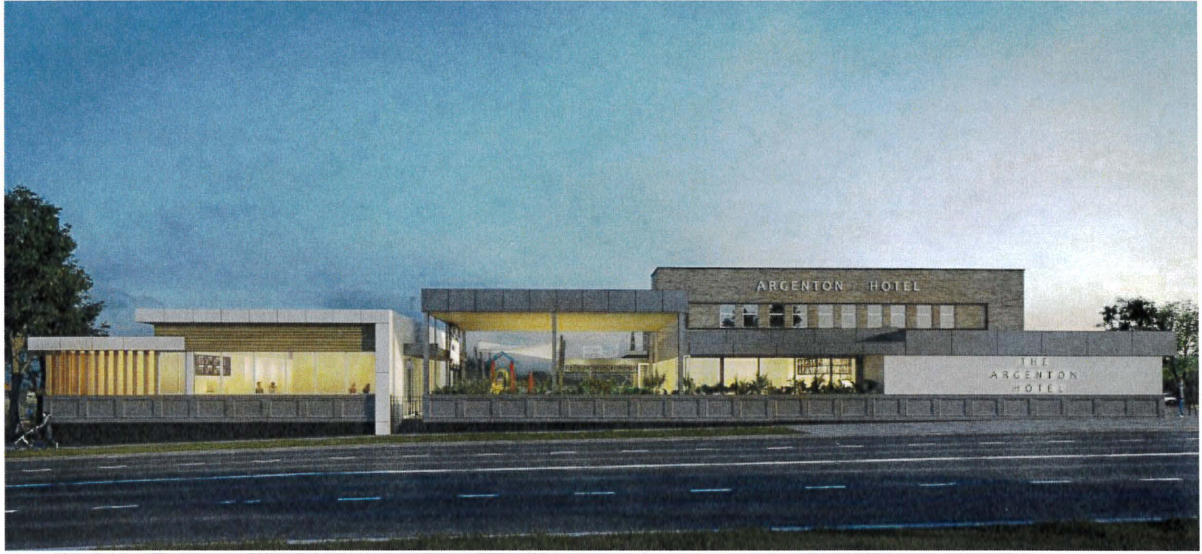


CLASS 1 LOCAL IMPACT ASSESSMENT



ARGENTON HOTEL

**515 LAKE ROAD
ARGENTON NSW 2284**

LAS Lawyers

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SYDNEY NSW 2000

PO Box K1077
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EXECUTIVE SUMMARY

The Hotel

This Class 1 – Local Impact Assessment has been prepared for Mr Jarrad Thomson ('the Applicant') of the Argenton Hotel ('the Hotel') to accompany a Gaming Machine Threshold – Where LIA Required application lodged with the Independent Liquor & Gaming Authority.

The Argenton Hotel is located at 515 Lake Road, Argenton NSW 2284. The Hotel is situated within the SA2 Band 2 area of Glendale – Cardiff – Hillsborough, within the Lake Macquarie Local Government Area.

The Proposal

The Hotel seeks a 'low range' gaming machine threshold increase of 11 gaming machines.

The number of gaming machines permitted to operate at the hotel will be increased from 19 to 20.

Local Community

The local community for the purposes of this application is the SA2 Band 2 area of Glendale – Cardiff – Hillsborough.

Harm Minimisation

A short summary of the harm minimisation measures and responsible gambling practices implemented at the hotel are as follows:

- (a) The hotel will employ a Responsible Gambling Officer to work all hours when gaming machines are being operated so as to monitor patrons using gaming machines for signs of problem gambling and offer assistance when observations of certain behaviours are made.
- (b) no free or discounted alcohol provided to gaming patrons as an inducement to gamble;
- (c) no free credits are to be provided to gaming patrons;
- (d) every machine is to be located in a gaming room, with no machines to be placed in the general bar area or in a position where they are visible from a public place;
- (e) Patrons of the hotel are made aware of GameCare's self-exclusion scheme and other local counselling services, and of the government funded "gambling HELP" counselling service.

Positive Contribution

\$865,878.20 to be paid in annual instalments of \$173,175.64 over 5 years into the Responsible Gambling Fund pursuant to section 36A of the Gaming Machines Act 2001 and section 115B of the Casino Control Act 1992.

DETAILS OF THE HOTEL

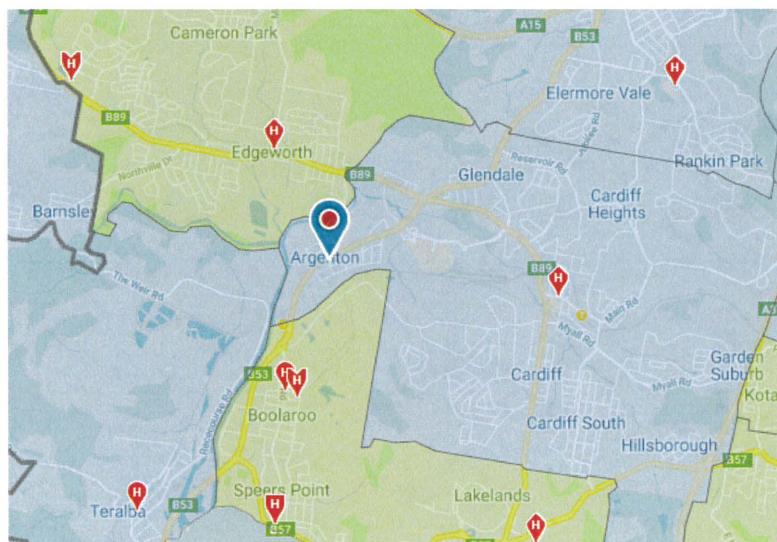
Introduction

This Class 1 – Local Impact Assessment is to accompany a Gaming Machine Threshold Increase – ‘Where LIA Required’ application lodged with the Independent Liquor and Gaming Authority to increase by 11 the number of gaming machines permitted to operate at Rafferty’s by the Lake from 19 to 30.

The Hotel

Argenton Hotel is located at 515 Lake Road, Argenton NSW 2284.

The hotel is situated within the Band 2 – SA2 Statistical Area of Glendale – Cardiff – Hillsborough, within the Lake Macquarie Local Government Area.



As depicted in the above map, the hotel is also surrounded by the following SA2 statistical areas:

SA2 Name	SA2 Band
Edgeworth – Cameron Park	Band 1
West Wallsend – Barnsley - Killingworth	Band 2
Bolton Point - Teralba	Band 2
Warners Bay - Baulkham Hills	Band 1
Glendale – Cardiff - Hillsborough	Band 2
Wallsend – Elmore Vale	Band 1

The multi-faceted resort hotel currently provides patrons with a full-serviced bar, restaurant, lounge bar, sports lounge, TAB, gaming room, function centre, outdoor

area, children's playground and packaged liquor, accommodation and a large open car park for the benefit of patrons. The finishes and furnishings of the resort hotel are that of a high-quality venue, with the objective of making it attractive to a mature clientele and families appreciative of being able to drink, dine and reside / holiday in a fresh, comfortable and sophisticated setting.

The premises is not a new premises as such clause 33 of the Gaming Machines Regulation 2019 does not apply to this application.

Gaming Machines

The hotel currently operates 19 Gaming Machines.

The Application seeks to increase the Gaming Machine Threshold by 11.

If the subject application is approved, the hotel will be permitted to operate 30 gaming machines.

Floor Area

The entirety of the licensed area is approximately 2,445m². The size of the building upon which the gaming machines are to be located is 1,500m².

Trading Hours

The trading hours permitted at the hotel are as follows:

Consumption on Premises: Lounge, Saloon & Public Bars, Facilities.

Monday	05.00am to 3.00am
Tuesday	05.00am to 3.00am
Wednesday	05.00am to 3.00am
Thursday	05.00am to 3.00am
Friday	05.00am to 3.00am
Saturday	05.00am to 3.00am
Sunday	10.00am to 10.00pm

Consumption on Premises: Function Room.

Monday	10.00am to 12.00am
Tuesday	10.00am to 12.00am
Wednesday	10.00am to 12.00am
Thursday	10.00am to 12.00am
Friday	10.00am to 12.00am
Saturday	10.00am to 12.00am
Sunday	10.00am to 10.00pm

Consumption on Premises: Other Areas Within the Licensed Premises.

Monday	05.00am to 12.00am
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Tuesday	05.00am to 12.00am
Wednesday	05.00am to 12.00am
Thursday	05.00am to 12.00am
Friday	05.00am to 12.00am
Saturday	05.00am to 12.00am
Sunday	10.00am to 10.00pm

Take Away Sales

Monday to Saturday	05.00am to 10.00pm
Sunday	10.00am to 10.00pm

THE LOCAL COMMUNITY

Population Statistics

For the purposes of this assessment the local community is the Glendale – Cardiff – Hillsborough SA2.

The Australian Bureau of Statistics (ABS) draws its data from the 2016 Census and most notably discloses the following population statistics in relation to the SA2:

- The population of the Glendale – Cardiff – Hillsborough SA2 is 23,389;
- The percentage of males within the population is 49.1%;
- The percentage of females within the population is 50.9%;
- The percentage of indigenous persons within the population is 4.0%;
- The median age of the people is 39 years of age;
- Of people aged 15 and over in the Glendale – Cardiff – Hillsborough SA2, 12.2% having reported completed Year 12 as their highest level of educational attainment, 21.7% had completed Certificate III or IV, 8.7% had completed an Advanced Diploma or Diploma and 17.6% had completed a Bachelor Degree level and above;
- The most common occupations in Glendale – Cardiff – Hillsborough SA2 included Professionals 21.3%, Technicians and Trades Workers 15.3%, Clerical and Administrative Workers 15.2%, Community and Personal Service Workers 11.2% and Sales Workers 10.3%.
- The most common ancestries in Glendale – Cardiff – Hillsborough SA2 were Australian 31.4%, English 30.4%, Irish 8.6%, Scottish 8.6% and German 3.2%;
- There were 11,672 people who reported being in the labour force in the week before Census night in Glendale – Cardiff – Hillsborough SA2. Of these

56.2% were employed full time, 32.5% were employed part-time and 6.6% were unemployed. The rate of unemployment in the Glendale – Cardiff – Hillsborough SA2 is slightly higher than the NSW average of 6.3%;

- Of occupied private dwellings in Glendale – Cardiff – Hillsborough SA2, 35.3% were owned outright, 41.5% were owned with a mortgage and 20.5% were rented; and
- Of occupied private dwellings in Glendale – Cardiff – Hillsborough SA2, 91.1% were separate houses, 6.2% were semi-detached, row or terrace houses, townhouses etc, 2.3% were flat or apartments and 0.2% were other dwellings.

SEIFA Index

The Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia 2016 is used to determine the presence of any socio-economic vulnerability in Glendale – Cardiff – Hillsborough SA2. The SA2 scored as follows:

1. Index of Relative Socio-economic Advantage and Disadvantage: 987;
2. Index of Relative Socio-economic Disadvantage: 1007;
3. Index of Economic Resources: 1011; and
4. Index of Education and Occupation: 974.

ABS notes that a low score indicates relatively lower education and occupation status of people in the area in general.

The high scores across all indices show that socio-economic vulnerability in Glendale – Cardiff – Hillsborough SA2 is low.

HARM MINIMISATION AND RESPONSIBLE GAMBLING MEASURES

The existing hotel has implemented numerous initiatives in order to prevent problem gambling. Central to this is the training of staff to identify signs of problem gambling within patrons. Signs that staff members are trained to be aware of in patrons include:

- (a) persistent or unduly frequent gambling such as gambling every day
- (b) gambling for extended periods without a break;
- (c) avoiding contact with other persons while gambling;
- (d) communicating very little with anyone else;

- (e) engaging in rituals or superstitions when gambling;
- (f) barely reacting to events going on around them;
- (g) displaying aggressive, antisocial or emotional behaviour while gambling;
- (h) making requests to borrow money from staff or other customers continuing to gamble with the proceeds of large wins; and
- (i) displaying faulty cognitions to justify gambling (e.g. believing that there are certain ways of playing poker machines that give you a better chance of winning money, refusing to play on machines that have recently paid out and believing that winning or losing tends to occur in cycles)

Staff are also trained to offer assistance when observations of above behaviors are made in relation to patrons, and staff members hold a reasonable belief that the patron is or may be developing into a problem gambler. Any approaches by staff members are to be tactful and respectful and can include:

- (a) simple interaction with the customer to divert attention from gambling;
- (b) encouraging the patron to take advantage of other facilities of the hotel, such as the bistro and lounge areas; and
- (c) offering the patron non-alcoholic refreshments to be consumed outside of the gaming room.

Any time a staff member makes an intervention on the basis that they consider that a patron may be exhibiting signs of problem gambling, they must record the intervention in an incident register.

Further responsible gambling initiatives implemented by the business owners in addition to compliance with the legal requirements include:

- (f) no free or discounted alcohol provided to gaming patrons as an inducement to gamble;
- (g) no free credits are to be provided to gaming patrons;
- (h) every machine is to be located in a gaming room, with no machines to be placed in the general bar area or in a position where they are visible from a public place;
- (i) no promotion or marketing of the gaming room.

Patrons of the hotel are made aware of GameCare's self-exclusion scheme and other local counselling services, and of the government funded "gambling HELP" counselling service.

Patrons are also made aware of the chances of winning and the problems associated with excessive gambling through the prescribed signage required to be located on each gaming machine and throughout the gaming room by way of the prescribed information notices on display.

The ATM located within the Hotel also displays the appropriate signage to notify patrons of the problems associated with gambling. The Hotel has no cash dispensing ATM or EFTPOS facility on its premises which permits cash to be provided from a credit card account.

The Hotel does not offer prizes associated with the use of its gaming machines and the Hotel.

The Hotel will comply with advertising requirements in respect of gaming:

- (a) The Hotel will not use the word "casino" in any description or promotion of the Hotel;
- (b) The Hotel will not permit gaming related advertising material to be displayed on the exterior or interior of the premises;
- (c) The Hotel will not promote irresponsible gaming or gaming practices;
- (d) The Hotel will display a clock, that is set to, or within 10 minutes of, the correct time and is in view of patrons in the gaming room;
- (e) The Hotel will not publish the details of any person who has won a prize in excess of \$1,000; and
- (f) The Hotel will display the prescribed signage with the gaming room, on all gaming machines, on the ATM any EFTPOS facilities.

Persons under the age of 18 years are prohibited from being in the gaming room and operating approved gaming machines at the hotel.

POSITIVE CONTRIBUTION – S 36(3)(c)(i)

Financial Contribution

The primary positive contribution shall be made by way of a financial contribution of \$865,878.20 if this application is approved. The proposed contribution shall be made to the Secretary of the Responsible Gambling Fund pursuant to section 36A of the Gaming Machines Act 2001 and section 115B of the Casino Control Act 1992.

Calculation of amount of financial contribution

The amount of the financial contribution was calculated in accordance with the formula set out in GL4014 Class 1 Local Impact Assessment process guidelines published by the Independent Liquor & Gaming Authority, that is, 15% of the average profit of the existing machines before tax, multiplied by the number of proposed additional GME's, and multiplied by the number of years over which the contribution can be paid (i.e. 5 years).

Therefore, Total Metered Profit = \$1,994,144.59 / 19 Machines = \$104,954.97 X 0.15 = \$15,743.24 X GMT Increase of 11 = \$173,175.64. Over the five years the Hotel will be required to pay \$173,175.64 X 5 = \$865,878.20.

Additional Positive Contribution

The second positive contribution which this application will have is the forfeiture of one GME for every block of 3 GME's that are transferred to the Hotel, in order to fulfill the approved threshold increase. Additionally, should a GME transfer be approved subsequent to this application, the transferor-hotel's GMT will reduce by the number of entitlements purchased, which would include those forfeited. Therefore, the operation of sections 20(3)(b) and 20(7) of the Act will result in a reduction in the number of approved gaming machines in New South Wales.

SUBMISSIONS FROM STAKEHOLDERS

The Applicant is unaware of any specific community concerns but in the event any arise following advertising and notification requirements associated with the Application they will be addressed at that time.

CONCLUSION

The Applicant submits that this Class 1 LIA accompanying the 'low range' Application satisfies the requirements of section 36(3) of the GMA, applicable regulations and guidelines for the Authority to approve the application.

Section 36(3)(a) and (b)

The applicant submits that this LIA complies with the requirements of the Division and the regulations in relation to a class 1 LIA, and further submits that this LIA demonstrates that gambling activities in the Venue will be conducted responsibly.

Section 36(3)(c)(i)

The proposed increase in the gaming machine threshold will provide a positive contribution towards the local community where the venue is situated on the basis of the applicant's proposed financial contribution to be paid in accordance with section 36A of the Act.

Section 36(3)(c)(ii)

The Venue is not a new hotel or new club premises, accordingly, the question of whether the Venue is located in the immediate vicinity of a school, hospital or place of public worship is not a factor that should be considered in this circumstance.

However, the applicant acknowledges that there is no such school, hospital or place of public worship that is in the immediate vicinity of the Venue.

Section 36(3)(c)(iii)

Regulation 37 of the GMR sets out pre-application consultation requirements but also provides that the provision is applicable only to a class 2 LIA. As explained in the Introduction (page 3 of this LIA) on the basis that the Venue is situated in a Band 2 LGA and is seeking a low increase of its GMT, it was determined that a class 1 LIA was appropriate rather than a class 2 LIA. Therefore, we submit that reg. 37 is not applicable to this application.

Regulation 41 of the GMR provides for post-application consultation requirements. Each of these will be complied with.

Accordingly, the Applicant respectfully submits that as the elements for a LIA Class 1 are met the Application should be approved.