

**LOCAL IMPACT ASSESSMENT
CLASS 1 APPLICATION**

**GREAT NORTHERN HOTEL TERALBA
LIQH400117612
2 ANZAC PARADE, TERALBA NSW 2284**



AUGUST 2021



EXECUTIVE SUMMARY

Introduction

This is a Local Impact Assessment (**LIA**) Class 1 Application for a Gaming Machine Threshold Increase Application (**the Application**) submitted by Mr Jackson Allan the Licensee of the Great Northern Hotel, with liquor licence number LIQH400117612.

Venue Location

The Venue is situated at 2 Anzac Parade, Teralba NSW 2284 (**the Venue**). The Venue is situated within the Band 2 area of Bolton Point-Teralba within the Lake Macquarie City Council Local Government Area (**LGA**).

Gaming Machine Threshold (GMT)

The Venue's current GMT is three (3).

The Application seeks to increase the GMT by twelve (12), providing a new GMT of fifteen (15).

The Application is a low range GMT increase.

Current Harm Minimisation & Responsible Gambling Practices and Services

A summary of the harm minimisation and responsible gambling practices currently implemented at the Venue includes:

- The Gaming Machines are located in a dedicated gaming room that complies with Clause 8 of the *Gaming Machines Regulation 2019* (NSW)(**the Regulations**);
- Rigorous and regular staff training is conducted to ensure staff are equipped to monitor, identify and intervene with respect to possible problem gambling behaviour;
- The Venue actively participates in the *GameCare* self-exclusion scheme; and
- The core purpose of the Venue is the provision of liquor (including non-alcoholic beverages). The Venue provides local residents and visitors with a community hub to meet, gather and relax.

Positive Contribution

Pursuant to section 36A of the *Gaming Machines Act 2001* (NSW)(**the Act**) a positive financial contribution (Community Benefit Payment) in the amount of **\$981,397.56** is to be paid in annual instalments over 5 years into the Responsible Gambling Fund.

Conclusion

The LIA meets all of the requirements of the Act, Regulations and the Authorities Guidelines. Accordingly, it is respectfully submitted that the Application should be approved.

Details of the Venue and Local Community

The Venue

The Venue is situated at 2 Anzac Parade, Teralba NSW 2284. The Venue is situated in the Band 2 area of Bolton Point-Teralba within Lake Macquarie City Council LGA.

The other facilities offered by the Venue include a traditional public bar that provides a range of contemporary and craft beers, a comprehensive wine list showcasing wines from the nearby Hunter Valley and a selection of non-alcoholic beverages. The Venue has ten (10) overnight guest accommodation rooms, an outdoor beer garden and has plans to further upgrade and expand its kitchen facilities. The Venue offers a place for residents and visitors to meet, gather and relax in a welcoming, friendly and safe environment. The Venue is a hub for the local Teralba community.

A map and analysis of the surrounding area is included in **Appendix 1**.

The map and associated analysis disclose that the Bolton Point-Teralba SA2 area shares a boundary with 6 other SA2 areas. Half of these neighbouring SA2 areas are Band 1 areas and the other half of these neighbouring SA2 areas are Band 2.

The Venue is not a new hotel, therefore clause 33 of the Regulations does not apply.

Gaming Machines

The current GMT is three (3). The Venue currently holds three (3) Gaming Machine Entitlement's (**GME's**). The Application is for a low range GMT increase of twelve (12). If granted, this will provide a new GMT of fifteen (15).

Size and Floor Space

The size of the Venue is 1,120 square metres.

The internal floor space of the Venue is 685 square metres.

The Venue currently operates only three (3) GME's. The current GME's are located in a dedicated gaming room that is 17 square metres. The floor space proposed for an upgraded dedicated gaming room encompassing the proposed new GME/GMT is to be 50 square metres.

The Venue satisfies the floor space requirements set out in Clause 38 of the Regulations.

Trading Hours

The Venue's trading hours (as per the liquor licence document in **Appendix 2**) are Monday to Saturday: 5:00am until 12:00am Midnight; and Sunday 10:00am to 10:00pm. The Venue is subject to the standard daily gaming machine shut down period of 4:00am until 10:00am.

The Local Community

The Local Community is defined as the Bolton Point-Teralba SA2.

The Australian Bureau of Statistics (**ABS**) discloses the following key data about the Bolton Point-Teralba SA2 as at the 2016 Census:

- The total population of the Bolton Point-Teralba SA2 is 8,722.
- The percentage of males within the Bolton Point-Teralba SA2 population is 48.8%.
- The percentage of females within the Bolton Point-Teralba SA2 population is 51.2%.
- The median age of the Bolton Point-Teralba SA2 population is 43.1 years of age.

As at the 2016 Census the percentage of persons within the Bolton Point-Teralba SA2 population that were born overseas was 8.4%, which is considerably less than the percentage of persons born overseas within the entire population of Australia being 25.4%.

The most common occupations in the Bolton Point-Teralba SA2 (as at the 2016 Census) are: Technicians and Trade Workers 16.5%, Professionals 14.9%, Community and Personal Service Workers 14%, Clerical and Administrative Workers 12.6% and Labourers 12.1%.

As at the 2016 Census the percentage of home ownership in the Bolton Point-Teralba SA2 was higher than the Australian average, with 32.6% of private dwellings in Bolton Point-Teralba SA2 being owned outright, versus 31% in Australia, 35.6% of private dwellings in Bolton Point-Teralba SA2 being owned with a mortgage, versus 34.5% in Australia, and 27.9% of private dwellings in Bolton Point-Teralba SA2 being rented versus 32.6 % in Australia

The SEIFA ranking from the 2016 Census for the Bolton Point-Teralba SA2 is:

INDEX	Bolton Point Teralba SA2 Score	Bolton Point Teralba SA2 Decile
IRSEAD	911	2
IRSED	926	2
IER	948	3
IEO	907	2

The “*Hotel Gaming Machine Bi Annual Report by Local Government Area*” for the six-month period 1 July 2020 to 31 December 2020 that is published on the Liquor & Gaming website (**Appendix 3**) discloses that the net profit for all gaming machines in the Lake Macquarie LGA is \$25,720,853, with the average profit per machine being \$111,829.80. Converted to a 12-month period this correlates to an average profit per machine of \$111,829.80 in the Lake Macquarie LGA. In contrast, the Venue’s average profit per machine for the twelve-month period 1 July 2020 to 30 June 2021 was \$109,044.17. This is below the Lake Macquarie LGA twelve-month average.

Harm Minimisation & Responsible Gambling Measures

The Venue seeks to ensure that its gaming offerings are at all times consistent with the expectations of the community and the statutory objects of the Act specifically being to:

- Minimise harm associated with the misuse and abuse of gambling activities;
- Ensure the integrity of the gambling industry;
- Foster responsible conduct in relation to gambling; and
- Facilitate the balanced development, in the public interest, of the gaming industry.

Staff Training

All staff involved with the provision of gambling and wagering at the Venue must have completed an approved course in the Responsible Conduct of Gambling (**RCG**) prior to commencing work at the Hotel. All staff must have their RSA and or RCG competency cards available upon request.

The Venue **voluntarily** (beyond the minimum legal requirement) holds regular quarterly in-house staff training sessions. It is a compulsory house policy for staff engaged in the provision of gambling and wagering at the Venue to attend each of these staff training sessions.

Each staff training session includes the following standing training agenda items:

- Refresher on the contents of the statutory provisions of the Act and the Venue's harm minimisation policies.
- Refresher of the TAB and RCG gambling training courses.
- Group discussion regarding gambling harm minimisation measures.
- Training regarding the practical signs and interpersonal signals that are generally characterised with risky and problematic gambling behaviour. Where appropriate this training may include interactive role-plays. This will ensure that all staff have the appropriate interpersonal and communication skills to both identify and deal appropriately with such situations.
- Training from an external guest speaker to discuss and learn about practical communication skills. The speaker will identify what these skills are and how these skills can be used to approach at risk patrons, with a view towards ensuring the Venue minimises the harm associated with the misuse and abuse of gambling activities and continues to uphold the integrity of the gambling industry.

Supporting Staff to Identify and Assist Patrons Who Need Help

At all times when the gaming room is open, the duty manager or Licensee must conduct regular patrols of the gaming room. During these patrols, observations must be made as to whether any of the gaming room patrons exhibit any of the risk behaviour listed below:

Behaviour*	Level of Risk*
<u>Length of Play</u>	
Starts gambling when the venue is opening	General Sign
Only stops gambling when the venue is closing	General Sign
Gambles Most Days	General Sign
Finds it difficult to stop gambling at closing time	Probable Sign
Gambles from opening to closing	Strong Sign
<u>Money</u>	
Asks to change large notes before gambling	General Sign
Uses coin machine at least four times	General Sign
Gets cash out on two or more occasions through the ATM	Probable Sign
Avoids cashier and only uses cash terminal facilities	Probable Sign
Puts large wins back into the machine	Probable Sign
ATM/EFTPOS transactions are repeatedly declined	Probable Sign
Patron tries to borrow money from customers or staff	Strong Sign
<u>Behaviour During Play</u>	
Gambles on two or more machines at once	General Sign
Rushes from one machine to another	General Sign
Significant increase in spending patterns	General Sign
Complaints to staff about losing, or blames venue or machines for losing	General Sign
Rituals or superstitious behaviours (rubbing or talking to machine)	General Sign
Often gambles for long periods (three or more hours) without a proper break	Probably Sign
Plays very fast	Probable Sign
Gambles intensely without reacting to what's going on around him/her	Probable Sign
Shows obvious signs of distress or anger (crying, holding head in hands, shaking, outbursts towards staff or machine)	Strong Sign
<u>Social Behaviours</u>	
Becomes angry or stands over others if someone takes their favourite machine/spot	Probable Sign
Tells staff that gambling is causing them problems	Strong Sign
Significant decline in personal grooming and/or appearance over several days	Strong Sign
Friends or family raise concerns	Strong Sign
Conceals their presence at the venue (does not answer mobile phone, asks staff not to let others know they are there)	Strong Sign

* This list is based on a summary developed by the Office of Responsible Gambling published in September 2020.

In light of the recommendations provided by the Office of Responsible Gambling, the Venue on its own **voluntary** accord (beyond the minimum legal requirement) encourages staff to treat the above signs in the following manner:

- The “general” signs listed above, when seen by themselves, act as an early warning sign.
- Someone displaying several of the general signs may be experiencing a problem with gambling. Staff should continue to monitor the behaviour of the patron.
- If a patron is displaying any of the “probable” signs, then it is possible that the patron may be experiencing problems with gambling. Staff should continue to monitor the patron’s behaviour and verbally engage with the patron in order to facilitate a break in play and conduct a welfare check.
- If a patron is displaying two or more of the probable signs or any of the strong signs, then staff should consider engaging with the patron in order to facilitate a break in play and conduct a welfare check. If after talking to the patron staff think it is appropriate, then staff may consider talking to the patron about support and counselling services. During this discussion staff should consider whether the patron could be at risk of harm to themselves or others. In this instance a referral to a self-exclusion program by the staff member may be beneficial.

On a **voluntary** basis (beyond the minimum legal requirement) the Venue ensures that the Licensee is responsible for implementing an appropriate strategy to assist with reducing the risk of harm being suffered by the patron. The relevant harm minimization strategy will be unique and specialized in relation to the patron and the patron’s behavior. The ongoing Venue staff meetings and staff training will equip staff and management with the tools to best provide such measures.

Strong Culture of Gambling Harm Minimisation

The Venue’s commitment to the welfare of patrons is demonstrated through adherence to the following statutory requirements:

- No free or discounted alcohol is provided to gaming patrons as an inducement to gamble;
- No free credits are provided to gaming patrons;
- There is no promotion or marketing of the gaming room;
- The Venue does not offer prizes associated with the use of gaming machines;
- The Venue does not permit gaming related advertising material to be displayed on the exterior of the premises;

- The Venue does not promote irresponsible gaming or gaming related practices.
- The details of a patron who wins a prize in excess of \$1,000 is never published or promoted.
- Persons that are under the age of 18 years are strictly prohibited from being in the gaming room at any time.
- Regular staff meetings and training sessions include a discussion about harm minimization measures. This is a voluntary measure put in place by the Venue that goes beyond the minimum legal requirements.
- Shift handovers must include a discussion about any at risk signs observed in patrons, any harm minimization measures that have been put in place during the shift or that may be appropriate to be implemented for the next shift. This is a voluntary measure put in place by the Venue that goes beyond the minimum legal requirements.

Physical Location of Gaming Machines

All gaming machines at the Venue are (and will continue to be) located in a dedicated gaming room in accordance with the provisions set out in clause 8 of the Regulations. This includes the following:

- The gaming room is in a “bar area” of the Venue, that is an area that is not subject to a minors authorization;
- The gaming room is physically separated from the general bar by way of permanent walls;
- The design and location of the gaming room does not require patrons to be compelled to pass through the gaming room in order to enter or leave the Hotel or to gain access to another part of the Venue;
- There is not entry charge to access the gaming room. Entry is free;
- The gaming machines can not be seen from any place outside of the Hotel;
- The gaming machines are appropriately separated to facilitate proper access; and
- There is a door way that provides access to toilets and the bar area of the Venue.

Self-Exclusion

The Venue is a member of the *GameCare* multi-venue self-exclusion scheme.

Patrons of the venue are made aware of GameCare’s multi-venue self-exclusion scheme, as

well as the government funded “gambling HELP” counselling services.

In order to ensure that self-exclusion is understood, available and enforced, the Venue has strong systems for staff to familiarize themselves with photos of people who have self-excluded.

The Venue appreciates that for some people being publicly known as a person who has self-excluded may cause embarrassment, shame or humiliation. The Venue seeks to ensure that such self-excluded people are treated with dignity, sensitivity and respect. This includes not displaying the photos of self-excluded persons in areas of the Venue where members of the public and/or customers may be able to view these photos.

The Venue displays a copy of these photos in the staff room and back of house areas that are frequented by gaming staff.

The Venue also has the photos included in a folder that is easily accessible and available to staff whilst they are on duty. Staff are encouraged to double-check photo’s and identities of persons who may be self-excluded at regular intervals throughout the shift.

Any person who is found on the Venue to be in breach of their self-exclusion order is to be treated with dignity and respect. The patron is to be removed from the relevant area. The details of this removal are to be included in the Venue’s Incident Register and also communicated to the relevant self-exclusion scheme.

Promotion of Responsible Gambling

In order to promote responsible gambling, the Venue will do the following:

- Include responsible gambling messages on the Venue’s website.
- Include responsible gambling messages on any newsletters issued by the Venue.
- Include responsible gambling messages on any loyalty program marketing issued by the Venue.

These are **voluntary** measures put in place by the Venue that go beyond the minimum legal requirements.

Statutory Signage

The Venue will comply with all statutory requirements in relation to advertising, signage and the provision and availability of player contact cards and brochures.

This statutory signage is located on each gaming machine and throughout the gaming room. The statutory signage provides patrons with information about their chance of winning and the problems that are associated with gambling.

ATM's and Cash Dispensing

The Venue's ATM is not located in an area where gaming machines are located.

The Venue's ATM does not provide access to cash from a credit card account.

The Venue's ATM includes the appropriate signage to notify patrons of the problems that are associated with gambling.

Dealing with Cheques

The Hotel will not cash any cheque(s) from any person whatsoever.

Payment of Prize Money by Cheque

In situations where a patron wins more than \$5,000, the Venue will pay to the patron the amount that exceeds \$5,000 within 48 hours via either:

1. A crossed cheque made payable to the prize winner with the words "*Prize winning cheque – cashing rules apply*" or
2. Electronic funds transfer (EFT) to a nominated account.

In circumstances where the total prize money is more than \$5,000 and the customer requests to have the entire amount paid by crossed cheque, then the Venue will arrange this.

Electronic Surveillance

When in operation, the gaming room will be under constant electronic (CCTV) and visual surveillance by Venue staff.

Benefits to the Community

Financial Contribution Benefit

A positive contribution shall be made by way of a financial contribution in the amount of **\$981,397.56** if the Application is approved. The financial contribution is a Community Benefit Payment as defined by section 36A of the Act. The proposed contribution will be made to the Secretary of the Responsible Gambling Fund pursuant to section 36A of the Act.

Calculation of the Financial Contribution

The amount of the financial contribution was calculated in accordance with the formulae set out in the *GL4014 Class 1 Local Impact Assessment Process Guidelines* published by the Authority. The formulae provides that a positive contribution is calculated as 15% of the average profit of the existing machines before tax multiplied by the proposed GMT increase and then multiplied by 5 years (being the period that the contribution can be paid).

The average profits were calculated from 12 months of gaming performance data from 1 July 2020 to 30 June 2021.

Additional Positive Contributions

Additional positive contributions which will be achieved if this Application is granted are as follows:

- The forfeiture of one GME for every block of GME's that are acquired by the Venue. This is required by section 20(3)(b) of the Act. This will result in a reduction in the total number of GME's in existence in New South Wales.
- A reduction in the GMT of the transferring Venue when the GME's are transferred, as required by section 20(7) of the Act. In accordance with the above, this is reflective of a reduction in the total number of GME's in New South Wales.

Conclusion

The Applicant respectfully submits that for the following reasons this Class 1 LIA Application for a low range gaming machine threshold increase satisfies all of the relevant statutory requirements:

- The LIA has satisfied the requirements of **Section 36(3)(a)** of the Act and **Clause 33** of the Regulations as the LIA has detailed:
 - a. The Venue is not a new hotel. The Venue already has an existing GMT of three.
 - b. The Venue will provide benefits to the local community if the Application is approved. The benefits include a financial contribution by way of the payment of a Community Benefit Payment in the amount of **\$981,397.56** and the reduction in the total GME's in existence in New South Wales.
 - c. The Venue has robust harm minimisation and responsible gambling measures in place. These measures go beyond those that are required by law and include several measures that undertaken voluntarily by the Venue. This shows that if the Application is granted the gambling operations at the Venue will continue to be operated in a responsible way.
 - d. The positive contributions to be made by the Venue (as referred to in **sections 36A and 36B** of the Act) in connection with the threshold increase Application include the payment of a Community Benefit Payment in the amount of **\$981,397.56** calculated with reference to **Guideline in GL4014 Class 1 Local Impact Assessment Process Guidelines** issued by the Authority.
- The LIA has demonstrated that gambling activities in the Venue will continue to be conducted in a responsible manner in satisfaction of the requirements of **section**

36(3)(b) of the Act. The LIA summaries the robust measures that go beyond the minimum requirements of the law. This shows that if the Application is granted, gambling operations at the Venue will continue to be operated in a responsible way.

- The LIA has particularised the positive contribution to be made towards the local community if the Application is approved. This is in the form of a Community Benefit Payment in the amount of **\$981,397.56** in satisfaction of both **section 36(3)(c)(i), 36A** and **36B** of the Act.
- **Section 36(3)(c)(ii)** of the Act is not relevant as the Venue is not a new hotel and the Venue already has an existing GMT of three (3).
- The Application is not aware of any issues or concerns raised with respect to the Application. In the event that such issues or concerns are raised then those will be addressed accordingly and pursuant to **section 36(3)(c)(iii)** of the Act.
- The Applicant undertakes to adhere to the requirements set out in Clause 41 of the Regulations.
- The Venue satisfies the floor space requirements set out in Clause 38 of the Regulations.

In light of the above, the Applicant respectfully submits that the thresholds set out in the Act, the Regulations and the Authorities Guidelines have been satisfied and the Application should be approved.

Attachments

Appendix 1 – Map and analysis of the surrounding area.

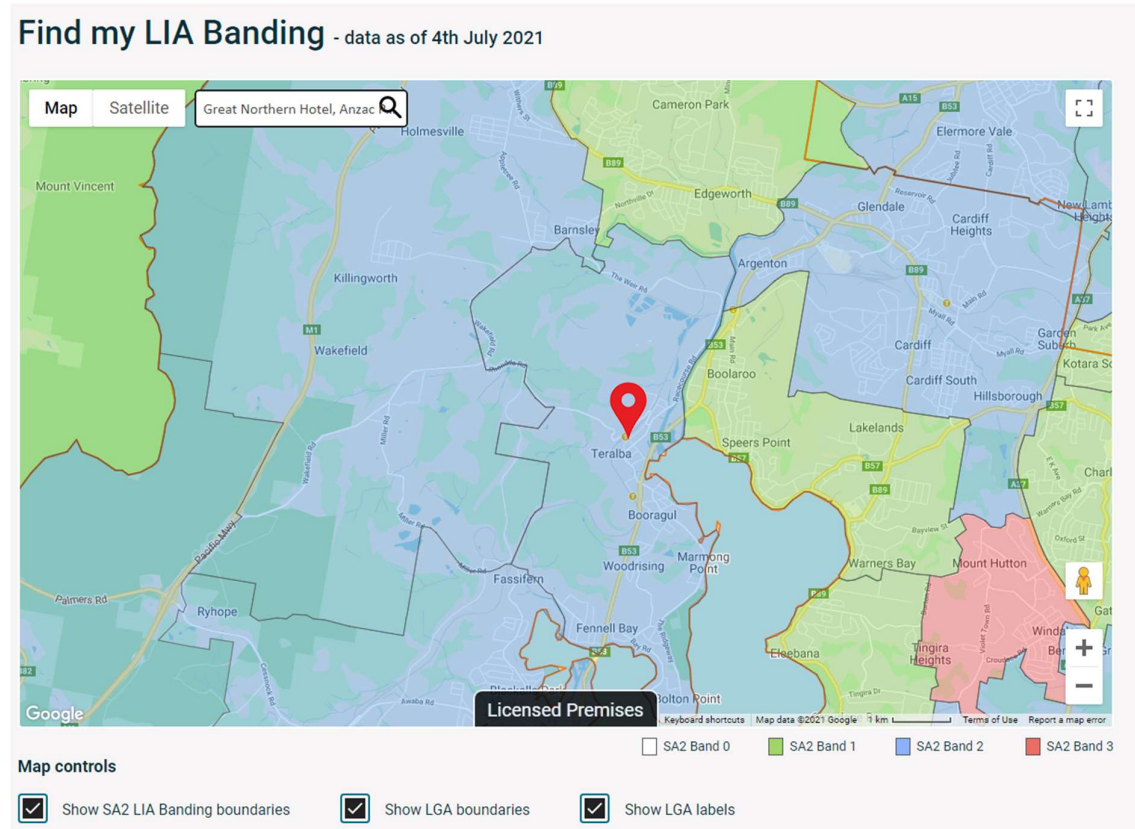
Appendix 2 – Liquor Licence Document

Appendix 3 - Hotel Gaming Machine Bi Annual Report by Local Government Area for the period 1 July 2020 to 31 December 2020 published by Liquor & Gaming NSW.

Appendix 1

Map of Surrounding Area

A map of the surrounding area as disclosed on the Liquor & Gaming website is shown below:



SA2 Analysis of the Surrounding Area

The above map shows that the Venue is surrounded by the following SA2 statistical areas:

SA2 Name	SA2 Band
Toronto-Awaba	Band 2
West Wallsend-Barnsley-Killingworth	Band 2
Warners Bay-Boolaroo	Band 1
Edgeworth-Cameron Park	Band 1
Glendale-Cardiff-Hillsborough	Band 2
Valentine-Eleebana	Band 1