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30th September, 1999

Productivity Commission
P O Box 80
BELCONNEN ACT 2616

Dear Sir/Madam,

Re: *Australia's Gambling Industries – Draft Report*

We are a major private residential land developer and homebuilder in Victoria and in Queensland and as many of our major developments are on the urban fringe of Melbourne, we felt it to be necessary to bring the attached submission to the attention of the Commission.

We have read the Draft Report, "*Australia's Gambling Industries*" and we have been following the press articles that followed the release of the Report. We are aware in the present environment of the statement by the Commission in the Report that "*Gambling provides some enjoyment to most Australians*".

It is within this context that we contend that those Australians who choose a new home environment, in outer urban areas of Melbourne, are disadvantaged in respect of quality Community facilities including gaming due to particular fixed parameters which appear to take little account of growth.

We understand the "Draft Report" may be modified following its examination by interested parties and as a result of the Public Hearings, consequently we request your consideration of our particular views.

Yours faithfully,

Albert G Dennis
Director

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Gaming Machines (E.G.M.'s) Outer Growth Areas

Introduction:

It is widely known that in Victoria there has been a cap set on EGM's at 27,500. These are then equally split between Hotels and "bona fide" Clubs.

There are two (2) suppliers of Gaming Machines ie: Tatts and TAB however, it seems that as a result of the cap neither has any machines to supply new Hotels, hence a proposal for the construction of a Hotel on the urban fringe is not able to command machines, consequently the proposition for a new Hotel with all facilities in these locations, lacks viability.

Our Submission:

We are developers of residential land on the fringe of the metropolitan area with a particular focus on locations west of the city. The people who locate on our estates are often first and second home buyers who understand that not all facilities can be provided from day one. They do, however, expect to have convenient shopping, entertainment, recreational, leisure and community facilities as soon as is practical. In the modern world the provision of relatively convenient opportunities to dining and leisure facilities is as much expected as was the football ground in the past. Consequently, as developers it is our desire to ensure all the urban facilities and expectations as to quality lifestyle are provided as early as possible as it is as important to provide the social needs of families in today's environment as it is to provide shelter.

As a result of policy in respect of the provision of EGM's it is our view that this mitigates against the provision of entertainment facilities on "greenfields" sites at the urban fringe as it is obvious that the established Hotels (and Clubs for that matter) in more mature areas have been able to organise themselves so as to take advantage of the limited EGM's in the system.

We believe that there should be mechanisms in place within the Gaming and Liquor Licensing Laws and Policy requirements that allow for allocations of EGM's to:-

- Genuine Hotel and/or Club developments on "greenfields" sites on the urban fringes.
- Ensure that people who settle (or resettle) in outer urban locations can do so in the knowledge that "normal" facilities offered to other sections of the Community can be made available to them without particular limitation.
- There should be pro-active elements of policy and/or regulation that positively assist in respect of sites which develop subsequent to the introduction of machine limitations. This would ensure that growth corridors such as the Melton East area which is a very rapidly expanding area in outer Melbourne can compete or at least be equally considered for EGM supply.
- It is imperative that the social and leisure needs of persons electing to live in growth areas are not positively discriminated against when regulations for benefiting facilities are under active consideration.
- In our view, it is not reasonable that the destiny of the leisure pursuits of people in new residential areas on the fringe are in the hands of EGM suppliers who in fairness are obligated to place EGM's in locations where they can gain the most advantageous returns.

Gaming is now part of our lifestyle, Hotels (or Clubs) are unlikely to be built in newly developing locations without EGM's, therefore, it is our view that there is a need for those in Government and their Agencies to understand the deficiencies of policy/regulation that exist at the moment which is positively discriminating against the new resident in growth areas on the fringes of urban Melbourne.