



# **The Grandview Hotel**

**Application to the Victorian Commission for  
Gambling and Liquor Regulation for approval  
of premises for gaming and installation of 50  
Electronic Gaming Machines**

**Social and Economic Impact Assessment**

**DRAFT**

24 July 2012

## Contents

Contents .....	2
1. Introduction .....	3
1.1 Background .....	3
1.2 Submission considerations.....	3
2 Considerations.....	4
2.1 Determinants of problem gambling .....	4
2.2 Net social and economic impact.....	10
2.3 Impact assessment methodology.....	16
2.4 Alignment with Council policy.....	17
2.5 Application documentation .....	18
2.6 Community attitudes.....	19
2.7 Further information .....	20
3 Summary and conclusions .....	20

## Figures

Figure 1 - Key features of location of subject site .....	5
Figure 2 - Zoning of site and surrounds .....	7
Figure 3 - Number of EGM venues visited for EGM play, Victorian Adults, 2008 .....	7
Figure 4 - Locations of disadvantage.....	9
Figure 5 - Number of EGMs and net EGM expenditure, Victoria, 2000-2011 .....	12
Figure 6 – Number of EGMs and EGM expenditure per hour, Victoria, 2000-2011 .....	12
Figure 7 – Net EGM expenditure and average number of EGMs per 1,000 adults, Victoria, 2000-2011 .....	13
Figure 8 - Gaming expenditure/losses indicators, Darebin.....	13
Figure 9 - Expenditure/losses and number of EGMs, City of Darebin, 2000-2011.....	14
Figure 10 - Expenditure/losses and number of EGMs, City of Yarra, 2000-2011 .....	14

# 1. Introduction

## 1.1 Background

Darebin City Council has prepared a Social Impact Assessment (SIA) in response to an application by Grandview Hotel Victoria Pty Ltd for 50 electronic gaming machines (EGMs) at the Grandview Hotel, 429 Heidelberg Road, Fairfield (the subject site). These are new machines to the Local Government Area (LGA).

The submission seeks to assess the net social and economic impact of the proposal on the wellbeing of the community including:

- The economic and social impact of the proposal on the wellbeing of the municipal district within which the premises are located (Section 3.3.6 of the Gambling Regulation Act 2003).
- The impact of the proposal on surrounding municipal districts (Section 3.3.6 of the Gambling Regulation Act 2003).
- Whether or not the net economic and social impact of approval will be detrimental to the wellbeing of the community of the municipal district in which the premises are located (Section 3.3.7 of the Gambling Regulation Act 2003)

The submission also provides additional information required in order to assess the net social and economic impact of the proposal on the wellbeing of the community.

The following documents were reviewed to inform the submission:

*The Grandview Hotel, Peer Review and Social Impact Assessment Documentation, Symplan Consulting, July 2012*

*Urbis, May 2012 "The Grandview Hotel. Social and Economic Impact Assessment"*

*Progressive Venue Services, May 2012 "Expenditure Report. Grandview Hotel"*

*Taking Action on Problem Gambling*

*Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014*

*Darebin Equity and Inclusion Plan 2012-2015*

*Darebin Community Health and Wellbeing Plan 2009-2013*

*Darebin Planning Scheme (Clauses 10 and 52.28)*

## 1.2 Submission considerations

The following factors have been considered in this submission:

1. Determinants of problem gambling and whether or not the social and economic impacts of the proposal will have a detrimental impact on the wellbeing of the community.
2. The net social and economic impact of the proposal on the wellbeing of the community and adjoining municipalities.
3. Impact assessment methodology - framework of contemporary social impact assessment processes and principles
4. Alignment with Council's policy and position on electronic gaming machines
5. Application documentation
6. Community attitudes
7. Further information

## 2 Considerations

### 2.1 Determinants of problem gambling

#### Accessibility

The subject site located at 429 Heidelberg Road Fairfield in the City of Darebin is a visually prominent building located at the intersection of Station Street and the major arterial Heidelberg Road. As the following photos illustrate, the Grandview Hotel maintains distinctive heritage features as well as a zero setback and three separate entrances including one that faces directly onto the Station Street/Heidelberg Road intersection. The building height is three storeys within a mostly low density residential neighbourhood, with the exception of a small number of double storey residences located at the south of Station Street. The Grandview Hotel's significant view-lines make it a prominent landmark in Darebin's south, and one that presently contributes significant heritage value to the local neighbourhood character.



North facing view-line of the subject site



South facing view-line from Station Street



West facing view-line of the subject site from Heidelberg Road



East facing view line of subject site

As illustrated in Figure 1 below the subject site is also well serviced by public transport linkages including train lines, feeder bus services, bicycle paths and taxis. The Grandview Hotel is also located in close proximity to Clifton Hill Station interchange which is a major public transport node linking the Hurstbridge and Epping Railway lines, and the Chandler Highway gateway to the Eastern Freeway. Access to the Eastern freeway connects the subject site with suburbs in Melbourne's east as well as Melbourne's Central Business District.



- Isolated elderly and vulnerable residents of Holmes Street Older Person Unit, Edwards Street Older Persons Unit and Agg Street Older Persons Unit. (Office of Housing). Comprising over 200 high density units and home to over 200 economically disadvantaged/vulnerable/elderly people at risk of homelessness, drug/alcohol/gambling addiction and health related issues and who are supported through Merri Outreach Support Services. These residents shop at Station Street.
- Elizabeth Hoffman House (Aboriginal women’s refuge)
- Thomas Embling Forensic Mental Health Hospital
- Austin Health Royal Talbot Rehabilitation Centre
- Two community health centres
- Eight additional mental health services

Figure 2 – Neighbourhood study relevant to the subject site (map to be completed)

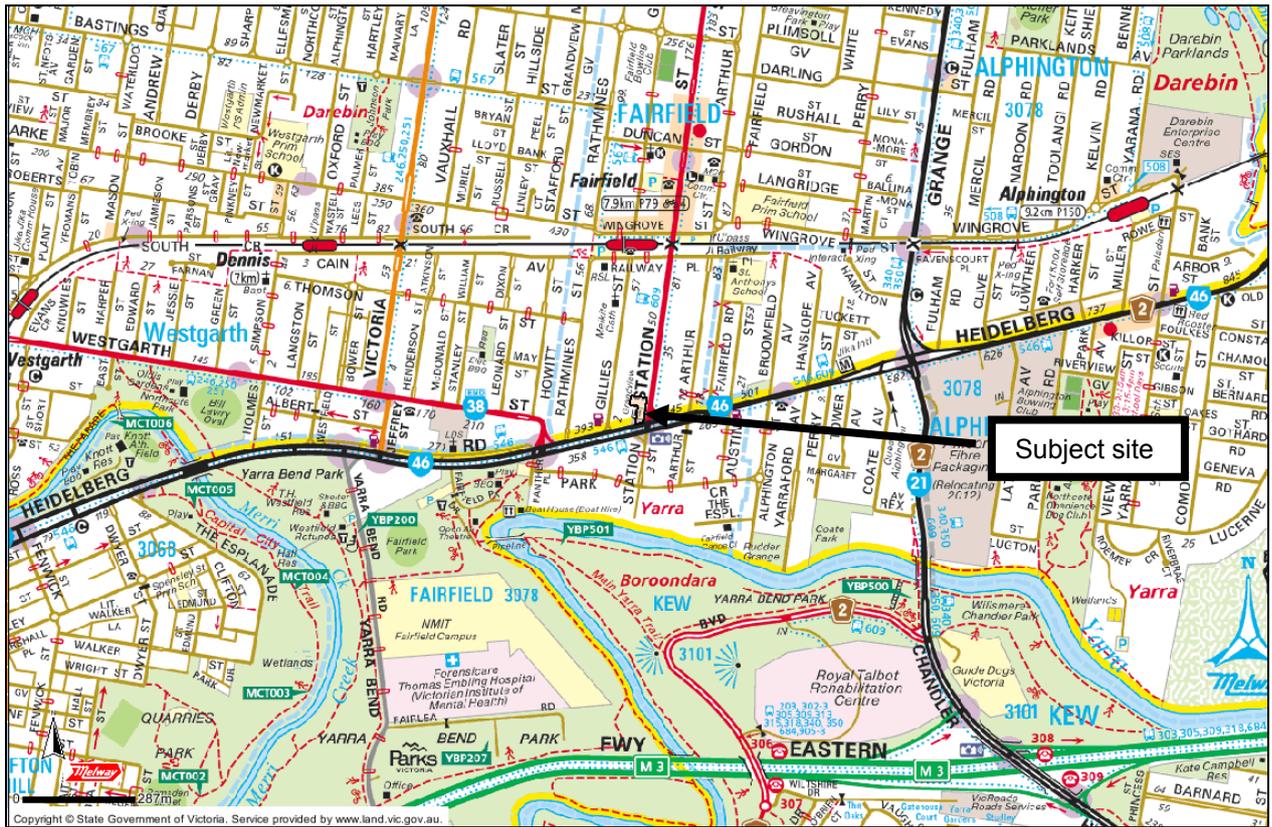
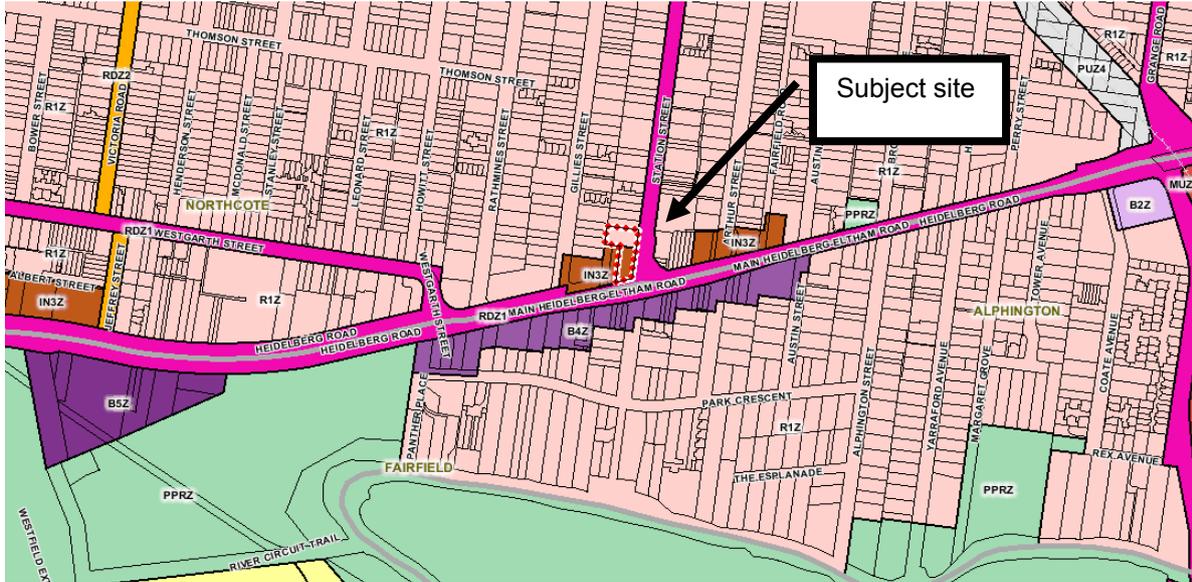


Figure 3 below illustrates that the site is zoned Industrial 3. This figure also illustrates that the site is located immediately north of a strip shopping centre which is zoned Business 1. The predominant zoning surrounding the site is Residential 1.

Figure 3 - Zoning of site and surrounds



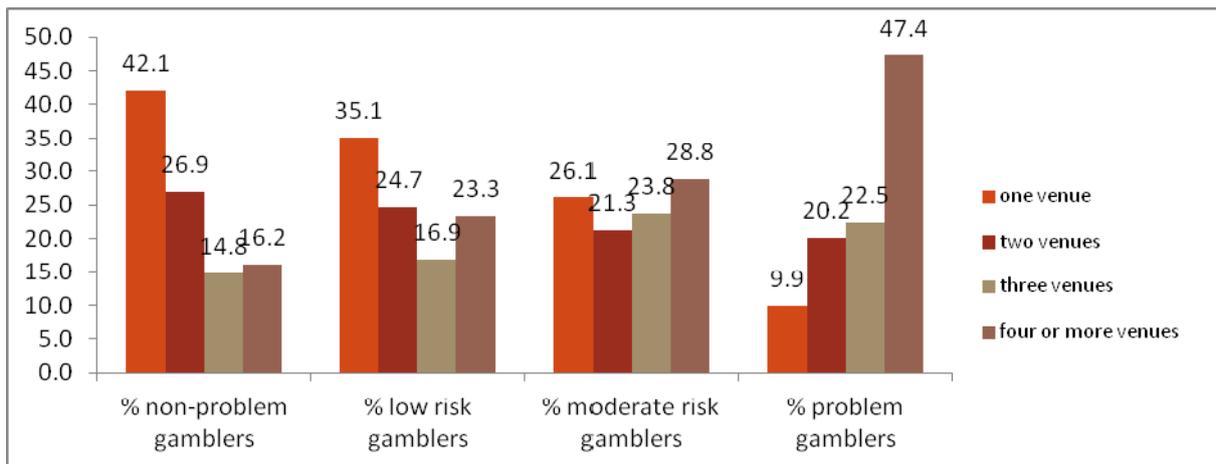
The physical location of a site determines how convenient the venue is to get to (both for the general community and vulnerable groups) and how visible it is to passers-by. A recent study found that people are attracted to gambling venues which are geographically or physically accessible to home, work, community hubs and on regularly used transportation routes<sup>1</sup>.

The SEIS provided by Urbis has acknowledged that ‘the location on Heidelberg Road at the intersection with Station Street also means the hotel is in a prominent position’<sup>2</sup>.

Convenience and visibility are key determinants of availability. High accessibility may make gambling tempting for emotionally vulnerable problem gamblers who gamble as a means of escape, often in response to adverse life events. High accessibility can also facilitate impulsive gambling behaviour for problem gamblers.<sup>3</sup>

Figure 3 below illustrates that the propensity to use multiple gambling venues increases with the risk of problem gambling.

Figure 4 - Number of EGM venues visited for EGM play, Victorian Adults, 2008<sup>4</sup>



<sup>1</sup> Thomas, A. et al (2010) *Problem gambling vulnerability the interaction between access individual cognitions and group beliefs/preferences* Swinburne University of Technology, Faculty of Life and Social Sciences pxi

<sup>2</sup> Urbis, May 2012 *The Grandview Hotel. Social and Economic Impact Assessment* para 16

<sup>3</sup> State Government of Victoria (2008) *A taking action on problem gambling initiative* Department of Justice P6

<sup>4</sup> State Government of Victoria (2009) *A study of gambling in Victoria. Problem Gambling From a Public Health Perspective* Department of Justice Fact Sheet 8

State Government initiatives on problem gambling acknowledge that proximity to public transport and community facilities is a key dimension of accessibility<sup>5</sup>. This has been reflected in the following decisions:

- The Panel for Amendment C110 to the Greater Bendigo Planning Scheme found that the number of pedestrians passing an area in the course of their daily activities is a key factor in assessing accessibility of EGMs within a community.
- The Panel for Amendment C50 to the Mitchell Planning Scheme supports the view that planning authorities should limit convenient access to gaming machines (Para 7.4), including shopping centres, railway stations and community facilities involving a high concentration of people undertaking daily activities.
- The Panel for Amendment C77 for the Shire of Yarra Ranges Planning Scheme supports the exclusion of EGM gambling venues within 400m of sensitive community facilities including schools, kindergartens, child care centres, railway stations or transport interchanges and another venue which operates gaming machines.
- The Panel for Amendment C98 for the Bayside Planning Scheme supported a distance threshold of 500m between sensitive uses (railway stations or transport interchanges and public and private welfare agencies) and 800m threshold distance from the most socio-economically disadvantaged areas in the municipality.

**The locational features of the site, i.e. proximity to community infrastructure and railway station, and its location along a major arterial will increase the extent to which the venue is accessible to the local and broader community. These locational features indicate that the venue will take the form of convenience rather than destination gambling. Accessibility enhances availability which has been demonstrated to be a major determinant of problem gambling.**

The subject site is located within approximately 500m of the Fairfield and Alphington RSL. The Panel for Amendment C98 for the City of Bayside did not support clustering of gaming opportunities to an extent that they are within an easier walking distance as this may exacerbate problem gambling behaviour where multiple venues are used.

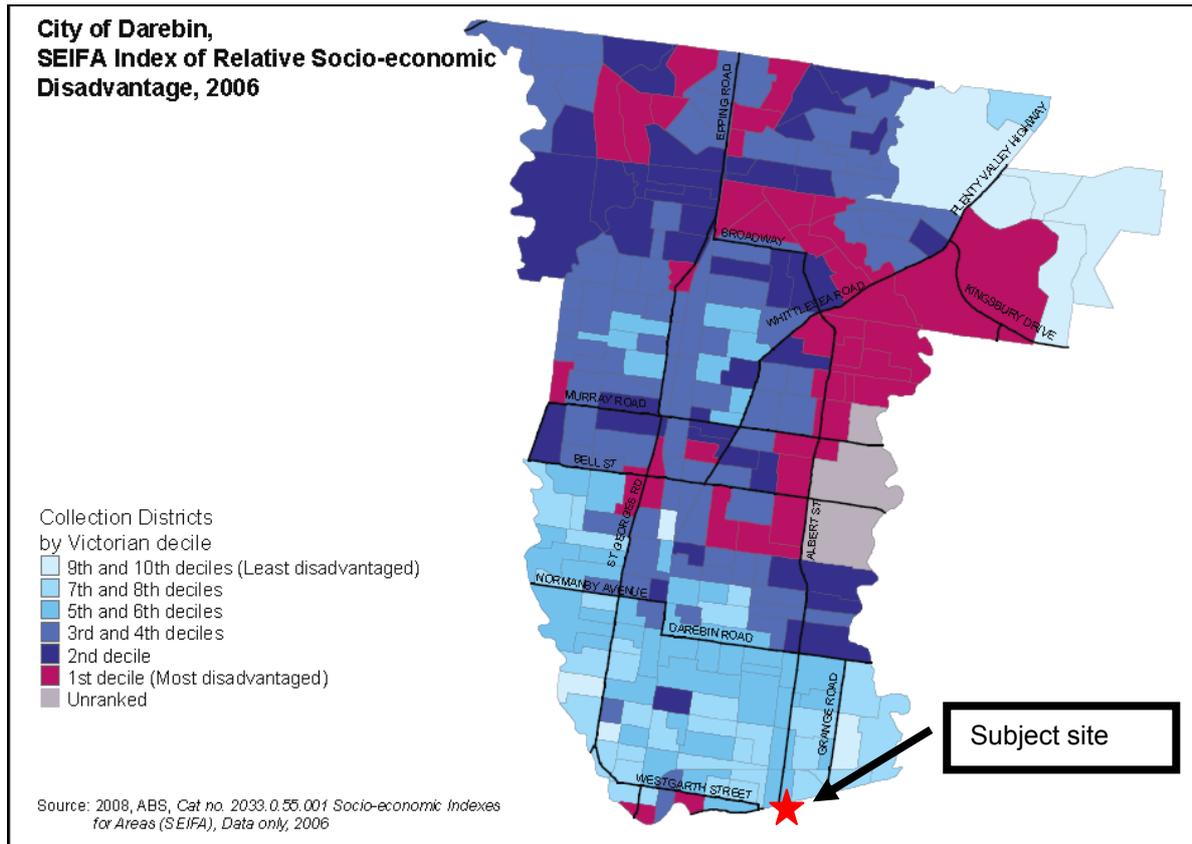
**The proximity of the subject site to an existing EGM gambling venue will enhance accessibility and therefore contribute to problem gambling.**

Figure 4 below illustrates that the subject site is located approximately 980m to the east of a concentration of social disadvantage. This concentration of disadvantage is located in the primary trade area of the subject site.

---

<sup>5</sup> State Government of Victoria (2008) *Destination Gaming. Evaluating the benefits for Victoria* Department of Justice p8

Figure 5 - Locations of disadvantage



One of the harm minimisation measures implemented by the Victorian State Government is the introduction of regional caps on EGMs. A key indicator used to determine the geographic extent of the regional caps is the SEIFA index of disadvantage. The rationale for the regional caps is based on the need to reduce accessibility to gambling opportunities, particularly in communities that are vulnerable to the harmful effects of gambling. The purpose of the regional caps is also to de-concentrate EGMs from disadvantaged areas and in-so-doing, protect those most at risk of problem gambling.

**The subject site is highly accessible to a concentration of social and economic disadvantage which is a key determinant of problem gambling. This includes proximity to pockets of significant disadvantage to the west and north in East Preston and neighbouring suburb of Banyule within the West Heidelberg Neighbourhood Renewal area.**

### Socio-economic profile

Social and economic determinants of problem gambling include high proportions of males; people aged 18-24; people with low educational attainment (i.e. year 10 or lower), people employed as community and personal services, sales workers, machinery operators and drivers, labourers; people with low incomes; people living in group households; and Aboriginal and Torres Strait Islanders<sup>6</sup>.

It is acknowledged that the community profile in the main trade area is comprised of relatively low proportions of the above risk categories. However, Northcote has more than double the proportion of group households (8.8%) relative to Victoria (4.2%). In addition, Kew and Alphington have higher proportions of group households (6.6% and 6.9% respectively) relative to Victoria (4.2%) and Australia (4.1%)<sup>7</sup>.

It should be noted that there are significant pockets of high disadvantage north of the site – but within easy access to the venue – being the areas of East Preston and West Heidelberg Neighbourhood Renewal area.

<sup>6</sup> State Government of Victoria (2009) *A study of Gambling in Victoria. Problem Gambling from a Public Health Perspective. Profile of Problem Gambling Risk Segments* Department of Justice

<sup>7</sup> ABS Census of Population and Housing, 2011

Furthermore, Alphington has a higher proportion of households with mortgage repayments greater than 30% of household income (10.5%) relative to Victoria (10.1%) and Australia (9.9%).

The applicant has stated that the venue is well patronised by young people, therefore exposing a group acknowledged to be at risk to greater opportunities to participate in EGM gambling.

**The socio-economic profile of the primary trade area within which the subject site is located comprises groups within the community that are acknowledged to be at risk of problem gambling.**

### Key findings

The physical, social and economic characteristics of the primary trade area reflect key determinants of problem gambling. These include proximity to the railway station and community facilities, exposure associate with location on a major arterial, and proximity to concentrations of disadvantage and high proportions of group households in the primary trade area. The proposal is therefore expected to increase the prevalence of problem gambling in the City of Darebin and adjoining municipalities.

## 2.2 Net social and economic impact

### Social impacts

The SEIS prepared by Urbis indicates that the social benefits associated with the proposal will be the restoration of the existing premises and delivery of additional services and facilities. The primary motivation for the inclusion of the 50 EGMs is that the restoration would not be financially viable without the revenue derived from the expenditure on the EGMs.

The new facilities to be provided include a bistro, public sport bar/sports lounge, gaming lounge, central bathroom and addition of a second internal courtyard. Additional social benefits would include improvements to the first floor function spaces and internal access lift. However, the majority of floor space is allocated for gaming purposes in particular use of electronic gaming machines.

The Productivity Commission has found that electronic gaming machines pose the greatest risks to existing and potential problem gamblers<sup>8</sup> and that gambling on EGMs accounts for approximately 41% of total losses<sup>9</sup>. It also found that around 80% of presentations to counselling agencies relate to problems on gaming machines<sup>10</sup>.

The reasons for the high incidence of problem gambling amongst gamblers using EGMs are:

- The specific characteristics of EGMs i.e. the capacity to play alone and tendency for players to lose contact with reality.
- EGM gamblers are most prone to disassociation have the highest tendency to play in a trance (76.9%), lose track of time (71.1%), lose track of reality (76.9%) and feel someone else is controlling their actions (81.7%) relative to all other types of gamblers<sup>11</sup>.

**These findings demonstrate that the revenue to be used to renovate the venue will be derived predominantly from losses incurred by problem gamblers. It is therefore considered that a business model that is dependent on the revenue derived from an activity that is directly associated with social and economic detriment is not justifiable.**

At present the hotel caters predominantly to the local residential market which consists of a mix of local families, young people and elderly patrons. The documentation states that the new facilities will attract more customers to the hotel that would currently be travelling outside of the municipality. The SEIS prepared by Urbis states further that the bistro will be aimed at drawing in a new type of

<sup>8</sup> Australian Government Productivity Commission (2010) *Productivity Community Inquiry Report, Gambling* p5.22

<sup>9</sup> Australian Government Productivity Commission (2010) *Productivity Community Inquiry Report, Gambling* p5.1

<sup>10</sup> Australian Government Productivity Commission (2010) *Productivity Community Inquiry Report, Gambling* p5.26

<sup>11</sup> Australian Government Productivity Commission (2010) *Productivity Community Inquiry Report, Gambling* p5.15

customer to the venue<sup>12</sup>. The SEIS goes on to say that the additional EGMs at the venue will provide another facet of entertainment to complement the revitalised venue<sup>13</sup>.

**This suggests that the existing patron profile of the hotel could potentially be displaced by a new patron profile, thereby reducing accessibility to services and facilities that satisfy the social and leisure needs of the local community.**

At present the venue is providing a range of entertainment, social and leisure activities that enhance social cohesion and contribute to the wellbeing of the local community.

**These entertainment, social and leisure activities are currently economically viable and do not need to be subsidised by revenue derived from an activity that is directly correlated with a number of health issues.**

The proposal involves introducing an additional 50 EGMs into the local community. The Fairfield and Alphington RSL is located within walking distance, approximately 400m to the north-west of the subject site. This venue provides a similar range of facilities to those that are to be provided as part of this proposal.

**The proposal will therefore not increase access to social and leisure activities within the local community.**

### **Economic impacts**

The proposal will involve the creation of a charitable donation structure which will contribute \$100,000 annually (indexed to CPI) for a period of 10 years (i.e. the life of the entitlements) to local charities and groups.

**The economic benefits of these contributions are challenged on the following grounds:**

- **41% i.e. \$1.6 million of the expenditure (\$3,902,439) at the venue will be derived from problem gamblers.**
- **The contributions amount to 2.5% of the total expenditure on the EGMs and therefore represent a minor proportion of the revenue derived from the EGMs.**
- **Of the \$1.6million to be lost by problem gamblers, only \$100,000 will be redirected by the venue back into the community. It is unlikely that these community contributions will be allocated to addressing problem gambling.**

The documentation does not describe any criteria that will guide the allocation of the funds.

**This omission contravenes Council's Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014 which seeks greater transparency and propriety of sponsorship by venues with Council playing an advisory role on what is needed and how sponsorship money may be allocated back into local communities.**

The documentation has not addressed the transfer of spending from the local business sector to the new EGM gambling venue.

**There is evidence that subsidised prices and activities provided by EGM gambling venues reduce the economic viability of existing businesses<sup>14</sup>. This is particularly relevant in the context of the Fairfield shopping strip which consists predominantly of small, independent businesses that cater for the social and leisure needs of the local community.**

The proposal indicates that an additional six jobs will be generated by the new venue.

**The economic impact of reduced spending in the local economy has the potential to reduce employment opportunities which will offset any economic benefits derived through the creation of an additional six jobs.**

<sup>12</sup> Urbis, May 2012 *The Grandview Hotel. Social and Economic Impact Assessment* para 19

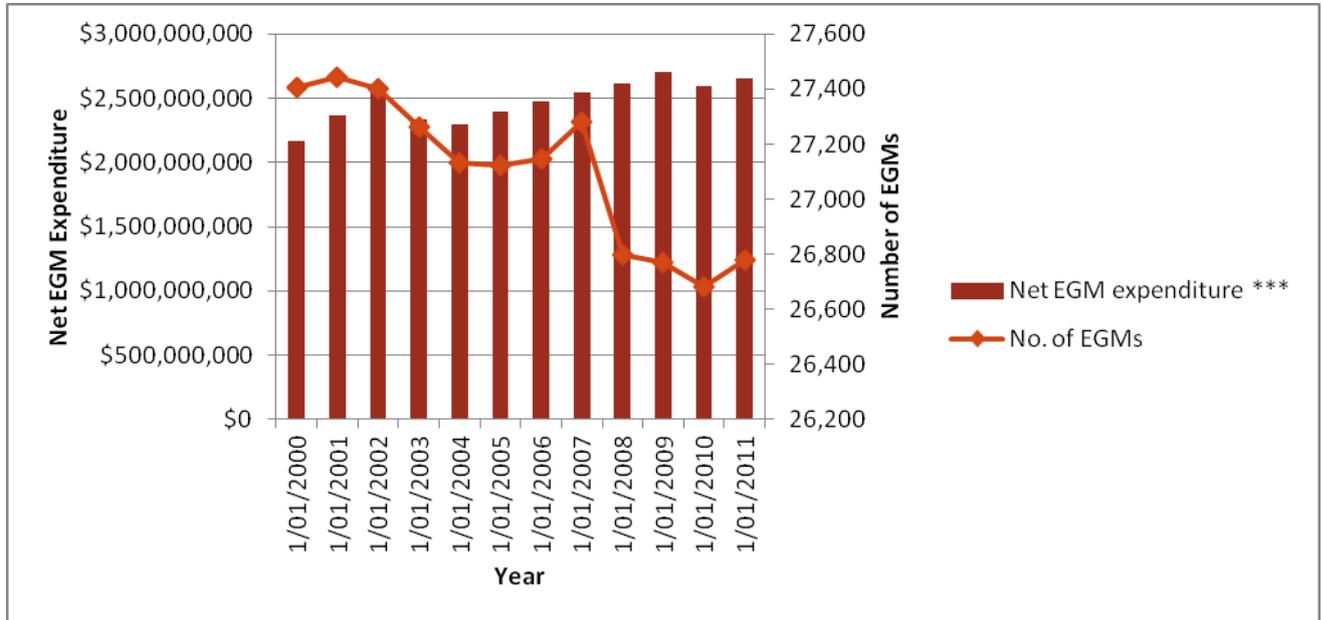
<sup>13</sup> Urbis, May 2012 *The Grandview Hotel. Social and Economic Impact Assessment* para 32

<sup>14</sup> Australian Government Productivity Commission (2010) *Productivity Commission Inquiry Report, Gambling* Volume 1, No. 50, 26 February 2010 p 6.10

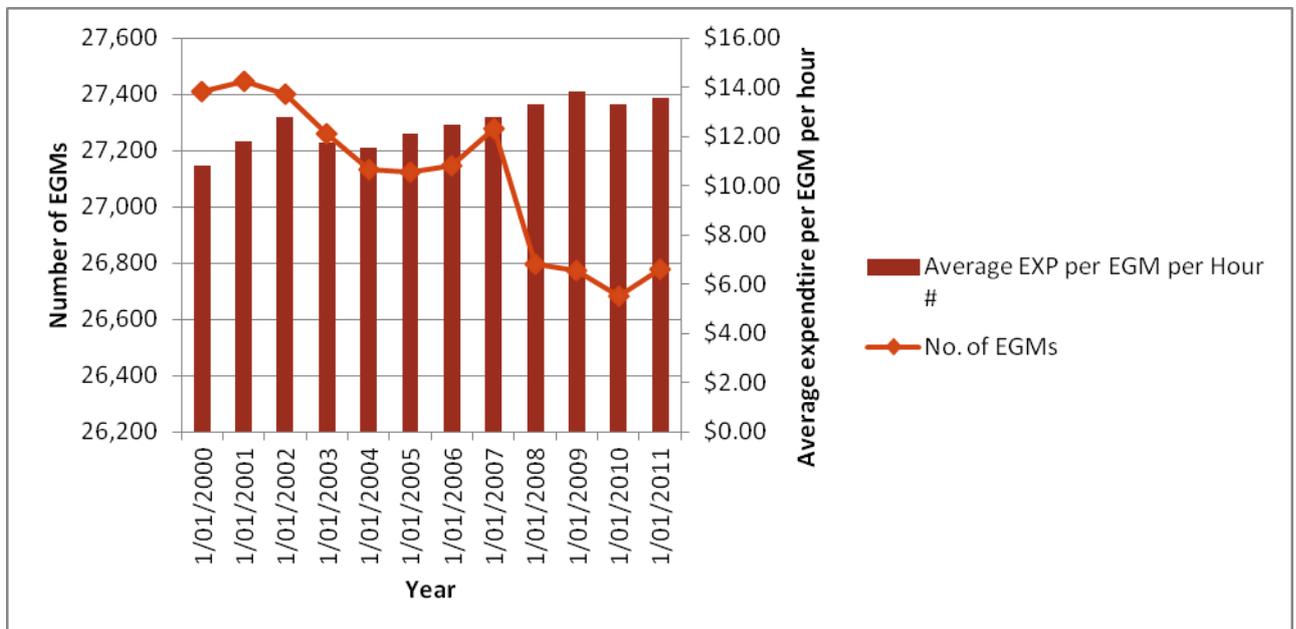
**Expenditure/losses**

Figures 5, 6 and 7 below illustrates that despite a drop in the number of EGMs and average number of EGMs per 1,000 adults in Victoria, the net EGM expenditure and expenditure per hour have increased. This suggests that individual gamblers are losing more on each available EGM.

**Figure 6 - Number of EGMs and net EGM expenditure, Victoria, 2000-2011<sup>15</sup>**



**Figure 7 – Number of EGMs and EGM expenditure per hour, Victoria, 2000-2011<sup>16</sup>**



<sup>15</sup> <http://www.vcgr.vic.gov.au/CA256F800017E8D4/gamblinginfo/2B8658E92946C653CA257783000F9C37?OpenDocument>

<sup>16</sup> <http://www.vcgr.vic.gov.au/CA256F800017E8D4/gamblinginfo/2B8658E92946C653CA257783000F9C37?OpenDocument>

Figure 8 – Net EGM expenditure and average number of EGMs per 1,000 adults, Victoria, 2000-2011<sup>17</sup>

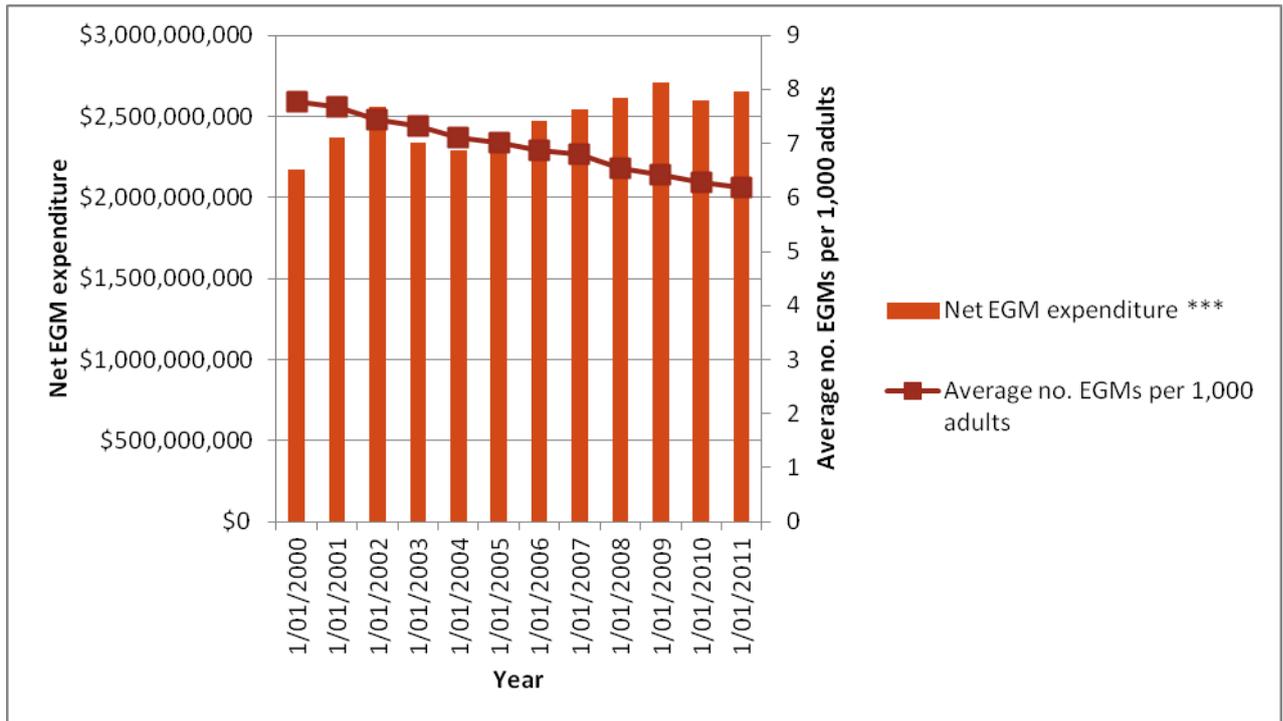


Figure 8 below illustrates that Darebin ranks amongst the top ten municipalities in Victoria for the number of EGMs per adults, EGM gambling losses, losses per adult, cumulative losses and cumulative losses per adult.

Figure 9 - Gaming expenditure/losses indicators, Darebin<sup>18</sup>

Indicator	Totals	Ranking
Venues: 2011	15	Relative to all state municipalities
EGMs: 2011	986	3
EGMs per 1,000 Adults: 2010/2011	8.7	9
EGM Gaming Losses 2010/2011	\$89.0 million	8
Losses per Adult 2010/2011	\$787	9
Cumulative Losses since 1992/3 (2011 dollars)	\$1,727 million	7
Cumulative Losses per Adult since 1992/3 (2011 dollars)	\$15,272	7
% Change in Losses in year 2010/2011	1.9%	33
% Change in Losses - adjusted for Inflation	-1.8%	*

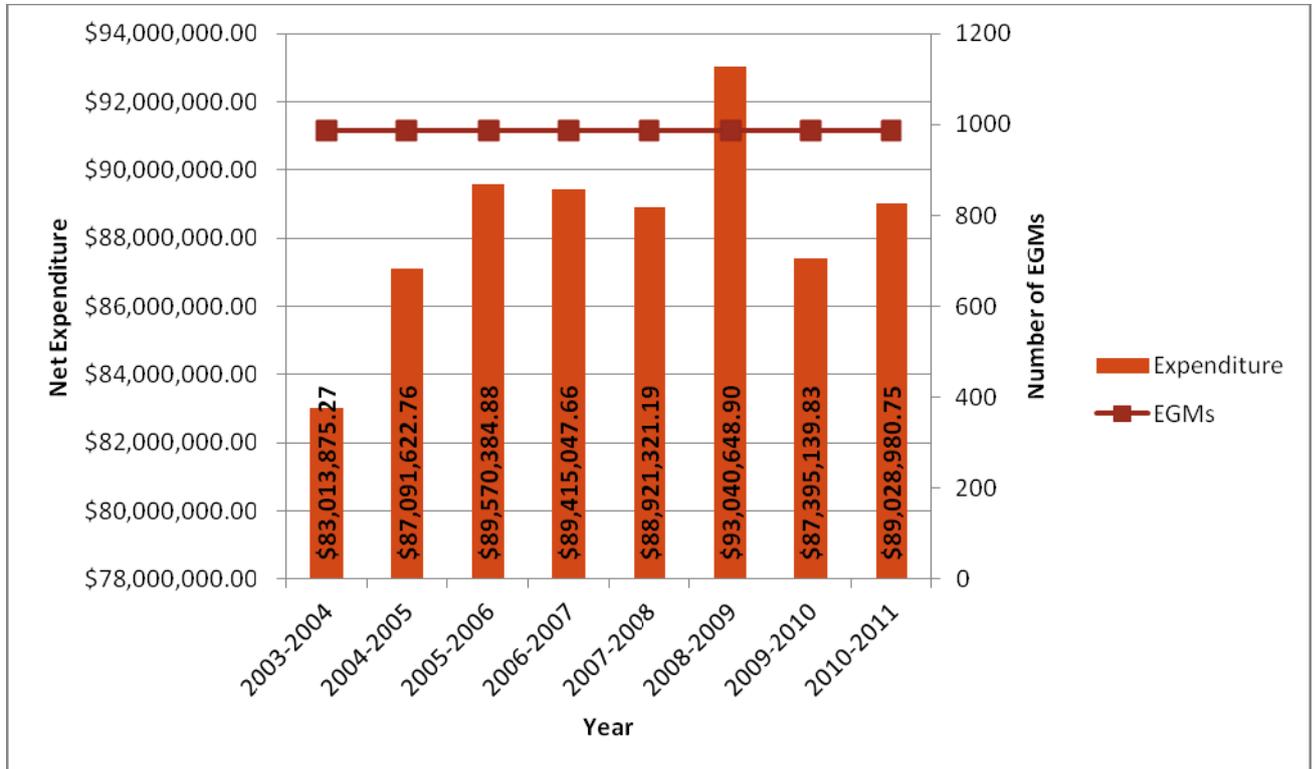
NOTE: Shaded area means that the municipality is ranked among the top 10 in Victoria

<sup>17</sup> <http://www.vcgr.vic.gov.au/CA256F800017E8D4/gamblinginfo/2B8658E92946C653CA257783000F9C37?OpenDocument>

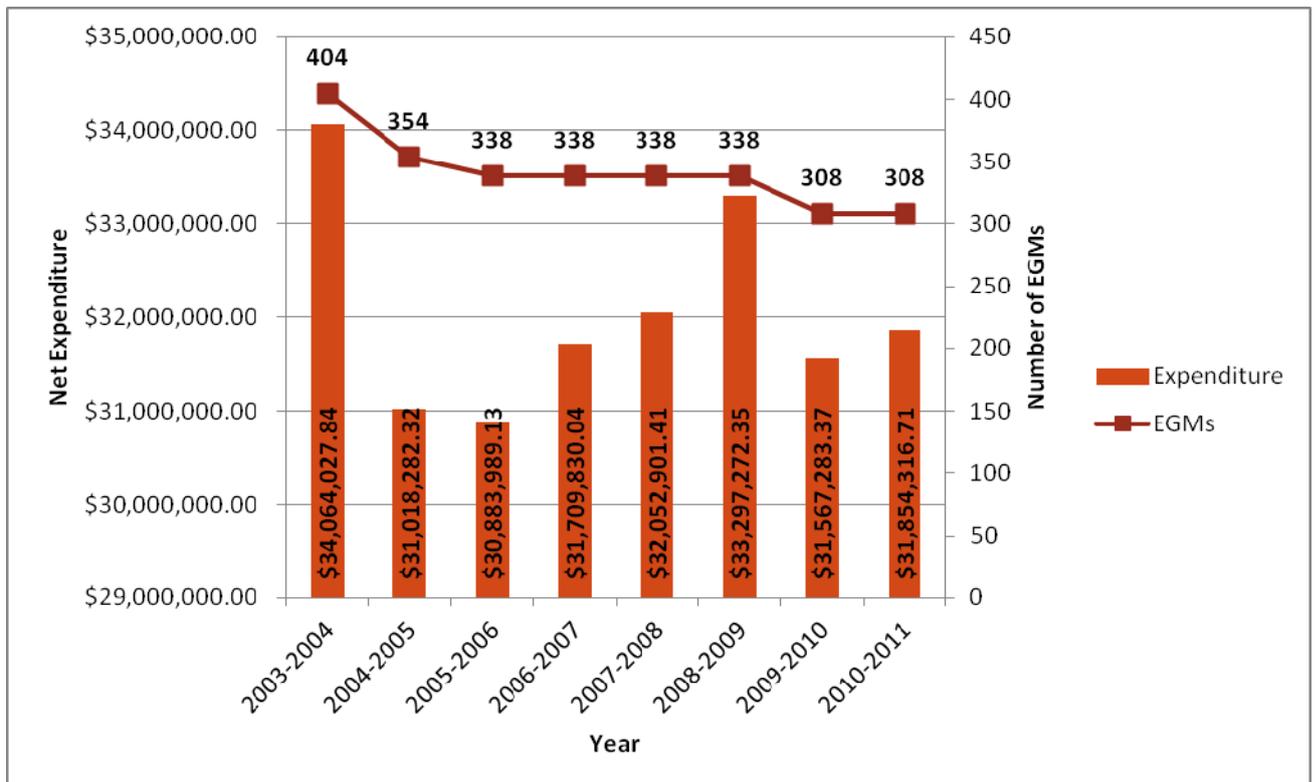
<sup>18</sup> [http://www.vlga.org.au/Resources/Library/Gambling\\_losses\\_EGMs\\_and\\_venues\\_-\\_August\\_2011.aspx](http://www.vlga.org.au/Resources/Library/Gambling_losses_EGMs_and_venues_-_August_2011.aspx)

Figures 10 and 11 below illustrate that, despite the fact that the number of EGMs in the Cities of Darebin and Yarra respectively has remained constant since 2009, the net expenditure/losses in the municipality has increased since 2009. Figure 11 below illustrates further that despite a reduction in the number of EGMs in the City of Yarra between 2004-05 and 2010-11, there has been an overall increase in losses in this time period.

**Figure 10 - Expenditure/losses and number of EGMs, City of Darebin, 2000-2011**



**Figure 11 - Expenditure/losses and number of EGMs, City of Yarra, 2000-2011**



Figures 5 to 11 above, therefore, indicate that the assumption made in the PVS Expenditure Report that the reduction in the number of EGMs in Darebin will result in a reduction in expenditures/losses is likely to be incorrect. Furthermore, instead of assessing the impact of the proposal on problem gambling, the SEIS dismisses this impact through the following statement: “On the basis of the analysis in this report, we believe the installation of 50 EGMs within the Grandview Hotel will not be detrimental to the municipality of the Darebin City Council”<sup>19</sup>

### Key findings

The net social and economic impact of the proposal will be detrimental to public health and wellbeing as:

1. Any economic benefits associated with an increase in employment will be offset by:
  - o increased losses experienced by problem gamblers; and
  - o reduced viability of the local business sector.
2. The social and economic benefits associated with the community contributions are minimal, and will most likely be offset by the social and economic impacts of problem gambling on individuals, their families and the broader community.
3. The proposal does not diversify opportunities to engage in social and leisure activities in the local community.
4. The existing range of social, leisure and entertainment activities that contribute to health and wellbeing is not reliant on revenue derived from expenditure on EGM gambling.
5. The introduction of EGMs which are necessary to fund the refurbishment of the hotel will contribute to problem gambling and therefore will be detrimental to the health and wellbeing of the community.

### Impact on communities in adjoining local government areas

The Urbis SEIS and PVS Expenditure Report suggest that social and economic impact on the Darebin community will be minimal as they project that expenditure will be transferred from the adjoining local government areas, particularly the Cities of Banyule, Yarra and Boroondara. This projection is based on the fact that the venue is in close proximity to these municipalities and that its features will be similar to those in the adjoining municipalities. The application documentation also states that “Given the location of the Grandview Hotel on the southern border of Darebin, it is likely that the venue will draw from areas beyond the municipal limits. With the installation of 50 EGMs at the venue, as well as improved facilities and a better food offer, the venue will draw more extensively than just the LGAs in which it is located.”<sup>20</sup>

This is illustrated in Table 7, under paragraph 8 of the PVS Expenditure Report.

LGA Impact	
	Weekly Loss/Gain \$
Darebin (C)	\$40,269
Banyule (C)	-\$13,599
Yarra (C)	-\$9,540
Total	\$17,130

**The transfer of expenditure from these local government areas indicates that these communities will experience losses and therefore problem gambling. However, this is not addressed in either the Urbis or PVS reports.**

<sup>19</sup> SEIS paragraph 86, page 38

<sup>20</sup> SEIS paragraph 67, page 30

## 2.3 Impact assessment methodology

### Principles

#### a) *The precautionary principle*

The precautionary principle underpins a harm minimisation approach by anticipating and preventing harm before it manifests, in circumstances where decision-makers predict some measure of risk to public health. The precautionary principle is especially relevant in instances where specific individuals or groups such as people experiencing social and economic disadvantage are particularly vulnerable to the harms being considered.

The precautionary principle underpins impact assessment theory and practice<sup>21,22</sup> and provides the framework within which a range of management and mitigation measures may be devised and implemented in order to prevent and minimise harms to individuals and the broader community. Section 6 of the Public Health and Wellbeing Act 2008 enables Councils to apply the precautionary principle if a public health risk poses a serious threat.

The application of the precautionary principle is justified in this context as the proposal involves an increase in activities that are directly correlated with health and wellbeing issues.

**The projected transfer of expenditure from existing EGM gambling venues to the proposed EGM gambling venue is considered very high as it does not take account of physical barriers such as the Yarra River, Eastern Freeway, Heidelberg Road and railway line which are likely to restrict the ease with which patrons will be willing and able to change their behaviour. Furthermore, this projected transfer of expenditure has not taken account of the extent to which the different venue types i.e. hotels and clubs may influence patrons' preferences and gambling behaviours.**

**Therefore, in accordance with the precautionary principle, a lower projected transfer of expenditure is likely to be appropriate.**

#### b) *Disproportionate harm*

One of the principles underpinning social impact assessments is the need to consider the way in which the proposal will disproportionately affect different groups within the community, particularly disadvantaged, at risk or minority populations<sup>23</sup>.

**The SEIS has failed to consider the impact of the proposal on the concentration of people experiencing social and economic disadvantage located to the west of the site.**

### Impact assessment considerations

The SEIS has used three primary indicators of problem gambling i.e. EGM density, expenditure/losses on EGM gambling and SEIFA.

**The SEIS has not assessed another significant indicator of problem gambling, i.e. prevalence of problem gambling at a national and local level.**

Social impact assessments consider the way in which the changes associated with a proposal will affect the following:

- *people's way of life* – how they live, work, play and interact with one another on a day to day basis
- *their culture* – their shared beliefs, customs, values
- *their community* – cohesion, stability, character, services and facilities

<sup>21</sup> Planning Institute of Australia ((2009) *National Position Statement Social Impact Assessment Statement 13*

<sup>22</sup> International Association for Impact Assessment (2003) *Social Impact Assessment International Principles* Special Publication Series No. 2

<sup>23</sup> Interorganizational Committee on Principles and Guidelines for Social Impact Assessment (2003) "US Principles and Guidelines. Principles and guidelines for social impact assessment in the USA" *Impact Assessment and Project Appraisal* Vol. 21. No. 3, September 2003, pp231-250 Beech Tree Publishing, UK

- *their environment* – physical safety, level of hazard or risk, noise
- *their health and wellbeing* – their complete physical, mental, social and spiritual wellbeing
- *their personal and property rights* – the impact on economic status, personal disadvantage or violation of civil liberties;
- *their fears and aspirations* – perceptions about safety, fears about the future of the community, and aspirations for the future

**The SEIS has not assessed the following social and economic impacts of the proposal:**

- **community attitudes to gambling and the potential increase in the availability of gambling opportunities in the local community;**
- **transfer of expenditure from the local business and service sectors; and**
- **net impact on employment.**

## 2.4 Alignment with Council policy

The Darebin Electronic Gaming Machine Policy and Strategic Action Plan 2010-2014 identifies that Darebin is one of the regional capped area as it ranks as the fourth highest municipality adversely affected by EGM gambling. This policy identifies that losses are largely sustained by people that can least afford them. This includes people on lower income, socially isolated, women and the elderly.

Council's position on EGM gambling is underpinned by the following principles:

- A significant reduction in the number of electronic gaming machines in the City and the negative impacts of gaming on the Darebin community.
- Where possible, Council will vigorously campaign and contest any related gaming licence applications before the VCGLR.
- Council does not condone any activities that harm the community and will continue to play a key role in advocating for actions that address the negative impacts of gambling on the local community arising from the proliferation of EGMs in areas of low socio-economic status
- Decisions will be based on the precautionary principle to ensure pokie venues and gaming do not negatively impact on the municipality's social, economic and environmental health or overall quality of life in the local community.
- Council opposes proliferation of new venues.
- Increased transparency and propriety of sponsorship by venues with Council playing an advisory role on what is needed and how sponsorship money may be allocated back into local communities.

Furthermore, the Strategy requires applications for planning permits to be accompanied by an impact assessment that demonstrates the impact the proposal will have on health, social and economic wellbeing of the local community, justification based on a net social and economic benefit, and justification based on significant and measurable advantages to the broader local community as a result of the venue and additional machines.

**This proposal does not align with the following elements of Council's policy on EGM gambling:**

- **It prejudices the objective to achieve a significant reduction in EGMs.**
- **It introduces an activity that harms the community.**
- **It involves a new venue.**
- **It increases accessibility of EGM gambling to socially and economically disadvantaged communities.**

- **There is no transparency with regards the way the community contributions will be distributed.**

## 2.5 Application documentation

### Assumptions

The conclusions presented in the original Urbis SEIS and PVS Expenditure Report May 2012 are likely to be flawed as they are based on the following assumptions which have not been sufficiently substantiated.

- Paragraph 75 of the SEIS states that the increase in expenditure derived from the new machines at the Grandview is likely to be 'complete' offset by a reduction of machines at other venues.
- Paragraph 76 of the SEIS states that the Darebin community has had access to gaming for many years and have generally adapted their behaviour to avoid problem gambling issues. However, this assumption dismisses the fact that Darebin is a capped local authority, clearly indicating that the community has difficulty adapting their behaviour to avoid gambling issues.
- The transfer of expenditure model used by PVS is based on the assumption that the venue will attract more customers to the hotel that are currently travelling outside of the municipality. The projected transfer of 81.3% seems unrealistically high due to number of existing opportunities to gamble in the primary and secondary trade areas. Furthermore, this claim is not substantiated by any qualitative or quantitative evidence, and dismisses the fact that there are a number of physical barriers that are likely to limit the extent to which people will be travelling to the new venue from existing venues in adjoining local government areas.
- Paragraph 36 of the PVS Expenditure Report states that the predicted reduction in EGMs across the municipality and from individual venues will result from a number of actions, including the transfer of entitlements from Cafe De Bier to Wodonga, and that the sale of the Northcote RSL to a non-gaming entity will result in the removal of machines from the venue. The report goes on to state that "As we can now assume with some certainty that the majority of actions will occur"... This statement reinforces the lack of certainty associated with these actions, and is not clear about what 'majority' refers to.
- Paragraph 40 of the PVS Expenditure Report states that "any increase in expenditure will be completely offset by the removal of machines to align the number of operational machines with the purchase of entitlements for the Darebin LGA". In view of the evidence that suggests that increased availability and accessibility to gaming venues are associated with increases in problem gambling, it is unlikely that the increase in expenditure will be completely offset by the reduction in EGMs in some venues.

### Contradictions and inaccuracies

A review of the documentation has highlighted the following contradictions and inaccuracies:

- The SEIS justifies the inclusion of EGMs into the venue in order to improve facilities, including the bistro. However, the plans accompanying the application illustrate that the gaming lounge will displace a large proportion of the bistro area, effectively reducing the dining facilities.
- The SEIS (paragraph 85) states that "While the Darebin area as a whole displays some signs of disadvantage, disadvantaged areas are well removed from the proposed hotel with the venue's trade area exhibiting very low levels of disadvantage" However, Map 2.2. on page 27 of the SEIS includes the concentration of high disadvantage to the west of the subject site in the primary trade area.
- The applicant projects that 81.3% of expenditure at the new venue will comprise a transfer of expenditure from existing venues. A calculation of the schedule of transferred expenditure provided in Table 4 on page 8 of the PVS report adds up to a projected transfer of expenditure of 73.3%, not 81.3%.

## 2.6 Community attitudes

### General community survey

In 2010, the City of Darebin completed a survey of 326 Darebin residents to gauge community attitudes on gaming within the municipality.

The results of the Electronic Gaming Machine Survey Report 'So what Do Darebin residents think about the pokies' (September 2010) indicate:

- The majority (two thirds) of the respondents had not used EGMs at all in the last 12 months.
- More than half of the respondents go to local pubs or a hotels and of these, 28% go there to use electronic gaming machines sometimes.
- If a venue had electronic gaming machines, half of the respondents said that it would have no impact on whether they use it or not while 42% said they were "much less likely" or "less likely".
- Some demographic groups were also more likely to use the venue if it had electronic gaming machines. These groups include people who do not speak English at home and those aged over 61. HealthCare Card Holders and males were also slightly more likely to attend venues with machines.
- Most people opposed the presence of EGMs in their local neighbourhood. On a scale from 0-10 where 0 is strongly oppose and 10 is strongly in favour, 42% provided a "0" score and 29%, gave a neutral "5". The results also show that there is no statistically significant difference between the different subgroups in terms of support or opposition to the machines. All groups recorded a relatively low score of support.
- More than half of the respondents thought Darebin should have less EGMs and nearly one quarter thought Darebin should have none.
- EGMs in local venues were seen by the majority of respondents to be detrimental to residents, cause debts, poverty and violence and also damage local culture.

In overall terms the survey indicates concern about the current levels of gaming machines in Darebin and the impacts on the community.

### Attitudes about gaming at the Stolberg Hotel

In August and September 2010, a survey was carried out by Darebin City Council to gauge the opinion of local residents in relation to the Stolberg Hotel application. The findings of this survey are included as being relevant for consideration for this assessment, given proximity between sites and nature of the application – both being non-gaming venues seeking installation of new machines into a new venue within the 5 kilometre radius of each other. Findings of the Stolberg survey (2.5 kilometre radius) are therefore relevant and transferrable in considering community attitudes regarding installation of EGMs and impact on local culture for the Grandview Hotel application.

The survey was posted to a random sample of 4000 residents and businesses within a 2.5 kilometre radius around the Hotel. In total 547 surveys were returned, providing a 14% response rate.

Key findings were as follows:

- Over 80% of people rated their contentment and sense of wellbeing with living/working in the local area at 4 or 5 out of 5.
- Three quarters of respondents considered that the installation of EGMs at the Stolberg Hotel would affect their contentment and wellbeing, with 90% of these people stating that it would decrease their contentment and wellbeing.
- Almost 70% of respondents felt that the proposal would have a negative impact on them and their family, whilst over 87% felt it would negatively impact on local culture.
- 2.6% of respondents wanted gaming machines installed at the Stolberg Hotel, but 86.7% were not in favour of the proposal.

Albeit the survey was a voluntary exercise, its results demonstrate a strong opposition to the proposal from those who responded. Of particular note is the sentiment that approval would negatively affect members of the community and local culture. In other words, respondents did not just express opposition to the installation of EGMs at the Stolberg in general, but went as far as to suggest it would personally impact on them, the culture of the community and their sense of wellbeing and pride about living in this area.

## 2.7 Further information

### Gamblers Help Northern Annual Needs Assessment (2012-2013)

Gamblers Help Northern in their Annual Needs Assessment (2012-2013) found evidence supporting the demographic profiles, health determinants and risk factors already mentioned in this submission. Of note the report finds:

- The North Western Metropolitan area, including Darebin, had the highest prevalence of problem gamblers at 1.18% across the state while moderate gamblers are also 2nd most represented in NWM region at 2.6%. 75 to 80 % of problem gamblers play the pokies.
  - Darebin has the highest EGM expenditure in the Northern region; LGA's with the highest SEIFA index, such as Hume, Whittlesea and Darebin indicating the highest level of disadvantage as well as having the highest expenditure on EGM's;
  - Those with mental health issues have a higher risk of problem gambling
  - Indigenous people had a higher risk of gambling problems
  - There were more male problem gamblers than women, however this was changing;
  - the largest group of service users were the 40-49 cohort, followed by the 30-39 age group;
- People from CALD backgrounds including migrants, refugees and international students, had a higher risk of gambling problems
- A high correlation between alcohol abuse and gambling – 30-46% report drug dependence or drug abuse

The impacts of problem gambling already mentioned throughout this submission are also supported by Gamblers Help Northern's needs analysis. The impact is far reaching and has been found to impact the community by

- Taking money away from the community
- Leading to poorer health outcomes for those affected
- Impacting not only individuals but their families.

Within the North West Metropolitan region, including Darebin, there are a growing number of families affected by impacts of problem gambling.

## 3. Summary and conclusions

The Social Impact Assessment has found the following:

- The proposal will have a net detrimental social and economic impact on the communities in the City of Darebin and adjoining municipalities for the following reasons.
  - The locational features of the site i.e. its location on a major arterial, proximity to a train station, proximity to sensitive uses, proximity to concentrations of social and economic disadvantage and proximity to another EGM gambling venue are such that it will increase the prevalence of problem gambling in the City of Darebin and adjoining municipalities.
  - The increase in the number of EGMs in the local community will increase the prevalence of problem gambling in the City of Darebin and adjoining municipalities.
  - The business model on which the restoration of the Grandview Hotel cannot be justified as it is likely to increase the prevalence of problem gambling and therefore have a detrimental impact on the wellbeing of the City of Darebin and adjoining municipalities.

- The inclusion of EGMs, i.e. a harmful activity, is justified by the need for a revenue stream that will subsidise the refurbishment of the venue.
- The scope and content of the documentation accompanying the application reduce the ability of Council to effectively assess the net social and economic impact of the proposal on the wellbeing of its community for the following reasons.
  - There are inaccuracies and omissions in the accompanying documentation.
  - A number of the assumptions are not substantiated by a robust evidence base.