

Local Impact Assessment Class 1 Application

White Bull Hotel

117 Marsh Street

ARMIDALE NSW 2350

White Bull Hotel (LIQH400108346)

May 2021

EXECUTIVE SUMMARY

1. INTRODUCTION

This document is a Local Impact Assessment Class 1 to accompany a Threshold Increase Application made for the approval of a 'low range' gaming machine threshold increase of 8 by Highland Hotels Pty Ltd (ACN 103 598 350) (the "Applicant"). The increase is to apply to the hotel licence situated at 117 Marsh Street, Armidale NSW (the "Venue") located in the Band 2 area of Armidale SA2 within the Armidale Regional Council Local Government Area (the "LGA") and known as the "White Bull Hotel".

The Venue's gaming machine threshold is currently approved for 17. The Applicant as the licensee proposes to increase the threshold by a further eight (8) gaming machine entitlements/permits for the threshold to be increased to 25. This LIA provides details of the Local Community.

2. RESPONSIBLE GAMBLING MEASURES

Chapter 3 of this Report details the mandatory responsible conduct of gambling measures put in place by the Applicant at the Venue.

3. LOCAL COMMUNITY

Chapter 4 of this Report details the characteristics of the area potentially affected by the approval of the Threshold Increase Application and a demographic description of the Local Community. Armidale SA2 has been identified as the Local Community.

4. POSITIVE CONTRIBUTION

Chapter 5 of this Report details the positive contribution resultant from approval of the Threshold Increase Application to the Local Community.

5. CONCLUSION

Given the satisfaction of the requirements of the Gaming Machines Act 2001 (the "Act") and the associated Gaming Machines Regulation 2019 (the "Regulation") through the conduct of gaming machine operation at the Venue in a responsible manner, along with the evidence of the substantial positive contributions to the Local Community, it is the Applicant's belief that this LIA meets the requirements of the Legislation.

1. INTRODUCTION

This Report is a Class 1 Local Impact Assessment ("LIA") to accompany a Threshold Increase Application for a Band SA2 venue for a 'low range' increase of 8 gaming machine entitlements/permits for the White Bull Hotel, located at 117 Marsh Street, Armidale NSW.

Methodology

- 1.1. In respect of LIAs relating to threshold increase applications, the LIA Guidelines provide that the Independent Liquor and Gaming Authority (the "Authority") can only approve a LIA where the LIA complies with the requirements of the Act and the Regulation and demonstrates that gambling activities will be conducted in a responsible manner.
- 1.2. The Guidelines further state that a Class 1 LIA must demonstrate that the proposed increase in gaming machines for the Venue will provide a positive contribution towards the Local Community in which the Venue is situated.

2. DETAILS OF THE VENUE

- 2.1. The Venue has a long history of operation at its current location and is a favourite amongst locals in and around the suburb of Armidale. The Venue provides the following facilities:

First Floor

- Veranda
- Dining
- Private Dining
- Kitchen
- Sanitary facilities
- Back-of-house.

Ground Floor

- Steak House Dining Area
- Lounge Bar
- Alfresco Dining Area
- Kitchen
- Main Bar/Gaming room
- Beer Garden
- Sanitary facilities
- Back-of-house.

- 2.2. The Venue has been operated by the current business owner since November 2015. The Venue is a focal point for the local community of Armidale and surrounding regional areas by providing a high class place to meet, relax and socialise.
- 2.3. The Venue's gaming machine threshold is currently approved for 17 gaming machine entitlements.

2.4. The intention of this application is for a further 8 gaming machine entitlements or poker machine permits to be procured and transferred to the Venue's licence to allow 25 gaming machines to be operated at the Hotel.

2.5. The Venue's trading hours as per the licence document are:

Ground Floor – Public Bar, Lounge Bar, Back Bar and Beer Garden

- Monday to Saturday - 5:00am until 3:00am; and
- Sunday - 10.00 am until 10.00 pm

First Floor – other areas on ground floor

- Monday to Saturday - 5.00 am until 12.00 midnight; and
- Sunday - 10.00 am until 10.00 pm

2.6. The standard gaming machine shut down period applies to the Venue, being from 4.00am until 10.00am each day.

2.7. The internal floor space area of the Venue is approximately 1065 square metres which includes a beer garden area. The floor space of the gaming room is approximately 60 square metres.

2.9. The Venue is not a new hotel as defined by the Act and as such clause 31 of the Regulation does not apply to this application.

3. RESPONSIBLE GAMBLING MEASURES

3.1. The provision of gaming machines is merely one aspect of the services and facilities that are provided at the Venue.

3.2. Gaming is provided in a designated gaming room within the Venue.

3.3. The gaming room complies with Clause 8 of the Regulation in that:-

- (a) It is located in a "bar area" of the Venue (and is not located in an area in which a minor's area authorisation or minors functions authorisation is in force);
- (b) The gaming room is physically separated from the general bar area by permanent opaque walls;
- (c) Patrons are not 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;
- (d) Entry is provided free of charge;
- (e) The gaming machines are situated so that they cannot be seen from any place outside the Venue;
- (f) All machines are suitably spaced to facilitate access;
- (g) The gaming room is monitored by a gaming room supervisor, as well as by electronic means (CCTV) at all times;

- (h) There is a door way or space that provides reasonable access to at least one operating bar and one toilet for each gender, without the need for patrons to go out onto the street or outside the Venue; and
- (i) The gaming room cannot be accessed directly from a public street.

3.4. Other requirements of the Act and Regulation are complied with, in that:-

- (a) All staff involved in gaming duties hold a current and approved responsible conduct of gaming (RCG) competency card (or interim certificates). Copies of competency cards (or interim certificates) are kept by each staff member when working at the Venue and are available for inspection;
- (b) The Venue makes arrangements for the provision of gambling counselling;
- (c) The Venue participates in the Game Care Multi-Venue Self Exclusion Program;
- (d) Staff are trained in the requirements of the self-exclusion program and associated process;
- (e) All statutory signage is prominently displayed throughout the gaming room;
- (f) Pamphlets informing patrons of the dangers of problem gambling and of the availability of counselling and the self-exclusion scheme are displayed within the Hotel in a number of community languages;
- (g) The Venue's automatic telling machine (ATM) is located outside the gaming room. Patrons not permitted to make withdrawals on credit;
- (h) There are no advertising or promotions of the availability of gaming machines conducted at the Venue;
- (i) The Venue does not accept third party cheques or the cashing of cheques by patrons;
- (j) There is a limit of \$5,000 on cash payment for winnings;
- (k) Minors are not permitted entry to the gaming room;
- (l) Consumer information on the chance of winning maximum prizes and jackpots is made available in the gaming area;
- (m) The Venue does not publish any gaming machine advertising;
- (n) All gambling-related signs are situated within the Venue and are not visible from the exterior of the Hotel; and
- (o) Inducements are not offered at the Venue for the use of the gaming machines.

3.5. The Venue engages a gaming room attendant when the gaming room is operated to provide supervision of this area. The presence of a gaming room attendant allows

management to make early detection of any possible signs of problem gambling being experienced at the Venue.

4. LOCAL COMMUNITY

4.1. The Local Community is the Armidale SA2.

Demographics

4.2. The Armidale SA2 has a current population of 23,352, as at the 2016 Census.

4.3. Other relevant demographic information is set out below:

- 47.7% of the population is male
- 52.3% of the population is female
- The median age is 34

4.4. The ABS statistics for 2016 disclose that the Armidale SA2 has a high full-time employment rate (52.1%) when compared to that of NSW (59.2%).

4.5. The most common occupations in the SA2 include professionals at 26.4%, clerical/administrative workers at 12.8%, Community and Personal Service Workers at 12.5% and technical & trade workers at 11.1%.

4.6. The SEIFA scores in 2016 for Armidale Regional Council LGA are as follows:

INDICATOR	Armidale LGA Score	Armidale LGA Decile
IRSEAD	980	6
IRSED	976	7
IER	958	3
IEO	1015	9

4.7. Using the gaming machine data report prepared and issued by Liquor & Gaming NSW for the period 1 January 2020 to 30 June 2020, the net profit for all gaming machines for hotels in the Armidale Regional LGA (which also includes the Bellingen LGA) is \$2,109,043.51 with the average profit per machine being \$13,018.79 for that 6-month period.

4.8. The gaming performance data report for the Venue shows the total net profit for a 12-month period from 1 April 2020 to March to be \$914,439.62 with the average profit per machine being \$53,790.57 for that 12-month period.

4.9. To compare the average profit per machine on a 6-month period, the equalised amount for the Venue would be \$26,895.28.

5. POSITIVE CONTRIBUTION

5.1. Clause 33 of the Regulation requires this LIA to include details of the benefits that the Venue will provide to the local community if the application is approved.

- 5.2. A positive contribution shall be made by way of a financial contribution of \$322,743.42 if this application is approved. The proposed contribution will be made to the Secretary of the Responsible Gambling Fund pursuant to Section 36A of the Act.

Calculation of amount of financial contribution

- 5.3. The amount of the financial contribution was calculated in accordance with the formula set out in the Class 1 Local Impact Assessment Process Guidelines published by the Authority. That formula provides for a positive contribution being 15% of the average profit of the existing machines in the Hotel before tax, multiplied by the gaming machine threshold increase, multiplied by 5 years.
- 5.4. The average profits were calculated from 12 months of gaming performance data from 1 April 2020 to 31 March 2021.
- 5.5. The positive contribution will benefit the local community. The Venue will also review and implement new responsible gaming and harm minimisation strategies (if considered necessary) in order to negate any negative impacts on the local community.

6. CONCLUSION

- 6.1. This LIA, pursuant to Clause 33 of the Regulation, defines the Applicant's Local Community, details the positive contributions that the Applicant will provide to the Local Community if the Threshold Increase Application is approved, and details the harm minimisation and responsible gambling measures that are in place at the Venue.
- 6.2. The Applicant operates gaming machines at the Venue in compliance with mandated Legislative requirements. The Applicant implements the Game Care Multi-Venue Self Exclusion Program conducted in conjunction with AHA (NSW). There are 15 persons currently excluded from the Venue through this program, none of whom have applied for exclusion directly with the Venue.
- 6.3. The Applicant submits that this Class 1 LIA accompanying the low range application satisfies the requirements of Section 36(3) of the Act, applicable Regulations and Guidelines for the Authority to approve the application. This application demonstrates the purpose of Section 36(3)(b) that gambling activities in the Venue are currently conducted responsibly and will continue to be conducted responsibly if this application should be approved.
- 6.4. The proposed increase in the Venue's gaming 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.
- 6.5. It is therefore submitted that the tests as set out in the Guideline and Regulation are met and the applicant submits that the threshold increase application should be approved.