

Class 2 Local Impact Assessment process guidelines



The Class 2 Local Impact Assessment process guidelines are issued by the Independent Liquor & Gaming Authority under section 36C of the *Gaming Machines Act 2001*.

The Guidelines are intended to provide applicants and members of the community with guidance on:

- how applications for a Gaming Machine Threshold (GMT) increase should be made,
- how to undertake a Class 2 Local Impact Assessment,
- how to make a submission on a Class 2 Local Impact Assessment,
- what the Independent Liquor & Gaming Authority considers to be an 'overall positive impact' on a local community for the purposes of a Local Impact Assessment,
- what other factors the Independent Liquor & Gaming Authority may consider in assessing a GMT increase application, and
- what conditions the Independent Liquor & Gaming Authority may impose on its approval of a Class 2 Local Impact Assessment.

A checklist for venues is also included at Appendix A.

These Guidelines are intended to give additional information to applicants and the community, and may not need to be read in their entirety for a Local Impact Assessment to be conducted.

The Guidelines do not limit the Independent Liquor & Gaming Authority's discretion when deciding a particular application, including what may be an 'overall positive impact' for the local community.

These Guidelines are subject to, and are in addition of, any requirement set out in the *Gaming Machines Act 2001* or Gaming Machines Regulation 2019 (the Regulation).

For information on the Class 1 Local Impact Assessment process, visit liquorandgaming.nsw.gov.au

¹ PMPs are confined to hotels and may be traded but not leased.

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 purchase or lease Gaming Machine Entitlements (GME) and Poker Machine Permits (PMP) from other venues¹.

Depending on the classification of the Statistical Area Level 2 (SA2) where a club or hotel is located, the venue may or may not be required to undertake a Local Impact Assessment (LIA) when applying for an increase to its GMT.

The LIA process is designed to assess the impact of introducing additional gaming machines into an SA2, i.e. where a venue seeks to fill their GMT by sourcing GMEs from other parts of NSW.

What is the GMT?

The GMT is a number that limits:

- for a club, the number of GMEs that the club is approved to hold,
- for a hotel, the number of GMEs and PMPs the hotel is approved to hold. For a hotel the GMT is capped at 30.

For a new club or new hotel, or an existing club or hotel licence moved to a new address, the GMT is zero until an application is lodged and approved for a higher GMT. Further information regarding how a new club or new hotel may apply for a higher GMT can be found in Class 1 LIA process guidelines [here](#).

Note that an increase in a venue's GMT does not mean there will be more gaming machines in NSW. Venues wishing to fill an increase in their GMT can only do so by sourcing existing GMEs (or PMPs for hotels) 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.

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What are '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 by the Independent Liquor & Gaming Authority 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 according with the:

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

Further information on the classifications of SA2s, including an interactive map that provides information on your community, is available [here](#).

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.

There are two types of LIA that may be required to be completed before a GMT increase application can be approved 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 community².
- 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 is required to accompany any application for an increase in a venue's GMT according to the following rules:

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

When are LIAs not required?

An LIA is not required in certain circumstances, largely where machines are moving within a local area. This is because the purpose of the LIA is to assess the impact of an increased number of machines in a particular area, not the impact of an increase at a specific venue.

A venue in a Band 3 SA2 seeking to increase its GMT is not required to undertake an LIA where it is acquiring additional GMEs from a venue:

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

A venue in a Band 2 SA2 seeking to increase its GMT is not required to undertake an LIA where it is acquiring additional GMEs from a venue:

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

Venues in Band 1 can increase their GMT without an LIA where they are acquiring additional GMEs from a venue in any SA2 in the same Local Government Area, or if the total of the all GMT increases granted for the venue over the past 12 months was 20 or less.

²These Guidelines do not deal with Class 1 LIAs.

³Threshold increases may be approved where a venue is acquiring entitlements or permits from another venue listed in section 35(b)-(d) of the *Gaming Machines Act 2001*.

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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).

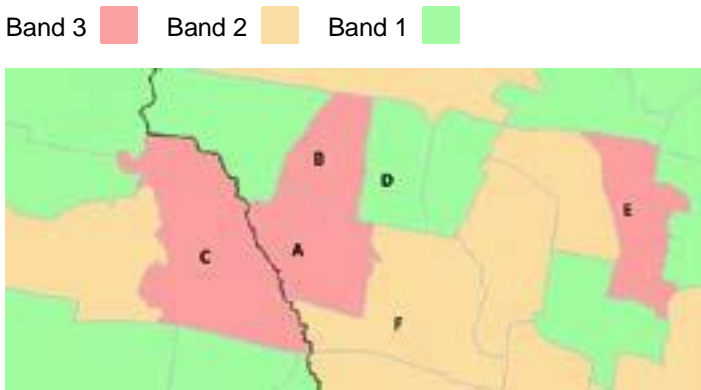


Figure 1

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.

Preparing a Class 2 LIA

Overview

The purpose of a Class 2 LIA is to inform and support a community consultation process that will enable the Independent Liquor & Gaming Authority to determine whether approving an increase to a venue’s GMT will make an overall positive impact to the local community.

Approving an LIA

The Independent Liquor & Gaming Authority may only approve a Class 2 LIA if it is satisfied:

- that the LIA complies with the requirements under the *Gaming Machines Act 2001* (the Act) or *Gaming Machines Regulation 2019* (the Regulation) –

including the requirement for a report of the results of the pre-submission consultation process, with that report including details and outcomes of any meetings or discussions held in relation to the proposed application,

- that the LIA demonstrates that gambling activities at the venue will be conducted in a responsible manner consistent with sound gambling harm minimisation principles and practices, and there is evidence of the effectiveness of existing harm minimisation and responsible gambling strategies at the venue,
- that the LIA demonstrates that the proposed increase in gaming machines for the venue will have an overall positive impact on the local community in which the venue is situated,
- if the venue is a new hotel or club, the venue is not in the immediate vicinity of a school, place of public worship or hospital, and
- community concerns arising out of the community consultation process have been appropriately addressed by the venue.

Format

All Class 2 LIAs should follow the following format:

- executive summary of LIA of no more than two (2) A4 (single-sided) pages,
- details of the venue and local community comprising no more than two (2) pages,
- details of the harm minimisation and responsible gambling measures in place (or planned) and evidence of the effectiveness of existing harm minimisation and responsible gambling strategies at the venue,
- details of the community consultation carried out prior to lodging the application, including who was contacted, what issues were raised and any proposals to address these concerns,
- details of the benefits to and overall positive impact on the local community (i.e. net benefit) that the venue will provide if the threshold increase application is approved, comprising no more than two (2) pages,
- details of any negative social or economic impact that the proposed threshold increase may have on the local community and the action that will be taken to address that impact, and
- any attachments required to provide further information about the application.

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Executive summary

The executive summary should provide the reader with a high level overview of the venue's application and should be no more than five (5) A4 (single-sided) pages.

The executive summary should concisely detail:

- the venue's current GMT and the proposed increase,
- the venue's name, address and licence number,
- the local government area and SA2 it is situated in and the name of any other SA2 within five (5) kilometres of the venue,
- (in the case of a hotel) the name and address of the business owner, and the contact details of the business owner or their representative,
- a map of the area within a 1 kilometre radius of the venue showing the location of the venue and the location and name of:
 - any other licensed premises, with hotels and registered clubs,
 - any sporting or community facility, and
 - any school, place of public worship or hospital (in the case of a new hotel or registered club, the Authority must be satisfied that the new venue is not in the immediate vicinity of these types of premises).
- current number of GMEs and/or PMPs held by the venue,
- current harm minimisation and responsible gambling practices and services offered by the venue and evidence of their effectiveness at minimising gambling related harm or encouraging responsible gambling,
- the overall positive impact the venue proposes to make if the GMT increase application is approved, and
- details of any negative social or economic impact that the proposed threshold increase may have on the local community and the action that will be taken to address that impact,

Details of the venue and local community

An LIA should provide the reader details of the venue and the local community it sits within.

Applicants are encouraged to include a map of the surrounding area, which identifies the venue, and the SA2 it sits within, as well as any other SA2s within five (5) kilometres.

An interactive map that provides information on all venues is available [here](#). This map may be used by applicants in preparing an LIA.

Clause 31 of the Regulation provides that where the LIA is made in relation to a new hotel or a new club, the venue is also required to include a map showing the location of the venue and the location of any school, place of public worship or hospital within 200 metres of the venue.

The Independent Liquor & Gaming Authority must be satisfied that the new venue is not in the immediate vicinity of these types of premises.

Venue applicants are required to provide information on the venue itself, including:

- the size of the venue (internal floor space in square metres),
- the floor space of the venue, including the location and floor space dedicated (or to be dedicated) to gaming,
- a description of the facilities or services offered and the activities conducted at the venue where the additional gaming machines are proposed to be offered
- the venue's current GMT,
- current number of GMEs or PMPs held by the venue,
- current hours of operation, including any exemption/variation of the general 6 hour mandatory gaming machine shutdown period,
- an outline of any expected increase in patronage should the GMT increase be approved,
- details of any additional positive contributions by the venue in connection with the threshold increase application⁴.

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⁴As referred to in section 36B of the Act and detailed on Page 7 of these guidelines.

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- a current patron profile that shows the distribution of places of residence, gender, occupation and age of patrons and other relevant information relating to the venue's patrons, This profile is to be based on a survey of patrons that will enhance the Authority's understanding of the characteristics of those who frequent, or who are expected to frequent, the venue. The survey should comprise at least two of the following:
 - responses to a questionnaire provided to a reasonably representative sample of patrons
 - responses to interviews conducted with a reasonably representative sample of patrons
 - an examination of patron information held by the venue
 - any other mechanism by which the characteristics of the venue's patrons may be reasonably reliably ascertained, and
 - details of harm minimisation and responsible gambling measures (in addition to those required by law) in place in the venue and evidence of their effectiveness at minimising gambling related harm or encouraging responsible gambling.
- numbers of gaming machines in registered clubs and hotels in the SA2 and LGA for each of the previous five years
- current GMEs and/or PMPs for registered clubs and hotels in the SA2 and LGA,
- quarterly gaming machine expenditure in the SA2 and LGA for the previous 5 years, and
- social profile information, including:
 - actual (census) and estimated adult population of the SA2 and LGA,
 - population:
 - no. in age group 18-24,
 - no. in age group 60+,
 - Indigenous population, including numbers of Aboriginal and Torres Strait Islander people,
 - country of birth of persons,
 - number and percentage of population who did not complete year 12,
 - unemployment levels,
 - number employed as labourers,
 - number employed as administrative and support service workers,
 - income distribution of the SA2 and LGA,
 - comparison of gaming machine expenditure with household income for the SA2 and LGA,
 - SEIFA indices, and
 - number and percentage of relationship by household.

The Authority must be satisfied that the LIA demonstrates that gambling activities in the relevant venue will be conducted in a responsible manner. For this purpose, the Authority will review details of those measures currently in place at the venue (aside from those required by law). The Authority requires evidence of the effectiveness of these additional measures and an assurance that these will continue.

Information about any further measures the venue proposes to adopt if the application is granted will also be taken into account.

In the case of a new hotel or registered club, the LIA should include information about the measures that are proposed to be put in place. This should be supported by evidence of the effectiveness of the proposed measures at other venues or by research.

In addition to a map of the local area, venue applicants are required to provide data on, and information on the social profile of, the community, including:

- total number of gaming machines in the SA2 and LGA for each of the previous five years
- numbers of gaming machines per adult in the SA2 and LGA for each of the previous five years

If the venue is located within five kilometres of another SA2, this gaming-related and social profile information must be provided for each relevant SA2.

Gaming related information for each relevant SA2 and LGA may be purchased from Liquor & Gaming NSW. Please use form ERG100 'Gaming Machine Data Request' available at liquorandgaming.nsw.gov.au. Charges and payment details can be found on the form.

Social profile information required for each relevant SA2 and LGA should be obtained from the Australian Bureau of Statistics. For further information visit the ABS website at abs.gov.au.

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Harm minimisation and responsible gambling measures

Clause 34 of the Regulation requires a LIA to include details of the harm minimisation and responsible gambling measures that are in place at the venue.

The Independent Liquor & Gaming Authority considers “harm minimisation” to mean interventions and measures to prevent or reduce the negative social, economic and physical harms that can occur from gambling.

The Independent Liquor & Gaming Authority considers that the concept of “responsible gambling” is a broad one which recognises gambling is a legitimate, lawful and regulated activity in NSW and that there are benefits associated with gambling activities, but also that gambling can cause personal and social harms. Activities that promote responsible gambling include those which seek to:

- enable persons to make informed decisions about their participation in gambling,
- minimise the potential for, and incidence of, harm associated with gambling, and
- reduce the incidence and prevalence of problem gambling.

A venue’s current and proposed harm minimisation and responsible gambling measures will be used by the Independent Liquor & Gaming Authority to understand what the impact of additional gaming machines at the venue will be on the community. These proposed harm minimisation and responsible gambling measures must satisfy the Independent Liquor & Gaming Authority that gambling activities at the venue will be conducted in a responsible manner.

All hotel and clubs in NSW are required by law to offer a suite of harm minimisation and responsible gambling measures.

The LIA should detail clearly what harm minimisation and responsible gambling measures are offered by the venue, and specifically differentiate between measures that are required to be offered by law and those that the venue has voluntarily offered.

The LIA should also detail clearly the effectiveness of the venue’s existing harm minimisation strategies. This includes providing evidence demonstrating the operation and outcome of harm minimisation measures (for example, an increase in the use of in-house counselling services). The LIA should also detail

clearly the operation of proposed harm minimisation and responsible gambling measures, including their anticipated effectiveness, using evidence from other venues or research where appropriate.

Mandatory harm minimisation requirements include:

- gambling signage, including counselling, chance of winning and gaming machine notice,
- Gambling Help wording on all player activity statements, ATMs and cash-back terminals and cash-back terminals operated by a player card,
- having a self-exclusion scheme in place, including publicising the availability of the self-exclusion scheme,
- minors must be prohibited from entering gaming areas of the venue,
- prohibition on any externally visible gaming machine advertising or signage,
- restrictions on use of cheques as a method of payment for use of gaming machines and payment of any prizes, including cheque prize limit of \$5,000,
- restrictions on cash payments,
- prohibition on the placement of ATMs in gaming areas, including prohibition on ATMs that dispense cash from a credit card account,
- where a player reward or player account card system is offered, player activity statements must be provided,
- all staff involved in gambling related duties hold Responsible Conduct of Gambling qualifications, and
- mandatory gaming machine shutdown.

Additional harm minimisation and responsible gambling measures may include:

- gambling help counselling services funded or hosted by the venue, including details on its hours of operation and who can (and does) access those services,
- pre-commitment player cards, and
- activities designed to prevent and highlight potential harms from gambling, for example an education program for vulnerable groups about the potential harms from gambling and how to seek help.

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Impact on the local community

Under the Act, where a Class 2 LIA must be undertaken, a venue is required to satisfy the Independent Liquor & Gaming Authority that the proposed increase in the number of gaming machines at the venue will make an overall positive impact on the community. Further information on how the Independent Liquor & Gaming Authority will determine what constitutes a positive impact is detailed below.

Clause 34 of the Regulation requires that a Class 2 LIA must specify the following matters:

- the applicant's view of the positive impact (both social and economic) that the proposed increase in the GMT will have on the local community, including details of the benefits that the venue will provide, and
- the applicant's view of any negative social or economic impact that the proposed increase will have on the local community and the action that will be taken to address that impact.

For the purposes of a Class 2 LIA 'local community' comprises:

- a. the people in the area (or group) from which persons using the services and facilities of the venue are likely to be drawn,
- b. the people in the area (or group):
 - (i) that is to derive, or is likely to derive, social or economic benefit if the threshold increase is approved, or
 - (ii) that is to suffer, or is likely to suffer, social or economic detriment if the threshold increase is approved.

The Authority has the discretion to consider individuals or groups in neighbouring SA2s to be part of the broader 'local community' for the purposes of a Class 2 LIA.

The Authority will generally not consider the following propositions to be a 'positive impact' for the purposes of its assessment of the LIA:

- that a financial benefit to the applicant is the equivalent of an economic benefit to the local community,

- that an impact assessment is a quantified result, nor
- that there is only one community (i.e. everyone in the community is the same and the effects of the increase are experienced the same way).

Under the Act, a venue cannot use a financial contribution to the community to wholly satisfy the Authority that the additional gaming machines will provide the community a benefit other than by the venue making a financial contribution to the Responsible Gambling Fund. To be clear, all venues must make a financial contribution to the Responsible Gambling Fund for the Independent Liquor & Gaming Authority to be satisfied that the community will receive a positive benefit from the additional gaming machines.

A venue may also make additional positive contributions that will be taken into account by the Independent Liquor & Gaming Authority. Where a venue has already made an additional positive contribution in connection with the proposed GMT increase, or where they are proposing to do so, the Independent Liquor & Gaming Authority may take this into account when assessing what additional financial contributions the venue will be required to provide to the Responsible Gambling Fund.

Where a venue provides information of additional positive contributions it is making or will make, it must have regard to the criteria that the Independent Liquor & Gaming Authority will use in assessing whether the GMT will provide a positive impact to the community, which is detailed below.

Further information concerning the Independent Liquor & Gaming Authority's assessment of the negative social or economic impact that a proposed threshold increase will have on a local community can also be found below.

What constitutes a "positive impact" for a Class 2 LIA?

Financial contribution amount

In assessing the impact of additional gaming machines on a community, the Independent Liquor & Gaming Authority is required to determine whether the additional gaming machines would make an overall positive impact on the community.

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In assessing whether a donation proposed to support a Class 2 LIA satisfies the Independent Liquor & Gaming Authority that the donation should be considered a positive impact, the Authority will have regard to the following formula:

40% of average profit of existing gaming machines before tax x GMT increase x 5 years.

For example, Hotel A currently holds 10 GMEs with an average annual profit of \$40,000 per machine. Hotel A applies for a GMT increase of five (5). In order to satisfy the Independent Liquor & Gaming Authority that the proposed increase will provide a benefit to the community, Hotel A may be required to pay \$80,000 (40% of \$40,000 = \$16,000 x GMT increase of five (5) = \$80,000) each year for five (5) years. Over the 5 years the hotel will be required to pay \$400,000.

All financial contributions must be made to the Responsible Gambling Fund, and cannot be made by the venue to a nominated community organisation.

Why are funds required to be directed to the Responsible Gambling Fund?

Financial contributions made as part of the LIA process are paid to the Responsible Gambling Fund to ensure that funds generated through the LIA process are specifically targeted at gambling harm minimisation, health and social related services for the local community.

The Independent Liquor & Gaming Authority requires venues to make financial contributions into the Responsible Gambling Fund to ensure that contributions are transparent, and to ensure community organisations interested in making a submission during an LIA process are free to either support or oppose a GMT application without fear of losing an opportunity to gain funding.

The Independent Liquor & Gaming Authority is of the view that venues should primarily be providing funding to the Responsible Gambling Fund, as this will allow the Independent Liquor & Gaming Authority to more easily assess whether the proposed GMT increase is a positive benefit.

Additional positive contributions

While all financial contributions are required to be made to the Responsible Gambling Fund, the Independent Liquor & Gaming Authority must have regard to any additional positive contributions made by the venue in

connection with the proposed increase to the venue's GMT. This includes any contribution that may have a positive impact on the local community that offsets any negative social or economic impacts of the proposed GMT increase.

Under Section 36B of the Act, where the Independent Liquor & Gaming Authority takes into account additional positive contributions that a venue offers, the Independent Liquor & Gaming Authority may reduce the amount of financial contributions that the venue may be required to pay to satisfy the community benefit requirement.

The Act prescribes that additional positive contributions may include:

- the putting in place of harm minimisation and responsible gambling measures that are in addition to measures already required by law,
- for clubs, money paid into the ClubGRANTS Fund over and above their annual liability, and
- for clubs, money paid into Category 1 of ClubGRANTS that is spent on harm minimisation in excess of the amount required by law⁵.

Criteria for assessing additional positive contribution

In assessing additional positive contributions, the Independent Liquor & Gaming Authority will have regard to the following questions:

Is the additional positive contribution being made in excess of any requirement under law?

The Independent Liquor & Gaming Authority is required to determine whether the venue is going above and beyond any mandatory requirement with respect to harm minimisation, responsible gambling or community contributions.

Venues must clearly explain how the additional positive contribution is different from those required by law.

For example, Hotel B spends \$25,000 a year training staff involved in gaming operations in Responsible Conduct of Gambling. Hotel B is required by law to ensure staff are properly accredited. This expenditure cannot be considered as in excess of a requirement under law.

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⁵ Section 36B of the Act allows for other actions to be considered additional positive contributions where they are prescribed in the Regulation. There are currently no additional actions prescribed.

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Is the additional positive contribution being made in connection with the proposed increase in GMT?

In considering this issue, the Independent Liquor & Gaming Authority will consider whether the additional contribution would be made even if the GMT application was not approved.

Venues must clearly explain how the additional positive contribution is additional to what it already does.

Venues should provide clear evidence of any contributions made, or harm minimisation and responsible gambling services offered, over the past five years and clearly explain how the proposed additional contribution is not connected with these past activities.

These additional positive contributions will also be considered in light of any financial benefit that the venue may receive from making these additional positive contributions, including any reduction in tax liability the venue may receive by making the additional positive contribution.

For example, Club B currently is required to provide \$25,000 per year to ClubGRANTS but has paid \$35,000 every year for the past five years. The additional \$10,000 it has paid into ClubGRANTS could not be said to be connected to the GMT increase.

Is the additional positive contribution being made in excess of any requirement that would be required under law if the GMT increase is approved?

In considering this question, the Independent Liquor & Gaming Authority will have regard to whether the additional gaming machines that the venue is seeking approval for would result in its obligations under the law increasing because of the additional gaming machines.

For example, Club C currently has 26 GMEs earning annual average profit of \$38,000 per machine (total gaming machine revenue of \$988,000). Under current ClubGRANTS requirements, Club C is not required to contribute funding to ClubGRANTS.

Club C seeks an additional 26 GMEs, which is likely to increase its total gaming revenue to over \$1 million, at which point Club C will be required to pay 1.85% of its revenue over \$1 million into ClubGRANTS (Category 1 and 2), as well as 0.4% of its revenue over \$1 million into the ClubGRANTS Fund (Category 3). In this scenario, Club C's revenue increases to \$1.8 million,

which would require it to pay \$14,800 into Category 1 and 2 and \$3,200 into Category 3.

Where Club C proposes in its LIA to make a contribution of \$14,800 to harm minimisation services through ClubGRANTS over the next gaming machine tax year, which would represent its obligation if the additional machines were acquired, the Independent Liquor & Gaming Authority may not consider that this contribution is sufficiently additional to allow it to reduce an additional financial contribution to the Responsible Gambling Fund.

Has the venue provided sufficient evidence for the Independent Liquor & Gaming Authority to be satisfied that the additional contribution has been made?

Venues are required to provide evidence that an additional positive contribution has been made, including evidence that shows that the additional positive contribution is not part of the venue's existing offerings, and the impact of the additional positive contribution.

This may include:

- records of previous expenditure on a service and evidence on how the new measure is additional,
- independent evaluation of the service that has been provided as an additional positive contribution, and
- a proposal on how the additional positive contribution will be carried out if the application is approved.

The Independent Liquor & Gaming Authority notes that it does not consider increased taxes, improved venue facilities, additional venue employment or similar that might be expected to flow from the grant of the application as forming any part of an assessable positive contribution.

For harm minimisation and responsible gambling measures, are these services currently working at the venue?

In determining whether to discount the financial contribution a venue will be required to make to the Responsible Gambling Fund due to harm minimisation and responsible gambling services offered, or to be offered, by the venue, the Independent Liquor & Gaming Authority will consider the effectiveness of existing measures and the proposed increase in offerings.

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This will allow the Independent Liquor & Gaming Authority to understand whether the additional harm minimisation and responsible gambling measures are an appropriate offset to financial contributions to the Responsible Gambling Fund by considering who benefits from the services, how accessible it is, and whether there is evidence that indicates that it is effective in reducing gambling related harms.

For example, Hotel D offers a 1 day a week counselling service on its premises costing \$20,000 a year. Hotel D has 28 gaming machines in operation with an annual average profit of \$100,000 per machine. The counselling service only operates on Mondays, is delivered by a counsellor who only has experience in family issues, operates from a room at the back of the hotel that is not well signed or easily accessible, and has only been used by two people in the past 12 months.

The Independent Liquor & Gaming Authority may consider that this additional harm minimisation service is not effective and that the \$20,000 a year may be better allocated to a service provider selected by the Responsible Gambling Fund.

How are funds allocated through Category 1 ClubGRANTS to effective harm minimisation services being used?

The Independent Liquor & Gaming Authority will consider the amount of money that has been spent by a club on Category 1 ClubGRANTS eligible harm minimisation services as well as the effectiveness of that service. Any expenditure sought to be claimed must be compliant with the [ClubGRANTS Guidelines](#) issued under the *Gaming Machines Tax Act 2001*.

A club will be required to report on any contributions that it is seeking to rely on to reduce any financial contribution obligations, including providing details in its LIA on:

- the service that has received the money,
- how much money the club spent on that service,
- the location of that service (whether it is provided on club property or offsite),
- the use of that service by members of the community (including a breakdown of club and non-club member use of service), and
- how that service can be considered harm minimisation.

The Independent Liquor & Gaming Authority is unlikely to give much weight to contributions made through ClubGRANTS that are not supported by clear evidence on the effectiveness of the harm minimisation service.

For example, Club D runs an advertising campaign in the local area which only says “Gamble Responsibly – Brought to you by Club D”. In this case it is clear that the responsible gambling and harm minimisation benefit is limited, as the campaign is not addressing the underlying harms associated with gambling. The Independent Liquor & Gaming Authority is unlikely to allow any money spent on this to be used to satisfy any of the financial contribution requirement.

For example, Club E provides a \$50,000 funding increase to its ClubGRANTS contributions in the year it makes the GMT increase application. The additional funding is spent on a local drug treatment facility which offers counselling and accommodation services to members of the local community. This service is addressing a comorbidity of problem gambling (i.e. a disease or illness that tends to occur at the same time as problem gambling). The Independent Liquor & Gaming Authority is likely to allow this funding to be used to reduce the venue’s financial contribution requirement.

Should the Independent Liquor & Gaming Authority allow the venue to reduce its additional financial community contribution by the same amount it has spent on additional positive contributions?

Section 36B of the Act requires the Independent Liquor & Gaming Authority to have regard to additional positive contributions made by a venue in connection with the proposed GMT increase.

However, the Independent Liquor & Gaming Authority is not required to reduce the amount that a venue may be required to make as a financial contribution to the Responsible Gambling Fund by the same amount that the venue has made through an additional positive contribution.

For example, Club F has provided an additional \$50,000 a year to fund a harm minimisation officer responsible for client care and monitoring (beyond the responsible conduct of gambling requirements of all staff) through ClubGRANTS in connection with a GMT increase application (in compliance with cl 2.3.3 of the Guidelines).

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Class 2 Local Impact Assessment process guidelines

The officer is based in the club, with only members of the club able to access the service. The Responsible Gambling Fund provides funding for a similar service in the same area, which is used by more people who are gambling in different venues.

In this case, the Independent Liquor & Gaming Authority may consider that the funding provided by the Responsible Gambling Fund is a more effective use of funding, and that the club should be encouraged to provide additional funding to that service.

The Independent Liquor & Gaming Authority may allow Club F to reduce its financial contribution by \$25,000, which recognises that clubs should continue to receive an incentive to respond to gambling related harms in their venues, while also acknowledging that the community as a whole will receive a stronger positive benefit if the Responsible Gambling Fund gains additional funds.

What constitutes a “negative impact” for a Class 2 LIA?

A Class 2 LIA must specify any negative social or economic impact that the proposed GMT increase may have on the local community and the action that will be taken to address that impact.

What is the “local community”?

When considering negative impacts, an applicant should be mindful of the definition of “local community” in clause 34 of the Regulation and not limit assessment to only the SA2 in which the venue is situated. This may include persons that may be drawn to the venue from outside the local area. Regard should also be had to contiguous SA2s, the Local Government Area and the region.

Broadly, attention should be given to the level of education and employment in the local community, the types of occupations and average income, the proportion of ‘low’ and ‘high’ income households, housing costs and cultural make up.

The level of health and community support services within the local community is also an important consideration, as is the incidence of alcohol related violence, domestic violence and crime in general within the local community. Existing gaming machine accessibility and any other gambling avenues available in the local community should be included in describing the local community.

All these factors may play a part in the level of social or economic detriment that the local community is likely to suffer if the threshold increase application is approved.

Assessment of any negative social or economic impact

The 2019 NSW Gambling Survey found that the prevalence of problem gambling in NSW, as defined by the Problem Gambling Severity Index, was 1.0% of the State’s population⁶. An additional 2.8% was classified as ‘moderate risk’ and 6.6% as ‘low risk’. The Survey also found that 5.4% of people who played gaming machines are problem gamblers.

The June 2010 Productivity Commission Inquiry Report into Gambling found that while the number of Australian adults that suffered problem gambling was relatively low at possibly less than 1%, problem gamblers contributed towards anywhere between 22% and 60% of gaming machine revenue.

In the absence of any contemporary empirical evidence linking the prevalence of problem gambling and gaming machine expenditure in the local community that is subject to the application, the Independent Liquor & Gaming Authority will use the Productivity Commission’s figures as a starting point when calculating the “quantifiable” negative impact that additional gaming machines are likely to have on the local community.

Where possible the applicant should estimate the annual gross revenue that will come from the operation of the proposed additional machines. These estimates may be informed by internal business data regarding current average daily turnover per machine already in operation in the venue and by external data relating to the socio-economic make-up of the local community.

In some cases it may be considered reasonable to attribute as the quantifiable negative impact the expected additional gross revenue that is likely to be derived from problem gamblers in the local community. This proportion of the additional revenue may be considered as the “hard core” of directly quantifiable

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⁶NSW Gambling Survey 2019, Central Queensland University and Engine Group, June 2019

Class 2 Local Impact Assessment process guidelines

social and economic detriment flowing from the operation of the additional machines as a result of granting the application.

While the Independent Liquor & Gaming Authority notes the views of the Productivity Commission that assessing social detriment should not focus only upon the extreme end of the gambling spectrum, it is considered that an attempt to quantify the contribution made by problem gamblers to an increase in the applicant's revenue is a reasonable approach to quantifying negative social and economic impact on the local community. Nevertheless, applicants should also consider the financial cost to moderate-risk and low-risk gamblers.

In addition to financial costs, existing local social issues that might be negatively impacted by the proposed increase in gaming machines should also be considered. Other categories to be considered may include emotional and psychological impacts; impact on relationships and family, including domestic violence; the level of crime and violence in the local community; and loss of productivity and employment.

Further, the negative social and economic impacts that the threshold increase may have on the local community should be assessed and projected over a period of no less than five (5) years.

What action will be taken to address negative impact?

The applicant is required to specify the action that will be taken to address the negative impact of an increase in GMT. This may include, but is not limited to, additional positive contributions, the provision of services and facilities by the club or hotel that will be of benefit to the local community and strengthen gambling harm minimisation measures.

Where an applicant is seeking to show its ongoing and proactive approach to gambling harm minimisation, this should be supported by an independent assessment of the effectiveness of the measures currently implemented and those proposed as part of the application.

It is recognised that the operator of a new venue may not have the benefit of demonstrated ongoing commitment to gambling harm minimisation. Factors for consideration by such an applicant include how the applicant intends to adopt and maintain proposed voluntary harm minimisation measures.

Consultation requirements for a Class 2 LIA

Pre-Submission Consultation

No later than 90 calendar days prior to submitting the threshold increase application form and the Class 2 LIA, the applicant must notify each of the following about the proposed application:

- the local council for the area where the venue is situated,
- the local police,
- the Local Health District for the area where the venue is situated
- any organisation in the LGA that receives funding from the Responsible Gambling Fund to provide gambling-related counselling or treatment services. Notification should be given to each RGF-funded service that has a presence in the relevant LGA. Information about those services is available at gamblinghelp.nsw.gov.au, and
- other community services organisations as are listed by the local council for the area in which the relevant venue is situated that provide the local community services relating to welfare, emergency relief, financial assistance, Aboriginal health, Aboriginal legal assistance, or gambling and addiction counselling or treatment.

The notice must specify the following matters:

- the name and address of the venue,
- an explanation of the nature of the proposed application,
- the contact details of the person to whom submissions or inquiries about the proposed application may be made,
- the date for close of submissions (which cannot be earlier than 90 days after the date of the notification), and
- the date on which the proposed application is intended to be made to the Independent Liquor & Gaming Authority (which cannot be earlier than 21 days after the date for close of submissions).

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Class 2 Local Impact Assessment process guidelines

Submitting a Class 2 LIA

The Class 2 LIA must include a report on the results of the above consultation process (including any meetings or discussions held in relation to the application and the outcomes of those meeting or discussions), and a list of the organisations provided a copy of the notice (verified by statutory declaration of the hotelier or club secretary).

The LIA should be attached to the application form for a GMT increase submitted to Liquor & Gaming NSW (L&GNSW) via email. Forms can be found at liquorandgaming.nsw.gov.au.

A threshold increase application form that does not appear to contain the requisite information, or an LIA that does not appear to comply with the requirements of these guidelines, will not be accepted for processing and will be returned to the applicant.

Consultation Requirements

A venue undertaking a Class 2 LIA must initiate a community consultation process that provides members of the community the opportunity to comment on the GMT increase application. These submissions will be used by the Independent Liquor & Gaming Authority to assess the likely impact of additional gaming machines on the community.

Within two working days after submitting the threshold increase application form and the LIA, the applicant **must** initiate the following consultation process:

- provide a copy of the application form and the LIA to the local council for the area where the venue is situated
- provide a copy of the application form and the LIA to the local police
- notify the following stakeholders that the threshold increase application has been made and advise of the availability the application and the LIA at liquorandgaming.nsw.gov.au:
 - the Local Health District for the area where the venue is situated
 - any organisation in the LGA that receives funding from the RGF for providing gambling-related counselling or treatment services, and

- other community services organisations as are listed by the local council for the area in which the relevant venue is situated that provide the local community services relating to welfare, emergency relief, financial assistance, Aboriginal health, Aboriginal legal assistance, or gambling and addiction counselling or treatment.

The applicant must also advise each of the above organisations that once the application and the LIA has been posted on the L&GNSW website, they have 90 calendar days in which to make a written submission to the Authority.

In addition, a venue must:

- place an advertisement in a local newspaper circulating in the area in which the venue is situated, and
- display a notice in a conspicuous area outside the venue, or on the perimeter of the site if the venue has not been built.

The advertisement and notice must state that a GMT increase application has been made and an LIA provided; explain the nature of the application and advise that the material can be viewed at liquorandgaming.nsw.gov.au; and that any person may make a submission on it within 90 calendar days of the application and LIA being posted on the L&GNSW website.

This reflects the minimum consultation process specified in the legislation and evidence of compliance with these requirements must be provided to the Authority in the form of a statutory declaration.

Applicants should also note that they can engage more closely with relevant stakeholders at any time to discuss their proposal - including prior to, or during, the pre-submission consultation period. It is likely that any such engagement will lead to the earlier identification of issues of concern and better enable applicants to address the matters about which the Authority is required to be satisfied.

The threshold increase application form and the LIA will be placed on the Liquor & Gaming NSW website during the consultation period (approximately 90 calendar days).

Any submissions received during that period will be provided to the applicant for comment to the Authority.

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Class 2 Local Impact Assessment process guidelines

Before determining the application, the Authority must be satisfied that the applicant has adequately addressed any community concerns arising out of the consultation process.

Organisations required to be notified of an LIA

Local Council – the council responsible for the Local Government Area that the venue resides in. To find out which local council your venue is in, please visit <https://www.olg.nsw.gov.au/find-my-council>.

Local Police – a police station within the Local Area Command that the venue is in. To find out your nearest police station, please visit <http://www.police.nsw.gov.au/about-us/regions-local-area-commands>.

Local Health District – To find the contact details for your Local Health District visit <http://www.health.nsw.gov.au/lhd/pages/default.aspx>.

Responsible Gambling Fund services in the Local Government Area – To find service providers in local area that the venue is in, please visit <https://gamblinghelp.nsw.gov.au/get-help/meet-a-counsellor>

Other community services organisations in the local area – Where a local council provides a list of organisations in the Local Government Area that provide services relating to welfare, emergency relief, financial assistance, Aboriginal health and legal assistance, or gambling and addiction counselling or treatment, a venue must notify all organisations on the list. Where no such list is available, a venue is only required to notify the other organisations listed above. Where a council lists organisations that the venue considers does not provide relevant services in the local area, the venue is able to detail which organisations were not notified and reasons why in its statutory declaration.

Advertisement and notice requirements

The advertisement and notice publicising the proposed GMT increase must:

- use standard words provided by the Independent Liquor & Gaming Authority explaining what an LIA and GMT is,
- state that the GMT application has been made and that the LIA has been provided with the application,
- explain the nature of the application (i.e. that the proposed application seeks an increase to the number of gaming machines that the venue is authorised to operate),

- advise that the application and the LIA may be inspected on the Liquor & Gaming NSW website, and advise that any person may make a submission to the Independent Liquor & Gaming Authority in relation to the GMT application and/or the LIA within 90 days after the application and LIA is posted on the Liquor & Gaming NSW.

Assessment Process

The application will be assessed and determined:

- after the conclusion of the main consultation period; or
- where submissions raising concerns have been made during the main consultation period - after the applicant has provided comments on those concerns to the Authority.

A threshold increase application will only be approved if the Authority approves the accompanying LIA.

If the LIA is approved, the Authority will determine the threshold increase application. If the Authority approves a threshold increase application, it remains open to the Authority to approve a lesser increase than that sought. However, the Authority will generally approve the requested increase unless the particular circumstances of an application warrant it approving a lesser increase. The Authority may also approve an increase subject to conditions.

Determinations will be published at liquorandgaming.nsw.gov.au.

If the Authority approves an increased GMT, the venue has up to five years from the date of the approval to acquire the GMEs (and PMPs for hotels) for the number of gaming machines that the approval relates to. If at the end of the five year period the venue has not acquired sufficient poker machine entitlements to fulfil the approved increase, the GMT will be reduced by the amount of the unused portion.

Assessment Costs

The applicant must meet any costs incurred by the Authority in determining the LIA and the Authority may refuse to make a determination until arrangements have been made to cover those costs. Applicants will be advised of likely costs prior to them being incurred.

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Class 2 Local Impact Assessment process guidelines

Making a submission on a Class 2 LIA

All venues are required to undertake a minimum 90 days of community consultation of an LIA. LIA community consultation processes are intended to ensure that the views of the local community on proposed increases in the number of gaming machines in the community are considered by the Independent Liquor & Gaming Authority in assessing whether to approve a GMT increase application.

Where a venue is required to undertake a Class 2 LIA, the venue must satisfy the Independent Liquor & Gaming Authority that the proposed GMT increase for the venue will provide an overall positive impact to the local community.

For information on what the Independent Liquor & Gaming Authority is likely to consider to be a positive impact go to Page 7 of this document.

Content of submissions

The Independent Liquor & Gaming Authority will accept any submission made in response to an LIA. The Independent Liquor & Gaming Authority does not impose a limit on what the submissions can include, but encourages submissions that specifically address the proposed increase of gaming machines in the community, and are less than 10 pages.

When assessing an LIA, the Independent Liquor & Gaming Authority will consider the following issues, which submissions may wish to address:

- has the LIA appropriately identified the local community?
- has the LIA demonstrated that the venue will operate the additional gaming activities in a responsible manner?
- if the venue is a new hotel or new club, is it in the immediate vicinity of a school, place of worship or hospital?
- has the proposed positive contribution identified by the venue in its LIA met the requirements set out in the Guidelines for what the Independent Liquor & Gaming Authority considers to constitute a positive contribution to the local community?

When making a submission, the Independent Liquor & Gaming Authority encourages submissions that address the issues that are detailed in the LIA, or identifies those that have not been addressed in the LIA but are relevant to the venue's GMT increase application.

Submissions may attach additional information to be considered by the Independent Liquor & Gaming Authority in its assessment of the GMT increase application and LIA, however this additional information should continue to address specific issues raised by the venue's GMT increase application.

General statements regarding perceived problem gambling that could result from an increase in gaming machines in the area are not encouraged as they do not assist the Independent Liquor & Gaming Authority in understanding the likely impact of the application being considered.

Submissions that seek to raise concerns about perceived problem gambling impacts should seek to use some form of evidence or provide sufficient detail to explain the cause for concern based on experience, and knowledge of, the existing or proposed venue. This may include personal experiences of gambling at the venue or in the local area.

For example, a submission that opposed the proposed GMT increase on the basis that all gaming machines in NSW should be removed is unlikely to be given much weight by the Independent Liquor & Gaming Authority. The statement could apply to any area in NSW, is unlikely to assist the Independent Liquor & Gaming Authority in assessing the impact of additional gaming machines on this particular local community, and addresses issues that are not relevant to the Independent Liquor & Gaming Authority (i.e. the lawfulness of gaming machines).

For example, a submission that opposed the proposed GMT increase at Hotel D on the basis that it has a history of letting intoxicated people into its gaming area, allows people in who have asked to be self-excluded, and cashes cheques unlawfully is likely to be given weight by the Independent Liquor & Gaming Authority. Hotel D would be required to respond to this submission as it raises specific issues with respect to the operation of gaming machines at the venue.

For example, a submission responding to an LIA prepared by Club F that argues that harm minimisation services offered by the club that Club F is seeking to use as an additional positive contribution are not effective and that the service funded by the Responsible Gambling Fund is more useful will likely be given weight by the Independent Liquor & Gaming Authority as it addresses the additional positive contributions that Club F has identified as providing a benefit to the community.

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Class 2 Local Impact Assessment process guidelines

For example, a submission by a problem gambling treatment expert argues that no additional machines should be introduced into a specific SA2 because of particular risk factors of the local community (for example, the venue is located next to Centrelink or social housing). This submission is likely to be given weight by the Independent Liquor & Gaming Authority as it has been prepared by a relevant expert and addresses the potential negative impacts on the community.

Checklist for making a submission

- Read the LIA to understand how the venue addresses impacts of additional gaming machines in local community.
- Prepare a submission that specifically addresses the venue's application.
- Include relevant information to support the submission, which may include facts and figures, research or personal experience.
- Identify any parts of the submission that you wish to remain confidential, including personal information.
- Submission on LIA made to the Independent Liquor & Gaming Authority within 90 days of the LIA being posted on the Liquor & Gaming NSW website.

What happens to a submission made during a Class 2 LIA?

All submissions on the LIA made by members of the community or community organisations are to be submitted to the Independent Liquor & Gaming Authority via Liquor & Gaming NSW.

Relevant issues raised in the submissions will then be provided to the venue to allow the venue the opportunity to respond or address issues raised.

Both the submission and the applicant's response to issues raised will be considered by the Independent Liquor & Gaming Authority during its review of the LIA.

How do venues respond to submissions made during community consultation?

Venues are required to respond to all issues that have been raised in submissions. However, where a submission makes general statements about gaming machines, gambling harm or problem gambling that are not targeted to the venue's application, venues will not be required to respond to these issues.

However, a venue will be required to provide a response to the following issues, if they are raised in a submission:

- the LIA has not correctly identified or described the local community,
- it is inappropriate to introduce additional gaming machines because of specific gambling harm and problem gambling risks in the local area,
- the venue does not operate existing gaming machines in a responsible manner or is unlikely to operate any additional gaming machines in a responsible manner,
- the venue has failed to satisfy harm minimisation requirements or is unlikely to do so if it acquires additional gaming machines,
- for a new hotel or new club, the venue is in the immediate vicinity of a school, place of worship or hospital,
- the proposed overall positive impact to be made on the local community if the GMT increase application is approved does not meet the amount required by these Guidelines,
- the venue has failed to assess and quantify all relevant negative social or economic impact the proposed threshold increase may have on the local community, or has failed to specify the action that will be taken to address those negative impacts on the local community, and
- the additional positive contributions proposed by the venue are not sufficient to meet the requirements detailed in these Guidelines.

How will the Independent Liquor & Gaming Authority consider venue responses to submissions?

All submissions made during an LIA review and any responses made by a venue are collated and provided to the Independent Liquor & Gaming Authority for consideration. Before the Independent Liquor & Gaming Authority considers the GMT increase application, LIA and submissions, licensing staff from Liquor & Gaming NSW will undertake an initial assessment of the LIA and submissions, and provide advice to the Independent Liquor & Gaming Authority on the LIA and submissions.

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Class 2 Local Impact Assessment process guidelines

The Independent Liquor & Gaming Authority will then, in assessing a venue's LIA and any response to a submission made during an LIA process, have regard to:

- the issues raised by the submission
- whether the issues that have been raised in the submission are relevant to the venue's GMT increase application
- the extent to which the venue responds to specific concerns, including relevant facts, figures and research, and personal experiences raised by the submission, and
- the extent to which the venue amends its application or LIA in response to specific concerns.

What conditions may be placed on a GMT increase?

The Independent Liquor & Gaming Authority may impose conditions on a successful GMT increase application that a venue must satisfy before the GMT increase can take effect.

While the Independent Liquor & Gaming Authority may impose any form of condition that is authorised under the Act or Regulation, the following provide a guide on conditions that may be imposed following a GMT increase approval.

A venue should use this guide to understand the likely steps it may be required to undertake following a GMT increase approval.

Venue is required to make payment of any financial contributions to the Responsible Gambling Fund

This condition is imposed to ensure that where a venue is required to make a financial contribution to the Responsible Gambling Fund that it does so by a certain date.

The Responsible Gambling Fund will issue a receipt of payment directly to the Independent Liquor & Gaming Authority at which point the venue's GMT will increase.

A venue may be required to make periodic payments, for example once every year. The venue will be required to provide evidence for every payment.

For example, by 31 March 2018 Hotel E must provide evidence to the Independent Liquor & Gaming Authority that it has made a payment of \$20,000, as an LIA contribution, to the Responsible Gambling Fund. Hotel E must also make further payments of \$20,000 on 31 March each year from 2019 to 2022.

Venue is required to undertake additional positive contributions identified by the venue in its LIA in terms set by the Independent Liquor & Gaming Authority

Where the Independent Liquor & Gaming Authority takes into account additional positive contributions made by a venue (see Page 7), the Independent Liquor & Gaming Authority may require the venue to continue to undertake the additional positive contributions for a set period of time. These contributions may also be required to be published on the Liquor & Gaming NSW website.

For example, where the Independent Liquor & Gaming Authority reduces Club G's financial contribution to the Responsible Gambling Fund by \$20,000 a year due to ongoing contributions by Club G to ClubGRANTS eligible harm minimisation initiatives, the Independent Liquor & Gaming Authority may require that Club G continue to make these contributions for five (5) years.

Venue is required to undertake additional harm minimisation and responsible gambling services in terms set by the Independent Liquor & Gaming Authority

The Independent Liquor & Gaming Authority may also impose a condition for a venue to undertake harm minimisation or responsible gambling measures or services that it has not previously offered.

This condition is likely to be used where the increase in the number of gaming machines at the venue makes it appropriate to increase the harm minimisation and responsible gambling obligations of the venue.

For example, Hotel F is required to appoint a dedicated responsible gaming manager who will be responsible for oversight of harm minimisation and responsible gambling in Hotel F.

Consequences for failing to abide by a condition
Section 36(7) of the Act provides that where a venue does not comply with a condition imposed on the LIA approval the LIA is taken to have no effect.

Where a venue fails to fulfil a condition imposed by the Independent Liquor & Gaming Authority, the Independent Liquor & Gaming Authority will reduce the venue's GMT to the level it was before the LIA was made.

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Class 2 Local Impact Assessment process guidelines

For example, Club H has a GMT of 50 and seeks an increase of 20 to take its GMT to 70. The Independent Liquor & Gaming Authority imposes a condition that Club H pays \$50,000 to the Responsible Gambling Fund every year for five years. Club H's GMT is increased to 70 once it makes the first annual payment.

If Club H does not pay in year 3, the Independent Liquor & Gaming Authority will reduce Club H's GMT from 70 to 50 until it makes its annual payment.

Where a venue's GMT is reduced because of failure to abide by a condition imposed on the LIA, and the venues operates gaming machines during the period the GMT is reduced, it may commit an offence. A venue may be liable for a maximum penalty of \$11,000 for each offence committed.

Appendix A – Checklist for venues

LIA preparation

- Executive summary of LIA of no more than five (5) pages,
- Details of the venue and local community, including a current patron profile and social profile information for the relevant area.
- Details of harm minimisation and responsible gambling measures in place and evidence of the effectiveness of existing harm minimisation and responsible gambling strategies at the venue
- Details of the benefits to and the overall positive impact on the local community that the venue will provide if the threshold increase application is approved,
- Details of any negative social or economic impact that the proposed increase will have on the local community and the action that will be taken to address that impact.
- Any attachments required to provide further information on the GMT increase application.

LIA pre-submission notification

Notified the following no later than 90 days prior to submitting the GMT application form and Class 2 LIA to Liquor & Gaming NSW:-

- The local council for the area where the venue is situated.
- The local police for the area where the venue is situated.
- The NSW Council of Social Service.
- The Local Health District for the area where the venue is situated.
- All organisations in the Local Government Area that receives funding from the Responsible Gambling Fund to provide gambling-related counselling or treatment services.
- All other organisations that provide services in the Local Government Area relating to welfare, emergency relief, financial assistance, Aboriginal health and legal assistance, or gambling and addiction counselling or treatment, and which are listed as providing these services by the local council.

Report on consultation

The Class 2 LIA that is provided with a threshold increase application must include:

- A report on the results of the consultation process, with details of any meetings or discussions held in relation to the proposed application and the outcomes of those meetings and discussions.
- A list, verified by statutory declaration of the hotelier or club secretary, of the community service organisations notified of the proposed application.

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Class 2 Local Impact Assessment process guidelines

LIA consultation notification

Within two (2) days of submitting the GMT increase application form and the Class 2 LIA the applicant must initiate the following process.

A. Provide a copy of the application form and LIA to:

- the local council for the area where the venue is situated.
- the local police for the area where the venue is situated.

B. Notify the following that the GMT application has been made and the application and LIA can be viewed at liquorandgaming.nsw.gov.au.

- The NSW Council of Social Service
- The Local Health District for the area where the venue is situated that the GMT application has been made and the application and LIA can be viewed at liquorandgaming.nsw.gov.au.
- Any organisation in the LGA that receives funding from the RGF for gambling-related counselling or treatment services.
- All other organisations that provide services in the Local Government Area relating to welfare, emergency relief, financial assistance, Aboriginal health and legal assistance, or gambling and addiction counselling or treatment, and which are listed as providing these services by the local council,

C. Advise each of the above organisations that once the application and the LIA has been posted on the Liquor & Gaming NSW website, they have 90 calendar days in which to make a written submission to the Authority.

D. Place an advertisement in a local newspaper circulating in the area in which the relevant venue is situated indicating that a GMT increase has been made and that an LIA is being undertaken.

E. Display a notice in a conspicuous area outside the venue, or on the perimeter of the site if the venue has not been built, indicating that a GMT increase has been made and that an LIA is being undertaken.

F. Provide the Authority with a list, verified by statutory declaration of the hotelier or club secretary, of the community services organisations that have been provided with a copy of the application.

LIA consultation

- Consultation of LIA has been open for 90 calendar days after the date the venue's application and LIA is posted on the Liquor & Gaming NSW website.
- All submissions made during the consultation process have been provided to the applicant by the Independent Liquor & Gaming Authority.
- All submissions made during the consultation process have been responded to by the venue.

Conditions on GMT Increase Approval

- Venue has fulfilled all conditions placed on GMT increase.
- Venue does not acquire additional GMEs or gaming machines before GMT increase takes effect.

APPROVED by the Independent Liquor & Gaming Authority.

16 January 2020



MURRAY SMITH
Deputy Chairperson

For further information

To find out more contact Independent Liquor & Gaming Authority secretariat:

@ office@ilga.nsw.gov.au