



**Macedon
Ranges**
Shire Council

ATTACHMENTS

**Council Meeting
Under Separate Cover**

Wednesday 24 April 2024

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Romsey Hotel EGM Application: Social and Economic Impact Assessment

Macedon Shire Council

16 | April | 2024





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SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au

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Summary

Scope and context

1. SGS Economics and Planning (SGS) has been engaged by Macedon Ranges Shire Council (Council) to review a Victorian Gambling and Casino Control Commission (VGCCC) application related to 50 new Electronic Gaming Machines (EGMs) at a new venue in Romsey. As part of this review, SGS has been requested to produce an independent Social and Economic Impact Assessment (SEIA).
2. In developing this SEIA, SGS have reviewed the VGCCC application and associated applicant documents, reviewed the site context and relevant demographic statistics, reviewed relevant state policy, local policy and literature, and completed a SEIA of the proposed application.

Overview of SGS SEIA approach

3. Traditionally, SEIAs developed in response to EGM applications have been largely qualitative assessments based around a series of impact categories. The direction, scale and likelihood of each impact category is assessed before an overall 'net' impact assessment is determined.
4. In SGS's view, this qualitative approach has several limitations:
 - No consistent way to compare the scale of impacts across categories.
 - Inherently more vulnerable to subjective bias and difficult to understand assumptions.
 - Susceptible to 'double counting' and/or not focused on the incremental impact of the application.
 - The impact of timing and length of benefits or detriments cannot be clearly considered.
5. In developing this SEIA, SGS has completed a quantitative assessment which aligns with Cost Benefit Analysis (CBA) principles alongside a (traditional) qualitative assessment. We believe this provides a more robust and transparent assessment of the potential net impacts of the proposal.

Summary of SEIA findings

- 6. The table below summarises the results of the quantitative (CBA based) SEIA. This considers the incremental impact of a range of distinct social and economic benefits and detriments over a 20 year evaluation period relative to a base case scenario in which the application was not approved.
- 7. These impact streams are combined over the 20 year evaluation period into a Net Present Value (NPV) for each impact item and the application overall. This highlights that in net terms, there is likely to be a social and economic cost to the local community as a result of this application of around negative \$4.30 million (or a Benefit to Cost Ratio (BCR) of 0.66). In addition, sensitivity testing of 18 assumptions in the model suggest this overall conclusion is not highly sensitive to changes in the modelling assumptions as only one of these tests indicated a positive NPV.

TABLE 1: COST BENEFIT ANALYSIS SUMMARY

	Net present value (\$2023)
BENEFITS	
Consumer surplus of venue EGM users <i>associated with the use of EGMs by people who are low risk or non-problem gamblers</i>	\$3.22 million
Consumer surplus of venue non-EGM users <i>benefit associated with the use of non-EGM components of the venue (i.e. bistro, function room)</i>	\$0.88 million
Expenditure on capital works <i>benefit linked to value-add generated as a result of capital works</i>	\$0.32 million
Labour surplus of venue employees <i>benefit as a result of a net increase in employment from venue employees</i>	\$1.59 million
Community contributions <i>benefit accruing to the local community as a result of in-kind and voucher donations</i>	\$2.51 million
Total benefits	\$8.52 million
DETRIMENTS	
Total social and economic cost resulting from new problem gamblers <i>Combined cost to the local community resulting from increased levels of problem gamblers</i>	-\$12.83 million
Total social and economic cost resulting from new moderate-risk gamblers <i>Combined cost to the local community resulting from increased levels of moderate risk gamblers</i>	<i>excluded in core scenario</i>
Total detriments	-\$12.83 million
BENEFIT COST RATIO	0.66
NET PRESENT VALUE	-\$4.30 million

Source: SGS Economics and Planning, 2024

8. The table below summarises the findings of the qualitative SEIA. This notes that all social and economic impacts are found to be between marginal and moderate, except for the impact of problem gambling, which is considered by SGS to be high. Considering these social and economic impacts together, the proposed venue is found to have a net detrimental impact on the local community.

TABLE 2: QUALITATIVE SEIA SUMMARY

SOCIAL IMPACTS	
Increased opportunities for recreational gaming	MODERATE BENEFIT
Improved entertainments options for local residents as a result of works	LOW BENEFIT
Community contributions	MARGINAL BENEFIT
Impact of increased incidence of problem gambling on the community	HIGH DETRIMENT
Community attitude	MARGINAL DETRIMENT
ECONOMIC IMPACTS	
Consumer surplus linked to gaming expenditure not associated with problem gambling	MODERATE BENEFIT
Value add and labour surplus associated with capital works	MARGINAL BENEFIT
Net impact on employment	MARGINAL BENEFIT
Increased competition among gaming venues in Macedon Ranges	NETURAL
Supply contracts	MARGINAL BENEFIT
Complementary expenditure	MARGINAL BENEFIT
Gaming expenditure associated with problem gambling	HIGH DETRIMENT
Diversion of trade from retail facilities.	LOW DETRIMENT
Diversion of trade from other gaming venues	MARGINAL DETRIMENT

9. The conclusions of both the qualitative and quantitative analyses align to show that the proposed venue is likely to result in a net detriment to the local community. This being the case, in SGS’ view, the facility fails the ‘net detriment’ test.

1. Introduction

1.1 Scope and background

10. SGS has been engaged by Council to review a VGCCC application related to 50 new EGMs at a new venue in Romsey. As part of this review, SGS has been requested to produce an independent SEIA.
11. I, Julian Szafraniec, SGS Principal have prepared this report along with support from SGS staff acting under my direction. My relevant experience is further detailed in Appendix A.

1.2 Scope of research and SEIA approach

12. To complete this assessment SGS has completed the following:
 - Reviewed the VGCCC application and associated applicant documents,
 - Reviewed the site context and relevant demographic statistics and trends,
 - Reviewed relevant state policy, local policy and literature, and
 - Completed both a quantitative and qualitative SEIA.
13. A list of documents which have been relied on for this report is provided in Appendix B.

SEIA approach

14. Under the Gambling Regulation Act (2003) (the Act), the VGCCC cannot approve an application unless it is satisfied that 'the net economic and social impact of the proposal will not be detrimental to the wellbeing of the community of the municipal district' - referred to as the 'no net detriment test'.
15. The VGCCC application form highlights the 'no net detriment test' as the basis for the SEIA component and notes a range of 'relevant factors' which should be considered, including: location and surroundings; Non-problem gambling expenditure, supply contracts, complementary expenditure; increased gaming competition; expenditure on capital works; additional services and facilities; ongoing employment; problem gambling and gambling related harm; community wellbeing; diversion of trade and community contributions.
16. In response, SEIA's developed for EGM applications have traditionally been largely qualitative assessments based around these factors or impact categories. The factors, as relevant to the application, are detailed and then the direction, scale and likelihood of each impact category is qualitatively assessed, before an overall 'net' impact is determined by the expert.

Department of Treasury and Finance guidelines on economic evaluation

17. The 'no net detriment test' is not unique to gaming applications and most policy changes and government funded programs or investments need to demonstrate they provide a net benefit to the community. This is typically referred to as the Economic (and social) Evaluation within a Business Case.
18. The Victorian Department of Treasury and Finance - Economic Evaluation for Business Cases Technical Guidelines (DTF Guidelines) provide extensive details on how Government agencies and practitioners should approach these sorts of evaluations both for Business Cases and generally:

'These guidelines have been primarily developed to be used within the Victorian Government for the economic evaluation of investment decisions in relation to economic and social infrastructure. They can also be used to provide guidance to agencies undertaking economic evaluation of recurrent expenditure programs or other policy initiatives where appropriate.'

DTF Guidelines, p 2

19. Section 2 of the DTF Guidelines list a range of suitable economic evaluation techniques, including: cost benefit analysis, cost-effectiveness and least-cost analysis, computable general equilibrium and multi-criteria analysis. The Guidelines state cost-benefit analysis as the preferred approach:

'As the preferred approach, cost-benefit analysis provides a robust method for evaluating the costs and benefits (including both market and non-market impacts) of a project or policy change in today's dollars to society as a whole. The estimated net benefits (total benefits minus total costs), and any significant impacts that cannot be valued, are used to help decision-makers rank and assess options, and decide whether to implement them.'

DTF Guidelines, p 3

20. Where a CBA is not possible, the DTF Guidelines state the following in relation to multi-criteria analysis:

'MCA is most effective when there is a very clear basis for scoring project options against criteria and where this evaluation framework is agreed and documented before the analysis has commenced. However, MCA ultimately involves some subjective and non-testable judgments on values. In addition, it does not tell the decision-maker whether individual proposals are of net social benefit (i.e. whether anything at all should be chosen), or the optimal scale of any particular proposal.'

DTF Guidelines p 4

21. Further, the DTF Guidelines highlight that while the economic evaluation principle are important there is no *fixed* approach, and some flexibility should be applied given the type, stage and scale of project:

It is important to note that it should be scaled and shaped to address the level of complexity of the particular investment.

SGS approach to SEIA

22. To best support the VGCCC decision making process, SGS has sort to consider all relevant factors noted in the SEIA section of VGCCC application form. We have then adopted the evaluation principles contained in the DTF Guidelines when considering how those factors relate to this specific application and the 'no net detriment test'.
23. In doing this, SGS has adopted a 'dual approach' to the SEIA – completing both a more traditional (MCA based) qualitative assessment and (CBA based) quantitative assessment:
24. The traditional **qualitative** assessment discusses the SEIA factors, as they relate to this application, and provides an assessment of their likely individual and overall impact. While SGS has taken all efforts to reduce the limitation of this type of approach, the following inherent limitations should be noted when it is being used to assess the overall 'net detriment' or otherwise of any proposal:
- no consistent way to compare the scale of impacts across categories. Without consistent and measurable units, it is often not possible to reasonably and transparently demonstrate whether one or more categories offset others.
 - Where impact categories are assessed without any quantification (monetary or otherwise) there is no clear way to understand or test the reasonableness of implicit or explicit assumptions and logic behind SEIA conclusions. Readers are asked to put their *faith* in the skill and objectiveness of the practitioner alone. This means the approach is inherently more vulnerable to subjective bias.
 - The lack of a clear evaluation framework – with distinct, well-defined, and measurable incremental impact categories – raises the possibility of 'double counting' of benefits and detriments across different categories and can fail to appropriately deal with the incremental nature of impacts.
 - The impact of timing on the significance of benefits or detriments is often not considered and is critical to assessing the overall impact on a community over a given evaluation period.
25. A **quantitative** approach uses a CBA framework which adopts best practice principles related to the quantification and evaluation of the proposed new venue. This ensures assumptions are transparent, based on available research. Limitations in available research and/or quantification approaches are noted in the assessment and tested via sensitivity testing.

2. Application and location context

26. The following section provides a summary of the application, subject site location and context.

2.1 Overview of proposed application

27. This SEIA relates to the VGCCC application from the Romsey Football Netball Club Inc to establish a new Hotel venue with 50 EGMs at 90 Main Street, Romsey, referred to as the Romsey Community Hotel.

28. According to the applicant (Urbis, Oct 2023) the proposed development would have a total net floor area 738 square metres and would be developed across two stages:

- **Stage 1** comprised of: function room, gaming lounge with bar (including 50 EGMs), and courtyards.
- **Stage 2** comprised of: kids' playroom, bistro with an outdoor dining area, café/lounge space, sports bar, gallery area, additional outdoor space (courtyard, terrace, and outdoor dining space), and car parking for 35 cars

29. It is unclear on the timing for delivery of these stages. However, a letter to Council from the applicant's lawyers (BSP Lawyers, 8 Feb 2024) stated that the applicant anticipates a three-month tender process following which a 12-month build is projected.

30. The applicant estimates the cost of building and works at \$4million. A further \$6million will be required for demolition, car-parking works, fit out, furniture, physical gaming machines and design and construction contingency. Noting a total overall cost of \$10million (BSP Lawyers, 27 Feb 2024).

31. The applicant states the venue operation hours are as follows:

- 10am to 1am for the gaming facilities (Urbis, Oct 2023)
- 8am to 1am, 7 days a week for the rest of the venue (Urbis, Dec 2023)

32. The applicant states that the venue will employ 46 equivalent full time (EFT) staff for the operation of the entire venue, of which 12EFT will be employed in the gaming room (BSP Lawyers, 8 Feb 2024).

33. The applicant states the venue is proposed to be managed by the Romsey Football and Netball Club Inc for a least 2 years (Urbis, Oct 2023). However, beyond the Community Chest scheme, there is limited information on other community programs or activities that this venue specifically would provide.

2.2 Site location and context

Existing location context

34. The proposed venue is located in the centre of the peri-urban township of Romsey. Romsey is approximately 65km north-west of the Melbourne's CBD and neighbouring townships include Lancefield (8km north), Riddell's Creek (12km south), Gisborne (20km south-west), Woodend (20km west) and Kilmore (20km east).
35. The subject site along with a 400m catchment, aerial, key planning zones and points of interest is presented in Figure 1 overleaf. Key locational attributes of note include:
- Located in a central location within the Commercial 1 Zone and town centre of Romsey. The site is on the corner of Main Street and Barry Street. Main Street is the primary arterial road that runs North-South through the township. Barry Street is an East-West secondary arterial road. This location also provides close proximity to the local bus stops, which is the only public transport available within Romsey.
 - Directly north of the site is the Romsey Community Hub. This is a Council run community facility with a range of community services and programs, including a neighbourhood house, library, and early years services. Directly east of the site is predominately residential. Directly south is a few small café and restaurants. Directly west of the site is the Bluebird Dance Theatre and open space.
 - The local catchment (within 800m) includes a range of other community and retail uses including:
 - A range of retail, hospitality and service businesses along Main Street, including a Super IGA, Romsey Medical Centre, Romsey Mechanics Institute and The 1860 Hotel (recently opened).
 - Romsey Kindergarten and Primary school (450m south).
 - Ecotherapy park (500m north) which includes a range of spaces for community to gather and connect, as well as arts and cultural event space.
 - Romsey skatepark (500m south) and Romsey Recreation Reserve (750m south east).

FIGURE 1. ROMSEY HOTEL LOCAL CONTEXT

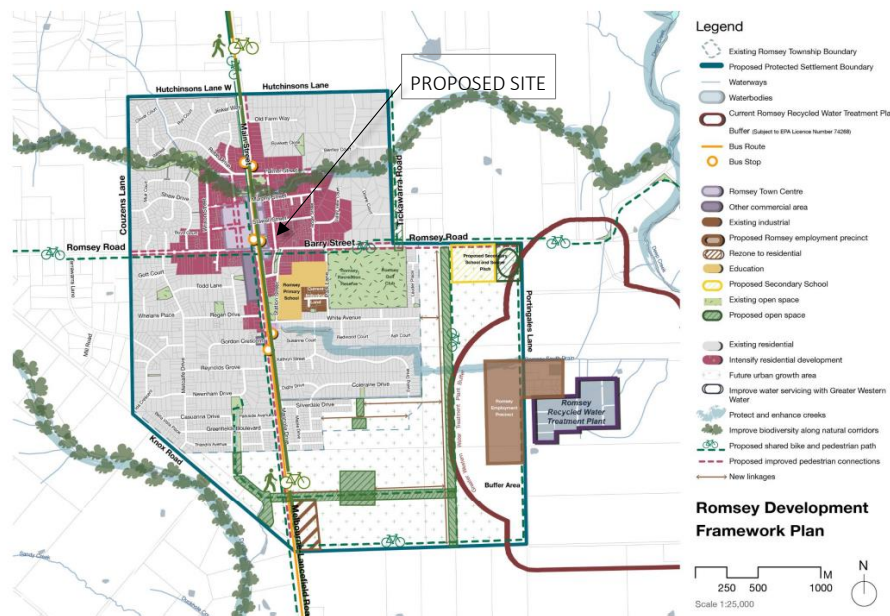


Source: SGS, using Aerial, Nearmap, March 2024 and Victorian Planning Zones, DTP, March 2024

Future location context

36. The future development plans for Romsey are detailed in the Draft Romsey Structure Plan (Draft Romsey SP) prepared by Council in 2023. Key points relevant to the site include:
- Invigorated town centre with a focus for activity and employment, which includes strengthening its role as a local and regional destination.
 - Plans to improve active transport pathways around the township, including a proposed shared bike and pedestrian path down Main Street (in front of the venue), which is anticipated to improve foot traffic around the venue.
 - Intensified residential development proposed around the site, particularly to the north.

FIGURE 2: DRAFT ROMSEY TOWNSHIP FRAMEWORK PLAN



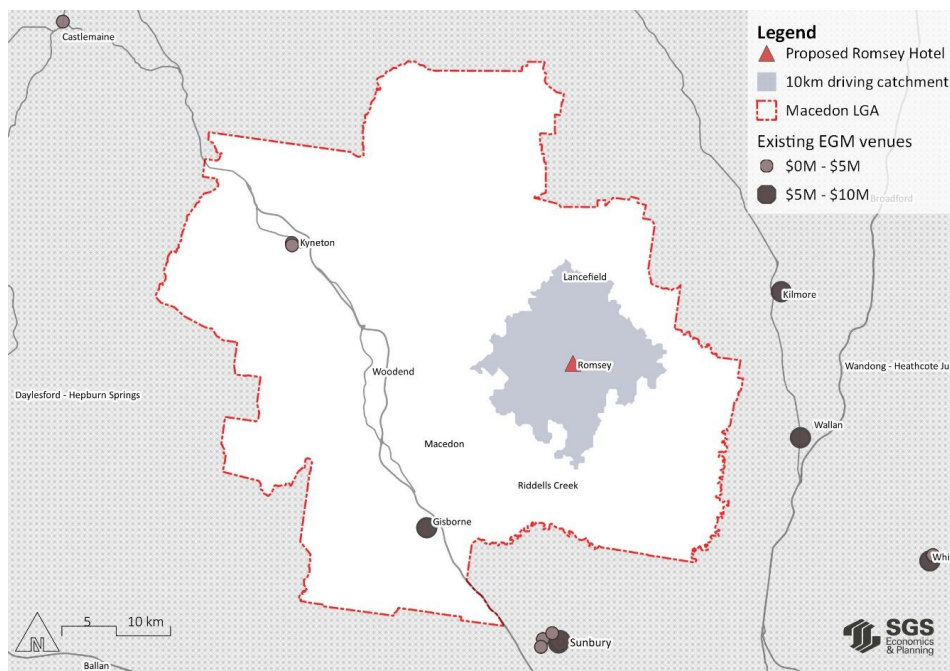
Source: Macedon Ranges Shire Council, Draft Romsey Structure Plan, 2023

37. In addition, the Draft Romsey SP notes that “under the Victorian Government’s Big Housing Build, \$30M will be invested in social and affordable housing in Macedon Ranges Shire. Council has adopted an Affordable Housing Interim Policy that supports and seeks to extend these initiatives with significant growth in social and affordable housing and renewed housing stock in well serviced locations such as Romsey.”

2.3 Surrounding EGM venues and performance

38. Figure 3 presents the location of existing Hotel and Club EGM venues in relation to the new proposed Romsey Hote, along with a 10 kilometre drive catchment. The nearest EGM venue, in Macedon Ranges Shire, is the Victorian Tavern located 25km south west, in Gisborne. Following the Victorian Tavern, the next closest venues are in Kilmore and Wallan, outside Macedon Ranges Shire. These venues are approximately 27km to 38km (driving distance) west of Romsey township.

FIGURE 3: LOCATION OF EGM VENUES IN ROMSEY AND NEIGHBOURING LGAS



Source: SGS Economics and Planning, 2024

39. Macedon Ranges Shire has three EGM venues with a total of 103 EGMs. As of November 2023, there are 2.5 EGMs per 1,000 adults. Macedon Ranges Shire has a municipal cap of 355 EGMs.
40. In 2022-23 EGM expenditure across these three venues collectively was \$9,089,731 (see Table 3). Total expenditure in the previous 2021-22 financial year was \$7,741,946. This coincided with COVID-19 restrictions limiting access to venues and EGM expenditure levels. For the last decade (prior to 2020) the number and expenditure on EGMs in Macedon Ranges Shire was generally steady at around \$9.2 million per annum and 95-103 EGMs.

41. In 2022-23 the average annual expenditure per machine across the three venues in Macedon Ranges Shire was \$88,250 (or a Net Machine Revenue (NMR) of \$242). This is broadly consistent with the Regional Victorian average (see Table 3).

TABLE 3: FINANCIAL PERFORMANCE OF SHIRE OF MACEDON EGM VENUES, 2021-23

Venue name	Venue type	2021/2022*				2022/23			
		Number of EGMs	Total expenditure	Expenditure per EGM	NMR**	Number of EGMs	Total expenditure	Expenditure per EGM	NMR
Kyneton Bowling Club	Club	25	1,373,518	54,941	199	25	1,640,477	65,619	180
Kyneton RSL	Club	28	1,765,926	63,069	229	28	2,240,922	80,033	219
Victorian Tavern	Hotel	50	4,602,502	92,050	334	50	5,208,332	104,167	285
Total Macedon Ranges	-	103	7,741,946	75,165	272	103	9,089,731	88,250	242
Total Macedon Ranges	Club	53	3,139,444	59,235	215	53	3,881,399	73,234	201
Total Macedon Ranges	Hotel	50	4,602,502	92,050	334	50	5,208,332	104,167	285
Regional average	-	7,700	544,796,537	70,753	256	7,736	692,017,676	89,454	245
<i>Regional average</i>	Club	4,994	293,640,309	58,799	213	4,989	384,906,361	77,151	211
<i>Regional average</i>	Hotel	2,706	251,156,227	92,815	336	2,747	307,111,315	111,799	306

*In July 2021, Victorian government implemented stage 5 restriction in response to COVID-19, with stage 6 restrictions soon to follow from August to October. As a result of these restrictions, all licensed hotels/ clubs and the casino remained closed.

**Adjusted average across 276 days, due to stage 5 and 6 restrictions.

Source: VGCCC, expenditure data, January 2024

42. The latest half 2023-24 financial year data for the period July 2023 and January 2024 indicates an above average monthly spend across the three venues in Macedon Ranges Shire¹. If this new trend continues this could result in an annual EGM expenditure of \$9.8 million for 2023-24 – the highest on record for the municipality. This would result in an average expenditure per EGM of \$96,081 (or \$263 NMR).

¹ Calculated from VGCCC Expenditure Data, monthly LGA data, accessed March 2024

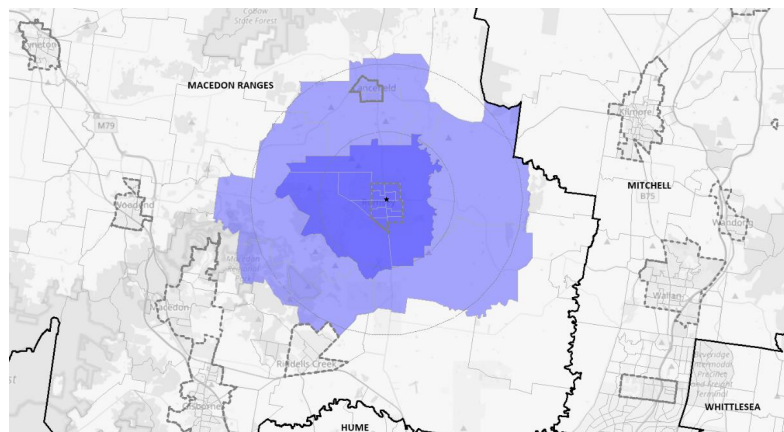
3. Demographic profile

43. The following section profiles key current and future demographic attributes for the proposed venue's catchment area. This helps to provide further understanding of the local context and the surrounding community's potential vulnerability to problem gambling and its associated harms.

3.1 Defining the venue catchment

44. EGM venues generally serve a local catchment and are relatively substitutable (i.e. an EGM player would generally not travel across the state to go to a specific venue). This is supported by the 2009 A Study of Gambling in Victoria that found 54 per cent of EGM players travelled less than five kilometres to access a venue. In a regional context, people may travel longer distances, while at the same time settlements are more clearly delineated into distinct townships, connected by major transport routes.
45. Figure 4 presents the proposed venue location, SGS' Small Area Model Zones (SAMZ) along with a five and 10 kilometre catchment, which helps to identify two broad catchment areas:
- **Primary catchment:** includes the entire Romsey township and is broadly aligned with a 5km area
 - **Secondary catchment:** includes Romsey and Lancefield townships, along with a few other dispersed and small rural communities. This is broadly aligned with a 10km catchment area.

FIGURE 4: PRIMARY (5KM) AND SECONDARY (10KM) CATCHMENT AROUND PROPOSED ROMSEY HOTEL



Source: SGS Economics and Planning

3.2 Demographic profile

46. Table 4 provides a snapshot of key demographic indicators for the catchment areas, Macedon Ranges Shire, Regional Victoria and Victoria. Values above the regional Victorian average are highlighted blue.

TABLE 4: DEMOGRAPHICS OF CATCHMENT COMPARED TO OTHER REGIONS

	5km Catchment	10km Catchment	Macedon Ranges Shire	Regional Victoria	Victoria
Population (2021-36)					
2021	5,779	9,186	51,600	1,626,314	6,548,040
2036	7,184	12,548	64,361	1,948,772	8,427,297
Average annual growth rate	1.5%	2.1%	1.5%	1.2%	1.7%
Adult population (2021-36)					
2021	4,918	7,901	44,438	1,419,326	5,701,772
2036	6,043	10,678	56,348	1,722,772	7,394,514
Average annual growth rate	1.4%	2.0%	1.6%	1.3%	1.7%
Households type (2021)					
Family households	80.7%	79.8%	79.4%	69.3%	71.7%
- One Parent Household	10.2%	9.8%	8.7%	9.8%	9.9%
Lone person	18.4%	19.0%	19.0%	27.9%	24.5%
Group	0.9%	1.2%	1.6%	2.8%	3.7%
Tenure type (2021)*					
Owned outright	31.7%	33.5%	39.0%	39.6%	32.3%
Owned with financial support	56.4%	54.0%	45.9%	33.9%	36.8%
Rented	11.1%	11.6%	13.8%	24.5%	29.4%
Social housing	0.8%	1.0%	1.4%	1.9%	1.5%
Equivalent household income (2021)					
< \$33,800 p.a	23.2%	23.1%	20.4%	37.7%	25.0%
\$33,800 to \$78,000	45.0%	45.5%	36.5%	37.3%	37.3%
\$78,000 to \$130,000	25.5%	25.0%	33.3%	19.9%	29.9%
> \$130,000	6.3%	6.4%	9.8%	5.1%	7.7%
Highest level of education (2021)					
Post-graduate	6.0%	6.5%	10.8%	6.8%	11.6%
Bachelors, diploma and other tertiary	24.5%	25.7%	30.9%	24.4%	32.1%
Certificate	27.5%	26.3%	20.0%	22.6%	16.1%
Labour force status (2021)					
Unemployment rate	3.1%	3.1%	3.2%	4.1%	5.0%
Workers by occupation (2021)					
White collar - high skilled	28.9%	30.6%	40.7%	33.9%	39.8%
White collar - lower skilled	26.1%	25.7%	23.7%	24.0%	23.9%
Blue collar	37.4%	36.1%	28.4%	33.4%	27.9%

Source: ABS Census 2021, except for population forecasts sourced from Victoria in Future 2023 and SGS' Small Area Model 2023.

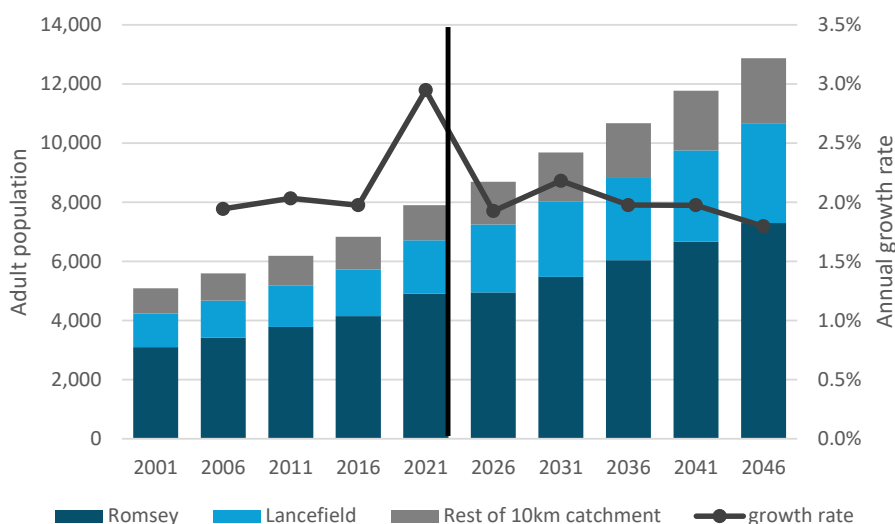
*Note: Owned with financial support comprises of owned with mortgage and purchased under a shared equity scheme; Social housing comprised of occupied rent free and occupied under a life tenure scheme.

47. Key demographic trends and how they relate to this application are now discussed in further detail.

Current and future population growth

48. The figure below provides a further breakdown of the adult population growth within the (secondary) catchment area by the two main townships – Romsey and Lancefield. Around 60 per cent of the adult population and growth is located within Romsey township, with the rest split between Lancefield and the surrounding areas. Overall, the catchment area has and will continue to grow at about 2.0 per cent annum, almost double the regional Victorian average. By 2036 Romsey and its catchment area will have doubled its 2001 adult population level.

FIGURE 5: CATCHMENT AREA ADULT POPULATION BY TOWNSHIP, 2001-46



Source: historical population - ABS and forecasts population - SGS Small Area Model (SAM) aligned to VIF23

49. As identified in the Draft Romsey SP, future population growth is planned in the core township. These new residents will be establishing new and existing formal and in-formal support networks/groups and will be seeking a wide range of retail, entertainment, community services, and employment opportunities.

50. With no existing EGM venues in the catchment area, it is reasonable to expect that any new EGM venue will predominately lead to new (rather than transferred) EGM expenditure – with some proportion of this linked to new problem gamblers and moderate risk problem gamblers.

Age profile and household structure

51. The catchment area has a higher proportion of 0-14 year olds and 25-54 year olds compared to the average for Macedon Ranges Shire and Regional Victoria. This age profile is consistent with a greater share of young family households, which is common in peri-urban regional towns. In addition, the proportion of one parent households in the catchment area is higher than the Macedon Ranges Shire (primary - 10.2% and secondary - 9.8% compared with 8.7%), while broadly in line with regional Victoria and Victoria overall. As development continues to be supported in the Romsey town centre and surrounding catchment this family household profile will likely be maintained, while there will be an aging of the population consistent with broader demographic trends.
52. Research is inconclusive regarding the age brackets considered most vulnerable to the harms associated with problem gambling, though 'young adults' are generally considered most 'at risk'. In 2015, the Victorian Responsible Gambling Foundation found that people aged 35 to 44 were most likely to engage in problem gambling (VRGF, 2015), while in a 2023 study, Australian Gaming Research Centre found that those aged 18 to 34 were most at risk (AGRC, 2023).
53. There is a correlation between feelings of loneliness and social isolation and vulnerability to the harms associated with problem gambling (VRGF, 2016), with multi-person households playing an important role in regulating gambling behaviours among at-risk individuals. While there is a lower proportion of lone person households in the catchment area reducing this overall risk factor, there are still 4,300 lone person households within the primary catchment area as of 2021.
54. As the population ages, it is likely that there will also be an increase in the number of lone person households. Currently in the SA2 of Romsey, 14.0 per cent of people aged 55 and over, live in lone-person households. If this share is maintained and the population grows according to Victoria in Future projections, this could see 458 people over 55 living alone in 2021, growing to 610 in 2036.
55. Further, for family households this lower risk level can be counterbalanced by the increased risk for young families experiencing housing stress, further discussed below, along with other factors.

Housing tenure

56. Given the growing and young family profile of the catchment, it is unsurprising that there is a relatively high proportion of dwellings that are 'owned with financial support' (primary - 56.4% and secondary - 54.0%). In contrast, only 33.9 per cent of households across Regional Victoria were making repayments on a mortgage in 2021. In addition, the proportion of households with residents who rent is lower within the catchment than across Macedon Ranges Shire and Regional Victoria. There is also 25 households residing in social assistance housing within the catchment area, a lower share than the

Regional Victorian average. These patterns indicate that residents of the catchment are more likely to be new family indebted through a (potentially recent) mortgage.

57. Households with (new) mortgages are often more likely to be impacted by housing stress (further discussed at paragraph 64-69) which can then flow into broader cost of living and financial pressures.
58. Households under financial stress can be more vulnerable to the harms associated with problem gambling as they have reduced capacity to deal with additional financial pressures (Koomson, 2022).

Household income

59. Household incomes in the catchment area are lower than the Macedon Ranges Shire average, while higher than the regional Victorian average. However, incomes are generally more focused within a 'modest' income band specifically, with 45 per cent between \$33,800 and \$78,000 per annum (in equivalised terms). This compares to 36.5 per cent across Macedon Shire, 37.3 per cent across Regional Victoria and Victoria.

Education attainment

60. The level of education beyond a certificate in the catchment area is lower than Macedon Ranges Shire and Victoria, while on par with Regional Victoria. The catchment area has a relatively low share of university-educated residents and a higher share of residents who have completed a certificate or high school (grade 10 and above) level of education.

Labour force and employment

61. The catchment area has a labour force participation rate above the regional Victorian average and an unemployment rate below the Regional Victorian average.
62. Of those who are employed in the catchment, there is a relatively high proportion of the workforce employed in blue-collar occupations (primary - 37% and secondary - 36% respectively), compared with Macedon Ranges Shire (28%), Regional Victoria (33%), and Victoria (28%).
63. Overall, there are mixed patterns when it comes to education, employment, and the risk of problem gambling. On the one hand, there is a high labour force participation rate but on the other hand, those who are employed are more likely to be in lower-paid and higher-risk occupations. Research into gambling addiction highlights that blue-collar workers are an 'at-risk' category when it comes to problem gambling. According to ABS employee earnings data, Blue-collar and sales jobs are among the lowest-paying and least secure industry sectors, those employed in these sectors are relatively more at risk were a gambling addiction to develop.

Mortgage and rental stress

64. Overall, the information in Table 4 and discussed above suggests the catchment community can broadly be described as predominately young working-class families – modest incomes, blue collar occupations with recently mortgaged family homes. While noting, there are also a range of other household types.
65. By common definition, a household is experiencing housing stress if, for low-income households, they are paying 30 per cent or more of their net household income on mortgage/rental payments. Table 5 presents the proportion of households under housing stress for the Romsey SA2², compared to Macedon Ranges Shire and Victoria.

TABLE 5: MORTGAGE AND RENTAL STRESS IN ROMSEY COMPARED TO OTHER CATCHMENTS, 2021

	Romsey SA2	Macedon Shire	Regional Victoria	Victoria
Rental households				
Total rental households	394	2,388	149,304	686,325
Experiencing rental stress	74	543	33,640	158,241
% stressed	18.7%	22.7%	22.5%	23.1%
Mortgage households				
Total mortgage households	1,955	8,235	209,741	862,024
Experiencing mortgage stress	184	635	15,512	97,857
% stressed	9.4%	7.7%	7.4%	11.3%
Total households				
Total households	4,059	19,497	685,515	2,573,329
% rental stress	1.8%	2.8%	4.9%	6.2%
% mortgage stress	4.5%	3.3%	2.3%	3.8%
% total housing stress	6.36%	6.04%	7.17%	9.95%

Source: SGS using 2021 ABS Census data

66. The SA2 of Romsey has a notably higher share of households with a mortgage at risk of experiencing housing stress (9.4 per cent) than Macedon Shire (7.7 per cent) and Regional Victoria (7.4 per cent).
67. In addition, since 2021 there has been some significant shifts in the housing market:
- SQM data suggests that rental prices have increased 4.0 per cent over a three-year period (2021-2024) in the postcode of 3434 (which contains Romsey).
 - From April 2022 to January 2024, as reported by the Reserve Bank of Australia, owner-occupier variable home loans (outstanding loans) have increased from 2.9 per cent to 6.4 per cent.

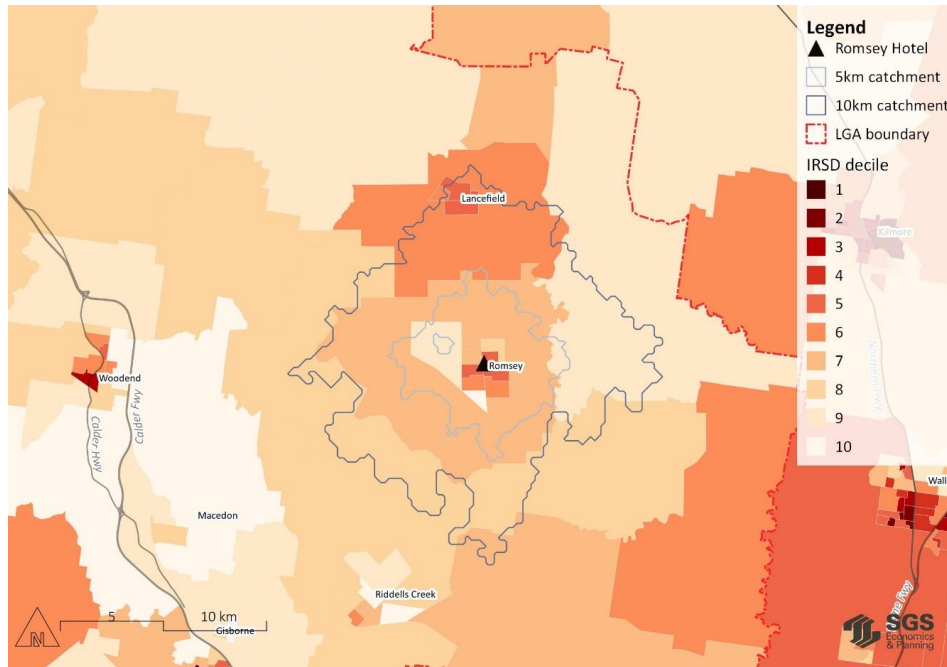
² Romsey SA2 has been used in this analysis as data is limited at a smaller regional level.

68. These housing market shifts suggest that the total number of households currently in housing stress may be significantly higher across the catchment area and all regions than stated above.
69. Households under housing stress are likely to be less resilient in dealing with consequences of high levels of EGM expenditure, and therefore more susceptible to the harms of problem gambling.

3.3 Socio-economic disadvantage

70. The ABS Socio-Economic Indexes for Areas – Index of Relative Socio-economic Disadvantage (SEIFA-IRSD) is a general measure of the economic and social conditions of people and households in a geographic area based on a range of ABS 2021 Census variables. Lower scores represent relatively greater levels of disadvantage, with higher scores indicating a lack of disadvantage.
71. It should be noted that SEIFA-IRSD is a generalised index and there are a range of other vulnerability factors (i.e. housing stress, access to support services, crime rates) which can also contribute to the level of vulnerability and the harms associated with problem gambling on EGMs. In addition, it represents an average for that geographic location and there can always be small groups or individuals who are significantly more or less disadvantaged compared to that average.
72. Figure 6 shows the SEIFA-IRSD by SA1 for 2021 for the catchment area. A large part of the catchment is within the 7th SEIFA-IRSD decile, however this is mostly rural land. In relation to the township, part of the central township is within the 5th decile, while the remainder is the 6th decile or higher. Lancefield experiences relatively average levels of socio-economic disadvantage, being in the 5th decile.

FIGURE 6: SEIFA-IRSD DECILES BY SA1, 5KM AND 10KM CATCHMENT, 2021



Source: 2021 SEIFA-IRSD by SA1, ABS

4. Review of key SEIA inputs

73. The SGS SEIA has drawn on several inputs from the applicant's documentation and expert reports as summarised in Section 2 and Appendix B. SGS has reviewed these inputs and provided comments around their suitability for use in the SGS SEIA and provided alternative assumptions when required.

4.1 Review of proposed venue

74. For the SEIA, we have adopted the following basic information in relation to the proposed venue:
- a new venue with 50 EGMs located at 90 Main Street, Romsey
 - the floorspace, space use, operation hours as reported by the applicant.
 - assumed the EGM application (and associated SEIA) is contingent on both development stages occurring (i.e. SGS have not considered any option where Stage 1 is only delivered).
 - Nominally assumed development of both stages would occur during the 2025 financial year, with the venue open for full operation from the start of 2026 financial year.
75. In addition, while noting this venue would be managed by the Romsey Football and Netball Club Inc (for a least 2 years) and that all venues sit on a spectrum, we have assumed the venue is more consistent with a full-service Hotel, rather than a local Club venue. This assessment is based on its location, size, service offer, and hours of operation for both its EGM and non-EGM components.

4.2 Review of construction costs

76. As noted at paragraph 30, the applicant has estimated an overall cost of \$10 million, including a cost of \$4 million for building and works.
77. Based on Rawlinsons 2024 construction costs if the applicant were to build a new facility of the proposed size and carparking this would be in the range of \$4.5 million to \$5 million. Given this is a redevelopment of an existing facility, SGS has accepted \$4 million as a reasonable construction cost.
78. The additional \$6 million includes a wide range of cost items including: demolition, car-parking works, fit out, furniture, physical gaming machines and design and construction contingency. These are difficult to validate, and some would have quite different implication for the SEIA. For example, costs associated with purchasing the physical gaming machines are unlikely to have flow-on impacts into the local community, while additional demolition or construction works would have flow-on impacts.

- 79. Conservatively, SGS has adopted the full \$10 million cost for the SEIA and completed sensitivity testing using the \$4 million as a lower bound estimate.

4.3 Review of employment estimates

- 80. As noted at paragraph 32, the applicant has estimated that the venue will employ 46 EFT staff, of which 12 EFT will be employed in the gaming room. SGS believes these estimates fall within a plausible range for a venue of this size and have adopted them for the SEIA.
- 81. While the Urbis SEIA notes that the construction and management of the venue will support local employment, no information by the applicant is provided regarding any explicit policies or plans related to the sourcing of local workers.
- 82. Table 5 presents current self-containment rates for Macedon Ranges Shire. Based on this information, it has been assumed 63 per cent of non-residential construction workers and 73 per cent of food and beverage workers (and associated costs/benefits) would be sourced from within the municipality, with the remainder being sourced elsewhere.

TABLE 6: EMPLOYMENT SELF-CONTAINMENT FOR THE MACEDON RANGES SHIRE LGA

	Employees who <u>work</u> in Macedon Ranges	Work and live in Macedon Ranges	Worker self-containment (%)
Food and beverage services	1,045	760	73%
Non-Residential Building Construction	784	67	63%
All industries	15,711	10,962	70%
	Employees who <u>live</u> in Macedon Ranges	Work and live in Macedon Ranges	Resident worker self-containment (%)
All industries	25,216	10,962	43%

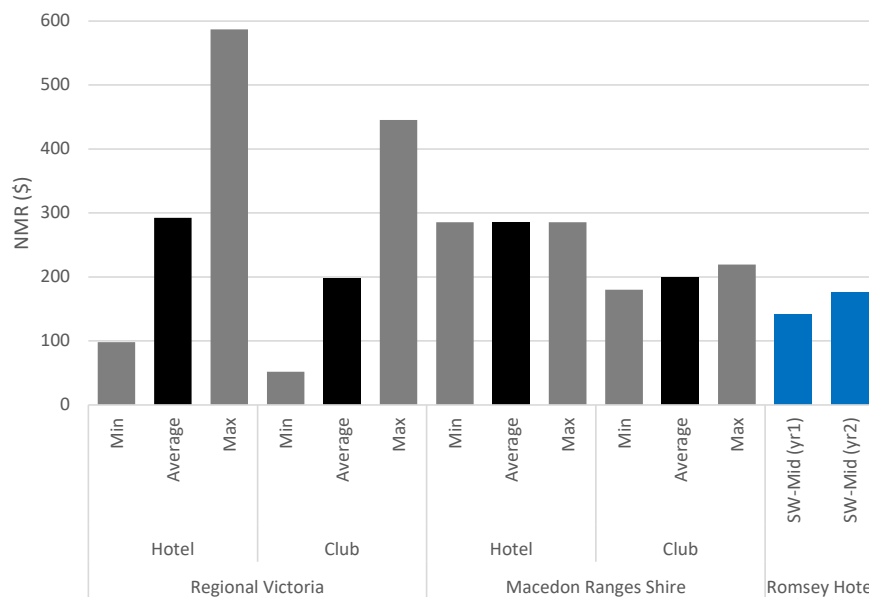
Source: 2021 Census – ABS

4.4 Review of EGM expenditure estimates

Total EGM expenditure

- 83. ShineWing Accountants and Advisors (SW) Expert Report (SW, Sep 2023) has provided an estimate of EGM expenditure at the proposed venue. The SW analysis estimated that the proposed venue, with 50 EGMs, would result in an EGM expenditure of between \$2,887,983 and \$3,529,758 per annum, with 80 per cent of this achieved within the first 12 months (\$2,310,387 and \$2,823,806). SW does not indicate what EGM expenditure would be in subsequent years.
- 84. This level of EGM expenditure represents an NMR of \$141 (mid-point) in the first year, increasing to \$176 (mid-point) by year two. Figure 7 presents the SW estimated NMR for the proposed venue against a series of comparator rates for 2022-23. This indicates that the proposed venue would perform worse than an average Hotel or Club venue in 2022-23 in the Macedon Ranges Shire and Regional Victoria. The proposed venue would sit about the 30th percentile for a regional venue (Hotel or Club) – that is 70% of regional venues would have a higher NMR and 90% of regional Hotels will have a higher NMR.

FIGURE 7: ROMSEY HOTEL AND COMPARISON NMR (\$2023)



Source: SW Expert report, Sep 2023 and VGCC data for 2022-23

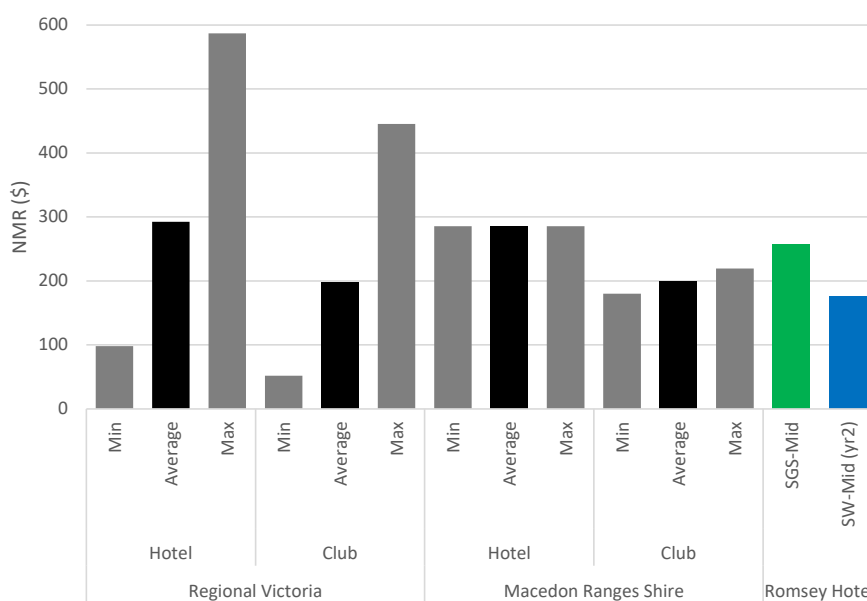
85. SGS has reviewed the benchmarking approach used by SW to develop the EGM expenditure estimate for the proposed venue and provides the following comments:
- SW identified a sample of 11 (and finally 7) venues which formed the basis of the benchmarking analysis. These venues were all in regional Victoria, in small towns and included a mix of Club and Hotel venues. The number of EGMs ranged from 25 EGMs to 60 EGMs (average 39 EGMs).

Statistics indicate that venues with a higher number of machines generally have a higher level of expenditure. SGS believes venues as small as 25 EGMs are not an appropriate comparison with the proposed Romsey Hotel. In addition, SGS believe the golf course Club venues selected would likely operate in a materially different way to the Romsey Hotel - given their size, location and context.
 - Based on the sampled venues, SW has then calculated the average expenditure per adult within the towns where the venues are located. SGS understands, this did not include any catchment analysis with reference to a 5 or 10 kilometre travel distance, or review of site location or town context. These estimates range from an EGM expenditure of \$420 to \$1,124 per adult with an average of \$691 per adult across all sampled venues. A range of other averages were estimated for just Hotels and for the 7 venues only to derive an average expenditure per adult of \$669.
 - The 2023 adult population for Romsey was then estimate as 4,829. Appendix 7 of SW report states how this was calculate using id.forecasts for the wider 'Romsey District' adjusted down to the township using the 2021 ABS Census data for the ABS 'Romsey Locality'.

This estimate of the adult population for the Romsey township is consistent with SGS own analysis (see Table 4). However, excludes the surrounding rural area, Lancefield or any future population.
 - The expenditure per adult benchmark (\$669) was then applied to the 2023 Romsey township population (4,829) to estimate the future EGM expenditure for the proposed venue.
86. While this is a valid approach to determining if there is a supportable EGM expenditure pool in 2023, SGS believes it should be used in conjunction with an analysis of comparable venues actual performance (i.e. considering benchmarked NMR directly) and with consideration of the role of the wider catchment and/or other potential EGM users of the venue.
87. Given this, SGS believes this analysis potentially understates the proposed venues EGM expenditure, particularly over the longer evaluation period used in the SGS SEIA.

- 88. SGS has undertaken separate benchmarking analysis using nine venues which are comparable to the proposed venue. These are all in regional Victoria, in similar sized towns, with a similar number of EGMs (between 33 and 59 with an average 48 EGMs), similar service offerings and locations (see Appendix B).
- 89. The sample venues have an average NMR of \$257 (\$236 for Clubs and \$293 for Hotels). Based on this, the 50 EGMs at the proposed venue would generate an EGM expenditure of \$4,699,137. This could range from \$4,305,610 to \$5,343,749 (based on the lower (Club) and upper (Hotel) NMR benchmark).

FIGURE 8: ROMSEY HOTEL AND COMPARISON NMR (\$2023) INCLUDING SGS ESTIMATE



Source: SGS, SW and VGCC data for 2022-23

- 90. Using the same venue location benchmarking approach as adopted in the SW report, SGS estimated a revised EGM expenditure per adult for the SGS sampled venues locations. This results in an average of \$748 per adult (compared with \$649 per adult estimated by SW). Applying both the SW and SGS benchmarks to the current and future Romsey population, as well as the 10 kilometre catchment definition, provides a greater understanding of the potential EGM expenditure pool surrounding the proposed venue (see Table 7).
- 91. This highlights that the revised SGS EGM expenditure estimated for the proposed hotel as detailed at paragraph 89 could plausibly be supported by the current and or future residential population within the proposed venues catchment area.

TABLE 7: ROMSEY HOTEL EXPENDITURE POOL (POPULATION AND \$ PER ADULT)

	2023 adult population	2023 EGM expenditure pool (SW)	2023 EGM expenditure pool (SGS)	2044 adult Population	2044 EGM expenditure pool (SGS)
\$ per adult		\$649	\$748		\$748
Romsey (SW)	4,829	\$3,134,021 <i>(\$649 x 4829)</i>	\$3,613,830 <i>(\$748 x 4829)</i>	-	-
Romsey 5km (SGS)	4,932	\$3,200,651	\$3,690,661	7,047	\$5,273,503
Romsey 10km (SGS)	8,218	\$5,333,251	\$6,149,755	12,433	\$9,304,564

Source: SGS, SW and VGCCC data for 2022-23

- 92. SGS has also reviewed the 80 per cent for year one ‘ramp up’ assumption adopted in the SW report. Using VGCCC data, SGS has examined the ‘ramp up’ of EGM expenditure for all regional Victorian venues which opened between 2008-09 to 2018-19. Table 8 presents these venues first to third year of EGM expenditure as a percentage of their maximum EGM expenditure year.
- 93. This highlights that no venue achieved 80 per cent of their maximum EGM expenditure in their first three years. SGS believes the 90th percentile of this sample presents a plausible alternative upper estimate of the likely ramp up of EGM expenditure for the proposed venue.

TABLE 8: PROPORTION OF HIGHEST YEAR EGM EXPENDITURE FROM OPENING YEAR

	Year 1	Year 2	Year 3
All Seasons International Hotel Bendigo	67%	74%	69%
American Hotel	8%	44%	63%
Cobram Hotel	39%	48%	55%
Flying Horse Bar And Brewery	16%	66%	69%
Fyansford Hotel	31%	35%	34%
Peppermill Inn Hotel Motel	2%	35%	50%
Rafferty's Tavern	42%	46%	49%
Robin Hood Hotel	40%	42%	37%
The Foundry Hotel Complex	40%	59%	67%
Valley Inn Hotel	26%	55%	68%
90th Percentile	40%	60%	70%

Source: SGS and VGCCC EGM expenditure data for 2008-09 to 2022-23

- 94. Given this review, for the purposes of the SEIA, SGS has adopted an EGM expenditure for the proposed venue of \$4,699,137 by year four. With the venue achieving 40 per cent in year one, 65 per cent in year two and 70 per cent in year three. SGS has then held this year four EGM expenditure estimate stable

for future years. However, it should be noted that it could plausibly still increase as the venues catchment population grows in the future. Alternatives ramp up, future growth and NMR assumptions have been tested in the sensitivity analysis in Section 5.5.

Transferred and new expenditure

95. Based on a range of factors detailed at paragraph 10.5 of the SW report, it is concluded 'that a notional transfer rate of 20 per cent is appropriate'. This means 80 per cent of the EGM expenditure generated at the proposed venue would be new - or would not occur if the venue did not have EGMs. Based on the 20 per cent transfer and the (mid-point) EGM expenditure estimate by SW there could be \$2,053,667 new EGM expenditure by year 2, as a result of the proposed venue.
96. While there are no existing EGM venues in the Romsey township and the nearest existing venue is over 10 kilometres away, SGS agrees that it is likely the new venue will still transfer some EGM expenditure from other existing venues within the wider region. This is explained by two broad factors:
- For some EGM users, the proposed venue is likely to become their nearest venue, making it a more convenient alternative.
 - A newly redeveloped venue is also likely to present an improved offer to some existing venues in the wider region. Some of existing venues would also be at capacity and certain times/period. For some EGM users this increase appeal and capacity will causing them to travel further to the proposed venue sometimes, particularly in the earlier years of its operation.
97. As a result in the near term, there is often some degree of expenditure transfer across a region's existing EGM network. However, expenditure at competing venues can often revert to its former level or event increases over the medium to long term. This is driven by the following:
- Existing venues are likely to respond to any decreased expenditure resulting from the opening of a new competitor by investing in their own facilities and operations.
 - Spare capacity generated by patrons transferring to the new venue can often be absorbed by latent demand from new EGM user driven by population growth in their respective catchment areas.
98. These interactions are complex and are also influenced by a wide range of factors which make the final impact difficult to estimate. Given this these uncertainties, for the SEIA, SGS has adopted SW transfer rate of 20 per cent in year one and assumed this will gradually reduce to 10 per cent over a 20 year period. Alternative transfer assumptions are tested in the sensitivity analysis in Section 5.5.

4.5 Proportion of new EGM expenditure attributable to problem gamblers

99. At page 28 to 30 of the Urbis SEIA report provides an assessment of the proposed venues potential impact on problem gambling. This assessment concludes a 'low to moderate overall risk', while no specific numerical estimate is included in the report.
100. For the purpose of the SGS SEIA, an estimate of the proportion of new EGM expenditure which is attributable to problem gamblers is required. This is estimated in two stages:
- A review of available literature to source the latest state and national benchmarks
 - An assessment of this specific venue to understand how these benchmarks should be applied.
101. To determine an average benchmark, SGS has been informed by the findings of 2017 'The Social Cost of Gambling to Victoria' research report undertaken for the VRGF. This report sought to estimate the proportion of total EGM revenues attributable to problem gamblers and the costs to society associated with those users. The VRGF found that problem gamblers accounted for **35.8 per cent** of the total spending across EGMs in Victoria (VRGF, 2017). It also identified the proportion of EGM expenditure attributable to low and moderate risk gamblers as 22.0 per cent and 23.6 per cent respectively.
102. It is likely that this figure varies across Victorian venues, with the proportion of expenditure attributable to problem gamblers linked to both venue and local catchment related factors.
103. The 35.8 per cent corresponds with previous nationwide research conducted by the Productivity Commission. The Commission's analysis found that *'the minimum spending share was 22 per cent and the maximum 60 per cent. The average was 41 per cent and the median 39 per cent'* (PC, 2010).
104. Table 9 shows how venue and catchment specific factors apply to this application. Each is discussed, with a conclusion drawn as to the likelihood that the factor will either mitigate or exacerbate the risk of expenditure from problem gambling in comparison with a typical Victorian EGM venue/ location.

TABLE 9: VENUE AND CATCHMENT SPECIFIC RISK FACTORS IMPACT RISK OF PROBLEM GAMBLING

Factor	Details	Commentary	Mitigating or exacerbating
VENUE-SPECIFIC			
Destination vs convenience	Venues located within shopping centres or areas of heavy pedestrian traffic are considered 'convenient' and are considered more likely to attract problem gambling behaviours than 'destination' venues, where conscious forethought is required.	The location of the venue is on the main street of Romsey and on a highly visible intersection. It has good pedestrian access, is located next to bus stops, and is next to the Romsey Community Hub. This location would result in passers-by 'dropping in' as part of their day-to-day business meaning that it is more a 'convenience' venue than a 'destination' venue.	Exacerbating
Existing vs new venue	New venues might be considered more likely to generate new problem gambling behaviour, on the basis that they are likely to induce more gambling overall. Also, a 'track record' in managing EGM facilities should theoretically mean existing venues are better at managing problem gambling behaviours.	As a new venue, this venue is more risky than would be the case if the application were for an existing venue.	Exacerbating
Opening hours	Venues that are open for longer and later are commonly understood to be more likely to attract problem gamblers.	It is proposed that the gaming lounge will be open for 15 hours (10am to 1am). This complies with the minimum 6-hour shutdown of gaming venues recommended by the Productivity Commission and the new requirements implemented by the State Government.	Neutral
Size of venue	Larger venues are generally more likely to be associated with problem gambling, with greater potential for problem gamblers to remain 'anonymous' in the larger crowds. A larger venue also presents greater challenges for staff seeking to monitor the activity of patrons for signs of problem gambling.	The average number of EGMs in a venue in regional Victoria is 42 EGMs, with the largest having 105. This venue will be moderately large in comparison to other venues across regional Victoria. This would also be one of the two largest venues in Macedon Ranges, with Victoria Hotel having 50 EGMs.	Exacerbating
Venue design	Certain design principles are linked to a potential reduction in the risks associated with problem gambling, with a reduction in the visibility of the gaming components of the venue from the rest of the venue a key factor.	There is not detail on the design of the gaming room e.g. screened entrances, gaming room sign in, noise mitigation etc. The gaming terrace is 'designed to encourage patrons to take a break' from gaming, however, patrons cannot leave the terrace without moving through the gaming room again. It is noted that the facility includes non-gaming related entertainment.	Neutral
Staff and RSG procedures	Well-trained staff can help identify problem behaviour and intervene where necessary, reducing the risk associated with a venue	Most venues in Victoria explicitly state that their RSG will be best practice, yet 36 per cent of expenditure is estimated to be linked to problem gaming, with more than \$1 billion of expenditure in Victoria attributed to problem gamblers every year. We assume that this venue will follow best-practice RSG procedures consistent with other venues in Victoria. In addition, we note that the EGM entitlements, if granted, will potentially outlast staff, management, and venue owners. Even if a highly effective RSG regime is presently in place, there is no reason to believe this would remain the case 10 or 20 years later.	Neutral

Factor	Details	Commentary	Mitigating or exacerbating
CATCHMENT-SPECIFIC			
Socio-economic status	Socio-economically disadvantaged regions are considered more vulnerable to harm linked to problem gambling.	Overall, the catchment has an average socio-economic score. However, there are pockets within the catchment that are vulnerable, including those living in social housing located next to the proposed venue, and those with low-income households.	Neutral
Labour force characteristics	Regions with relatively low labour force participation and high unemployment are considered more vulnerable.	As noted, there are mixed patterns when it comes to employment and the risk of problem gambling. Overall, the Primary and Secondary Catchment has a low level of unemployment.	Neutral
Financial stress	Heavily indebted populations are more vulnerable to the impacts of problem gambling on EGMs.	67.5 per cent of households in the Primary Catchment are either renting or managing a mortgage. Of those in the Romsey SA2 that are low earning households, 9.44 per cent of households with a mortgage are at risk of rental stress. This is above the Macedon Shire and Regional Victorian rate. With the cost of living and interest rates increasing, there is an increased risk of housing stress across the catchment.	Exacerbating
Access to services	Regions that are better resourced in terms of the availability of resources to cope with problem gambling are likely to be less vulnerable than the typical venue.	Like many regional areas, access to services is limited. There is one gambling help service available in Kyneton to service Macedon Ranges and the northern catchment. Outside of this, the Romsey community need to access services in Melton or Sunbury.	Exacerbating
Social capital and resilience	Regions with higher levels of social capital are better able to avoid problem gambling, and to deal with its consequences.	Social capital tends to be stronger in established regions. With Romsey being a well-established community, social connections are likely to be stronger than most. However, there will still be community members who are vulnerable or those newly established in the community who may lack support networks. Overall, Romsey can be classified as having strong social capital and resilience.	Mitigating

105. The assessment of venue and catchment risk factors shows that there are more exacerbating factors related to the venue and catchment than mitigating or broadly neutral factors. As a result, for this application, we believe it is conservative to assume that the proportion of expenditure from problem gamblers will be that of the ‘average’ Victorian venue/location (35.8 per cent). Recognising that this figure is subject to a degree of uncertainty, SGS has carried out sensitivity testing.

4.6 Community contributions

106. The applicant has indicated that if the EGM application is approved it would distribute a portion of its profits back to the community via a Community Chest mechanism. Some details related to how this community contribution amount would be determined and would be distributed are detailed on page

11 of the Urbis SEIA report. It is understood it would not be a fixed amount every year, rather it would be determined based on the venues profit as follows:

- An initial profit distribution of \$200,000 to the venue operator
- 30 per cent of the remaining profit distributed to the venue operator, with the balance being distributed to the community as part of the Community Chest mechanism.
- The applicant also noted that if a profit was not over \$200,000 for any given year, there will be a guaranteed minimum contribution of \$25,000 (BSP Lawyers, 8 Feb 24).
- In addition, the applicant has indicated that it intends to provide the community contribution for as long as the EGMs are operating at the venue, while it is understood by SGS this is not indented to be a specific requirement of the EGM license at the venue.

107. Based on this information and the forecast annual operating profit of \$973,275, the community contribution could be as high as \$541,292 for one year.
108. This would be a very substantial contribution, and significantly higher than any community contribution that SGS has seen for any EGM venue in Victoria. Table 10 presents a summary of community contribution commitments for several recently proposed EGM venues³. This indicates a maximum of \$120,000 and an average of \$86,000 per year across the four case study applications.

TABLE 10 COMMUNITY CONTRIBUTIONS OF NEW AND PROPOSED EGM VENUES

Proposed venues	Community contributions proposed in application
Bay Road Hotel - City of Melbourne	\$75,000 per year
Station Hotel (Officer) – City of Cardinia	\$120,000 per year
Club Tarneit (Truganina) – City of Wyndham	\$50,000 per year
Royal Hotel (Koo Wee Rup) – City of Cardinia	\$100,000 per year

Source: VGCCC, various.

109. Given this uncertainty, for the purpose of the SEIA SGS has adopted a community contribution of \$200,000 per annum for the full (20 year) evaluation period. Alternative amounts and time periods have been tested in the sensitivity analysis.

³ Sourced from VGCCC decision and reasons for decision documents, noting these applications may not have been approved and actual amounts may ultimately deviate from this proposed contribution amount in reality.

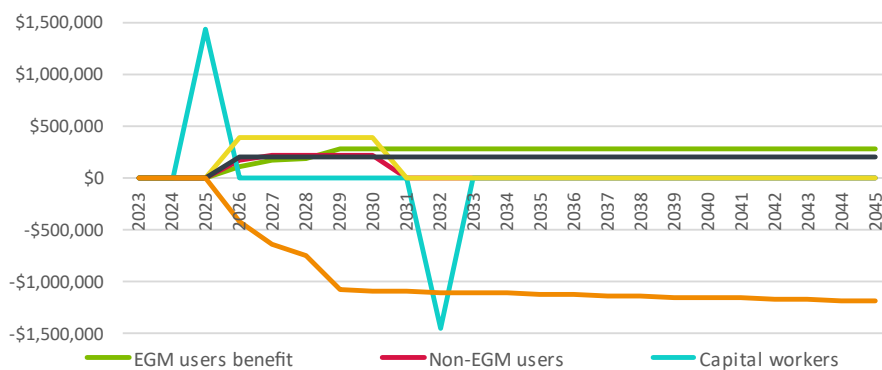
5. SEIA Part 1: Quantitative assessment

110. The following provides a summary of the quantitative (CBA based) aspect of the SGS SEIA.

5.1 Summary of CBA

111. Figure 9 presents each benefit and cost (detriment) impact stream considered in the SEIA quantitative assessment, with the net impact stream presented in Figure 10. This highlights that during the construction and early stages of operation there is a net benefit to the community resulting from the proposed application. However, over the long term there is a sustain net detriment resulting from the costs associated with problem gambling not being offset by the long term ongoing benefits.

FIGURE 9: SOCIAL AND ECONOMIC BENEFIT AND COSTS OF PROPOSED VENUE



Source: SGS Economics and Planning, 2024

FIGURE 10: NET IMPACT OF PROPOSED VENUE



Source: SGS Economics and Planning, 2024

112. Table 11 summarises the net present values (NPV) accruing to each benefit and detriment stream over a 20-year evaluation period and using a 4 per cent discount rate. In net terms, the likely social and economic cost to the local community as a result of this application being approved is estimated at around **negative \$4.30 million**, or a **Benefit to Cost Ratio (BCR) of 0.66**.
113. In addition, Section 5.5 includes 18 sensitivity tests on a range of key assumptions in the modelling. This suggests the overall conclusion is not highly sensitivity to changes in the modelling assumptions as only one test indicates a positive NPV.

TABLE 11: COST BENEFIT ANALYSIS SUMMARY

	Net present value (\$2023)
BENEFITS	
Consumer surplus of venue EGM users <i>associated with the use of EGMs by people who are low risk or non-problem gamblers</i>	\$3.22 million
Consumer surplus of venue non-EGM users <i>benefit associated with the use of non-EGM components of the venue (i.e. bistro, function room)</i>	\$0.88 million
Expenditure on capital works <i>benefit linked to value-add generated as a result of capital works</i>	\$0.32 million
Labour surplus of venue employees <i>benefit as a result of a net increase in employment from venue employees</i>	\$1.59 million
Community contributions <i>Benefit accruing to the local community as a result of in-kind and voucher donations</i>	\$2.51 million
Total benefits	\$8.52 million
DETRIMENTS	
Total social and economic cost resulting from new problem gamblers <i>Combined cost to the local community resulting from increased levels of problem gamblers</i>	-\$12.83 million
Total social and economic cost resulting from new moderate-risk gamblers <i>Combined cost to the local community resulting from increased levels of moderate risk gamblers</i>	<i>excluded in core scenario</i>
Total detriments	-\$12.83 million
BENEFIT COST RATIO	0.66
NET PRESENT VALUE	-\$4.30 million

114. The approach and assumptions used for each benefit and detriment item are now discussed in detail.

5.2 Cost benefit analysis approach and global assumptions

115. SGS has adopted a CBA approach for the quantitative SEIA. As noted in Section 1.2, CBA is a widely used economic approach for evaluating the net social, economic and environmental impact of a project.
116. A CBA approach includes some core principals which are further detailed in state guidelines and require some additional global assumptions (further discussed below):
- Project impacts are estimated on an incremental basis compared to a 'Base Case'
 - Project impacts focus on the direct (not flow on) impacts and 'double counting' (or overlapping effects) between different impact categories are avoided where possible.
 - Timing of impacts are considered over an evaluation period and discounted to account for the value of time and the period for which they occur.

Defining a base case

117. The Base Case is used to define what is most likely to occur in the absence of this proposal - so incremental costs and benefits can be determined. Generally speaking, a 'zero base', where nothing else happens in the absence of the project, is not appropriate and results in an overstating of impacts.
118. With respect to this proposal, it would be unrealistic to adopt a base case that assumes that, in the event of the proposal not proceeding, no similar development would ever occur in the town and any entertainment and employment benefits will be lost to the community forever. Rather, given the forecast population growth, planned development, and draft Romsey Structure Plan for the surrounding area, it is reasonable to assume that something else broadly similar in nature would ultimately materialise in the town at a future point in time under a 'base case'. For the purpose of the CBA, we have assumed that if the proposed venue did not proceed, a similar alternative development would occur in Romsey by 2031 (5 years from 2026). Sensitivity testing has considered a 10 year delay (by 2036) and an extreme no alternative development ever assumption.

Discount rate

119. In line with DTF Guidelines, a discount rate of **4 per cent** has been used in this analysis. The impact of higher discount rates is considered as part of the sensitivity testing.

Evaluation timeframe

120. SGS has assumed a **20-year** evaluation period from FY2024/25 to 20243/44.

Dollar year and inflation adjustments

121. The dollars have been stated in 2023 real terms unless expressed otherwise.

5.3 Benefits

122. The following details the quantified benefits resulting from the application.

VENUE EGM USERS: consumer surplus associated with EGM expenditure that is not associated with moderate risk or problem gambling behaviour

123. EGMs are a legal and valid recreational activity that delivers a benefit to some users in the same way as attendance at cinemas, shopping centres or sporting events. As such, approval of this application would present a benefit to some new EGM users as it provides a new opportunity to use EGMs which they would otherwise not have. When considering this user benefit, SGS does not include moderate-risk or problem gamblers. Problem gamblers by nature have a problem with their gambling behaviour and, due to the addictive nature of this engagement, do not receive a user benefit (or consumer surplus) that is consistent with the time and expenditure they expend.

124. A standard economic approach to measuring the value of this category of benefit is the ‘travel cost method’. The benefit is calculated based on the opportunity cost of the time spent travelling to the new venue to use the EGMs. These users can be separated into two categories:

- Existing users that have transferred their expenditure to the new closer venue. The benefit (or the consumer surplus) is equivalent to the time saved in not having to travel to a more distant venue.
- New users that would otherwise not spend any money, as existing venues were too far away. The benefit is equivalent to the time spent travelling between their homes and the new venue.

125. From a review of the catchment area, we have assumed this time saving as 20 minutes (10 minutes each way) for both user groups. For new users, this is an upper bound estimate, as it implicitly assumes, under the base case, that the user was only marginally too far away.

126. Table 12 and Table 13 details how EGM expenditure is then used to estimate total EGM user benefit for the first year of operation. This is estimated at \$112,396.

127. If the application was not approved, while the base case assumes a broadly similar alternative would be built in Romsey in the future, it has also been assumed this would not have EGMs. Therefore, this benefit for EGM-users is calculated over the full 20 year evaluation period (Figure 11). By 2045 the annual benefit is estimate at \$280,990. The net present value of this benefits stream is estimated at **\$3.2 million.**

FIGURE 11: EGM USER BENEFIT STREAM

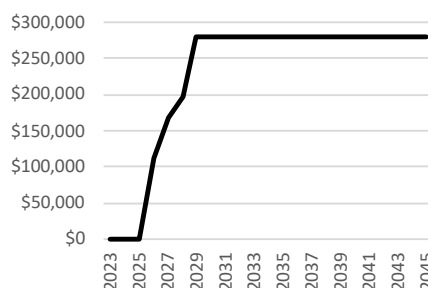


TABLE 12: CONSUMER SURPLUS FOR EGM USERS (FIRST YEAR OF OPERATION ONLY)

	Step description	Estimate	Source/calculation
A	Total EGM expenditure at venue	\$1,879,655	SGS expenditure estimates (refer to paragraph 94).
B	Per cent of EGM expenditure attributable to low risk or non-problem gamblers	40.6%	Various research and SGS risk assessment for this application (refer to paragraph 105)
C	EGM expenditure attributable to low risk and non-problem gamblers	\$763,140	(A) x (B)
D	Hours spent gambling by low risk and non-problem gambler	25,438	(C) / (N)
E	Average visit time	1.5 hours	The Australian Institute of Family Studies' national gambling trend study (2023) showed that the median length of all survey respondents' last visit was two hours. The Queensland Prevalence Survey (2007) estimated that non-Problem Gambler session times are between 40 mins (recreational) to around 100 mins (moderate risk). Given this, SGS has adopted a mid point of 1.5 hours.
F	Annual visits for low risk and non-problem gamblers	16,959	(D) / (E)
G	Assumed travel time, to and from venue	20min	SGS assumption (refer to paragraph 125)
H	Cost of leisure	\$19.88	ATAP guidelines - Private travel time is valued at 40% of seasonally adjusted full time Average Weekly Earnings for Australia, equivalent to \$19.88 per person-hour in 2023.
I	Total benefit per annum	\$112,396	(F) x (G) x (H)

TABLE 13: GAMBLERS EXPENDITURE PER USER HOUR

	Step description	Estimate	Source/calculation
L	Average bet size per spin	\$0.50	Lack of local data. SGS assumption based on the fact \$5 is the maximum possible bet in Victoria, and state level prevalence survey indicate >\$1 per bet is the norm for non-problem gambler groups.
K	Margin per spin	10%	Minimum returns in Victorian machines per spin 85 per cent. SGS has assumed venue operates with 10 per cent margin
L	Expenditure per spin	\$0.05	(J) x (K)
M	Spins per minute	10 (1 game per 6 secs)	Lack of data. SGS assumption based on Victorian Government's July 2023 reforms to limit all new EGMs to spin at a rate of three seconds per game (equivalent to 20 spins per minute). SGS has assumed an average non-problem gambler would play at half that spin rate
N	Expenditure per hour	\$30	(L) x (M) x 60minutes

VENUE NON-EGM USERS: consumer surplus associated with use of the hospitality, commercial and other recreational components of the venue

- 128. It is proposed the Romsey Hotel will provide a range of other (non-EGM) services including a bistro, café, sports bar, and function room (further discussed in Section 2). Use of these components of the venue would provide a benefit to new patrons that would not otherwise have access to them.
- 129. SGS has used the ‘travel cost method’ and an estimate of the annual visitors to the non-EGM components of the venue to estimate this user benefit. The Urbis’ town planning report states a total venue capacity of 454 patrons. To determine the annual number of visits, SGS has combined this capacity figure with an assumed venue utilisation rate which reflects higher patronage on weekends and in the evenings compared to weekday afternoons (see Table 14). For the first year of operation SGS has assumed visitation will be 80 per cent of this full operation level.

TABLE 14: SHARE OF CAPACITY (PEAK PATRONAGE) ACHIEVED BY TIME OF DAY

Day	Afternoon		Evening		Total
	% of Cap	visitors	% of Cap	visitors	
Mon	10%	45	15%	68	114
Tues	10%	45	20%	91	136
Wed	10%	45	20%	91	136
Th	15%	68	30%	136	204
Fri	30%	136	75%	341	477
Sat	70%	318	80%	363	681
Sun	50%	227	40%	182	409
Total		885		1,271	2,157 (visits per week)
					112,138 (visits per year)

Source: SGS Economics and Planning

- 130. This results in an annual venue visitation figure of 112,138, once the venue is fully operation. This is equivalent to an average of 2,157 per week, 308 per day, and 26 per hour (assuming a 12-hour day, noting that some sections are open for 17 hours). When compared to the complementary expenditure estimate of \$5.2m (as per projected profits/losses by Nigel Bird CPA), this represents an average spend of around \$46 per visit, which seems reasonable given the wide range of uses.

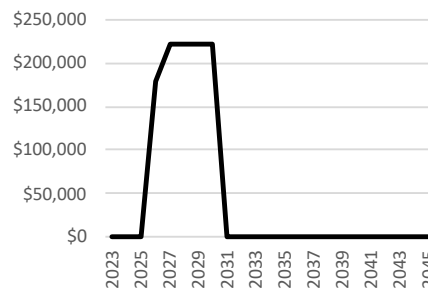
- 131. A proportion of annual visitation will result from patrons transferring their businesses from other venues. The Urbis Response to Council (5 February 2024) estimates a 70 per cent transfer rate, with 30 per cent of expenditure being new. SGS has adopted this, which results in 33,641 new visitors per year.
- 132. For these individuals, the benefit (or consumer surplus) is calculated in the same way as the EGM users (see Table 15 below). This results in a total benefit of \$222,963 for one full year of operation.

TABLE 15: CONSUMER SURPLUS FOR NON-EGM USERS (FULL OPERATION YEAR ONLY)

	Step description	Estimate	Source/calculation
A	Annual visit by new non-EGM users	33,641	SGS assumption (refer to paragraph 131)
B	Assumed travel time to and from venue	20min	SGS assumption (refer to paragraph 125)
C	Cost of leisure	\$19.88	ATAP guidelines - Private travel time is valued at 40% of seasonally adjusted full time Average Weekly Earnings for Australia, equivalent to \$19.88 per person-hour in 2023.
D	Total benefit per annum	\$222,963	(A) x (B) x (C)

- 133. If this application was not approved, as specified by the base case (see paragraph 118), it is unlikely that an alternative venue with a broadly similar non-EGM offer would ever eventuate in Romsey. Therefore, this benefit for non-EGM users would only exist for the period until which an alternative venue was established.

FIGURE 12: NON-EGM USER BENEFIT STREAM

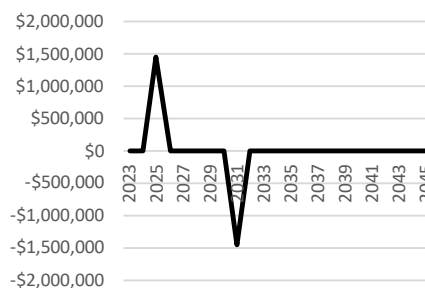


- 134. Therefore, the incremental benefit associated with non-EGM users will only be incurred for five years (Figure 12). The net present value of this benefit stream is estimated at **\$0.9 million**.

CAPITAL EXPENDITURE: local value added associated with expenditure on capital works

- 135. The proposed venue will stimulate the local economy by supporting construction and other related jobs and businesses during the redevelopment phase of the proposed venue.
- 136. Consistent with DTF guidelines, the full construction cost should not be directly considered as a benefit to the local community. The following adjustments are required.
 - Only the value-added component of any works should be considered as a benefit. That is, the difference between the value of construction and the sum of labour and capital inputs. SGS has applied the average construction industry⁴ rate of 23 per cent to estimate the value added component of any construction costs associated with the application.
 - a proportion of the benefit will accrue to firms outside the local community (i.e. other parts of Victoria or Australia) with the associated benefit accruing in those regions. As discussed at paragraph 82 based on current non-residential construction self-containment rates, SGS has assumed that 63 per cent of works will be completed by locally based contractors.
- 137. Given this, it is estimated that the capital expenditure of \$10 million will result in a benefit to the local community of \$1,450,203 in 2025.
- 138. If the application is not approved, as specified by the base case (see paragraph 118), a similar alternative venue in Romsey is likely to eventuate at some future point in time and that alternative venue would also need to similar capital workers to establish their business. For simplicity, SGS has assumed that alternative development would have the same cost as the proposed venue. For the project scenario this would be represented as an equivalent ‘disbenefit’ in 2031 – at which point that alternative ‘base case’ development would no longer be required.
- 139. This means the actual benefit to the community over a 20-year evaluation period is that construction activity has been brought forward five years. The net present value of this benefit stream is estimated at \$0.3 million.

FIGURE 13: CAPITAL EXPENDITURE BENEFIT STREAM

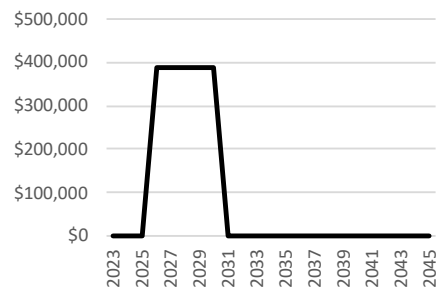


⁴ Based on ABS Input Output table, 2020-21 for non-residential construction

OPERATIONAL EMPLOYMENT: local labour surplus associated with increased employment

- 140. Once the proposed venue is open it will employ several staff on an ongoing basis. This increased employment will help stimulate the local economy and provide a benefit to the community.
- 141. It should be noted that it is the view of both the Victorian Competition and Efficiency Commission (VCEC) and the Productivity Commission (PC) that, in net terms, the operational activities of EGMs have a neutral (or potentially negative) impact on overall employment in the long term. This is because EGM expenditure (and its associated employment) largely ‘crowds out’ expenditure in other parts of the economy, rather than coming directly from savings. This means employment is simply shifted from one sector to another. Further employment per dollar for EGMs is lower than other competing sectors (i.e. hospitality, retail, or other entertainment services), resulting in a potential net decline in employment. However, these are referred to as ‘flow on’ effects and, hence, have been excluded from the CBA.
- 142. To estimate the benefit of the full 46 EFT to the local community, the incremental labour surplus needs to be calculated. This represents the difference between what a worker is actually paid and the opportunity costs of their time (i.e. alternative wages or value of leisure time).
- 143. Annual wages at the proposed venue are estimated at \$2.3 million based on Nigel Bird CPA. Assuming an EFT works 38-hour per week and 52 weeks per year, this is equivalent to hourly earnings of \$26.8. The opportunity cost of this time is estimated at \$19.88 based on the value of leisure time calculated via ATAP Guidelines recommended approach. This results in a net benefit of \$532,720 per year due to the ongoing employment of staff at the venue.
- 144. A portion of these employees will reside outside the municipality and any associated benefits cannot be attributed to the local community. Based on current Food and beverage worker self-containment rates (paragraph 82) SGS has assumed 73 per cent of workers will live locally. This results in a net annual benefit to the local community of \$387,432.
- 145. If the application is not approved, as specified by the base case (paragraph 118), this relatively small development (from a municipal wide perspective) would not alter the long-term employment fundamentals of the municipality.
- 146. Hence, the benefit associated with ongoing employment would only exist for the 5 year period until which alternative employment opportunities occurred (Figure 14). The net present value of this benefit stream is estimated at **\$1.6 million**.

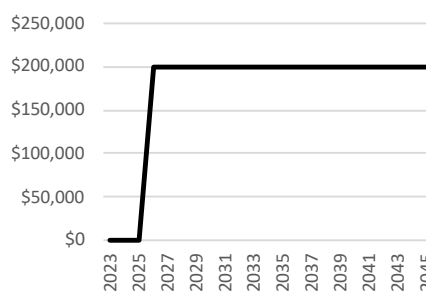
FIGURE 14: OPERATIONAL EMPLOYMENT BENEFIT



COMMUNITY CONTRIBUTIONS

- 147. Community contributions can provide a direct benefit to the local community. For this benefit to be fully realised it need to be separated from the venue operations (i.e. cannot provided as discounts or vouchers linked to the venue) and needs to be directed back into the local community specifically.
- 148. Based on the information provided by the applicant, the specific community contribution amount that will be provided on an annual and ongoing basis is uncertain. It is also understood it is not a specific requirement of the EGM license and will be provided at the applicant’s discretion.
- 149. However, as discussed at paragraph 109 SGS has nominally assumed it would be \$200,000 per year and would remain over the full 20-year evaluation period.
- 150. If the application was not approved, under the base case, it is assumed an alternative venue would not provide a similar community contribution. Therefore, this benefit is incurred over the full 20 year evaluation period (Figure 15). The net present value of this benefits stream is estimated at **\$2.5 million**.

FIGURE 15: COMMUNITY CONTRIBUTION BENEFIT



5.4 Costs

SOCIAL AND ECONOMIC COST OF PROBLEM GAMBLING

- 151. The proposed venue will provide a new EGM opportunity for the community, which will result in some new people gambling who would otherwise not have. While EGMs are a legal and valid recreational activity, there will be a portion of these users who ultimate have problems with their gambling.
- 152. There is a growing body of research that indicates that there are a wide range of direct and indirect social and economic costs that result from problem gambling behaviour. Amongst others, these include: Financial impacts, Emotional and psychological, Relationships and family, Crime, Productivity loss and work impacts and Cost to the Victorian Government (VRGF, 2017).
- 153. To measure the social and economic cost of problem gambling, SGS has estimated the potential number of new problem gamblers that could be created by this application and then multiplied this by the likely social and economic cost incurred to the local community of each new problem gambler.

Estimating the potential number of problem gamblers

154. Based on the venue and catchment risk assessment for this particular application (see Table 9), SGS determine that the proposed venue and its location was not significantly better or worse than that state average. Therefore, SGS has assumed 35.8 per cent of new EGM expenditure from the proposed venue is likely to be attributable to new problem gamblers. This results in \$538,333 in EGM expenditure being derived from new problem gamblers in the first year (\$1,503,724 new EGM expenditure in year 1 x 35.8% = \$538,333), increasing to \$1,505,651 per year by 2045.
155. Using state wide research on gambling spend and numbers, SGS then estimates the average EGM expenditure of one problem gambler as \$72,236 per annum (see Table 16 below).

TABLE 16: ESTIMATED EGM EXPENDITURE PER PROBLEM GAMBLER, 2022-23

	Category	Figure	Source
A	Total Victorian EGM expenditure (2015)	\$1,330,922,521	VRGF, 2017
B	Total problem gamblers in Victoria across all gambling activities (2015)	35,415	VRGF, 2017
C	Proportion of problem gamblers that participate in EGMs (2015)	61.4%	AIFS, 2017
D	Total number of problem gamblers that play EGMs in Victoria (2015)	21,745	(B) x (C)
E	EGM expenditure per problem gambler (2015\$)	\$61,206	(A) / (D)
G	EGM expenditure per problem gambler (2023\$)	\$72,236	Inflated to 2023\$ based on ABS CPI (Recreation and culture - Melbourne)

156. The new EGM expenditure attributable to problem gamblers (\$538,333 in the opening year) is then divided by the average EGM expenditure per problem gambler (\$72,236). This results in an estimate of 8.1 new problem gamblers in the first year, increasing to 22.7 new problem gamblers by 2045.

Estimating the social and economic cost of each additional problem gambler

157. The social and economic cost of one additional problem gambler is then based on The Social Cost of Gambling to Victoria (2017) report prepared by the Victorian Responsible Gambling Foundation.
158. The costs estimated in that report apply to the whole state. Therefore, SGS has estimated the proportion of these costs that are borne locally (i.e. within Macedon Ranges Shire) (see Table 17). The assumptions around the share of costs borne locally is based on the following:
- Due to the localised catchment of EGM venues, SGS has assumed that 100 per cent of problem gambling expenditure at the venue is undertaken by residents of Macedon Ranges Shire.
 - Costs associated with workplaces of problem gamblers is discounted by local resident worker self-containment rate of 43 per cent. This is based on the assumption that some problem gamblers will work outside the municipality and hence these costs would also be borne outside the LGA.
 - Costs associated with others are discounted by 50 per cent, as this would impact the individual's families or close networks which are often likely to be located within Macedon Ranges Shire due to the localised catchment.
 - The local catchment is assumed to not contribute to costs borne by state government (though in reality they contribute indirectly through taxation revenue).
159. On this basis SGS estimates that \$1,485,433,455 of the total social and economic costs of problem gambling are borne by the local community (or 64.5 per cent).
160. This total cost borne by the local community (\$1,485 million) is then divided by the total number of problem gamblers in Victoria (35,415 based on VRGF (2017)) to estimate an average cost borne by the local community of one additional problem gambler of \$41,944 in 2015. This estimate is then escalated to 2023 dollars based on CPI (All Groups, Melbourne) resulting in a final estimate of \$52,283.

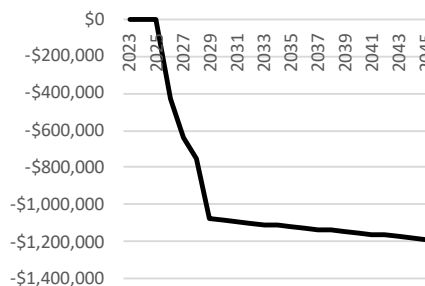
TABLE 17: ESTIMATED COST OF GAMBLING TO THE LOCAL CATCHMENT, 2014-15

COST CATEGORIES	Cost of PG across Victoria	% borne locally	Cost of PG borne locally
FINANCIAL			
Opportunity cost of gambling spend	\$427,186,784	100%	\$427,186,784
Cost of bankruptcy administration	\$7,930,772	0%	\$0
Total Financial Cost	\$479,372,994	-	\$449,314,503
EMOTIONAL AND PSYCHOLOGICAL			
Depression – emotional distress to the gambler	\$59,775,675	100%	\$59,775,675
Suicide attempts – impact on gambler	\$16,137,785	100%	\$16,137,785
Suicide ideation – emotional distress to the gambler	\$53,254,692	100%	\$53,254,692
Emotional and psychological costs to the gambler	\$171,465,281	100%	\$171,465,281
Total Emotional and psychological costs to the gambler	\$300,633,433	-	\$300,633,433
RELATIONSHIP AND FAMILY			
Divorce and separation			
Financial cost to the gambler	\$9,081,796	100%	\$9,081,796
Emotional distress to the gambler	\$42,155,848	100%	\$42,155,848
Emotional distress to affected others	\$384,126,043	50%	\$192,063,022
Experiences of violence			
Emotional distress to the gambler	\$21,517,047	100%	\$21,517,047
Emotional distress to affected others	\$34,427,276	50%	\$17,213,638
Suicide attempts of gambler – impact on affected others	\$96,826,713	50%	\$48,413,357
Fatality by suicide of gambler – impact on affected others	\$6,455,114	50%	\$3,227,557
Other emotional distress to affected others	\$418,671,785	50%	\$209,335,893
Total relationship and family costs	\$1,013,261,622		\$543,008,157
CRIME - COST TO THE VICTORIAN JUSTICE SYSTEM			
Police system cost	\$1,180,862	0%	\$0
Court system cost	\$1,908,322	0%	\$0
Corrections system cost	\$38,895,824	0%	\$0
Total Crime cost	\$41,985,008		\$0
PRODUCTIVITY LOSS AND WORK IMPACT			
Productivity loss to business	\$188,937,938	43%	\$81,811,540
Loss of income	\$74,099,158	100%	\$74,099,158
Job search cost to the gambler	\$11,687,472	100%	\$11,687,472
Employer staff replacement costs	\$22,665,625	43%	\$9,814,385
Unemployment benefits	\$7,055,280	0%	\$0
Cost of absenteeism to business	\$17,143,961	43%	\$7,423,463
Cost of crime to business	\$9,731,943	43%	\$4,214,004
Cost of fatality by suicide	\$6,854,681	50%	\$3,427,341
Total productivity loss and work impact cost	\$338,176,058		\$192,477,362
POLICY, REGULATION AND RESEARCH (INCLUDING TREATMENT COSTS)			
Health and human services systems	\$60,506,235	0%	\$0
Mental health sector	\$103,567,341	0%	\$0
Total policy, regulation and research cost	\$164,073,576		\$0
TOTAL ECONOMIC AND SOCIAL COSTS	\$2,337,502,691		\$1,485,433,455

Source: VRGF, 2017

161. The social and economic costs associated with problem gambling resulting from this proposed application is then estimated by multiplying the cost per one additional problem gambler (\$52,283 – see paragraph 160) by the estimated number of additional problem gamblers (8.1 increasing to 22.7 by 2045 – see paragraph 156). This results in a cost of \$424,659 in the first year, increasing to \$1,187,719 per year by 2046.

FIGURE 16: COST OF PROBLEM GAMBLING BENEFIT



162. Unlike some of the other impact items, this is not a short-lived cost to the community and is ongoing over the full 20 year evaluation period, and in reality, will be a cost incurred by the community well beyond this point. The net present value of this costs stream is estimated at **\$12.8 million**.

SOCIAL AND ECONOMIC COST OF LOW-RISK AND MODERATE-RISK GAMBLING

163. In the core SEIA scenario SGS has assumed EGM user benefits are enjoyed by non-problem gamblers and low-risk problem gamblers only, while social and economic costs are derived from problem gamblers only. In reality, gambling behaviour and associated cost and benefits sit on a spectrum. With some users in the middle potentially having overlapping benefits and cost impacts (see Table 18).

TABLE 18: PROBLEM GAMBLING SEVERITY CATEGORIES AND TREATMENT IN SEIA

	Non-problem gamblers (PGSI 0)	Low-risk gamblers (PGSI 1-2)	Moderate-risk gamblers (PGSI 3-7)	Problem gamblers (PGSI 8+)
EGM user benefit	Dark Blue	Dark Blue	Blue	White
EGM user social and economic cost	White	Light Blue	Blue	Dark Blue

164. In the sensitivity testing SGS has considered the impact of including moderate-risk gamblers in both the calculation of EGM user benefits and/or social and economic costs. To do this, SGS has applied the same approach as outlined above and based on the venue risk assessment (see Table 9) adopted the state average (VRGF, 2017) for the proportion of EGM expenditure attributable to moderate risk gamblers. Based on this same approach, the cost to the local community associated with one additional moderate risk gambler was estimated as \$12,451.

5.5 Sensitivity testing

165. A benefit of the CBA based approach is that all assumptions are required to be transparent and can be scrutinised and testing in terms of their impact on the overall assessment. The following sensitivity tests have been completed to understand how various assumptions impact the final results:
- **Alternative development timing.** In the base case scenario SGS assumed in 5 years an alternative similar development would occur in Romsey if the application was not approved. SGS has tested the impact of an alternative development being delayed by 10 years.
 - **Capital costs.** The full \$10 million cost estimate provided by the applicant was used in the core SEIA. As some of these costs would not result in a benefit to the local community (i.e. cost of purchasing EGM machines) the lower bound \$4 million estimate has also been tested.
 - **EGM expenditure:** Based on a review of SW expert report (see Section 4.4), SGS adopted alternative assumptions for EGM expenditure at the proposed venue in the core SEIA. SGS has tested alternative assumptions for the ramp up, NMR and transfer rate of EGMs, including adopting each of SW assumptions around EGM expenditure at the proposed venue.
 - **EGM expenditure attributable to problem gambling.** Based on a risk assessment SGS assumed the proposed application was no worse or better than a typical venue or location in Victoria. SGS has tests the impact of increasing or decreasing this by 5 per cent.
 - **Moderate risk gamblers:** In the core SEIA SGS excluded both user benefits and costs associated with moderate risk gamblers. SGS has tested the impact of include both user benefits and costs associated with this EGM user group.
 - **Cost to local community of one additional problem gambler:** SGS estimated the cost to the local community of one additional problem gambler. SGS has tests the impact of increasing or decreasing this by 5 per cent.
 - **Community contributions:** In the core SEIA SGS has assumed any owner of the proposed venue will provide \$200,000 per annum in community contributions over the 20 year evaluation period. SGS has tested alternative assumptions around higher and lower contribution rates and durations.
166. Table 19 shows the results of the sensitivity tests described above (core scenario highlighted blue). All tests result in a net detriment (or BCR less than 1) except when a community contribution of \$550,000 per annum is provided over the full evaluation period. Results appear more sensitive to the alternative development timing assumption, EGM expenditure NMR assumption, treatment of moderate problem gamblers and level and duration of community contributions that are provided.

TABLE 19: SENSITIVITY TEST FINDINGS

	Net present value of impacts (\$M)	Benefit Cost Ratio
Alternative development timing		
Redevelopment (after 5 yrs)	-\$4.30m	0.66
Late development (after 10 yrs)	-\$2.06m	0.84
Capital expenditure		
Full cost estimate (\$10m)	-\$4.30m	0.66
Construction cost only (\$4m)	-\$4.50m	0.65
EGM Expenditure - ramp up		
SW (80% y1 100% y2)	-\$5.05m	0.64
SGS (40%y1 60%y2 70%y3)	-\$4.30m	0.66
SGS (40 60 70 + pop growth)	-\$5.66m	0.61
EGM Expenditure – NMR		
SW (mid point - \$176)	-\$1.26m	0.86
SGS (sample all - \$257)	-\$4.30m	0.66
Club Regional Victoria average (\$211)	-\$2.58m	0.75
Hotel Regional Victoria average (\$306)	-\$6.13m	0.60
EGM Expenditure - Transfer rate		
SW (20%)	-\$3.63m	0.70
SGS (20%=>10% by 2045)	-\$4.30m	0.66
EGM expenditure attributable to problem gambling		
30.8% (-5%)	-\$2.12m	0.81
35.8% based on VRGF 2017 state average	-\$4.30m	0.66
40.8% (+5%)	-\$6.49m	0.56
Moderate risk gamblers		
Exclude from both user benefit and detriment	-\$4.30m	0.66
Include in both user benefit and detriment	-\$12.89m	0.45
Cost to local community of one additional problem gambler		
\$49,669 (-5%)	-\$3.66m	0.70
\$52,283 based state average	-\$4.30m	0.66
\$60,125 (+5%)	-\$6.23m	0.58
Community contributions – amount		
None	-\$6.82m	0.47
\$25,000 per annum	-\$6.50m	0.49
\$200,000 per annum	-\$4.30m	0.66
\$550,000 per annum	\$.09m	1.01
Community contributions - duration		
Full delivery (20 years)	-\$4.30m	0.66
10 years then half	-\$4.81m	0.62
5 years only	-\$5.99m	0.53

6. SEIA Part 2: Qualitative assessment

6.1 Overview

167. The following section presents the qualitative based SEIA of the proposed application, consistent with more traditional approaches. It references the findings from the quantitative assessment while considers additional local context and potential distributional impacts.
168. Table 20 summarises the findings of the qualitative SEIA. This notes that all social and economic impacts are found to be between marginal and moderate, except for the impact of problem gambling, which is considered by SGS to be high. Considering these social and economic impacts together, the proposed venue is found to have a net detrimental impact on the local community.

TABLE 20: SOCIAL AND ECONOMIC IMPACTS, QUALITATIVE ANALYSIS SUMMARY

SOCIAL IMPACTS	
Increased opportunities for recreational gaming	MODERATE BENEFIT
Improved entertainments options for local residents as a result of works	LOW BENEFIT
Community contributions	MARGINAL BENEFIT
Impact of increased incidence of problem gambling on the community	HIGH DETRIMENT
Community attitude	MARGINAL DETRIMENT
ECONOMIC IMPACTS	
Consumer surplus linked to gaming expenditure not associated with problem gambling	MODERATE BENEFIT
Value add and labour surplus associated with capital works	MARGINAL BENEFIT
Net impact on employment	MARGINAL BENEFIT
Increased competition among gaming venues in Macedon Ranges	NETURAL
Supply contracts	MARGINAL BENEFIT
Complementary expenditure	MARGINAL BENEFIT
Gaming expenditure associated with problem gambling	HIGH DETRIMENT
Diversion of trade from retail facilities.	LOW DETRIMENT
Diversion of trade from other gaming venues	MARGINAL DETRIMENT

Source: SGS Economics and Planning, 2024

6.2 Analysis of social impacts

169. The following section provides an overview of the key social impact segments.

Increased opportunities for recreational gaming

170. A proportion of EGM users will enjoy play them without a risk of problem gambling or the associated harms. For these individuals, an expansion in the number of EGMs represents an expansion of the region's recreation and entertainment offer and a social benefit.
171. SGS has considered the impact of new EGM expenditure in the first and subsequent years and in the context of existing and new future residents. This is detailed in Section 4.
172. The proposed venue is estimated to generate a significant amount of new EGM expenditure both at the time of its establishment, and as a result of the growth of over time, it is reasonable to conclude that social benefits linked to non-problem gamblers using the EGMs will be moderate.

CONCLUSION: MODERATE BENEFIT

Improved entertainment options for local residents as a result of works

173. In addition to EGMs, the applicant has proposed to deliver a range of other services including a bistro, bar, and a function room. These components will provide a mix of recreation, hospitality, and entertainment options to the local catchment.
174. However, it must be recognised that under a scenario in which the proposal is not approved, demand from new residents for hospitality and entertainment facilities will trigger the establishment of similar venue(s) at some future point in time. It is likely therefore that incremental benefits linked to new entertainment opportunities will be most significant in the years directly after opening, slowly becoming less important over time.
175. While this benefit may be significant to the community during the few years that it is incurred, SGS believes it would not be incurred in perpetuity and therefore assess it as Low.

CONCLUSION: LOW BENEFIT

Community contributions

176. The applicant has proposed an annual community contribution which is linked to the profit of the Hotel. This could be as high as \$541,292.50 per year. If this forecast is correct, this is likely to be one of the highest community contributions provided by any gaming venue. However, the community contributions are dependent on profits, which are likely to vary over time. The applicant also notes that the minimum contribution for any given year will be \$25,000.
177. It is also noted that the venue will be operated the Romsey Football Netball Club Inc. The applicant notes that the Club will be supervised by Mr Hogan (who manages an existing venue, Hogans Hotel, Wallan and had a previous EGM venue Hogans Shamrock Hotel, Bendigo). The Romsey Football Netball Club Inc do not have experience in managing or running a large Hotel with EGMs.
178. Given the variability of the potential community contribution it is challenging to assess the long-term impact. Given this, the community contribution represents a marginal benefit.

CONCLUSION: MARGINAL BENEFIT*Impact of increased incidence of problem gambling on the community*

179. Problem gambling can be caused by both venue and demographic catchment factors. Based on analysis of this application, the catchment area and the risk assessment completed in Table 9 SGS believe this venue would be not worse, or better, than an average EGM venue in Victoria.
180. While there are some mitigating factors based on Romsey being a well-established community, this assessment is primarily driven by a range of current and potential future risk factors associated with the venue location and catchment populations vulnerability to problem gambling.
181. Studies show that problem gambling imposes substantial social costs on the community (Productivity Commission, 2010; Victorian Competition and Efficiency Commission, 2012; Victorian Responsible Gambling Foundation, 2017). While the separation of social and economic costs of problem gambling is problematic, social costs can generally be associated with the distress associated with problem gambling and felt by individuals, their families, their friends, and surrounding communities.
182. Analysis in Section 4 and 5 highlights the potential cost to the community resulting from these social impacts and highlights the ongoing nature of these. For this reason, SGS has rated this impact at high.

CONCLUSION: HIGH DETRIMENT

Community attitude

183. Community attitude is not directly considered as part of a CBA framework. However, it is recognised as an important consideration in gaming applications given their influence in the community.
184. On behalf of Council, Insync Surveys Pty Ltd consulted with the community regarding their attitudes towards the EGM application. A total of 1,493 residents responded to the survey. These residents were aged 18 and over and lived within a 5km radius of the Romsey Hotel (90 Main St, Romsey) (Insync, April 2024). The key questions and findings from the Insync Report are outlined below:
- What overall impact will the 50 electronic gaming machines in the Romsey township have on you?
 - 47.68% mostly negative impact
 - 31.16% mostly no impact
 - 21.16% mostly positive impact
 - What do you anticipate the overall impact of the 50 electronic gaming machines in the Romsey township will have on the broader community?
 - 60.36% mostly negative impact
 - 25.55% mostly positive impact
 - 14.08% mostly no impact
 - Do you support the application for 50 electronic gaming machines, as it currently stands, at Romsey Hotel (90 Main St, Romsey)?
 - 59.93% no I do not support the application
 - 37.52% yes, I support the application
 - 2.55% not sure
 - Which of the following best describes your current financial situation?
 - 30.48% a little left over for extras
 - 29.20% live comfortably
 - 25.12% prefer not to say
185. Based on the findings of the Insync community survey, the majority of residents did not support the application (59.93 per cent) and considered it would negative impact on them individually (47.68 per cent), as well as the broader community (60.36 per cent). In contrast, around one third of residents (37.52 per cent) were in support of the application with fewer indicating it would have a positive impact on them individually (21.16 per cent) and the broader community (25.55 per cent).
186. On balance, SGS has assessed the community attitude to this application as a marginal detriment.

CONCLUSION: MARGINAL DETRIMENT

6.3 Analysis of economic impacts

The following section provides an overview of the likely economic impacts.

Consumer surplus linked to gaming expenditure not associated with problem gambling

187. Gaming activity can be considered a recreational activity, to the extent that the activity is freely entered into (that is, that participants are not compelled by an addiction or compulsion to play). As a result, there is considered to be an associated economic benefit linked to the generation of a consumer surplus for some new users of EGMs.
188. SGS has assessed this benefit as moderate given the analysis completed in Section 5.

CONCLUSION: MODERATE BENEFIT

Value add and labour surplus associated with capital works

189. As part of the application building works are proposed. The total cost of these works has been estimated between \$4 million and \$10 million. Looking at this expenditure from an economic perspective, the benefit accruing to the community is equivalent to the value-added accruing to locally based businesses engaged to carry out construction works relative to a base case.
190. Once accounting for these economic principles it is clear the one off and short-lived value of capital works to the local community is marginal.

CONCLUSION: MARGINAL BENEFIT

Net impact on employment

191. The applicant states that the new venue will lead to the creation of 46 EFT positions for the local catchment. However, once the labour surplus component, incremental and crowding out effects are considered as detailed in Section 6 the lasting economic impact on the community is relatively small. This resulting effect is consistent with general literature on the net employment impacts of projects which do not fundamentally change nature of the broader macro-economy.
192. Given this, SGS has weighted net employment benefits as marginal.

CONCLUSION: MARGINAL BENEFIT

Increased competition among gaming venues in Macedon Ranges Shire

193. Expenditure of between \$462,078 and \$564,761 is expected to be transferred from neighbouring venues in Macedon Ranges Shire as a direct consequence of this application (based on a 20% transferred expenditure rate). This would indicate that it is likely to have an impact on competition among gaming venues.
194. The competitive consequence of this new venue is therefore likely to be improved experiences for EGM users at venues elsewhere in Macedon Ranges Shire as these venues improve their offer in response to the increased levels of competition. To the extent that non-problem gamblers enjoy these improved venues and/or are induced to gamble more, represents a benefit to the local community.
195. However, a more attractive regional gaming environment may potentially induce problem gamblers to gamble more. Further, people who are susceptible to problem gambling who may not otherwise have gambled may be induced to do so. In this way, increased gaming competition that generates an increase in total EGM expenditure is also likely to generate an increase in expenditure attributable to problem gamblers.
196. For this reason, we assume the detriment associated with increase problem gambler expenditure and the benefit associated with increase user experience largely offset one another and the net impact on the community is neutral.

CONCLUSION: NEUTRAL

Supply contracts

197. It is likely this new venue would generate an increase in various supply contracts, including cleaning and EGM servicing and maintenance. These suppliers may or may not be locally sourced, and in the absence of an explicit policy around sourcing supplies from local businesses, it can be assumed that decisions around procurement of suppliers will be based on cost rather than the geographical proximity of the supplier.
198. It is important to add, that supply contracts relating to activities that are 'crowded out' as a result of this application should also be considered. In net terms, as with employment, it is likely that in the long run the net increase in supply contracts is likely to be negligible.
199. SGS estimate that the increase in supply contracts is likely to lead to a net benefit in the short term, but that this benefit will gradually diminish as the impact of the economic activity (and supply contracts) foregone as a result of this proposal are felt.

CONCLUSION: MARGINAL BENEFIT*Complementary expenditure*

200. The venue provides a number of other hospitality and recreational functions which the community can enjoy. The provision of these components of the venue represents a benefit to the community. However, as detailed in the Section 6 only a portion of this additional expenditure can be considered as an economic benefit to the community. It is important to consider the value added component attributable to local residents and account for any future, similar, development that might otherwise occur at a future point in time.
201. Once accounting for these economic principles the benefit associated with complementary expenditure is relatively modest and only experience over a relatively short period of time. For this reason, SGS has assessed this economic benefit as marginal.

CONCLUSION: MARGINAL BENEFIT

Gaming expenditure associated with problem gambling

202. The Victorian Responsible Gambling Foundation (2017) estimated that the proportion of EGM expenditure attributable to problem gambling is 35.8 per cent for Victoria⁵. This inquiry found a total cost of \$2.4 billion (\$2015). With Victoria containing around one quarter of the Australian population, this is broadly consistent with the National upper estimate completed by the Productivity Commission.
203. The above studies indicate that problem gambling imposes a sizeable cost on the Victorian community. As a result, any proposal that may lead to an increase in the number of problem gamblers should be weighed with this in mind. Despite the existence of a responsible gambling policy, a proportion of the increased expenditure generated is likely to be attributable to problem gamblers particularly in a catchment which presents potential vulnerability indicators as detailed in Section 4.
204. In SGS' view, the approval of this application will generate a significant quantity of new expenditure.
205. In light of the above, SGS judges that a venue in Romsey has the potential to drive an increase in problem gambler behaviour in the region, with potentially serious consequences given its scale, location, opening hours, and the vulnerability of certain population cohorts across the region. The significance of this impact is supported by the quantitative SEIA findings.

CONCLUSION: HIGH DETRIMENT*Diversion of trade from retail facilities*

206. SGS bases its analysis on the assumption that the majority of EGM expenditure in Victoria displaces expenditure that would otherwise have occurred elsewhere, rather than being drawn from savings. With expenditure diverted to EGMs and away from local businesses, including retailers, the ultimate impact of the expanded EGM venue is, in this respect, likely to be detrimental. This is particularly important in the present context, with the retail sector generally struggling in the face of a range of factors.
207. With a quantity of local expenditure being diverted to EGMs at the new venue high and expected increase as the population grows, it is probable that local retailers will be competing for a smaller pool of local expenditure as a direct result of the new EGMs at the Club.

CONCLUSION: LOW DETRIMENT

⁵ Victorian Responsible Gambling Foundation (2017) - The social cost of gambling to Victoria

Appendix A: Julian Szafraniec CV



Julian Szafraniec

Principal, Partner, and Director

National Leader Data and Spatial Analytics

Bachelor of Economics (Econometrics) (Monash University)

T: 03 8616 0331 E: jszafraniec@sgsep.com.au

208. Based in SGS Melbourne office at Level 14, 222 Exhibition Street, Melbourne, VIC, 3000.
209. Julian is an urban economist who has over 10 years' experience in applying economic theories and models to urban and regional issues across Australia and internationally. Julian has provided advice to all tiers of government and the private sector, related to the dynamics of housing, transport, community infrastructure, retail, and the economy generally.
210. Julian is an excellent communicator and able to translate often complex ideas into plain English. He regularly presents to councillors, the community, at conferences, seminars, panels hearings and has been reported in the media around key economic and housing issues.
211. Julian has previously presented evidence at VCGLR, VCAT and Planning Panels Victoria, including:
- (Am C153) Willowbank Road, Macedon Ranges – RISM Constructions (2023)
 - (Am C203) Kingston Housing Strategy – City of Kingston (2022)
 - (Am C293) Collingwood South DDO23 - Yarra City Council (2022)
 - (Am C269) Municipal Planning Strategy - Yarra City Council (2022)
 - (VCGLR hearing) Club Tarneit – City of Wyndham (2021)
 - (Am C258) Casey Activity Centre Strategy – City of Casey (2020)
 - (Am C393) Geelong Retail Strategy – City of Greater Geelong (2019)
 - (Am C309) West Melbourne Economic and Employment Study – City of Melbourne (2019)

- (Am C126) Bayside Small Activity Centre Strategy – City of Bayside (2018)
- (VCAT) Officer Hotel EGM application – City of Cardinia (2018)
- (VCGLR hearing) Officer Hotel EGM application – City of Cardinia (2018)
- (Am C150) Bayside Retail, Commercial and Employment Strategy – City of Bayside (2018)
- (Am GC81) Fishermans Bend Economic and Employment Study – Fishermans Bend Taskforce (2018)
- (VCAT) Commercial Hotel EGM application – City of Whittlesea (2017)
- (Am C76) Moorabool Industrial Land Supply Expert Evidence – City of Moorabool (2017)
- (VCGLR hearing) Commercial Hotel EGM application – City of Whittlesea (2016)
- (Am C182) Dandenong Housing Strategy - City of Greater Dandenong (2016)
- (Am C198) Craigieburn North PSP - Metropolitan Planning Authority, City of Hume (2015)
- (Am C108) VicTrack Rezoning to Retail Uses – VicTrack, Shire of Yarra Ranges (2012)
- (Am C21) Council Gambling Policy - Benalla Rural City Council (2012)

212. A selection of other relevant experience includes:

- SEIA of EGM application at Club Tarneit, City of Wyndham (2021)
- SEIA of EGM application at Altona RSL, City of Hobsons Bay (2020)
- SEIA of EGM application at Hogan’s Hotel - Mitchell Shire Council (2019)
- SEIA of EGM application at Lynbrook Hotel - City of Casey (2018)
- SEIA of EGM application at Officer Hotel - City of Cardinia (2018)
- SEIA of EGM application at Commercial Hotel - City of Whittlesea (2017)
- Cranbourne Town Centre Economic and Housing Assessments – City of Casey (2017)
- Established Area Investment Plan – Department of Education and Training (Vic) (2017)
- Cluster Planning Analytical Application - Department of Education NSW (2017)
- Small Activity Centre Strategy - Bayside City Council (2017)
- Strathalbyn Retail Assessment - Alexandrina Shire Council (2017)
- West Melbourne Structure Plan – City of Melbourne (2017)
- Retail and Other Commercial Floor Space Assessment - City of Casey (2016)
- Fishermans Bend Economic and Employment Study - Fishermans Bend Taskforce (2016)

- Retail Hospitality and Expenditure Study (2016 Update) - City of Melbourne (2016)
- Melbourne Employment Projections - City of Melbourne (2016)
- Clyde Town Centre Urban Design Framework Review - City of Casey (2016)
- Dandenong South Industrial Precinct Economic Study – City of Greater Dandenong (2016)
- Dandenong Industrial Change and Demand Study – City of Greater Dandenong (2016)
- Retail, Commercial and Industrial Strategy - Bayside City Council (2016)
- Employment and Visitation Forecasts - City of Port Phillip (2016)
- Small Area Land Uses Projections (SALUP) –Transport for Victoria (2007 to current).
- Review of Green Square and Southern Areas Retail Study - City of Sydney (2015)
- Strategic Framework and Local Planning Policy- Gaming - Wyndham City Council (2014)
- Spatial Inequality Report - Grattan Institute (2012)
- Gambling Planning Framework Benalla Rural City - Rural City of Benalla (2010)
- Kingston Gaming Indices - Including revised Gaming Vulnerability Index (2010)
- Retail Economic Assessment - Caroline Springs - Melton City Council (2009)

Appendix B: References

Application documents

BSP Lawyers (8 February 2024): letter to Council, 'Romsey Football Netball Club - Further Information as Requested Application to the Victorian Commission for Gambling and Liquor Regulation (the Commission) for approval of premises as suitable for gaming with 50 gaming machines at Romsey Hotel, 90 Main Street, Romsey 3434'

BSP Lawyers (27 February 2024): email to Council clarifying building costs, 'Meeting tomorrow'

SW Accountants and Advisors (September 2023): Romsey Hotel – Expert's Report in Respect of Application for 50 Electronic Gaming Machines

Nigel Bird CPA (2023): Projected Profit and Loss Statement for the year ended 30 June 2024

Urbis (October 2023): Romsey Hotel: Social and Economic Impact Assessment

Urbis (December 2023): 90-94 Main St, Romsey: Town Planning Report

Urbis (5 February 2024): letter to Council, 'RE: Romsey Hotel – Response to Council RFI on Diversion of Trade from other entertainment businesses'

Other policy and research documents

Australian Transport Assessment and Planning (2023): 3. Travel Time, Accessed March 2024, Available at: <https://www.atap.gov.au/parameter-values/road-transport/3-travel-time>

Australian Gambling Research Centre (2023): Regular pokies gambling in Australia, 2022

Australian Institute of Family Studies (2017): Gambling activity in Australia

Australian Institute of Family Studies (2023): National Gambling Trends Study, Regular online betting in Australia, 2022

Department of Treasury and Finance (2013): Economic Evaluation for Business Cases Technical Guidelines, Victorian Government, Accessed March 2024, Available at: <https://www.dtf.vic.gov.au/investment-lifecycle-and-high-value-high-risk-guidelines/stage-1-business-case>

Department of Justice (September 2009): A Study of Gambling In Victoria - Problem Gambling from a Public Health Perspective

Gambling Regulation Act (2003): Accessed: March 2024, Available at: <https://www.legislation.vic.gov.au/in-force/acts/gambling-regulation-act-2003/104>

Insync Surveys (April 2024): Summary of community support for the Romsey Hotel VGCC application

Koomson. I, Awaworyi.C.S & Munyanyi. M.E (2022): Gambling and Financial Stress

Macedon Ranges Shire Council (2023): Draft Romsey Structure Plan, Available at: <https://www.mrsc.vic.gov.au/Build-Plan/Planning-For-Our-Future/Town-planning-projects/Romsey/Romsey-Structure-Plan>

Productivity Commission (2010): Gambling, Report no. 50

Queensland Government (2007): The Queensland Responsible Gambling Strategy, Queensland Household Gambling Survey, 2006-07

Victorian Competition and Efficiency Commission (2012): Counting the Cost: Inquiry into the Costs of Problem Gambling, final report, December

Victorian Gambling and Casino Control Commission (2023): Sweeping reforms to minimise harm from gaming machines

Victorian Responsible Gambling Foundation (2015): Study of gambling and health in Victoria: findings from the Victorian Prevalence Study 2014.

Victorian Responsible Gambling Foundation (2016): A longitudinal study of gambling and health in Victoria 2008-2012

Victorian Responsible Gambling Foundation (2017): The social cost of gambling to Victoria

Appendix C: EGM Venue Case study

TABLE 21 EGM EXPENDITURE CASE STUDIES OF COMPARABLE VENUES

Type	Name	LGA	EGM Exp (FY23)	EGM No. (FY23)	NMR	Location	Adult pop (2023)	Spend per adult (2023)
Club	Ararat RSL	Ararat	\$5,063,084	55	\$252	Ararat	7,582	\$824
Hotel	Victorian Tavern	Macedon Ranges	\$5,208,332	50	\$285	Gisborne	9,868	\$528
Hotel	Grand Central Hotel (Hamilton)	Southern Grampians	\$4,450,436	40	\$305	Hamilton	8,964	\$780
Club	Kyabram Club	Campaspe	\$3,878,281	53	\$200	Kyabram	6,463	\$600
Club	Clifton Springs Golf Club	Greater Geelong	\$4,180,341	50	\$229	Lara	13,781	\$455
Hotel	Lara Hotel	Greater Geelong	\$3,377,802	40	\$231			
Club	Maryborough Highland Society	Central Goldfields	\$6,446,168	59	\$299	Maryborough	7,283	\$1,172
Club	Seymour Club	Mitchell	\$3,424,084	50	\$188	Seymour	5,827	\$1,340
Hotel	Railway Club Hotel	Mitchell	\$4,384,052	33	\$364			
	Sample average				\$257			\$748

Source: VGCCC, 2023

MELBOURNE

Level 14, 222 Exhibition Street
Melbourne VIC 3000
+61 3 8616 0331
sgsvic@sgsep.com.au

CANBERRA

Level 2, 28-36 Ainslie Avenue
Canberra ACT 2601
+61 2 6257 4525
sgsact@sgsep.com.au

HOBART

PO Box 123
Franklin TAS 7113
+61 421 372 940
sgstas@sgsep.com.au

SYDNEY

209/50 Holt Street
Surry Hills NSW 2010
+61 2 8307 0121
sgsnsw@sgsep.com.au





Macedon Ranges Shire Council

Peer review of a research report

27 November 2023

Our ref: 5668
Contact: Clare Gelman
Title: Principal Research Manager
T: 03 9526 9000
E: clare.gelman@orima.com

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Quality and Compliance Statement

This project was conducted in accordance with the international quality standard ISO 20252, the international information security standard ISO 27001, as well as the Australian Privacy Principles contained in the Privacy Act 1988 (Cth). ORIMA Research also adheres to the Privacy (Market and Social Research) Code 2021 administered by the Australian Data and Insights Association (ADIA).

Acknowledgments

ORIMA pays respect to Aboriginal and Torres Strait Islander Peoples past and present, their cultures and traditions and acknowledges their continuing connection to land, sea and community.

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Appendices

- Appendix A: CATI survey report
- Appendix B: Online survey screenshots



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Introduction and background

Introduction

In November 2023, the Macedon Ranges Shire Council engaged ORIMA Research, an independent public sector research provider, to conduct a peer review of a research report. The aim of this review was to assess the validity of two community surveys conducted in early-mid 2023.

Although these surveys were conducted independently, both were designed to measure community sentiment in relation to the proposed redevelopment of the Romsey Hotel (Romsey, Victoria). A short preliminary survey was first conducted **online** in February – March 2023 and a second more detailed survey via **CATI** (computer assisted telephone interview) in May 2023.

Two **information sources** were examined as a part of this review.

1. Appendix C of the Romsey Hotel Social and Economic Impact Assessment report (Romsey Hotel Development Community Survey 2023 – Taverner Research Group).
 - This report was used as the primary source of information for the peer review of the **CATI survey** and as a secondary source of information in relation to the online survey.
 - This is available to view at Appendix A of this report.
2. The website that hosted the online survey ([Romsey Community Hotel](#)).
 - This was used as the primary source of information for the peer review of the **online survey**.
 - It should be noted that the survey had closed at the time of this review, therefore ORIMA's review was only of the available content displayed, which included both text and images (see Appendix B of this report for screenshots). It was assumed that the survey simply provided each respondent with the ability to click one of the three options presented and did not have any further information or questions included, including no registration step nor collection of respondent demographic information.

Background

The Romsey Hotel has been closed since 2017. In a bid to reopen a successful hotel to service the Romsey community, a proposed redevelopment plan has been submitted to the Macedon Ranges Shire Council for consideration. This proposal seeks to **redevelop** and **reopen** the hotel and includes the introduction of **50 Electronic Gaming Machines** (EGMs). A proposal submission to council such as this requires the applicant to provide an assessment of the social and economic impact that the introduction of EGMs may have on the community and on the Macedon Ranges Shire Council. It is a council requirement that this impact assessment include findings from an academically rigorous and representative social impact survey that measures community sentiment / satisfaction in relation to the proposal.

As noted above, two community surveys have been conducted in relation to the proposed redevelopment of the Romsey Hotel. This summary report contains the findings of an independent peer review to assess the appropriateness and validity of these surveys. Three broad aspects of the two surveys were used as a basis for an assessment framework: survey development and questionnaire design, data collection / fieldwork and reporting. The strengths and weaknesses in relation to each of these areas are noted throughout this report, per survey.

This report does not review any other aspects of the proposal or social and economic impact assessment that has been submitted to council, nor does it assess whether the surveys met all criteria set by the council for the approval of an application to operate gaming machines within the shire.

It is understood that the findings of this peer review will be used by the Macedon Ranges Shire Council to support their review and assessment of the Romsey Hotel Redevelopment proposal.

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Survey development and questionnaire design

Overall, it is best practice to engage a professional, independent third party to conduct survey research. This is important to mitigate the risk of real or perceived biases, and / or conflicts of interest.

- It is understood that the **online survey** was developed, conducted, and commissioned by an interested party (namely the owner of the hotel).
- It is understood that the **CATI survey** was developed and conducted by a professional, independent third party, namely Taverner Research Group. The survey was commissioned by BSP Lawyers acting on behalf of the Romsey Football and Netball Club.

Best practice questionnaire design should allow for the collection of unbiased and reliable data about a topic of interest. It should make a concerted effort to screen out (i.e., exclude) out-of-scope respondents where possible, cover a broad range of relevant aspects of the topic, include relevant information to help support the respondents' understanding of the topic without being leading or introducing bias and contain clear and appropriate questions (this includes question text, response options and response scales). Survey length should also be considered and minimised where possible.

- The **online survey** contained just one question, whereby respondents were asked to select their preference out of three proposed options for the redevelopment of the Romsey Hotel site. Appendix B contains screenshots of the three options.
 - **Option A** contained a semi-detailed, positively worded description of the newly proposed Romsey Community Hotel. This option contained one image illustrating a render of the façade of the proposed Hotel (and the option to click through to view an additional 10 images).
 - **Option B** contained a very brief but positively worded description of a Convenience Restaurant (and noted that this was an indicative option only). This option contained one image illustrating a render of the façade of a McDonalds restaurant.
 - **Option C** contained a very brief but positively worded description of a High-Density Housing Development (and noted that this was an indicative option only). This option also contained one image illustrating a render of the façade of a high-density housing development.
- The **CATI survey** contained 16 questions. Respondents were asked a series of screening and demographic questions, about their awareness of pubs and clubs operating in the area, frequency of visiting these and activities undertaken when visiting (including their use of EGMs). They were then asked about their awareness of the proposed redevelopment of the Romsey Hotel site and several questions regarding their level of support towards this proposal. Respondents were also asked two concluding questions about life in Romsey and the anticipated impact on the community should the proposal go ahead. The latter part of Appendix A contains the CATI questionnaire.

Strengths and weaknesses – survey development and questionnaire design

A review of both surveys noted a range of both strengths and weaknesses regarding the survey development and questionnaire design.

The following *strengths* were noted in relation to the **online survey** that may have encouraged participation and optimised the survey experience for respondents.

- Survey length and simplicity – the length and complexity of the survey was minimal and hence did not place unnecessary burden on the respondent.
- The inclusion of clear and professional looking renders / images to illustrate the options – this was a useful tool to aid in respondents' decision making.

However, it should be noted that both strengths also came with some drawbacks, as noted overleaf.



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In contrast, the following *weaknesses* were noted in relation to the **online survey**. These have the potential to have biased the results in favour of Option A and have resulted in the survey not being able to collect accurate and reliable data.

- Survey length and simplicity – the length and complexity of this survey also meant that minimal information was presented regarding the three options, and that key information was not collected.
 - This included a lack of demographic questions to ascertain whether a respondent was in-scope to participate and to allow for the assessment of representativeness of the sample collected. It also did not allow for the measurement of explicit support or opposition for the proposal overall (it simply measured ‘preference’ amongst the three options, without the inclusion of an ‘other’ or ‘none of these’ option) or for different aspects of the proposal.
- The renders / images used to illustrate the options – although this was a useful tool to aid in respondents’ decision making, the three initial renders were not presented as equal in size (Option A, the render of the Romsey Hotel, was larger and more prominent). Furthermore, 10 additional supporting images were also provided for Option A, whilst additional renders were not offered for Options B and C.
- The level of detail and language / choice of words per Option – although none of the Options contained an extensive amount of detail, Option A included more details in its descriptive text compared to Options B and C. Additionally, the description for Option A was also framed in a particularly positive way, describing this option as “the preferred option” and “spectacular”, whilst also including a motivating call to action: “it is essential that as many people as possible vote to re-establish the Romsey Community Hotel”.
- Mention of ‘gaming’ – the text description for Option A briefly mentions ‘gaming’, and just one image / render under Option A illustrates EGMs. Despite these machines being an important and polarising feature of the proposal, they were not prominently or clearly featured in the Option.
- The order in which the options were presented – Option A, the Romsey Hotel was presented first, and Options B and C followed below. Randomisation of options would have optimised the design.
- Legitimacy of options presented – the fact that the Options B and C are only presented as ‘indicative’ options, rather than realistic prospects may also have reduced the likelihood of these options being endorsed, compared to the prospect of Option A.

The following *strengths* were noted in relation to the **CATI survey**:

- Survey length and complexity – the length and level of complexity did not place unnecessary burden on the respondent (less than 10 minutes duration), whilst allowing for sufficient coverage of key topics relevant to the proposed redevelopment.
- Questions asked allowed for interrogation / analysis of the data – they allowed for the measurement of community sentiment regarding the proposal overall, as well as the ability to:
 - delineate perceptions across different aspects of the proposal (including the EGMs), as well as by different demographics (e.g. age, gender, etc);
 - measure the level of support, as well as the proportion who actively oppose the proposal and the reasons why; and
 - test strength of opposition among those who were opposed to the redevelopment proposal due to the inclusion of EGMs, via testing whether such individuals could be persuaded to support the proposal when informed that the redevelopment would only proceed with the inclusion of 50 EGMs.
- Details provided to allow for informed decision making – the survey provided some level of detail to respondents regarding the proposed redevelopment and included explicit mention of EGMs and the proposed number to be included (this is important given they are known to be both polarising and integral to the proposal).
- Consideration was made to minimising of biases in the design of the questionnaire – including careful design of the question wording and response scales, rotation of response options, and masking the



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identity of the 'survey sponsor' / key details until the initial screening had taken place (ultimately few respondents were not previously aware of the proposal (16%)).

The following potential *areas for improvement* were noted in relation to the **CATI survey**:

- The response scales used were appropriate, albeit relatively simple. While the use of simple and short response scales for CATI has data quality benefits due to these being relatively easily understood, the analytical value of the data collected could have been enhanced through:
 - the use of a 5-point scale to measure 'support / opposition' (e.g., strongly support, support, do not care, oppose, strongly oppose) and 'better / worse'; and
 - splitting out 'unsure' and 'do not care' response options, to gain an understanding of the extent of respondent uncertainty versus neutrality.
- The questionnaire provided for review appeared to have some misalignment between question text and response options, and questions out of order, however the reviewers have assumed that these were aligned and ordered accurately when data collection took place (e.g., Q1, Q2, Q3).

Data collection / fieldwork

Community surveys are routinely conducted using a range of **data collection methodologies**, however the most common include CATI, online or via hard copy / mail. Overall, both surveys in this case utilised a common and appropriate data collection methodology. It is worth noting, however, that there are known strengths and limitations of each data collection method.

- For instance, **online surveys** are known to be accessible to most of the general population, however, may reach fewer people in older age groups or vulnerable groups in the community due to issues with access or technology. The ability to capture a representative sample of a community of interest can be difficult due to sample list availability limitations.
- In relation to **CATI surveys**, these are also known to be a sound method of reaching the general population though there is strong evidence that older people and females are more likely to participate via telephone surveys. Coverage issues can also arise due to lack of access to lists of telephone numbers for people being targeted by the survey.

These strengths and limitations should always be considered when determining the most appropriate methodology and corrected for, or at least considered, in the analysis and interpretation of results where possible.

In this case, the online survey analysis did not consider these potential limitations, whilst the analysis conducted for the CATI survey indicates that the researchers did broadly consider such aspects in their design.

The **sampling methods** also varied across the two surveys.

- The **online survey** recruited / sampled respondents via an invitation to visit the survey website and complete the short survey. This invitation was advertised on two billboards displayed on the Romsey Hotel site.
- The **CATI survey** contacted potential respondents via telephone call using a sample drawn from the Sample Pages database of Romsey residents (or those living within 5kms) and invited individuals to provide feedback using a recruitment script.

Strengths and weaknesses – data collection / fieldwork

A review of both surveys noted a range of both strengths and weaknesses regarding the data collection / fieldwork.

One *strength* of the **online survey** fieldwork was that it allowed for respondents to easily access the survey and complete it in their own time / at a convenient time for them, minimising burden.



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The following *weaknesses* were also noted in relation to the **online survey** data collection / fieldwork:

- The sampling method – the method utilised for the online survey respondent recruitment did not allow for the collection of a random or representative sample of the Romsey Community. It relied on potential respondents noticing the billboards on the hotel site (so they would need to have been travelling past the site) and opting in / self-selecting to participate, hence the responding sample was likely to have been somewhat engaged with the issue prior to participating in the survey.
- Lack of screening or demographic information collected – as also noted in the previous section, this lack of data meant that no assessment of sample representativeness could be made. Furthermore, other sample characteristics that were not known included whether the sample contained non-residents of Romsey, those under the age of 18 years or those with a vested interest.
- Use of an ‘open’ survey link with no registration required – despite this facilitating easy access to the survey and minimising respondent burden, it also conversely allows respondents to enter and respond to the survey more than once.

Taken together, the above weaknesses mean that there is a very high risk that the online survey respondents are not representative of the Romsey community.

The following *strengths* were noted in relation to the **CATI survey** data collection / fieldwork:

- The sampling method – the method utilised for the CATI survey respondent sampling was in line with professional research industry standard practice and allowed for the collection of a sample of an appropriate size, with no risk of duplicate responses.
- The screening of respondents upfront – plus collection of demographic characteristics (not just for screening purposes) to optimise the sample and allow for the researchers to assess sample representativeness.

See ‘reporting’ section below for details regarding the limitations associated with the CATI survey sampling method.

Reporting

Reports or outputs produced to illustrate research findings can vary substantially in terms of format, look and feel, and content. However, it is important to provide sufficient detail for the reader to have a clear understanding of the ‘story’ or key results. Depending on the project, ideally any reporting should also contain information for the study to be reproduced in future, if desired (i.e., include some background and methodological details).

- The **online survey** results that were available for review included a simple output of the percentage (%) endorsement per option, as well as the number of responses this represented (n=). Although brief and limited, it was reported in a clear manner and made use of all available data.
- The **CATI survey** results were presented in a summary report (see Appendix A for full report) which included details such as: the background, objectives and methodology, previous research (i.e., the online survey referred to throughout this report) and sampling and sample representativeness. The report also included both an executive summary of results and more detailed ‘key findings’ and ‘other’ results.

Strengths and weaknesses – reporting

One *strength* of the **online survey** results output was that it was simple and clear, however given that only one question was asked, the outputs and reporting were *limited* to only this simple frequency. The survey design did not allow for further analysis of the results to aid interpretation or understanding.



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The *strengths* of the **CATI survey** results report included:

- The inclusion of sufficient background details – these included details around the survey background, project objectives and sampling and methodology, plus some limitations / biases to aid in reader comprehension and understanding.
- Presentation of results – results were clearly reported throughout the text and charts as percentage (%) endorsed as well as sample size (n=) where appropriate and the text concisely described the key results and provided coverage of most questions.
- The use of data visualisations / charting – charts were used effectively to present key results in a clear and appropriate manner.
- Additional analysis beyond descriptive statistics – analysis by subgroups of interest / crosstabulations and regression analysis were undertaken in some cases, which provided additional results of interest and aided in the interpretation of results.
- Rationale for not weighting – the inclusion of this rationale in the appendix to the report provided transparency to the reader as to the steps taken and rationale for the final decision not to weight the data.

The *weaknesses* of the **CATI survey** results report included:

- Omission of key response rate / sampling information – the report did not mention the overall response rate for the CATI survey or the size of the sampling frame (list of phone numbers called). A low response rate would increase the risk of non-response bias.
- No consideration of coverage error – coverage error occurs when the sampling frame does not adequately represent the underlying population. The greater the discrepancy between size of the sampling frame and the size of the total Romsey population, the greater the risk of coverage error. This was not included as a limitation in the report. Given the size of the sampling frame is not known, it is not possible for this report to assess coverage error explicitly.
- The use of confidence intervals – the report is potentially misleading in its use of confidence intervals in the appendix. Given it was a census of all members of the sampling frame (i.e., it was a non-probability sample), it is not technically valid to use confidence intervals.

Finally, it should be noted that unit record data was unavailable to support this review, so no assessment can be made regarding the data specifically, including the management or treatment of data.

Conclusion

A review of the two surveys based on what may be expected in terms of best practice survey design highlighted a range of strengths, as well as some weaknesses, limitations, and potential areas for improvement.

Overall, the **online survey** was found to be easy to use, and it obtained a fast turnaround read on community sentiment. However, there were several weaknesses that mean that there is a very high risk that the survey results do not accurately reflect the views of the overall Romsey community. These weaknesses related particularly to the sampling method, as well as the questionnaire design.

Overall, the **CATI survey** was found to adequately meet standard professional industry practice in regard to survey design. The questionnaire was found to have some potential areas for improvement, though it suitably met the intended objectives of the survey. The report clearly presented the findings and included some discussion of limitations and rationale for decisions made (such as the decision not to weight the data). However, it did not discuss several drawbacks, such as the potential for non-response bias or coverage error. Considered together, these limitations raise a significant risk that the results may not be representative of the underlying population views. As a result, the findings reported may be used as one source of evidence but should not be relied upon as definitive.

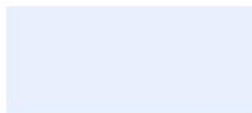
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Appendix A: CATI survey report



Romsey Hotel Development
Community Survey 2023
June 2023



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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

RESEARCH REPORT

Romsey Hotel Development
Community Survey 2023

June 2023

Prepared by: Dr Don Porritt

Document Reference: 6704

Version: 04



Taverner Research Group | T +61 2 9212 2900 | W www.taverner.com.au

A Level 2, 88 Foveaux Street, Surry Hills, NSW 2010, Australia |

Taverner Research Group is wholly owned by Toburno Pty Ltd | ABN 93 003 080 500

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1. EXECUTIVE SUMMARY

There was majority support (over 75%) for a total redevelopment package to re-open the Romsey Hotel. This was despite inclusion of a lounge bar with 50 gaming machines – that being opposed by 48% and supported by 34%.

The majority of respondents believed the proposal (including the gaming machines) would make life in Romsey better (67%) while only 16% believed it would make life in Romsey worse.

A CATI (telephone) survey was conducted of a sample of n=400 adult residents of Romsey and the area within a ten-minute drive of the town, to test attitudes to a package of changes that would lead to re-opening of the Romsey Hotel (the only hotel in Romsey) that has been closed for several years.

There have been previous attempts to redevelop the Hotel and introduce gaming machines. A key point of contention over time has been the inclusion of gaming machines in the redeveloped hotel.

This report describes a CATI survey conducted in May 2023, designed and conducted to meet best practice standards (although not being able to sample purely at random from the target population). A sample of n=400 adults was obtained.

Key results showed that:

- 77% of the sample supported the total package, and less than 20% opposed it
- This was despite 48% of the sample being opposed to inclusion of a lounge bar with 50 gaming machines” while 34% supported this
- 67% of the sample believed the proposal would make life in Romsey better and 16% that it would make life in Romsey worse

- The main basis for objections to the total package were opposition to the bar with 50 gaming machines and to the inclusion of a lounge with a TAB
- Support for other elements of the total package was strong, including the proposal that the hotel be managed by the Romsey Football and Netball Club, and that all profits be distributed to community groups based on decisions by a Board of Trustees
- While Romsey adults are more likely to oppose than support inclusion of 50 gaming machines in the redeveloped hotel, most still supported a package that includes these machines. The perceived benefits appear to outweigh the concerns many feel about the effect of gaming machines.
- Other results indicated that almost all adults in Romsey are aware of multiple pubs or clubs in the surrounding area and that most visit some of these at least once a year.
- During such visits, 17% of the sample reported that they use gaming machines, and 4% do so at least once a month. Only 6% of those that reported they have used gaming machines in the past year said they do so at least once a week and 24% of them do so at least once a month.

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1. EXECUTIVE SUMMARY



- Most residents believe that life in their community is good and do not believe that the redevelopment will make life worse.

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2. PROJECT BACKGROUND AND OBJECTIVES

2.1. BACKGROUND

In 2005, the owner and operator of the Romsey Hotel sought approval from the Macedon Shire Council to redevelop the hotel. The redevelopment was to include a gaming room with 30 electronic gaming machines (commonly called "poker machines").

Council rejected the proposal, and the rejection was subsequently upheld by the Victorian Civil and Administrative Tribunal (VCAT).

It is now proposed that the Romsey Football Netball Club will lease the redeveloped Hotel from the owner. The proposal is subject to obtaining permission to operate gaming machines at the Hotel.

Achieving the survey objectives

The steps taken to achieve the objectives were:

- Completing a CATI survey of n=300 or more adult residents of Romsey and its surrounding area (a five km radius) by calling numbers from a substantial data base of mobile and fixed line numbers of people living within the target area. Note that n=400 completed interviews were eventually achieved
- To design the questionnaire to obtain unbiased opinions about:
 - Support for, or opposition to, the proposed development, including gaming machines
 - The perceived level of community well-being
 - The perceived impact on community well-being of the development proceeding
- To test whether the results can be regarded as fairly representing the views of the Romsey adult community on the issues covered
- To minimise bias that might result if those approached were told that the survey was about the redevelopment of the Romsey Hotel, by stating that the survey was "about a proposed entertainment development in the town"
- Also to minimise bias, if a respondent asked on whose behalf the survey was being conducted, they were told that telling them this might bias their replies to some items, but that it would become clear during the interview and be explained at the end
- To obtain data from consenting respondents about...
 - Their demographic characteristics (age group, gender, whether living in or within five kms of Romsey, and length of residence)
 - The frequency of visiting hotels and clubs
 - The nature of their activities when making such visits, including whether they play EGMs
 - For those who reported playing EGMs, how often they do so
 - Their awareness of the proposed redevelopment of the Romsey Hotel, with key features of the proposal being read out

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2. PROJECT BACKGROUND AND OBJECTIVES

- To assist recall of these elements, respondents were then asked whether they:
 - A. support, oppose or do not care about that element OR
 - B. oppose, support or do not care about that element
 (Which version – A or B – was asked, was rotated to minimise bias due to the ordering of the response options)
- Whether they:
 - A. support, oppose or do not care about that element OR
 - B. oppose, support or do not care about that element
 the total package of changes to the hotel
 (Which version – A or B – was asked, was rotated to minimise bias due to the ordering of the response options)
- If they opposed the package or said they did not care or were unsure, they were to say what leads them to that opinion
 Replies to this question were recorded as expressing objections to gaming machines, or something else, and if something else to describe that concern.
- If they opposed the package or said they did not care or were unsure, they were reminded that the redevelopment would go ahead only if the EGMs were approved, and asked to confirm or change their previous response
- A rating of the perceived level of well-being of the Romsey community
- The perceived effect on the wellbeing of the Romsey community if the proposed development went ahead
- Use as a sample frame, phone numbers of individuals drawn from the Sample Pages national data base, that included mobile and/or fixed line numbers of individuals and households that have taken part in previous surveys and consented to be contacted again
- Individuals drawn from this database were all those that could be identified as residing within the target area centred on Romsey
- No further sampling was required as all individuals with one or both types of phone numbers included in the sample frame were called

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2. PROJECT BACKGROUND AND OBJECTIVES

2.2. PREVIOUS RESEARCH AND ENGAGEMENT

The Romsey Hotel was closed in 2017 after several successive tenants were unable to operate the Hotel profitably.

In response to community pressure to reopen the Hotel, further proposal is being prepared on behalf of the Romsey Football and Netball Club. It is proposed that the club will lease the hotel, and distribute profits to the community with decisions about the recipients being made by the Board of a Community Trust.

The owner of the Hotel conducted a preliminary survey to ascertain if community sentiment had changed since the last proposal.

The survey was conducted online. Invitations to take part, with a link to the survey, were publicised on two billboards erected on the Hotel site on 23rd February 2023. The survey was closed on 2nd March 2023.

The survey website included images of the expected appearance of various parts of the renovated premises. One image included views of two EGMs but none showed the internal appearance of the gaming room.

The survey asked participants to vote for one of three options. The options appeared under renderings of how the hotel will look once renovated, with an optional link to other renderings.

The headlines of the options and optional drop down text with each, were as follows:

Option A – Romsey Community Hotel

*Drop down text that could be viewed by clicking on the heading stated:
The preferred option for the current hotel site is to establish a new hotel.*

There is overwhelming feedback from the Romsey community that they want a pub in their town. Historically there were 6 hotels in and around the town but now there is none and the possibility that Romsey will never again see a hotel. Therefore it is essential that as many people as possible vote to re-establish the Romsey Community Hotel, and lobby Council and local MPs to assist this dream to be realised. The Council predicts that shortly Romsey will be classed as a major town of over 10,000.

The new hotel is proposed to be operated by the Romsey Football Netball Club, where all profits are shared by the local community. The distribution of all profits to local clubs and charities to be decided by a board of trustees, made up of eminent local people, annually.

The fully renovated hotel will be spectacular. It will be a great social and economic asset for the area. It will attract travellers and tourists as well; a destination venue of which Romsey can be proud. More importantly, for Romsey and district residents, it provides a traditional social hub that has been missing for 6 years.

It is envisaged that the local RSL Branch will be housed in the new Hotel.

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2. PROJECT BACKGROUND AND OBJECTIVES

Expected employment will be 70 people, providing full and part-time work, and importantly apprenticeships for local young people. It is multi-faceted so that everyone can find their own niche. From al fresco dining out the front to a café/bakery, wine bar, gaming, sports bar, function room and family bistro this hotel ticks all the boxes for young, old and, importantly, families. The level of interior and finish is high-end.

Option B – Convenience Restaurant

Another option for the site is a convenience fast food restaurant providing takeaway and dine in facilities. This would (sic) of a modern premises.

On a (sic) the most important gateway site in the town, it would provide a clean and tidy entrance. It would provide a good and quick service, and provide local employment.

**Indicative representation only*

Option C – High Density Housing Development

This option would meet the need for housing in a high-population growth commuter town.

This option would enhance the amount of affordable housing in Romsey and importantly have a substantial amount of units dedicated to social housing which is missing in Romsey.

**Indicative representation only*

The results obtained during the period that the survey site was open were:

- Option A 1,612 (95.5%)
- Option B 61 (3.6%)
- Option C 15 (0.9%)

Critique of the owner's survey

The sample for this survey was completely self-selected and would only include people who already were engaged with the issue and were likely to have strong views about whether and in what form the hotel should re-open.

It could have included people who were not residents of Romsey, and children as well as adults. No data were collected about the characteristics of those completing the survey.

There was no way to prevent people voting multiple times.

Option A was elaborated in considerable details (despite some lapses of grammar) listing a substantial number of benefits, and no potential detriments.

Option A did not mention that a gaming room with 50 EGMs was an integral and essential part of the option.

The other options were much shorter and listed only a small number of benefits for each. They might not include the most attractive feasible alternatives.

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2. PROJECT BACKGROUND AND OBJECTIVES



Thus, although the results suggest a substantial level of support for the refurbishment and reopening of the Hotel, the survey methodology was not rigorous.

Council's Survey Requirements

Council's criteria for approval of any application to operate gaming machines within the Shire require that the application include:

"Findings from an academically rigorous representative social impact survey from a CATI generated random digit dial sample of no less than 500 (or 300 in smaller towns) residents and businesses from the local community within a 5-kilometre radius of the proposed venue. The survey should measure current and anticipated levels of community satisfaction (happiness, contentment, and wellbeing) from living in the local area and having regard to the application with information on anticipated losses to players per year included in the preamble."

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2. PROJECT BACKGROUND AND OBJECTIVES

2.3. SURVEY OBJECTIVES

This report describes the methodology and results from a survey of Romsey adult residents designed to meet the requirement of Council's policy as already quoted.

The survey objectives were:

- To assess support for versus opposition to the proposal to redevelop and re-open the Romsey Hotel, taking into account the major features of the proposal
- To do so using a rigorous survey methodology that would, as nearly as possible, approximate conducting a survey with a true random sample of the affected adult population and come as close as possible to meeting Council's requirements

2.4. SAMPLING, RANDOMNESS AND REPRESENTATIVENESS

No voluntary survey sample is truly random, as the probability of participation varies with characteristics such as whether an individual lives in a household with a fixed line phone, has a mobile phone, is willing to answer calls from an unknown phone number, is reachable during the hours that contact calls can legally be made, and can be interviewed in English.

Demographic bias is found in all survey samples unless strict quota controls are applied. Strict quotas defeat the aim of randomness and with small populations such as for this survey result in unacceptably small samples.

Known biases repeatedly found in CATI population surveys include:

- Women being more willing to be surveyed than men and people aged 60 and over being more accessible and willing to be surveyed than people aged under 35
- If a CATI survey only calls fixed line numbers (which can be selected at random) this excludes 40% or more of the adult population; calling mobiles misses only around 5%
- People with lower levels of formal education than others of the same age group and gender are less willing to take part in surveys than people with more advanced educational qualifications and so survey samples over-represent people with university qualifications and under-sample people who did not complete the upper level of high school (currently Year 12)

A fully random basis for calling residents of an area can only be achieved by access to the national IPND data base of connected residential and personal mobile numbers. This is not legally possible unless a survey is carried out for the Australian government or for some very narrowly defined purposes including health research.

The sampling procedures adopted for this survey are "best practice" for approximating a random sample survey in Australian CATI surveys and have been found to produce replicable and robust results.

Representativeness

Given a sample with demographic bias, the issue then rises of whether the sample properly represents the distribution of views in the target population.

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2. PROJECT BACKGROUND AND OBJECTIVES



On the face of it, following common practice and weighting the data obtained so that the weighted distribution on demographic characteristics matches known population distribution (based on ABS census data) appears a sensible method to improve the representativeness of survey data with demographic biases.

This procedure has the drawback that it reduces the precision of estimates of the population distribution of replies to key items, and will only reduce any bias in such estimates if the responses to the key items are correlated with the demographic variables – in this case with age group and gender.

The solutions adopted here are:

- Ensuring there are sufficient numbers in each age range by gender combination to give a robust basis for weighting, if weighting proves to be justified
- Testing the effect of weighting on the population estimates, and only applying weighting where the change in the estimates is sufficient to outweigh the loss of precision
- Minimal use of weighting when comparing subgroups within the sample, as weighting results in loss of the power to detect differences that truly exist in the population between the sub-groups being compared

Given the loss of precision if weighted and the small differences between unweighted and weighted results in this report we have given unweighted results (see Appendix 2 for further details about the effects of weighting).

2.5. THE SURVEY

A CATI survey was conducted drawing on a data base of individuals with fixed line and or mobile numbers known to reside in Romsey or within five kilometres of the township. Interviewing commenced on 11th May 2023 and concluded on 22nd May 2023. The survey checked that all respondents lived within a ten minute drive from Romsey.

A sample of n=400 was achieved by:

- Leaving messages on mobiles or fixed line numbers that reached an answering service
- Using a "number calling" display with a 03 prefix
- Calling back anyone who refused but had not stated that they wished to be removed from the data base or to not be called again ("soft refusals")

The questionnaire text is shown in the Appendix.

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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

There is majority support (77%) for the proposed redevelopment package for the Romsey hotel, including installation of EGMs.

This is despite more people opposing than supporting inclusion of a lounge bar with 50 gaming machines (48% opposed and 34% support)

A majority of respondents believe the redevelopment will make life better (68%) and a minority believe it would make life in Romsey worse (17%).

A majority of the sample were aware of the proposal to re-open the hotel under management by the Romsey Football and Netball Club (79% aware) or knew that it was proposed to re-open it but were not aware of the involvement of the Club (16% aware).

The sample is sufficiently robust to allow generalisation to the target population.

Weighting by age group and gender made little difference to the results.

3.1. ATTITUDE TO THE PROPOSED REDEVELOPMENT

Figure 1 shows that a clear majority (over 75%) support the total package proposed for the redevelopment, without any mention of the estimated economic benefits of employment and tourism. Opposition was from a small group (under 15%).

Support for three of the specific elements outlined in the survey questionnaire was over 80%:

- Bistro and function room (93%)
- A covered courtyard area (92%)
- A café and wine bar (80%)

Having the Hotel operated by the Romsey Football and Netball Club attracted somewhat less support (73%).

Support was widespread, but lower for including a sports bar with a TAB (which might be due to concerns about gambling associated with inclusion of a TAB).

The only element that attracted more opposition than support was the inclusion of the bar lounge with 50 gaming machines:

- 48% (unweighted; 42% weighted) were opposed
- 34% (unweighted; 39% weighted) supported

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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

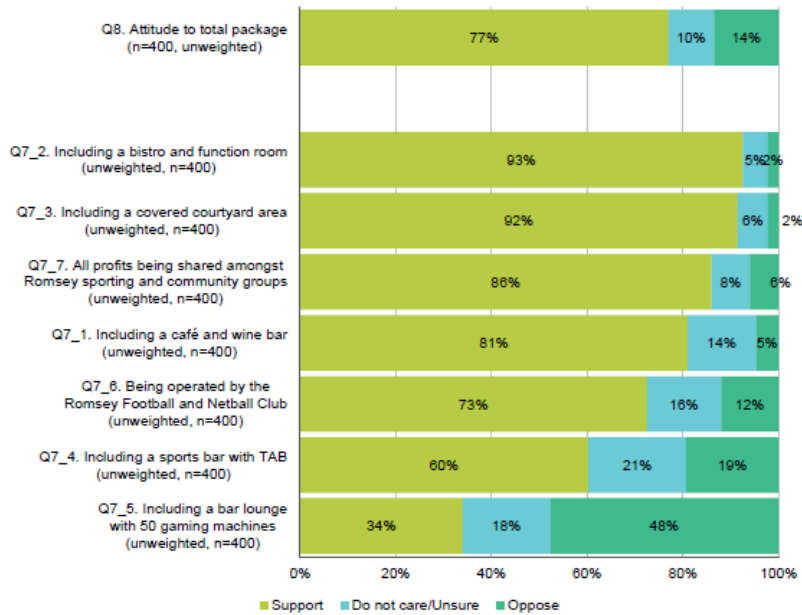
Comment

Whilst the proposal is supported overall, the gaming component was less popular.

This demonstrates the importance of considering the total package rather than isolating the one, most objectionable, element of it. While more people object to gaming machines than want them, for many respondents, any objections they have to gaming machines do not outweigh the other benefits.

Figure 1 Attitude to the redevelopment package and its elements

Q8. Q8 AND DO YOU (ROTATE READING VERSION A OR VERSION B)
 A. SUPPORT, OPPOSE OR NOT CARE ABOUT THE PROPOSED DEVELOPMENT AS A WHOLE?
 B OPPOSE, SUPPORT OR NOT CARE ABOUT THE PROPOSED DEVELOPMENT AS A WHOLE?
 Q7. Q7 I'D LIKE TO ASK YOUR OPINION ABOUT EACH ASPECT OF THE PROPOSAL. DO YOU
 A. SUPPORT, OPPOSE OR NOT CARE ABOUT [NEXT ELEMENT]?
 B OPPOSE, SUPPORT OR NOT CARE ABOUT [NEXT ELEMENT]?



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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

Stability of opposition

Those who were opposed to the total package were reminded that the redevelopment would only go ahead if the bar with 50 gaming machines was approved. Only one person changed position and moved from being opposed to being undecided. Opposition is firm and all those opposed understood that gaming machines must be part of the redevelopment.

Accounting for Overall Support

A multiple regression analysis tested which elements of the proposal had the greatest independent impact on approval of the total package.

As would be expected, the three elements that attracted very high support made little or no contribution to attitudes to the overall package, as so few respondents opposed these.

Four of the elements each made a difference when the other elements were taken into account:

- Support for the hotel being operated by the Romsey Football and Netball Club had the greatest impact on overall support
- This was followed by the impact of support for inclusion of a sports bar with TAB, then
- Support for inclusion of a lounge bar with 50 gaming machines, and finally
- Support for including a covered courtyard area

The most popular elements had little impact because almost everyone supported each of them.

For those who approved of the involvement of the Club in managing the hotel (and distributing profits to the community) it appears this element was reassuring despite the objection many had to including gaming machines (and also to including the TAB).

Those who supported having a sports bar with TAB were also more likely to support the overall package, as were those who supported having a sports bar with 50 gaming machines.

Approval of a covered courtyard also made a small statistically significant contribution. This contribution to explain overall support was probably somewhat limited by the large percentage that supported this element of the package.

Clearly attitudes to gambling, and confidence (if held) in the Club managing the hotel well and distributing funds to the community are key to overcoming the objections to gambling facilities through inclusion of a TAB and gaming machines.

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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

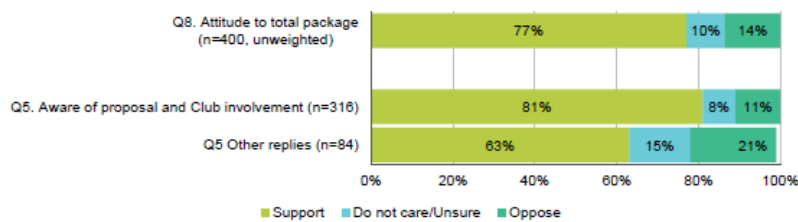
Other influences

Awareness of the proposal (and particularly that the re-opened hotel will be managed by the Romsey Football and Netball Club) increased respondent support for the proposal. Figure 2 shows how attitude to the total package differed between those aware of the proposal and the Club's involvement, and others.

There were quite small differences between those aware of the proposal but not of the Club's involvement (n=21, 5% of the sample) and those not previously aware of the proposal (n=63, 16% of the sample). These two sub-groups have been combined as those giving other replies to Q5.

Figure 2 Effect of prior awareness on attitude to the total package

Q5 WERE YOU AWARE THAT THE ROMSEY FOOTBALL AND NETBALL CLUB IS PROPOSING TO RE-OPEN THE ROMSEY HOTEL? BY Q5 WERE YOU AWARE THAT THE ROMSEY FOOTBALL AND NETBALL CLUB IS PROPOSING TO RE-OPEN THE ROMSEY HOTEL? BASES: AS SHOWN BELOW



Among those who did not support the total package (n=90), opposing the inclusion of a sports bar with 50 gaming machines was:

- Almost universal (95% of n=51) for those who gave objections to gambling as a reason to not support the total package
- Common but significantly lower among those who gave other, non-reason not related to gambling (67% of n=39)

This confirms that much of the resistance to the proposal (but not all of it) comes from concerns about the impact of gambling and of gaming machines in particular.

Other reasons given for opposing the total package included:

- Doubts about the involvement of the Football and Netball Club, mentioning lack of funds to carry out the renovations, inappropriateness for a club with many children involved in its activities, and doubts that the Club has the competence to manage the hotel
- Concerns about the impact on other businesses
- Thinking the town does not need a hotel

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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

- Concerns about the impact on the character of the town of a pub (selling alcohol and offering gambling services) being opened
- Perceived lack of transparency about the full details of the proposal

Each of these issues was raised by only a small percentage of respondents (i.e. less than 3% of overall sample). Clearly the major ground for objection is concerns about gambling and about the impact of 50 gaming machines in particular.

3.2. LIFE IN ROMSEY

When asked how the development would affect life in Romsey if the proposed development was approved in full and went ahead, most respondents (see [Figure 3](#)) said it would make life better (72% weighted, 68% unweighted).

Only 17% said it would make life worse and 15% that it would make no difference or that they did not know what effect it would have.

Clearly whether using weighted data or unweighted data, the majority view was that the total package would make life in Romsey better, and well under 20% thought that it would make life worse.

People who supported the total package mostly believed the development would make life in Romsey better (85%) with very few believing it would make life worse (4%).

Those who opposed the total package all considered the changes would make life in Romsey worse (89%) or could not decide on what effect it would have (11%). None of them thought it would make life in Romsey better.

Those who were uncertain whether to support or oppose the development package split across the three answers to Q12.

Those who supported or were neutral or unsure about inclusion of a sports bar with 50 gaming machines were very unlikely to think that the package would make life in Romsey worse (both 1%), and very likely to think it would make life better (93% and 84% respectively).

Those who opposed the introduction of gaming machines were split, with 45% believing the total package would (still) make life better, 21% that it would make no difference, or were unsure, and 34% believing the package would make life worse.

A substantial minority of those objecting to gaming machines were persuaded by the benefits of the other changes to accept that the package would make life better overall despite their objections to gaming machines.

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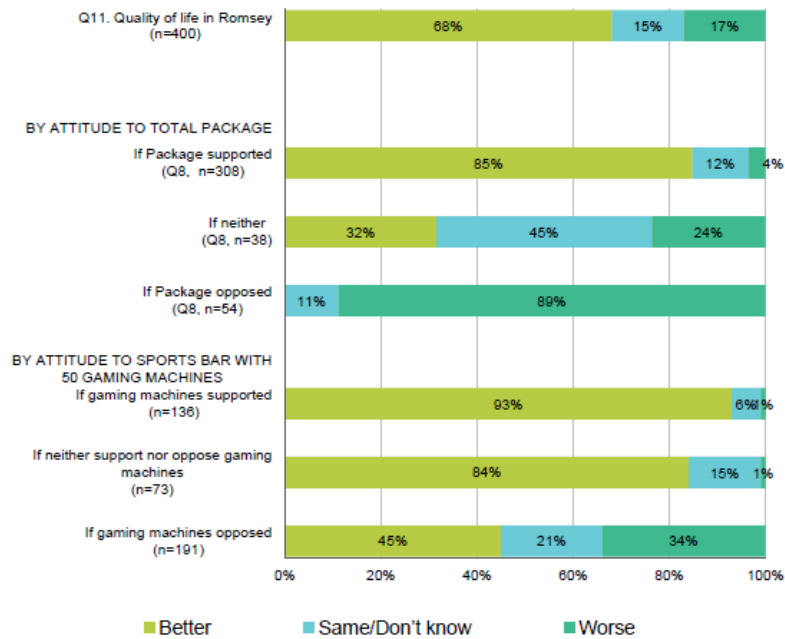


ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

Figure 3 Impact of the development on the quality of life in Romsey

Q12 IF THE PROPOSED DEVELOPMENT OF THE ROMSEY HOTEL WAS APPROVED, WHAT EFFECT DO YOU THINK THAT THIS WOULD HAVE FOR THE ROMSEY COMMUNITY AS A WHOLE? WOULD IT MAKE LIFE ... BASES AS SHOWN, UNWEIGHTED



Quality of life in Romsey

As in most communities, the majority of the sample (see Figure 4) believed life for people in their locality is at least good enough (80%), with over half (58%) rating it as extremely good (15%) or very good (43%).

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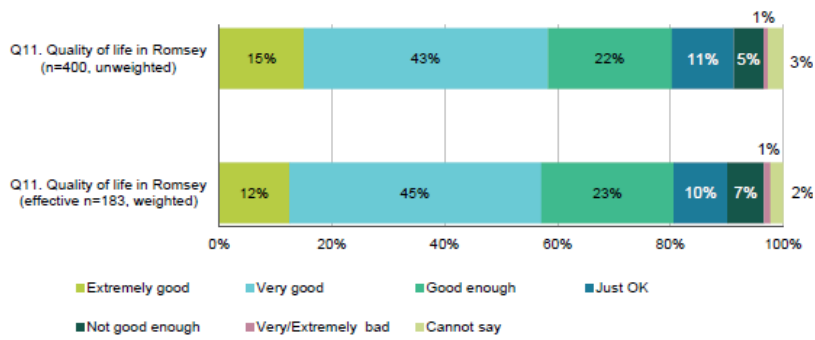


ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

3. KEY FINDINGS

Figure 4 Rated quality of life in Romsey

Q11 WOULD YOU DESCRIBE LIFE FOR PEOPLE LIVING IN ROMSEY AS ...
SEE LEGEND FOR RESPONSE OPTIONS. "CANNOT SAY" WAS NOT READ OUT





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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

4. OTHER RESULTS

Most residents (97%) could name at least one hotel or club in their area, with the Lancefield Hotel the venue that was mostly likely of those listed in Q1 to be mentioned (83%). Many named other establishments not included in the list.

Awareness and Visiting of Venues

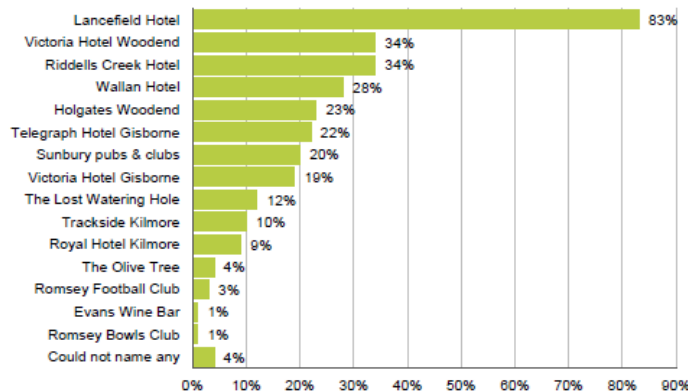
The unweighted frequency of venues being mentioned are summarised in Figure 5.

The Lancefield Hotel was by far the best known (named by 83%), followed by the Victoria Hotel in Woodend (and some others mentioned Woodend without naming the venue) and Riddells Creek Hotel (both named by 34%). Some others not listed in the pre-codes shown to the interviewers were mentioned by more than 1% but less than 10%. Some 6% mentioned a brewery and 3% Woodend without naming the venue.

Figure 5 Awareness of pub and club venues

Q1 WHICH OPERATING PUBS OR CLUBS ARE YOU AWARE OF WITHIN A 30 MINUTE OR SO DRIVE OF ROMSEY?

BASE: TOTAL SAMPLE (n=400 unweighted)



The venues most likely to be attended at least once a month by those aware of them were:

- The Lancefield Hotel (29% of n=331 aware of it)
- Romsey Football Club (25%, but only n=12 aware of it)
- Telegraph Hotel Gisbourne (12% of n=89 aware of it)
- Victoria Hotel Gisbourne (16% of n=77 aware of it)
- Holgates Woodend (11% of n=93 aware of it)

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4. OTHER RESULTS

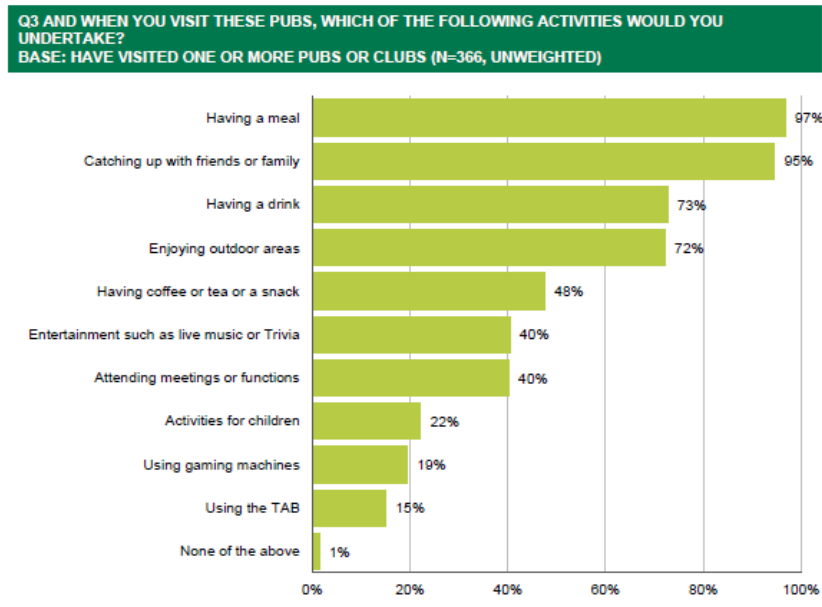
Other venues named (mostly by small numbers) that were not on the list, when taken together, were visited once a month or more by around 20%.

Activities When Visiting

The most common activity reported when visiting a pub or club was having a meal (97% of those who had done so in the past year) and catching up with friends and family (95%). Having a drink (73%) and enjoying outdoor areas (72%) were the other activities reported by more than half (see Figure 6).

Using gaming machines was reported by only 19% of those asked – well behind using activities for children and just ahead of using the TAB (15%).

Figure 6 Activities when visiting pubs or clubs



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4. OTHER RESULTS

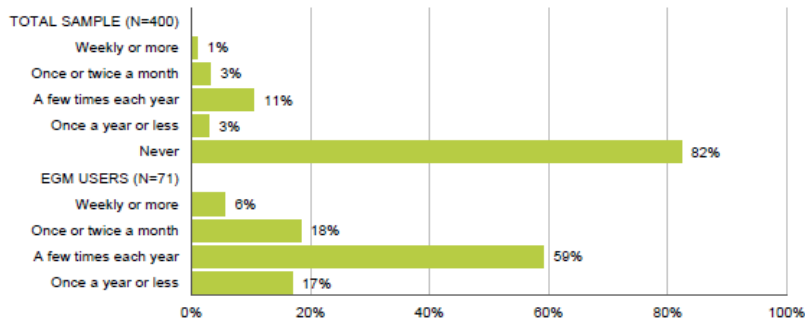


Frequency of Using EGMs

Only 18% of the sample reported they had used gaming machines when visiting venues in the past year. Figure 7 shows that around 1% of the sample does so at least once a week, and only 6% of those who use EGMs do so this often. Most of those who had used EGMs reported that they did so a few times a year (59%) or once a year or less (17%).

Figure 7 Frequency of using EGMs

Q4 YOU MENTIONED THAT YOU SOMETIMES USE GAMING MACHINES. APPROXIMATELY HOW OFTEN WOULD YOU DO THIS?
 BASE: TOTAL SAMPLE (N=400, UNWEIGHTED) AND THOSE WHO USE (N=71)



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ROMSEY HOTEL DEVELOPMENT: REF 6704, JUNE 2023

5. APPENDICES

5.1. APPENDIX 1: THE QUESTIONNAIRE

INTRO: Good afternoon/evening, my name is (name) and I'm calling from Taverner Research. We are conducting a short telephone survey of residents aged 18 and above living in and around Romsey, about a proposed entertainment development in the town.

The survey will take less than 10 minutes, and any information you provide will be confidential. The details of the development will be revealed within the first few minutes of the survey. Would you be willing to assist us with your feedback on this?

Researcher note: If residents asks for name of survey sponsor up front, explain this may bias their response. But you can say it will be revealed within the first few questions.

(If no) try to arrange callback, or see if someone else in the household is willing to assist. Otherwise thank and terminate.

S1 (If yes) Thanks so much. Can I just confirm you live in Romsey, or within a 10 minute drive of the town centre?

1. Yes
2. No **Thank and terminate**

D1 Into which age range would you fall

Single response, Read out.

1. Under 18 **Thank and terminate**
2. 18-39
3. 40-59
4. 60-79
5. 80+

D2 And with which gender do you identify?

SINGLE RESPONSE, READ OUT.

1. Male
2. Female
3. Non-binary or other

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5. 0BAPPENDICES



D3 How long have you lived in this area? Would it be:

SINGLE RESPONSE, READ OUT.

1. Less than 5 years
2. 5-10 years
3. 11-20 years
4. More than 20 years

D4 And could I just have your first name for the survey please?

OPEN ANSWER

Q1 Thanks so much (D4). To get us started, which operating pubs or clubs are you aware of within a 30 minute or so drive of Romsey?

(PIPE IN NAME OF PUBS MENTIONED IN Q1)

1. Weekly or more
2. Once or twice a month
3. A few times each year
4. Once a year or less
5. Never

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5. 0BAPPENDICES

Q3 And when you visit these pubs, which of the following activities would you undertake?

DO NOT ASSIST – CODE BELOW. IF THEY MENTION THE ROMSEY HOTEL, SAY “THIS QUESTION ONLY APPLIES TO CURRENTLY OPERATING PUBS.” (ROMSEY HOTEL IS CURRENTLY CLOSED.)

1. Evans Wine Bar,
2. Holgates Woodend.
3. Lancefield Hotel,
4. Romsey Football Club,
5. Romsey Bowls Club,
6. Royal Hotel Kilmore,
7. Telegraph Hotel Gisborne,
8. Trackside Kilmore,
9. Victoria Hotel Gisborne,
10. Victoria Hotel Woodend,
11. Wallan Hotel,
12. Other [SPECIFY]
13. Other [SPECIFY]
14. Other [SPECIFY]
15. Can't name any pubs or clubs Skip to Q5

Q2 And thinking about these pubs or clubs, how often would you visit them?

READ OUT AND TICK ANY THAT APPLY OR “NONE OF THE ABOVE”

1. Having a meal
2. Activities for children
3. Entertainment such as live music or Trivia
4. Using gaming machines
5. Enjoying outdoor areas
6. Catching up with friends or family
7. Attending meetings or functions
8. Having a drink
9. Having coffee or tea or a snack
10. Using the TAB
11. None of the above

ASK Q4 IF Q3 = 4. IF CODE 4 NOT SELECTED IN Q3 GO TO Q5

Q4 You mentioned that you sometimes use gaming machines. Approximately how often would you do this?

1. Weekly or more
2. Once or twice a month
3. A few times each year
4. Once a year or less

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5. 0BAPPENDICES

Q5 Thanks so much (D4). This survey is about a proposed development of the Romsey Hotel. I'd like to briefly explain what is proposed, and then get your feedback on various aspects of the development.

A major development of the hotel is proposed. This will include construction of a large bakery/café and bistro with fireplace, an outside courtyard, a children's play area, a sports bar/TAB, and a wine bar lounge with 50 gaming machines, plus function room. The new pub will be run by the Romsey Football Netball Club, with all profits shared by the local community.

The initial development is estimated to cost approximately \$10million, and result in approximately 70 new permanent and part time jobs.

Were you aware that the Romsey Football and Netball Club is proposing to re-open the Romsey Hotel?

1. Yes
2. Aware the hotel might re-open, but did not know the Club was involved
3. Not aware the hotel might re-open

GRID ITEM

Q7 I'd like to ask your opinion about each aspect of the proposal.
Do you **[ROTATE 50/50 SHOWING A OR B]**

A. support, oppose or not care about including a **[SHOW FIRST ASPECT]**
B oppose, support or not care about including a **[SHOW FIRST ASPECT]**.

THEN ASK

How about ...**[NEXT ASPECT]**

1. Café and wine bar
2. Bistro and function room
3. Covered courtyard area
4. Sports bar/ with TAB
5. Bar lounge with 50 gaming machines
6. Operated by the Romsey Football Netball Club
7. All Profits shared amongst Romsey sporting and community groups

RATING SCALE

1. Oppose
2. Do not care/unsure
3. Support

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5. 0BAPPENDICES

ROTATE 50/50 SHOWING A OR B

Q8 And do you:

A. support, oppose or not care about the proposed development as a whole?

B oppose, support or not care about the proposed development as a whole?

RATING SCALE

1. Oppose
2. Do not care/unsure
3. Support

ASK Q9 IF Q8=1, OTHERS GO TO Q11

Q9 And can you briefly tell me what leads you to (Q8) this development?

MULTIPLE RESPONSE OPEN-ENDED, DO NOT READ OUT. TICK 1 IF GAMING OR POKER MACHINES MENTIONED, RECORD ANY OTHER CONCERNS IN "OTHER".

1. Objects to gaming machines
2. Other (SPECIFY)

ASK Q10 IF Q8=1

Q10 These proposed changes including the increased community contributions mentioned earlier will only go ahead if the whole redeveloped hotel including gaming machines are approved. Knowing that, are you:

RANDOMISE ORDER OF 1 AND 2. ANCHOR 3.

1. Still opposed to the proposed development
2. Now supportive of the proposed development
3. Unsure whether you support or oppose the proposed development

Q11 Now (D4) Would you describe life for people living in Romsey as ...

SINGLE RESPONSE, READ OUT. ROTATE 50/50 SHOWING SCALE FROM 1-7 OR 7-1. KEEP 8 LAST.

1. Extremely good
2. Very good
3. Good enough
4. Just OK
5. Not good enough
6. Very bad

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5. 0BAPPENDICES



7. Extremely bad
8. DO NOT READ OUT: Cannot say

Q12 If the proposed development of the Romsey Hotel was approved, what effect do you think that this would have for the Romsey community as a whole? Would it:

ROTATE 50/50 SHOWING VERSION A OR VERSION B

1. Make life better, worse or make little difference?
2. Make life worse, better or make little difference?

1. Better
2. No difference
3. Worse
4. No opinion/don't know

Q13 Thanks so much (D4), that's the end of the survey. We greatly appreciate your feedback this afternoon/evening.

This survey was commissioned by BSP Lawyers acting on behalf of the Romsey Football and Netball Club as part of the application to the Macedon Ranges Shire Council to redevelop and reopen the Romsey Hotel.

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5. 0BAPPENDICES



5.2. APPENDIX 2: POPULATON, SAMPLE AND WEIGHTING

The sample had sufficient cases in each Age Group by Gender combination to allow calculation of weights to produce a distribution that matches what would be expected if the sample matched the population, once those reporting their gender as non-binary or other are excluded from the total.

Some cell weights were larger (over 2.0) or smaller (under 0.5) than would be desired, resulting in a marked reduction in the effective sample size of the weighted data to n=187.

Key measures showed little relationship to age group or gender.

Given the consequently minimal effect of weighting on the distribution of replies to these questions, it was concluded that the unweighted data can be used as a valid basis for estimating the views of the population.

A total sample of n=400 was achieved.

ABS Census data for the Romsey area do not include people who identify as a gender other than male or female.

To include these in the sample we followed ESOMAR recommendations and gave each a weight of 1.0. The frequencies matching the ABS population distribution were thus calculated for a total of n=397.

The target frequencies that match the population (excluding the three cases with no binary gender), the actual sample frequencies, and the consequent weights are shown in Table 1.

Table 1 Population and sample Age Group by Gender frequencies and weights

AGE GROUP BY GENDER: CATEGORIES	FREQUENCIES TO MATCH ADULT POPULATION	SMAPLE FREQUENCIES OBTAINED	WEIGHTS
MALES	199	177	n/a
18-39	110	29	3.793
40-59	50	75	0.667
60 OR OLDER	39	73	0.534
FEMALE	198	220	n/a
18-39	106	32	3.313
40-59	50	101	0.495
60 OR OLDER	42	87	0.483
OTHER GENDER	3	3	1.000
TOTALS	400	400	n/a

It is desirable that weights not fall outside the range from 0.5 to 2.0. Several weights fell above or below this range.

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Weighted data estimate the distribution of replies to questions that would be expected if the sample had matched the population distribution on age group by gender.

One consequence of the marked departure of the sample from the population age group by gender distribution is that weighted data will have much wider confidence intervals than the unweighted data.

The "effective sample size" is an estimate of the sample size that would (if a perfect random sample had been obtained that closely matched the population) have the same standard error and confidence intervals as the weighted data. The wider the range of the weights, the smaller the effective sample size.

For this survey, the total sample weighted by age group and gender, would have an effective sample size of $n=187$ rather than the obtained $n=400$.

A 95% confidence interval if $n=187$ would be ± 7.2 percentage points for responses that would be given by half the population.

For a sample of $n=400$, the comparable 95% confidence is ± 4.9 percentage points.

The actual effect of weighting on the estimated percentage of the population that support the total package is negligible. Weighting raises the percentage from 77% (unweighted) to 78% (weighted).

If the unweighted result is treated as a random sample of $n=400$, we have 95% confidence that the population value falls somewhere between 72.9% and 81.1%.

For the weighted estimate, we have 95% confidence that the population falls somewhere between 72.1% and 83.1%.

Two points stand out:

- Using weighted or unweighted data to estimate the population level of support makes very little difference (one percentage points)
- Using the unweighted estimate gives considerably higher precision
- Both estimates lead to the same conclusion – that over three I four of the Romsey population support the total package.

The lack of effect from weighting is due to the very weak (and no significant) relationship between age group, gender and support for the total package.

Given this, we concluded that it was appropriate to use the unweighted data throughout this report.

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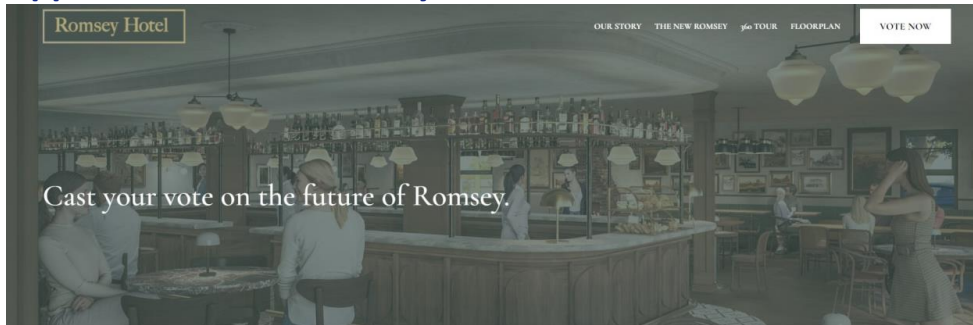
Taverner Research Group
T +61 2 9212 2900 | W www.taverner.com.au
A Level 2, 88 Foveaux Street, Surry Hills, NSW 2010 |
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Appendix B: Online survey screenshots



The Romsey Community Hotel...

After nearly 6 years of gathering cobwebs and dust, it's time to decide the fate of the Romsey Hotel.

Should it be a hotel where the community can come together and share stories over a beer or two?

A Convenience Restaurant where after a day on the tractor you can re-fuel with a burger and fries?

A High-Density Housing Development that will accommodate those looking for a tree-change?

You decide.

It's time to vote and have your say.





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- + Option A - Romsey Community Hotel
- + Option B - Convenience Restaurant*
- + Option C - High Density Housing Development*

Have your say, Vote Now.

Vote Now

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– Option A - Romsey Community Hotel

The preferred option for the current hotel site is to establish a new hotel.

There is overwhelming feedback from the Romsey community that they want a pub in their town. Historically there were 6 hotels in and around the town but now there is none and the possibility that Romsey will never again see a hotel. Therefore it is essential that as many people as possible vote to re-establish the Romsey Community Hotel, and lobby Council and local MPs to assist this dream to be realised. The Council predicts that shortly Romsey will be classed as a major town of over 10,000.

The new hotel is proposed to be operated by the Romsey Football Netball Club, where all profits are shared by the local community. The distribution of all profits to local clubs and charities to be decided by a board of trustees, made up of eminent local people, annually.

The fully renovated hotel will be spectacular. It will be a great social and economic asset for the area. It will attract travellers and tourists as well; a destination venue of which Romsey can be proud. More importantly, for Romsey and district residents, it provides a traditional social hub that has been missing for 6 years.

It is envisaged that the local RSL Branch will be housed in the new Hotel.

Expected employment will be 70 people, providing full and part-time work, and importantly apprenticeships for local young people. It is multi-faceted so that everyone can find their own niche. From al fresco dining out the for young, old and, importantly, families. The level of interior and finish is high-end.

+ Option B - Convenience Restaurant*

+ Option C - High Density Housing Development*

Have your say, Vote Now.

Vote Now

– Option B - Convenience Restaurant*

Another option for the site is a convenience fast food restaurant providing takeaway and dine in facilities. This would of a modern premises.

On a the most important gateway site in the town, it would provide a clean and tidy entrance. It would provide a good and quick service, and provide local employment.

**Indicative representation only*

– Option C - High Density Housing Development*

This option would meet the need for housing in a high-population growth commuter town.

This option would enhance the amount of affordable housing in Romsey and importantly have a substantial amount of units dedicated to social housing which is missing in Romsey.

**Indicative representation only*

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Have your say, Vote Now.

Vote Now

“It’s time for Romsey to reinstate its place to stop and relax. A social centre for the people of Romsey to come together.”

— The Community

What will the Romsey Community Hotel look like?

Here's a 360-degree render of three spaces in the Romsey Community Hotel. It will be a stylish, classic but contemporary hotel that will bring new found energy into the Romsey community.

