by savings, but by reduced expenditure on other goods. When asked how they would spend their extra funds if they did not gamble, 23% of a sample of people with gambling-related problems identified groceries and small household goods, and a similar proportion specified clothing and footwear. Just 20% stated that they would save these funds (South Australian Centre for Economic Studies, 2005). One of the most obvious consequences of the diversion of expenditure from such personal and household needs is a poorer material existence for those who gamble and for their dependents.

**Personal stress**

Investigations report a higher prevalence of personal distress, including depression and suicidal thoughts, as well as excessive alcohol or other drug use, among people with gambling-related problems (South Australian Centre for Economic Studies, 2005; Healthy, Wealthy and Wise Women, undated; SA Centre for Economic Studies, 2008). In its investigation of gambling problems, the Productivity Commission found that 50% of people with severe gambling-related problems said gambling made life less enjoyable, compared with just 5% of other gamblers.

**Family stress and violence**

Available evidence indicates that the prevalence of family violence is higher in families which are experiencing gambling problems, than among others (Dowling, 2014; Dowling et al, 2006; Suomi et al, 2014a, 2014b).

Other investigations confirm a causal link between gambling and family violence. Evidence reveals that gambling-related problems may lead to family dysfunction, conflict and violence (Australian Institute of Family Studies, 2014; Costello, 2008; Ferland et al, 2008), pointing to a direct causal relationship between gambling and family violence. Crane (2015) cites the CEO of a major Victorian welfare agency, who observed that “Problem gambling places great stress on relationships” with “family violence is part of the mix with some problem gambling clients”. Commenting upon such family conditions, one investigator explained: “The family environments of people with gambling problems are characterised by high levels of anger and conflict...” (Australian Gambling Research Centre, 2014).

Muellemar et al (2012) interviewed women admitted to emergency departments, finding that, among those experiencing violence from their intimate partner and whose partner also had gambling problems, 64% perceived a connection between these two conditions (cited in Suomi et al, 2013). Authors of the report noted that “…of the participants who were interviewed in depth, most reported that problematic gambling generally preceded the family violence” (p. 1).

Similarly, in a New Zealand investigation, of 208 people who participated in a survey, 46% of those who had been victims of family violence expressed that view that the violence was a *consequence* of their partner’s gambling. (Bellringer et al, 2017).

Such findings are echoed by the results of research conducted by Suomi et al (2013) of 120 people seeking assistance as members of families with problem gamblers, which found that 53% reported family violence in the past 12 months, with 44% having been victims of such violence. Among a smaller sample of 32 of these survey participants, who were interviewed as part of this investigation, most related that the family violence had followed the onset of gambling-related problems, Suomi et al reporting that “…problematic gambling generally preceded the family violence” (2013: 1). Commenting on this study, Dowling remarked that the findings of this inquiry “…suggest that gambling problems precede both victimization and perpetration of family violence.” (Dowling, 2014: 4). In the Victorian Responsible Gambling Foundation report ‘Social Costs of Gambling in Victoria’ Browne et al (2017) similarly concluded that family violence may be caused by gambling.

To draw attention to the vulnerability of local residents to such possible impacts of gambling problems upon family conditions, one may cite current rates of police callouts to family incidents in the relevant local postcode, and, if such evidence permits, observe that current trends in the vicinity of the venue suggest a marked local susceptibility to family violence and conflict.

Relevant statistics are available [here](http://www.greaterdandenong.com/document/18523/statistics-vic-family-violence-incidents), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Crime > Family Violence Incidents

The Commission has criticised evidence relating to the prospective impact of gaming applications upon family violence for failing to present evidence of its causal relationship with gambling.[[55]](#footnote-55) This makes the evidence of the kind cited above, of particular relevance in establishing the probable impact of an application.

**Homelessness**

Some gamblers lose their accommodation as a result of gambling-related financial difficulties (Healthy, Wealthy and Wise Women, undated), with research findings pointing to a high prevalence of gambling problems among homeless people - some estimating that as many as one-fifth of those across Australia have lost their accommodation due largely to gambling (Australian Broadcasting Commission, 2008).

**Crime**

The accumulation of debt, and bankruptcy, are common effects of persistent gambling losses, with many gamblers borrowing money, having to be bailed out by relatives, or resorting to crime or deceptive means to obtain funds (Sakurai and Smith, 2003; Centre for Criminology and social Justice, 2000; Crofts, 2002), with a survey of 8,000 randomly-selected New Zealand residents finding that 0.3% had committed crimes in response to gambling difficulties in the previous 12 months (Lin et al, 2008).

**Work-related difficulties**

Distracted by a preoccupation with gambling, many people with gambling-related problems experience employment difficulties, leaving work early to gamble, missing work altogether, and sometimes ultimately losing their employment as a result of gambling (Dowling, 2004). A substantial proportion of people with gambling problems experience work-related problems as a result (Australian Medical Association, 2013), with the New South Wales Office of Liquor, Gaming and Racing reporting that 25% of people with gambling problems state that gambling detracts from their paid employment (Wieczorek and Zhou, 2014).

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As financial hardship, personal distress, family discord and violence, crime and work-related difficulties are well-documented consequences of gambling problems, any application that would increase the prevalence of gambling problems among a vulnerable community may be expected to worsen such difficulties among affected local residents.

While the Commission acknowledges research concerning the adverse effects of gambling, it has on occasion contended that evidence has *not* been provided to show that the particular application would aggravate such problems.[[56]](#footnote-56) In Sale and District Greyhound Racing Club, Wellington, 2016, for example, it ascribed little significance to Council’s testimony about problems associated with problem gambling, as it “did not relate to the venue specifically.” Similarly, in Portarlington Golf Club, Greater Geelong, 2017, it maintained that various kinds of harm – such as crime, fraud, personal distress and family violence - mentioned in the council report, were not accompanied by evidence about how those impacts would be worsened by the application. In like vein, the Commission discounted evidence presented by the council about links between family violence and gambling problems in Dandenong RSL, Greater Dandenong, 2018, stating that it was not satisfied that the evidence demonstrated any association between the application and such impacts.

The Commission therefore favours submissions which link evidence concerning detrimental impacts of gambling with the particular features of the application, to show how it would lead to such adverse outcomes.[[57]](#footnote-57)

Presenting evidence showing that an application would result in a marked rise in overall new expenditure (which may contribute to an increase in gambling problems), that a high proportion of such losses pass from people experiencing gambling harm, that this harm would be inflicted upon a vulnerable, local population, and finally, that ‘protective’ features of the particular venue or its RSG procedures would do little to mitigate such harm, may persuade the Commission of the impact of an application upon the community.

Further considerations include applicant claims of the economic and community benefits of an application, and of the ‘protective’ effect of venue responsible gaming practises and other characteristics. These issues form the subject of the following sections.

****BENEFITS OF GAMING APPLICATIONS

Appraisal of claims that the prospective economic and social benefits of a gaming application may lessen its prospective harm

**ECONOMIC BENEFITS**

**Economic Stimulus from Increased gaming expenditure**

In a number of its decisions, the Commission has maintained that the forecast rise in gaming expenditure submitted by an applicant represents an economic benefit, making it a favourable feature of an application.[[58]](#footnote-58)The Commission adds that only that proportion of new expenditure[[59]](#footnote-59) which is not associated with problem gambling,[[60]](#footnote-60) generates such benefits. Evidence reviewed earlier, showing that most gaming patrons experience gambling harm, suggests that the scope of such benefit is relatively modest.

**Economic stimulus from complimentary expenditure and tourism**

In addition, the Commission considers any prospective increase in expenditure at the venue on food, beverages and tourism entailed in the proposal, as a further economic benefit[[61]](#footnote-61)- with the exception of funds diverted from other businesses in the municipality,[[62]](#footnote-62) and food and beverages supplied by firms based outside the municipality.[[63]](#footnote-63)

Enhancement of local tourism, resulting from the improvement of venue facilities, funded by the addition of gaming machines, is also favoured by the Commission [[64]](#footnote-64)- since it entails the economic benefits of an influx of funds into the community.

It may therefore be feasible to argue that the benefits of complimentary expenditure ascribed to a proposal by the applicant are diminished by the diversion of such expenditure from other businesses in the municipality, and by the prospect that some of the food and beverage supplies may be purchased from outside the municipality.

**Diversion of expenditure from local businesses**

In Braybrook Hotel, Maribyrnong, 2013, the Commission acknowledged “movement of expenditure” from “goods and services to gaming”. In other decisions too, the Commission has conceded that diversion of trade from local retail and other businesses, arising from an increase in expenditure at the subject venue, would partly negate the economic and employment benefits of a rise in gaming and complimentary expenditure at the venue[[65]](#footnote-65) – though only in the extent that it may detract from business within the municipality.[[66]](#footnote-66)

**Economic stimulus from temporary employment**

Temporary employment during a phase of construction or refurbishment is also accounted as economically beneficial[[67]](#footnote-67), particularly where applicants claim that the labour and contractors are likely to be sourced from within the municipality.[[68]](#footnote-68) By contrast, the Commission discounts the economic benefit of temporary employment if the applicant is uncertain whether such labour will originate from the municipality.[[69]](#footnote-69) This points to the advantage of inquiring about the likely source of permanent employment, and of contractors engaged during any redevelopment of the venue.

**Economic stimulus from permanent employment**

Any forecast increase in permanent employment at the venue is considered beneficial, except that transferred from other venues, which is sometimes estimated as being in proportion of the percentage of the forecast rise in expenditure that is estimated as transferred.[[70]](#footnote-70) In Officer Hotel, Cardinia 2018, for instance, the Commission observed that employment benefits are uncertain, as some jobs may be displaced from local venues. Presumably the Commission would be most concerned about displacement of employment from venues within the municipality.

The possibility of such a diversion of expenditure is a point which may be emphasised to further underscore the limits of economic benefits attributed to a proposal by the applicant.

More broadly, evidence conflicts with the Commission’s favourable perception of employment generated by gaming applications. Available evidence indicates that permanent jobs generated by the gambling industry displace employment in other sectors of industry, with the result that any such rise in gambling employment is balanced by a decline in employment elsewhere, as increased gaming expenditure is matched by a fall in expenditure on other goods or services.

Indeed, some investigations have generated evidence that gaming expenditure may create fewer jobs than those displaced from other sectors of the economy. An Australian inquiry determined that 3.2 jobs were created for every $million of gaming expenditure, compared with 8.3 jobs per $million of services from sales of beverage and 20.3 jobs for every $million spent on meals and food (South Australian Centre for Economic Studies, 2005). Similar findings emerged from an earlier examination of this subject, which ascertained that funds lost to gaming generated less employment than equivalent expenditure in other sectors, such as food sales (O’Neill and Whetton, 2002).

Considering this issue, the Productivity Commission (1999) concluded that expenditure on gambling would otherwise be directed to other goods and services, resulting in a similar level of employment to that currently generated in the gambling industry. Its assessment is echoed by a subsequent Victorian Competition and Efficiency Commission inquiry, which declared that “… the long-run economy-wide impact of an expansion in gambling activity is likely to be neutral.” (2012: 77). Such conclusions challenge the credibility of claims of employment benefits arising from applications.

Such evidence though, may not be accepted by the Commission. In Ballarat Golf Club, Ballarat, 2018, it dismissed without explanation, evidence concerning the transfer of employment and the proposition that less employment would be generated in gaming that that displaced from other sectors of industry.

**Tax liability**

The rate of tax on gaming revenue is largely calculated on the basis of the revenue per gaming machine. Therefore, even in the absence of any rise in gaming revenue, the addition of EGMs may reduce the overall gaming revenue per machine, thereby reducing tax liability for the venue.

In some instances, the Commission commented with favour upon the prospect that an increase in EGMs at the venue would reduce its tax liability, leaving more funds available for expenditure within the local community.[[71]](#footnote-71) In other instances though, it has discounted such reductions in tax liability as either irrelevant[[72]](#footnote-72) or negligible.[[73]](#footnote-73)

Conversely, the Commission accords no weight to the prospect of an increased tax liability[[74]](#footnote-74) or views them as detrimental to an application[[75]](#footnote-75), since such funds flow to the State Government from which they are expended on goods and services of benefit to the wider population of Victoria.[[76]](#footnote-76) Accordingly, in Malvern Vale Hotel, Stonnington, 2014, the Commission declared that since it was required to consider the impact of an application on the municipality, and not upon the state, any prospective increase in the venue’s tax liability was irrelevant, while in Craigieburn Sports Club, Hume, 2007, it proceeded a step further, characterising such tax increases as funds “...lost to local economy.”

**Diversion of funds outside the municipality**

In a few instances, it has been shown to the detriment of an applicant, that much of its gaming (and perhaps other) revenue is transferred each year to an external, affiliated organisation, and thereby diverted from the local community.

In Greyhounds Entertainment, Greater Dandenong, 2014, the Commission observed reproachfully that only a fraction of any additional revenue generated by the proposal would flow to the local community, since most would be directed to its affiliate, the Melbourne Greyhound Racing Club.

Similarly, in Cove Hotel, Kingston, 2017, the Commission commented that some of the funds generated by any increase in EGMs at the venue would pass to the Victorian Amateur Turf Club - which owned the venue – contributing to a “potential for tension” between the interest of its parent company and the obligations of the venue to its patrons and the local community.

When such arrangements are brought to light, they may be drawn to the attention of the Commission as a significant liability to the application.

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Consideration of the Commission’s perceptions of the beneficial economic attributes of venues, and of features of an application of venue that may detract from its economic benefit to the local community, may help a council to present realistic insights into the true economic impacts of gaming applications.

**SOCIAL BENEFITS**

How the funds generated by the addition of gaming machines may help to enhance a venue as a source of local entertainment and social activity, and increase its capacity to support the local community.

**Improved facilities**

Extension or refurbishment of facilities at a venue are generally favoured by the Commission as a social benefit[[77]](#footnote-77), particularly if those facilities are new to the venue,[[78]](#footnote-78) of limited availability in the area,[[79]](#footnote-79) or are perceived as serving the needs of a burgeoning local population.[[80]](#footnote-80)

Notably however, such refurbishments are regarded less favourably by the Commission:

* If they would proceed, regardless of the outcome of the application.[[81]](#footnote-81) Notably though, an assertion that planned refurbishments would not proceed without approval of that application, may be accepted by the Condition on the word of the applicant, alone.[[82]](#footnote-82)
* If they do not entail any marked enhancement or diversification of existing facilities at the venue[[83]](#footnote-83) or would represent only a modest improvement.[[84]](#footnote-84)
* If the refurbishments are concerned solely with the gaming room or would elevate the prominence of gaming within the venue.[[85]](#footnote-85)
* If such facilities are already available in the municipality.[[86]](#footnote-86)
* If the refurbishments may increase the appeal of the venue to people with, or at risk of, gambling problems.[[87]](#footnote-87)

In Club Officer, Cardinia, 2017, for instance, the Commission acknowledged that the application may aggravate problem gambling, citing with approval the testimony of an applicant witness who conceded that a proposed renovation would increase the attractiveness of the venue – including to problem gamblers.

The availability of improved facilities, while of benefit to those who do not gamble or who gamble without harm, may attract others, whose gambling may lead to gambling problems. Indeed, Rockloff et al (2015) reviewed research findings which showed that the “availability of other activities” was among the features of venue that are most alluring to people with gambling problems, with 59% of those in the studies examined identifying this as an appealing feature of a venue.

**Quality meals**

Quality dining facilities and cuisine are among the features which often attract patrons. Practical experience though, confirms that many remain at the venue to participate in gambling. Gaming room data supplied by applicants frequently reveal a surge in EGM usage in conjunction with meal times,[[88]](#footnote-88) indicating that non-gaming facilities often lure people into the gaming room. For example, one applicant witness noted that peak gaming utilisation coincided with meal period, “…indicating a strong correlation between gaming and non-gaming activities”, according to the Commission[[89]](#footnote-89), while in another instance, the testimony provided on behalf of an applicant confirmed that peak utilisation occurred at conclusion of bistro service on Thursday to Saturday evenings.[[90]](#footnote-90)

Refurbishment and expansion of dining facilities may also entice more people to the venue, leading to an surge in gaming patronage and revenue. This may very well result in gaming revenue exceeding estimates submitted by the applicant – a prospect that may be cited as a detrimental feature of an application.

**Preservation of a valuable community facility**

Aside from the benefits it ascribes to improved or expanded venue facilities, the Commission has commended the prospect that revenue from additional gaming machines would ensure that the venue remained in business and continued to extend its benefits to the community[[91]](#footnote-91) – particularly where it esteems the venue as ’iconic’ or of otherwise notable significance to its local community.[[92]](#footnote-92) While it would likely be fruitless to challenge such perceptions, it may be opportune to invite the applicant to supply evidence which demonstrates that it actually requires the income from additional gaming machines to remain solvent.

**Community support provided by venues**

Applicant pledges of increased support to the community in the form of funding for welfare, gambling counselling, sporting and other organisations within the municipality, the creation of welfare or community officer positions at the venue, or priority access to community groups to meeting rooms, are frequently endorsed by the Commission as favourable attributes of an application.[[93]](#footnote-93)

A selection of circumstances appear to influence the weight which the Commission ascribes to community donations provided, or pledged by, applicants:

* The Commission holds particular regard for the social contribution of venues where it is persuaded that they have a high level of engagement with the community.[[94]](#footnote-94)
* Benefits to the community which would be provided, regardless of the outcome of the application, are not accorded any weight.[[95]](#footnote-95)
* Provision of services or amenities that are not new to the municipality, or are locally available in abundance, are given less credit.[[96]](#footnote-96) For example, the Commission commented that the prospective benefits of an offer by the applicant in Croydon Hotel, Maroondah, 2015, to give priority access to meeting rooms by the community were diminished by the fact that similar facilities are available elsewhere.
* The Commission contests the value of meeting room access, discounts and other benefits where it perceives them to be part of a business model or marketing efforts to promote the venue and entice customers.[[97]](#footnote-97) Such discounts are widely employed by businesses as a means to attract clients from different segments of the market, and those offered by venues may therefore be motivated by commercial imperatives rather than lofty, philanthropic ideals.
* Benefits pledged by applicants for the life their entitlements may be accorded limited weight, since entitlements expire in 2022. [[98]](#footnote-98)
* The Commission also holds that support provided to state-wide organisations or to those which operate largely outside the municipality, are not a benefit.[[99]](#footnote-99) In Caroline Springs, Melton, 2013, for instance, it remarked that it would not ascribe any merit to pledges of support to organisations that operate largely outside the municipality, since these funds would flow beyond the community. This is reminiscent of the Commission’s view, mentioned earlier, that any increase in tax revenue associated with an application, or funds directed to a ‘parent’ organisation outside the municipality, are a liability to the community and therefore detract from an application.
* Further circumstances, more particular to the nature of the proposed community benefit, may also influence the value placed upon it by the Commission. In Club Officer, Cardinia, 2018, a proposed chaplaincy service for problem gamblers was accorded little credit due to the few hours for which it would be available, the probability that non-religious people would be reluctant to use the service, and the fact that no evidence was tendered to establish the efficacy of such a service.

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By considering the details and shortcomings of proposed venue improvements and pledges of increased support, it may be possible to present a persuasive critical assessment of their prospective benefits and liabilities to the local community.

**Community benefits statements and true community benefits**

The Gambling Regulation Act requires club venues to provide an annual audited statement, called a Community Benefit Statement, of the funds which they direct to “…philanthropic…benevolent…sporting or recreational purposes” (Gazette S124 26 June 2003). This obligation is intended to demonstrate that clubs have directed at least 8.3% of their gambling revenue to activities which benefit the community, to match the 8.3% higher tax levied upon hotel gaming revenue.

The type of expenditure which may be claimed as community benefits by clubs includes a wide range of venue operating costs, such as employment expenses; fixed assets such as furniture, TVs and fridges; and subsidized goods and services. In 2017/18, Victorian clubs expended $283 million in this fashion – representing 31% of club gaming revenue – claiming them as the fulfilment of their community obligation under the Act. However, expenditures of actual probable benefit to the wider community, encompassing support for philanthropic purposes such as health, housing, youth, older people, environment, poverty relief, as well as veterans support and volunteer expenses, accounted for 2.3% of total club gaming revenue in 2017/18.[[100]](#footnote-100) Of RSL clubs, widely esteemed for their support for veterans and their families, those with gaming machines in Victoria granted 3.5% of their gaming revenue to these causes in that year, including 0.7% - or 7 cents for every dollar lost to gaming at their venues – to veterans’ support.

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It may be helpful to compare the level of funding dedicated by the club to such activities, of apparent benefit to the community.

This information is available [**here**](http://www.greaterdandenong.com/document/30997/social-statistics-club-contribution-to-the-community), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > Club contributions to the community

Such information may place matters in perspective by disclosing the proportion of gaming revenue returned to the local community and giving a measure of extent of a club’s devotion to the interests of its local community, an attribute which often favourably disposes the Commission to applicants.

In addition however, it may be necessary to consider the *marginal* impact of the application – that is, the balance between the benefits and harm associated with the application itself. Therefore, any pledged *increase* in community benefits proposed in the application may be compared with expected ‘new’ gaming revenue (that may contribute to gambling harm). Such a comparison should take into consideration the fact that the level of ‘new’ revenue may exceed the estimate presented by the applicant:

* due to continuing revenue growth after the first year of the installation of the EGMs;
* owing to the fact that gaming revenue may rise further if any planned refurbishments attract further patrons to the venue; and
* because of the tendency of applicants to underestimate overall gaming revenue increases.

In addition though, it should be explained how a significant proportion of this revised approximation of ‘new’ expenditure, reached in this manner, is expended by people who are vulnerable to gambling harm.

In this fashion, it may be possible to present the Commission with a realistic comparison between the additional community support pledged by an applicant, and the accompanying net rise in the financial burden of gambling to vulnerable, local residents.

By contrast, a simple comparison between an increase in community benefits pledged by an applicant and the estimated rise in overall gaming revenue alone, has been rejected by the Commission as invalid.[[101]](#footnote-101)

**Community surveys and other evidence of public concern**

The Commission acknowledges that, owing to the Court of Appeal decision on Romsey, it must give consideration to community sentiment in deciding gambling applications - though it comments that community misgivings about the impact of an application may be largely unfounded.[[102]](#footnote-102)

Accordingly, the Commission has at times registered its disapproval at the failure of a council to conduct a survey to provide it with a “…snapshot of the wider community attitude to the application”[[103]](#footnote-103), stating that in the absence of efforts to canvass public opinion, it can ascribe no weight to community opposition.[[104]](#footnote-104)

However, the Commission is not easily swayed by efforts to document public opinion, with most survey results presented at hearings being largely discounted. The reasons for this are reviewed here.

* Low survey response rates have attracted criticism from the Commission, including for example, a 4% response rate in Highland Hotel Hume, 2017, a 5% rate in Roxburgh Park Hotel, Hume, 2017, and a 6% rate in a web-based poll in Old Town ‘N Country Hotel, Wangaratta, 2014 – which was also criticised for ‘self-selection bias’ (where a low response rate places a representative community sample beyond reach). Indeed, such response rates are in fact, too low to assign any weight to their findings. The Commission has also drawn attention to the low number of respondents and limited geographic scope of some surveys.[[105]](#footnote-105)
* Other survey results have been contested by the Commission, where it appears that they have registered public concerns about gambling or gaming machines in general, rather than reporting objections to the specific features of the application.[[106]](#footnote-106) In Browns Corner Hotel, Moreland, 2012, for instance, the Commission concluded that one of the principal origins of community opposition was a generalized aversion to gaming machines – a reason which it dismissed as an invalid basis for objection.
* The Commission has also discounted survey findings where it is persuaded that respondents were not provided with a clear and balanced account of the prospective benefits and liabilities of an application.[[107]](#footnote-107)
* Among those surveys deemed methodologically satisfactory - and thereby elude such criticism - some have returned findings that most respondents do not oppose the application[[108]](#footnote-108), yet in others, even opposition by most respondents may not avail: in Village Belle Hotel, Port Phillip, 2013, the opposition of a majority of survey participants was dismissed on the grounds that its findings did not represent “overwhelming opposition” to the application.
* At least one survey inquired into the likely impact of a proposal upon the health and wellbeing of survey respondents – one which the Commission commended in Brown’s Corner Hotel, Moreland, 2012. Yet in this case, the Commission cautioned that people often merely supply socially acceptable responses, rather than expressing their true feelings.
* Elsewhere, the Commission has asserted that, since an application would not alter the character of a locality, any unhappiness or unease occasioned by the proposal would dissipate over time.[[109]](#footnote-109)
* In one decision, the distinction between an application for venues and for gaming machines proved decisive. In Sporting Legends Club, Wellington, 2015, the Commission accepted the findings of a council survey since it “…was specific to the premises and addressed the application specifically”, though it added that the prospective impact of the application was diminished by the fact that it was for an increase in EGMs, rather than for a new venue – as in the landmark Romsey case.
* The presence of other venues in the locality may influence the Commission’s view of public opposition. In another instance, the popular concern documented in a survey was discounted, as it was not an isolated community like Romsey, and had other venues nearby.[[110]](#footnote-110) Inversely, in Wellington on Botanic Gardens, Greater Bendigo, 2017, the Commission accorded importance to survey results, as there were no other gaming venues nearby.
* Finally, failure by a council to provide the questions featured in a survey has, on occasion, prompted the Commission to dismiss its survey findings.[[111]](#footnote-111)

The Commission has given consideration to letters of opposition to submissions from community members or organisations. In Dandenong RSL, 2018, for instance, it acknowledged receipt of letters and emails from residents, communicating their objections to the application.

In Geelong RSL, Greater Geelong, 2018 though, the Commission acknowledged the importance of community concerns expressed in submissions by individuals and agencies, coupled with a council survey, characterising this evidence as more persuasive than that of the applicant – which submitted opinions of club members. Similarly, in Commercial Hotel, Whittlesea, 2016, the Commission was presented with community submissions, a council survey and a video of community members voicing their concerns about the application, which it held to represent a “…consistent and sustained negative attitude by the community…”, to which it attached weight. As it would appear, in these two instances, the council survey was given credence by the Commission as part of a broad expression of community concerns.

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On the whole, it would appear that efforts to conduct and present findings of local community surveys hold little prospect of securing favourable consideration from the Commission – unless they are supplemented by other forms of evidence, or the locality is isolated, with no gaming venue, harbours a widespread popular disdain for gaming machines, and possesses the capacity to deliver a high response rate to a community survey – in other words, another ‘Romsey’.

Recent decisions though, suggest that submissions by local residents and organisations are accorded sympathetic consideration by the Commission – even though they cannot aspire to the rigorous methodological standards of a population survey. This suggests that taking steps to elicit informed, authentic testimony of this kind may help to provide an enlightening and constructive community perspective.

****ALLEVIATION OF HARM

Consideration of claims that venue management and characteristics, and responsible service of gambling procedures, may prevent the addition of gaming machines from causing harm, even to members of a vulnerable and socio-economically disadvantaged local community.

**VENUE CHARACTERISTICS**

The Commission has expressed doubt about the prevalence of gambling harm among venue patrons[[112]](#footnote-112), stating in Rubicon Hotel, Murrindindi, 2014, that it had not been presented with “…evidence to demonstrate that the operation of the venue is conducive to problem gambling.” Rather, the Commission maintains that a selection of venue characteristics may reduce the risk of gambling problems. Such perceptions though, may be challenged by evidence and research, to show that gambling-related harm could arise from the addition of gaming machines at that particular venue.

*Community engagement:* A degree of community engagement, coupled with “community focus and charitable goals” is endorsed by the Commission.[[113]](#footnote-113)

*Interaction with staff*: Close interaction between venue staff and patrons is commended[[114]](#footnote-114) “…as a method to detect whether a patron may be displaying signs of an increased risk of problem gambling”,[[115]](#footnote-115) and to lessen the degree of anonymity experienced by patrons.[[116]](#footnote-116)

*Gaming room surveillance*: Surveillance by trained staff is credited by the Commission with alleviating the risk of gambling problems associated with proposed increases in EGM numbers.[[117]](#footnote-117)

*‘Club’ atmosphere*: The Commission looks with favour upon club venues,[[118]](#footnote-118) due to characteristics which it perceives to be common features of clubs, including their community engagement, sign-in procedures, relationships between staff and patrons, older membership and concern for patron wellbeing. It has also expressed favour towards RSLs as having protective features, presumably among those cited above. [[119]](#footnote-119)

*Limited patron anonymity*: Lesser degrees of anonymity due to club ‘atmosphere’; interaction with, and surveillance by, staff; smaller venue size; and club sign-in procedures[[120]](#footnote-120) may attract the approval of the Commission.

*Age of patrons*: Older patrons are considered less at risk of problem gambling[[121]](#footnote-121), with the Commission citing the ‘Victorian Gambling Study 2014’ (para 67) in support of this proposition.[[122]](#footnote-122) The notion that older residents are less vulnerable to harm associated with EGM gambling is refuted by evidence of the high rate of gaming participation and of gambling harm among older residents, recounted on page 23 and 24.

*Losses per EGM*: Lower rates of losses per gaming machine have been favoured by the Commission [[123]](#footnote-123) as evidence of a limited prevalence of gaming problems among venue patrons.

*Non-gaming activities*: The presence of, or efforts to increase the range of, non-gaming activities at a venue is endorsed by the Commission.[[124]](#footnote-124) By contrast, some applicants have been reprehended for their lack of non-gaming options or their failure to plan and develop such amenities.[[125]](#footnote-125) A predominance of gaming activities in a venue, where present, may therefore be drawn to the attention of the Commission.

*Smaller venue size*: Smaller venues are perceived as offering less anonymity than larger venues and permitting closer and more supportive staff interaction with patrons.[[126]](#footnote-126) Inversely, high EGM numbers and large gaming rooms are considered conducive to gambling problems.[[127]](#footnote-127) Smaller venues are therefore favoured by the Commission[[128]](#footnote-128) which commented in Croydon Hotel, Maroondah, 2015, that the lesser floor space allocated to gaming would alleviate problem gambling, and in Diamond Creek Tavern, Nillumbik, 2015, that, since the venue was of low to medium size, it would be less likely to contribute to problem gambling.

In relation to this subject, the Productivity Commission (2010) expressed the view that it may be easier for staff to identify people with gambling problems and to assist them in smaller venues – with the implication that larger venues would curtail this prospect. Larger venues may also exert their influence through an entirely different mechanism, Rockloff et al concluding that in larger venues, patron gaming activity is spurred by relatively high frequency of wins ‘broadcast’ across the gaming room, and by the lights and sounds emanating from gaming machines.

If, as evidence suggests, and the Commission maintains, large venues accentuate the risk of gambling problems among their patrons, then it may be contended that any appreciable increase in venue size or gaming machine numbers associated with an application may accentuate this risk, even if it does not place the venue among the ranks of the largest in the State. Echoing this line of reasoning, in Geelong RSL, Greater Geelong, 2018, the Commission maintained that a rise in EGM numbers would confer upon the venue some of the adverse characteristics of larger venues.

*Long opening hours*: The Commission holds that long opening hours are conducive to gambling problems[[129]](#footnote-129), favouring shorter opening hours or a reduction in opening hours as part of an application.[[130]](#footnote-130)

Evidence indicates that longer opening hours may indeed contribute to gambling-related problems. The report ‘Destination Gambling’ (2008) found that long opening hours increase accessibility and that higher-risk gamblers often play at night – echoing a views expressed by the Productivity Commission (2010) and in the Victorian Responsible Gambling Foundation report ‘Behavioural Indicators of Responsible Gambling Consumption (2016). Other research indicates that a high proportion of early-morning gaming patrons have gambling problems (Neilsen, 2003).

*Gaming room entrance*: Refurbishment of venues to oblige gaming patrons to use the front entrance, apparently to induce them to reflect upon their intention to gamble, has secured the endorsement of the Commission in some decisions.[[131]](#footnote-131) In Croydon Hotel, Maroondah, 2015, for example, it praised the applicant for adjusting its venue layout so that patrons would have to enter the non-gaming areas of the venue before preceding to the gaming room, thereby requiring them to make a “conscious decision to enter the gaming lounge” (Para. 51).

*Gaming room separation and visibility:* The Commission favours the separation of the gaming room from other areas of the venue[[132]](#footnote-132), rebuking the applicant in Terminus Hotel, Yarra Ranges, 2012, for having few areas where venue patrons could sit where the gaming groom or TAB were not visible. Efforts to conceal the gaming room from other areas of a venue, and thereby to reduce its focus upon gambling, have therefore been commended by the Commission.[[133]](#footnote-133)

A related issue concerns screening to obscure the gaming room entrance from patrons, including children, entering the venue – a step which the Commission has declared, would reduce gambling problems.[[134]](#footnote-134) However, while the goal of concealing the gaming room from adults and children may seem a laudable objective – though its influence upon gambling behaviour seems nowhere verified in the research – any beneficial impact upon patrons may be minimal, since the presence of the gaming room would likely remain audible to patrons outside the screening, well signposted and readily accessible. The Commission appeared to acknowledge such limitations in Club Noble, Greater Dandenong, 2017, where it observed that proposed shielding of the gaming room “…would have limited effect in changing the predominantly gaming characteristics of the premises.”

*Reduced availability of non-gaming entertainment:* The Commission has conceded that the installation of EGMs at a venue may cause inconvenience to patrons who do not wish to gamble, especially where there are few equivalent non-gaming premises nearby.[[135]](#footnote-135) Similarly, the Commission in a couple of instances observed that a proposed refurbishment of a venue would remove a significant, local, gaming-free venue currently attended by families - who were among the more vulnerable local residents.[[136]](#footnote-136)

**Attractiveness of venues to people who are vulnerable to gambling problems**

A number of the venue features mentioned here, may be attractive to people with gambling problems, in any case.

The report, ‘Local Impacts of EGM Gambling in Moreland’ (2011), concluded that large number of EGMs, adequate facilities so that one does not have to wait, and the availability of patrons’ favourite machines were all appealing to problem gamblers and linked to a higher prevalence of gambling harm. Accordingly, aside from any economic benefit that might be attributed to an application, it may be contended that an increase in the range number and accessibility of EGMs may contribute to a rise in the level of gambling problems and financial hardship among susceptible residents.

Similarly, ‘Problem Gambling from a Public Health Perspective’ (Hare, 2009) found that proximity to a venue and ‘nice venue staff’ were venue attributes that held appeal for many people experiencing gambling harm.

Hing and Haw investigated features of venues that were favoured by problem gamblers, which included:

* opportunities for uninterrupted gambling,
* extended opening hours,
* good service,
* a safe environment,
* comfortable seating, and
* sufficient gaming machines so patrons do not have to wait.

Some of these characteristics – including pleasant staff, good services and safe environment – are reminiscent of the features of clubs commended by the Commission, suggesting that the impact of these features is not wholly beneficial, as some applicants propose, or as the Commission may perceive.

Accordingly, in Ballarat Golf Club 2018, the Commission acknowledged that improvements to the venue, proposed in the application, would attract people at risk of gambling harm.

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Examination of information about the various venue characteristics – much of which is usually featured in the Social and Economic Impact Statement prepared by the applicant – may help to identify potentially adverse impacts of an application upon its patrons, and provide advance notice of any unsubstantiated claims which may be advanced in favour of an application.

**RESPONSIBLE GAMING PRACTISES**

The Commission routinely observes that adherence to responsible gaming practises – sometimes specified as including familiarity of staff with patrons; responsible service of gaming (RSG) training for staff and the board; an RSG plan; external audit of RSG practises; participation in local gaming charters or forums; or an immaculate RSG track record – all lessen the risk entailed by an addition of gaming machines.[[137]](#footnote-137)

In addition, existing adequate staff levels, or a proposed addition to the number of trained gaming room staff, may be commended as protection against potential gambling problems associated with an increase in EGMs, or the sense of anonymity experienced by patrons in a large venue. [[138]](#footnote-138)

Conversely, the Commission holds that lack of contact between venue management and Gambler’s Help, limited gaming room surveillance or cursory implementation of RSG practices, may be detrimental.[[139]](#footnote-139)

However, available evidence suggests that such initiatives may not exert a significant protective effect against gambling problems, with responsible gaming codes, messages on EGMs and signage having little impact; gaming venue staff lacking the means or incentive to intercede in all but the most extreme and conspicuous manifestations of gambling problems; and few patrons availing themselves of professional counselling support from Gambler’s Help in any case. This evidence is recounted below.

*Access to professional counselling:* First, written and oral advice about sources of professional assistance may exert a limited influence upon people with gambling-related problems. The Victorian Longitudinal Community Attitudes Survey found that just 2.4% of regular gamblers in Victoria had sought help with their gambling in the previous year. Among them:

* 2.4% had talked to someone in the venue about support services – representing approximately 1 in 2,000 regular gamblers, and
* 12% sought assistance from Gambler's Help, Gamblers Anonymous or Gambler’s Help lines in the previous year – equivalent to 1 in 500 regular gamblers (McMillan and Mansell, 2004).

Moreover, evidence recounted on page 14 indicates that approximately 1.05% of adults in Victoria who are experiencing some level of gambling harm receive counselling from Gambler’s Help in 2017/18. Thus, the presence of staff trained in referring troubled patrons to professional counselling may be of limited benefit, in any case.

*‘Responsible gambling’ signage:* Livingstone et al (2014) found scant evidence of the efficacy of responsible gambling measures at venues, such as responsible gambling codes, signage in venues or messages on gaming machines.

*Enduring prevalence of gambling problems:* An additional consideration is that gambling harm has endured – with little evidence that it has become less prevalent over the years – despite the introduction of RSG practices at venues throughout the State that are intended to alleviate such problems. The existence of ‘protective’ measures at a venue therefore provides no self-evident assurance that further gaming machines may be installed without adverse consequences.

*Staff detection of problem gamblers:* Applicants occasionally assert that an adequate complement of trained staff in the gaming room ensures a prompt and supportive response to any potential risk gambling behaviour.[[140]](#footnote-140) However, Rodda and Cowis (2005) report that many venue managers and problem gamblers perceive that venues lack the means or incentive to identify a problem gambler to effectively deal with their difficulties. Other research findings lend weight to this conclusion: in a survey of 230 gamblers who were familiar with venue staff, 22 of them classified as problem gamblers, only one was identified as having ‘some problems’ by venue staff. Venue staff also identified 15 others as having ‘some problems’, even though they were at no risk or designated as ‘low risk’ (Ladoucier et al, 2017).

*Staff intervention and support:* Supportive staff interaction with gamblers may be sparse, and have limited effect in any case, according to an investigation featuring discussions with gamblers and venue staff, coupled with unannounced observations of venues. The investigators found “…only isolated evidence of supportive interactions between staff and gamblers to address gambling harm”, adding that “…venues often fail to respond to signs of gambling problems and instead encourage continued gambling, in contradiction of their code of conduct responsibilities” (Rintoul et al, 2017a: 451).

A further inquiry, cited in the Victorian Responsible Gambling Foundation report ‘Behavioural Indicators of Responsible Gambling Consumption’, found that signs of problem gambling in patrons are “…often ignored unless a patron is aggressive or disturbing other patrons” (Hing, 2016: 35).

Another Australian study, involving interviews with 48 venue staff, reported wide variation in behavioural signs construed as evidence of gambling problems. Its authors stated that “…most contemplated intervening only if patrons’ behaviour was seen as a threat to themselves or others” (Hing et al, 2013: 1). Similarly, only a small minority of the staff interviewed declared that they would intercede if a patron appeared distressed or crying, changed a large amount of money, heard friends or family telling them to stop gambling, complained that a win had not covered their losses, or exhibited other signs of gambling problems.

Such research findings furnish little support for the expectation that gaming venue staff may effectively identify or address serious gambling problems among their patrons. It is still more doubtful that moderate or mild problems would be detected, since outward signs of problems of a lesser intensity are likely to be more subtle than those of severe gambling issues, or imperceptible altogether.

While some of its decisions reflect confidence in the ‘protective’ influence of responsible gaming procedures and other venue features, the Commission appears receptive to evidence that throws a critical light upon claims of, or questions about, their beneficial effects. For example, in its decision on Dandenong RSL, Greater Dandenong, 2018, it conceded that the weight of evidence contesting the effectiveness of RSG procedures, staff surveillance and related processes cast some doubt upon its ‘protective’ benefits.

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The impact statement provided by an applicant generally includes information about many of the venue responsible gaming practises referred to in this section. Research findings such as those reviewed above, show the effects of these practices may not match applicants’ claims about their protective benefits. The evidence presented in this section may thereby support a balanced and critical appraisal of the actual extent to which venue RSG practices or other characteristics actually influence the prevalence of gambling problems among patrons.

**OTHER CONSIDERATIONS**

**Destination and Convenience Venues**

It is proposed that locating gaming venues away from shopping venues and community precincts frequented by people in their everyday lives, may reduce gambling problems by obliging patrons to take a conscious decision to gamble, then proceed to an out-of-the-way destination to do so. This is termed ‘destination gambling’: gambling at venues whose location “…would encourage pre-determined decisions to travel and gamble” (Department of Justice, 2008). The opposite – ‘convenience gambling’ – occurs when gaming venues are situated near shops, community facilities, transport hubs and other locations which people pass each day, perhaps inducing susceptible individuals to gamble impulsively.

Available evidence lends no conclusive insight to the adverse impacts of convenience gambling upon people with a propensity to gambling problems, or of the relative benefits of destination venues. One report speculated that the replacement of current venues with fewer destination venues would still leave a wide distribution of venues easily accessible by car. Problem gamblers, the report surmised, might adjust to any inconvenience of traveling a greater distance by gambling more intensely and for a longer period of time, while destination venues may appeal to gamblers who seek a level of anonymity not available at a smaller, local venue. The authors of that report added that geographic access is but one of many factors which influence gambling behaviour (Department of Justice, 2008).

Other research however, lends weight to the idea that convenient access to venues may aggravate gambling problems (Rush et al, 2000; Mason, 2008; Welte et al, 2006; Ministry of Health, 2012).

At all events, the Commission favours destination venues over those more conveniently accessible to passers-by, which it contends, are at “...higher risk of attracting problem gamblers compared with destination venues”.[[141]](#footnote-141)

In various decisions, it has classified venues as being of a destination type, or having the features of a destination venue, where they are located outside shopping centres (as for instance, in industrial or bulky goods locations), situated at the end of a shopping centre with few passers-by, or, even if they are located in retail centres, so long as they are *not* near large supermarkets, in a shopping centre, or less than 400 meters or so from the nearest supermarket.[[142]](#footnote-142)

On the other hand, in Wellington at Botanical Gardens, Greater Bendigo, 2017, the Commission declared that the subject venue exhibited features of a convenience venue, as it was located on a main road leading out of Bendigo and had no nearby competition.

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If it can be shown that the venue is in convenient proximity to a major shopping centre, market, transport interchange or community centre, it may be proposed that convenient access may accentuate any adverse effects of the addition of further gaming machines.

**Backfilling**

Club venue applicants have, on occasion, asserted that if their application were refused by the Commission, then some of the unattached *club* EGM entitlements for the municipality – which they would have used to install further gaming machines – could be acquired by another venue operator and transferred from the region. This would result in a circumstance where the number of entitlements in that municipality was lower than the limit on gaming machines stipulated by the cap for that area, enabling another venue operator to move *hotel* entitlements into the municipality and install them at its venues – so long as it operated venues in the municipality where the number of gaming machines in operation was less than the number approved by the Commission for those venues.

Essentially, it is proposed that if the club’s application were refused, a local hotel venue could acquire and operate the machines, to the detriment of the local community. This contention is intended to appeal to the Commission’s perception that club venues are more community-oriented in their outlook and conscientious in discharging their RSG obligations than hotels – an issue addressed in the preceding section. Moreover, an applicant may contend that, since average gaming revenue per EGM is higher at hotel venues than at clubs (at $130,000 and $73,000 respectively, in 2017/18)[[143]](#footnote-143), the impact of the installation of gaming machines at a hotel venue would be more financially burdensome to the community than if they were operated by a club.

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However, regardless of the details of such a proposition, it may be argued that such a backfilling procedure is merely one of a range of possible outcomes which might follow the refusal of an application; that such a sequence of events had not occurred in the municipality to date and that no evidence had been cited by the applicant to establish that such an outcome was imminent; and that it would be more helpful for such an applicant to direct its attention to the merits of the case, rather than be distracted by mere speculation.

In Dandenong RSL, Greater Dandenong, 2018, the applicant’s proposition that if gaming machines were not installed at the club local hotels may backfill by adding EGMs, was contested on these grounds and dismissed by the Commission as conjecture. Similar speculative propositions about other issues have been discounted in the past, incidentally.[[144]](#footnote-144)

**Consistency with council plans**

Some applicants have maintained that the addition of gaming machines, or accompanying plans for the refurbishment of a venue, are consistent with development plans for the activity centre where the venue is situated and therefore warrant the support of the local council. However, the existence of local polices or plans which encourage development around an activity centre, does not invalidate Council policies (of which council gambling policies may be an example) intended to moderate such development. Indeed, council and state policies frequently set restraints upon the level and kinds of development which occur within a municipality, even as they encourage development in general.

EVIDENCE

A selection of ways in which the Commission feels that council should prepare and present evidence in its submissions at a hearing to determine applications

Among its decisions, the Commission offers suggestions about the manner in which councils may respond to applications and present their evidence at its hearings.

**Giving oral testimony at a hearing**

The Commission has reproved councils which contest an application but do not attend to present evidence at a hearing and submit themselves to cross-examination.[[145]](#footnote-145) In Portarlington Golf Cub, Greater Geelong, 2017, for instance, the Commission depreciated the council submission, because “…the author of the council report did not attend the hearing to elucidate any of the items listed in its table”. Similarly, in Highlands Hotel, Hume, 2017, it declared that “…the non-attendance of the authors of the submission at the hearing necessarily effects the weight the Commission can place upon this submission” (para 96). And in Seagulls nest, Hobsons Bay, 2013, it wrote: “It is disappointing … when municipalities choose to object … but not attend the hearing”.

The Commission may hold the testimony of community witnesses to a similar standard. Commenting on assertions by local welfare providers, in Highlands Hotel Craigieburn, Hume, 2017, that gambling may contribute to family violence, the Commission remarked that it would place less weight upon their views, since they did not appear at the hearing to give testimony.

**Council consultation with applicant**

In Templestowe Hotel, Mornington, 2012, the Commission deprecated the council for having supplied no indication that it had “…engaged in a process of consultation with the applicant prior to its decision to oppose the application.” Many councils meet with venue proprietors to permit them to fully outline the proposed benefits of an application prior to reaching a decision. At the same time, such a gesture displays a receptiveness to all relevant evidence.

**Acknowledgement of the benefits of an application**

The Commission may favour submissions which acknowledge the attributes, as well as the liabilities, of an application. Accordingly, in McKinnon Hotel, Glen Eira, 2013, it cited with approval the concession of a council witness [likely under cross-examination] that her assessment of the application had “…inadvertently omitted the social benefits that arise from gaming.” In other instances, council witnesses have been questioned about whether they had acknowledged the ‘merits’ of the application in their submissions to the Commission.

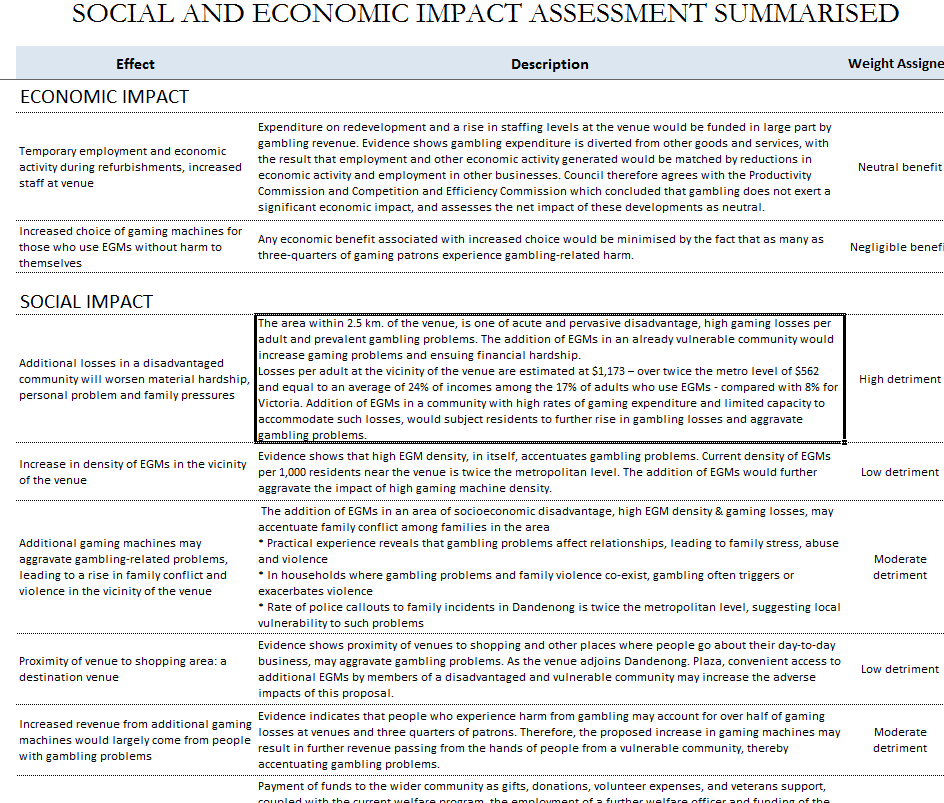
It may therefore be prudent to acknowledge the prospective benefits ascribed to a proposal by the applicant, to demonstrate that they have not been overlooked in the council’s appraisal of the application.

**Explanation of technical details of an application to councillor**

A council witness may be asked if the ‘no net detriment test’, or some other technical principle, had been explained to councillors before they reached a decision to oppose an application - for this has happened in the past. In response, it may perhaps be made plain that counsellors do not require legal terminology to apply their common-sense and wisdom to such matters and reach a decision about the application.

**Tabular Summary of Council Arguments**

A table summarising the economic and social benefits and detriments of an application is sometimes favoured by the Commission.[[146]](#footnote-146) Such a table might resemble the one below, briefly summarising each of the economic and social impacts of the application referred to in the council’s submission, and assigning a positive or negative weighting to each. Such a table may serve to reinforce the Commission’s understanding of a council’s views about the principal benefits and liabilities of the application.



**‘Blanket’ opposition to gaming applications**

The Commission looks askance at council policies or submissions which effectively preclude support for an application without consideration of its particular features. Council policies which oppose any addition of EGMs in excess of current metropolitan density, when the municipal density already surpasses this level, or which otherwise imply opposition to any conceivable application, may be characterised as ‘blanket opposition’. The Commission places little or no weight upon policies of this nature, and has also expressed doubt about such councils’ willingness to assess an application on its individual merits.[[147]](#footnote-147)

Any council policy or position which appears to reflect resistance to all potential applications, rather than to the *particular* features of the application, may therefore compromise a council’s prospects of successfully opposing an application. Where the facts permit, it may help to reassure the Commission on this point and dispel any misconception of ‘blanket opposition’ by the council, by observing that the council’s policy or practise has been to assess each application on a case-by-case basis, considering its benefits and detriments; and that councillors were presented with balanced information about the application before taking their decision to oppose it.

**Marginal impacts of a gaming application**

It has been mentioned that the Commission generally focuses upon the benefits and harms that may result from a proposal (called the marginal impacts), rather than existing effects of the operation of gaming at a venue.

For example, the Commission has repeatedly stated that only those community contributions which would be made if the application was successful, will be considered, whereas donations that would be provided regardless of the outcome of the application or which are already being provided, are accorded no weight.[[148]](#footnote-148) Similarly, in Croydon Hotel, Maroondah, 2015, it conceded that certain features of a venue - such as its extended opening hours, operation as a hotel, and large size - might promote gambling problems, but added that the application would not change these conditions, which therefore should not be considered in assessing the application.[[149]](#footnote-149) In general, it is therefore the impact of the proposal contained in the application, rather than the existing features of a venue, that are weighed by the Commission in reaching its decision.

**Council staff witness bias**

A council staff member testifying about the grounds for council’s opposition to an application may be accused by the applicant’s counsel of bias. Presented with such an imputation, and facts permitting, an officer may duly observe that they were only instructed to assemble and present factual evidence and reasoned argument relevant to the application; that any conclusions presented in the council submission are accompanied by evidence to enable readers to reach their own conclusions; and that while the applicant may have engaged a consultant, experience shows that such a step does not assure independence or avert the possibility of bias.

**Unusual forms of evidence & referencing**

The Commission may not be receptive to forms of evidence which rely upon unusual premises. An example is the findings of a study reported in ‘Assessing Gambling-related Harm in Victoria: a public health perspective’ (Browne et al, 2016), which sought to compare the personal impact of gambling problems with a variety of chronic illnesses and disabilities, such as loss of a limb, bipolar disorder, epilepsy, depression and others.[[150]](#footnote-150) In Commercial Hotel, Whittlesea, 2016, the Commission dismissed this avenue of investigation, as being “…in its infancy…”

In Ballarat Golf Club, Ballarat, 2018, the Commission commented on the council’s oversight in neglecting to provide a reference to support its contention that only a small proportion of gaming expenditure at a venue was directed to activities of benefit to the community. This observation points up the importance of citing sources of all data and research findings referenced in a submission.

In Lynbrook Hotel, Casey, 2018, the Commission discounted the conclusions of a submission on behalf of the Council which attempted to quantify the impact of the proposal, owing its use of various estimates and assumptions.

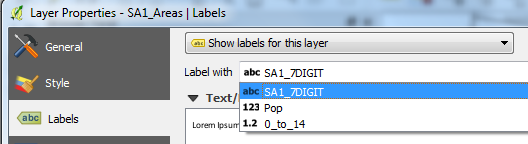
‘\* \* \* \*

Consideration of these issues may assist councils in pre-empting criticism of evidence placed before the Commission.

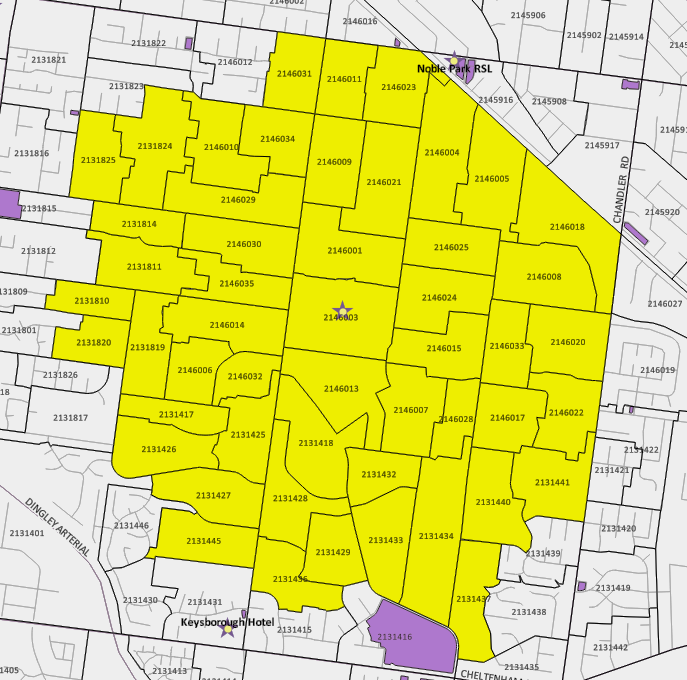
APPENDIX ONE

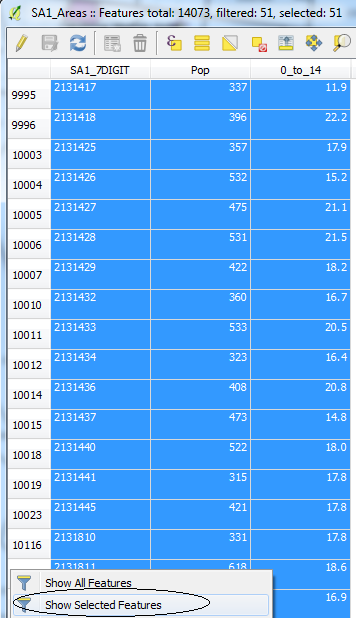
**Profiling of residents in the vicinity of a gaming venue**

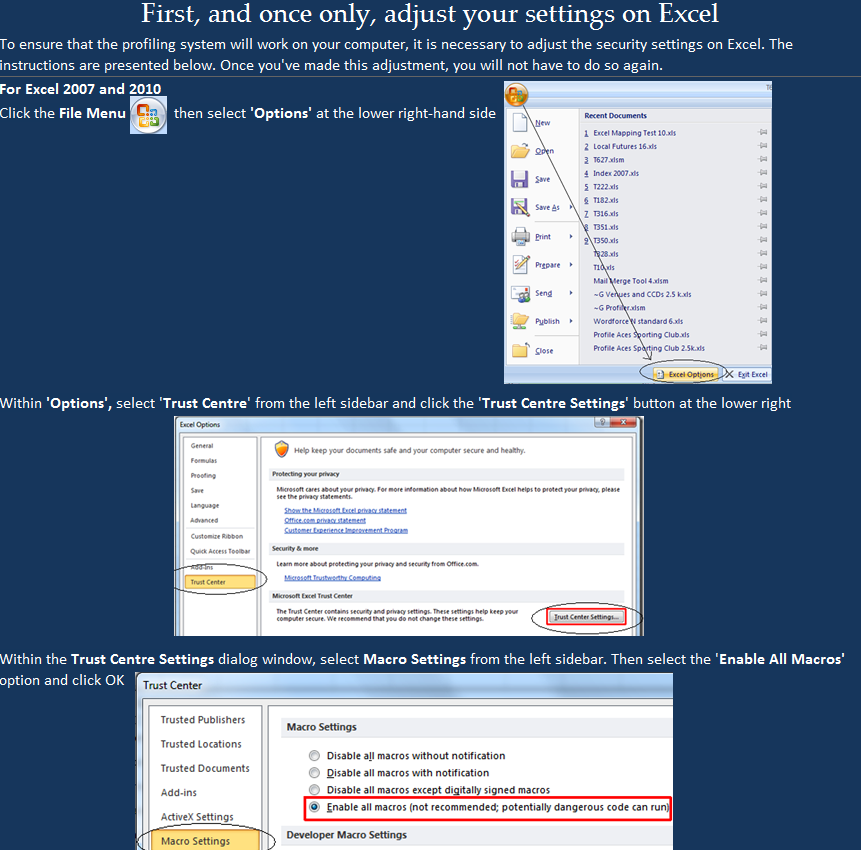
* Create a map showing the venue and its vicinity.
* Overlay a layer of SA1 areas and instruct the map to show their 7-digit code. In QGIS – a free mapping program – this is achieved by selecting the layer properties and instructing the program to label the SA1 areas with this 7-digit code. GIS staff at your council will be able to assist with these tasks.

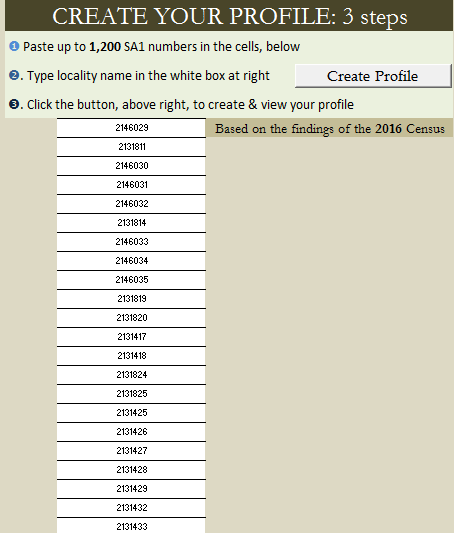


* Next, select those SA1 areas within 2.5 km or 5 km. of the venue (depending upon the area of most relevance to your socio-economic assessment of the local community.)
* In the map below, the selected SA1 areas are portrayed in yellow.

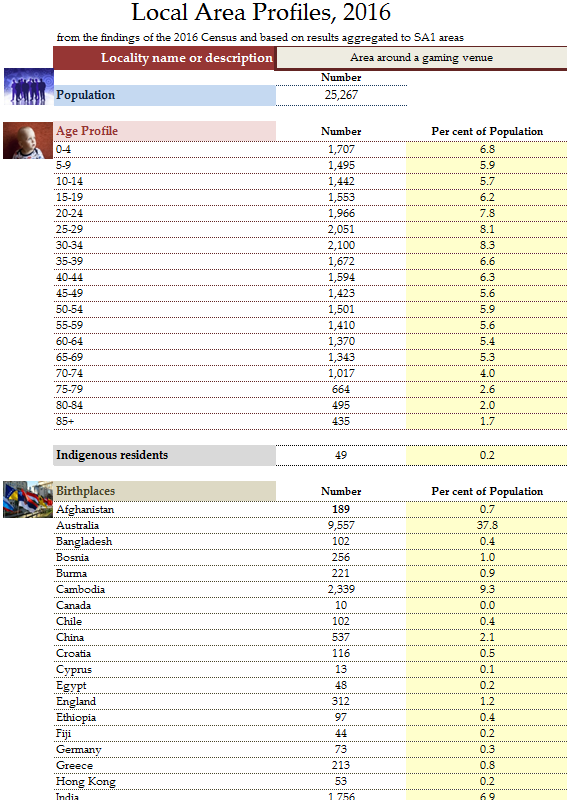


* Next, copy the 7-digit numbers of the selected SA1, either manually, or through the mapping program. In QGIS, one may open the Attribute Table, and instruct it to show only the selected features – which are the SA1 areas depicted in yellow, above.
* Copy and paste these figures into Excel, and remove all columns except the one featuring the 7-digit codes (heading: ‘SA1\_7digit).
* Now you will have a list of 7-digit numbers in Excel, corresponding to the SA1 areas approximating the locality within 2.5 km. or 5 km. of the gaming venue. Save the file.
* Next, you can use this list of numbers to generate a profile of the same area. First, open the ‘Small Area Profile Builder’ – available [**here**](file:///E:\Small%20Area%20Profile%20Builder%20(Please%20note:%2016MB%20file)), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Create Your own profiles > [Small Area Profile Builder](http://www.greaterdandenong.com/document/18478/statistics-vic-small-area-profile-builder).
* Follow the instructions shown on the first sheet of this file (and pictured below), to ensure that the profile builder will work on your computer (this might seem a bit of a bother after the trouble you have been put through so far, but you only perform this step on a single occasion)

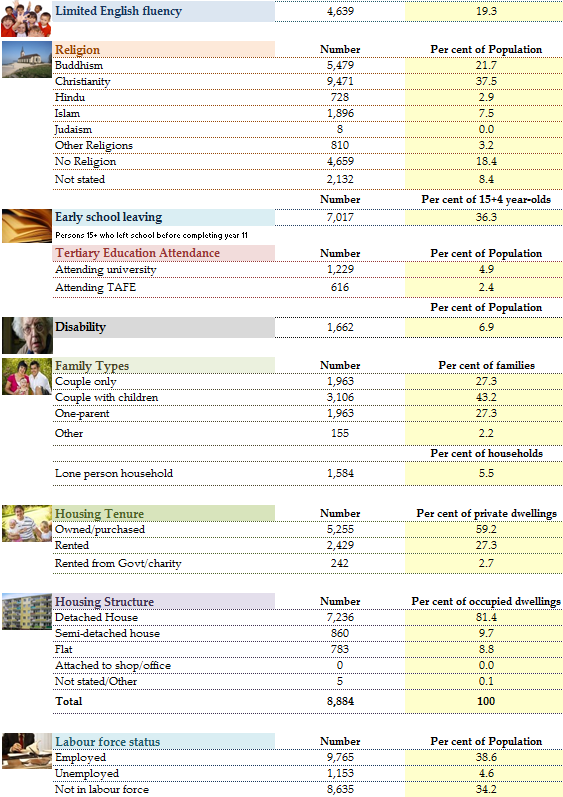


* After completing this step, close Excel and open it again.
* Now paste the 7-digit numbers representing the SA1 areas in the vicinity of the venue, into the white squares in the Profile Builder, as shown at right.
* Press the button ‘Create Profile’
* Then click on the tab  at the lower part of the screen to view the results.

On the ‘Results’ sheet, you will find details of the age, birthplaces, indigenous population, spoken languages and other particulars of the residents living in the vicinity of the venue – in the SA1 areas selected earlier.



Scrolling further down the sheet reveals information about English fluency, educational outcomes, public housing, unemployment levels and incomes– all conditions relevant to an assessment of vulnerability of the local community to the impact of additional gaming machines.



APPENDIX TWO

**Total Numbers of Welfare Workers and of All Workers Employed, by Municipality; and Annual Gross Individual Income for Welfare Workers – By Municipality, 2016**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Welfare support workers & Health and welfare workers not defined** | **Total Workers** | **Millions - annual gross individual incomes** |
| **Alpine** | 9 | 4,617 | $0.00 |
| **Ararat** | 60 | 4,871 | $3.47 |
| **Ballarat** | 354 | 45,794 | $18.35 |
| **Banyule** | 250 | 40,353 | $13.32 |
| **Bass Coast** | 42 | 10,260 | $1.64 |
| **Baw Baw** | 67 | 15,787 | $2.64 |
| **Bayside** | 130 | 29,540 | $7.69 |
| **Benalla** | 30 | 5,074 | $1.70 |
| **Boroondara** | 266 | 71,383 | $12.82 |
| **Brimbank** | 389 | 66,494 | $21.37 |
| **Buloke** | 14 | 2,445 | $0.28 |
| **Campaspe** | 64 | 15,286 | $2.74 |
| **Cardinia** | 81 | 23,143 | $4.53 |
| **Casey** | 269 | 64,243 | $14.71 |
| **Central Goldfields** | 25 | 4,113 | $1.28 |
| **Colac-Otway** | 92 | 9,386 | $4.27 |
| **Corangamite** | 25 | 7,076 | $1.22 |
| **Darebin** | 470 | 47,677 | $25.68 |
| **East Gippsland** | 125 | 15,690 | $5.71 |
| **Frankston** | 307 | 42,915 | $15.65 |
| **Gannawarra** | 18 | 3,937 | $0.38 |
| **Glen Eira** | 150 | 37,167 | $8.78 |
| **Glenelg** | 32 | 7,766 | $1.04 |
| **Golden Plains** | 12 | 3,324 | $0.25 |
| **Greater Bendigo** | 388 | 45,051 | $20.48 |
| **Greater Dandenong** | 565 | 96,697 | $31.92 |
| **Greater Geelong** | 673 | 95,058 | $36.00 |
| **Greater Shepparton** | 265 | 28,026 | $13.78 |
| **Hepburn** | 25 | 4,650 | $0.98 |
| **Hindmarsh** | 16 | 2,171 | $0.38 |
| **Hobsons Bay** | 88 | 34,986 | $5.68 |
| **Horsham** | 98 | 8,872 | $5.25 |
| **Hume** | 324 | 89,495 | $17.17 |
| **Indigo** | 17 | 4,826 | $0.97 |
| **Kingston** | 233 | 73,833 | $11.48 |
| **Knox** | 2.6 | 64,207 | $10.94 |
| **Latrobe** | 309 | 30,606 | $16.25 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Welfare support workers & Health and welfare workers not defined** | **Total Workers** | **Millions - annual gross individual incomes** |
| **Loddon** | 4 | 2,649 | $0.00 |
| **Macedon Ranges** | 191 | 12,672 | $10.25 |
| **Manningham** | 117 | 28,927 | $6.67 |
| **Mansfield** | 17 | 3,223 | $0.71 |
| **Maribyrnong** | 380 | 37,260 | $19.99 |
| **Maroondah** | 249 | 42,260 | $12.33 |
| **Melbourne** | 1,051 | 436,752 | $62.11 |
| **Melton** | 117 | 24,683 | $6.55 |
| **Mildura** | 157 | 21,352 | $9.14 |
| **Mitchell** | 68 | 10,866 | $3.42 |
| **Moira** | 27 | 10,533 | $1.08 |
| **Monash** | 300 | 105,787 | $14.62 |
| **Moonee Valley** | 122 | 36,033 | $7.30 |
| **Moorabool** | 44 | 7,500 | $2.04 |
| **Moreland** | 306 | 38,803 | $15.33 |
| **Mornington Peninsula** | 166 | 49,480 | $7.77 |
| **Mount Alexander** | 31 | 6,913 | $1.47 |
| **Moyne** | 7 | 6,191 | $0.66 |
| **Murrindindi** | 20 | 4,117 | $0.74 |
| **Nillumbik** | 87 | 13,315 | $4.96 |
| **Northern Grampians** | 46 | 4,750 | $2.63 |
| **Port Phillip** | 262 | 75,933 | $14.98 |
| **Pyrenees** | 7 | 2,003 | $0.00 |
| **Queenscliffe** | 14 | 1,279 | $0.46 |
| **South Gippsland** | 48 | 10,666 | $1.88 |
| **Southern Grampians** | 37 | 7,160 | $1.28 |
| **Stonnington** | 132 | 54,966 | $6.75 |
| **Strathbogie** | 4 | 3,521 | $0.23 |
| **Surf Coast** | 19 | 8,694 | $1.09 |
| **Swan Hill** | 58 | 8,802 | $3.17 |
| **Towong** | 8 | 2,013 | $0.18 |
| **Wangaratta** | 96 | 12,310 | $5.73 |
| **Warrnambool** | 161 | 15,744 | $7.81 |
| **Wellington** | 86 | 17,068 | $3.70 |
| **West Wimmera** | 7 | 1,676 | $0.07 |
| **Whitehorse** | 453 | 69,186 | $24.47 |
| **Whittlesea** | 239 | 53,145 | $13.68 |
| **Wodonga** | 141 | 18,804 | $7.87 |
| **Wyndham** | 209 | 61,909 | $10.99 |
| **Yarra** | 440 | 81,101 | $25.26 |
| **Yarra Ranges** | 177 | 39,546 | $8.63 |
| **Yarriambiack** | 20 | 2,556 | $1.36 |
| **Total** | 12,935 | 2,730,341 | $691.52 |

APPENDIX THREE

A Procedure for Forecasting Approximate ‘New’ Municipal Expenditure

A formula may be derived to estimate EGM losses per adult, based on EGMs per 1000 adults and unemployment rates among the 31 metropolitan municipalities, or among the non-metropolitan municipalities – depending on where the subject venue which is located.

* A formula derived in this manner, and based on data for metropolitan municipalities in 2017/18, is shown here:

**Losses per adult = 91 x EGM density (per 1,000 adults) + 34 x unemployment rate – 97**

* Next, the change in EGM density that would result from the addition of the EGMs being sought in the application may be calculated as: increase in EGMs / adult municipal population
* The result is then incorporated into the formula in place of the value ‘EGM density’, permitting the resulting losses per adult, determined. This represents an estimate of the change in losses per adult that would result from the addition of the EGMs sought by the applicant.
* Finally, one may multiply this value – that is, the change in losses per adult – by the number of adults in the municipality.

This approach generates an approximate forecast of the change in gaming revenue, or losses, in a municipality, resulting from the addition of gaming machines at a venue. This actually represents an estimate of ‘new’ gaming revenue, rather than the overall change in revenue at a venue (of which some may be transferred from neighbouring venues).

Shortcomings of this method include the fact that it relies upon the assumption that this relationship applies in the municipality where the venue is situated and that the relationship it depicts between gaming losses, unemployment levels and EGM numbers, will remain unchanged in the medium-term.

Moreover, it takes no account of other circumstances which may influence expenditure, such as characteristics of the venue, any planned refurbishments or other changes to the venue, and conditions at regional gaming venues.

Finally, as a technique which is intended to give an approximation of ‘new’ expenditure at avenue, its validity cannot be tested by comparison with any direct measure of ‘new’ expenditure.

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RESOURCES

Locations of data are specified throughout the report where relevant to the topic of discussion.

They are reproduced here, for convenience.

**Social Conditions**

*Municipalities*

General conditions in municipalities (inc. education, employment, incomes, housing etc)

[**here**](http://www.greaterdandenong.com/document/18100/statistics-summary-vic-municipalities), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Profiles > Community Profiles > Summaries all municipalities

Information about rent and mortgage-related financial stress

[**here**](http://www.greaterdandenong.com/document/18515/statistics-vic-rent-related-financial-stress), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Profiles > Community Profiles > Rent and mortgage-related financial stress

Health conditions in municipalities (inc. smoking, alcohol, mental health, community etc)

[**here**](http://www.greaterdandenong.com/document/24412/statistics-measures-of-physical-and-mental-health-etc), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Health > [Measures of physical and mental health and health behaviours](http://www.greaterdandenong.com/document/24412/statistics-measures-of-physical-and-mental-health-etc)

[Low incomes in the years prior to retirement](http://www.greaterdandenong.com/document/24410/statistics-incomes-by-age-and-sex)

[**here**](http://www.greaterdandenong.com/document/24410/statistics-incomes-by-age-and-sex), or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Income > Income by age and sex (see income among 54 to 60 year-olds in linked file)

[Older people renting their accommodation](http://www.greaterdandenong.com/document/31519/social-statistics-housing-tenure-type-by-age)

[**here**](http://www.greaterdandenong.com/document/31519/social-statistics-housing-tenure-type-by-age), or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Housing > Housing tenure type by age

*Suburbs & Postal districts*

[Proportion of families with children that have no parent in paid work](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\Families%20with%20no%20parent%20or%20partner%20in%20paid%20employment)

[**here**](http://www.greaterdandenong.com/document/26030/statistics-families-with-no-partner-or-parent-in-paid-employment)**,** or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Unemployment > Families with no parent in paid employment

[Percentage of adults that are Health Care Card holders](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments)

[**here**](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments)**,** or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) >Incomes > Centrelink payments

[Percent of persons living in households in rent-related financial stress](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\Rent%20and%20mortgage%20related%20financial%20stress)

[**here**](http://www.greaterdandenong.com/document/18515/statistics-vic-rent-related-financial-stress)**,** or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) >Housing > Rent and mortgage related financial stress

[Homelessness per 100,000 population](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\Homelessness)

[**here**](http://www.greaterdandenong.com/document/32170/statistics-homelessness), or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Housing > Homelessness

[Dependence on the aged pension](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments)

[**here**](http://www.greaterdandenong.com/document/27556/statistics-centrelink-payments), or [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Income > Centrelink incomes

**Creating a Local Profile**

Using the 7-digit names for SA1 areas to create a profile of a customised, local area

[**here**](http://www.greaterdandenong.com/document/18478/statistics-vic-small-area-profile-builder), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > [Small Area Profile Builder](http://www.greaterdandenong.com/document/18478/statistics-vic-small-area-profile-builder)

Using the 7-digit names for SA1 areas to compare the number of SA1 areas in each Victorian decile of the SEIFA Index, with the percentage of SA1 areas across the state in each decile

[**here**](http://www.greaterdandenong.com/document/18524/statistics-vic-seifa-index-of-disadvantage), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Social Disadvantage > SEIFA Index of Disadvantage

**Gambling Trends**

Gaming Losses, EGMs & Venues by Municipality/Data by Venue

[**here**](http://www.greaterdandenong.com/document/18526/statistics-vic-gambling-venues-machines-and-losses), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > Gambling venues, machines and losses

Gaming Losses, EGMs by Municipality

[**here**](http://www.responsiblegambling.vic.gov.au/information-and-resources/your-local-government-area), or at www.responsiblegambling.vic.gov.au/information-and-resources/your-local-government-area

Gambling Losses by Type: all legal forms of gambling, Victoria

[**here**](http://www.greaterdandenong.com/document/30999/social-statistics-losses-by-legal-gambling), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > Losses to all forms of legal gambling

Gambling Losses by EGM Gambers as a Proportion of Personal Income by Municipality

[**here**](http://www.greaterdandenong.com/document/31512/social-statistics-estimated-gaming-machine-losses-as-porportion-of-income), or at [www.socialstatistics.com.au](http://www.socialstatistics.com.au) > Gambling > Estimated Gaming Losses as a Proportion of Income

**VCAT Decisions**

select the jurisdiction (State) & database (VCAT), type 'gaming' in search box

[**here**](file:///\\sprsvr1\apps\CommunityContactList\~Tables%20Index%202016\www6.austlii.edu.au\cgi-bin\viewdb\au\cases\vic\VCAT\), or at http://www6.austlii.edu.au/cgi-bin/viewdb/au/cases/vic/VCAT/

1. Sugar Gum Hotel, Melbourne, 2013; Braybrook Hotel, Maribyrnong, 2013; Club Caroline Springs, Melton, 2013 [↑](#footnote-ref-1)
2. Zagame's Berwick Springs Hotel, 2015, Casey; Sugar Gum Hotel, Melton, 2013; Werribee Football Club, Wyndham, 2009; Matthew Flinders Taverner, Monash, 2009; Bridge Inn Motel Mernda, Whittlesea, 2011; Club Officer, Cardinia, 2017 ; Baxter Tavern Hotel Motel, Mornington Peninsula, 2014,; Horsham Sports and Community Club, 5 EGMs, Horsham,; Torquay Hotel, Coast, 2018, Granted; Maryborough Highland Society, Central Goldfields, 2012 [↑](#footnote-ref-2)
3. Highlands Craigieburn, Hume, 2017, Club Officer, Cardinia, 2017 and Castello’s Cardinia Hotel, Cardinia, 2018 [↑](#footnote-ref-3)
4. Sugar Gum Hotel, Melton, 2013 [↑](#footnote-ref-4)
5. Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-5)
6. Though gaming patron survey findings where not submitted by the applicant in Geelong RSL, Greater Geelong, 2018, for instance [↑](#footnote-ref-6)
7. Club Officer, Cardinia, 2017; Berwick Springs Hotel, Casey, 2017; Sydney Hotel, Wangaratta, 2017; Tigers Clubhouse, Wyndham, 2018; Noble Park Football Club, Greater Dandenong, 2017; Watsonia RSL, Banyule, 2017; Braybrook Hotel, Maribyrnong, 2013,; Deer Park Club, Brimbank, 2015; Stawell Harness Racing Club, Northern Grampians, 2016; Ballarat RSL, Ballarat, 2018; Maryborough Highland Society, Central Goldfields, 2012 and others. [↑](#footnote-ref-7)
8. Officer Hotel, Cardinia, 2018; Croydon Hotel, Maroondah, 2015; Highlands Hotel, Hume, 2017; Braybrook Hotel, Maribyrnong, 2013; Croydon Hotel, Maroondah, 2015; Commercial Hotel, Whittlesea, 2016; Maryborough Highland Society, Central Goldfields, 2012; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-8)
9. Highlands Hotel, Hume, 2017 [↑](#footnote-ref-9)
10. Croydon Hotel, Maroondah, 2015; Braybrook Hotel, Maribyrnong, 2013; Croydon Hotel, Maroondah, 2015; Commercial Hotel, Whittlesea, 2016 (where white collar occupations were cited as a protective attribute) [↑](#footnote-ref-10)
11. Highlands Hotel, Hume, 2017 [↑](#footnote-ref-11)
12. Officer Hotel, Cardinia, 2018; Maryborough Highland Society, Central Goldfields, 2012; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-12)
13. Croydon Hotel, Maroondah, 2015 [↑](#footnote-ref-13)
14. Highlands Hotel, Hume, 2017; Braybrook Hotel, Maribyrnong, 2013; Maryborough Highland Society, Central Goldfields, 2012; Geelong RSL, Greater Geelong, 2018; Blazing Stump Hotel, Wodonga, 2012 [↑](#footnote-ref-14)
15. Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-15)
16. Gold House Hotel, Ballarat, 2013; Geelong RSL, Greater Geelong, 2018 and others [↑](#footnote-ref-16)
17. Malvern Vale Club Hotel, Stonnington, 2014; and similarly in Village Belle Hotel, Port Phillip, 2013 [↑](#footnote-ref-17)
18. Golf House Hotel, Ballarat, 2013; Swan Hill Club, Swan Hill, 2014; Sunbury United Sports Club, Hume, 2013; In Malvern Vale Club Hotel, Stonnington, 2014, [↑](#footnote-ref-18)
19. Portarlington Golf Club, Greater Geelong, 2017; Mornington on Tanti, Mornington Peninsula; Dandenong Club, Greater Dandenong 2014; Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-19)
20. Box Hill RSL, Whitehorse, 2015; Corydon Hotel, Maroondah, 2015 [↑](#footnote-ref-20)
21. The Settlement at Cranbourne, Casey, 2013 [↑](#footnote-ref-21)
22. Point Cook Community Sporting Club, Wyndham, 2007 [↑](#footnote-ref-22)
23. Bridge Inn Hotel, Whittlesea 2014; Browns Corner Hotel, Moreland, 2012 [↑](#footnote-ref-23)
24. Commercial Hotel, Whittlesea, 2016 [↑](#footnote-ref-24)
25. In the period 2013/14-2016/17, which encompasses most of these comparisons, metropolitan gaming revenue rose by 4.3%, assuring that trends of such a scale exert little influence upon the expenditure changes presented here. [↑](#footnote-ref-25)
26. Even a relatively crude technique, of assuming that expenditure would rise to an extent equal to the number of EGMs added to a venue, multiplied by its current annual revenue per EGM, would result in an average absolute difference between predicted and actual expenditure of 46% - one-eighth or 13% of the disparity reported above. [↑](#footnote-ref-26)
27. Bendigo Club, Greater Bendigo, 2017; Berwick Springs Hotel, Casey, 2017; Club Noble, Greater Dandenong, 2017; Watsonia RSL, Banyule, 2016; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-27)
28. Bentleigh Club, Glen Eira, 2016; Albion Hotel, Greater Dandenong, 2014; Box Hill RSL, Whitehorse, 2015; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 and others [↑](#footnote-ref-28)
29. Officer Hotel, Cardinia, 2018 [↑](#footnote-ref-29)
30. Dandenong RSL, Greater Dandenong, 2018 [↑](#footnote-ref-30)
31. Sugar Gum Hotel, Melton 2013; Braybrook Hotel, Maribyrnong, 2013; Keilor East RSL, Moonee Valley 2015; Bridge Inn Hotel, Whittlesea, 2014; Tower Hotel, Boroondara, 2013 [↑](#footnote-ref-31)
32. Torquay Hotel, Surf Coast, 2013; Dromana Hotel, Mornington Peninsula, 2015; Shamrock Hotel, Greater Bendigo, 2011; Cobden Hotel, Moira, 2016 [↑](#footnote-ref-32)
33. This is the potential gaming expenditure of residents within the venue catchment, estimated using linear regression, and based upon socioeconomic characteristics of its residents [↑](#footnote-ref-33)
34. Determined as “…any residential blocks [SA1 areas] that have a probability of patronage at the new venue.” (p. 8) [↑](#footnote-ref-34)
35. Sugar Gum Hotel, 20 EGMs, Melton, 2013 ; Braybrook Hotel, 19 EGMs, Maribyrnong, 2013; Keilor East RSL, 14 EGMs, Moonee Valley, 2015; Bridge Inn Hotel, 20 EGMs, Whittlesea, 2014; Tower Hotel, 8 EGMs, Boroondara, 2013 [↑](#footnote-ref-35)
36. Wellington at Botanical Gardens, Greater Bendigo, 2017; Leopold Sportsman’s Club, Greater Geelong, 20018; Club Officer, Cardinia, 2017; Bendigo Club, Greater Bendigo, 2017; Club Noble, Greater Dandenong, 2017; Commercial Hotel, Whittlesea, 2016; The Meeting Place, Melbourne, 2016; Officer Hotel, Cardinia, 2018; Commercial Hotel, Whittlesea, 2016 and others. [↑](#footnote-ref-36)
37. Commercial Hotel, Whittlesea, 2016 [↑](#footnote-ref-37)
38. Deer Park Club, Brimbank, 2012; Croydon Hotel, Maroondah 2015; Braybrook Hotel, Maribyrnong, 2015 [↑](#footnote-ref-38)
39. Sporting Legends Club, Wellington, 2015 [↑](#footnote-ref-39)
40. Club Officer, Cardinia, 2017 [↑](#footnote-ref-40)
41. Malvern Vale Club, Stonnington, 2014; Berwick Springs Hotel, Casey, 2017 [↑](#footnote-ref-41)
42. Cardinia Park Hotel, Cardinia, 2013; Deer Park Club, Brimbank, 2015; Langwarrin Hotel, Frankston, 2016; Billaree Tavern Wodonga, 2012; Seagulls Nest, Hobsons Bay, 2013; Ferntree Gully Bowls Club, Knox, 2012; Ballarat Golf Club, Ballarat, 2018 and others [↑](#footnote-ref-42)
43. Foundry Complex Hotel, Baw Baw, 2013; Box Hill RSL, Whitehorse; Castello Cardinia Hotel, Cardinia, 2018 [↑](#footnote-ref-43)
44. Settlement at Cranbourne, Casey 2013 [↑](#footnote-ref-44)
45. Castello’s Cardinia Hotel, Cardinia, 2018; Pakenham Hotel, Cardinia, 2012 [↑](#footnote-ref-45)
46. The Settlement at Cranbourne, Casey, 2013; Old Town ‘N Country, Wangaratta, 2014; Browns Corner Hotel, Moreland, 2012; Templestowe Hotel, Manningham, 2012; Torquay Hotel, Surf Coast, 2013 [↑](#footnote-ref-46)
47. McKinnon Hotel, Glen Eira, 2013; Water gardens Hotel, Brimbank, 2012; Dandenong Club, Greater Dandenong, 2014; Tooradin and District Sports Club and others [↑](#footnote-ref-47)
48. Box Hill Hotel, Whitehorse, 2015; Mornington on Tanti Morning ton Peninsula, 2015; Longreach RSL, Kingston, 2013; Foundry Hotel Complex, Greater Bendigo, 2014; Shamrock Hotel, Greater Bendigo, 2012; Greensborough Hotel, Banyule, 2013 [↑](#footnote-ref-48)
49. Braybrook Hotel, Maribyrnong, 2013; Croydon Hotel, Maroondah, 2015; Point Cook Hotel, Wyndham, 2017 [↑](#footnote-ref-49)
50. Watsonia RSL, Banyule, 2016; Royal Hotel, Maroondah, 2015 and others [↑](#footnote-ref-50)
51. Such as in Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-51)
52. Old Town ‘No Country Tavern, Wangaratta, 2014; Malvern Vale club Hotel, Stonnington, 2014 [↑](#footnote-ref-52)
53. Royal Hotel, Malvern Vale Club Hotel, Stonnington, 2014; Matthew Flinders Tavener, Monash, 2009 [↑](#footnote-ref-53)
54. In Wantirna Club, Knox, 2015, the applicant observed that there was very little unmet demand for gaming machines, with no periods in excess of 70% utilisation during a two-week period, concluding that approval would result in "immaterial" rise in gaming expenditure (para. 44). The predicted rise in annual expenditure, of $0 to $58,429 (with a mid-range of $29,215), was easily surpassed by the actual increase in the two years from 2014/15 to 2016/17, of $97,029 - 233 per cent higher than the forecast level.

    In Robinvale Golf Club, Swan Hill 2015, the applicant reported that utilisation of the gaming room was "quite low" and "…installation of additional EGMs would have a “…negligible impact on peak utilisation" (para 44). The predicted rise in annual expenditure was $90,700-$145,000 (with a mid-range of $117,850), compared with an actual increase in the three years from 2013/14 to 2016/17, of $619,518 - 426 per cent higher than the predicted expenditure.

    In Box Hill RSL, Whitehorse, 2015, the applicant commented that there were "only limited times when gaming room reached peak utilisation of 70%" (para 45). The predicted rise in annual expenditure was $267,362 - $293,446 (representing a mid-range of $280,404), compared with an actual increase in the three years from 2013/14 to 2016/17, of $1,099,959 - 293 per cent higher than the earlier forecast.

    In Diamond Creek Tavern, Nillumbik 2015, the applicant remarked that peak utilisation was recorded for 7 hours a week, generally around meal times. The predicted rise in annual expenditure was $251,804, was surpassed by an actual increase in the two years from 2014/15 to 2016/17, of $705,641 - 181 per cent higher than the forecast level.

    In Yarraville Club, Maribyrnong 2015, the applicant related that peak utilisation occurred in only 0.49% and 2.25% of hours surveyed, with the implication that the premises had sufficient EGMs to meet demand (para 50). The predicted rise in annual expenditure, of $42,597-$85,194, was vastly exceeded by actual revenue growth from 2014/15 to 2016/17, of $864,343 – 1,253 per cent higher than the predicted level.

    By contrast, in Zagame's Berwick Springs Hotel, Casey 2015, the applicant revealed that high EGM utilisation was recorded on several evenings per week. The predicted rise in annual expenditure was $323,000, also substantially lower than the actual increase across the two years from 2014/15 to 2016/17, of $3,015,255 - 834 per cent higher than the estimate supplied by the applicant’s witness.

    In Croydon Hotel, Maroondah 2015, the applicant observed that no periods of peak utilisation (>70%) were documented during the period of the gaming room survey. The predicted rise in annual expenditure was $1,423,479, compared with an actual increase, across the three years from 2013/14 to 2016/17, of $1,224,410 – 14 per cent lower than the forecast level – the single instance among these examples, where the forecast expenditure exceeded the actual result. [↑](#footnote-ref-54)
55. Commercial Hotel, Whittlesea, 2018 [↑](#footnote-ref-55)
56. Portarlington Golf Club, Greater Geelong, 2017; Club Officer, Cardinia, 2017; Commercial Hotel, Whittlesea, 2016; Dandenong RSL, Greater Dandenong, 2018 [↑](#footnote-ref-56)
57. Bendigo Club, Greater Bendigo, 2017 [↑](#footnote-ref-57)
58. Greensborough hotel, Banyule, 2013; Billaree Tavern, Wodonga, 2012; Seagulls Nest, Hobsons Bay, 2013; Hoppers Crossing Sports Club, 2012; Pakenham Racing Club, Cardinia, 2013; Torquay Hotel, Surf Cost, 20913; Craig’s Royal Hotel, Ballarat, 2013; Cardinia Park Hotel, Cardinia 2013 [↑](#footnote-ref-58)
59. Village Belle Hotel, Port Phillip, 2013; Greensborough Hotel, Banyule, 2013; Langwarrin Hotel, Frankston, 2016 [↑](#footnote-ref-59)
60. Sydney Hotel, Wangaratta, 2017; Bentleigh Club, Glen Eira, 2016; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-60)
61. Club Officer, Cardinia, 2017; Berwick Springs Hotel, Casey, 2017; Royal Hotel Hepburn, 2015; Cobram Hotel, Moira, 2016; Myrtleford Savoy Spring Club, Alpine, 2016; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-61)
62. Officer Hotel, Cardinia 2018; Watsonia RSL, Banyule, 2016; Blazing Stump Hotel, Wodonga, 2012; Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-62)
63. Berwick Springs Hotel, Casey, 2017 [↑](#footnote-ref-63)
64. Royal Hotel, Hepburn, 2015; Cobram Hotel, Moira, 2015; Myrtleford Savoy Hotel, Alpine, 2016; Foundry Hotel Complex, Greater Bendigo, 2014; Dromana Hotel, Mornington Peninsula, 2015; Blazing Stump Hotel, Wodonga, 2012; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-64)
65. Wellington at Botanical Gardens, Greater Bendigo, 2017; Lynbrook Hotel, Casey, 20918; Diamond Creek Tavern, Nillumbik, 2015; Castello’s Cardinia, Cardinia, 2018; Officer Hotel, Cardinia, 2018 [↑](#footnote-ref-65)
66. Dandenong RSL, Greater Dandenong, 2018 [↑](#footnote-ref-66)
67. Bentleigh RSL, Glen Eira, 2013; Montmorency RSL, Banyule, 2014; Watergardens Hotel, Brimbank, 2012; Shamrock Hotel, Greater Bendigo, 2011; Pakenham Racing Club, Cardinia, 2013; Victoria Tavern, Macedon Ranges, 2014 [↑](#footnote-ref-67)
68. Castello Cardinia Hotel, Cardinia, 2018; Mornington on Tanti, Mornington Peninsula, 2015; Stawell harness Racing Club, Northern Grampians, 2016; Bridge Inn Hotel, Whittlesea, 2014; Waurn Ponds Hotel, Greater Geelong, 2013; Robinvale Gold Club, Swan Hill, 2015; Foundry Hotel Complex, Greater Bendigo, 2014; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-68)
69. Officer hotel, Cardinia, 2018; Deer Park Club, Brimbank, 2015; Sale and district Greyhound Racing Club, Wellington; The Croydon Hotel, Maroondah, 2015; Dandenong RSL, Greater Dandenong , 2018; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-69)
70. Castello’s Cardinia Hotel, Cardinia, 2018; Leopold Sportsman’s Club, Greater Geelong, 2018; Officer Hotel, Cardinia, 2018; Sydney Hotel, Wangaratta, 2017; Lynbrook Hotel, Casey, 2017 [↑](#footnote-ref-70)
71. Sunbury United Sports Club, Hume, 2013; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-71)
72. Bendigo Club, Greater Bendigo, 2017; Greyhounds Entertainment, Greater Dandenong, 2014; Bendigo Club, Greater Bendigo, 2017 [↑](#footnote-ref-72)
73. Cobram Hotel, Moira, 2016 [↑](#footnote-ref-73)
74. Bendigo Club, Greater Bendigo, 2017; Greyhounds Entertainment, Greater Dandenong, 2014; Lynbrook Hotel, Casey, 2018 [↑](#footnote-ref-74)
75. Cobram Hotel, Miora, 2016; Craigieburn Sporting Club, Hume, 2012 [↑](#footnote-ref-75)
76. Dandenong Club, Greater Dandenong, 2014; Malvern Vale Hotel, Stonnington, 2014 [↑](#footnote-ref-76)
77. Dandenong Club, Greater Dandenong, 2014; Officer Hotel, Cardinia, 2018; Wellington at Botanical Gardens, Greater Bendigo, 2017; Commercial Hotel, Whittlesea, 2016; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-77)
78. Langwarrin Hotel, Frankston 2016; Berwick Springs Hotel, Casey, 2017 [↑](#footnote-ref-78)
79. Langwarrin Hotel, Frankston, 2016) [↑](#footnote-ref-79)
80. Pakenham Hotel, Cardinia, 2014 [↑](#footnote-ref-80)
81. Bendigo Club, Greater Bendigo, 2017; Box Hill RSL, Whitehorse, 2015; Zagamie’s Berwick Springs Hotel, Casey, 2015; Commercial Hotel, Whittlesea, 2016 [↑](#footnote-ref-81)
82. Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-82)
83. Bendigo Club, Greater Bendigo, 2017. By contrast, refurbishments [↑](#footnote-ref-83)
84. Club Noble, Greater Dandenong, 2017 [↑](#footnote-ref-84)
85. Club Officer, Cardinia, 2017 [↑](#footnote-ref-85)
86. Club Officer, Cardinia, 2017; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-86)
87. Ballarat Golf Club, Ballarat, 2018; Club Officer, Cardinia, 2017 [↑](#footnote-ref-87)
88. Templestowe Hotel, Manningham, 2012 [↑](#footnote-ref-88)
89. Diamond Creek Tavern, Nillumbik, 2015 (para. 33b) [↑](#footnote-ref-89)
90. Zagame's Berwick Springs Hotel, Casey, 2015 [↑](#footnote-ref-90)
91. Wellington at Botanic Gardens, Greater Bendigo, 2017; Baxter Tavern Hotel, Mornington Peninsula, 2014 [↑](#footnote-ref-91)
92. Shamrock Hotel, Greater Bendigo, 2016 [↑](#footnote-ref-92)
93. Family Hotel, Baw Baw Shire, 2013; Box Hill RSL, Whitehorse, 2015; Mornington on Tanti, Mornington Peninsula, 2017; Sale and District Greyhound Club, Wellington, 2016; Swan Hill Club, Swan Hill 2014; Blazing Stump Hotel, Wodonga, 2012, and others [↑](#footnote-ref-93)
94. Keilor East RSL, Moonee Valley, 2015; Club Ringwood, Maroondah, 2015; Dandenong Club, Greater Dandenong, 2014; Seagulls Nest, Hobsons Bay, 2013; Hoppers Crossing Sports Club Wyndham, 2012; Cardinia Park Hotel, Cardinia 2013 [↑](#footnote-ref-94)
95. Highland Hotel, Home, 2017; Bentleigh Club, Glen Eira, 2016; The Meeting Place Melbourne 20916; Bendigo District RSL, Greater Bendigo, 2016; Club Caroline Springs, Melton, 2013, and others [↑](#footnote-ref-95)
96. Dandenong RSL, Greater Dandenong, 2018 [↑](#footnote-ref-96)
97. Dromana Hotel, Mornington Peninsula, 2015; Greyhounds Entertainment, Greater Dandenong, 2014; Shamrock Hotel, Greater Bendigo, 2011; Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-97)
98. Wellington at Botanical Gardens, Greater Bendigo, 2017; Bentleigh Club, Glen Eira, 2016 [↑](#footnote-ref-98)
99. Pakenham Hotel, Cardinia, 2014; Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-99)
100. Includes any purpose relating to education, health services or care, prevention and treatment of problem gambling and drug and alcohol addictions, housing assistance, relief of poverty, assistance for the aged, assistance for young people, preservation of the environment, disaster relief, support to ex-service personnel, philanthropy, sport and recreation - excluding any club that holds a venue operator’s licence; as well as Voluntary services provided by members and/or staff of the club and reimbursement of volunteer expenses. In the case of Greyhounds Entertainment, only the $49,501 paid to Greyhounds Community Fund is counted, and not the $2.6 million paid to Sandown Greyhounds Racing Club and Melbourne Greyhounds Racing Association to operate their facilities [↑](#footnote-ref-100)
101. Ballarat Golf Club, Ballarat, 2018; Commercial Hotel, Whittlesea, 2016 [↑](#footnote-ref-101)
102. Browns Corner Hotel, Moreland, 2012; Officer Hotel Cardinia, 2018 [↑](#footnote-ref-102)
103. Terminus Hotel, Yarra Ranges, 2012; Tigers Clubhouse, Wyndham, 2011 [↑](#footnote-ref-103)
104. Bendigo Club, Greater Bendigo, 2017 [↑](#footnote-ref-104)
105. Highlands Hotel, Hume, 2017; Mornington on Tanti Mornington Peninsula, 2015 [↑](#footnote-ref-105)
106. Highland Hotel, Hume, 2017; Terminus Hotel, Yarra Ranges, 2012; Sale and District Greyhound Racing Club, Wellington, 2016; Geelong RSL, Greater Geelong, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-106)
107. Hopers Crossing Sports Club, Wyndham, 2012; Shamrock Hotel, Greater Bendigo, 2011; Langwarrin Hotel, Frankston, 2018; Highlands Hotel Craigieburn, Hume, 2010 [↑](#footnote-ref-107)
108. Browns Corner Hotel, Moreland, 2012; Mornington on Tanti, Mornington Peninsula, 2015 [↑](#footnote-ref-108)
109. Village Belle Hotel, Port Phillip, 2013 [↑](#footnote-ref-109)
110. Pink Hill Hotel, Cardinia, 2010 [↑](#footnote-ref-110)
111. Old Town ‘N Country Tavern, Wangaratta, 2014; Endeavour Hills Cricket Club, Casey, 2003 [↑](#footnote-ref-111)
112. Keilor East RSL, Moonee Valley, 2015; Box ill RSL, Whitehorse, 2015; Settlement at Cranbourne, Casey, 2013; Pakenham Hotel Cardinia, 2014; Old Town ‘N Country Tavern, Wangaratta, 2014; Tower Hotel, Boroondara, 213; Torquay Hotel, Surf Coast, 2013; Bendigo Club Greater Bendigo, 2017; Portarlington Club, Greater Geelong 2017 and others. [↑](#footnote-ref-112)
113. Noble Park RSL, Greater Dandenong, 2014; Keilor East RSL, Moonee Valley, 2015, Dandenong Club, Greater Dandenong, 2014, Seagulls Nest, Hobsons Bay, 2013, Club Ringwood, Maroondah, 2015, Hoppers Crossing Sports Club, Wyndham, 2012, Longreach RSL, Kingston, 2013, Sunbury United Sports Club, Hume, 2013, Cardinia Park Hotel, Cardinia, 2013, , Tooradin and District Sports Club, Casey, 2013 and others. [↑](#footnote-ref-113)
114. Peninsula Club, Mornington Peninsula, 2014; Castello Cardinia Hotel, Cardinia, 2018, Stawell Harness Racing Club, Northern Grampians, 2016, Casa D’Abruzzo Club, Whittlesea, 2012, Tooradin and District Sports Club, Casey, 2013, Peninsula Club, Mornington Peninsula, 2014 [↑](#footnote-ref-114)
115. Stawell Harness Racing Club, Northern Grampians, 2016 [↑](#footnote-ref-115)
116. Berwick Springs Hotel, Casey, 2017; Portarlington Golf Club, Greater Geelong, 2017 [↑](#footnote-ref-116)
117. Darebin RSL, Darebin, 2018; Castello Cardinia Hotel, Cardinia, 2018; Torquay Hotel, Surf Coast, 2018; Bendigo Club, Greater Bendigo, 2017; Wellington on Botanic Gardens, Greater Bendigo, 2017; Lynbrook Hotel, Casey, 2018; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-117)
118. Croydon Hotel, Maroondah, 2015; Casa D'Abruzzio Club, Whittlesea, 2012; Wellington Botanical Gardens, Greater Bendigo, 2017 [↑](#footnote-ref-118)
119. Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-119)
120. Tooradin and District Sports Club, Casey, 2013; Bendigo Club, Greater Bendigo, 2017 [↑](#footnote-ref-120)
121. Watsonia RSL, Banyule, 2016; Commercial Hotel, Whittlesea, 2016 [↑](#footnote-ref-121)
122. Bendigo District RSL, Greater Bendigo, 2017 [↑](#footnote-ref-122)
123. Casa D’Abruzzio Club, Whittlesea, 2012 [↑](#footnote-ref-123)
124. Langwarrin Hotel, Frankston, 2016; Montmorency RSL, Banyule, 2014; Croydon Hotel, Maroondah, 2015; Albion Hotel, Greater Dandenong, 2014; Yarraville Club, Maribyrnong, 2015; Diamond Creek Tavern, Nillumbik, 2015 and others [↑](#footnote-ref-124)
125. Sporting Legends Club, Wellington, 2015 [↑](#footnote-ref-125)
126. Portarlington Golf Club, Greater Geelong; Wellington at Botanical Gardens, Greater Bendigo, 2017; Geelong RSL, Greater Geelong, 2018 [↑](#footnote-ref-126)
127. Croydon Hotel, Maroondah, 2015; Bendigo District RSL, Greater Bendigo 2016; Portarlington Golf Club, Greater Geelong, 2017 [↑](#footnote-ref-127)
128. Mornington on Tanti, Mornington Peninsula, 2015; Foundry Hotel Complex, Greater Bendigo, 2014 [↑](#footnote-ref-128)
129. Club Officer, Cardinia 2017; Lynbrook Hotel, Casey, 2018 [↑](#footnote-ref-129)
130. Dromana Hotel, Mornington Peninsula, 2015; Sydney Hotel Wangaratta, 2017; Wellington on Botanical Gardens, Greater Bendigo, 2017 [↑](#footnote-ref-130)
131. Torquay Hotel, Surf Coast, 2018; Tigers Club House, Wyndham, 2018 [↑](#footnote-ref-131)
132. Sale and District Greyhound Racing Club, Wellington, 2016 [↑](#footnote-ref-132)
133. Wellington on Botanic Gardens, Greater Bendigo, 2017; Croydon Hotel, Maroondah, 20015; Club Officer, Cardinia 2017; Malvern Vale Hotel, Stonnington, 2014 [↑](#footnote-ref-133)
134. Watsonia RSL, Banyule, 2016; Ballarat Golf Club, Ballarat, 2018 [↑](#footnote-ref-134)
135. Wellington at Botanical Gardens, Greater Bendigo, 2017 [↑](#footnote-ref-135)
136. Geelong RSL, Greater Geelong, 2018; Commercial Hotel, Whittlesea, 2018 [↑](#footnote-ref-136)
137. Casa D’Abruzzio Club, Whittlesea, 2012; Castello’s Cardinia, Cardinia, 2012; Darebin RSL, Darebin, 2018; Tigers Clubhouse, Wyndham, 2018; McKinnon Hotel, Glen Eira, 2013; Deer Park Hotel, Brimbank, 2015; Blazing Stump Hotel, Wodonga, 2012; Geelong RSL, 2018; Commercial Hotel, Whittlesa, 2016, and others. [↑](#footnote-ref-137)
138. Club Noble, Greater Dandenong, 2017; Berwick Springs Hotel, Casey, 2017; Portarlington Golf Club, Greater Geelong, 2017; The Meeting Place, Melbourne, 2016 [↑](#footnote-ref-138)
139. Terminus Hotel, Yarra Ranges, 2012; Club Officer, Cardinia, 2017; Croydon Hotel, Maroondah, 2015 [↑](#footnote-ref-139)
140. Stawell Harness Racing Club, Northern Grampians, 2016; Tooradin and District Sports Club, Casey, 2013 [↑](#footnote-ref-140)
141. Warragul Sporting and social Club, Baw Baw, 2016 [↑](#footnote-ref-141)
142. Torquay Hotel, Surf Coast, 2018; Tigers Clubhouse, Wyndham, 2018; Sale and district Greyhound Racing Club, Wellington, 2016; Langwarrin Hotel, Frankston, 2016; Deer Park Club, Brimbank, 2015; Montmorency RSL, Banyule, 2014; Robinvale Gold Club, Swan Hill, 2015; Roxburgh Park Hotel, Hume, 2014; Foundry Hotel Complex, Greater Bendigo, 2014; Browns Corner Hotel, Moreland, 2012 and others. [↑](#footnote-ref-142)
143. Victorian Commission for Gambling and Liquor Regulation, 2018 [↑](#footnote-ref-143)
144. On the subject of speculation, this is not the only such notion that has been discounted by the Commission, incidentally. In Highlands Hotel, Hume, 2017, the council contended that approval of the application for EGMs would induce other local venues to apply for EGMs. The applicant replied that such evidence could not be accorded ay weight in deciding the application, owing to the uncertainty of such an outcome. The Commission concurred with this view, declaring that “…given their inherent uncertainty, the Commission does not consider that it should have regard to the potential application for EGMs or EGM increases that have not been made, and may never be made.” [↑](#footnote-ref-144)
145. Deer Park Club, Brimbank, 2015; Roxburgh Park Hotel, Hume, 2014; Tower Hotel, Boroondara, 2013; Sunbury United Sports Club, Hume, 2013; Box Hill RSL, Whitehorse, 2015; Golf House hotel, Ballarat, 2013; Cove Hotel, Kingston, 2013; Grandview Hotel, Darebin, 2012; Manningham Hotel, 2013, Manningham and others. [↑](#footnote-ref-145)
146. Bentleigh Club, Glen Eira, 2016 [↑](#footnote-ref-146)
147. Seagulls Nest, Hobsons Bay, 2013; New Bay Hotel, Bayside, 2010; Italian Sports Club of Werribee, Wyndham, 2011; Club Edgewater, Maribyrnong, 2008; Werribee Football Club , Wyndham, 2009 [↑](#footnote-ref-147)
148. Pakenham Hotel, Cardinia, 2014; Club Caroline Springs, Melton, 2013; Sporting Legends Club, Wellington, 2015; Highlands Hotel, Hume, 2017 [↑](#footnote-ref-148)
149. It may be argued though – as discussed earlier - that these features of the venue would exacerbate any detrimental impacts of the additional EGMs sought in the application, just as the Commission has contended on occasion that existing features of a venue or its responsible service of gambling practises may mitigate any potentially harmful effects of an application. [↑](#footnote-ref-149)
150. Officer Hotel, 80 EGMs, Cardinia, 2018; Commercial Hotel, Whittlesea, 2016 [↑](#footnote-ref-150)