This is significantly lower than the wider municipality, where 8% of residents fall into the top most disadvantaged SEIFA decile. The majority (i.e.81%) of total residents fell within the higher range between the 3rd and 10th deciles, which represents only a moderate level of disadvantage.

- **Actions of Staff and RSG Procedures –** The staff at Hogans Hotel are often the best defence against problem gambling behaviour. The staff in the Hogans Hotel gaming room are experienced in identifying issues, they undertake training on a consistent basis, and importantly, get to know their regular patrons, which helps in identifying issues. The policies and procedures that are enforced by the venue, combined with patron-staff interaction are key factors in preventing problem gambling harm.

76. To summarise, the addition of just 20 EGMs into what is a low-risk venue, which serves a community with a relatively low level of socio-economic disadvantage, is unlikely to significantly impact problem gambling behaviour.

77. Moreover, in assessing the merits of this specific application, it is the incremental effect that is of importance. Hogans Hotel operates EGMs now, with patrons having access to these machines through most of the week. Overall, the likelihood for a greater risk of problem gambling as a direct result of this application is marginal in this case.

5. SOCIAL AND ECONOMIC IMPACT SUMMARY

78. The projected economic and social impacts of the approval of this application are summarised in the tables below. When considering the points in this section, it is important to recognise not all benefits and disbenefits are of equal significance. It is not possible to apply a dollar value to each benefit or cost. Therefore, the net effect cannot be derived from an arithmetic calculation. Ultimately a level of judgement is required.

5.1. ECONOMIC BENEFITS

79. The economic benefits of the proposal are:

Effect	Description	Weight Given
Value of development works	Upgrades to the venue include works to the Restaurant and Group Dining facilities, new kitchen, alterations to the existing Gaming Lounge, extension of Lounge and Lobby, a new double-sided liquor servery, as well as car park upgrade. These works are estimated to cost close to $2.5 million. This will generate considerable economic benefit through the construction period. While these works may proceed in time, without the additional profitability generated by the extra EGMs, the investment will certainly be delayed.	**Medium** This is a regarded as a considerable level of investment for a small community Hotel. Our analysis indicates that up to 15 jobs in total (both direct and indirect) will be created during the construction period, with a share of these jobs expected to be retained locally[1]. For an outer metropolitan municipality, any local employment opportunities are considered beneficial to the community.
Community contributions	The investment currently made by Hogans Hotel back into their community represents a valuable economic benefit, whether the contributions are in the form of cash or in-kind. With increased profitability anticipated through the additional EGMs, the Hotel will be able to not only secure the existing levels of contributions but also increase their cash contributions to $100,000 per annum going forward.	**Medium** Given the work the Hotel does in this community, any commitment to maintaining and further increasing the economic value of this should be given weight.
Ongoing effects due to development works and increased activity	Typically increases to supply contracts can occur from a venue's redevelopment due to an increase in demand for food and beverage products. This is the case when significant upgrades are undertaken.	**Low** Some changes to the broader facility are being undertaken that will increase demand, and additional EGMs would also hopefully increase activity in other parts of the venue.

[1] Employment numbers are derived from REMPLAN modelling analysis, based on $2.5 million of development cost over an assumed one year delivery timeframe.

Effect	Description	Weight Given
Employment creation	It is estimated that around 6 full-time equivalent (FTE) staff will be needed to service the demand created throughout the venue.	**Low** Limited additional employment opportunities for the local community likely to be created.
Gaming expenditure as an economic benefit	Expenditure by gamers who play for recreation is an economic benefit just as any other entertainment spending choice is a benefit. This expenditure is also associated with additional social benefits.	**Low** The increase in gaming expenditure is relatively small, with 30% of this is estimated to be transferred from existing venues.

5.2. ECONOMIC DISBENEFITS

80. There are also several economic disbenefits as a consequence of this proposal. They are summarised below:

Effect	Description	Weight Given
Economic costs associated with problem gambling	Problem gambling does have an economic cost relating to the provision of services. For example, the financial losses of the gamblers themselves and other support services which deal with the problems of gamblers and their families and friends. While a level of problem gambling exists in the Shire of Mitchell, the important consideration here is whether this application will *increase* the problem. As discussed, I believe the problem gambling change will be negligible in the municipality.	**Negligible** While the impact of problem gambling is significant on those affected and their families, I believe the problem gambling change will be immaterial in the municipality, particularly given the incremental change in EGMs in the context of the LGA, the socio-economic profile of locals and the modest increase in gaming revenue generated in the municipality.
Diversion of trade from other gaming venues	A proportion of gaming expenditure is expected to be transferred from other venues in the municipality. This is normal in a competitive marketplace.	**Negligible** Generally, impact is expected in a competitive market. With the level of expenditure transferred to be low at just up to less than $250,000 following the EGMs installation, any impact will not affect the ability of other venues to deliver their current facilities or level of service. While the revenue of some venues may decline to some extent during the initial stage, this will not

Effect	Description	Weight Given
		impact the well-being of the community more broadly.
Potential diversion of trade from retail facilities, or other businesses	New gaming expenditure generated at the Hotel that isn't transferred from other gaming venues has the potential to be diverted from retailers or other businesses.	**Negligible** The new gaming expenditure to be generated is modest at up to some $582,000 and not sufficient to impact on the operations of any one business as the increased expenditure on gaming will be diverted from countless sources.
Reduction in taxes collected	The application will result in reduction in tax the venue is likely to pay due to the calculation based on a revenue per machine basis. This represents a transfer from State Government to the operator.	**Negligible** The change in tax revenue to government is very minor and only a very small fraction of tax paid will be spent in, and therefore lost from the Shire of Mitchell.

5.3. SOCIAL BENEFITS

81. The social benefits from the proposed installation of 20 EGMs to Hogans Hotel include:

Effect	Description	Weight Given
Enhanced access to EGM facilities for residents and visitors	For those who play gaming machines in a responsible manner, introducing 20 EGMs at Hogans Hotel creates a social benefit by increasing the entertainment offer available at the venue.	**Low** For many people, gambling is a recreational activity. The proposed application improves accessibility to EGMs in peak times, providing better quality services to patrons.
Improved facilities adding to the appeal of Hogans Hotel	New facilities are proposed as part of the upgrades as described earlier.	**Medium** Improvements to provide members, local residents and visitors with greater access to facilities along with an improved general experience.
Social benefit derived from community contributions	Approval of the EGMs will allow the Hotel to contribute more to the community. The Hotel has promised to lift their annual contribution of cash donations to a minimum of $100,000. While there is an economic value of those	**Medium** The direct impact community contributions can have on local social groups is significant. This

	activities, the social value created by investment in community activities exceeds a dollar value. The ability of the Hotel to contribute to local and the broader Shire Mitchell community, promoting social interaction and general well-being represents a very important social benefit of this application.	is a very important role played by Hogans Hotel, and the maintenance of these contributions, whether in kind or cash is of high social value.

5.4. SOCIAL DISBENEFITS

82. Social disbenefits of this proposal are summarised below:

Effect	Description	Weight Given
The increase in problem gambling and associated social impacts.	As with any gaming application, the key potential social disbenefit relates to the impact on problem gambling. Excessive gambling can have adverse impacts on people's health, jobs, finances, emotional states and relationships. The Productivity Commission Inquiry Report into Gambling, 2010 detailed potential measures of harm caused by gambling across a range of social and economic indicators.	**Negligible** As discussed under the economic disbenefit in sub-section 5.2, problem gambling is the most serious consequence of gaming machines; however, my assessment indicates the potential for increased problem gambling behaviour is negligible in this case.

5.5. ECONOMIC AND SOCIAL IMPACT SUMMARY

83. It is considered the application for introducing 20 additional gaming machines at Hogans Hotel deserves the Commission's favourable consideration.

84. As discussed above, it is not possible to assign a precise value to all economic and social benefits and disbenefits, and therefore a degree of judgement is required in weighing up the net outcome of an application such as this.

85. The benefits of this application which I place greatest weight on due to the direct impact in the community and certainty of outcome are:

- The maintenance of the existing local community contribution program, providing a support to local area and the broader Mitchell Shire community groups. The Hotel has been a generous contributor to the local community, particularly through community donations and activity. Approval of addition EGMs will also see the Hotel increase the annual value of cash contributions to a minimum of $100,000.
- The further works to the Hotel, including an extended Lobby, a new members double sided liquor servery and new Gaming Lounge, upgrade and expansion of Restaurant and Group Dining facilities, new kitchen, fixtures and fittings will generate benefits through the construction phase, and more significantly through increased level of activity which will further enhance the Hotel as a popular food and beverage destination and local social hub.

86. If the application is not approved these benefits will either not be delivered or will be substantially reduced in scale and delayed.

87. The key disbenefit of this application to consider is the potential for an increase in problem gambling. However, the likelihood of a change in problem gambling as a direct result of this application is negligible due to a number of factors including the modest gaming expenditure generated per machine, the incremental change in machines (20 EGMs) to a Hotel that already provides access to machines, the demographic profile of the local area, the nature of a Hotel venue and this venue in particular as serving the needs of a low-disadvantage catchment area and the broader community more generally, contributions to problem gambling initiatives, modest opening hours and the fact the new gaming expenditure is estimated at a maximum of just $582,170 or some 3.1% of total current expenditure within the Shire of Mitchell.

88. This application is considered to meet the test before the VCGLR: the possibility of any disbenefits materialising is marginal; with the benefits, while modest in comparison to some new venue or larger top-up applications, are certain and identifiably linked to a better financial position for the Hotel resulting from the extra machines and ultimately increased activity in other parts of the venue.

89. On the basis of the assessment presented in this report, the net effect of introducing 20 gaming machines to Hogans Hotel will not be detrimental to the social and economic well-being of the Shire of Mitchell.

DISCLAIMER

This report is dated 20 December 2018 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Hogans Hotels Pty Ltd (**Instructing Party**) for the purpose of Social & Economic Impact Assessment (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

APPENDIX A DEFINITIONS, SOURCES & ABBREVIATIONS

DEFINITION FOR SOCIAL AND ECONOMIC IMPACT

The Victorian Commission for Gambling and Liquor Regulation (VCGLR) has the following definition for social and economic impact, which has been published in the "Economic and Social Impact Submission" form for Local Authorities published August 2012:

Term	Explanation
Economic Impact of the Proposal	Economic Impact is the sum of the effects on the viability and development of the economy (of the municipal district) in the short or medium-term, and how this is likely to affect the well-being of the community.
Social Impact of the Proposal	Social Impact is the sum of the effects on the social infrastructure, social opportunities and social interactions (of the municipal district) in the short or medium-term, and how this is likely to affect the well-being of the community.
Well-Being of the Community of the Municipal District	Economic prosperity and social robustness or health of the overall community of the municipal district.
Will Not be Detrimental to the Well-Being of the Community of the Municipal District	When the net economic and social impact of the proposal (i.e. the sum of the incremental effects) is considered neutral or positive).

HOUSING STRESS DEFINITION

Research by the ACT Taskforce on Affordable Housing titled "Strategies for Action" in December 2002 defined "housing stress" in the following manner:

"The Taskforce has defined people as having difficulty in accessing affordable housing if they are in the lowest two quintiles (lowest 40 precent of income distribution) and pay 30 percent or more of their gross household income in housing costs. This group is referred to as being in housing stress."

SOCIO-ECONOMIC INDEX OF DISADVANTAGE (SEIFA)

The SEIFA "Index of Relative Socio-Economic Disadvantage" is derived from the 2016 Census of Population and Housing and measures aspects of social and economic conditions in the area.

The index ascribes values to a number of social and economic attributes to generate a comprehensive measure of advantage and disadvantage. The Index of Relative Socio-Economic Disadvantage covers the indicators as taken from the ABS technical paper below.

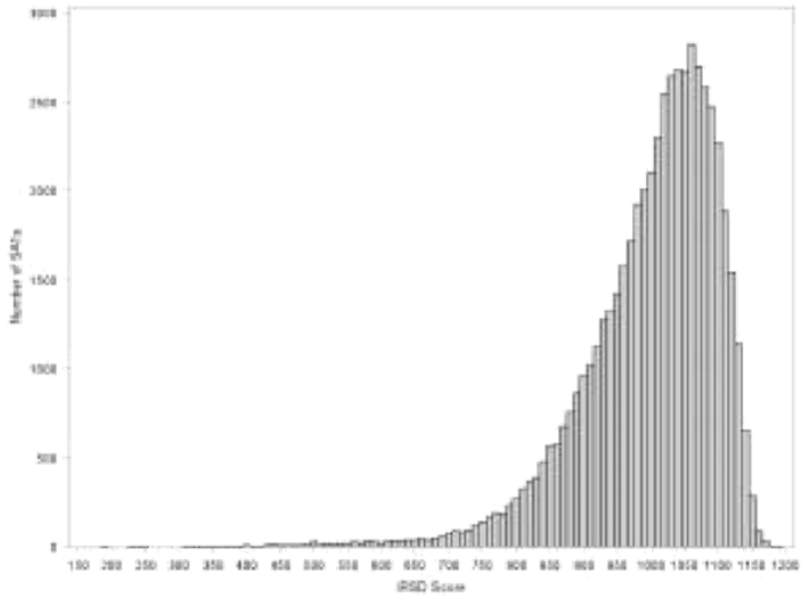
The index value is used to order or rank regions in terms of disadvantage. A higher index score means an area is relatively less disadvantaged, while a lower score indicates the area is disadvantaged relative to other areas. The decile markings along the top axis show that there is not much difference in the scores of SA1s in the middle deciles. This means that SA1s in the middle deciles do not vary much in terms of indicators of disadvantage used. The discriminating power of this index lies in the lower end of the distribution, i.e. for identifying relatively disadvantaged SA1s. The index cannot be used to measure the size of the difference in socio-economic disadvantage between areas rather it represents an ordinal rank not a cardinal value.

Table 4.2 Final IRSD variables and loadings

Variable mnemonic	*Variable loading*	*Variable description*
INC_LOW	-0.91	% People with stated annual household equivalised income between $1 and $25,999 (approx. 1st and 2nd deciles)
CHILDJOBLESS	-0.83	% Families with children under 15 years of age who live with jobless parents
NONET	-0.79	% Occupied private dwellings with no internet connection
NOYR12ORHIGHER	-0.77	% People aged 15 years and over whose highest level of education is Year 11 or lower. Includes Certificate I and II
UNEMPLOYED	-0.75	% People (in the labour force) unemployed
OCC_LABOUR	-0.74	% Employed people classified as 'labourers'
LOWRENT	-0.73	% Occupied private dwellings paying rent less than $215 per week (excluding $0 per week)
ONEPARENT	-0.67	% One parent families with dependent offspring only
DISABILITYU70	-0.67	% People aged under 70 who have a long–term health condition or disability and need assistance with core activities
SEPDIVORCED	-0.55	% People aged 15 and over who are separated or divorced
OCC_DRIVERS	-0.54	% Employed people classified as Machinery Operators and Drivers
OCC_SERVICE_L	-0.53	% Employed people classified as Low Skill Community and Personal Service Workers
NOCAR	-0.49	% Occupied private dwellings with no cars
OVERCROWD	-0.46	% Occupied private dwellings requiring one or more extra bedrooms (based on Canadian National Occupancy Standard)
NOEDU	-0.43	% People aged 15 years and over who have no educational attainment
ENGLISHPOOR	-0.30	% People who do not speak English well

2016, ABS, Socio-Economic Indexes for Areas (SEIFA) – Technical Paper 2016, Cat. 2033.0.55.001, pg. 19

Figure 4.11 IRSD score distribution



2016, ABS, Technical Paper Socio-Economic Indexes for Areas (SEIFA) 2016, Cat. 2033.0.55.001, pg. 24

SOURCES OF INFORMATION

This report draws on a variety of information and sources provided to this office, the most important of which are:

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- Department of Environment, Land, Water & Planning (DELWP), Victoria in the Future 2016, Population Projections.
- Department of Justice Report "A Study of Gambling in Victoria – Problem Gambling from a Public Health Perspective", September 2009
- Estimated Resident Population (ERP) figures as published by the Australian Bureau of Statistics (ABS).
- Gambling – Productivity Commission Inquiry Report, 2010
- Hing & Haw, "Influence of Venue Characteristics on a Player's Decision to Attend a Gambling Venue", 2010
- Hogans Hotel Expert's Report in Respect of Application to Vary the Number of Electronic Gaming Machines from 45 to 65, ShineWing Australia, December 2018
- Mitchell Shire Gaming Policy Framework, October 2007
- Shire of Mitchell Planning Scheme Clause 22.01
- Statistical information provided by the ABS, including the 2001, 2006, 2011 and 2016 Censuses of Population and Housing and Socio-Economic Indices for Areas (SEIFA).
- Victorian Competition & Efficiency Commission Inquiry into the Social and Economic Costs of Problem Gambling, VCGLR, 10 September 2012

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