

Fact sheet FS3138

# Local Impact Assessment scheme overview

This fact sheet describes the Local Impact Assessment scheme (LIA), which helps assess the impact of introducing additional gaming machines into a Statistical Area 2 (SA2).

## Overview

All clubs and hotels in NSW are subject to an individual threshold on how many gaming machines they are permitted to operate. This is known as their Gaming Machine Threshold (GMT) against which they can buy or lease Gaming Machine Entitlements (GME) from other venues.

Depending on the classification of the Statistical Area 2 (SA2) where a club or hotel is located, the venue may or may not be required to undertake an LIA when applying for an increase in the gaming machine threshold (GMT).

The Local Impact Assessment scheme (LIA) process is designed to assess the impact of introducing additional gaming machines into an SA2.

## What is the gaming machine threshold?

The GMT sets limits for:

- ▲ A club, the number of GMEs that the club is approved to hold.
- ▲ A hotel, the number of GMEs and poker machine permits (PMPs) the hotel is approved to hold. For a hotel the GMT is capped at 30.

For a new club or new hotel, the GMT is zero until an application is lodged and approved for a higher GMT.

An increase in a venue's GMT does not mean there will be more gaming machines in NSW. Venues wishing to fill an increase within their GMT can only do so by getting existing GMEs from other venues. When GMEs are traded among venues, a portion of the GMEs are (with some exceptions) forfeited to the Independent Liquor & Gaming Authority.

## What are Statistical Area 2s (SA2s) and how are they classified into 'Bands'?

An SA2 is a geographical boundary set by the Australian Bureau of Statistics.

Each SA2 is classified into Band 1 (low risk), Band 2 (medium risk) and Band 3 (high risk) depending on the gaming machine density, gaming machine expenditure and the relative socio-economic disadvantage of the SA2.

Each SA2 is assigned a score with a weighting of:

- ▲ 70% [Socio-Economic Indexes for Area \(SEIFA\)](#).
- ▲ 15% gaming machine expenditure per capita.
- ▲ 15% number of gaming machines per capita.

All SA2s in NSW are then ranked into Band 1, Band 2, Band 3 accordingly:

- ▲ The bottom 20% (i.e. those with the highest levels of socio-economic disadvantage) are put into Band 3.
- ▲ The next 30% are put into Band 2.
- ▲ The remaining 50% (i.e. those with the lowest levels of socio-economic disadvantage) are put into Band 1.

Further information of the classifications of SA2s, including an interactive map that provides information on your community, can be found at [liquorandgaming.nsw.gov.au](http://liquorandgaming.nsw.gov.au).

## What are the different types of LIA and when are they required?

The purpose of an LIA is to inform and support a community consultation process that will enable the Independent Liquor & Gaming Authority to determine whether approving the application to increase a venue's GMT will provide either a positive contribution to the local community or an overall positive impact on the local community.

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There are two types of LIA that may be required before a GMT increase application can be determined by the Independent Liquor & Gaming Authority:

- ▲ A Class 1 LIA requires the applicant to demonstrate that the proposed increase in the GMT will provide a positive contribution to the local community.
- ▲ A Class 2 LIA requires the applicant to demonstrate that the proposed increase in the GMT will have an overall positive impact on the local community.

An LIA must accompany any application for an increase in a venue's GMT according to the following rules:

	Low Range increase (up to 20)	Mid-Range increase (21 to 40)	High Range increase (over 40)
Band 1	No LIA required	Class 1 LIA	Class 2 LIA
Band 2	Class 1 LIA	Class 2 LIA	Class 2 LIA
Band 3	No GMT increases permitted via an LIA process		

### When are LIAs not required?

An LIA is not required in certain circumstances, usually where machines are moving within a local area. This is because there was previously an assessment of the impact on the local community when existing GMTs were granted, and the purpose of the LIA is to assess the impact of increased machines in a particular area, not at a specific venue.

Venues in Band 3 SA2s seeking to increase their GMT are not required to undertake an LIA where it is acquiring additional GMEs from a venue:

1. in the same Band 3 SA2, or
2. in another Band 3 SA2 in the same Local Government Area, or
3. in a directly bordering Band 3 SA2, even if it is in a different Local Government Area (note: this does not apply to the Fairfield Local Government Area).

Venues in Band 2 SA2s seeking to increase their GMT are not required to undertake an LIA where it is acquiring additional GMEs from a venue:

1. in the same Band 2 SA2, or
2. in another Band 2 SA2 in the same Local Government Area,

3. in a Band 3 SA2 in the same Local Government Area, or
4. in a directly bordering Band 2 or 3 SA2, even if it is in a different Local Government Area (note: this does not apply to the Fairfield LGA).

Venues in Band 1 can increase their GMT without an LIA where they are acquiring additional GMEs from any SA2 in the same Local Government Area.

For example, Figure 1 shows a portion of the Blacktown Local Government Area (right side of map) and Penrith Local Government Area (left side of map). In Figure 1, Band 3 is red, Band 2 is amber and Band 1 is green.

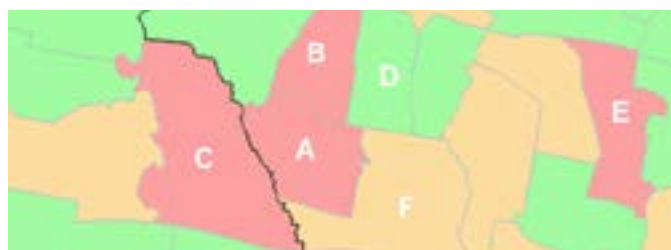


Figure 1

In Figure 1, a venue in SA2 "A" can apply for a GMT increase without an LIA where it is acquiring GMEs from a venue in:

- ▲ SA2 "A" (same Band 3 SA2)
- ▲ SA2 "B" or SA2 "E" (Band 3 SA2s in same Local Government Area)
- ▲ SA2 "C" (directly bordering Band 3 SA2)

SA2 "A" is a Band 3 and is subject to an area cap. As no additional gaming machines can be introduced from non-Band 3 SA2s, a venue in SA2 "A" cannot source GMEs from "D" or "F".

As SA2 "F" is a Band 2 SA2, a venue in SA2 "F" can acquire entitlements from SA2 "A", "B" or "E" without undertaking an LIA as all SA2s are in the same Local Government Area, but cannot acquire from a venue in SA2 "D" without undertaking an LIA as SA2 "D" is a lower banding.

### For further information

For further information on the Local Impact Assessment scheme visit

[liquorandgaming.nsw.gov.au](https://www.liquorandgaming.nsw.gov.au)

[contact.us@liquorandgaming.nsw.gov.au](mailto:contact.us@liquorandgaming.nsw.gov.au)

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