



# Euroa Hotel

## Planning Scheme Amendment & Permit Request

November 2015

**URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:**

Director	Jamie Govenlock
Associate Director	Laura Thomas
Senior Consultant	Kathleen Akers
Job Code	Ma8999
Report Number	ma8999 rep001 final

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# Introduction

This report has been prepared on behalf of Blossom Hotels Pty Ltd, the owners of the Euroa Hotel in support of a combined Planning Scheme Amendment and Permit Application request to the Shire of Strathbogie, to facilitate the future redevelopment of the Hotel.

The current planning controls for the Shire do not allow an application for planning permit for the use and installation of gaming machines at the Hotel to be considered.

The purpose of this report is to consider the merits of the proposed Planning Scheme Amendment against the applicable policy planning framework, including the State and Local Planning Policies and controls in the Strathbogie Planning Scheme. A detailed planning permit application has also been prepared for concurrent consideration.

Euroa Hotel is a key social and dining facility in the Euroa Township and has been in operation since the 1880s. The hotel is in need of a major upgrade to more positively respond to customer need. The ability for the Hotel to provide a valuable social, dining and entertainment function is currently diminished due to the aged state of the venue.

The proposal includes the development of a new function room capable of holding functions for up to 160-170 persons, functional changes to the ground floor layout to create a larger bistro area and the introduction of a gaming room with 30 electronic gaming machines (EGMS). Ultimately a second stage is proposed to undertake major refurbishment of the upper level of the Hotel and convert the dated accommodation facilities into contemporary accommodation suites. This second stage does not form part of this formal application.

In addition to this planning report, this submission is supported by the following documents:

- Socio-Economic Impact Assessment prepared by Urbis and includes the *Euroa Hotel Redevelopment – Residents Survey Report* prepared by DJL Consulting;
- Architectural Plans prepared by POP Design.





# 1 The Euroa Hotel

## 1.1 SUBJECT SITE

The Euroa Hotel is located at 67 Railway Street. The total property has a side frontage to McGuinness Street. The Hotel comprises a large double storey period style brick building consisting of a traditional hotel with public bar, TAB/sports bar area, bistro and external beer garden/courtyard. There is upper level accommodation and a drive through bottle shop accessed off Railway Street and the rear car park. The rear car park, accessed primarily from McGuinness Street is currently informal in that it is not fully sealed and is not line-marked. The car park includes an indirect pedestrian access link to the town's primary retail strip on Binney Street.

The property has a total of 5 land parcels as follows:

- Lots 1 and 2 on Title Plan 668526U
- Lots 1 and 2 on Title Plan 670851U
- Lot 1 on Title Plan 898487S

The final lot is currently in separate ownership but subject to an adverse possession claim by the Euroa Hotel owners and its approval is imminent. The redevelopment does not impact this small land parcel.

FIGURE 1 – LOCATION PLAN

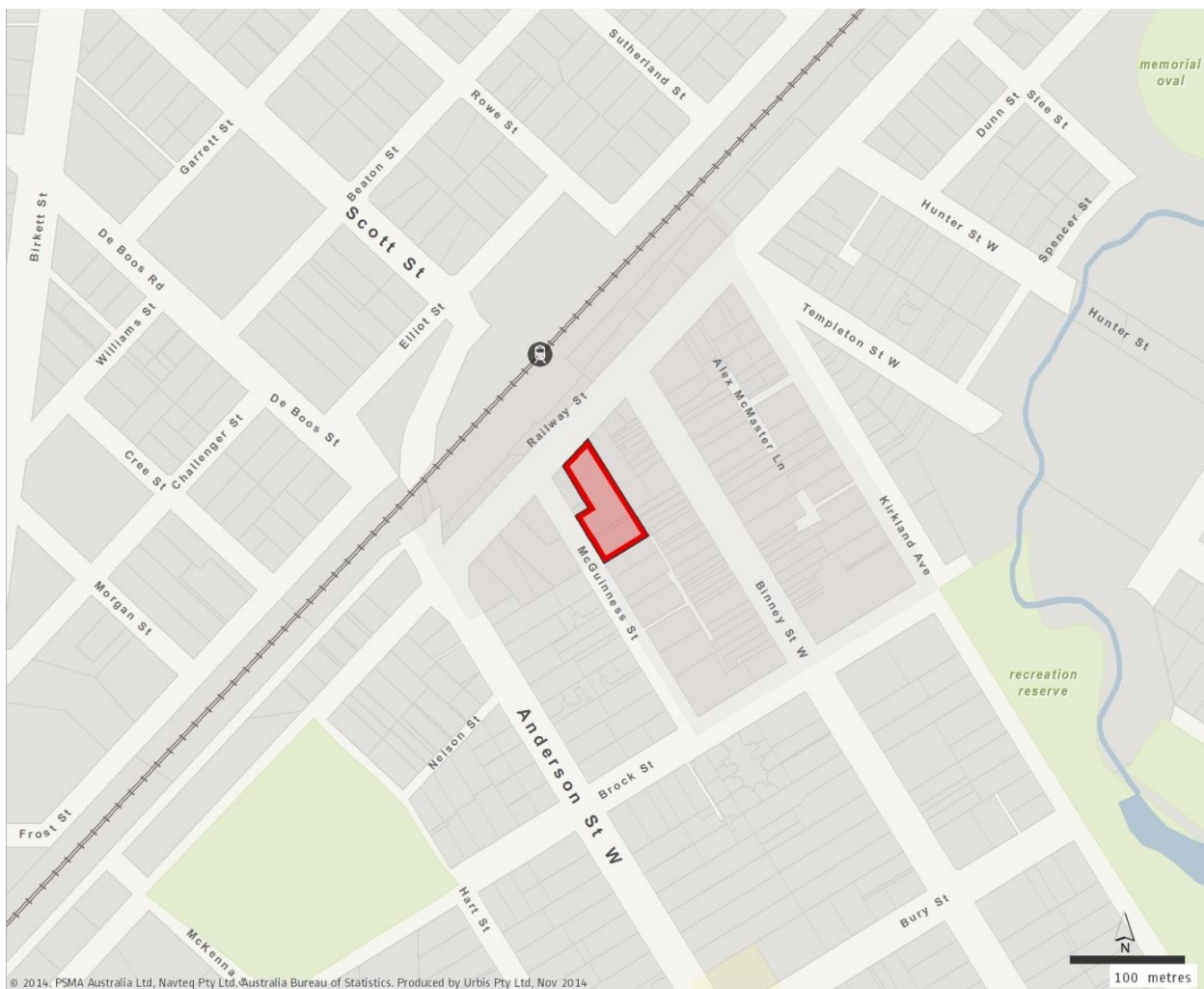
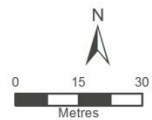




FIGURE 2 – AERIAL PHOTO



 Subject Site



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**Euroa Hotel, Euroa**   
SITE LOCATION



## 1.2 SURROUNDS

The Strathbogie Shire is located in north-central Victoria, approximately two hours from central Melbourne. Strathbogie is a predominantly rural shire including the more commonly known townships of Avenel, Euroa, Nagambie and Violet Town. Euroa's role as a major township is expected to grow to meet the needs of its residents, surrounding rural areas and visitors.

Strategic planning for Euroa seeks to ensure it maintains its traditional role as a rural service centre whilst developing other economic foci. This includes continued development on its offering as a weekend and short break destination.

The locality relevant to the application includes a mixture of commercial buildings including:

- The Euroa Railway Station is located directly opposite the subject site on the northern side of Railway Street.
- Railway Street intersects about 50m to the east of the Hotel with Binney Street, which comprises Euroa's main shopping centre.
- The subject site is located at the periphery of the Euroa Town centre with the focus of main street activity, commercial and retail, on Binney Street, between Railway Street in the north and Brock Street in the south.
- Commercial buildings abut the site to the east and west.
- There are residential land uses south of the subject property on McGuinness Street (although the street also includes some non-residential uses including the fire brigade).

## 1.3 THE HOTEL FACILITIES

The Euroa Hotel currently includes the following facilities:

- A large traditional front bar located at the Railway Street frontage which is the primary entry for visitors (non-locals) to the Hotel. Visitors to Euroa generally access the venue through the Railway Street entrance giving them direct access to the public bar and the TAB/Sports Bar.
- Beer garden located centrally between the two 'wings' of the Hotel, this beer garden suffers from limited seating, weather protection and landscaping.
- Bistro - currently the bistro is located towards the rear of the hotel and very popular but limited in size. Visibility of the bistro for patrons entering via the front (Railway Street) doors is limited.
- Drive through bottle-shop
- Staff and public accommodation is provided on the first floor with a limited number of accommodation rooms (however the aged nature of the rooms and shared facilities means the accommodation is rarely used), and
- At grade, on site car parking in a un-linemarked rear car park.

Whilst the Hotel provides a range of facilities, the current configuration focuses on the public bar rather than other complementary components of the Hotel.

The venue serves an important local role for residents of Euroa and as one of the few venues consistently providing evening meals in the Euroa Township is also an important location for visitors. However the visitor experience is somewhat diminished through the need to access the bistro through the public bar.

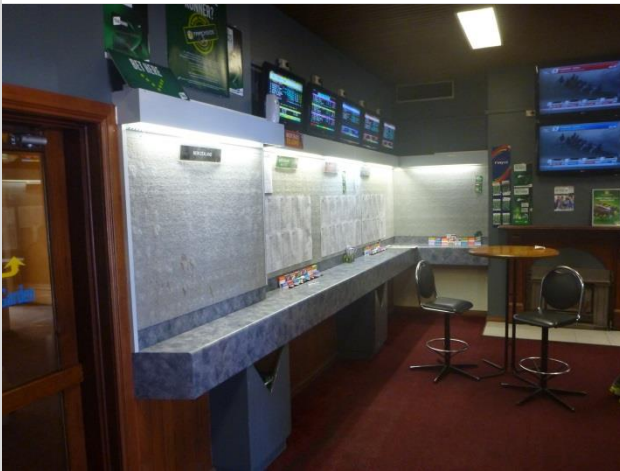
Whilst not on the Council's heritage register, the Hotel is more than 130 years old and hence has significant requirements for upgrades and reinvestment.



BISTRO



PUBLIC BAR



TAB



PUBLIC BAR



ACCESS TO FIRST FLOOR ACCOMMODATION



BEER GARDEN





DRIVE THROUGH BOTTLE-SHOP (FROM CARPARK)



REAR CARPARK



EUROA HOTEL, VIEW FROM RAILWAY STREET

The current liquor licence for the premises (refer Appendix B) allows the following hours of operation:

For consumption off the licensed premises –

- Sunday 10am and 11pm
- Good Friday and Anzac Day Between 12 noon and 11pm



- On any other day Between 7am and 11pm

For consumption on the licensed premises -

- Sunday between 10am and 11pm
- Good Friday between 12 noon and 11pm
- Anzac Day (not being a Sunday) between 12 noon and 1am the following day
- On any other day Between 7am and 1am the day following except for the morning of Good Friday

The Liquor licence also indicates the following maximum capacity:

- Whole of premises: 98 patrons

## 2 The Proposal

### 2.1 THE PLANNING SCHEME AMENDMENT

This Planning Scheme Amendment request seeks changes to the Strathbogie Planning Scheme to allow an application for the use and installation of gaming machines to be considered at the Euroa Hotel.

In particular the amendment proposes to Modify Clause 52.28, Schedule 4; as follows:

- A gaming machine is prohibited in all strip shopping centres on land covered by this planning scheme, except for the land at 67 Railway Street, Euroa, known as the Euroa Hotel (words to be inserted shown underlined).

No other changes to the planning scheme are proposed.

In 2013 an application for a planning permit to, amongst redevelopment works, introduces gaming to the Euroa Hotel was made to the Shire of Strathbogie. The application was approved by the Council and was appealed to VCAT. The application for review was made on various grounds including that the permit application is inconsistent with the Strathbogie Planning Scheme, particularly Clause 52.28-4's prohibition of a Gaming Machine in a strip shopping centre.

The VCAT decision (*Alston v Strathbogie SC [2014] VCAT 760*) did not consider the merits of the application for gaming as it concluded that the installation and use of gaming machines at 67 Railway Street, Euroa was prohibited because the site is in a strip shopping centre.

The scheme amendment as proposed would expressly remove the Hotel from being considered a strip shopping location in the planning scheme. The Planning Scheme Amendment sought does not automatically permit the use and installation of gaming machines but rather allows an application to be considered for this use.

### 2.2 PLANNING PERMIT APPLICATION

A planning permit application has been prepared which reflects the opportunity which would be afforded if the amendment is approved, to allow the use and installation of gaming machines at the Euroa Hotel. The proposed introduction of the gaming room is one element of a broader upgrade and redevelopment of the hotel that will include:

- Upgrade of the existing hotel facilities including the internal rearrangement of uses to shift the bistro to the Railway Street frontage. Adjacent to the new bistro will be a children's play area indicative of the clientele the upgrade seeks to appeal to.
- The public bar/TAB to be moved to the current bistro location, more internal to the site and is reduced in size.
- The current external courtyard is covered in and becomes the gaming room.
- At the rear of the hotel the largest change is the construction of new built form to serve as bistro overflow, bar overflow or be available for functions (either as the full room or as divided smaller spaces).
- The function room allows for an external area that can be serviced from the bar as required.
- An enclosed courtyard at the rear of the expanded building.
- The proposal includes new entries off the rear car park and has been designed to ensure people do not have to traverse the gaming room to move between hotel components.
- Customer amenities will be amended to create facilities in closer proximity to the expanded bistro as well as adjacent to the function rooms.

- A small smoker's area is to be created off the new sports bar.
- The drive through bottle shop is to remain in its current location.
- A new kitchen, store rooms and cool rooms will be constructed.

Stage 2 of the redevelopment will involve the upgrade of the accommodation on the first floor however this will not transpire until the proposed redevelopment demonstrates financial benefits. As part of the proposed redevelopment (ground level) it is expected that the first floor level will be internally demolished when the function centre and gaming room is being demolished.

### 2.2.1 BUILDINGS AND WORKS

This application seeks to facilitate the overall upgrade of the Euroa Hotel that will comprise both internal and external modifications to the existing building to assist in creating a more contemporary hotel. The modifications will significantly improve the internal layout and will provide for a quality dining experience, function facilities and excellent facilities for children.

The key changes to the venue are summarised below:

- Enclosure of the existing courtyard/beer garden with a pitched roof to create a gaming room.
- New single storey built form element to the rear of the existing building that will comprise the function room, overflow bistro, bar, amenities and a new entrance with canopy. The extension will be finished with a brick wall rendered finish and aluminium glazed windows and doors along the building's rear façade.
- A timber pergola will cover the new outdoor terrace along the south east of the building.
- A new feature entrance along the south west side of the building will incorporate a glazed brick wall and an exposed steel structure canopy.
- The layout of the rear extension along with the variety of materials and finishes will make the rear of the Hotel activated and engaging with the public realm.
- The existing public bar and TAB at the front of the Hotel will be converted into the bistro area with an associated indoor children's play area. The relocation of the bistro to the front of the hotel is a positive design outcome that will allow for greater integration with Railway Street. The proposed bistro is targeted at creating a family friendly environment, which is demonstrated through the inclusion of the children's play area.
- There will be no alterations to the façade of the Euroa Hotel.

### 2.2.2 VEHICLE ACCESS, LOADING AND PARKING

The following is proposed as part of the application:

- The proposal will formalise the car park at the rear of the site as it is currently an informal layout with no line marking.
- Provision for 47 (formal) car parking spaces, including two disabled spaces
- One additional cross over and accessway provided along the McGuinness Street frontage. This new accessway will predominantly serve as the 'exit' for the drive thru bottle shop.
- No alteration to the one existing accessway along Railway Street or the two accessways along McGuinness Street.
- A loading bay (6.6m x 3.6m) will be provided along the site's north eastern boundary. The loading bay will be accessed via the car park and provide convenient access into the building.



### 2.2.3 SIGNAGE

Two new advertising signs are proposed as part of the application, including:

- A 500mm x 7600mm sign with the wording 'Euroa Hotel' to be centrally located on the south east elevation.
- A 600mm x 180mm sign advertising the Euroa Hotel located along the south west elevation.

The advertising signs will be illuminated via external spot lights.

### 2.2.4 USE AND INSTALLATION OF GAMING MACHINES

In accordance with Clause 52.28 of the Strathbogie Planning Scheme, a planning permit is required to install or use a gaming machine. The planning permit seeks approval for the use and installation of 30 EGMs at The Euroa Hotel.

It is proposed that the EGMs be able to be operational at the Hotel between the following hours:

- Sunday between 10am and 11pm
- Good Friday between 12 noon and 11pm
- Anzac Day (not being a Sunday) between 12 noon and 1am the following day
- On any other day between 7am and 1am the day following except for the morning of Good Friday.

The proposed hours of operation of the gaming room are consistent with the current hours of operation of the venue. The proposal allows for a minimum of 6 hours gap in gaming play (1am to 7am) but it is more than likely that this would be longer as the current venue does not operate to these extended hours. The application does however seek to retain flexibility in the provision of services at a variety of times at the venue.

## 3 Policy Setting

This section provides a distillation of the key policy considerations of the State and Local Planning Policy Frameworks applicable to the subject site.

There are a range of planning policies and controls which are relevant considerations, including:

- The State Planning Policy Framework, and in particular Clauses 11, 15, 17 and 19.
- The Shire of Strathbogie's Municipal Strategic Statement (MSS).
- The Local Planning Policies contained within the Strathbogie Planning Scheme.

### 3.1 STATE PLANNING POLICY FRAMEWORK

#### 3.1.1 CLAUSE 11: SETTLEMENT

This Clause contains strategies for urban and regional growth. Euroa falls within the Hume Regional Growth (Clause 11.10). The overall objective of Clause 11.10 is

*To develop a more diverse regional economy while managing and enhancing key regional economic assets.*

The strategies for achieving this objective include supporting existing economic activity, encouraging new forms of industry such as tourism. The policy also encourages growth and development of existing urban settlements, including Euroa.

#### 3.1.2 CLAUSE 15: BUILT ENVIRONMENT AND HERITAGE

The Built Environment and Heritage policy recognises the importance of context and quality of the built environment. Heritage and character have an important role to play in creating and maintaining a sense of place and the policy seeks to ensure that developments respond appropriately.

The objective of Clause 15.03 (Heritage) is:

*To ensure the conservation of places of heritage significance.*

This is sought to be achieved through the conservation and enhancement of heritage values places and to *encourage appropriate development that respects places with identified heritage values and creates a worthy legacy for future generations.*

#### 3.1.3 CLAUSE 17: ECONOMIC DEVELOPMENT

Planning has an important role to play in the economic development of Victoria and this policy sets the objective of planning contributing to the economic well-being of the State *by supporting and fostering economic growth and development by...facilitating decisions... so that each district may build upon its strengths and achieve its economic potential.*

Tourism is specifically addressed in Clause 17.03 and seeks:

*To encourage tourism development to maximise the employment and long-term economic, social and cultural benefits of developing the State as a competitive domestic and international tourist destination.*

This will be achieved through the strategy of encouraging the development of *tourism development to maximise the employment and long-term economic, social and cultural benefits of developing the State as a competitive domestic and international tourist destination.*

Tourism development should be compatible and build upon the existing strengths of the urban environment.

## 3.2 MUNICIPAL STRATEGIC STATEMENT

### 3.2.1 CLAUSE 21.01 MUNICIPAL PROFILE

Strathbogie Shire is contains a small population of approximately 10,000 people spread across 3,500 square kilometres. The vision for the Shire is

*A vibrant diverse and caring community, building a sustainable future with enhanced liveability in a secure and stimulating environment.*

### 3.2.2 CLAUSE 21.03-2 LOCAL AREA PLANS: EUROA

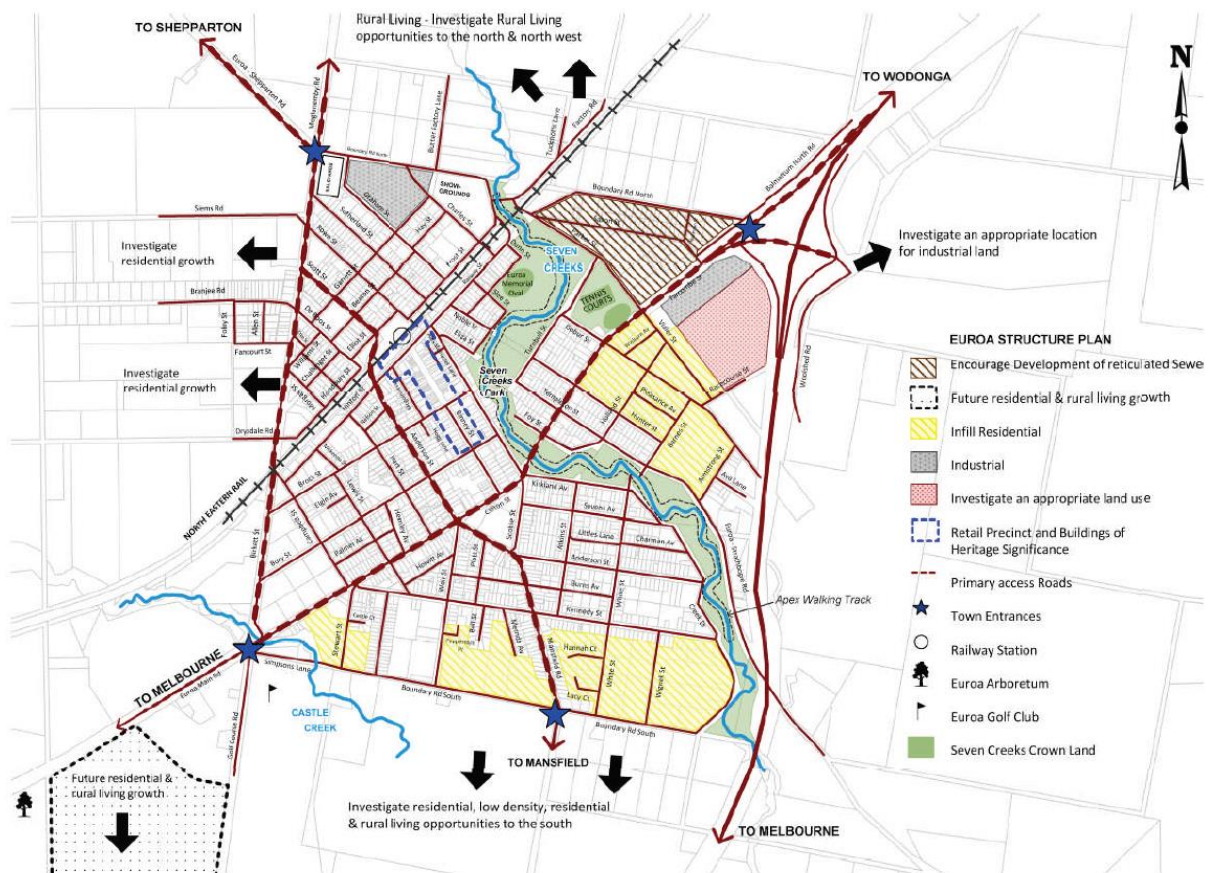
The plan for Euroa recognises that the town services its residents, the surrounding rural areas and visitors. Opportunities for growth and development need to be capitalised on due to the expected growth of the town.

Strategies relevant to the subject site include:

- Showcasing and protecting the existing heritage qualities of the town centre
- Encourage retail growth along Binney Street from Railway Street to Brock Street
- Support civic growth in Binney Street, between Brock Street and Bury Street
- Managing the parking demand and supply to support the village centre.

The Structure Plan for Euroa encourages the centralisation of the central business area, redevelopment of the old Hume Highway corridor and identifies future growth areas.

FIGURE 3 – EUROA STRUCTURE PLAN





The Hotel site is located in the 'retail precinct and buildings of heritage significance'.

We note the *Euroa Structure Plan, Planisphere, September 2010* is a reference document to the Strathbogie Planning Scheme.

### 3.2.3 CLAUSE 21.04 SUSTAINABLE ENVIRONMENT

The Strathbogie MSS recognises the community, cultural and economic value of the places of heritage significance in the Shire. Relevant strategies to recognise and protect heritage places include:

- *Ensure development is sympathetic to existing heritage buildings and sites including the streetscape and character of the neighbourhood*
- *Encourage the retention, adaption and restoration of significant historic buildings and works, gardens and other areas, as a viable alternative to demolition*
- *Retain places of heritage significance for their social and economic benefits.*

### 3.2.4 CLAUSE 21.05 SUSTAINABLE COMMUNITIES

Clause 21.05 notes that the Shire does not have a Gambling Policy Framework but indicates development of one is planned future strategic work.

### 3.2.5 CLAUSE 21.05 SUSTAINABLE ECONOMIC GROWTH

The profile of the Shire's economy is of diverse rural communities, with the Hume Freeway and Goulburn providing excellent accessibility within the municipality. Tourism is identified as a key economic driver with Clause 21.05 noting the pursuits of sporting and recreational activities on Lake Nagambie, wineries, heritage (including the history of Ned Kelly), sky diving and paragliding, cycling and exploring the environmental features all recognised as important to the Shire's economy. Building upon this Clause 21.06.-3 has the objective: *to promote the Shire as a tourism destination* through:

- *Encouraging tourism related development that supports towns, promotes employment and recreational opportunities.*
- *Supporting new and existing tourism developments that promote key attributes of the Shire such as the natural environment, heritage, town character and niche/boutique industries.*
- *Supporting the strengthening of tourism links with surrounding municipalities.*

## 3.3 LOCAL PLANNING POLICIES

There are no relevant local planning policies in the Strathbogie Planning Scheme that relate to this application.

## 3.4 MINISTERIAL DIRECTIONS

Ministerial Direction No.11 (Strategic Assessment of Amendments) applies to the preparation of all planning scheme amendments and sets out strategic considerations that must be addressed, which include:

- Why is an amendment required?
- How does the amendment implement the objectives of planning in Victoria?
- How does the amendment address any environmental effects?
- How does the amendment address any relevant social and economic effects?

- Does the amendment comply with the requirements of any other Minister's Direction applicable to the amendment?
- How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?
- How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?
- Does the amendment make proper use of the Victoria Planning Provisions?
- How does the amendment address the views of any relevant agency?
- Does the amendment address the requirements of the Transport Integration Act 2010?

Planning Authorities should also assess the impact of new planning provisions on the resource and administration costs of the responsible authority.

The assessment of the amendment proposal in Section 4 of this report has been cognisant of the strategic assessment guidelines.

## 3.5 CURRENT PLANNING CONTROLS

This sub-section provides a distillation of the planning controls for the site.

### 3.5.1 ZONING

The land which is the subject of the Amendment is located within a Commercial 1 Zone (refer to the zoning map at Figure 4). The purpose of this Zone is:

*To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and Local Planning Policies;*

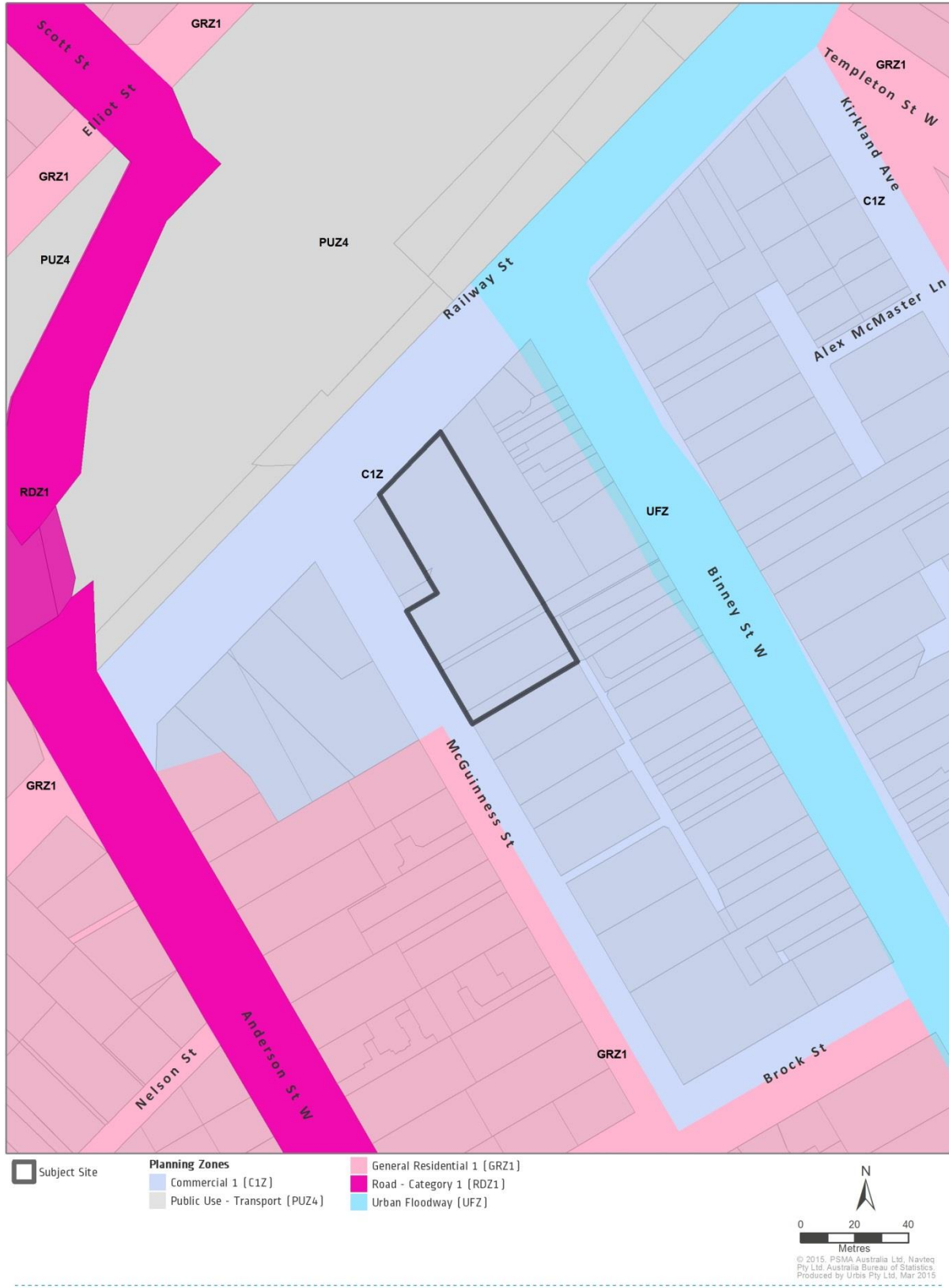
*To create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses.*

*To provide for residential uses at densities complementary to the role and scale of the commercial centre.*

With respect to the planning permit sought, we note that Hotel forms a subset of Retail Premises and is a Section 1 (permit not required) use.

A permit is required to construct a building or construct or carry out works.

FIGURE 4 – ZONING MAP



Euroa Hotel, Euroa   
 PLANNING ZONES

### 3.6 OVERLAYS

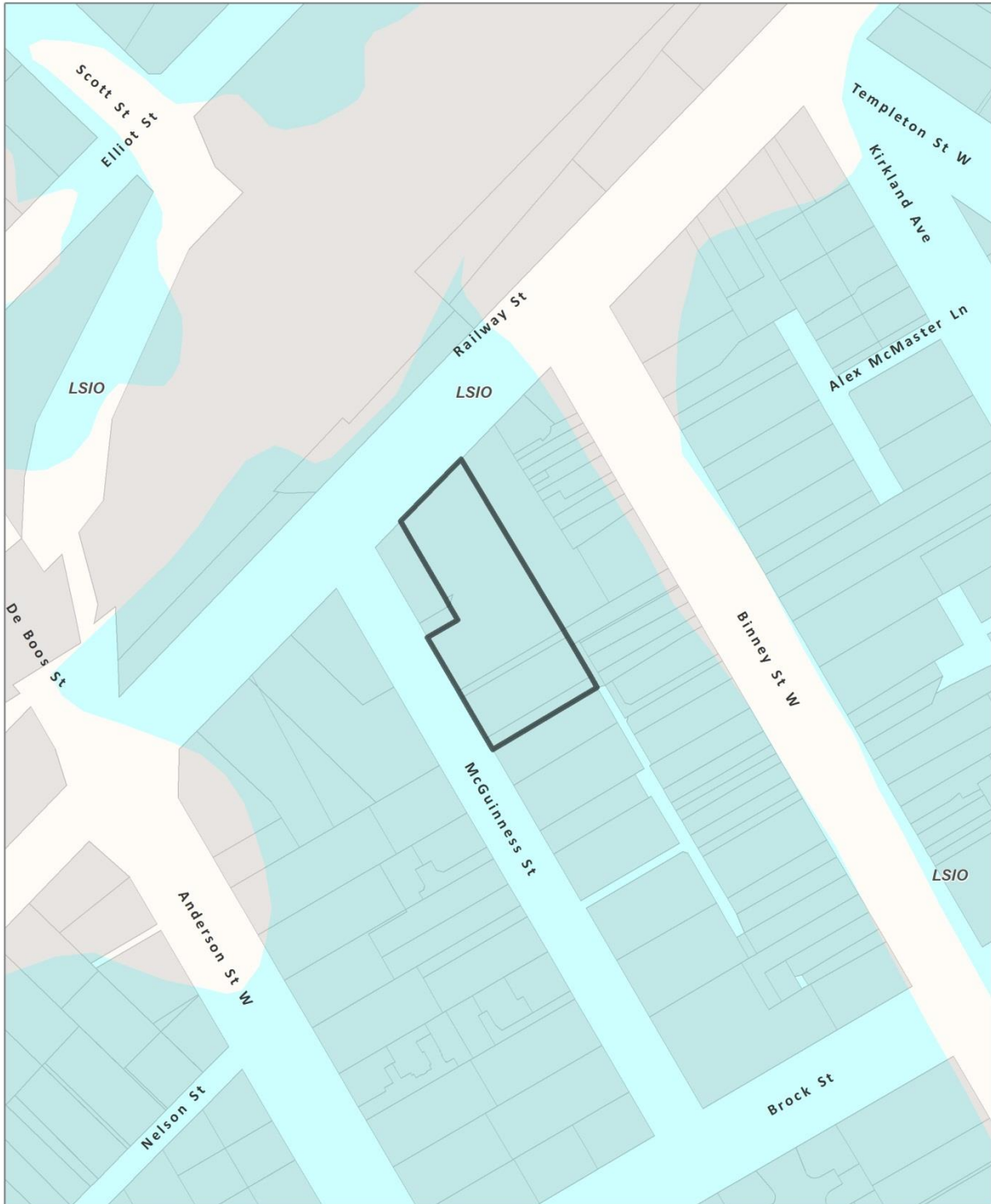
Like much of the Euroa town centre, the subject land (including the car park) is covered by the Land Subject to Inundation Overlay (LSIO). The objectives of the LSIO are to:

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *To identify land in a flood storage or flood fringe area affected by the 1 in 100 year flood or any other area determined by the floodplain management authority.*
- *To ensure that development maintains the free passage and temporary storage of floodwaters, minimises flood damage, is compatible with the flood hazard and local drainage conditions and will not cause any significant rise in flood level or flow velocity.*
- *To reflect any declaration under Division 4 of Part 10 of the Water Act, 1989 where a declaration has been made.*
- *To protect water quality in accordance with the provisions of relevant State Environment Protection Policies, particularly in accordance with Clauses 33 and 35 of the State Environment Protection Policy (Waters of Victoria).*
- *To ensure that development maintains or improves river and wetland health, waterway protection and flood plain health.*

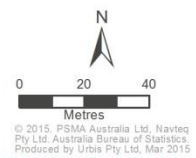
A planning permit is required to construct a building and to construct and carry out works. The adjacent property is covered by Heritage Overlay but this does not apply to the Euroa Hotel.



FIGURE 5 – LAND SUBJECT TO INUNDATION MAP



- Subject Site
- Land Subject to Inundation Overlay (FO)



**Euroa Hotel, Euroa**

Land Subject to Inundation Overlay (FO) [LSIO]

## 3.7 PARTICULAR PROVISIONS

A range of Particular Provisions are applicable to the planning permit application:

### 3.7.1 CLAUSE 52.05 – ADVERTISING SIGNS

This Clause seeks to ensure that signs are compatible with the amenity and visual appearance of the area, do not contribute to excessive visual clutter or visual disorder and do not cause a loss of amenity or adversely affect the natural or built environment. For sites within the Commercial 1 Zone, Clause 52.05-7 identifies that the site is within a Category 1 – Minimum Limitation area.

Signage is therefore a permit trigger for this application.

### 3.7.2 CLAUSE 52.06 – CARPARKING

Clause 52.06 aims to ensure that the appropriate number of car parking spaces are provided given the nature of the proposed use or expansion of use and the likely demand that will be generated. Clause 52.06 is triggered when there is a new use proposed or an extension of the existing floor area. In this instance we are seeking to increase the existing floor area of the Hotel.

The car parking provision rate for a Hotel is 0.4 spaces to each patron permitted. The existing car park provides an informal car parking area at the rear of the site and has capacity for in the order of 40+ car parking spaces. The current liquor licence as detailed in Appendix B indicates a maximum of 98 patrons per site. This suggests an existing requirement of 39 spaces.

The proposed extension will result in the total number of patrons increasing to 300, resulting in the statutory requirement for an additional 80 car parking spaces. The formalisation of the car park will result in a total of 47 car parking spaces. In this instance, the application seeks a reduction in the standard requirement.

A permit is required to provide less car parking spaces than required under Clause 52.06.

### 3.7.3 CLAUSE 52.07 – LOADING AND UNLOADING OF VEHICLES

No building or works may be constructed for the manufacture, servicing, storage or sale of goods or materials unless:

- Space is provided on the land for loading and unloading vehicles as specified in the table below.
- The driveway to the loading bay is at least 3.6 metres wide. If a driveway changes direction or intersects another driveway, the internal radius at the change of direction or intersection must be at least 6 metres.
- The road that provides access to the loading bay is at least 3.6 metres wide.

### 3.7.4 CLAUSE 52.27 – LICENSED PREMISES

The purposes of this clause are:

- *To ensure that licensed premises are situated in appropriate locations.*
- *To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.*

A permit is required to use land to sell or consume liquor if:

- *A licence is required under the Liquor Control Reform Act 1998.*
- *A different licence or category of licence is required from that which is in force.*
- *The hours of trading allowed under a licence are to be extended.*

- *The number of patrons allowed under a licence is to be increased.*
- *The area that liquor is allowed to be consumed or supplied under a licence is to be increased.*

The proposal seeks to increase the number of patrons allowed under the licence and to increase the area where liquor may be allowed to be consumed to include the new function rooms.

### 3.7.5 CLAUSE 52.28 – GAMING

The purposes of this clause are:

- *To ensure that gaming machines are situated in appropriate locations and premises.*
- *To ensure the social and economic impacts of the location of gaming machines are considered.*
- *To prohibit gaming machines in specified shopping complexes and strip shopping centres.*

A permit is required to install or use a gaming machine. The installation or use of a gaming machine is prohibited in strip shopping centres if:

- *The strip shopping centre is specified in the schedule to this clause.*
- *The schedule provides that a gaming machine is prohibited in all strip shopping centres on land covered by this planning scheme.*

Currently, the Strathbogie Planning Scheme does not contain a schedule to Clause 52.28.

A strip shopping centre is an area that meets all of the following requirements:

- *It is zoned for commercial use;*
- *It consists of at least two separate buildings on at least two separate and adjoining lots;*
- *It is an area in which a significant proportion of the buildings are shops;*
- *It is an area in which a significant proportion of the lots abut a road accessible to the public generally.*

Accordingly, under the current provisions, if a site is found to meet the requirements of the above described strip shopping centre criteria, the installation and use of a gaming machine is prohibited. It is on the basis of this definition that VCAT found in 2014 that the use and installation of gaming machines at 67 Railway Street, Euroa is prohibited because the site is in a strip shopping centre

If the Planning Scheme is amended to include a schedule to Clause 52.28 specifying which areas in the municipality are prohibited shopping strip areas, then a planning permit application for a site excluded from the prohibition can be considered on its merits.

### 3.7.6 CLAUSE 52.34 – BICYCLE FACILITIES

Clause 52.34 aims to promote cycling as a mode of transport and to provide secure, accessible and convenient bicycle parking spaces and associated shower and change facilities. The increase in floor area of an existing use must not be increased until the required bicycle facilities and associated signage has been provided on the land.

The bicycle requirements are outlined below:

	EMPLOYEE	VISITOR
Bicycle Spaces	<ul style="list-style-type: none"> <li>1 to each 25 sq m of bar floor area available to the public, plus 1 to each 100 sq m of lounge floor area available to the public</li> </ul>	<ul style="list-style-type: none"> <li>1 to each 25 sq m of bar floor area available to the public, plus 1 to each 100 sq m of lounge floor area available to the public</li> </ul>
Showers	<ul style="list-style-type: none"> <li>If 5 or more employee bicycle spaces are required, 1 shower for the first 5 employee bicycle spaces, plus 1 to each 10 employee bicycle spaces thereafter.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
Change rooms	<ul style="list-style-type: none"> <li>1 change room or direct access to a communal change room to each shower. The change room may be a combined shower and change room.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

It is anticipated that the Euroa Hotel will employ between 20 – 25 employees on either a full-time or part-time basis. It is proposed to install a bicycle rack in the car park with capacity for 5 bicycles.

A permit may be sought to vary the scheme requirements.

### 3.8 OTHER STRATEGIC DOCUMENTS

#### 3.8.1 EUROA STRUCTURE PLAN (FINAL REPORT) 2010

The Shire of Strathbogie prepared a Structure Plan for Euroa in 2010. The objective of the Structure Plan was to develop a vision for the future of Euroa over the next 10 to 15 years. The Structure Plan will guide the development of land use, built form and public places that together can enhance the economic, social and environmental future of the town. The Action Plan (below) identifies that The Euroa Hotel is located just outside the Retail Core and the ‘No. 12’ reference identifies that the *use, efficiency, amenity and feeling of safety for existing off-street surface car parking areas*.

We note however that this policy statement has not been translated into a planning scheme amendment.





### 3.8.2 HEALTHY COMMUNITIES PLAN 2013 – 2017

The Healthy Communities Plan identifies that one of the Shire’s ‘strengths’ is that *we are not big gamblers*. The Plan identifies that Strathbogrie adults have lower electronic gambling habits than their country Victorian and Victorian counterparts. Gambling and electronic gaming is not nominated as a ‘key priority’ or ‘action’ in this Plan.

### 3.8.3 ECONOMIC DEVELOPMENT MASTERPLAN 2013 – 2017

The purpose of the Economic Development Master Plan is to contribute to the development of a vibrant community and improved quality of life by stimulating economic activity through:

- Increasing employment opportunities;
- Attracting investment in projects, infrastructure and new businesses;
- Encouraging more people to live in Strathbogie due to lifestyle and work opportunities; and
- Encouraging more people to visit and spend money in Strathbogie on tourism and recreation.

## 4 Strategic Assessment of Amendments

### 4.1 WHY IS AN AMENDMENT REQUIRED?

A planning scheme amendment is required in order to allow an application for a planning permit to be made for the use and installation of gaming machines at the Euroa Hotel.

As previously discussed, VCAT determined that the installation or use of EGMs at the Euroa Hotel is prohibited by virtue of the location of the Euroa Hotel in a strip shopping centre as defined through consideration of Clause 52.28-4.

Clause 52.28-4 requires that: The installation or use of a gaming machine is prohibited in a strip shopping centre if the schedule to the Clause provides that a gaming machine is prohibited in all strip shopping centres on land covered by the planning scheme.

Through amendment VC39 in 2006, Councils were encouraged to utilise the schedules at 52.28-3 and 52.28-4 to identify shopping complexes and strip shopping locations where gaming would be prohibited. The default for Councils was a standard clause:

*A gaming machine is prohibited in all strip shopping centres on land covered by this planning scheme.*

However, Councils were encouraged to specify their strip shopping centres. A number of Councils have also utilised the ability to specify their strip shopping centres to notably exclude some areas that might otherwise fall under the strip shopping definition.

It is this process, that of excluding the Euroa Hotel property in Railway Street from the definition of strip shopping in the Euroa Township, that is the essence of the amendment sought.

### 4.2 HOW DOES THE AMENDMENT IMPLEMENT THE OBJECTIVES OF PLANNING IN VICTORIA?

This amendment will implement the objectives of Planning in Victoria by providing for the fair, orderly, economic and sustainable use and development of land. The amendment will allow the use and installation of gaming machines at the venue to be considered. The accompanying permit application includes a broad suite of upgrades to the Euroa Hotel in addition to the proposed gaming room.

### 4.3 HOW DOES THE AMENDMENT ADDRESS ENVIRONMENTAL, SOCIAL AND ECONOMIC EFFECTS

The following section details the potential environmental, social and economic effects that may result from the proposed Planning Scheme Amendment to allow the introduction of gaming machines to the hotel.

#### **Environmental Effects**

The proposed amendment to allow the council to consider an application for the use of the Euroa Hotel for gaming will not give rise to any environmental effects.

The planning permit seeking extension of the existing use of the land as a hotel is not considered to have any greater environmental impact than any use otherwise permitted on the land under the current zone control. We note the land is subject to the Land Subject to Inundation Overlay and this control has been considered in the design of the new buildings and works.

#### **Social and Economic Effects**

Of itself the amendment sought does not have any direct social and economic impacts. The impacts to be considered will be through the planning permit application process as amendment does not seek to vary the permit requirements for the use and installation of gaming machines at the venue.

Research demonstrates that the operation of gaming venues can have a variety of positive and negative social and economic effects. In the absence of a Council gaming policy, the Social Economic Impact Assessment (SEIA) prepared by Urbis has provided an assessment of existing socio-economic conditions and the projected impact associated with the introduction of 30 gaming machines to the Hotel.

The expansion and refurbishment of the Euroa Hotel is expected to have positive economic benefits to the local community through the provision of a dining and entertainment venue where the works will provide an improved layout. The bistro's relocation to the front of Hotel with associated children's play area is expected to encourage a more family friendly environment and a subsequent increase in patronage.

The SEIA report summarises the economic and social impacts of the introduction of 30 gaming machines to the Euroa Hotel. The summary from Section 6.5 of the SEIA is replicated below:

- *The Euroa Hotel is an important social facility within the community and provides significant social opportunities to both the local and tourist markets. Hotel's such as this hold an important position as a key community destination in a country town, although the value of the hotel to the community has diminished as it has become increasingly run-down over time. The addition of 30 EGMs will a significant positive effect on the viability of the hotel going forward to ensure that this important role can be re-enforced through redevelopment.*
- *For the vast majority of patrons who play gaming machines responsibly, there is a clear social benefit from providing access to a form of entertainment currently not available locally.*
- *The venue upon redevelopment will provide a number of facilities to patrons. These facilities will appeal to both local residents and the tourist market. Gaming will make up only one component of the entertainment facilities available at the venue.*
- *A stronger financial position for the Euroa Hotel will enable the establishment of a community support program to the value of \$30,000 annually, a valuable contribution to supporting the Euroa community. Without a significant increase in revenue, the community contributions will be not be funded.*
- *It is estimated that gaming expenditure on 30 EGMs at the Euroa hotel will be modest. Given there is not gaming offered in Euroa currently, most of the expenditure will be new, however, as the vast majority of this increased spend will be generated by recreational gamblers, not problem gamblers, new expenditure is predominately an economic benefit of development.*
- *The impact of this application on problem gambling is expected to be minimal. The operator has experience with other gaming venues in rural areas, in a country town staff will know and interact with regular patrons, the range of facilities will be broad, and the location of the venue will not induce a significant level of "convenience" gaming.*
- *While there is some opposition to the introduction of gaming to Euroa, there are also members of the community of support of development who will receive direct benefit from the improved facilities and potentially flow on benefits from increased tourism spending in the town.*

*On balance, I believe the net social and economic benefits likely to flow from the approval of 30 EGMs at the Euroa Hotel are such that this application deserves favourable consideration by the Commission.*

Refer to **Appendix C** – The SEIA report

#### 4.4 HOW DOES THE AMENDMENT ADDRESS ANY RELEVANT BUSHFIRE RISK?

The subject site is not in a bushfire prone area and does not present a bushfire risk. The change of Clause 52.28-4 does not create any changed circumstances relating to bushfire risk.



## 4.5 DOES THE AMENDMENT COMPLY WITH THE REQUIREMENTS OF ANY MINISTER'S DIRECTION APPLICABLE TO THE AMENDMENT?

The proposed amendment is compliant with the requirements of the following Ministerial Directions as discussed below:

### Ministerial Direction 1

Ministerial Direction 1 relates to potentially contaminated land. We have no reason to believe this is a consideration for the subject site.

### Ministerial Direction 11

Ministerial Direction 11 relates to the Strategic Assessment for Amendments and this direction is considered in this section of the report. As illustrated in this section, it is considered that the amendment is consistent with Ministerial Direction 11.

## 4.5.1 HOW DOES THE AMENDMENT SUPPORT OR IMPLEMENT THE STATE PLANNING POLICY FRAMEWORK AND ANY ADOPTED STATE POLICY?

To ensure planning schemes further the objectives of planning in Victoria, planning authorities must take into account and give effect to the general principles and specific policies contained in the SPPF.

- What objectives and strategies of the SPPF are relevant and how are they relevant?
- Does the amendment or proposal support or give effect to the objectives and strategies of the SPPF?
- Are there any competing SPPF objectives? If so, how have they been balanced in favour of net community benefit and sustainable development (Clause 10.02 of the planning scheme)?
- Does the amendment support or give effect to any relevant adopted state policy?

We note there is no state planning policy explicitly dealing with gaming. Consequently, there are no strategies of the SPPF that are directly relevant to the proposed change to Clause 52.28-4.

A range of clauses are relevant to the consideration of the permit application. The accompanying planning permit (including the use and development of gaming machines) is consistent with, and implements the State Planning Policy Framework, in the following ways:

- Clause 11 (Settlement) – *‘Planning is to anticipate and respond to the needs of existing and future communities the provision for zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure.’*  
The planning permit supports this objective through the provision of an upgraded venue to meet the needs of the existing and future community.
- Clause 11.10 (Hume Regional Growth) – *‘To develop a more diverse regional economy while managing and enhancing key regional economic assets.’*  
The provision of gaming and the refurbished Hotel will create additional employment activity within the Euroa Township through the provision of a new entertainment offering (gaming) which is supported by an expanded bistro and new function rooms.
- Clause 11.10-3 (Planning for Growth) – *‘To focus growth and development and maximise the strengths of existing settlements.’*  
The planning application supports the growth of an existing business in Euroa as encouraged by this Clause of the planning scheme.
- Clause 17 (Economic Development) – *‘Encourage development which meet community’s needs for retail, entertainment office and other commercial services and provide net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of community facilities.’*  
The planning application supports this objective by supporting and fostering economic growth at the

Hotel. This Clause encourages districts to build upon its strengths and achieve its economic potential. This application seeks to upgrade an important tourism asset in the Euroa Township and will create employment and long-term economic benefits.

#### 4.6 HOW DOES THE AMENDMENT SUPPORT OR IMPLEMENT THE LOCAL PLANNING POLICY FRAMEWORK, AND SPECIFICALLY THE MUNICIPAL STRATEGIC STATEMENT?

We also note that whilst the Shire have foreshadowed the development of a local gaming policy, this has not occurred to date. Consequently, there are no strategies of the LPPF that are directly relevant to the proposed change to Clause 52.28-4.

The Strathbogie Planning Scheme's Municipal Strategic Statement (MSS) vision for the Shire is to create a *vibrant, diverse and caring community, building a sustainable future with enhanced liveability in a secure and stimulating environment*. The proposed amendment will facilitate the planning permit application which in turn will allow for the efficient use of land, is complementary to the existing and approved uses for the site and will encourage employment opportunities on the site. These opportunities align with key objectives of the Local Planning Policy Framework. Specific instances where the proposal implements the local planning policy objectives are detailed below:

- The local area plan for Euroa identifies that it is the largest village within the Strathbogie Shire and its role as a major township is expected to grow to meet the needs of its residents, surrounding rural areas and visitors. The town's expected growth and development presents a wide range of existing and potential land use opportunities.
- Provide a diverse range of community services to meet the aging population of the Shire. The provision of gaming and the expanded bistro and new function rooms will create opportunities for the population to connect to others in the community.
- Council's vision seeks to promote the Shire as a tourism destination through encouraging tourism related development that supports towns, promote employment and recreational opportunities and to support new and existing tourism developments.
- The proposal also supports the demand for additional employment opportunities on the site to meet the needs of the growing population.
- The proposal supports Council's objective to support the retention of existing retail and commercial businesses in the Shire.

#### 4.7 DOES THE AMENDMENT MAKE PROPER USE OF THE VICTORIAN PLANNING PROVISIONS?

The amendment has been prepared in keeping with the State Government Practice Note, *Strategic Assessment Guideline: for planning scheme amendments*.

In particular the amendment makes proper use of the Victorian Planning Provisions as the Schedule to Clause 52.28-4 is the appropriate location to identify areas where exemptions can apply for the location of gaming machines. The amendment sought does not seek to restrict the application from the usual merits based assessment of Clause 52.28 in respect of the introduction of gaming machines nor the merits based assessment of any other applicable clause or particular provision of the scheme.

#### 4.8 HOW DOES THE AMENDMENT ADDRESS THE VIEWS OF ANY RELEVANT AGENCY?

It is not anticipated that any other relevant agency will be affected by the proposed amendment.

4.9 DOES THE AMENDMENT ADDRESS THE REQUIREMENTS OF THE TRANSPORT INTEGRATION ACT 2010?

The amendment involves a site specific exemption to use controls and will not impact the requirements of the Transport Integration Act.

4.10 WHAT IMPACT WILL THE NEW PLANNING PROVISION ON THE RESOURCE AND ADMINISTRATION COSTS OF THE RESPONSIBLE AUTHORITY?

The amendment will not result in any substantive on-going administrative costs to the Responsible Authority as it does not introduce any additional planning triggers.

## 5 Planning Considerations

We have established that the Planning Scheme Amendment of itself does not allow the use and installation of gaming at the Euroa Hotel. This section of the report seeks to demonstrate the planning approval sought, including the expansion to the Hotel, the variance in car parking/bicycle parking requirements and the use and installation of gaming machines is consistent with the strategic ambitions of the Strathbogie Planning Scheme.

The key planning issues relevant to the consideration of the permit application include the appropriateness of the site for gaming, the appropriateness of the expansion of the number of patrons at the licenced premises and the built form expression of the expanded Hotel having regard to the applicable planning controls and the site context.

The following issues are considered relevant to the assessment of the application:

- Consistency with Clause 52.27
- Consistency with Clause 52.28
- Built form response

### 5.1 CLAUSE 52.27 – LICENCED PREMISES

Clause 52.27 of the Strathbogie Planning Scheme seeks to ensure that licenced premises are situated in appropriate locations and to ensure that the impact of the licenced premises on the amenity of the surrounding area is considered.

The planning permit application seeks to increase the number of patrons on the site from the maximum 98 patrons currently included on the Hotel's liquor licence. Based on the size of the new areas to be constructed (gaming room and function room) and the reconfiguration of the Hotel, the application seeks the approval for up to a maximum of 300 patrons.

The application also seeks to increase the area where liquor may be able to be consumed to encompass all areas of the expanded hotel. The proposed redevelopment of the Euroa Hotel will seek to extend the red line plan to incorporate the new bar, bistro (overflow area) and function rooms located at the rear of the Hotel. It is proposed that the new children's playroom would be excluded from the redline area.

The proposal to increase the licenced premises is considered appropriate as follows:

- The Euroa Hotel has been a local hotel for the Euroa community since it was constructed in the late 1880s. Its iconic status as a licenced premises is well established in this commercial environment and the proposed expansion will enable the Hotel to provide a new and modern offering to the residents and visitors.
- The Hotel is located within a Commercial 1 Zone in which the purpose is to create vibrant, mixed use commercial areas for entertainment uses. The Euroa Hotel is located on the fringe of the commercial area of the town.
- The amenity of the area will not be impacted upon as a result of the expanded licenced premises given its location within this predominately commercial setting.
- There are some residential properties within proximity of the site, namely to the south west of the site (on the opposite side of McGuinness Street). We contend that these residential properties will not experience any negative impacts, as the proposed use is appropriately separated from the residential land use by virtue of the car park and the street.
- It is proposed that the Hotel will have a maximum capacity of 300 persons. The overall number of patrons will not impact on the amenity of the area as the Hotel is well separated from residential land use and has only a small outdoor terrace located at the rear of the new extension. The number of



patrons is considered appropriate for the area of the venue, the location of the premises and the limited residential land use in the area.

- The Euroa Hotel will continue to operate the same opening hours as the approved liquor licence and as detailed in Section 2.2 of this report. The hours of operation are highly appropriate within this commercial context particularly given the limited sensitive uses within close proximity to the site

## 5.2 CLAUSE 52.28 – GAMING

A permit is required to install and use a gaming machine. If the Strathbogie Planning Scheme is amended to include a schedule to Clause 52.28 specifying the subject site as being excluded from the definition of a strip shopping area, then a planning permit can be issued for the installation and use of a gaming machine.

The decision guidelines at Clause 52.28-6 indicate the Council must consider the following as appropriate:

- *The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *The compatibility of the proposal with adjoining and nearby land uses.*
- *The capability of the site to accommodate the proposal.*
- *Whether the gaming premises provides a full range of hotel facilities or services to patrons or a full range of club facilities or services to members and patrons.*

A discussion of the potential impacts of the introduction of 30 EGMs at the Euroa Hotel against these issues is discussed in the following sections below. In reviewing the following sub-sections it is useful to consider decisions of VCAT which have sought to provide greater clarity on the difference between the planning and the VCGLR jurisdictions in relation to proposals for gaming machines.

We refer to the decision of *Bright Newbay Pty Ltd v Bayside CC* [2010] VCAT 1347 which sought to confirm the basis on which planning applications for gaming premises should be assessed by the Responsible Authority. In this regards, the assessment under the *Planning & Environment Act 1987* should relate to locational issues, whilst the Gambling Regulation Act 2003 concentrates on economic and social issues.

### 5.2.1 COMPATIBILITY WITH NEARBY LAND USES

The subject land is located within the commercial precinct of Euroa, on north western fringe of the commercial centre. The surrounding land uses are varied and typical of those associated with a town centre, including the railway station located directly opposite the site along Railway Street. The Hotel's established location on the fringe of town and its orientation to the railway station would indicate that it does not spatially form part of the main commercial precinct of the town centre.

As previously outlined, Clause 52.28 establishes a number of parameters regarding the location of gaming premises which include:

- Gaming premises should not be located within strip shopping centres.
- Gaming machines can be excluded from stand-alone shopping centres.

The principal aim of these controls is to ensure that gaming premises are not directly located within an area where the community undertakes many of its day to day activities and where the "convenient" location of a gaming premises may lead to a higher propensity of problem gaming.

Having regard to the circumstances of the location, the Euroa Hotel is not considered to be located in the core of the Euroa shopping strip. Activities such as the main supermarket in town are provided in Binney Street. Whilst the core retail centre is focused on Binney Street, land uses become less retail and more commercially oriented turning into Railway Street.

In terms of whether the site presents a 'convenient' location, we consider that Railway Street appears to perform at a lower level of activity than Binney Street – there are lower levels of pedestrian activity in Railway Street.

Access to the gaming room will be primarily via the rear entrance, although access from within the front of the premises will also be available.

Under the Gaming Regulation Act there are strict rules on the advertising of a gaming premises. In this regard the no gaming signage is proposed as part of this application.

Given the locational attributes, the site would not encourage convenience gaming.

#### *Noise and operating hours*

The Euroa Hotel has operated from the site for many years and we understand has done so without generating any unreasonable off-site amenity impacts. The proposed extension and refurbishment of the Hotel proposes a small outside terrace that is positioned well within the site and is therefore unlikely to create any off-site noise impacts.

It is not proposed that the operating hours would be extended as a result of the upgrade of the Hotel or the introduction of the gaming room. The existing hours have been considered appropriate in the context of the venue's location and the application proposes no change from this respect.

### 5.2.2 THE CAPABILITY OF THE SITE TO ACCOMMODATE THE PROPOSAL

The proposed EGMs will be located within the new gaming room which is to be created as a result of the proposed works to the Hotel. The gaming room will be 139 square metres in size and will be centrally located within the Hotel and predominantly accessed via the new rear/side entrance.

The gaming room is but one component of facilities to be offered at the Hotel.

### 5.2.3 WHETHER THE GAMING PREMISES PROVIDES A FULL RANGE OF FACILITIES OR SERVICES

The proposed redevelopment of the Euroa Hotel will provide for a range of facilities including a bistro with associated children's play area, sports bar, bar, function rooms and an outdoor terrace. As part of the proposal, the internal reconfiguration will enhance the provision of services and ensure the patrons have a better experience when visiting the premises.

It is proposed the new function room will be available for private functions and for use by community groups in providing meeting space.

## 5.3 BUILT FORM AND ARCHITECTURAL RESPONSE

The proposed development at the Euroa Hotel will provide an enhanced internal layout that is expected to increase its appeal to families and the community, specifically with the provision of the new bistro and children's play area, the opportunity to provide functions and a new outside terrace area.

The proposed works are contextually appropriate, respond well to its surrounding environment and offers a high quality architectural response as follows:

- The iconic two storey period brick building, as viewed along Railway Street, will be retained.
- The existing internal courtyard will be enclosed to accommodate the new gaming room. The infill of this space is an efficient use of space to ensure that building coverage is minimised.
- The new extension is a single storey element that provides an appropriate transition from the existing two storey form of the Hotel. A flat roof form is proposed that will allow for the original brickwork of the Hotel to be visible when viewed from the side and rear elevations.

- The materials and finishes proposed are complimentary to the brick work associated with the Hotel. A brick rendered finish will be applied to the elevations and the incorporation of glazed brick finishes, timber and glazing will provide a modern element to the overall design.
- The incorporation of a new feature main entrance along the south west elevation of the building will provide for an easily identifiable entrance with the use of a canopy and double glazed doors.
- The formalisation of the car parking area with parking bays and landscaping will enhance the overall site appearance particularly when viewed from McGuinness Street. The proposal will incorporate a highly activated rear façade with bi-fold windows to allow greater integration with the car parking area.

In this regard, it is considered that the design response to the site represents an appropriate outcome which will respond to the existing established commercial area. We note that whilst there are some variations from 2013 application, the upgrade to the Euroa Hotel remains in our view uncontroversial.

The VCAT decision at paragraph 3 stated:

*There is no dispute in this matter about any aspect of the proposed upgrading of the Euroa Hotel. The grounds of review do not reference any concerns about the proposal other than the installation and use of the EGMs. The applicant for review reinforced the lack of objection to all other aspects of the hotel upgrade during the hearing. The evidence and submissions in the hearing focussed exclusively on issues concerning the EGMs. Our consideration of this application similarly focuses on that issue and we record our finding that there are no other aspects of the proposal that we find unacceptable.*

## 5.4 SIGNAGE

Two new business identification signs are proposed as part of the application, including:

- A 500mm x 7600mm sign with the wording 'Euroa Hotel' to be centrally located on the south east elevation.
- A 600mm x 180mm sign advertising the Euroa Hotel located along the south west elevation.

The advertising signs will be illuminated via external spot lights.

The proposed signs have been designed to integrate with the new extension and the existing Hotel building. The proposed signs are highly consistent with the objectives of Clause 52.05 by allowing for the identification of the Hotel whilst adding vitality and colour within a non-sensitive precinct.

## 5.5 CARPARKING/BICYCLE FACILITIES

The proposal seeks a variation to the requirements for car parking and bicycle parking at the Hotel.

The existing informal rear car park will be formalised. Whilst the patron numbers are proposed to be increased, the car parking provided currently is underutilised. The times when the hotel will be operating at its busiest (weekends and evenings) does not correspond with the core times for commercial premises operating in the area. It is not expected that the increase in patronage will create a car parking concern.

As the venue draws broadly, it is not expected that bicycle transport will be a key for patrons. However five bicycle racks will be provided.

## 6 Conclusion

Overall it is considered that the proposed Planning Scheme Amendment is consistent with the key directions of Ministerial Direction 11 for the preparation of an amendment and is consistent with the relevant planning policy and strategic objectives identified within the Strathbogie Planning Scheme.

The new Schedule to Clause 52-28-4 will specify which areas within the Municipality are excluded from the prohibited shopping strip areas. A permit can therefore be considered for the installation and use of gaming machines at the Euroa Hotel.

The Euroa Hotel is an established venue that once refurbished will provide a full range of facilities. It is successfully providing a venue for locals and visitors to socialise dine and partake in a range of entertainment activities. The opportunity to refurbish the Euroa Hotel will create a more family friendly environment with the provision of a new bistro and associated children's play area. The new function rooms will be available for hire for private functions and community groups.

The proposal demonstrates a high level of compliance with the relevant planning policies. It is not expected that there will be a negative impact on the amenity of the surrounding area nor on the existing parking resources as a result of the proposal.

A report considering the social and economic impacts of gaming on the community has been prepared in support of the application. The report identifies that the EGMs would have a positive impact on the local community and visitors to the venue through the provision of facilities, increased opportunities for recreational gaming (non-problem gambling) and additional employment opportunities.

The proposal will bring benefits not only to the members and visitors to the Euroa Hotel, but will have longer term positive outcomes of strengthening the economy of the municipality and supporting community initiatives through the community contribution proposed as a direct consequence of the application.





## Disclaimer

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# Appendix A

# Title Details





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VOLUME 08697 FOLIO 121

Security no : 124057575056V  
Produced 26/10/2015 03:49 pm

LAND DESCRIPTION

Lots 1 and 2 on Title Plan 668526U (formerly known as part of Crown Allotment 3  
Section 23 Township of Euroa, part of Crown Allotment 4 Section 23 Township of  
Euroa Parish of Euroa).

PARENT TITLES :

Volume 02468 Folio 403          Volume 08178 Folio 836

Created by instrument C843327 28/07/1967

REGISTERED PROPRIETOR

Estate Fee Simple

Sole Proprietor

BLOSSOM HOTELS PTY LTD of 4TH FLOOR 228 VICTORIA PARADE EAST MELBOURNE  
H528936 22/05/1979

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section  
24 Subdivision Act 1988 and any other encumbrances shown or entered on the  
plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION

SEE TP668526U FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NIL

DOCUMENT END

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H528936

H528936

\*\*\*1800 G RNT

02-16 910105 MAY22-79

MESSRS. HALL & THOMPSON, SOLICITORS, BEAUFORT, VICTORIA.

TRANSFER OF LAND

REGD

We, TREVOR WILLIAM HODGES and IRENE JOY HODGES both of Unit 1, 102 Grandview Road, Ballarat, Company Director and Married Woman respectively being registered as the joint proprietors of an estate in fee simple in the land hereinafter described, subject to the encumbrances notified hereunder, in consideration of the sum of ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000. 00.) paid to us by BLOSSOM HOTELS PTY. LTD. the registered office of which is situated at 4th Floor, 228 Victoria Parade, East Melbourne DO HEREBY TRANSFER to the said BLOSSOM HOTELS PTY. LTD. all our estate and interest in ALL THAT piece of Land being the whole of the land more particularly described in Certificates of Title Volume 8697 Folio 121 and Volume 8697 Folio 122.

DS.  
\$4,500

DATED the 17<sup>th</sup> day of January One thousand nine hundred and seventy nine

SIGNED by the said TREVOR WILLIAM HODGES and IRENE JOY HODGES in Victoria in the presence of :-

*Trevor William Hodges*  
*Irene Joy Hodges*

THE COMMON SEAL of BLOSSOM HOTELS PTY. LTD. was hereunto affixed by order of the Directors in accordance with its Articles of Association in Victoria in the presence of :-



..... *J. Byss* ..... Director.  
..... *J. Balara* ..... Director.



ENCUMBRANCES REFERRED TO

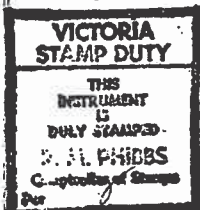
Those set out at the foot of the relevant Certificates of Title (if any).

A valid instrument has been registered in the Register Book.



1308

AVENUE



22 MAY 1979

VICTORIA STAMP DUTY

LAN-22-79 566963 41943

LEB101 \*\*41500-00

46/79

DATED 14<sup>th</sup> 11<sup>th</sup> 1978

T.W. & I.J. HODGES

TO

BLOSSOM HOTELS PTY. LTD.

TRANSFER

MESSRS. HALL & THOMPSON,  
Solicitors,  
BEAUFORT...3373.

TITLE PLAN		EDITION 1	TP 668526U
------------	--	-----------	------------

<p><b>Location of Land</b></p> <p>Parish: EUROA                  Township: EUROA                  Section: 23                  Crown Allotment: 3(PT) 4(PT)                  Crown Portion:</p> <p>Last Plan Reference:                  Derived From: VOL 8697 FOL 121                  Depth Limitation: NIL</p>	<p style="text-align: center;"><b>Notations</b></p> <p>ANY REFERENCE TO MAP IN THE TEXT MEANS THE DIAGRAM SHOWN ON THIS TITLE PLAN</p>
--	--

<p style="text-align: center;"><b>Description of Land / Easement Information</b></p>	<p>THIS PLAN HAS BEEN PREPARED FOR THE LAND REGISTRY, LAND VICTORIA, FOR TITLE DIAGRAM PURPOSES AS PART OF THE LAND TITLES AUTOMATION PROJECT</p> <p>COMPILED: 27/10/2000                  VERIFIED: G.B.</p>
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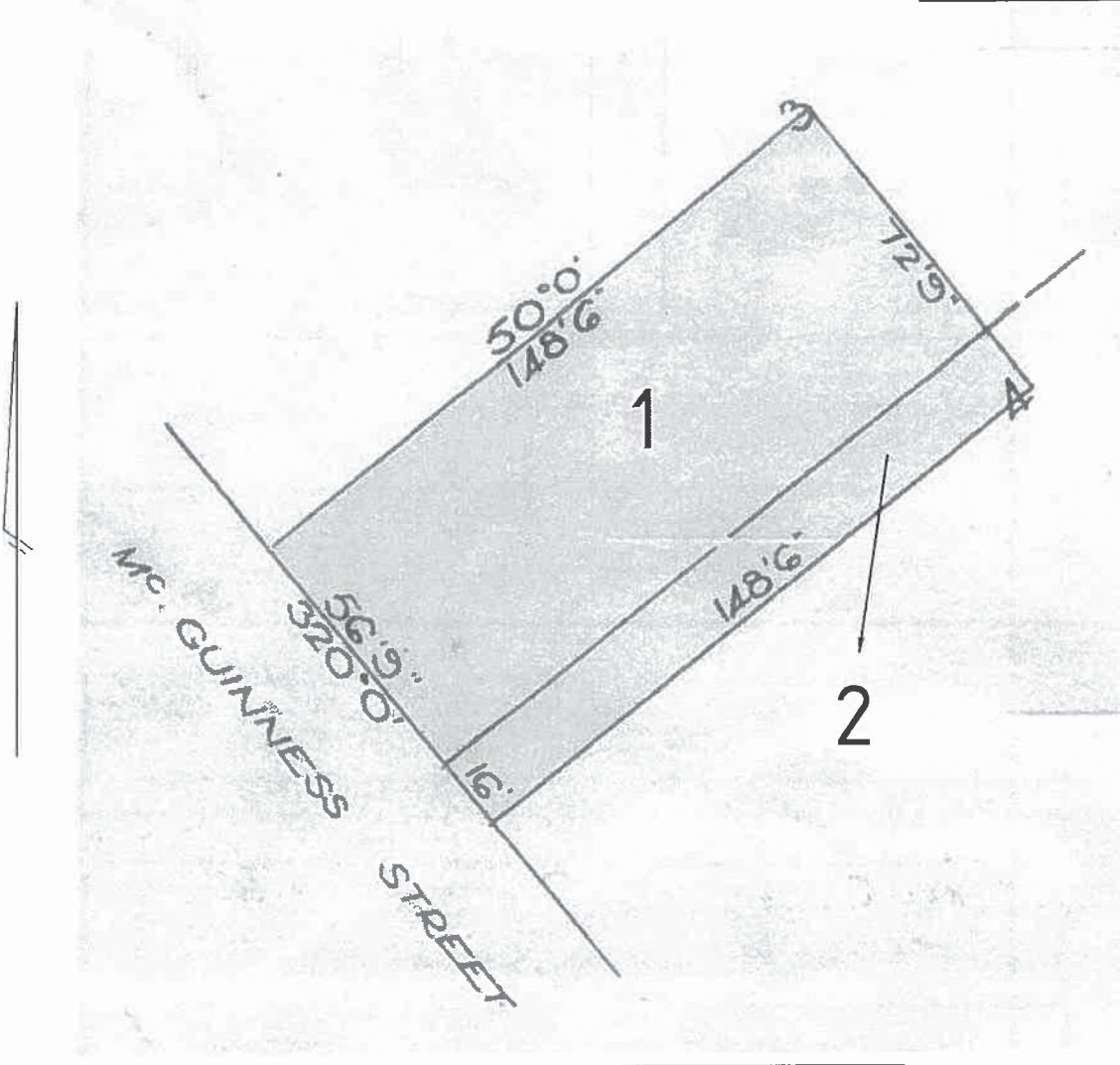


TABLE OF PARCEL IDENTIFIERS	
WARNING: Where multiple parcels are referred to or shown on this Title Plan this does not imply separately disposable parcels under Section 8A of the Sale of Land Act 1962	
PARCEL 1 = CA 3 (PT)	
PARCEL 2 = CA 4 (PT)	



Register Search Statement - Volume 8697 Folio 122

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REGISTER SEARCH STATEMENT (Title Search) Transfer of Land Act 1958

VOLUME 08697 FOLIO 122

Security no : 124057574880M  
Produced 26/10/2015 03:43 pm

LAND DESCRIPTION

Lots 1 and 2 on Title Plan 670851U (formerly known as part of Crown Allotment 1 Section 23 Township of Euroa, part of Crown Allotment 3 Section 23 Township of Euroa Parish of Euroa).

PARENT TITLES :

Volume 06751 Folio 199          Volume 08178 Folio 837  
Created by instrument C843327 28/07/1967

REGISTERED PROPRIETOR

Estate Fee Simple  
Sole Proprietor

BLOSSOM HOTELS PTY LTD of 228 VICTORIA PARADE EAST MELBOURNE  
H528936 22/05/1979

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION

SEE TP670851U FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NUMBER	PLAN REMOVING EASEMENT	STATUS	DATE
AL902291Q (S)		Registered	06/08/2015

DOCUMENT END

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H528936

H528936

\*\*\*180,000 GRNT

02-16 910105 MAY22-79  
 MESSRS. HALL & THOMPSON, SOLICITORS, BEAUFORT, VICTORIA.

TRANSFER OF LAND

REGD

We, TREVOR WILLIAM HODGES and IRENE JOY HODGES both of Unit 1, 102 Grandview Road, Ballarat, Company Director and Married Woman respectively being registered as the joint proprietors of an estate in fee simple in the land hereinafter described, subject to the encumbrances notified hereunder, in consideration of the sum of ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000. 00.) paid to us by BLOSSOM HOTELS PTY. LTD. the registered office of which is situated at 4th Floor, 228 Victoria Parade, East Melbourne DO HEREBY TRANSFER to the said BLOSSOM HOTELS PTY. LTD. all our estate and interest in ALL THAT piece of Land being the whole of the land more particularly described in Certificates of Title Volume 8697 Folio 121 and Volume 8697 Folio 122.

*DS.*  
*\$4,500*

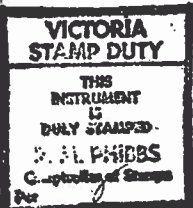
DATED the 17<sup>th</sup> day of January One thousand nine hundred and seventy seven.

SIGNED by the said TREVOR WILLIAM HODGES and IRENE JOY HODGES in Victoria in the presence of :-

*Trevor William Hodges*  
*Irene Joy Hodges*  
*Denise*

1308

AGREED



22 MAY 1979

THE COMMON SEAL of BLOSSOM HOTELS PTY. LTD. was hereunto affixed by order of the Directors in accordance with its Articles of Association in Victoria in the presence of :-



..... *J. Buz* ..... Director.  
 ..... *J. Balan* ..... Director.



ENCUMBRANCES REFERRED TO

Those set out at the foot of the relevant Certificates of Title (if any).

A true and correct copy of this instrument has been filed in the Register Book.



VICTORIA STAMP DUTY  
 EN-22-79 586980 41945  
 LE8101 \*\*\*4500-00

*46/79*

DATED

1978

T.W. & I.J. HODGES

TO

BLOSSOM HOTELS PTY. LTD.

T R A N S F E R

MESSRS. HALL & THOMPSON,  
Solicitors,  
BEAUFORT...3373.



TITLE PLAN	EDITION 2	TP 670851U
------------	-----------	------------

**Location of Land**

Parish: EUROA  
 Township: EUROA  
 Section: 23  
 Crown Allotment: 1 (PT), 3 (PT)  
 Crown Portion:

**Last Plan Reference:**  
 Derived From: VOL 8697 FOL 122  
 Depth Limitation: NIL

**Notations**

ANY REFERENCE TO MAP IN THE TEXT MEANS THE DIAGRAM SHOWN ON THIS TITLE PLAN



THIS PLAN HAS BEEN PREPARED FOR THE LAND REGISTRY, LAND VICTORIA, FOR TITLE DIAGRAM PURPOSES AS PART OF THE LAND TITLES AUTOMATION PROJECT

COMPILED: 30/10/2000  
 VERIFIED: SO'C

TABLE OF PARCEL IDENTIFIERS	
WARNING: Where multiple parcels are referred to or shown on this Title Plan this does not imply separately disposable parcels under Section 8A of the Sale of Land Act 1962	
PARCEL 1	= CA 1 (PT)
PARCEL 2	= CA 3 (PT)





Register Search Statement - Volume 6320 Folio 944

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REGISTER SEARCH STATEMENT (Title Search) Transfer of Land Act 1958

VOLUME 06320 FOLIO 944

Security no : 124057575126U  
Produced 26/10/2015 03:51 pm

LAND DESCRIPTION

Lot 1 on Title Plan 898487S (formerly known as part of Crown Allotment 1  
Section 23 Township of Euroa Parish of Euroa).  
PARENT TITLE Volume 03090 Folio 861  
Created by instrument 1715081 03/05/1939

REGISTERED PROPRIETOR

Estate Fee Simple  
Joint Proprietors

LESLIE NICHOLAS of BAY STREET FRANKSTON  
NEVILLE ALAN ROLLASON of ENGLISH, SCOTTISH AND AUSTRALIAN BANK LIMITED 22  
CHAPEL STREET WINDSOR Legal Personal Representative(s) of ALICE HUTCHINSON  
deceased  
5450720R 21/09/1953

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section  
24 Subdivision Act 1988 and any other encumbrances shown or entered on the  
plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION

SEE TP898487S FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NUMBER		STATUS	DATE
AP133604W (S)	ADVERSE POSSESSION	Unregistered	18/09/2015

-----END OF REGISTER SEARCH STATEMENT-----

Additional information: (not part of the Register Search Statement)

Street Address: 67 RAILWAY STREET EUROA VIC 3666

DOCUMENT END

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<b>TITLE PLAN</b>	<b>EDITION 1</b>	<b>TP 898487S</b>
-------------------	------------------	-------------------

**Location of Land**

Parish : EUROA  
 Township : EUROA  
 Section: 23  
 Crown Allotment: 1 (PT)  
 Crown Portion: -

Last Plan Reference : -  
 Derived From : VOL. 6320 FOL. 944  
 Depth Limitation : NIL

Notations

ANY REFERENCE TO MAP IN THE TEXT MEANS THE DIAGRAM SHOWN ON THIS TITLE PLAN

Description of Land/ Easement Information

**ENCUMBRANCES**

THE CARRIAGE WAY EASEMENT reserved by Instrument of Transfer No.1715081

THIS PLAN HAS BEEN PREPARED BY LAND REGISTRY, LAND VICTORIA FOR TITLE DIAGRAM PURPOSES

COMPILED: Date 3/08/07  
 VERIFIED: A. DALLAS  
*Assistant Registrar of Titles*

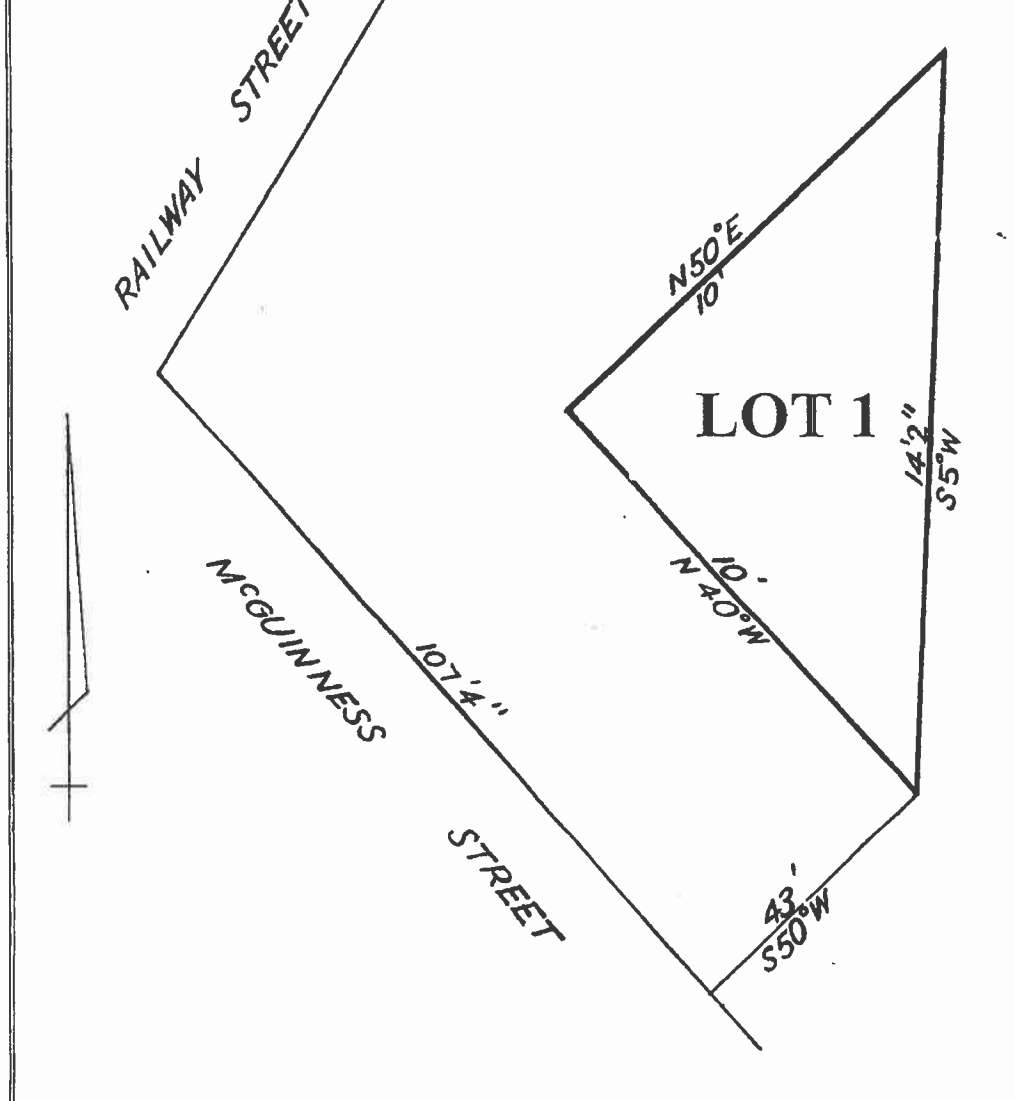


TABLE OF PARCEL IDENTIFIERS
WARNING: Where multiple parcels are referred to or shown on the Title Plan this does Not imply separately disposable parcels under Section 8A of the Sale of Land Act 1962
LOT 1 = C.A. 1 (PT)

Appendix B

Liquor License





---

Subject to the provisions of the Liquor Control Reform Act 1998 and any conditions specified in the licence, the licensee is authorised to supply liquor up to and including 31 December 2015

---

Licensee	SJS BUZZO INVESTMENTS PTY LTD		
Address for service of notices	67 RAILWAY STREET EUROA 3666	Licensed premises address	67 RAILWAY STREET EUROA 3666
Trading as	EUROA HOTEL		

---

#### TYPE OF LICENCE

This licence is a general licence and authorises the licensee to supply liquor on the licensed premises for consumption on and off the licensed premises during the trading hours specified below.

#### AMENITY

The licensee shall not cause or permit undue detriment to the amenity of the area to arise out of or in connection with the use of the premises to which the licence relates during or immediately after the trading hours authorised under this licence. The licensee shall ensure that the level of noise emitted from the licensed premises shall not exceed the permissible noise levels for entertainment noise as specified in the State Environment Protection Policy (Control of Music Noise from Public Premises) No.N-2.

#### MAXIMUM CAPACITIES

98 patrons

#### TRADING HOURS

##### FOR CONSUMPTION OFF THE LICENSED PREMISES -

Sunday	Between 10 a.m. and 11 p.m.
Good Friday & Anzac Day	Between 12 noon and 11 p.m.
On any other day	Between 7 a.m. and 11 p.m.

##### FOR CONSUMPTION ON THE LICENSED PREMISES -

Sunday	Between 10 a.m. and 11 p.m.
Good Friday	Between 12 noon and 11 p.m.
Anzac Day (not being a Sunday)	Between 12 noon and 1 a.m. the day following.
On any other day	Between 7 a.m. and 1 a.m. the day following except for the morning of Good Friday.

End of Conditions - Printed on 05/05/2015



## Appendix C

## SEIA Report





# Euroa Hotel

## Social and Economic Impact Assessment

November 2015



**URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:**

Director	Rhys Quick
Consultant	Jessica Collins
Job Code	MPE1-2278

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You must read the important disclaimer appearing within the body of this report.

**URBIS**  
**Australia Asia Middle East**  
urbis.com.au

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# 1 Introduction

1. This report has been prepared on behalf of Blossom Holdings Pty Ltd., who are seeking approval to install 30 electronic gaming machines (EGMs) to the Euroa Hotel. The Hotel does not currently operate any machines.
2. Should this application be successful, the Hotel is proposing to undertake significant works at the venue. The Hotel is currently in a state of disrepair with very limited maintenance undertaken over the last two decades. It is proposed that a two stage redevelopment will take place, the first reconfiguring and restoring the ground floor of the Hotel to create a modern, multi-use venue including an upgraded bistro, bar and new gaming room. Stage 2 will see the refurbishment of the upper level of the Hotel to reinstate the accommodation facilities.
3. The purpose of this report is to provide an assessment of the likely social and economic impacts associated with the installation of 30 machines at the venue. The key conclusions of this assessment are as follows:
  - The Euroa Hotel is an important social facility within the community and provides significant social opportunities to both the local and tourist markets. Hotels such as this hold an important position as a key community destination in a country town, although the value of the hotel to the community has diminished as it has become increasingly run-down over time. The addition of 30 EGMs will have a significant positive effect on the viability of the hotel going forward to ensure that this important role can be re-enforced through redevelopment.
  - For the vast majority of patrons who play gaming machines responsibly, there is a clear social benefit from providing access to a form of entertainment currently not available locally.
  - The venue upon redevelopment will provide a number of facilities to patrons. These facilities will appeal to both local residents and the tourist market. Gaming will make up only one component of the entertainment facilities available at the venue.
  - A stronger financial position for the Euroa Hotel will enable the establishment of a community support program to the value of \$30,000 annually, a valuable contribution to supporting the Euroa community. Without a significant increase in revenue, the community contributions will not be funded.
  - It is estimated that gaming expenditure on 30 EGMs at the Euroa Hotel will be modest. Given there is not gaming offered in Euroa currently, most of the expenditure will be new, however, as the vast majority of this increased spend will be generated by recreational gamblers, not problem gamblers, new expenditure is predominately an economic benefit of development.
  - The impact of this application on problem gambling is expected to be minimal. The operator has experience with other gaming venues in rural areas. In a country town staff will know and interact with regular patrons, the range of facilities will be broad, and the location of the venue will not induce a significant level of “convenience” gaming.
  - A community attitudes survey indicated that the majority of respondents support the overall development of the hotel. While there was previously some high profile opposition to the introduction of gaming to Euroa, the majority of survey respondents understood that it was a just one aspect of a larger development and were positive about the prospect of the improved facilities and potential flow on benefits from increased tourism spending in the town.
4. On balance, I believe the net social and economic benefits likely to flow from the approval of 30 EGMs at the Euroa Hotel are such that this application deserves favourable consideration by the Commission.

## 1.1 VENUE HISTORY

5. The Euroa Hotel has been in operation for over 120 years. First built in the 1880's the hotel has undergone many iterations.
6. The venue has been in the hands of Blossom Holdings Pty Ltd for over 35 years, with various publicans running the hotel over that time. The current operator, SJS Buzzo Investments Pty Ltd, has leased the venue at various times over that period. They took over the operations of the hotel again in December 2012 and will oversee the redevelopment of the hotel and its foray into gaming should this application be approved.
7. The Buzzo family own several venues and are experienced regional venue operators, with venues located in Cobram and Shepparton. The Buzzo's undertook a similar development at the Cobram Hotel to that proposed at Euroa, introducing gaming and upgrading the venue.
8. The last significant development to take place at the Euroa Hotel was the addition of the bottle shop in 1990. This development was funded by the Buzzo family during one of their periods of management.

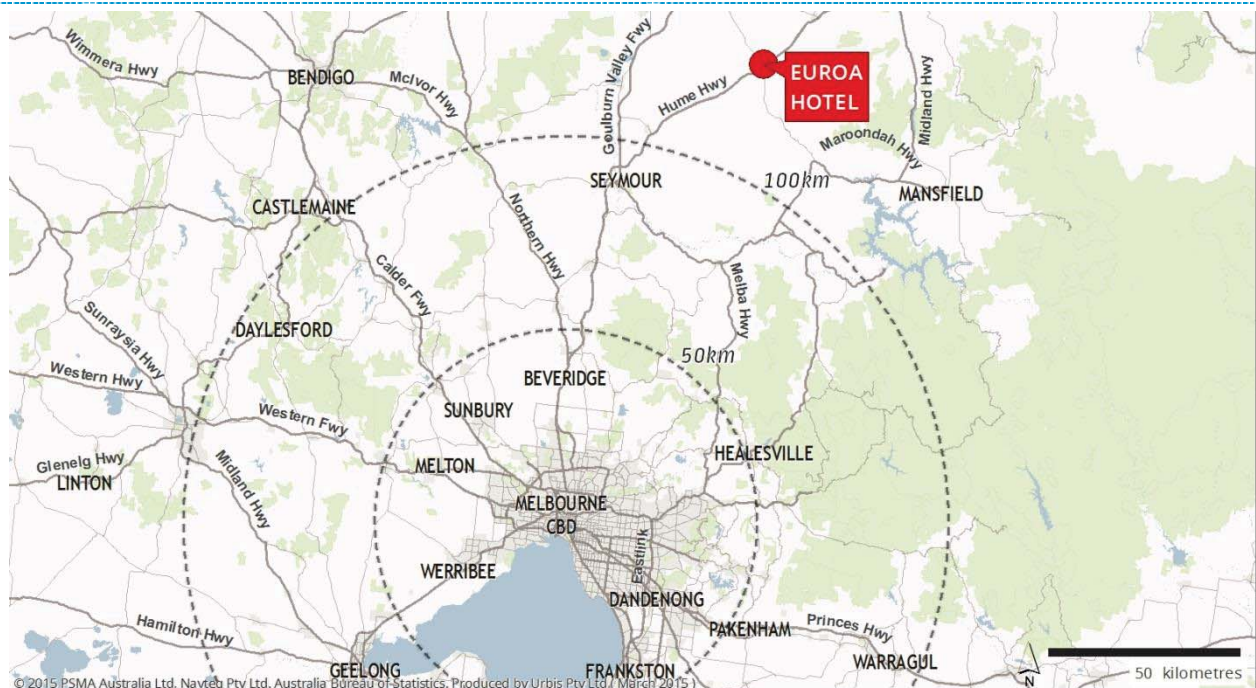
## 2 Venue Information

### 2.1 VENUE LOCATION

9. The Euroa Hotel is located in the north east Victorian regional centre of Euroa, midway between Melbourne and Albury via the Hume Freeway as shown in Map 2.1.
10. The venue is located on Railway Street, off Binney Street the main retail area, as shown on Map 2.2. The area immediately surrounding the venue comprises commercial premises, with the Euroa main retail strip located on Binney Street. The town's main supermarket is located at the corner of Binney and Brock Street some 400m away.
11. Opposite the venue is the Euroa Railway Station. Euroa Station is a V-Line station on the Melbourne to Albury train line. Trains stop at the station three times a day: once in the morning, once in the afternoon and once in the evening. There are currently submissions from local residents and political leaders for the station to be included as a stop on the Melbourne to Sydney XPT service.

REGIONAL LOCATION

MAP 2.1







## 2.2 OPERATIONS AND FACILITIES

12. The Euroa Hotel is not currently in the best condition. Through years of limited maintenance, the once grand venue has fallen into a state of disrepair.
13. The Hotel currently has a sports bar/TAB and small bistro in operation. The bistro is located in a back room of the Hotel and is not accessible directly from the street, however it does have a dedicated carpark at the rear of the venue. The Hotel also operates a Duncan's drive thru bottle shop.
14. When accessing the venue from the street, patrons enter straight into the sports bar and TAB. This is immediately off putting to visitors, particularly tourists with many making a hasty retreat.
15. On the first floor are 20 hotel rooms. Some of these rooms are currently used for storage while some are rented out as long term accommodation.
16. Patronage and perceptions of the Hotel have been tarnished by the current state of the venue. The number of covers prepared in the bistro each week is well below that of other comparable regional venues.



FIGURE 1 – EUROA HOTEL FACILITIES



PICTURE 1 – BISTRO



PICTURE 2 – BISTRO



PICTURE 3 – TAB



PICTURE 4 – SPORTS BAR

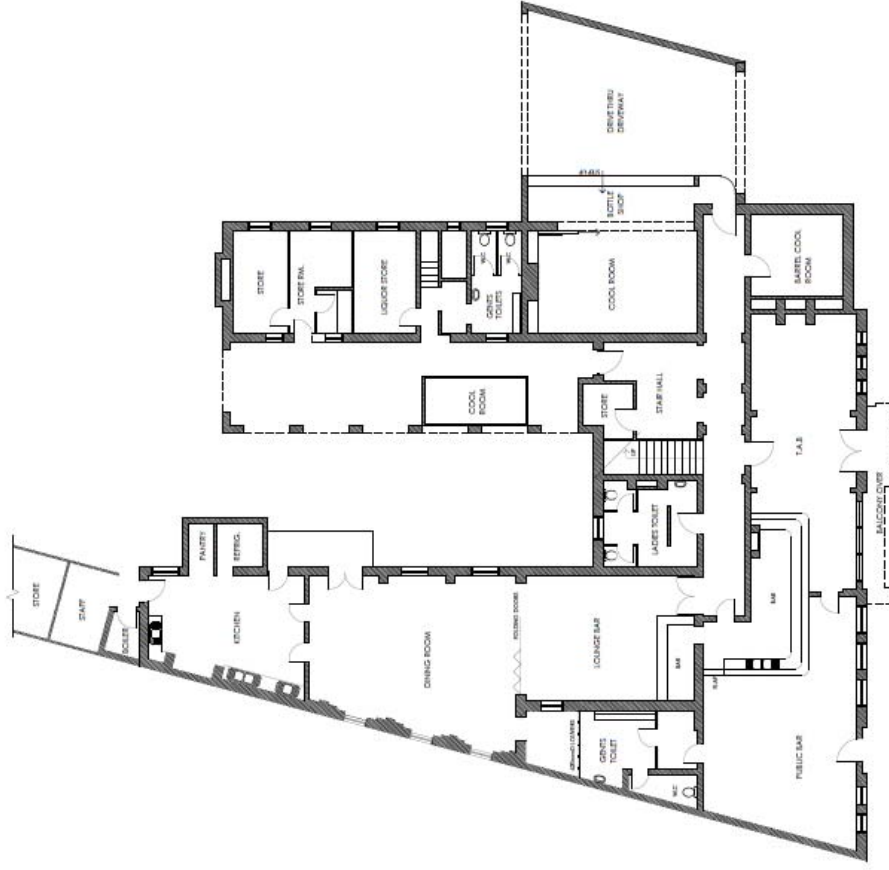


PICTURE 5 – BEER GARDEN



PICTURE 6 – BOTTLE SHOP

FIGURE 2 – CURRENT VENUE PLANS



RAILWAY STREET

**EXISTING GROUND FLOOR PLAN**  
SCALE 1:200 (B.A.)



PROJECT: **EUROA HOTEL / MOTEL**  
ADDRESS: **RAILWAY STREET  
EUROA  
VIC 3730**

CLIENT: **SAM BUZZO**

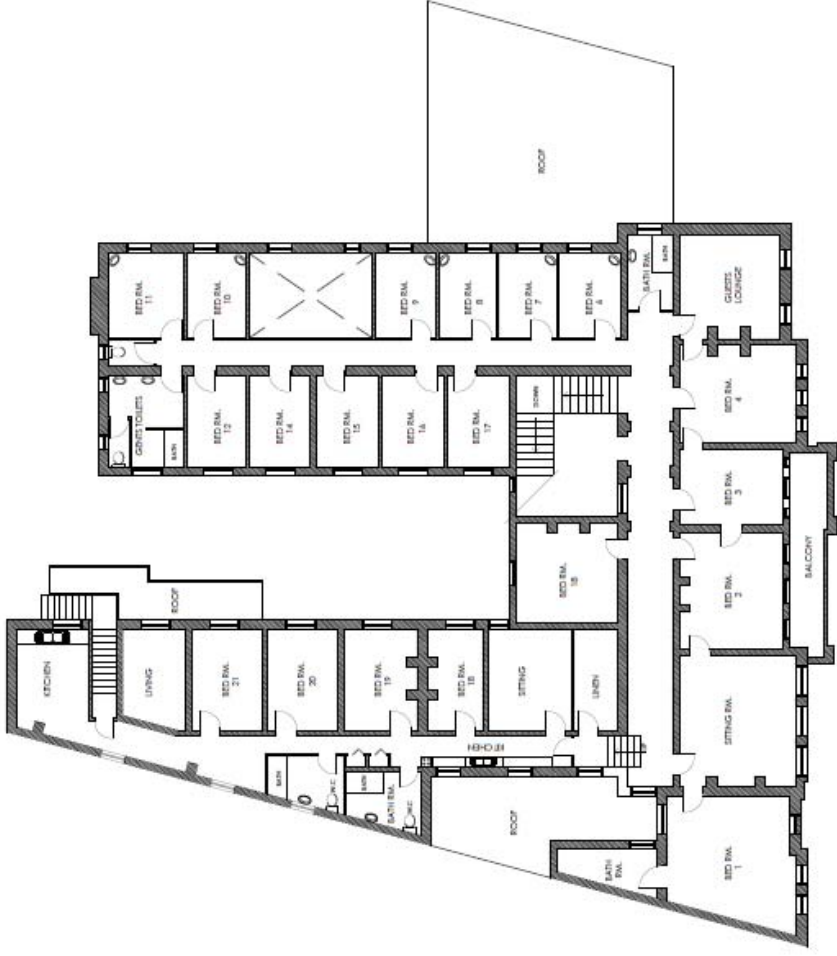
NO.	REVISION	DATE

**TOWN PLANNING**

SHOWN AS: **EXISTING GROUND FLOOR PLAN**  
SCALE: **1:200 @ A3**  
DRAWN BY: **Rob Poppeler**  
DATE: **10.11.2015**  
PROJECT NO: **3162.12**    DRAWING NO: **03 CF 09**    SHEET NO: **003**    REVISION: **A**



1254 HIGH STREET  
SHEPPARTON VIC 3630  
AUSTRALIA  
3189 4000  
3189 4000  
F (03) 5071 7446  
F (03) 5071 2047  
p.popper@popperstudios.com  
www.popperstudios.com



RAILWAY STREET

**EXISTING FIRST FLOOR PLAN**  
SCALE 1:200 (B.A3)



PROJECT: **EUROA HOTEL / MOTEL**  
CLIENT: **SAM BUZZO**  
ADDRESS: **RAILWAY STREET**  
EUROA  
VIC 3730

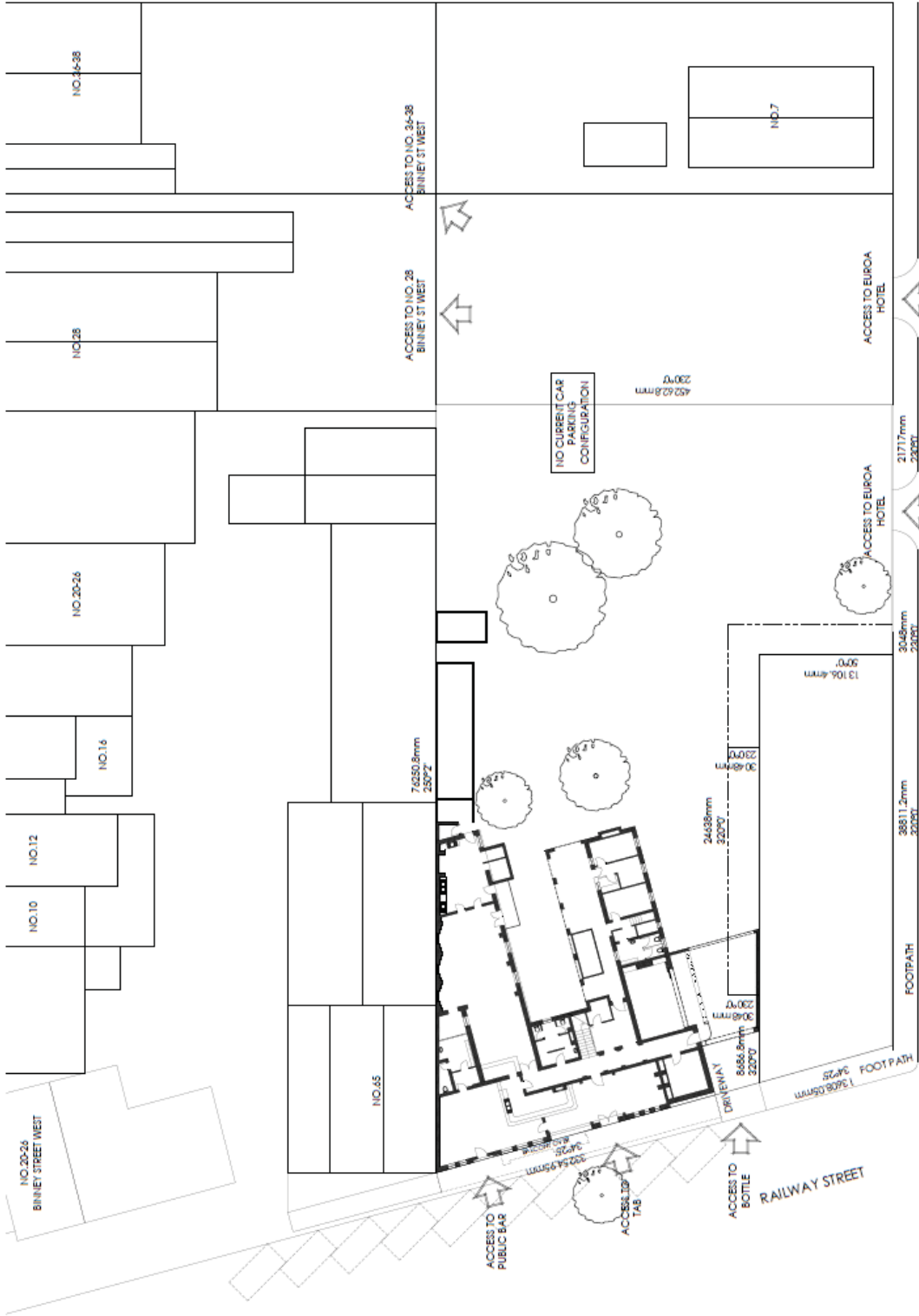
NO.	REVISION	DATE

**TOWN PLANNING**

DRAWING TITLE: **EXISTING FIRST FLOOR PLAN**  
DRAWN BY: **Rob Popelier**  
SCALE: **1:200 @ A3**  
PROJECT NO.: **31.02.12**  
DATE OF Dwg: **04 OF 09**  
DRAWING NO.: **004**  
ISSUE NO.: **A**  
DATE: **10.11.2015**



1243 HIGH STREET  
SHEPPARTON VIC 3630  
P.O. BOX 1090  
SHEPPARTON VIC 3630  
TEL: 0817 7444  
FAX: 0817 2047  
#webuildyourdreams.com  
www.popdesignstudios.com



**EXISTING SITE PLAN**  
SCALE 1:40 (B.A.)



PROJECT: **EUROA HOTEL / MOTEL**  
CLIENT: **SAM BUZZO**  
ADDRESS: **67 RAILWAY STREET**  
**EUROA**  
VIC 3750

ARCHITECT: **POP**  
ARCHITECTS

NO. 10. 12. 16. 20. 26. 28. 34. 38.

**TOWN PLANNING**

EXISTING SITE PLAN  
DATE: **10.11.2015**  
DRAWN BY: **Rob Poppelier**  
CHECKED BY: **01 CP 09**  
PROJECT NO: **3162.12**  
DRAWING NO: **001**  
REVISION: **A**



124-124 STREET  
SHEPPARTON VIC 3630  
P.O. BOX 1090  
SHEPPARTON VIC 3630  
TEL: 081 744 444  
FAX: 081 744 444  
info@popdesign.com.au  
www.popdesign.com.au



17. A survey of bistro patrons was undertaken from Wednesday 19<sup>th</sup> November to Wednesday 3<sup>rd</sup> December 2014 in order to ascertain where the current users of the venue reside. As can be seen in Table 2.1, more than half of all patrons surveyed during that period resided in Euroa. However, just 4% of patrons came from elsewhere in the Shire of Strathbogie. This demonstrates the venues lack of appeal in the wider area and is used more for the convenience by Euroa residents.
18. Travellers from a broader area drop in to the hotel when passing through Euroa explaining the relatively high proportion of patrons from beyond the Shire. It is likely that local residents know the state of the current venue and consequently visit less frequently than they might if the venue was redeveloped. This may be increasing the weighting towards residents from outside the Shire currently.

## Bistro Patron Survey

19 NOVEMBER 2014 TO 3 DECEMBER 2014

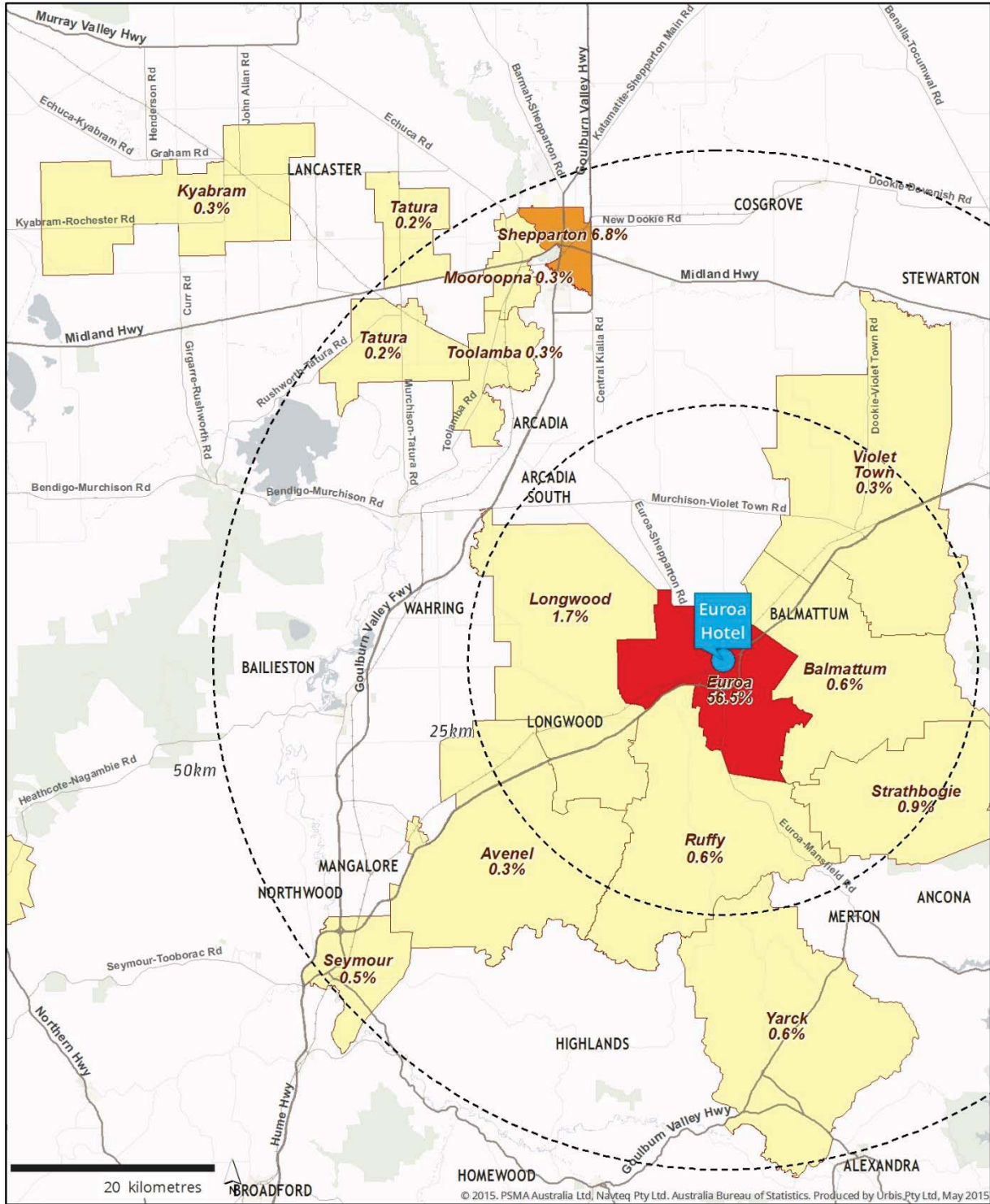
TABLE 2.1

Suburb	LGA	Count	Share of total patrons
Euroa	Shire of Strathbogie	358	56%
Shepparton		43	7%
Eltham		20	3%
Longwood	Shire of Strathbogie	11	2%
Pascoe Vale South		9	1%
Sydney, NSW		8	1%
Melbourne		7	1%
<i>Other Areas</i> <sup>1</sup>		178	28%
<b>Total Patrons</b>		<b>634</b>	<b>100%</b>
<i>Shire of Strathbogie</i>		381	60%
<i>Non Shire of Strathbogie</i>		253	40%

1. "Other" suburbs have attendance of less than 1.0% of total patrons.

Source: Euroa Hotel; Urbis







## 2.3 VALUE OF COMMUNITY CONTRIBUTIONS

19. The Hotel is currently not in a position to be making community contributions.
20. The Buzzo family are strong proponents for supporting the local community as done with their other venues such as the Cobram Hotel.

## 2.4 EMPLOYMENT

21. The venue currently employs 10 staff from the local area, two full time and the remainder are part time or casual.

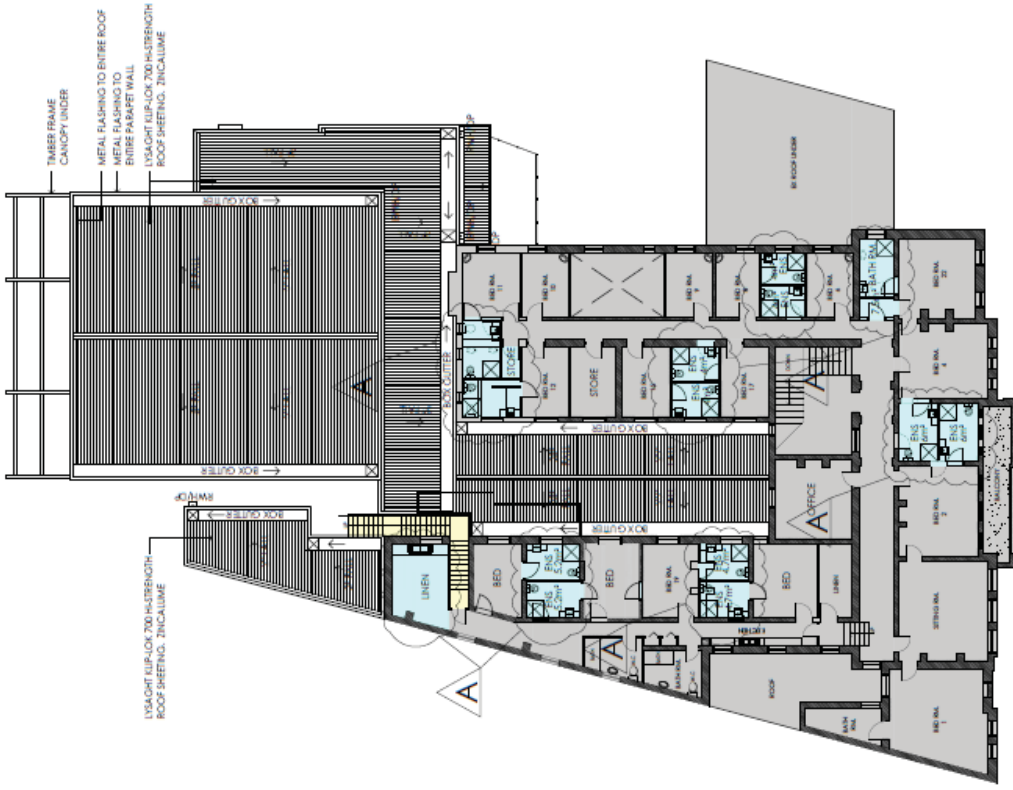
## 2.5 PROPOSED FUTURE DEVELOPMENT

22. The basis of this proposal is to raise the funds needed for the Buzzo family to undertake a full redevelopment of the Hotel restoring it to its former glory and providing a modern multi use venue for the local community and visitors to Euroa. The development as described below, will not be possible without the revenue generated from the installation of gaming machines at the venue.

### 2.5.1 THE DEVELOPMENT

23. The venue owner intends to refurbish the venue to maintain the historic character of the building while creating a modern, high quality entertainment venue which meets the needs of the community. Currently, many of the period features of the building are in need of restoration and the venue's décor is in great need of an overhaul.
24. The redevelopment of the hotel is proposed to be undertaken in two stages.
25. The first stage of development will be contingent on this approval. With an estimated cost of almost \$2.8 million, the works will see the reconfiguration of the ground floor of the venue to increase the capacity and offer a broader range of uses. The development (as shown in Figure 3) will include:
  - the development of a new bistro;
  - addition of a children's entertainment lounge;
  - new kitchen, cool rooms and storage areas;
  - the development of a gaming lounge;
  - the development of a function room with a capacity of 160-170 persons;
  - an upgrade of the rear carpark with associated building entrance;
  - reconfigured and updated bathrooms to allow for better internal flow throughout the venue; and
  - upgrading of all ground floor décor, fixtures and fittings including new carpet and painting throughout.
26. Stage 1 will commence pending the approval of this application.
27. Stage 2 is proposed to follow separately and will include the reconfiguration of the first floor of the building to redevelop the current accommodation facilities. Detailed planning for Stage 2 has not yet commenced however an estimate of costs is approximately \$500,000.





TIMBER FRAME CANOPY UNDER

METAL FLASHING TO ENTIRE ROOF  
ENTIRE PARAPET WALL  
LYSAGHT KUP-LOK 700 HI-STRENGTH ROOF SHEETING, ZINCALUME

LYSAGHT KUP-LOK 700 HI-STRENGTH ROOF SHEETING, ZINCALUME

**PROPOSED FIRST FLOOR PLAN**  
SCALE 1:250 (BAS)



**TOWN PLANNING**

PROPOSED FLOOR PLAN  
DATE: 10.11.2015  
DRAWN BY: RCO Poppeier  
CHECKED BY: 06 OF 09  
SCALE: 006  
REVISION: A

NO.	REVISION	DATE
1	CHANGES TO REVISION A	22.07.2015
2		22.07.2015

PROJECT: EUROA HOTEL / MOTEL  
CLIENT: SAM BUZZO  
ADDRESS: RAILWAY STREET  
EUROA  
VIC 3730



1245 HICK STREET  
SHEPPARTON VIC 3630  
P.O. BOX 1090  
SHEPPARTON VIC 3632  
TEL: 5621 7444  
FAX: 5621 7047  
info@popassiststudios.com  
www.popassiststudios.com



## 2.5.2 COMMUNITY CONTRIBUTIONS

28. With the installation of 30 machines at the venue, it is proposed a community contributions program will be established.
29. If this proposal is approved, it is proposed that the Hotel will establish the Euroa Hotel Community Chest. The program will see a total of \$30,000 (indexed to CPI) distributed each year to local community groups. The program is based upon best practice models across the state and has been successfully implemented at the Cobram Hotel.
30. The community chest approach is favoured as it will allow a broad range of community groups and sporting organisations to apply for sponsorship, donations or in-kind contributions. Funds will be allocated annually, with requests reviewed by a sub-committee.

## 2.5.3 EMPLOYMENT

31. It is estimated that upon completion of Stage 1, the Hotel will employ over 20 people, more than double current levels, with a mix of full time, part time and casual.
32. Based on the number of jobs recorded in Euroa in the 2011 Census, this would represent a 2% increase in employment in the town.

## 2.6 COMMUNITY ATTITUDES

33. When this matter was previously before the Council and subsequently VCAT, there was some community opposition to the introduction of gaming machines to Euroa. A “No Pokies for Euroa” group was formed which held a number of community meetings that were attended by local residents. There were a total of 38 objections to the original application before Council.
34. The fact that there will be some in the community opposed to the introduction of gaming to the town is to be anticipated. Past surveys of the attitudes of Victorians to gaming have found a majority don't play gaming machines and in isolation, are not in favour of more gaming machines. This is undoubtedly the case in Euroa, where, due to a general opposition to gaming, some in the community will be opposed to this application, regardless of the other benefits it may generate.
35. Community attitudes to this application are therefore a relevant consideration. However, the fact that there is a group formed in opposition to the introduction of gaming in Euroa must be considered in relation to:
  - The number of people who are opposed to the application (who are often more vocal in their opposition) compared to those who may support it.
  - Whether or not some people in the community who may indicate a general opposition to gaming may still support the application due to the other benefits that will flow including improved facilities for residents and tourists, and community contributions.
  - The weight that should be given to the indirect disbenefit that might flow to opponents should the application be approved (many of whom it is assumed will not frequent the venue), relative to the direct benefit afforded those who access the improved facilities or receive the benefits from community donations or other contributions.
36. In order to understand the real community attitude towards the introduction of gaming at the venue, DJL Consulting Group undertook a telephone survey of 300 adult residents living within 20km of Euroa in September 2015. This represents around 6% of the population that live in that area. The survey gauged the attitudes of respondents to the inclusion of gaming at the venue along with a redevelopment of the facilities, re-establishment of accommodation facilities and the establishment of a community contributions program. The survey is included in Appendix A of this report, following a methodology that has been accepted by the VCGLR and VCAT in a number of occasions.

37. Overall, **81% of respondents supported the redevelopment in its entirety**. Just 13% of respondents did not support the redevelopment, while the remaining 6% neither supported nor opposed the plans. In our experience, this support is much higher than previously seen in a survey of this type.
38. Other key findings from the survey include:
- The majority of respondents do not oppose the development of a gaming lounge with 30 EGMs, with 56% of respondents supporting the development of a gaming lounge and a further 11% neither opposing nor supporting the gaming lounge.
  - There was majority support for all other aspects of the development:
    - 90% supported by accommodation facilities;
    - 88% supported relocation and upgrade of the bistro;
    - 83% supported a new children’s play area off the bistro;
    - 82% supported development of a new function room;
    - 82% supported a community contributions program with annual contributions of \$30,000 from the hotel;
    - 77% supported a new sports bar; and
    - 56% supported a gaming lounge with 30 electronic gaming machines.
  - Respondents who did not support the development overall (19% or 55 respondents) were informed that the redevelopment was contingent on the inclusion of the gaming room and re-asked if they supported or opposed the development. Knowing this information, one respondent that formerly did not support the development, changed to supporting the development, while the remaining 54 respondents still did not support the development. This indicates that the effect of the application is well known and local residents have an established position in relation to it.
  - Those respondents who still did not support the development were told that along with the redevelopment, the Hotel will be making the annual community contribution of \$30,000. The respondents were then asked to again state their level of support for the development, knowing that the contribution plan was contingent on the inclusion of gaming. Again, few changed their position.
  - Taking into consideration respondents who changed their view of the development knowing that it was 1) contingent on gaming and 2) the annual contributions, 82% of respondents support the redevelopment and 16% are opposed to the redevelopment.
  - Survey respondents were given the opportunity to provide additional suggestions for the development or to provide any other comments. The majority of respondents had no further suggestions for the development (70%). Only 4% of suggestions were negative comments. When asked for any other comments, 42% of respondents had no comment and 40% made positive comments regarding the prospective development. Respondents were most happy to see development take place in Euroa.



39. In the VCGLR decision for the *Maryborough Highland Society Inc. for approval at Castlemaine Sports & Community Club (3 February 2012)*, the Commissioner accepted evidence that telephone survey results measuring support or opposition of proposals involving gaming machines of around 31% to 37% in support and 63% to 65% in opposition where about average. Therefore it can be suggested that the results of the Euroa Hotel survey are far more positive than normally seen.
40. The results of this survey indicate there is majority support for the Euroa Hotel to be redeveloped, even with the inclusion of gaming. The *No Pokies for Euroa* community group are not representative of the whole Euroa community.

## 3 Municipal Profile

41. Under the *Gambling Regulation Act 2003* (Vic), the VCGLR must not amend a venue operator's licence to increase the number of gaming machines in a venue unless the Commission is satisfied that the net economic and social impact of the increase will not be detrimental to the wellbeing of the community of the municipal district in which the venue is located. Accordingly, this section presents the socio-economic profile of residents in the Shire of Strathbogie. Where available, demographic data is also presented for the Euroa and Nagambie SA2s that broadly make up the Shire.

### 3.1 POPULATION

42. Using the latest ABS Estimated Resident Population (ERP) and Department of Planning and Community Development (DPCD) population projections, population trends for the Strathbogie Shire are shown in Table 3.1 and Chart 3.1.
43. The ABS ERP figures indicate that the 2014 residential population of the Strathbogie Shire was approximately 9,850, roughly 62% of these residents are located within the Euroa SA2. This population base had grown at a rate of 0.8% per annum between 2006 and 2014, indicative of the established rural nature of the area.
44. Using the latest DPCD population forecast growth rates, the Strathbogie Shire is expected to see continued low growth (averaging 0.7% p.a. between 2014 and 2016). This will see the estimated residential population base of the Shire reach over 10,060 in 2017.

### Strathbogie Shire

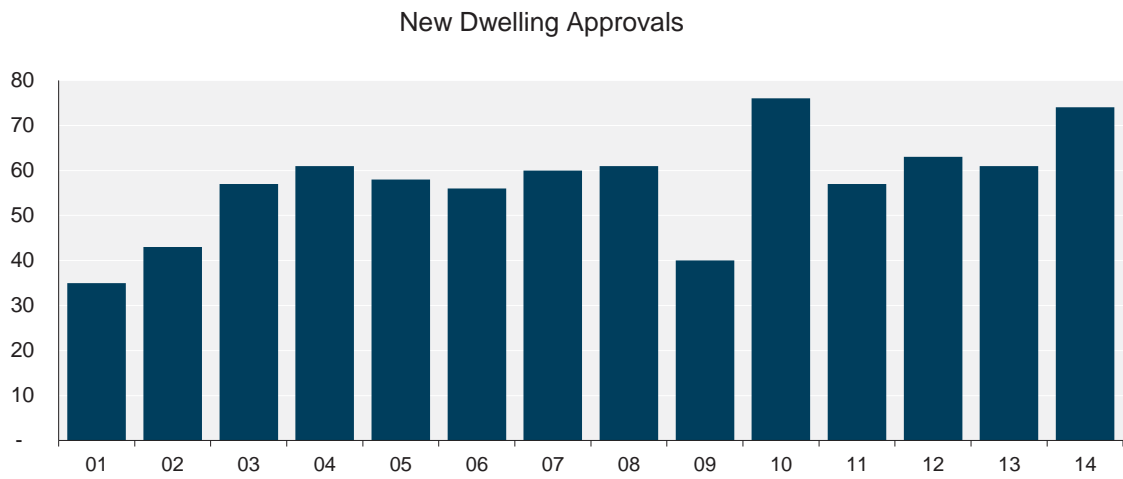
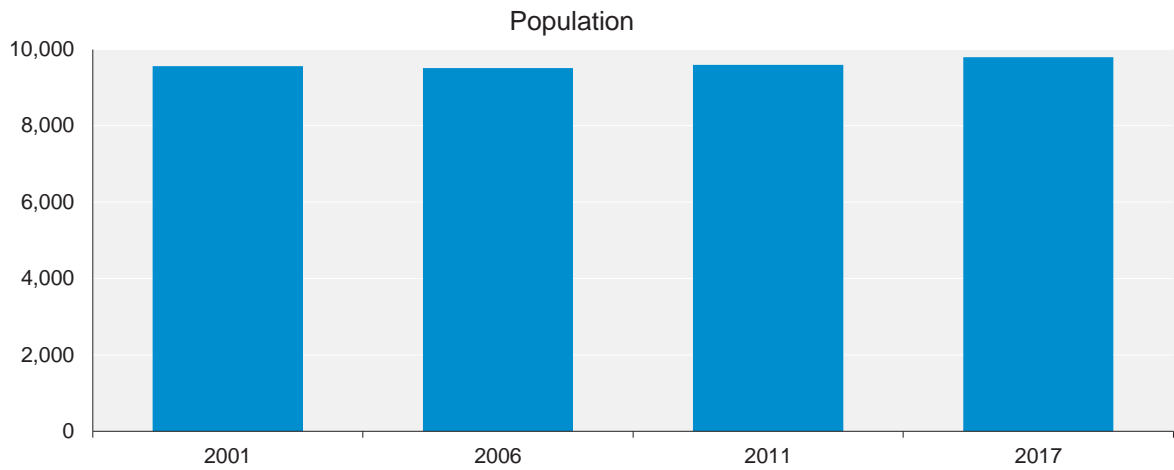
POPULATION, 2001 - 2017

TABLE 3.1

	Estimated Residential Population <sup>1</sup>			VIF2015 Projection (Rebased) <sup>2</sup>	
	2001	2006	2014	2015	2017
Strathbogie Shire	9,560	9,510	9,850	9,920	10,060
Non-Metro Victoria	1,263,370	1,300,510	1,391,390	1,404,860	1,438,010
<b>Average Annual Change (No.)</b>		<b>2001-06</b>	<b>2006-14</b>	<b>2014-15</b>	<b>2015-17</b>
Strathbogie Shire		-10	40	70	70
Non-Metro Victoria		7,430	11,360	13,470	16,580
<b>Average Annual Change (%)</b>		<b>2001-06</b>	<b>2006-14</b>	<b>2014-15</b>	<b>2015-17</b>
Strathbogie Shire		-0.1%	0.4%	0.7%	0.7%
Non-Metro Victoria		0.6%	0.8%	1.0%	1.2%

1. As at June 30

Source : ABS Regional Population Growth, Estimated Resident Population, (3218.0); DPCD Victoria in Future Projections 2015; Urbis



Source : ABS Census of Population & Housing 2011; ABS, Building Approvals, Australia (8731.0); DPCD Victoria in Future Projections 2015; Urbis

## 3.2 DEMOGRAPHIC PROFILE

45. Key demographic characteristics for the Strathbogie Shire have been benchmarked against averages for non-metropolitan Victoria, as shown in Table 3.2 and Charts 3.2 to 3.5. Key demographic characteristics of the municipality include:
- An older population. A quarter of Strathbogie Shire's residents are over the age of 65 years. While an older age profile is characteristic of many non-metropolitan Victoria townships, Strathbogie Shire's average age is 5.5 years older than average. The majority of Strathbogie's other demographic characteristics are partly attributable to the older age of residents.
  - Established housing stock with very high levels of home ownership (49% of households). Of those who are still paying a mortgage, mortgage stress levels across the Shire are generally low, due to below average housing prices, however there is a moderate level of mortgage stress within the Euroa Statistical Area 2 (SA2). Rental stress is very low across the Shire.
  - Household incomes across the Shire are 10% lower than the non-metropolitan average, however lower average household sizes across the Shire are a contributing factor. Per capita incomes of residents aged 15 to 64 years are also lower than average (-6%), however per capita incomes of residents ages over 65 years are 7% above the non-metropolitan average.
46. The demographic characteristics of the Euroa SA2 are largely the same as the Strathbogie Shire, although the residents are on average even older.
47. It should be noted that the statistical geographies of the Euroa and Nagambie SA2's (an Australian Bureau of Statistics statistical reporting geography) do not completely align with the Strathbogie Shire LGA boundary.

Characteristics	Statistical Area 2		Strathbogie (S)	Non-Metro Vic Average
	Euroa	Nagambie		
<b>Income</b>				
Average Household Income	\$55,801	\$61,012	\$57,679	\$64,321
Var'n from Non-Metro Victoria Avg.	-13.2%	-5.1%	-10.3%	n.a.
Avg. Per Cap. Income (aged 15-64)	\$34,708	\$37,085	\$35,611	\$38,002
Var'n from Non-Metro Victoria Avg.	-8.7%	-2.4%	-6.3%	n.a.
Avg. Per Cap. Income (aged 65 +)	\$24,503	\$25,617	\$24,880	\$23,332
Var'n from Non-Metro Victoria Avg.	5.0%	9.8%	6.6%	n.a.
<b>Household</b>				
Average Household Size	2.2	2.3	2.2	2.4
Average Age	46.4	44.2	45.6	40.1
Aged 65+ (% of Population)	26%	23%	25%	18%
Family Household (% of Total Hholds)	66%	67%	66%	69%
Households Owned Outright (% of Hholds)	51%	46%	49%	40%
Households Under Mortgage (% of Hholds)	30%	29%	30%	34%
Renter Occupied Households (% of Hholds)	18%	22%	20%	25%
Car Ownership (% of Hholds)	95%	96%	95%	93%
<b>Dwelling Structure</b>				
Separate House (%)	93%	86%	90%	89%
Semi-detached (%)	0%	3%	1%	4%
Flat, Unit or apartment (%)	5%	1%	4%	6%
Other dwelling (%)	2%	10%	4%	1%
<b>Housing Costs</b>				
Loan Mortgage Repayments (monthly \$)	\$1,233	\$1,434	\$1,305	\$1,469
% Households in Mortgage Stress <sup>1</sup>	3.4%	1.0%	2.5%	2.7%
Rent Payments (weekly \$)	\$149	\$192	\$165	\$201
% Households in Rental Stress <sup>1</sup>	2.0%	3.2%	2.4%	4.9%
<b>Labour Force</b>				
Labour Force Participation	57%	59%	57%	61%
% Unemployed	4%	3%	4%	5%
White Collar Workforce	64%	62%	64%	65%
Blue Collar Workforce	36%	38%	36%	35%
<b>Birthplace</b>				
Australia	91%	90%	91%	89%
Asia	1%	1%	1%	2%
Europe	6%	7%	6%	6%
Other Region	2%	3%	2%	3%

■ -20% or more variation from Non-Metro average

■ +20% or more variation from Non-Metro average

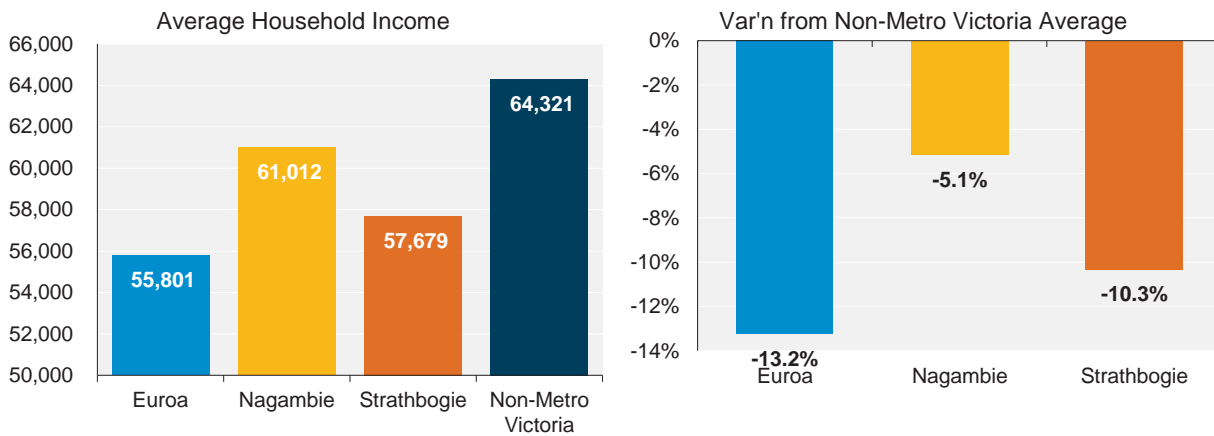
1. The Affordable Housing Taskforce has defined people as having difficulty in accessing affordable housing if they are in the lowest two quintiles (lowest 40%) of income distribution and pay 30% or more of their gross household income in housing costs. This group is referred to as being in housing stress.

Source : ABS Census of Population and Housing 2011; Urbis

## Average Household Income

STRATHBOGIE SHIRE, 2011

CHART 3.2

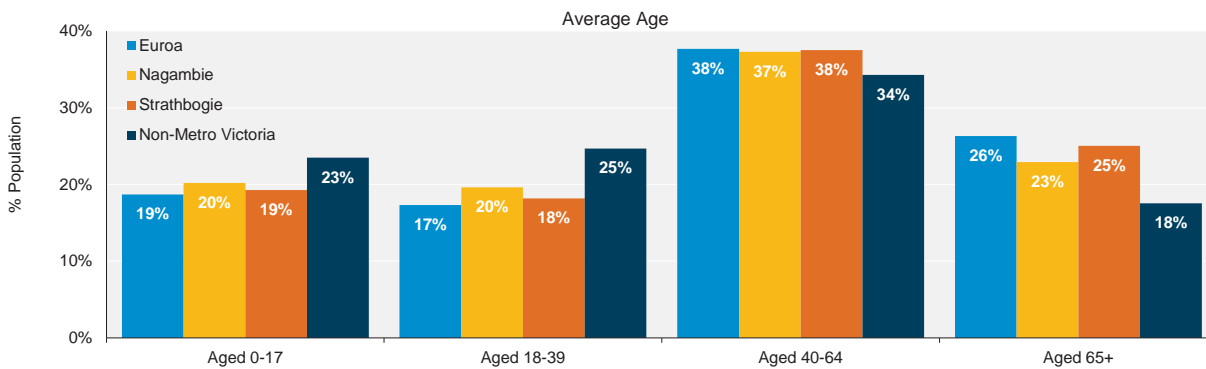


Source : ABS Census of Population & Housing 2011; Urbis

## Average Age Profile

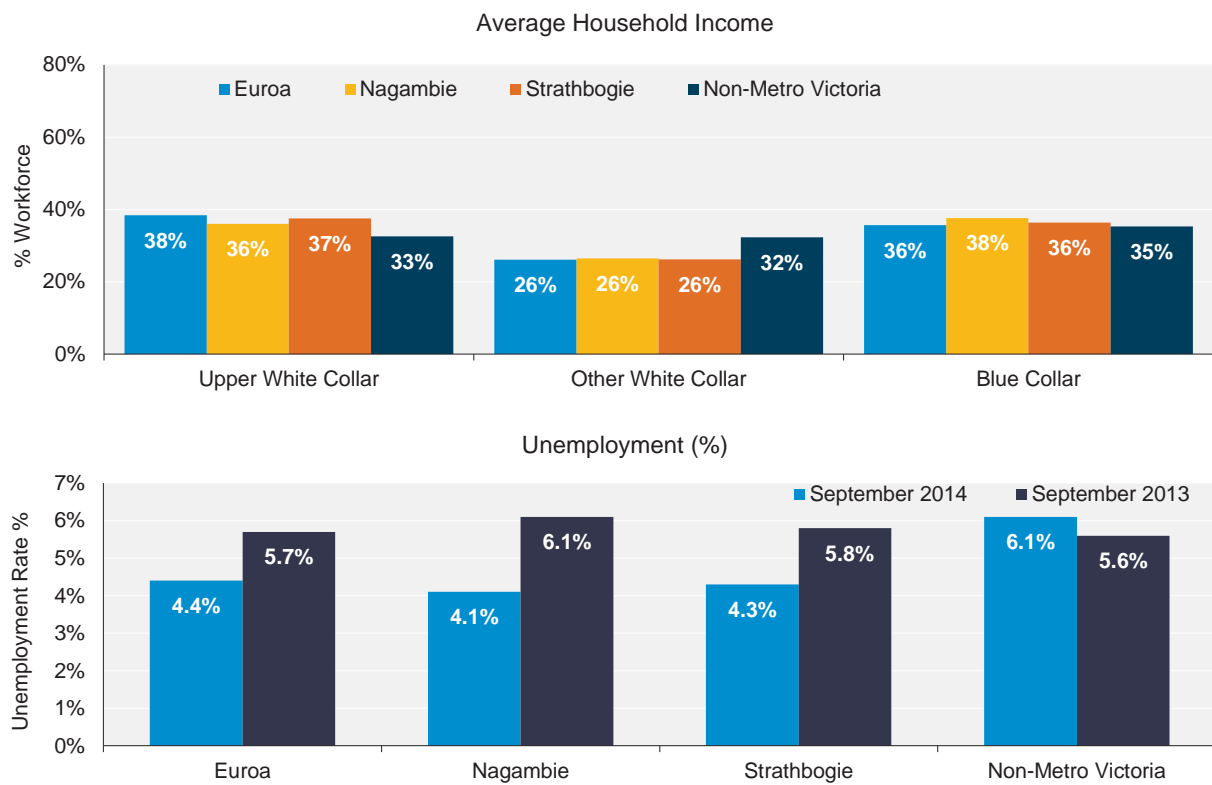
STRATHBOGIE SHIRE, 2011

CHART 3.3

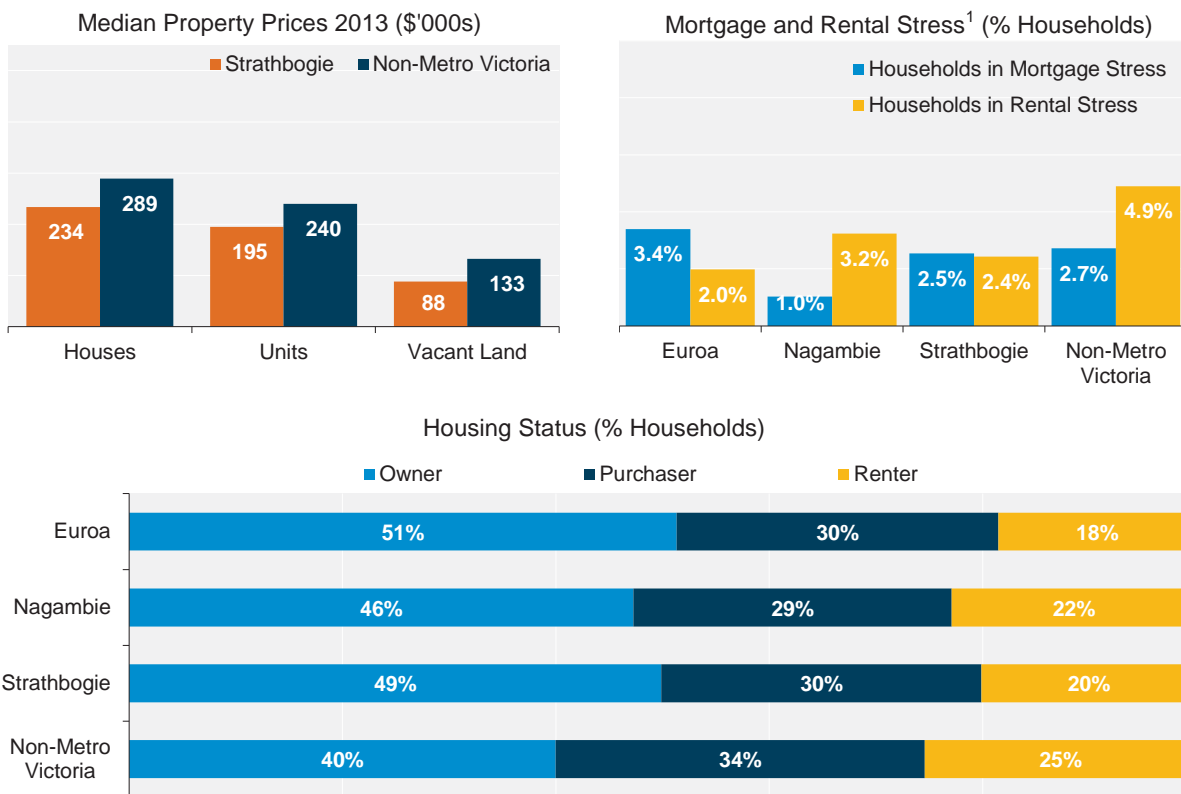


Source : ABS Census of Population & Housing 2011; Urbis





1. Upper White Collar includes managers and professionals; Other White Collar includes community & personal service workers, clerical & administrative workers and sales workers; Blue Collar includes technicians & trades workers, machinery operators & drivers and labourers.  
Source : ABS Census of Population & Housing 2011; Department of Education, Employment and Workplace Relations, Small Area Labour Markets, Smoothed Series; Urbis



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

Source : ABS Census of Population and Housing 2011; Guide to Property Values Victoria 2013; Urbis

### 3.3 SOCIO-ECONOMIC INDEX OF DISADVANTAGE (SEIFA)

48. Table 3.3 presents the SEIFA for the Strathbogie Shire, as published by the ABS, to provide a general measure for the disadvantage in the area. Refer to the Definitions section of this report for details of how SEIFA is derived as a measure.
49. Using SEIFA, residents in the Strathbogie Shire are generally only slightly more relatively disadvantaged across all Victorian municipalities, with the LGA ranked 23 out of 80 LGAs in Victoria. Of the 35 rural municipalities in Victoria, Strathbogie ranks in the middle on relative disadvantage (as shown in Appendix C).

#### SEIFA

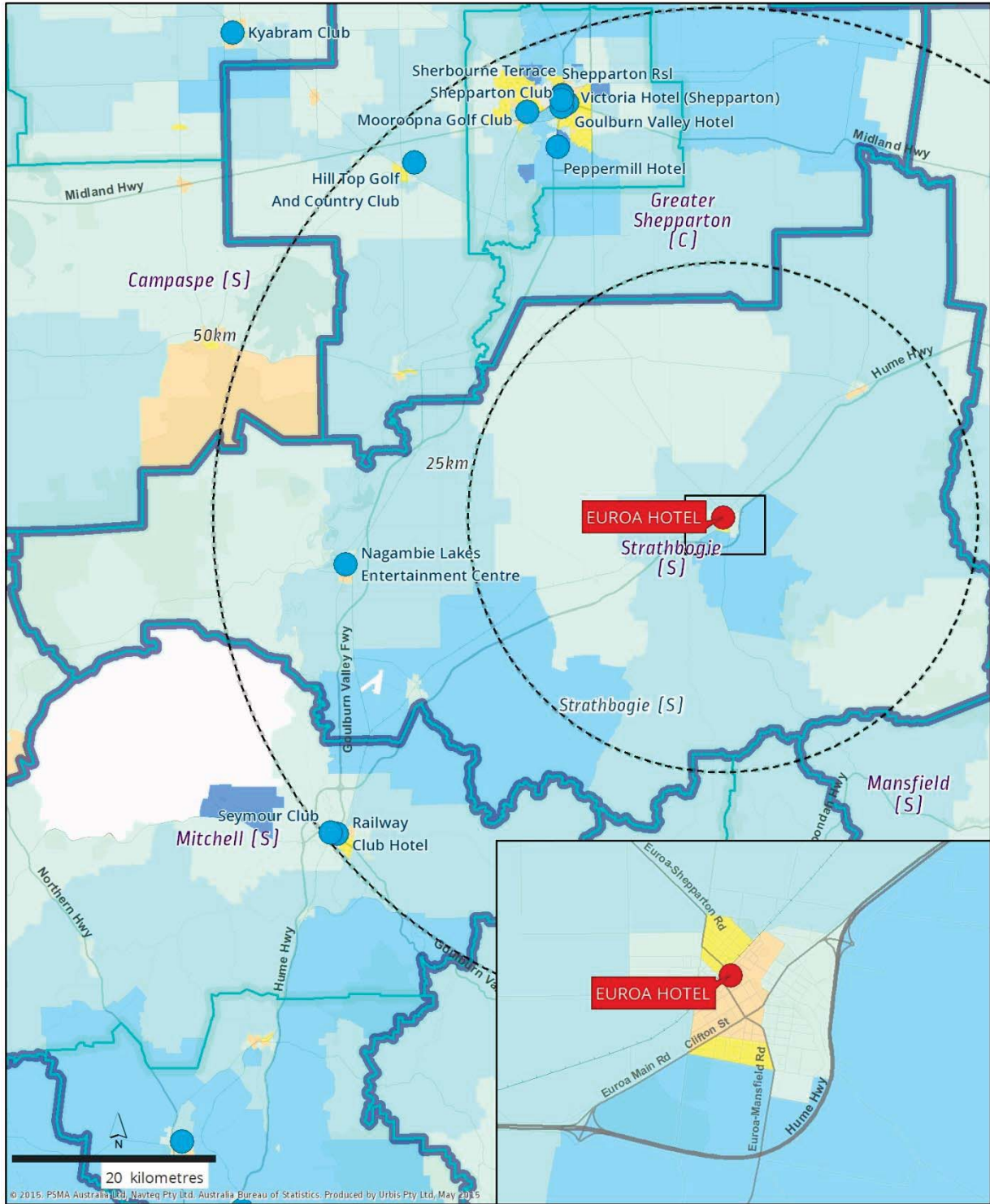
##### INDEX OF RELATIVE SOCIO-ECONOMIC DISADVANTAGE

TABLE 3.3

Local Government Area	Rank (of 80)	Index Score
Strathbogie Shire	23	970

Source : ABS Socio-Economic Indexes for Areas, Index of Relative Socio-Economic Disadvantage 2011 (cat. 2033.0); Urbis

50. At a smaller area level, while most of the rural areas of the Shire show low levels of disadvantage, in the townships of Euroa and Nagambie, there are areas of higher disadvantage. This is typical of most country towns where SEIFA scores are lower, often because the older demographic (which have a significant impact on SEIFA calculations) are congregated in the towns.



- Euroa Hotel
  - Other Gaming Venue
  - SLA Boundary
  - LGA Boundary
- SEIFA Index of Disadvantage (2011)**  
(Victorian Deciles)
- Decile 1
  - Decile 2
  - Deciles 3 & 4
  - Deciles 5 & 6
  - Deciles 7 & 8
  - Deciles 9 & 10

## 4 EGM Provision and Expenditure

### 4.1 CURRENT PROVISION OF EGMS

51. There is currently only one other gaming venue in the Shire, Nagambie Lakes Entertainment Centre. There is more access to gaming outside of the municipality in the City of Greater Shepparton and the Mitchell Shire as shown in Map 4.1.

#### Current EGM Distribution

STRATHBOGIE SHIRE

TABLE 4.1

Venue	Address	Venue Type	Attached Entitlements	Licenced EGMs	2015 <sup>1</sup> EGM Expenditure
Nagambie Lakes Entertainment Centre	High Street, Nagambie	Club	32	32	\$1,318,809

1. Full year ending 30 June 2015

Source : Victorian Commission for Gambling and Liquor Regulation; Urbis

52. Table 4.2 shows that at 30 June 2015, the number of EGMs per 1,000 adults (persons aged over 18) was 3.97 in the Strathbogie Shire. At the same date, the level of EGMs per 1,000 adults for non-metropolitan Victoria was 6.68. Net gaming expenditure per adult in the Shire of Strathbogie for the 2014-15 financial year was just \$164, well below the non-metropolitan average of \$483.
53. These statistics however do not capture the amount of gaming expenditure generated from residents of Strathbogie Shire that is directed to venues in Shepparton or elsewhere.

#### EGM Summary Statistics

STRATHBOGIE SHIRE, AS AT JUNE 2015

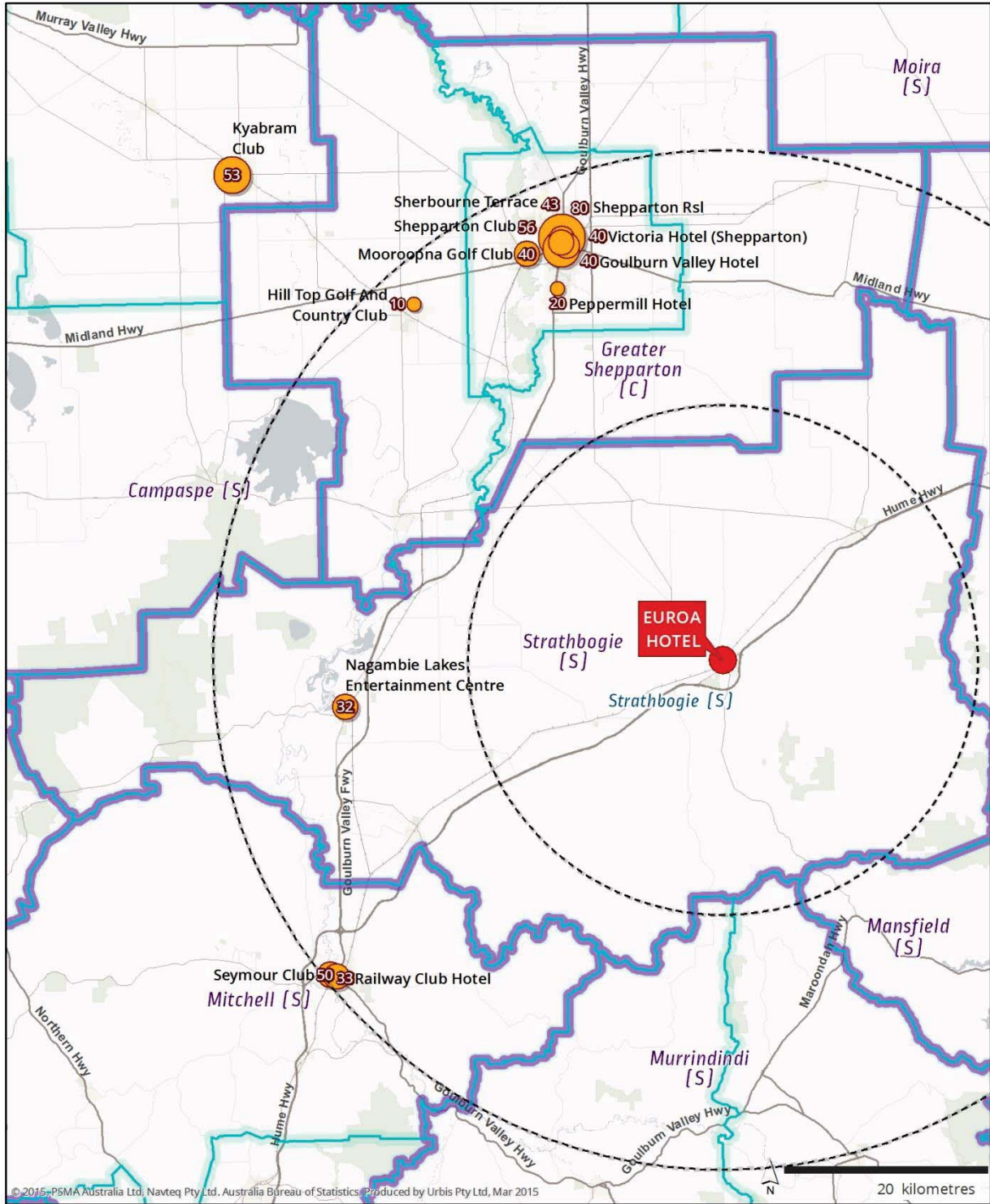
TABLE 4.2

	Shire Of Strathbogie	Non-Metro Victoria
Adult Population (+18 years) <sup>1</sup>	8,063	1,142,470
No. of Venues <sup>2</sup>	1	189
Adult Population (+18) Per Venue	8,063	6,045
<b>Electronic Gaming Machines</b>		
No. of EGMs <sup>2</sup>	32	7,632
EGMs Per 1,000 (18+)	3.97	6.68
<b>Expenditure</b>		
Net Expenditure 2014/15	\$1,318,809	\$551,727,941
Net Expenditure per Adult (18+)	\$164	\$483

1. Latest adult population figures for June 2015 as published on VCGLR website.

2. Venue and EGM totals for year ending 30 June 2015, as published on VCGLR website.

Source : Victorian Commission for Gambling and Liquor Regulation; Urbis



**Venues with Electronic Gaming Machines**

- Euroa Hotel
- SLA Boundary
- LGA Boundary
- Fewer than 25
- 25 - 50
- 50 - 75
- More than 75



## 4.2 EGM DENSITY PROJECTION

54. As discussed, the Euroa Hotel is proposing to introduce 30 EGMs to the venue. These machines will be installed as soon as possible upon confirmation of this application.
55. This application will increase the supply in the municipality. However, the two venues will serve separate markets in the Shire (Euroa and Nagambie), with the cumulative impact therefore more limited. This will provide residents of Euroa with access to a modern venue that will be able to provide them with a multitude of entertainment options, one of which will be electronic gaming. This level of quality is not currently available in Euroa.

### Projected EGM Density

STRATHBOGIE SHIRE

TABLE 4.3

	EGM Venues	EGM No.	Adult Pop'n (18+) DPCD <sup>1</sup>	EGM Density (Per 1,000 Adults) DPCD
<b>2015</b>				
Strathbogie Shire	1	32	8,063	3.97
<b>2017</b>				
Strathbogie Shire	1	32	8,212	3.90
<b>+30 EGMs at Euroa Hotel</b>	2	62	8,212	7.55

1. DPCD adult population for 2015 is estimated from DPCD projection by age groups for 2011 plus -4 year growth between 2011 and 2016.

Source : ABS Estimated Resident Population 2011; DPCD Victoria in Future Projections 2012; VCGLR; Urbis

## 4.3 EGM EXPENDITURE ANALYSIS

56. The estimated impact of this application on EGM expenditure has been assessed by ShineWing Australia. This analysis indicates that the installation of 30 machines at the Euroa Hotel will generate between \$1.35 million to \$1.46 million per annum in gaming revenue at the venue in the first year of trade. Given the lack of gaming facilities in Euroa currently, only around 10%, or \$134,696 to \$146,033, will be transferred from other existing gaming venues in the first year of trade.

## 5 Gaming Policies and Procedures

### 5.1 STRATHBOGIE PLANNING AND GAMING POLICIES

57. In 2010 the Strathbogie Shire released the Euroa Structure Plan. The document outlines a range of strategies guiding the development of Euroa over the following 10-15 years to secure the economic, social and environmental future of the town.

#### *A 'Vision' for Euroa*

*Euroa will continue to develop as a destination for weekend and short break tourism, while maintaining its traditional roles as a rural service centre and 'drop in' location for Hume Freeway drivers. The characteristics that distinguish Euroa from other townships of a similar size will be strengthened, such as the compact central area, the strong presence of services and the attractive historic buildings and streetscapes. The township's sense of connection to its rural hinterland will be also be strengthened, both in terms of showcasing activities, events and local products, and in the way it's well vegetated streets and open spaces forge links with its landscape context.*

*Euroa Structure Plan (September 2010)*

58. As can be seen in the above vision statement, one of the key focuses of the Plan is to enhance Euroa as a tourism destination. A range of objectives are included in the Tourism and Economic Development section of the Plan relating to the future of the Euroa Hotel including:
- *Encourage and support the development of cafes/ restaurants and boutique retail stores along Binney and Railway Streets.*
  - *Encourage private ventures aimed at tourism, particularly those that will provide local employment opportunities.*
  - *Encourage the development of a wide range of tourist accommodation options to cater for a broad range of user groups.*
  - *Encourage local business owners to extend their trading hours on weekends/ specific dates/ holiday periods to cater for and capitalise on increased tourist numbers and people passing through the township, in conjunction with Business Enterprise Euroa. Encourage shop owners to display their opening hours on the premises.*
  - *Generate local enthusiasm and pride in Euroa, through ongoing improvements to the amenity of the township.*
  - *Protect, utilise and showcase references to Euroa's unique history through:*
    - *maintenance/ restoration of existing heritage buildings and/or sites, particularly on Binney and Railway Streets;*
    - *re-use of existing heritage buildings for ventures aimed at tourism/ accommodation [...]; [and]*
    - *provision of signage/ plaques on all existing heritage buildings.*
59. These plans all align with the proposed redevelopment of the Euroa Hotel. It is an historic hotel that has potential to provide a superior entertainment and dining offer to residents and tourists. In its current state, the hotel is unable to attract a broader customer base, and therefore the role it plays for the community will remain diminished without the necessary redevelopment works.

60. While the Shire does not currently have a Gaming Policy, Clause 52.28 of the Strathbogie Planning Scheme, as with all municipalities, outlines the Shire's purpose with regard to the location of gaming in the municipality.
61. The purpose of 52.28 is to:
- *ensure that gaming machines are situated in appropriate locations and premises.*
  - *ensure that the social and economic impacts of the location of gaming machines are considered.*
  - *prohibit gaming machines in specific shopping complexes and strip shopping centres.*
62. The consistency of this application and the location of the venue with this Clause are addressed in a separate planning report. However, as discussed earlier in this report, the location of the hotel is consistent with the intent to avoid inappropriate locations, for example, locations that expose people to gaming opportunities as they go about their daily activities. The Railway Street location of the hotel is not active and will not create an elevated risk of "convenience" gambling.
63. The development proposed at Euroa Hotel is aligned to the Shire's policy to preserve and restore the historical attractions of Euroa and provide additional recreation destinations for both residents and visitors.

## 5.2 OPERATOR'S COMMITMENT TO RESPONSIBLE GAMBLING

64. Mr Buzzo has proven to be a responsible operator of gaming venues, with a commitment to providing safe and enjoyable venue facilities. His experience gained in introducing gaming to the Cobram Hotel will be applied at Euroa.
65. It is proposed that the Hotel will implement a number of best practice harm minimisation strategies. These strategies include:
- Making services available for those seeking assistance, including support from the Hotel's gaming supervisor, contact with Gambler's Help and taxi/phone assistance.
  - Adherence to the Victorian Gaming Machine Industry (VGMI) Code of Practice for responsible gaming.
  - Participation in the AHA self-exclusion program.
66. All gaming staff employed at the Hotel will be required to participate in Responsible Service of Gaming and Responsible Service of Alcohol training. All staff will be required to read the VGMI Code of Practice and understand their responsibilities and the VGMI Independent Complaint Resolution Process.

### 5.3 IMPACT ON PROBLEM GAMBLING

67. Problem gambling and its related effects are the major negative social consequence of gaming that needs to be weighed up against the positive factors of this application. In our view, the impact on problem gambling in the Shire of Strathbogie as a result of the installation of EGMs at the venue will be minimal.
68. The key factors typically considered in relation to problem gambling and in reaching this conclusion are:
- The introduction of EGMs to the venue is unlikely to act as the primary attraction to visitors. The use of EGMs is expected to be ancillary to other activities at the venue, which are to be expanded as part of this application.
  - 30 EGMs is a modest gaming offer which comes with reduced risks compared to much larger hotel venues.
  - While demographic statistics in the area show some level of disadvantage, this result is heavily influenced by the elderly population in Euroa. Older residents, while being more frequent users of gaming machine, are under-represented amongst problem gamblers. These residents have effectively managed their finances over many years and now have reduced living costs, with most owning their own home outright. Additionally, residents make up only one element of the hotel's market. As described in this report, the hotel attracts visitors from widely dispersed locations, including many tourists.
  - EGM expenditure at the Euroa Hotel is expected to be quite low. While there is no direct correlation between expenditure and problem gambling (i.e. increased expenditure doesn't necessarily translate to higher problem gambling), a lower expenditure venue clearly represents a reduced risk of problem gambling behaviour compared to one where expenditure is high.
  - It is unlikely that this venue will induce convenience gambling in the sense typically linked to problem gambling. Although proximate to some retail facilities, this area along Railway Street is not a high pedestrian traffic area. Any facility in Euroa, due to the nature of small country towns, needs to be centrally located to the town centre where all facilities serving the region are co-located.
  - Proposed actions to implement a Responsible Service of Gaming policy at the new facility to help prevent problem gambling will place the applicant in a position to minimise harm. The applicant has successfully operated other gaming venues in similar rural locations.
  - The nature of a facility in a small country town is likely to reduce the risk of problem gambling compared to other more populated areas. In a small town, the staff know the regular patrons, can develop strong relationships with them, and are therefore better placed to identify when those people may be at risk from their gambling.
69. Overall, the risk of increased problem gambling as a direct result of this application is likely to be minimal. The increase in the risk of harm to residents of the Shire of Strathbogie is in our view outweighed by the benefits the additional revenue flows the venue could generate in terms of community contributions and the ability to fund capital improvements to the venue to improve its offer.

## 6 Social and Economic Impact Summary

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

### 6.1 ECONOMIC BENEFITS

71. The economic benefits of the proposal can be summarised as follows:

EFFECT	DESCRIPTION AND WEIGHT GIVEN
<ul style="list-style-type: none"> <li>▪ Gaming expenditure not associated with problem gambling</li> </ul>	<p>New gaming expenditure as a result of the installation of 30 EGMs is estimated to be between \$1.3 million and \$1.5 million in the first year of trade, much of which represents an economic benefit. Expenditure by gamers who play for recreation (within their financial means) is an economic benefit, just as any other entertainment spending choice is a benefit. This expenditure is also associated with a separate social benefit. While it is not possible to assign a precise value due to the difficulty of determining the value of gaming spend related to problem gambling, as I expect the change in problem gambling as a result of this application to be minimal, the vast majority will be an economic benefit.</p>
<ul style="list-style-type: none"> <li>▪ Community contributions</li> </ul>	<p>The Euroa Hotel is keen to develop stronger linkages with the community through giving back via donations to local community and sporting groups. The revenue generated by the EGMs at the venue will allow the Hotel to establish a community grants program distributing \$30,000 per annum.</p>
<ul style="list-style-type: none"> <li>▪ Value of development works</li> </ul>	<p>The installation of the EGMs will ensure the restoration and redevelopment of the venue can proceed, restoring the venue to its former glory and making it attractive to both residents and visitors to Euroa. The estimated cost of the Stage 1 works is \$2.8 million and Stage 2 is \$500,000. Without approval of this application, these works will not proceed and the future of the venue is dire. The construction phase will create a combination of increased local employment and generate further spending by workers in other local businesses.</p>
<ul style="list-style-type: none"> <li>▪ Ongoing effects as a result of development works</li> </ul>	<p>As a result of the redevelopment of the venue, supply contracts will increase. Increased demand will boost supply contracts for food, beverage and products related to the operation of the bistro and bar areas, which are currently very quiet.</p>
<ul style="list-style-type: none"> <li>▪ Employment creation</li> </ul>	<p>Installing EGMs and redeveloping the Hotel will facilitate the creation of additional employment throughout the venue of almost 20 jobs ranging from full time to casual.</p>

## 6.2 ECONOMIC DISBENEFITS

72. There are also economic impact risks as a result of this proposal and are summarised below:

EFFECT	DESCRIPTION AND WEIGHT
<ul style="list-style-type: none"> <li>▪ Potential diversion of trade from retail facilities</li> </ul>	<p>The maximum impact which retailers in Euroa could incur is at or below the value of the new spending, estimated at between \$1.2 million and \$1.3 million in the first year of trading. In reality, the impact is likely to be a fraction of this, given the range of activities and locations that people spend their money on. In fact, the attraction of a vastly improved entertainment offer in the town will have the potential to attract visitors to the town and retain resident spend locally, which will not only contribute to the expenditure in the venue, but will also spend in other local businesses. I place limited weight on this disbenefit.</p>
<ul style="list-style-type: none"> <li>▪ Diversion of trade from other gaming venues</li> </ul>	<p>Given the distance from the nearest existing gaming facility, the transfer of trade will have a negligible impact on the ability of existing venues to serve the role they do in their respective communities.</p>
<ul style="list-style-type: none"> <li>▪ The share of gaming spend attributable to problem gambling</li> </ul>	<p>This is the inverse of the economic benefit discussed above. The share of new gaming expenditure which is derived from problem gamblers does represent an economic disbenefit, although it is expected to be small.</p> <p>It does not automatically follow that an increase in gaming expenditure involves an increase in problem gambling, particularly given the small gaming offer proposed.</p>
<ul style="list-style-type: none"> <li>▪ Economic costs associated with problem gambling</li> </ul>	<p>Problem gambling does have an economic cost relating to the provision of services, the financial losses of the gamblers themselves and other support services which deal with the problems of gamblers and their families and friends. While undoubtedly problem gambling exists in this region, the important consideration here is whether this application will <u>increase</u> the problem. As discussed, I believe the problem gambling change will be minimal in the Shire of Strathbogie as a result of this application. Subsequently the economic cost will also be minimal.</p>



## 6.3 SOCIAL BENEFITS

73. The social benefits derived from the proposed installation of 30 EGMs to the Euroa Hotel include:

EFFECT	DESCRIPTION AND WEIGHT
<ul style="list-style-type: none"> <li>▪ Enhanced access to venue facilities for residents and visitors</li> </ul>	<p>For those who wish to play gaming machines and do so in a responsible manner, the provision to such facilities in Euroa where they have existed before generates a social benefit for those people. This is clearly evident in the results of the community survey.</p>
<ul style="list-style-type: none"> <li>▪ Improved facilities adding to the appeal of Euroa</li> </ul>	<p>This is a social benefit that will result over and above the economic value of the works. In particular, this application will enable the redevelopment of the Hotel and the restoration of the Hotel's historic features. The redevelopment will allow the venue to become more family friendly and more welcoming to visitors from outside of Euroa, enhancing the prospect for greater tourism to the region. This in turn flows on to many other businesses in the town.</p>
<ul style="list-style-type: none"> <li>▪ Social benefit derived from community contributions</li> </ul>	<p>Approval of the EGMs will enable the Hotel to enhance their community contributions. While there is an economic value of those activities, undoubtedly, the social value created far exceeds a dollar value. The ability of a Hotel in a small country town to contribute to local community and sporting groups, promote social interaction and general well-being represents a very important social benefit of this application.</p>
<ul style="list-style-type: none"> <li>▪ Community support to the development of the hotel including gaming</li> </ul>	<p>The community survey demonstrated that there is majority support for the development of the hotel. 81% of respondents supported the redevelopment in its entirety. The development will fill a void for a quality, family friendly establishment in Euroa.</p>

## 6.4 SOCIAL DISBENEFITS

74. Social disbenefits resulting from this proposal are summarised as follows:

EFFECT	DESCRIPTION AND WEIGHT GIVEN
<ul style="list-style-type: none"> <li>▪ The increase in problem gambling and associated social impacts.</li> </ul>	<p>As with any gaming application, the key potential social disbenefit relates to the impact that the addition of gaming machines will have on problem gambling. Excessive gambling can have adverse impacts on people's health, jobs, finances, emotional states and relationships. The <i>Productivity Commission Inquiry Report into Gambling, 2010</i> detailed potential measures of harm caused by gambling across a range of social and economic indicators.</p> <p>However, as discussed in this report, the change to problem gambling and negative social impacts resulting from this application is expected to be minimal.</p>
<ul style="list-style-type: none"> <li>▪ Community opposition to the introduction of gaming to Euroa</li> </ul>	<p>While the application will see a major redevelopment of the hotel, improving the quality of local entertainment facilities, there will be some in the community opposed to the introduction of gaming. There has previously been opposition to the application when it was before Council in 2013 although the results of the community survey indicate those opposed to the introduction of gaming are in the minority, and in fact only 16% are opposed to the development in its entirety. Any opposition must also be assessed against the disbenefit that will actually be felt and the counteracting direct benefits offered should the application be approved.</p>

## 6.5 ECONOMIC AND SOCIAL IMPACT SUMMARY

75. On the basis of the assessment presented in this report, it is concluded the introduction of 30 gaming machines to the Euroa Hotel will not be detrimental to the social and economic well-being of the Shire of Strathbogie.
76. I consider the application for the addition of gaming machines deserves favourable consideration from the Commission on the following grounds:
- The Euroa Hotel is a key social facility within the community. Hotels such as this hold an important position as a key community destination in a country town, although the value of the hotel to the community has diminished as it has become increasingly run-down over time. The addition of 30 EGMs will have a significant positive effect on the viability of the hotel going forward to ensure that this important role can be re-enforced through redevelopment, providing vastly improved social interaction opportunities for both locals and tourists.
  - For the vast majority of patrons who play gaming machines responsibly, there is a clear social benefit from providing access to a form of entertainment currently not available locally.
  - The venue upon redevelopment will provide a number of improved facilities to patrons. These facilities will appeal to both local residents and the tourist market. Gaming will make up only one component of the entertainment facilities available at the venue.
  - A stronger financial position for the Euroa Hotel will enable the establishment of a community support program to the value of \$30,000 annually, a valuable contribution to supporting the Euroa community. Without the significant increase in revenue generated through the introduction of gaming, the community contributions will not be funded.
  - It is estimated that gaming expenditure on 30 EGMs at the Euroa hotel will be modest. Given there is not gaming offered in Euroa currently, most of the expenditure will be new, however, as the vast majority of this increased spend will be generated by recreational gamblers, not problem gamblers, new expenditure is predominately an economic benefit of development.
  - The impact of this application on problem gambling is expected to be minimal. The operator has experience with other gaming venues in rural areas, in a country town staff will know and interact with regular patrons, the range of facilities will be broad, and the location of the venue will not induce a significant level of “convenience” gaming.
  - While there is some evidence of opposition to the introduction of gaming to Euroa, there are also members of the community of support of development who will receive direct benefit from the improved facilities and potentially flow on benefits from increased tourism spending in the town. The community attitude survey indicated the vast majority of Euroa residents support the development.
77. On balance, I believe the net social and economic benefits likely to flow from the approval of 30 EGMs at the Euroa Hotel are such that this application deserves favourable consideration by the Commission.

## Appendix A

## Community Attitude Survey

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# Euroa Hotel Redevelopment - Residents Survey Report

Prepared for: Sam Buzzo

Prepared by: DJL Consulting Group

November 2015

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# Contents

Executive Summary
About the Research
Background
Objectives
Sample
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Key Findings
Attitude to Individual Facilities
Attitude to Redevelopment Overall
Redevelopment Feedback
Recent Entertainment Behaviour



# Executive Summary

Research was conducted in September 2015 with 300 adult residents of the Euroa community to measure attitudes towards redevelopment of the Euroa Hotel.

Eighty one percent of residents supported the redevelopment overall, compared to 13% who opposed this. A total of 87% did not oppose the redevelopment.

There was a similar level of support but higher level of opposition after stating that the proposal was 'all or nothing' with the redevelopment dependent on gaming, with 82% of Euroa residents supporting and 18% opposing the redevelopment overall on this basis. The level of support and opposition remained similar after stating that a community contributions program with annual contributions of \$30,000 from the Hotel would be available, with 82% of Euroa residents supporting and 16% opposing the redevelopment overall on this basis.

There was majority support for all aspects of the redevelopment:

- 90% supported accommodation facilities
- 88% supported relocation and upgrade of the bistro
- 83% supported a new children's play area off the bistro
- 82% supported development of a new function room
- 82% supported a community contributions program with annual contributions of \$30,000 from the Hotel
- 77% supported a new sports bar
- 56% supported a gaming lounge with 30 electronic gaming machines

When asked for feedback and comments about the proposed redevelopment, consistent with the support levels found, the majority of comments were positive:

- Positive feedback tended to relate to the redevelopment being good for the town, for the people and tourism, and a desire to complete the redevelopment.
- Negative feedback tended to support the redevelopment without the pokies, and a possible negative impact on the local community from the introduction of pokies.

Seventy percent of respondents had visited the Euroa Hotel in the past 12 months, with 33% visiting more than 5 times. Seventy five percent of respondents had visited other Hotel or Club venues outside Euroa, with 41% visiting more than 5 times.

Thirty six percent of respondents had used gaming machines anywhere in the past 12 months, with the majority (22% of all respondents) using gaming machines between 1 and 5 times. Shepparton (51% of gaming machine users) was the most common location for use of gaming machines, with Benalla (37%) the next most popular location.

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# About the Research

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# Background

Redevelopment of the Euroa Hotel has been proposed, including a 2 stage refurbishment and expansion of the hotel whilst retaining existing façade and historical features.

Stage 1 would involve an investment of approximately \$2.8 million, including:

- development of a new function room
- relocation and upgrade of the bistro
- a new children's play area off the bistro
- a new sports bar
- introduction of a gaming lounge with 30 electronic gaming machines (also known as Pokies)
- new bathrooms, kitchen, coolroom and back-of-house facilities
- upgrade of the existing informal car park to a total of 55 marked car spaces

A second stage is also being considered to involve an upgrade to the first floor accommodation facilities, a further investment of \$500,000.

It is proposed that the venue will establish a community contributions program, the Euroa Hotel Community Chest with annual contributions of \$30,000, in line with best practice models across the state, and allowing a range of community and sporting organisations to apply for sponsorship, donations or in kind contributions.

It is estimated that the Stage 1 redeveloped Hotel will result in an increase in employment from 8 to 20 full time equivalent staff in full time, part time and casual roles. During construction, direct employment during Stage 1 is expected to provide 12 new jobs, with flow on employment estimates of 19 jobs.

The redevelopment of the Euroa Hotel is dependent on the approval of gaming facilities.

As part of the application process, the applicant of the proposed development commissioned independent research to obtain community views about the proposal, with the key objective to establish the level of support or opposition to the proposed redevelopment overall and to individual components of the redevelopment.

This report summarises the findings of the September 2015 survey of a sample of 300 adult residents living within 20km of Euroa.

# Research Objectives

The key objectives of the research were:

- To measure the level of support or opposition from adult residents of Euroa to the proposed redevelopment overall.
- To assess the level of support or opposition to the individual aspects of the redevelopment, including:
  - development of a new function room
  - relocation and upgrade of the bistro
  - a new children's play area off the bistro
  - a new sports bar
  - a gaming lounge with 30 electronic gaming machines
  - a community contributions program with annual contributions of \$30,000 from the Hotel
  - renovated accommodation facilities (part of Stage 2).
- To assess the level of support or opposition to the introduction of 30 gaming machines on the basis that without the gaming machines, the redevelopment will not proceed.
- To assess the level of support or opposition to the introduction of 30 gaming machines on the basis that a financial contribution of \$30,000 per annum will be made to local community groups and organisations.
- To provide the local community with the opportunity to share additional feedback regarding the proposed redevelopment.

# Sample

Who	300 Adults aged 18 years or older
Where	Residents within approximately 20km of Euroa
When	Telephone interviewing conducted from Thursday September 10 <sup>th</sup> to Sunday 20 <sup>th</sup> September 2015, with interviews on weeknights and weekends
How	Computer Assisted Telephone Interviews (CATI)
Weights	Data weighted to represent Age and Gender profiles of area. Percentages in report based on weighted data, with base sizes relating to unweighted data.

Sample Profile		n
Total	Unweighted Base	300
Gender	Male	126
	Female	174
Age	18-34	23
	35-64	110
	65+	167

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# Survey

The survey comprised the following 3 main sections:

1. Proposal Briefing - detailing the proposed redevelopment
2. Attitude Assessments – identifying support or opposition to individual aspects of the development, as well as overall
3. Recent Entertainment Behaviour – quantifying recent use of Hotel and other entertainment and gaming behaviour

Details of these survey sections is outlined on the following pages.



## Survey – Proposal Briefing (as per Questionnaire)

- To start with, I would like to provide an overview of a proposed redevelopment to the Euroa Hotel, and then ask you a few questions about your opinions and ideas.
- The proposed redevelopment includes a 2 stage refurbishment and expansion of the hotel whilst retaining the existing façade and historical features. Stage 1 would involve an investment of approximately \$2.8 million, including:
  - development of a new function room
  - relocation and upgrade of the bistro
  - a new children's play area off the bistro
  - a new sports bar
  - introduction of a gaming lounge with 30 electronic gaming machines (also known as Pokies)
  - new bathrooms, kitchen, coolroom and back-of-house facilities
  - upgrade of the existing informal car park to a total of 55 marked car spaces.
- A second stage is also being considered to involve an upgrade to the first floor accommodation facilities. These works would include an investment of \$500,000.
- It is proposed that the venue will also establish a community contributions program, the Euroa Hotel Community Chest with annual contributions of \$30,000, in line with best practice models across the state, and allowing a range of community and sporting organisations to apply for sponsorship, donations or in kind contributions.
- It is estimated that the Stage 1 redeveloped hotel will result in an increase in employment from 8 to 20 full time equivalent staff in full time, part time and casual roles. During construction, direct employment during Stage 1 is expected to provide 12 new jobs, with flow on employment estimates of 19 jobs.
- Given the location and nature of the hotel, it is estimated that around \$1.6 million-\$1.7 million annually will be spent on the gaming machines by players, placing it in the lowest 20% of venues state-wide in terms of gaming expenditure per machine. Of this revenue, the hotel operator would retain around 25 to 30% after allowing for GST, State Gaming Taxes and operating costs but pre-income tax. Much of this profit will be invested in the hotel to increase employment opportunities, fund the acquisition of gaming machine entitlements and expand and upgrade the venue.

# Survey – Attitude Assessment

The Attitude Assessment section of the survey comprised:

1. Rate the level of support or opposition to:
  - Each of the new / enhanced facilities
  - The redevelopment overall
2. If neither support nor oppose, strongly or somewhat oppose the redevelopment overall, respondent is informed that the redevelopment is dependent on the introduction of the gaming lounge with 30 gaming machines, and it will only go ahead if the machines are approved. Given this, to what extent do they support or oppose the proposed redevelopment with all its facilities, including gaming?
3. If still neither support nor oppose, strongly or somewhat oppose the redevelopment overall with all of its facilities, respondent is informed that if the redevelopment goes ahead the hotel will make an annual contribution of \$30,000 to local community groups and organisations. Taking this into consideration, to what extent do they support or oppose the proposed redevelopment with all its facilities, including gaming?
4. Opportunity for respondent to provide suggestions and feedback (open-ended) about the redevelopment, as well as any other comments.

## Ratings Scale:

Strongly Support

Somewhat Support

Neither Support Nor Oppose

Somewhat Oppose

Strongly Oppose

# Survey – Entertainment Behaviour

The Entertainment Behaviour section of the survey comprised:

- In the past 12 months, how many times have they visited the Euroa Hotel?
- In the past 12 months, how many times have they visited other Hotel or Club venues outside of Euroa?
- In the past 12 months, on how many occasions have they used gaming machines anywhere?
- If used gaming machines anywhere in past 12 months, at which locations have they used gaming machines in the past 12 months?

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# Key Findings

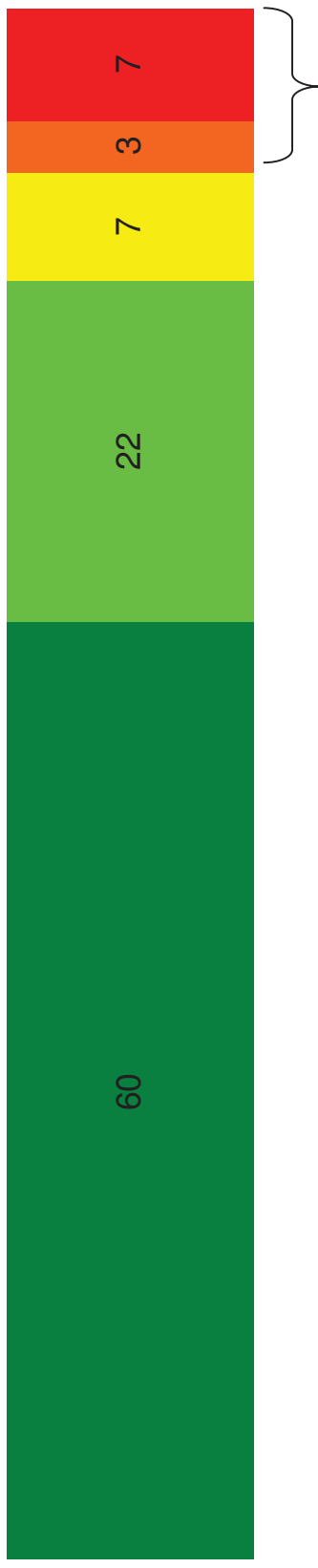
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# Attitude to New Function Room

82% of Euroa residents supported the redevelopment having a new function room and 10% opposed.

89% did not oppose new function room

82% supported new function room



10% opposed new function room

- Strongly Support
- Somewhat Support
- Neither Support nor Oppose
- Somewhat Oppose
- Strongly Oppose

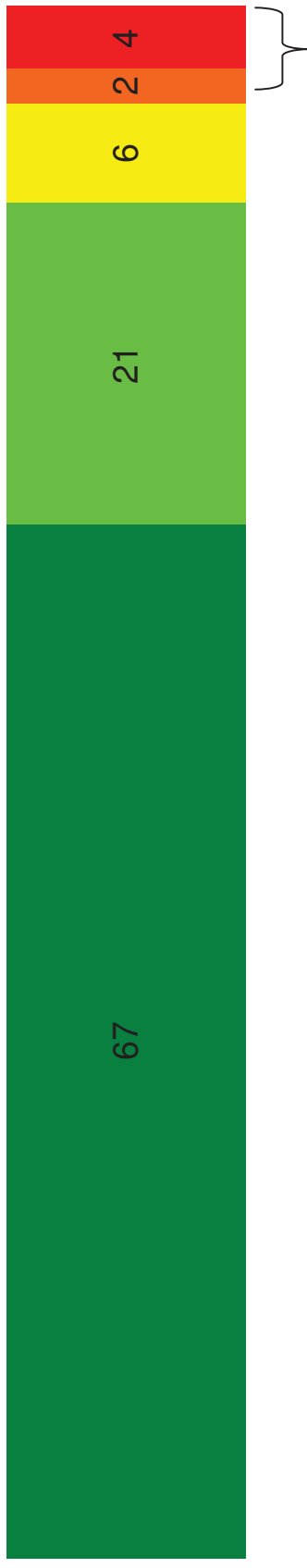
Base N=300 (All respondents)  
Q1.1 To what extent would you support or oppose development of a new function room?  
Percentages may not add to 100% due to rounding

# Attitude to Relocation and Upgrade of Bistro

88% of Euroa residents supported the relocation and upgrade of the bistro and 6% opposed.

94% did not oppose relocation and upgrade of bistro

88% supported relocation and upgrade of bistro



6% opposed relocation and upgrade of bistro

■ Strongly Support   ■ Somewhat Support   ■ Neither Support nor Oppose   ■ Somewhat Oppose   ■ Strongly Oppose

Base N=300 (All respondents)  
Q1.2 To what extent would you support or oppose relocation and upgrade of the bistro?  
Percentages may not add to 100% due to rounding



# Attitude to a New Children's Play Area Off Bistro

83% of Euroa residents supported a new children's play area off the bistro and 11% opposed.

89% did not oppose a new children's play area off bistro

83% supported a new children's play area off bistro



11% opposed a new children's play area off bistro

■ Strongly Support   ■ Somewhat Support   ■ Neither Support nor Oppose   ■ Somewhat Oppose   ■ Strongly Oppose

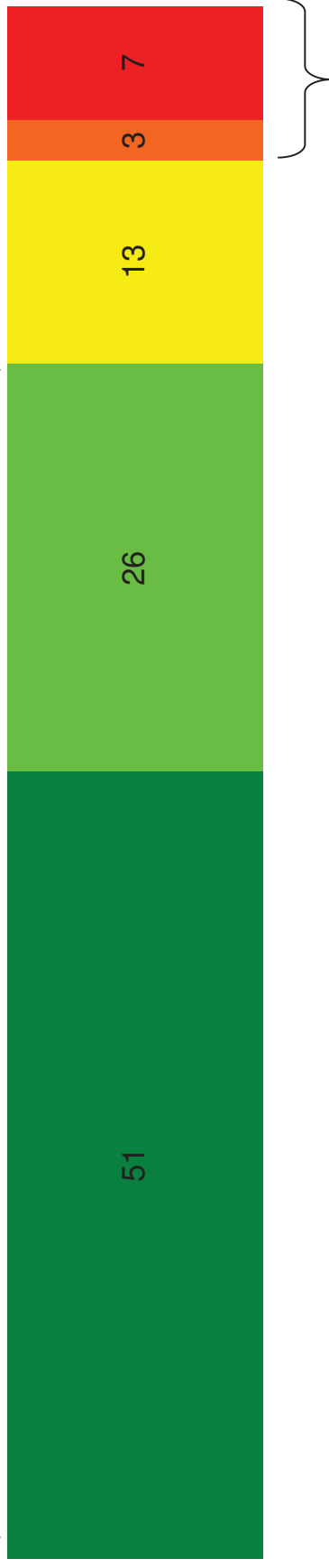
Base N=300 (All respondents)  
Q1.3 To what extent would you support or oppose a new children's play area off the bistro?  
Percentages may not add to 100% due to rounding

# Attitude to a New Sports Bar

77% of Euroa residents supported a new sports bar and 10% opposed.

90% did not oppose a new sports bar

77% supported a new sports bar



10% opposed a new sports bar

- Strongly Support
- Somewhat Support
- Neither Support nor Oppose
- Somewhat Oppose
- Strongly Oppose

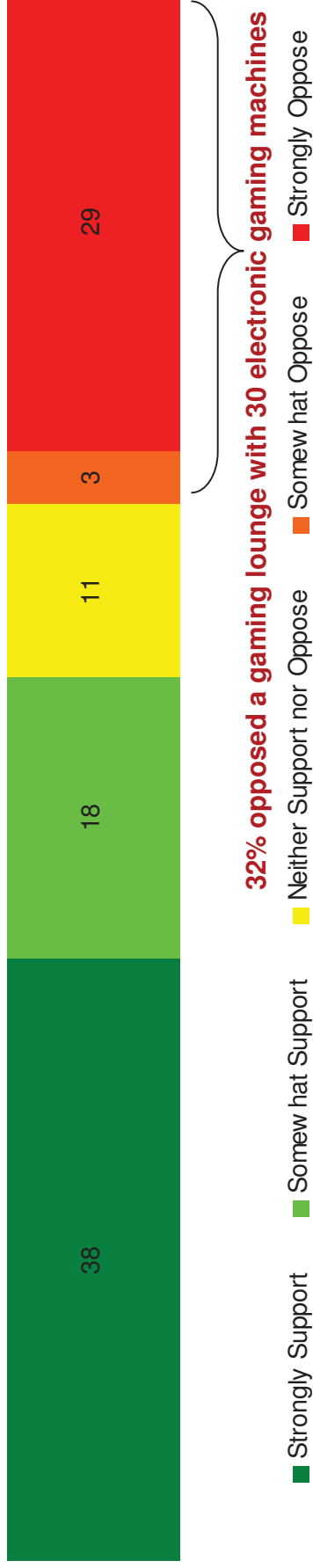
Base N=300 (All respondents)  
Q1.4 To what extent would you support or oppose a new sports bar?  
Percentages may not add to 100% due to rounding

## Attitude to Gaming Lounge with 30 Electronic Gaming Machines

56% of Euroa residents supported a gaming lounge with 30 electronic gaming machines and 32% opposed.

67% did not oppose a gaming lounge with 30 electronic gaming machines

56% supported a gaming lounge with 30 electronic gaming machines



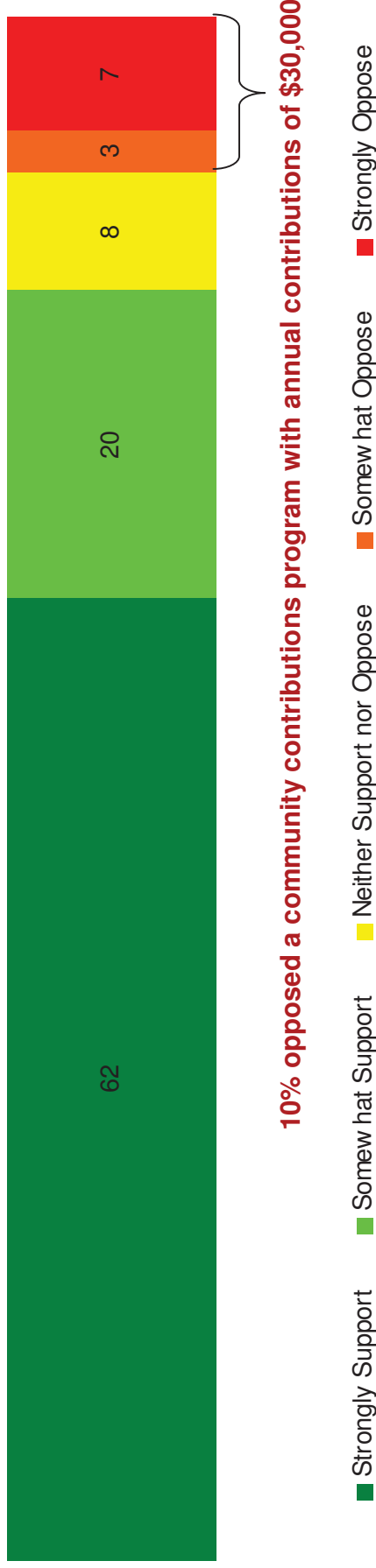
Base N=300 (All respondents)  
Q1.5 To what extent would you support or oppose a gaming lounge with 30 electronic gaming machines?  
Percentages may not add to 100% due to rounding

## Attitude to Community Contributions Program with Annual Contributions of \$30,000

82% of Euroa residents supported a community contributions program with annual contributions of \$30,000 from the Hotel and 10% opposed.

90% did not oppose a community contributions program with annual contributions of \$30,000

82% supported a community contributions program with annual contributions of \$30,000



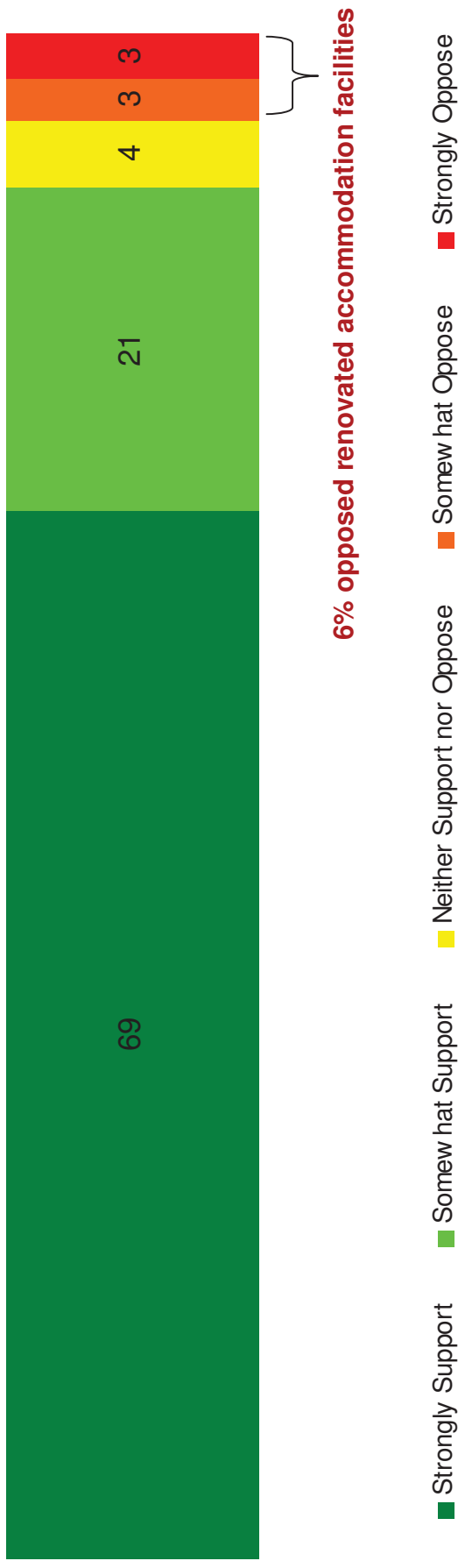
Base N=300 (All respondents)  
Q1.6 To what extent would you support or oppose a community contributions program with annual contributions of \$30,000 from the Hotel?  
Percentages may not add to 100% due to rounding

## Attitude to Renovated Accommodation Facilities (part of Stage 2)

90% of Euroa residents supported renovated accommodation facilities (part of Stage 2) and 6% opposed.

94% did not oppose renovated accommodation facilities

90% supported renovated accommodation facilities



Base N=300 (All respondents)  
 Q1.7 To what extent would you support or oppose renovated accommodation facilities (part of Stage 2)?  
 Percentages may not add to 100% due to rounding

# Attitude to Redevelopment of Euroa Hotel Overall

When asked overall to what extent they supported or oppose the redevelopment of the Euroa Hotel, 81% of Euroa residents supported and 13% opposed the redevelopment.

**87% did not oppose redevelopment of Euroa Hotel overall**

**81% supported redevelopment of Euroa Hotel overall**



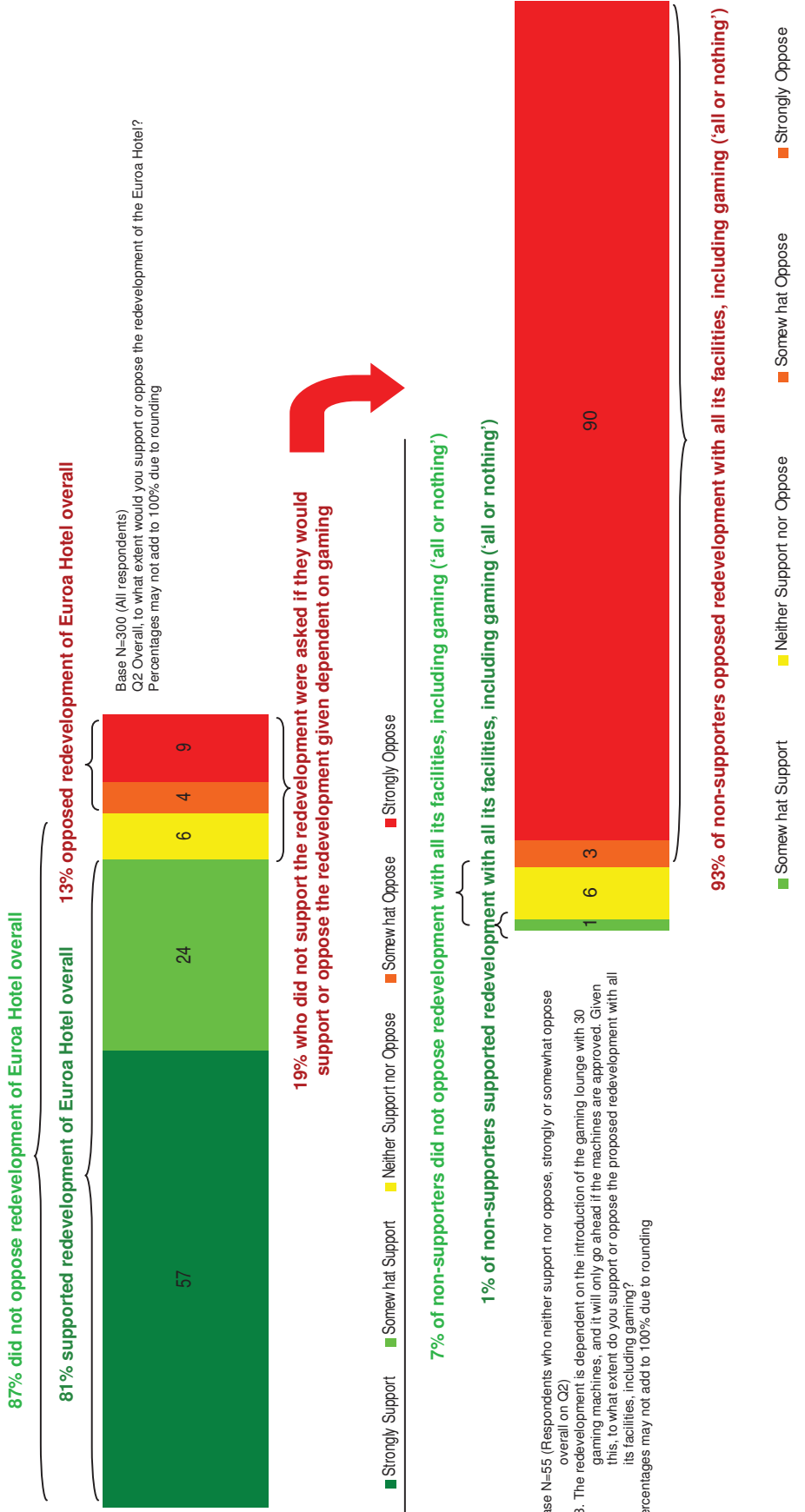
**13% opposed redevelopment of Euroa Hotel overall**

■ Strongly Support   ■ Somewhat Support   ■ Neither Support nor Oppose   ■ Somewhat Oppose   ■ Strongly Oppose

Base N=300 (All respondents)  
Q2 Overall, to what extent would you support or oppose the redevelopment of the Euroa Hotel?  
Percentages may not add to 100% due to rounding

# Attitude to Redevelopment amongst Non-supporters given Dependent on Gaming

The 19% of respondents who did not support the redevelopment overall were asked their views given the redevelopment was dependent on gaming machines ('all or nothing'). 1% of non-supporters then supported the redevelopment with all facilities given this, 6% neither supported nor opposed, and 93% opposed on this basis.





# Overall Attitude to Redevelopment given Dependent on Gaming

When results from Overall Support or Oppose question (Q2) and Overall Support or Oppose given dependent on Gaming (Q3) were combined, 82% of Euroa residents supported and 18% opposed the redevelopment of Euroa Hotel.

**83% did not oppose redevelopment of Euroa Hotel overall (given dependent on gaming)**

**82% supported redevelopment of Euroa Hotel overall**



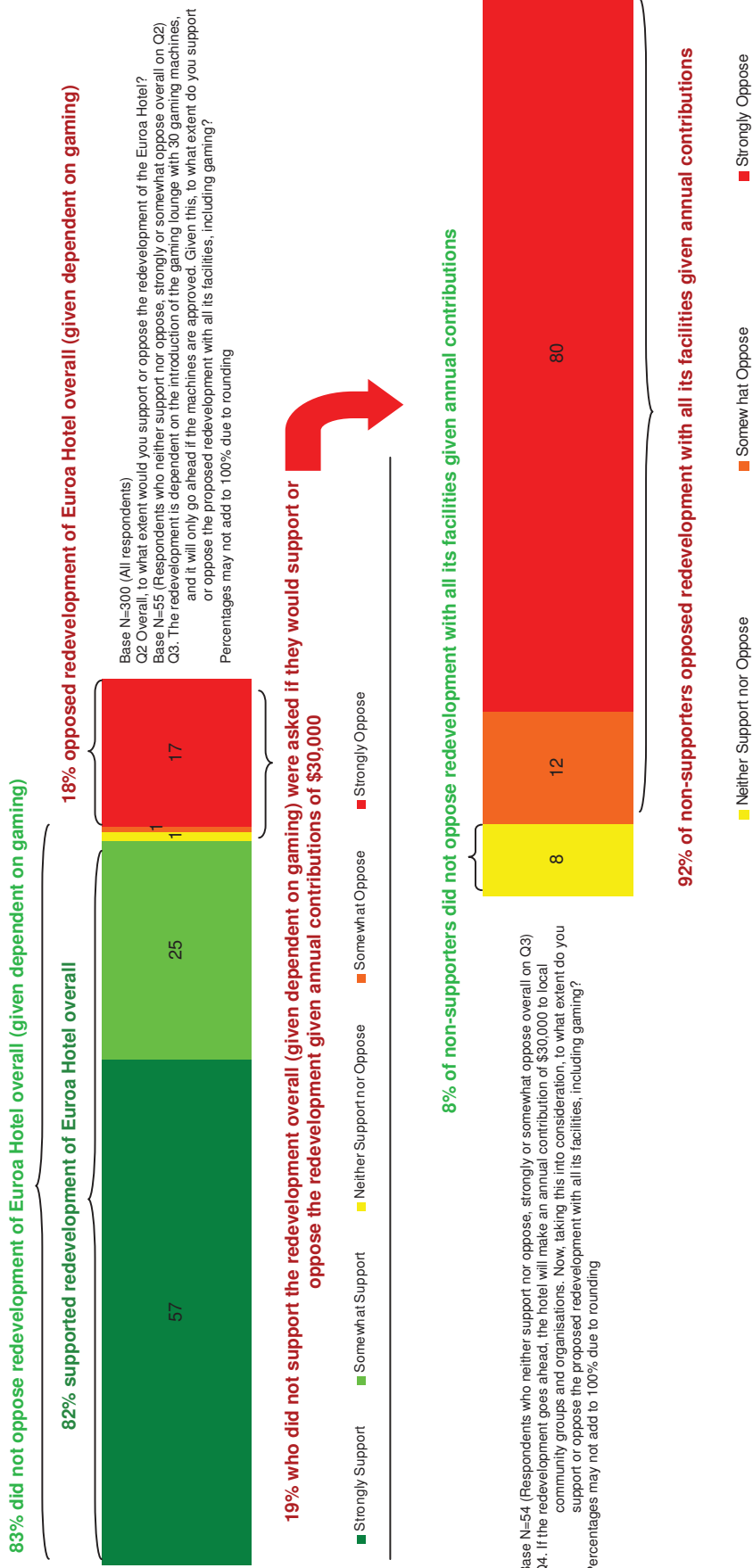
**18% opposed redevelopment of Euroa Hotel overall (given dependent on gaming)**

- Strongly Support
- Somewhat Support
- Neither Support nor Oppose
- Somewhat Oppose
- Strongly Oppose

Base N=300 (All respondents)  
 Q2 Overall, to what extent would you support or oppose the redevelopment of the Euroa Hotel?  
 Base N=55 (Respondents who neither support nor oppose, strongly or somewhat oppose overall on Q2)  
 Q3. The redevelopment is dependent on the introduction of the gaming lounge with 30 gaming machines, and it will only go ahead if the machines are approved.  
 Given this, to what extent do you support or oppose the proposed redevelopment with all its facilities, including gaming?  
 Percentages may not add to 100% due to rounding

# Attitude to Redevelopment amongst Non-supporters given Annual Contributions

The 19% of respondents who did not support the redevelopment overall given dependent on gaming were asked their views given annual contributions of \$30,000. 8% of non-supporters neither supported nor opposed the redevelopment given this, and 92% opposed on this basis.



## Overall Attitude to Redevelopment given Annual Contributions to Local Community

When results from Overall Support or Oppose question (Q2), Overall Support or Oppose given dependent on Gaming (Q3) and Overall Support or Oppose given Annual Contributions (Q4) were combined, 82% of Euroa residents supported and 16% opposed the redevelopment of Euroa Hotel.

**83% did not oppose redevelopment of Euroa Hotel overall (given annual contributions)**

**82% supported redevelopment of Euroa Hotel overall**



**16% opposed redevelopment of Euroa Hotel overall (given annual contributions)**

■ Strongly Support   
 ■ Somewhat Support   
 ■ Neither Support nor Oppose   
 ■ Somewhat Oppose   
 ■ Strongly Oppose

Base N=300 (All respondents)

Q2 Overall, to what extent would you support or oppose the redevelopment of the Euroa Hotel?

Base N=55 (Respondents who neither support nor oppose, strongly or somewhat oppose overall on Q2)

Q3. The redevelopment is dependent on the introduction of the gaming lounge with 30 gaming machines, and it will only go ahead if the machines are approved.

Given this, to what extent do you support or oppose the proposed redevelopment with all its facilities, including gaming?

Base N=54 (Respondents who neither support nor oppose, strongly or somewhat oppose overall on Q3)

Q4. If the redevelopment goes ahead, the hotel will make an annual contribution of \$30,000 to local community groups and organisations.

Now, taking this into consideration, to what extent do you support or oppose the proposed redevelopment with all its facilities, including gaming?

Percentages may not add to 100% due to rounding

## Suggested Improvements / Additions as part of Euroa Hotel Redevelopment

When asked if there are any other improvements or additions residents would like to suggest as part of the Euroa Hotel redevelopment, the following response themes were noted:

- None (70% of respondents)
- Sounds Good / Great / All covered (9%)
- Better Food / Music / Entertainment (5%)
- Negative Comments (4%)
- Other Comments (13%)

*I'd like to think that they'd choose to improve the quality of the food in the restaurant. At the moment I don't think it has much class and has too much of a pub style. It would be nice to see them make it a bit more upmarket.*

*More in the accommodation line, only because Euroa is a good location in the hills when the snow is fully booked.*

*It would be good if they pruned up the trees and put in a bit of a garden or lawn to improve the look of the place.*

*No, all of the upgrades sound fantastic.*

*Maybe some sort of beer garden or outdoor drinking area and an entertainment area for bands and some live music.*

*As long as you keep the heritage which I think they have to it is good.*

*The reason I am only somewhat opposed is I feel it has potential to be redeveloped but they are not doing it from the point of view of restoring the hotel but instead as an opportunity to introduce gambling.*

*No, the only thing I am concerned about is pokies and that there would be enough parking.*

*I think it will be a real bonus for the town and people will not have to travel to Shepparton and Benalla.*

*As long as they fix the ladies toilets.*

Base N=300 (All Respondents)

Q5. Are there any other improvements or additions you would like to suggest as part of the Euroa Hotel redevelopment?  
Percentages may not add to 100% due to rounding and multiple codes per response

## Other Comments About Euroa Hotel Redevelopment

When asked if there are any other comments about the proposed Euroa Hotel redevelopment, the following sentiment was noted, with examples of comments below:

- Positive Comment (40%)
- Negative Comment (18%)
- No Comment (42% of respondents)

*I strongly oppose the pokies for the community of Euroa. They conflict with the values of the overall community. That type of investment is not viable for this size community.*

*I am not against it, it's good for the town if the pub is done up, I don't particularly support the pokie machines but if that's the way it has to be done, then that's the way it has to be done.*

*Hurry up and start it.*

*I don't mind the redevelopments but I don't support the pokies, Euroa is too small of a town for it and I don't think it will contribute anything to the community.*

*I think it would be good for the town, we lack a lot of eating places especially at night time. We really need a more frequent area people can go at night time for meals. The function room is good because sometimes people have to go out of town when there's a big number to be catered for and it would give back employment to Euroa instead of other towns.*

*I don't think anyone can tell you if you can play machines or not, it is up to the individual. It would give families somewhere to go for a meal with the opportunity of somewhere for children to play. Both my husband and I feel that if people can't use pokies in Euroa they will just get on a bus and do it elsewhere.*

*I think it is extremely important for the town that we have a 1st class hotel that can help bring people from outside and provide a first class venue for the locals. I strongly support the business as they support many community groups.*

*If they don't go there they will go gaming somewhere else, I think the fact there is going to be the \$30,000 chest is a good idea. If no-one does anything the town will go backwards.*

*No but I don't believe in gaming machines in Euroa - we don't need them and we don't have the employment to support them and people will lose their money and they can't afford it.*

Base N=300 (All Respondents)  
Q10. Are there any other comments about the proposed Euroa Hotel redevelopment?  
Percentages may not add to 100% due to rounding

## Leisure / Entertainment Behaviour in Last 12 Months

Seventy percent of respondents had visited the Euroa Hotel in the past 12 months, with 33% visiting more than 5 times:

- 37% visiting between 1 and 5 times
- 11% visiting between 6 and 10 times
- 22% visiting more than 10 times

Seventy five percent of respondents had visited other Hotel or Club venues outside Euroa in the past 12 months, with

- 41% visiting more than 5 times:
- 34% visiting between 1 and 5 times
- 15% visiting between 6 and 10 times
- 26% visiting more than 10 times

Thirty six percent of respondents had used gaming machines anywhere in the past 12 months, with:

- 22% of all respondents using gaming machines between 1 and 5 times
- 4% of all respondents using gaming machines between 6 and 10 times
- 9% of all respondents using gaming machines more than 10 times

Shepparton was the most common location for use of gaming machines with 51% of respondents who had used machines in the past 12 months doing so at this location. Use of other locations included:

- Benalla (37%)
- Seymour (19%)
- Nagambie (10%)
- Another Victorian Country Town (27%)
- Melbourne (19%)
- NSW (31%)
- Somewhere else (14%)

Base N=300 (All Respondents)

Q6. In the past 12 months, how many times have you visited the Euroa Hotel?

Q7. In the past 12 months, how many times have you visited other Hotel or Club venues outside of Euroa?

Q8. In the past 12 months, on how many occasions have you used gaming machines anywhere?

Base N=108 (Respondents who had used gaming machines anywhere in past 12 months)

Q9. At which of the following locations have you used gaming machines in the past 12 months?

Percentages may not add to 100% due to rounding

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## Contact Details

For further information, please contact:

DJL Consulting Group  
Market Research Consultancy  
Mobile: 0405 300 054



## Appendix B

## Curriculum Vitae



## Rhys Quick

Director

Rhys is an economic property consultant with over 15 years of experience specialising in the retail and gaming sectors. He has an extensive knowledge of the Australian and New Zealand markets, having consulted on a wide variety of projects for many of the major property groups throughout the region.

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### Expertise

Rhys' experience encompasses a range of projects undertaken for clients in the Australasian retail industry including shopping centre owners and developers, supermarket, discount department store, department store and bulky goods operators, and other retail chains. His particular areas of expertise are major shopping centre development analysis and economic impact assessments, having appeared as an expert witness in relation to some of these assessments.

Rhys' other major area of expertise is the gaming sector having consulted for both the public and private sectors on a variety of projects in the leisure and entertainment industry. Rhys is also an experienced expert witness in relation to gaming machine applications before the Victorian Commission for Gambling and Liquor Regulation (formerly Victorian Commission for Gambling Regulation) and the Victorian Civil and Administrative Tribunal.

His specific areas of expertise include:

- the preparation of Economic and Social Impact Assessments
- property performance benchmarking and analysis
- development project feasibility assessments
- undertaking market demand studies
- shopping centre portfolio reviews
- turnover and rental income analysis and forecasting
- providing demographic market profiles
- site location assessments and recommendations
- national location and acquisition strategies

### Qualifications and Affiliations

Bachelor Economics, Hons (Monash University)

### Contact

t 61 3 8663 4937

f 61 3 8663 4999

e rquick@urbis.com.au

## Appendix C

## Additional Tables

## Rural Municipalities SEIFA

### INDEX OF RELATIVE SOCIO-ECONOMIC DISADVANTAGE

TABLE A.1

Rural Local Government Area	Rank (of 80)	Index Score
Central Goldfields (S)	2	905
Loddon (S)	4	934
Northern Grampians (S)	6	938
Pyrenees (S)	8	940
Hindmarsh (S)	9	947
Yarriambiack (S)	14	952
Moira (S)	15	952
East Gippsland (S)	17	958
Gannawarra (S)	18	959
Glenelg (S)	19	960
Campaspe (S)	20	964
Colac-Otway (S)	21	965
Buloke (S)	22	968
Strathbogie (S)	23	970
Wellington (S)	25	974
Bass Coast (S)	27	978
Hepburn (S)	28	980
Mount Alexander (S)	32	983
West Wimmera (S)	33	986
Corangamite (S)	34	986
Alpine (S)	35	987
Southern Grampians (S)	41	994
Towong (S)	42	996
Mitchell (S)	43	996
Murrindindi (S)	45	997
Baw Baw (S)	47	998
South Gippsland (S)	48	1,000
Moorabool (S)	52	1,008
Indigo (S)	53	1,010
Mansfield (S)	54	1,012
Moyne (S)	56	1,017
Golden Plains (S)	63	1,030
Queenscliffe (B)	71	1,053
Macedon Ranges (S)	72	1,055
Surf Coast (S)	74	1,066

Source : ABS Socio-Economic Indexes for Areas, Index of Relative Socio-Economic Disadvantage 2011 (cat. 2033.0); Urbis

## Appendix D

## Definitions and Sources of Information

## DEFINITION FOR SOCIAL AND ECONOMIC IMPACT

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

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

## 2. HOUSING STRESS DEFINITION

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

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

## 3. EQUIVALIZED INCOME

Equivalised total household income is household income adjusted by the application of an equivalence scale to facilitate comparison of income levels between households of differing size and composition, reflecting that a larger household would normally need more income than a smaller household to achieve the same standard of living.

Equivalised total household income is derived by calculating an equivalence factor according to the 'modified OECD' equivalence scale, and then dividing income by the factor. The equivalence factor is built up by allocating points to each person in a household (1 point to the first adult, 0.5 points to each additional person who is 15 years and over, and 0.3 to each child under the age of 15) and then summing the equivalence points of all household members.

Equivalised total household income can be viewed as an indicator of the economic resources available to a standardised household. For a lone person household it is equal to household income. For a household comprising more than one person, it is an indicator of the household income that would be needed by a lone person household to enjoy the same level of economic wellbeing.

## SOCIO-ECONOMIC INDEX OF DISADVANTAGE (SEIFA)

The SEIFA “Index of Relative Socio-Economic Disadvantage” is derived from the 2011 Census of Population and Housing and measures aspects of social and economic conditions in the area.

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

### 4.2 Final IRSD variables and loadings

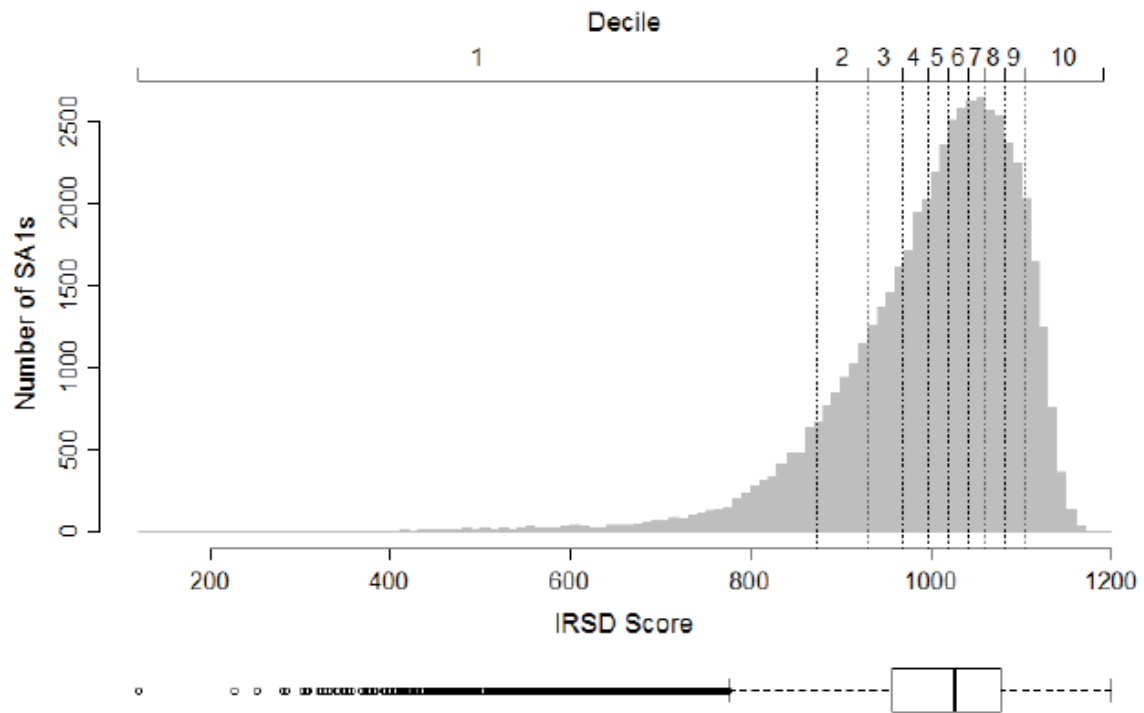
<i>Variable mnemonic</i>	<i>Variable loading</i>	<i>Variable description</i>
INC_LOW	-0.90	% People with stated annual household equivalised income between \$1 and \$20,799 (approx. 1st and 2nd deciles)
CHILDJOBLESS	-0.85	% Families with children under 15 years of age who live with jobless parents
NONET	-0.81	% Occupied private dwellings with no internet connection
OCC_LABOUR	-0.75	% Employed people classified as 'labourers'
NOYR12ORHIGHER	-0.75	% People aged 15 years and over whose highest level of education is Year 11 or lower. Includes Certificate I and II
UNEMPLOYED	-0.74	% People (in the labour force) unemployed
LOWRENT	-0.73	% Occupied private dwellings paying rent less than \$166 per week (excluding \$0 per week)
ONEPARENT	-0.71	% One parent families with dependent offspring only
DISABILITYU70	-0.66	% People aged under 70 who have a long-term health condition or disability and need assistance with core activities
NOCAR	-0.56	% Occupied private dwellings with no cars
SEP_DIVORCED	-0.54	% People aged 15 and over who are separated or divorced
OVERCROWD	-0.52	% Occupied private dwellings requiring one or more extra bedrooms (based on Canadian National Occupancy Standard)
OCC_DRIVERS	-0.52	% Employed people classified as Machinery Operators and Drivers
OCC_SERVICE_L	-0.50	% Employed people classified as Low Skill Community and Personal Service Workers
NOEDU	-0.44	% People aged 15 years and over who have no educational attainment
ENGLISHPOOR	-0.34	% People who do not speak English well

2013, ABS, Socio-Economic Indexes for Areas (SEIFA) – Technical Paper 2013, Cat. 2039.0.55.001, pg. 32

The index value is used to order or rank regions in terms of disadvantage. A higher index score means an area is relatively less disadvantaged, while a lower score indicates the area is disadvantaged relative to other areas. The decile markings along the top axis show that there is not much difference in the scores of SA1s in the middle deciles. This means that SA1s in the middle deciles do not vary much in terms of indicators of disadvantage used. The discriminating power of this index lies in the lower end of the distribution, i.e. for identifying relatively disadvantaged SA1s.”<sup>1</sup> The index cannot be used to measure the size of the difference in socio-economic disadvantage between areas rather it represents an ordinal rank not a cardinal value.



#### 4.11 IRSD score distribution



2013, ABS, Socio-Economic Indexes for Areas (SEIFA) – Technical Paper 2013, Cat. 2039.0.55.001, pg. 39

## Sources of Information

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

- Estimated Resident Population (ERP) figures as published by the Australian Bureau of Statistics (ABS).
- Department of Environment, Land, Water & Planning (DELWP), Victoria in the Future 2015, Population Projections.
- Statistical information provided by the ABS, including the 2001, 2006 and 2011 Censuses of Population and Housing and Socio-Economic Indices for Areas (SEIFA).
- Department of Education, Employment and Workplace Relations “Small Area Labour Markets” quarterly publication.
- Department of Sustainability and Environment (DSE), “A Guide to Property Values” (2014).
- Gambling – Productivity Commission Inquiry Report, 2010
- Department of Justice Report “A Study of Gambling in Victoria – Problem Gambling from a Public Health Perspective”, September 2009
- Victorian Competition & Efficiency Commission Inquiry into the Social and Economic Costs of Problem Gambling, VCGLR, 10 September 2012

## Abbreviations

ABS	Australian Bureau of Statistics
CBA	Central Business Area
CCD	Census Collector District
DEEWR	Department of Education, Employment and Workplace Relations
DPCD	Department of Planning and Community Development
DSE	Department of Sustainability and Environment
EGM	Electronic Gaming Machine
ERP	Estimated Resident Population
FTE	Full Time Equivalent
LGA	Local Government Area
NDA	New Dwelling Approval
RSG	Responsible Service of Gaming
SA1	Statistical Area 1
SEIA	Social and Economic Impact Assessment
SEIFA	Socio-Economic Indexes for Areas
SLA	Statistical Local Area
VCGLR	Victorian Commission for Gambling and Liquor Regulation

**Sydney**

Tower 2, Level 23, Darling Park  
201 Sussex Street Sydney, NSW 2000  
t +02 8233 9900  
f +02 8233 9966

**Brisbane**

Level 7, 123 Albert Street  
Brisbane, QLD 4000  
t +07 3007 3800  
f +07 3007 3811

**Melbourne**

Level 12, 120 Collins Street  
Melbourne, VIC 3000  
t +03 8663 4888  
f +03 8663 4999

**Perth**

Level 1, 55 St Georges Terrace  
Perth, WA 6000  
t +08 9346 0500  
f +08 9221 1779

Australia • Asia • Middle East  
w [urbis.com.au](http://urbis.com.au) e [info@urbis.com.au](mailto:info@urbis.com.au)

## Appendix D

## ShineWing Australia's Expert Report



# Euroa Hotel

Expert's Report in Respect of

Application for 30 Electronic Gaming Machines

13 November 2015





# Contents

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## 1. Executive Summary

- 1.1 The Euroa Hotel ("Hotel") is located in the town of Euroa within the Shire of Strathbogie. The Hotel is seeking approval for 30 Electronic Gaming Machines ("EGMs").
- 1.2 The Euroa Hotel does not presently operate gaming machines and is located in a town where there are no other venues presently operating gaming machines. Euroa is located in a remote area of Victoria with an adult population of approximately 2,691 (estimate as at 30 June 2015).
- 1.3 There are currently 32 Electronic Gaming Machines operating at one venue within the Shire of Strathbogie as against a municipal limit of 78 EGMs.
- 1.4 We consider that adopting a benchmarking approach is the most appropriate method of estimation of gaming expenditure for venues not currently operating gaming machines.
- 1.5 Based on an analysis of comparable venues within the State of Victoria, and of the recent trend in gaming expenditure in the State of Victoria, it is reasonable to conclude that the level of gross gaming expenditure generated from an introduction of 30 EGMs at the Euroa Hotel would be between \$1,584,666 and \$1,718,031 per annum with 85% of this achieved within the first 12 months of trade, being between \$1,346,966 and \$1,460,326.
- 1.6 Factoring in the proposed number of EGMs at the Hotel and the gross gaming expenditure estimated, the expected NMR (based on the midpoint) at the Hotel for the first 12 months of trade is \$128, which is below the average for country hotel venues of \$241.
- 1.7 Furthermore, based on the adult population for 2015, the average net amount of gaming expenditure per adult in the Shire of Strathbogie will be \$368 (and \$338 in the first 12 months of trade), which is less than the average gaming expenditure per adult for country areas and the State of \$483 and \$553 respectively.

## 2. Qualifications

- 2.1 ShineWing Australia, formerly Moore Stephens Melbourne, is part of the ShineWing network that has offices in more than 20 locations across Asia. ShineWing Australia is also a member of Praxity International, a global alliance of independent accountancy, tax and business consulting firms that have a presence in over 100 countries.
- 2.2 ShineWing Australia has extensive experience in the gaming industry. Aside from being retained as accountants and advisors to a number of private gaming and hospitality participants over the years, ShineWing Australia was the lead audit & tax advisor for the Tattersall's group up until the time of its listing on the ASX, whilst still acting as lead advisor on the listing process.
- 2.3 More recently, ShineWing Australia has consulted to in excess of 100 Clubs and Hotels in respect to their gaming operations and the transition to the new gaming regime. Services included:
- Financial Modelling and Discounted Cash Flow Analysis;
  - Competitive Analysis of LGAs and competing venues state-wide incorporating Net Machine Revenue appraisal and comparison;
  - Auction Consultation & Bidding Strategies; and
  - Assistance with finance proposals.
- 2.4 ShineWing Australia was appointed as lead gaming consultant to the AFL and Tabcorp in addition to its individual client appointments throughout the timeframe leading up to the 2010 Gaming Auction.
- 2.5 Over the past five years, ShineWing Australia have been appointed as advisors and expert witness for the Moe Racing Club (regarding Bairnsdale Sporting and Convention Centre), Royal Hotel (Benalla), Hogan's Hotel, Cobram Hotel, Craigieburn Sporting Club, Bridge Inn Hotel, Bendigo Stadium, Hoppers Crossing Club, Terminus Hotel, Tower Hotel, Sandown Greyhounds Entertainment, Baxter Tavern Hotel Motel, Rubicon Hotel, Malvernvale Hotel, Kilmore Racing Club, Swan Hill Club, Box Hill RSL, Mornington on Tanti Hotel, Dromana Hotel, Wantirna Club, Yarraville Club and Sporting Legends Club in relation to their applications for additional gaming machines at their respective venues. Our role for the Moe Racing Club, Hogan's Hotel, Craigieburn Sporting Club, Cobram Hotel, Tower Hotel, Terminus Hotel, Sandown Greyhounds Entertainment, Baxter Tavern Hotel Motel, Rubicon Hotel, Malvernvale Hotel, Kilmore Racing Club, Swan Hill Club, Box Hill RSL, Mornington on Tanti Hotel, Dromana Hotel, Wantirna Club, Yarraville Club and Sporting Legends Club incorporated the preparation of a gaming expenditure analysis report and Tim Stillwell attended the VCGLR/VCAT hearing as an expert witness for all venues.
- 2.6 Tim Stillwell has 18 years experience in the accounting industry, 15 of which have been at ShineWing Australia. Tim's experience encompasses accounting and taxation advisory across a broad cross section of industries inclusive of gaming & hospitality. Tim is the lead partner of ShineWing Australia Hospitality & Gaming which has recently focused significantly on the services and clients referred to above. Tim has developed an intricate knowledge of not only gaming industry participation and performance but also the regulatory requirements which face incumbent and Greenfield operators.
- 2.7 Tim is also a director of On Tap Hospitality, a designated service offering to pubs and clubs which provides sophisticated financial and management reporting to stakeholders, day to day accounting and bookkeeping, payroll, supplier payments and reconciliations, along with systems and controls improvement and compliance with statutory obligations.

### 3. Independence

- 3.1 We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the company and other related parties, business relationships, employment relationships, and the provision of non-audit services in accordance with professional statement APES 110 "Code of Ethics for Professional Accountants".
- 3.2 The remuneration for this report is not based on a success or contingency fee, or on a basis that is related to the outcome of the matter.

### 4. Instructions

- 4.1 We have been requested by Mr Sam Buzzo, representing Blossom Hotels Pty Ltd, to provide an analysis on the estimate of EGM expenditure arising from the installation of 30 EGMs at the Hotel.

### 5. Information Sources

- 5.1 We have relied upon the following information, amongst other documentation, in the completion of this report:
- Data released by the Minister for Gaming regarding EGM expenditure at gaming venues in Victoria;
  - VCGLR data in respect of gaming numbers, LGA statistics and expenditure published at <http://www.VCGLR.vic.gov.au> – last accessed on 13 November 2015;
  - Population data (Census) published by the Australian Bureau of Statistics <http://www.abs.gov.au> – last accessed on 13 November 2015;
  - Population projections – Victoria In Future 2015, published by the Department of Environment, Land, Water & Planning <http://www.delwp.vic.gov.au> – last accessed on 13 November 2015;
  - 2003 Victorian Longitudinal Community Attitudes Survey
  - Instructions from the Applicant Hotel

## 6. Defined Terms

6.1 Throughout this report, the following abbreviations and terms have been used.

Term	Meaning
Additional Gross Gaming Expenditure	EGM expenditure after returns to players, representative of the aggregate of Transferred Expenditure and New Expenditure
EGM	Electronic Gaming Machine
Gross Gaming Expenditure	EGM expenditure after returns to players
Hotel	Euroa Hotel
LGA	Local Government Area
New Expenditure	Additional Gross Gaming Expenditure after Transferred Expenditure
NMR	Net Machine Revenue (equivalent to Gross Gaming Expenditure)
SLA	Statistical Local Area
Transferred Expenditure	EGM expenditure drawn from other EGM venues (both existing and future venues)

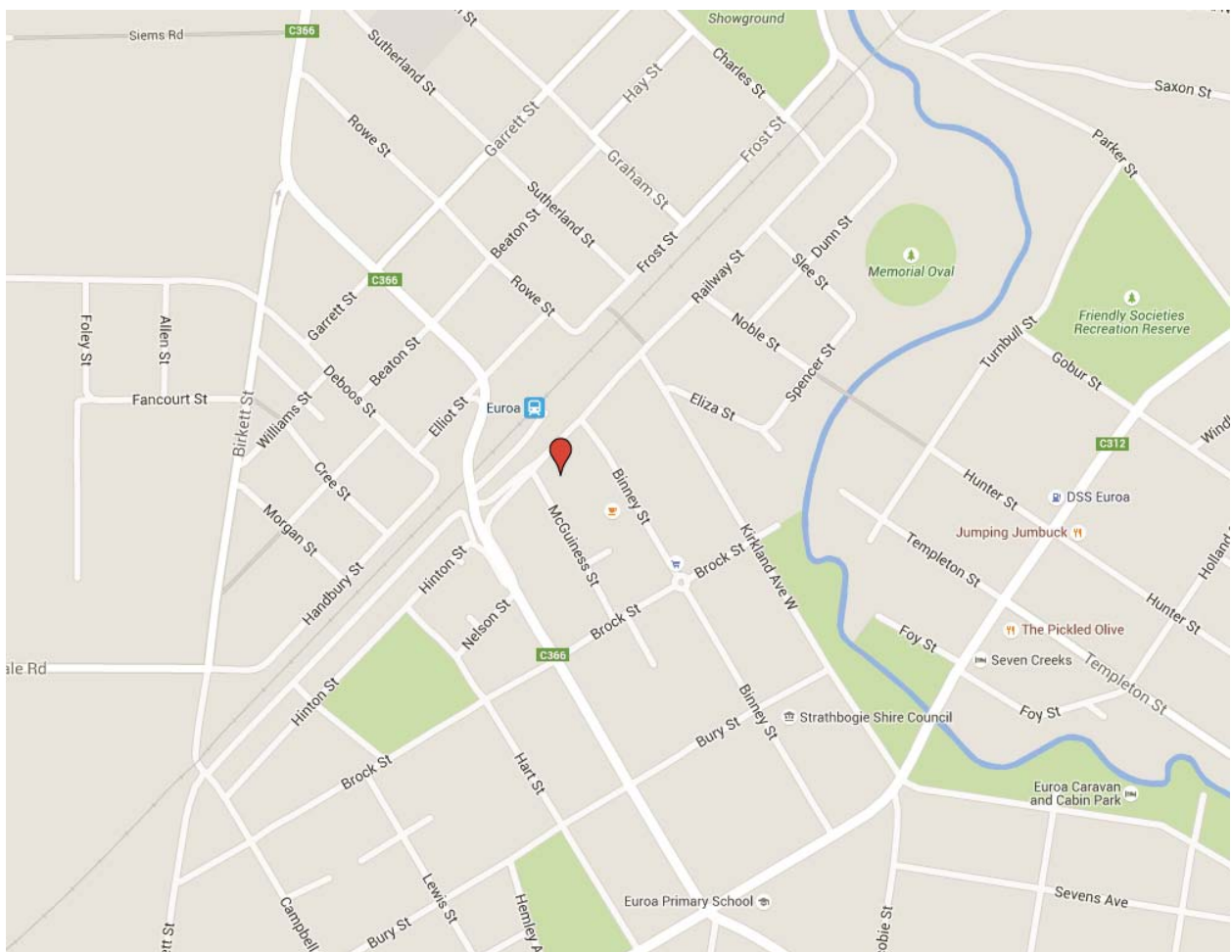
## 7. EGM Expenditure and Background Information

7.1 We have reviewed the gross gaming expenditure in the Shire of Strathbogie and the State of Victoria since July 2009.

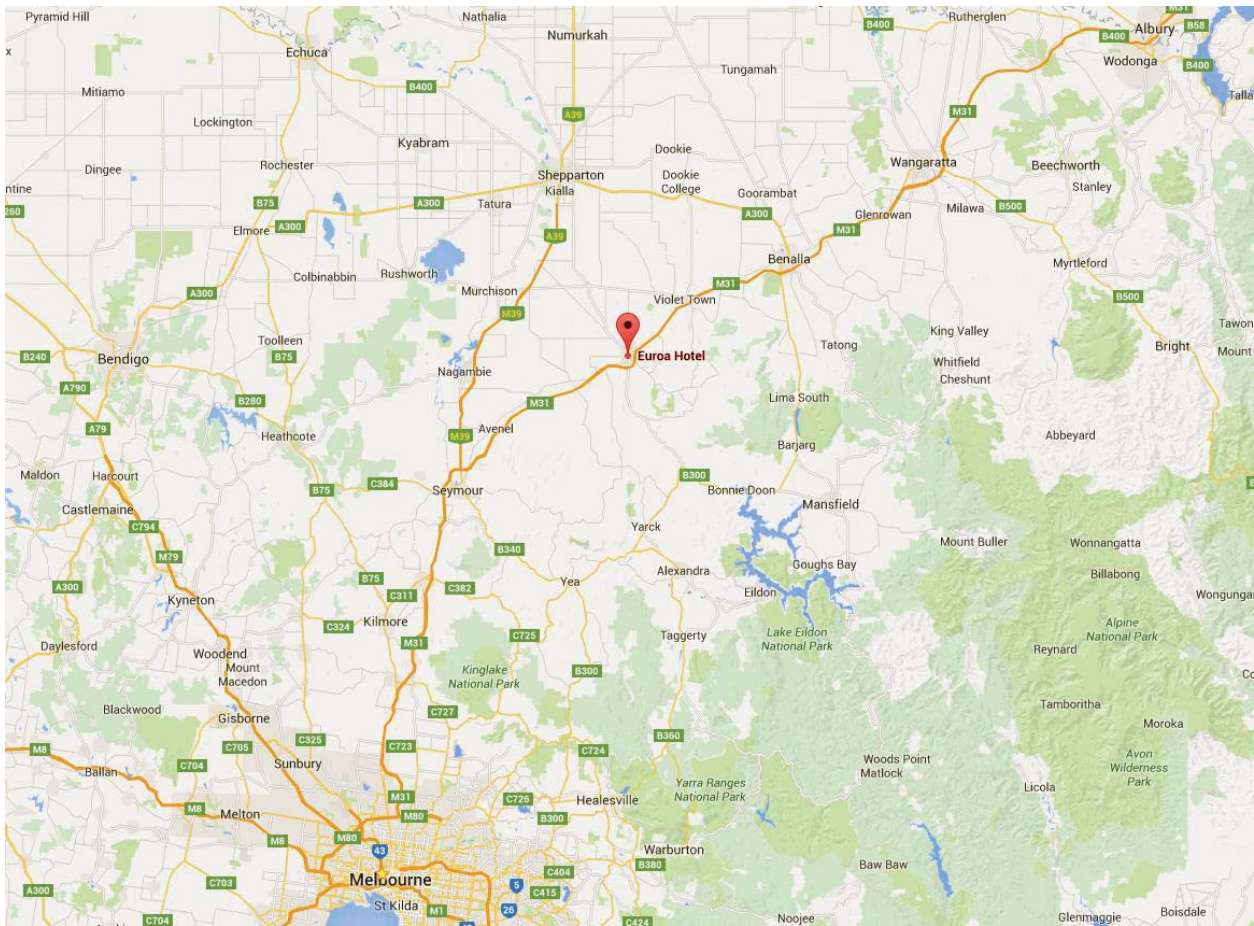
### Euroa Hotel

7.2 The Euroa Hotel is located on Railway Street in the town of Euroa, midway between Melbourne and Albury via the Hume Freeway.

7.3 The Hotel's location is outlined on the maps below:







## Shire of Strathbogie - Current Profile

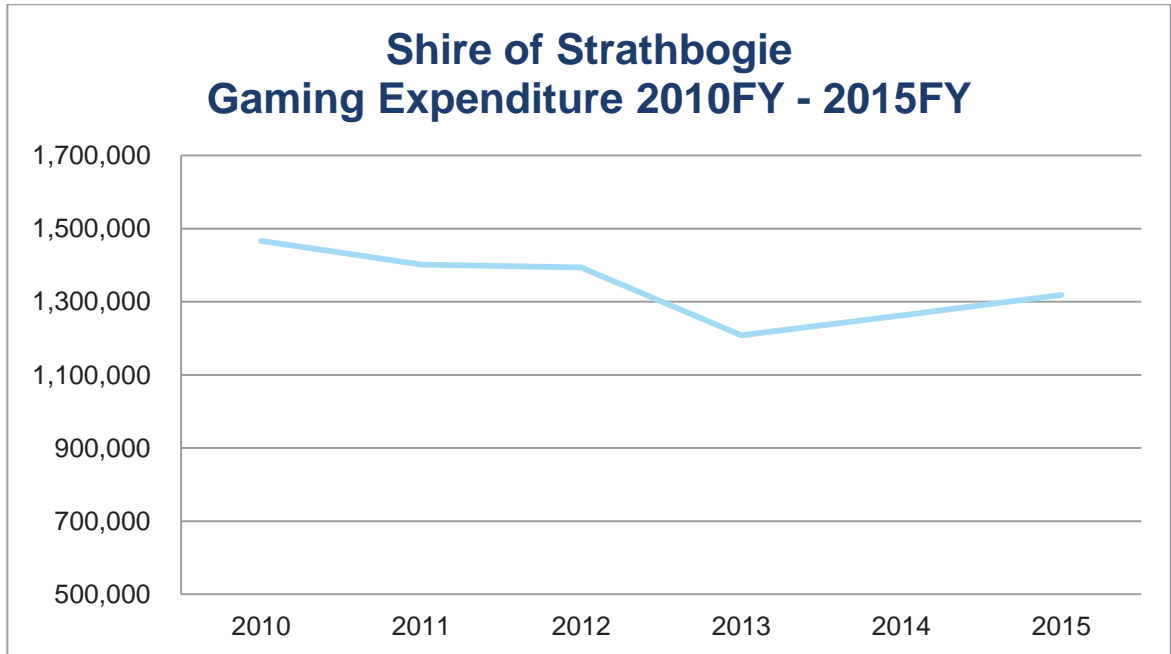
- 7.4 The Shire of Strathbogie (“Shire”) is located north-east of Melbourne. The Shire incorporates multiple townships, small communities and rural areas, covering approximately 3,302 square kilometres.
- 7.5 The Shire of Strathbogie is bounded by the Shire of Campaspe to the north-west, City of Greater Shepparton to the north, Rural City of Benalla to the east, Shire of Mansfield and Shire of Murrindindi to the south and the Shire of Mitchell and City of Greater Bendigo to the west.
- 7.6 Currently within the Shire of Strathbogie there are a total of 32 EGMs in operation in one venue, (being the Nagambie Lakes Entertainment Centre), located at a distance of approximately 50 kilometres by road from the Euroa Hotel. The maximum permissible number of gaming machines within the Shire of Strathbogie is 78 according to the municipal limit set in September 2009.



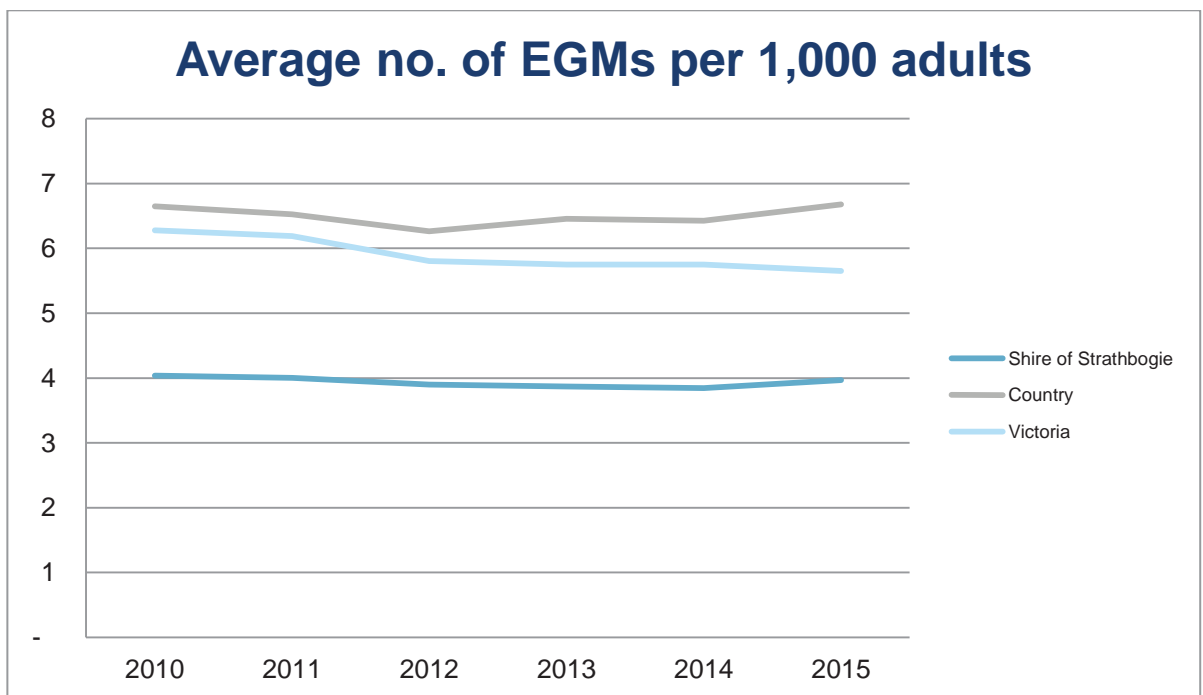


7.7 In the last six years there have been no changes to the number of gaming machines operating within the Shire of Strathbogie.

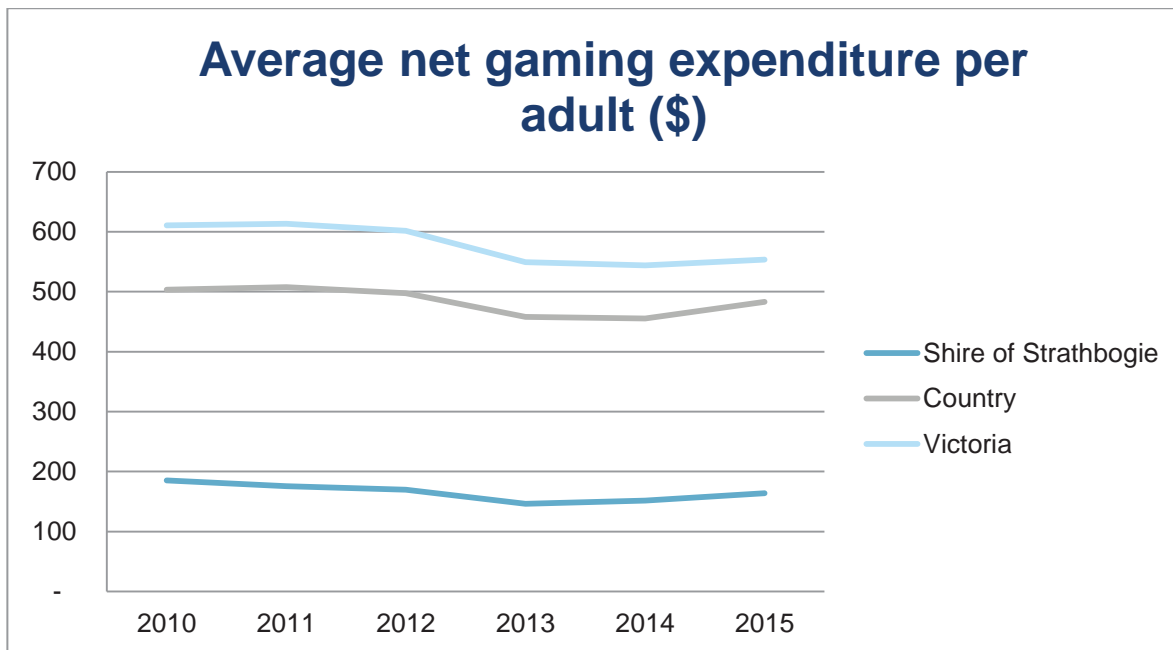
7.8 The following graph shows the trend of gross gaming expenditure within the Shire of Strathbogie from the years ended 30 June 2010 to 30 June 2015 (noting this is from one venue only). There has been an average decrease of 2.02% p.a. for gross gaming expenditure within the Shire of Strathbogie over the five years (refer appendix 1).



7.9 The graph below (refer appendix 2) shows the average number of EGMs per 1,000 adults for the Shire of Strathbogie against country areas and State of Victoria. The graph indicates the EGM density within the Shire of Strathbogie is lower than both the country and the State average.



7.10 Using the information pertaining to gaming expenditure and adult population growth, we have analysed the trend of average net EGM expenditure per adult in the graph following (refer appendix 2). As shown below, the average net EGM expenditure per adult in the Shire of Strathbogie is lower than the average for the State and country areas. In reviewing these figures, it must be borne in mind that they represent where the expenditure occurs, not necessarily where the people generating the expenditure reside.



### Shire of Strathbogie – Gaming Profile

7.11 The following outlines the current composition of gaming venues within the Shire of Strathbogie:

Venue	Club or Hotel	Current attached	Anticipated*
Nagambie Lakes Entertainment Centre	Club	32	32
Euroa Hotel	Hotel	-	30
<b>TOTAL</b>		<b>32</b>	<b>62</b>

\* On the basis of this application being approved by the VCGLR

7.12 Following on from our analysis of the gross expenditure of the Shire of Strathbogie and factoring in the estimated revenue to be derived by the 30 gaming machines at the Hotel, based on the 2015 adult population of the Shire, the average net amount of gaming expenditure per adult in the LGA will be \$368 (and \$338 in the first 12 months of trade) with a density of 7.69 gaming machines for every 1,000 adults. The expenditure per adult compares (based on 2015FY) with the average for country areas and the State of \$483 and \$553 respectively (refer appendix 2).

## 8. Estimate for Gross Gaming Expenditure

- 8.1 Given the Euroa Hotel does not presently operate gaming machines and is situated in a remote township with no direct gaming competitors, we have conducted an analysis on a selection of venues located within country regions which have no competitors within close proximity, in order to determine an appropriate estimate for the approximate gaming expenditure to be derived from the introduction of 30 gaming machines at the Euroa Hotel.
- 8.2 We consider that adopting a benchmarking approach is the most appropriate method of estimation of gaming expenditure for venues not currently operating gaming machines.

### Benchmarking analysis

- 8.3 When conducting a benchmarking exercise, it is of crucial importance to ensure that the sample group used as the basis for analysis is appropriate to the venue for which the gaming expenditure estimate is being conducted.
- 8.4 We have established an appropriate selection of venues on which our analysis has been carried out based on the following characteristics of the venue, the LGA it is located in and a broad comparison of the characteristics applicable to the Euroa Hotel:
- Number of EGMs in operation;
  - Location of venue with respect to strip shopping, accessibility, tourism and general location;
  - Location of township and LGA;
  - Number of gaming venues located within proximity of the venue;
  - Number of competing venues within the town;
  - Gaming expenditure per adult of the town;
  - EGM density and NMR; and
  - Population growth within the LGA.
- 8.5 The selection of sample (benchmarking) venues is based on several of the above factors being broadly consistent. Furthermore, venues were eliminated from the sample group during this process due to there being minimal consistency or congruence in the above factors, as compared with the Euroa Hotel.
- 8.6 The initial stage of the benchmarking process was to determine the venues located within country regions in Victoria that have no gaming competitors in the applicable town. As there are currently no venues in Euroa operating gaming machines, the areas in which these sample venues are located would broadly exhibit similar characteristics and therefore are anecdotally appropriate (in our view) in determining an appropriate level of gaming expenditure that may be derived at the Hotel.
- 8.7 The second stage eliminates venues that are broadly inconsistent with the applicant in terms of the following factors:
- Location of township and LGA;
  - Number of EGMs;
  - Venues located within high tourist areas; and
  - Venues located within close proximity to another township containing multiple gaming venues.

8.8 Of the venues included in our analysis, we determined that there are 18 venues comparable to the Euroa Hotel, based on a consideration of the characteristics outlined in paragraphs 8.6 and 8.7. These venues are listed in the table at appendix 3.

## Gross gaming expenditure estimate

8.9 In undertaking our calculation of the gaming estimate to be derived by the Euroa Hotel, we have considered the attributes of each venue within our sample group in terms of number of EGMs, gaming expenditure derived, NMR and adult population of the town.

8.10 Due to the differing number of EGMs in operation at the venue and the varying adult population of each town in the process of deriving our estimate, we consider it appropriate to analyse the gaming expenditure derived by each sample venue to reflect the gaming expenditure for each adult residing within the town.

8.11 As the Euroa Hotel will be the only gaming venue in Euroa with no direct competitors in close proximity and has a comparatively small population, we consider the level of gaming expenditure to be derived to be reflective of the capacity for gaming expenditure of Euroa. Therefore, we consider the likely gaming expenditure per adult to be the most appropriate method in calculating the gaming expenditure for Euroa and as such for the Euroa Hotel.

8.12 Our gaming estimate has been calculated based on the average expenditure per adult of gaming venues within our sample group and multiplying this average expenditure per adult by the adult population of Euroa.

8.13 This expenditure per adult (refer appendix 4) for each gaming venue within our sample group has been calculated as follows:

- An analysis of total population, based on the 2011 census data, was undertaken for the town in which the sample gaming venue was located;
- The total population of the town was adjusted for the percentage change in population of the LGA from 2011 to 2015 with reference to the Victoria in the Future 2015 publication and adult population statistics published by the VCGLR;
- An appropriate percentage was applied to determine the adult population of the town in isolation.

8.14 Generally, hotel venues outperform clubs in the context of gaming expenditure results. We consider in the instance where there is only one gaming venue in the town which is a club, it is unlikely to have a significant impact on the level of gaming expenditure the venue may derive, due to gaming patrons having no immediate access to other alternate gaming venues. Nevertheless, for analytical purposes we have also calculated the average expenditure per adult of the hotel venues in isolation within our sample group.

8.15 We have calculated our gaming estimate by undertaking an analysis of our sample group under three methodologies.

8.16 Firstly, our estimate calculates the average of the expenditure per adult for all venues within the sample group based on the estimated 2015 adult population (refer appendix 4) of each town.

Venue	Venue Type	EGMs	2015FY Expenditure \$	NMR \$	Adult population of town (2015)*	Expenditure per adult \$
Cobden Golf Club	Club	28	1,067,507	104	1,341	796
Commercial Hotel (Camperdown)	Hotel	29	1,864,810	176	2,549	732
Cumberland Hotel	Hotel	30	3,215,859	294	5,687	565
Foster Golf Club	Club	25	762,457	84	1,346	567
Hogans Hotel	Hotel	45	3,516,782	214	7,111	495
Kerang Sports and Entertainment Venue	Club	45	1,498,998	91	2,918	514
Kilmore Trackside	Club	76	4,789,327	173	5,584	858
Korumburra Hotel	Hotel	16	1,571,506	269	3,509	448
Kyabram Club	Club	53	2,869,548	148	5,696	504
Magpie and Stump Hotel	Hotel	24	840,038	96	1,082	776
Mansfield Golf Club	Club	40	1,677,515	115	3,525	476
Mount Beauty Country Club	Club	19	355,962	51	652	546
Myrtleford Savoy Sporting Club	Club	26	1,200,746	127	2,532	474
Nagambie Lakes Entertainment Centre	Club	32	1,318,809	113	1,316	1,002
Numurkah Golf & Bowls Club	Club	60	1,940,297	89	3,794	511
St Arnaud Sporting Club	Club	35	1,654,212	129	2,057	804
Star Hotel Bright	Hotel	18	1,245,389	190	1,723	723
The Orbost Club	Club	24	911,703	104	2,070	440
Euroa Hotel	Hotel	30	-	-	2,691	-
<b>Average expenditure per adult (all venues)</b>						<b>624</b>
<b>Average expenditure per adult (hotel venues)</b>						<b>623</b>

\*Estimate

8.17 We have not weighted separately the individual venues in the sample so as to determine the benchmark (average) as we believe there is no compelling reason to do so based on a comparative analysis of characteristics as compared with the Euroa Hotel. As such, we do not consider that there are prevailing factors that would result in the Euroa Hotel itself performing materially above or below the benchmark (average) of the sample venues.

8.18 In our second analysis, we have adjusted the average expenditure per adult to exclude the venues where the expenditure per adult deviates materially to the average expenditure per adult of the sample group. The abnormal level of expenditure per adult in these towns may be caused by external factors and therefore we consider this level of expenditure per adult in these towns not to be indicative of the sample group as a whole. The below table shows the average expenditure per adult for those venues within the standard deviation of average gaming expenditure per adult of the sample group.

Venue	Venue Type	EGMs	2015FY Expenditure \$	NMR \$	Adult population of town (2015)*	Expenditure per adult \$
Commercial Hotel (Camperdown)	Hotel	29	1,864,810	176	2,549	732
Cumberland Hotel	Hotel	30	3,215,859	294	5,687	565
Foster Golf Club	Club	25	762,457	84	1,346	567
Hogans Hotel	Hotel	45	3,516,782	214	7,111	495
Kerang Sports and Entertainment Venue	Club	45	1,498,998	91	2,918	514
Kyabram Club	Club	53	2,869,548	148	5,696	504
Maggpie and Stump Hotel	Hotel	24	840,038	96	1,082	776
Mansfield Golf Club	Club	40	1,677,515	115	3,525	476
Mount Beauty Country Club	Club	19	355,962	51	652	546
Myrtleford Savoy Sporting Club	Club	26	1,200,746	127	2,532	474
Numurkah Golf & Bowls Club	Club	60	1,940,297	89	3,794	511
Star Hotel Bright	Hotel	18	1,245,389	190	1,723	723
Euroa Hotel	Hotel	30	-	-	2,691	
<b>Average expenditure per adult (all venues)</b>						<b>574</b>
<b>Average expenditure per adult (hotel venues)</b>						<b>658</b>

\*Estimate

8.19 Thirdly, we have only considered those venues within our sample group which are located in towns with a population of between 1,500 and 5,000 adults. Given the adult population of Euroa, we consider these towns to be more comparable in terms of composition.

Venue	Venue Type	EGMs	2015FY Expenditure \$	NMR \$	Adult population of town (2015)*	Expenditure per adult \$
Commercial Hotel (Camperdown)	Hotel	29	1,864,810	176	2,549	732
Kerang Sports and Entertainment Venue	Club	45	1,498,998	91	2,981	514
Korumburra Hotel	Hotel	16	1,571,506	269	3,509	448
Mansfield Golf Club	Club	40	1,677,515	115	3,525	476
Myrtleford Savoy Sporting Club	Club	26	1,200,746	127	2,532	474
Numurkah Golf & Bowls Club	Club	60	1,940,297	89	3,794	511
St Arnaud Sporting Club	Club	35	1,654,212	129	2,057	804
Star Hotel Bright	Hotel	18	1,245,389	190	1,723	723
The Orbost Club	Club	24	911,703	104	2,070	440
Euroa Hotel	Hotel	30	-	-	2,691	
<b>Average expenditure per adult (all venues)</b>						<b>569</b>
<b>Average expenditure per adult (hotel venues)</b>						<b>634</b>

\*Estimate

- 8.20 Further to the above, we note that there are several venues in the above table which would be considered to be high performing gaming venues. In our view, the gaming expenditure derived at these venues and corresponding expenditure per adult may include incidental gaming expenditure due to complementary activities such as harness racing (St Arnaud Sporting Club) or are located on a thoroughfare to the major Victorian ski resorts (Star Hotel Bright). We are of the view that the Euroa township will not produce similar levels of gaming expenditure as these venues.
- 8.21 We note that the three methods above have resulted in a similar estimate for the gaming expenditure to be derived by the Euroa Hotel which highlights the veracity of our analysis.
- 8.22 Factoring in the average expenditure per adult derived from the three forms of analysis above, the total estimated gross gaming expenditure for the 30 gaming machines at the Hotel is as follows:

	Average expenditure per adult	Adult population of town (2015)*	Total estimated expenditure (on 30 Gaming Machines)	NMR
	\$		\$	\$
All venues	589	2,691	1,584,666	145
Hotel venues	638	2,691	1,718,031	157

\*Estimate (refer appendix 4)

- 8.23 We have adopted the all venues average as our low point and the hotel venues average as the high point of the gaming estimate.

Range	EGMs	Estimated Expenditure	NMR (per EGM per day)
		\$	\$
Low	30	1,584,666	145
Medium	30	1,651,348	151
High	30	1,718,031	157

- 8.24 Of the gross expenditure estimated above, it is reasonable to assume that approximately 85% of this expenditure will be derived within the first 12 months of trade. By way of comparison, anecdotal evidence for Greenfield sites indicates that only 75% to 80% of achieved (peak) expenditure in subsequent years is derived during the first 12 months due to the time required to establish a patronage base. Given that the Euroa Hotel is an existing venue with a previously established patronage base (although not specifically for gaming), there is likely to be an accelerated phase in for the gaming expenditure.

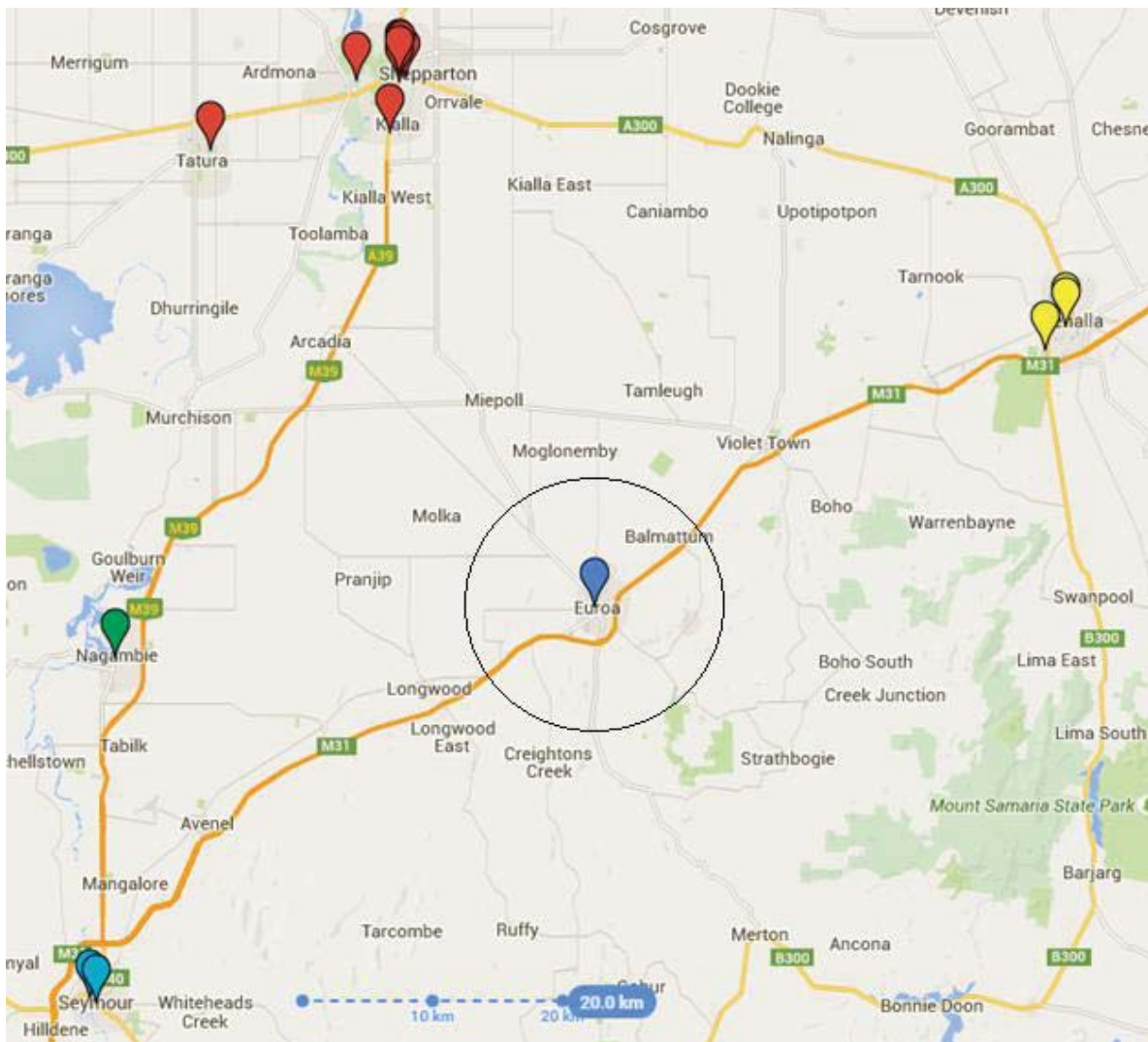
Range	Assumed Gross Gaming Expenditure (first 12 months)	NMR (per EGM per day)
	\$	\$
Low	1,346,966	123
Medium	1,403,646	128
High	1,460,326	133

- 8.25 We estimate that any revenue generated at the venue by the installation and operation of the EGMs would comprise of 10% transferred expenditure from other venues within the State. The commentary in regards to the level of transferred expenditure is detailed in section 9 of this report.



## 9. Transferred Expenditure and New Expenditure

- 9.1 In the 2003 Victorian Longitudinal Community Attitudes Survey, Commission research has found the distance travelled by individuals to gaming venues is generally less than five kilometres with people tending to prefer their local area. It is noted that in regional areas the postcode areas are much larger than metropolitan areas, so the accepted catchment areas for such venues is generally five kilometres or more.
- 9.2 This research relating to the distance travelled to a gaming venue in non-metropolitan areas, indicates 42.7% of patrons travel less than 5 kilometres, and 14.4% travel less than 2.5 kilometres to attend a gaming venue. The research also suggests that the 21% of persons who travel more than 20 kilometres are likely to represent those persons who are visiting the area and/or persons resident in one of the LGAs with no EGMs who travel to nearby venues.
- 9.3 As per the following map, there are no venues located within a 10 kilometre radius of the Hotel. The closest venues are located in Benalla, Nagambie, Shepparton and Seymour. These venues are located at a distance of approximately 45 to 55 kilometres, by road, from the Euroa Hotel.



-  EUROA HOTEL
-  NAGAMBIE LAKES ENTERTAINMENT CENTRE
-  CITY OF GREATER SHEPPARTON
-  RURAL CITY OF BENALLA
-  SHIRE OF MITCHELL (SEYMOUR VENUES ONLY)

- 9.4 Anecdotal evidence of new 'greenfield' venues that have commenced operating gaming machines recently suggests that where there are multiple (e.g. 3) gaming venues within proximity, the transfer rate can be up to 50%. Anecdotal evidence also suggests that the upper limit of transfer rates where there has been a recent top-up of gaming machines, or a closure of a competing venue located within proximity of several existing venues, is 50% to 60% when viewing the event in isolation. It is worth noting that this venue has no competitors within a 10km radius, as such does not exhibit a similar profile to the above anecdotal case studies.
- 9.5 We believe that a transfer rate of 10% is appropriate for adoption based on the following:
- There are no venues within proximity of the venue, with the closest gaming venues being located at a distance of approximately 45 to 55 kilometres.
  - There would be patrons residing in the immediate capture area who do not currently play gaming machines as there are currently no venues located in the town. As such, it is highly likely that some of these residents would undertake gaming activities at the Euroa Hotel with an availability of gaming machines, and would not be transferring gaming expenditure from other venues. Conversely, there may be a small number of patrons who play gaming machines at competing venues, however will transfer their gaming activities to the Hotel due to the convenience of the new venue.
  - The Euroa Hotel is located on the Hume Highway from Melbourne to Sydney. This suggests, as supported by the bistro patron locality survey (refer Urbis SEIA report), that there are patrons frequenting the venue who do not reside in the town or the Shire. These patrons would subsequently visit the Hotel and conduct an incidental gaming experience that they may otherwise have conducted at their local/preferred venue of choice.
  - The bistro patron locality survey outlined that of the patrons who visit the Hotel, there are also patrons that do not reside in Euroa however reside within the Shire of Strathbogie and surrounding region (i.e. Shepparton). This suggests that some patrons travel further than 10 kilometres to frequent the venue.
  - We note that the results of the bistro patron locality survey indicated that approximately 56% of bistro patrons live in the town of Euroa, with the remaining 44% of patrons surveyed residing outside the town. Anecdotally, gaming patrons are more heavily concentrated to the surrounding area of the venue. In our view, based on 56% of bistro patrons living in Euroa and the combination of our prior experience and anecdotal evidence derived from Social and Economic Impact Assessments prepared for VCGLR hearings, we estimate that 80% to 85% of the gaming patrons will be from Euroa.
  - Of this 20% (approx.) of gaming patrons not residing in the town, it would be reasonable to assume that 50% of those patrons who do not reside in the local area currently attend gaming venues at other locations, and therefore there would be an implied transfer rate of approximately 10% to the Hotel.
- 9.6 Given an equal weighting of these above factors, whilst the location of the venue would indicate a proportion of gaming expenditure will be derived from local patrons whose gaming expenditure (or part thereof) is not occurring at other venues, there will also be a component, albeit a minor component, of gaming expenditure derived from patrons who are currently conducting their gaming expenditure at competing venues, although not necessarily within the Shire.
- 9.7 Due to the location of the Hotel and LGA being within a regional area of Victoria, we have determined the expenditure would most likely be transferred expenditure from venues located outside the Shire of Strathbogie.

## New Expenditure

- 9.8 We estimate that, of the gross gaming expenditure derived from the introduction of EGMs, 10% will be transferred expenditure from venues outside the Shire of Strathbogie. Noting the 10% of transferred expenditure will be derived from outside the Shire, the new expenditure to the LGA will equal the overall gross gaming expenditure.

Range	New Expenditure	New Expenditure to LGA
	90%	100%
	\$	\$
Low	1,426,200	1,584,666
Medium	1,486,214	1,651,348
High	1,546,228	1,718,031

- 9.9 We estimate that approximately 85% of the estimated gaming expenditure will be derived within the first 12 months of the trade, the new expenditure for the first 12 months of trade can be seen in the below table.

Range	New Expenditure	New Expenditure to LGA
	90%	100%
	\$	\$
Low	1,212,270	1,346,966
Medium	1,263,282	1,403,646
High	1,314,293	1,460,326

## Other Factors impacting Gross Gaming Expenditure

- 9.10 There are four key anti-gambling measures that came into effect from 1 July 2012 (or earlier as applicable) in Victoria which aim to reduce the impact of problem gambling which include:
- Removal of ATMs from gaming venues (subject to certain exclusions);
  - Prohibition on banknote acceptors that accept denominations greater than \$50;
  - Prohibition on gaming machine advertising; and
  - Legislation for any change to EGMs proposed by industry to be researched and permitted only if it can be proved that it will not increase the level of problem gambling.
- 9.11 There is currently some clarity surrounding the introduction of voluntary pre-commitment mechanisms to EGMs in Victoria (and more broadly Australia). The pre-commitment policy in Victoria will have the following attributes:
- Voluntary to use on all machines in the State.
  - Voluntary to set limits on play in various forms such as, maximum bets and time limits
  - Enable players to track their play on all machines across the state.

- 9.12 Section 3.4.31A of the *Gambling Regulation Act 2003* details that on and after 1 December 2010 and until 30 November 2015, a gaming operator or a venue operator must not allow a game to be played on a prescribed gaming machine that does not have a pre-commitment mechanism that applies to that machine. Section 3.4.31B of the Act specifies that on and after 1 December 2015, a venue operator must not allow a game to be played on a gaming machine that does not have a pre-commitment mechanism that applies to that machine.
- 9.13 The Productivity Commission report, released 23 June 2010, also put forward the following recommendations (which have in part been referred to above):
- The bet limit should be lowered to \$1 per button push (reducing total losses possible per hour);
  - Shutdown periods for gaming rooms in Clubs and Hotels should be extended and commence earlier – 2am until the impacts of pre-commitment are known;
  - There should be a progressive move over the next six years to a universal pre-commitment system for gaming machines, using technologies that allow all consumers in all venues to set binding limits on their future play;
  - A number of measures are recommended to reduce harm to gamblers, including:
    - Better information in venues regarding the problems associated with gambling and counselling services;
    - Relocating ATMs away from gaming floors, and lower daily cash withdrawal limits on ATMs \$250;
    - Statutory provisions to enable gamblers to seek redress through the courts for egregious behaviour by venues; and
    - Help services for problem gamblers have worked well but there is a need for enhanced counsellor training and better service coordination; and
    - The amount of cash that players can feed into machines at any one time should be limited to \$20 (currently up to \$10 000).
- 9.14 The above measures are likely to have some level of impact on venues across the State of Victoria. Given the uncertainty in relation to the precise timing and nature of the measures no adjustment to the estimated gross gaming expenditure derived from the introduction of 30 EGMs to the Hotel has been made.

## 10. Conclusion

- 10.1 The Euroa Hotel ("Hotel") is located in the town of Euroa within the Shire of Strathbogie. The Hotel is seeking approval for 30 Electronic Gaming Machines ("EGMs").
- 10.2 The Euroa Hotel does not presently operate gaming machines and is located in town where there are no other venues presently operating gaming machines. Euroa is located in a remote area of Victoria with an adult population of approximately 2,691 (estimate as at 30 June 2015).
- 10.3 There are currently 32 Electronic Gaming Machines operating at one venue within the Shire of Strathbogie as against a municipal limit of 78 EGMs.
- 10.4 Based on an analysis of comparable venues within the State, and of the recent trend in gaming expenditure in the State of Victoria, it is reasonable to conclude that the level of gross gaming expenditure generated from an introduction of 30 EGMs at the Euroa Hotel would be between \$1,584,666 and \$1,718,031 per annum with 85% of this achieved within the first 12 months of trade, being between \$1,346,966 and \$1,460,326
- 10.5 Factoring in the proposed number of EGMs at the Hotel and the gross gaming expenditure estimated, the expected NMR (based on the midpoint) at the Hotel for the first 12 months of trade is \$128, which is below the average for country hotel venues of \$241.
- 10.6 Furthermore, based on the estimated adult population for 2015, the average net amount of gaming expenditure per adult in the Shire of Strathbogie will be \$368 (and \$338 in the first 12 months of trade), which is less than the average expenditure per adult for country areas and the State of \$483 and \$553 respectively.

## 11. Declaration

- 11.1 We declare, that we have made all enquiries that we believe are desirable and appropriate and that no matter of significance which is regarded as relevant has to our knowledge been withheld from the VCGLR.

## 12. Appendices

### 12.1 Appendix 1: Shire of Strathbogie – Gross Gaming Expenditure

Venue	2010 \$	2011 \$	Change %	2012 \$	Change %	2013 \$	Change %	2014 \$	Change %	2015 \$	Change %	Avg 5 year (p.a.) % change
Nagambie Lakes Entertainment Centre	1,466,580	1,401,900	(4.41%)	1,394,413	(0.53%)	1,208,096	(13.36%)	1,262,300	4.49%	1,318,809	4.48%	(2.02%)
<b>Shire of Strathbogie</b>	<b>1,466,580</b>	<b>1,401,900</b>	<b>(4.41%)</b>	<b>1,394,413</b>	<b>(0.53%)</b>	<b>1,208,096</b>	<b>(13.36%)</b>	<b>1,262,300</b>	<b>4.49%</b>	<b>1,318,809</b>	<b>4.48%</b>	<b>(2.02%)</b>

## 12.2 Appendix 2: Historical Data

### 12.2.1 State of Victoria

Year	Adult population	No. of EGMs	Net EGM expenditure \$	Average no. EGMs per 1,000 adults	Average net EGM expenditure per adult \$
2010	4,251,486	26,682	2,597,183,124	6.28	611
2011	4,322,850	26,778	2,651,368,385	6.19	613
2012	4,456,675	26,778	2,681,453,401	6.01	602
2013	4,532,257	26,068	2,490,488,907	5.75	550
2014	4,606,164	26,360	2,504,343,302	5.72	544
2015	4,648,423	26,264	2,571,926,031	5.65	553

### 12.2.2 Shire of Strathbogie

Year	Adult population	No. of EGMs	Net EGM expenditure \$	Average no. EGMs per 1,000 adults	Average net EGM expenditure per adult \$
2010	7,924	32	1,466,580	4.04	185
2011	7,993	32	1,401,900	4.00	175
2012	8,210	32	1,394,413	3.90	170
2013	8,266	32	1,208,096	3.87	146
2014	8,319	32	1,262,300	3.85	152
2015	8,063	32	1,318,809	3.97	164

### 12.2.3 Country areas

Year	Adult population	No. of EGMs	Net EGM expenditure \$	Average no. EGMs per 1,000 adults	Average net EGM expenditure per adult \$
2010	1,107,556	7,362	557,213,567	6.65	503
2011	1,124,027	7,332	570,295,048	6.52	507
2012	1,153,305	7,221	535,999,090	6.26	498
2013	1,170,760	7,560	535,999,090	6.46	458
2014	1,188,095	7,633	541,227,138	6.42	456
2015	1,142,470	7,632	551,727,941	6.68	483



## 12.3 Appendix 3: Estimated Gaming Expenditure

12.3.1 In order to provide an appropriate estimate of gross gaming expenditure applicable to the venue, we have prepared an analysis of venues and LGAs which exhibit broadly similar characteristics to that of the Euroa Hotel and the Shire of Strathbogie.

12.3.2 In the first instance, we have conducted our analysis on venues located within country regions which have no competitors in close proximity (i.e. the venue is the only gaming venue located within the town).

Name	LGA Name	Venue type	EGMs	2015FY Expenditure
Anglesea Golf Club	Shire of Surf Coast	Club	34	942,212
Cobden Golf Club	Shire of Corangamite	Club	28	1,067,507
Cobram Hotel	Shire of Moira	Hotel	38	1,934,380
Commercial Hotel (Camperdown)	Shire of Corangamite	Hotel	29	1,864,810
Corryong Sporting Complex	Shire of Towong	Club	10	318,359
Cumberland Hotel	Shire of Mount Alexander	Hotel	30	3,215,859
Foster Golf Club	Shire of South Gippsland	Club	25	762,457
Hill top Golf and Country Club	City of Greater Shepparton	Club	10	344,578
Hogans Hotel	Shire of Mitchell	Hotel	45	3,516,782
Kerang Sports and Entertainment Venue	Shire of Gannawarra	Club	45	1,498,998
Kilmore Trackside	Shire of Mitchell	Club	76	4,789,327
Korumburra Hotel	Shire of South Gippsland	Hotel	16	1,571,506
Kyabram Club	Shire of Campaspe	Club	53	2,869,548
Lorne Hotel	Shire of Surf Coast	Hotel	10	412,038
Magpie and Stump Hotel	Shire of Mitchell	Hotel	24	840,038
Mansfield Golf Club	Shire of Mansfield	Club	40	1,677,515
Mount Beauty Country Club	Shire of Alpine	Club	19	355,962
Myrtleford Savoy Sporting Club	Shire of Alpine	Club	26	1,200,746
Nagambie Lakes Entertainment Centre	Shire of Strathbogie	Club	32	1,318,809
Numurkah Golf & Bowls Club	Shire of Moira	Club	60	1,940,297
Ouyen Club	Rural City of Mildura	Club	5	358,033
Peppermill Inn Hotel Motel	City of Greater Shepparton	Hotel	20	1,115,046
Queenscliff Bowling Tennis and Croquet Club	Borough of Queenscliff	Club	30	1,234,478
Robinvale Golf Club	Rural City of Swan Hill	Club	50	2,331,386
Rubicon Hotel	Shire of Murrindindi	Hotel	25	1,442,481
St Arnaud Sporting Club	Shire of Northern Grampians	Club	35	1,654,212
Star Hotel Bright	Shire of Alpine	Hotel	18	1,245,389
The Orbost Club	Shire of East Gippsland	Club	24	911,703
The Yarram Country Club	Shire of Wellington	Club	37	2,388,217
Victorian Tavern	Shire of Macedon Ranges	Hotel	50	5,095,106

Blue = Included Venues    Grey = Excluded

12.3.3 Of the 30 venues listed above, 12 venues were excluded based on the following criteria as it was considered these are not comparatively appropriate in terms of conducting analysis of gaming expenditure at the Euroa Hotel:

- Located within a coastal town (Anglesea Golf Club, Lorne Hotel, Queenscliff Bowling Tennis & Croquet Club and The Yarram Country Club);
- Low number of EGMs (Corryong Sporting Complex, Hilltop Golf & Country Club and Ouyen Club);
- Located in a town on the border of Victoria and New South Wales and therefore has competitors in close proximity in New South Wales (Cobram Hotel and Robinvale Golf Club);
- High tourist areas where expenditure would be affected by the influx of tourism during the year (Rubicon Hotel);
- Located within close proximity to another township containing multiple gaming venues (Peppermill Inn Hotel Motel); and
- Located in an area, although within a country LGA, displays metropolitan characteristics (Victorian Tavern).

#### 12.4 Appendix 4: Population estimates

12.4.1 The following table displays the percentage increase in population from 2011 to 2015 as well as the percentage of adults applicable for each of the LGAs considered in our sample group.

	LGA Population (2011)*	LGA Population (2015)**	Increase/ (Decrease) %	LGA Population (2015) #	LGA Adult Population (2015) #	% Adults
Shire of Alpine	12,067	11,997	(1%)	11,997	9,604	80%
Shire of Corangamite	16,376	15,972	(2%)	15,972	12,058	75%
Shire of Campaspe	36,365	36,896	1%	36,896	28,293	77%
Shire of East Gippsland	42,196	44,135	5%	44,135	35,042	79%
Shire of Gannawarra	10,366	9,949	(4%)	9,949	7,811	79%
Shire of Mansfield	7,893	8,297	5%	8,297	6,382	77%
Shire of Macedon Ranges	41,860	45,497	9%	45,497	34,521	76%
Shire of Moira	28,124	28,977	3%	28,977	22,380	77%
Shire of Mitchell	35,068	39,581	13%	39,581	29,324	74%
Shire of Mount Alexander	17,591	18,220	4%	18,220	14,819	81%
Shire of Northern Grampians	11,845	11,677	(1%)	11,677	9,303	79%
Shire of South Gippsland	27,208	27,984	3%	27,984	21,830	77%
Shire of Strathbogie	9,486	9,871	4%	9,871	8,063	82%

\*As per 2011 Census data published by Australian Bureau of Statistics

\*\*As per 2015 Victoria in the Future population projections published by Department of Environment, Land, Water & Planning

#As per VCGLR LGA Population density and gaming expenditure statistics

12.4.2 The following table calculates the estimated 2015 adult population for each town relevant based on our sample group

Venue	Town	LGA	Population of Town (2011)*	Adult Population of Town (2011) **	Adult Population of Town (2015) **
Cobden Golf Club	Cobden	Shire of Corangamite	1,821	1,375	1,341
Commercial Hotel (Camperdown)	Camperdown	Shire of Corangamite	3,462	2,614	2,549
Cumberland Hotel	Castlemaine	Shire of Mount Alexander	6,751	5,491	5,687
Foster Golf Club	Foster	Shire of South Gippsland	1,677	1,308	1,346
Hogans Hotel	Wallan	Shire of Mitchell	8,504	6,300	7,111
Kerang Sports And Entertainment Venue	Kerang	Shire of Gannawarra	3,872	3,040	2,918
Kilmore Trackside	Kilmore	Shire of Mitchell	6,678	4,947	5,584
Korumburra Hotel	Korumburra	Shire of South Gippsland	4,373	3,411	3,509
Kyabram Club	Kyabram	Shire of Campaspe	7,321	5,614	5,696
Magpie And Stump Hotel	Wandong	Shire of Mitchell	1,294	959	1,082
Mansfield Golf Club	Mansfield	Shire of Mansfield	4,360	3,353	3,525
Mount Beauty Country Club	Mt Beauty	Shire of Alpine	819	656	652
Myrtleford Savoy Sporting Club	Myrtleford	Shire of Alpine	3,181	2,547	2,532
Nagambie Lakes Entertainment Centre	Nagambie	Shire of Strathbogie	1,548	1,265	1,316
Numurkah Golf & Bowls Club	Numurkah	Shire of Moira	4,768	3,683	3,794
St Arnaud Sporting Club	St Arnaud	Shire of Northern Grampians	2,619	2,086	2,057
Star Hotel Bright	Bright	Shire of Alpine	2,165	1,733	1,723
The Orbost Club	Orbost	Shire of East Gippsland	2,493	1,979	2,070
Euroa Hotel	Euroa	Shire of Strathbogie	3,166	2,586	2,691

\*As per 2011 Census data published by Australian Bureau of Statistics  
 \*\*Estimate

12.5 Appendix 5 – Anticipated Statistics for the Shire of Strathbogie

12.5.1 Based on the midrange estimate for gross gaming expenditure, the average net amount of gaming expenditure per adult and EGM density in the Shire of Strathbogie for the first 12 months of trade is calculated as follows:

<b>Adult population</b>	<b>No. of EGMs</b>	<b>Net EGM expenditure</b> \$	<b>Average no. EGMs per 1,000 adults</b>	<b>Average net EGM expenditure per adult</b> \$
8,063	62	2,722,455	7.69	338

12.5.2 Based on the midrange estimate for gross gaming expenditure, the average net amount of gaming expenditure per adult and EGM density in the Shire of Strathbogie after 12 months is calculated as follows:

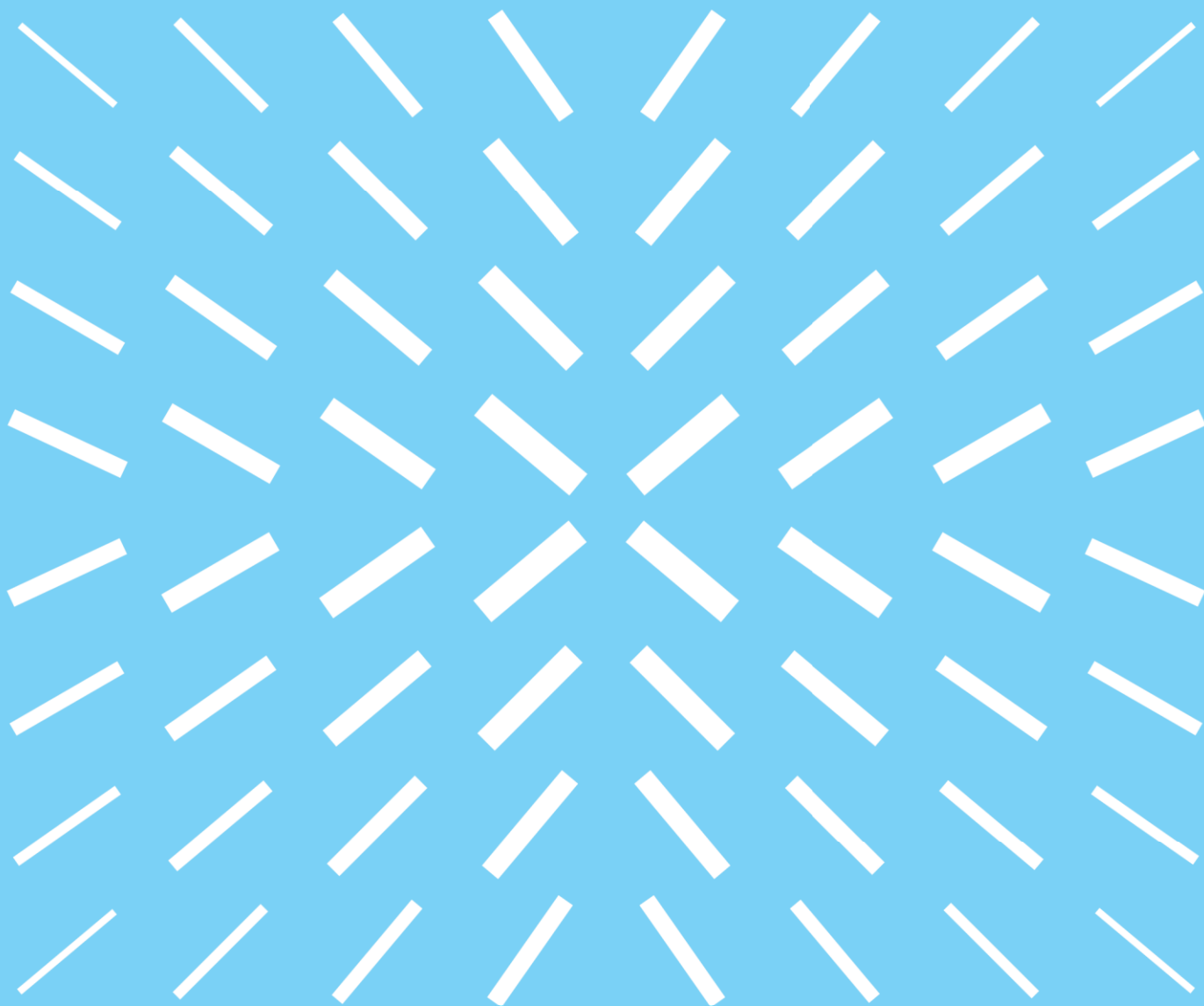
<b>Adult population</b>	<b>No. of EGMs</b>	<b>Net EGM expenditure</b> \$	<b>Average no. EGMs per 1,000 adults</b>	<b>Average net EGM expenditure per adult</b> \$
8,063	62	2,970,158	7.69	368



ShineWing Australia  
Accountants and Advisors  
Level 10, 530 Collins Street  
Melbourne VIC 3000

T +61 3 8635 1800  
F +61 3 8102 3400

[shinewing.com.au](http://shinewing.com.au)







**Sydney**

Tower 2, Level 23, Darling Park  
201 Sussex Street Sydney, NSW 2000  
t +02 8233 9900  
f +02 8233 9966

**Melbourne**

Level 12, 120 Collins Street  
Melbourne, VIC 3000  
t +03 8663 4888  
f +03 8663 4999

**Brisbane**

Level 7, 123 Albert Street  
Brisbane, QLD 4000  
t +07 3007 3800  
f +07 3007 3811

**Perth**

Level 1, 55 St Georges Terrace  
Perth, WA 6000  
t +08 9346 0500  
f +08 9221 1779

Australia • Asia • Middle East  
w [urbis.com.au](http://urbis.com.au) e [info@urbis.com.au](mailto:info@urbis.com.au)