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# ***Local Impact Assessment Class 1 Application***

***The Grand Shanghai Hotel***

***21-23 Belmore Street***

***BURWOOD NSW 2134***

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## **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 ten (10) in relation to The Grand Shanghai Hotel (the "Venue"), situated at 21-23 Belmore Street, Burwood NSW 2134. A gaming machine threshold increase and Class 1 LIA were approved by the Authority on 11 March 2020 that resulted in the Venue's gaming machine threshold being increased to 20.

Whilst the Venue has yet to commence trading, it is approved to operate between 9.00 am until 12.00 midnight, Monday to Saturday, and 10.00 am until 10.00 pm Sunday.

The Venue is in the Burwood SA2, which had a population of 15,942 at the 2021 census.

### **2. RESPONSIBLE GAMBLING MEASURES**

Chapter 2 of this Report details the mandatory and any additional responsible conduct of gambling measures to be in place at the Venue.

### **3. LOCAL COMMUNITY**

The local community is the Burwood SA2. Chapter 3 of this Report provides a demographic description of the area and local community, including the substantial population growth experienced in Burwood LGA.

Substantial delays were experienced in relation to the fit-out of the Venue as a result of COVID. The Venue is presently being fitted out and expected to commence trading early next year. It is expected that the majority of patrons will be local residents and other persons resorting to that part of the southern section of the CBD of Burwood in which the Venue is located.

### **4. POSITIVE CONTRIBUTION**

Chapter 4 of this Report details the benefits that the Venue will provide to the local community if the application is approved.

### **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"); the approval by the Authority of a prior gaming machine threshold and Class 1 LIA for the ability to conduct gaming machines at the Venue in a responsible manner; and the requirement for a further positive contribution to be made by the Venue to the Responsible Gambling Fund on the grant of this application, it is the Applicant's belief that this LIA meets the requirements of the legislation.

## **1. DETAILS OF THE VENUE**

- 1.1. The Venue is situated at 21-23 Belmore Street, Burwood. The Venue is located in a mixed residential and commercial area of the suburb, with the surrounding premises predominantly commercial use.
- 1.2. The Venue will be refurbished and fitted out as a modern hotel, offering the usual and expected facilities associated with a hotel licence.
- 1.3. The Venue has an approved patron capacity of 239 persons. However, it is expected that the patron capacity will be below that capacity at most times the Venue is trading.
- 1.4. The total internal floor space area of the Venue is 488 sqm and complies with Clause 38 of the Regulation for the Venue to be permitted to operate the proposed additional gaming machines. Gaming facilities will be ancillary to the other services to be on offer at the Venue.
- 1.5. The facilities to be provided at the Venue consist of the following:-
  - 3 levels providing various facilities
  - Bar/lounge/dining spaces
  - Sports bar
  - Gaming room
  - Packaged Liquor (over the bar) – no separate designated bottle shop area
  - Commercial kitchen, cool room and storages areas, sanitary facilities, together with back of house areas.
- 1.6. The Venue will offer a range of meals at reasonable prices. It is proposed that meals will be available up until a short time prior to closing. A bar menu will be available at those times when the kitchen is closed. Accordingly, food that is commensurate with the responsible consumption of liquor will be available at all times the Venue is open for trading.
- 1.7. The Venue's current gaming machine threshold is 20. This LIA and the associated threshold increase application seeks to increase the Venue's gaming machine threshold to 30.
- 1.8. The Venue's approved trading hours are 9.00 am until 12.00 midnight the following day, Monday to Saturday; and 10.00 am until 10.00 pm on Sunday. It is proposed that the Venue will open from 9.00 am to allow a breakfast service. There will be no sale and supply of liquor prior to 10.00 am. Further, there will be no change to the 6-hour liquor shutdown period or the 6-hour machine shutdown period that currently apply to the Venue.
- 1.9. It is proposed that generally music provided will be limited to low-level background music only. In the event that live entertainment were to be provided at the premises, then this would only be in accordance with what is permitted by any planning approvals that might apply from time to time.

## **2. RESPONSIBLE GAMBLING MEASURES**

- 2.1. It is proposed that the provision of gaming machines will be merely one of the aspects of the services and facilities that are provided at the Venue, and will complement those existing services and facilities.

2.2. Gaming is to be provided in a designated gaming room within the Venue. That room will comply with Clause 8 of the Regulation in respect of the following:

- (a) It will be 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 will be physically separated from the general bar area by permanent opaque walls;
- (c) Patrons will not be compelled to pass through the gaming room in order to enter or leave the Venue or to gain access to another part of the Venue;
- (d) Entry will be provided free of charge;
- (e) The gaming machines are to be situated so that they cannot be seen from any place outside the Venue;
- (f) All machines will be suitably spaced to facilitate access;
- (g) The gaming room will be monitored by a gaming room supervisor, as well as by electronic means (CCTV) at all times;
- (h) There will be a doorway 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.

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

- (a) All staff involved in gaming duties will 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 will make arrangements for the provision of gambling counselling;
- (c) The Venue will participate in the Game Care Multi-Venue Self Exclusion Program;
- (d) Staff will be trained in the requirements of the self-exclusion program and associated process;
- (e) All statutory signage will be 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 will be displayed within the Hotel in a number of community languages;
- (g) The Venue’s automatic telling machine (ATM) will be located outside the gaming room, with patrons not permitted to make withdrawals on credit;
- (h) There will be no advertising or promotions of the availability of gaming machines conducted at the Venue;

- (i) The Venue will not accept third party cheques or the cashing of cheques by patrons;
- (j) There will be a limit of \$5,000 on cash payment for winnings;
- (k) Minors will not be permitted entry to the gaming room;
- (l) Consumer information on the chance of winning maximum prizes and jackpots will be made available in the gaming area;
- (m) The Venue will not publish any gaming machine advertising;
- (n) All gambling-related signs will be situated within the Venue and will not be visible from the exterior of the Hotel; and
- (o) Inducements will not be offered at the Venue for the use of the gaming machines.

2.4. A Gaming Plan of Management ("GPOM") will be adopted and implemented at the Venue upon the approval of this application. The applicant consents to a condition being imposed on the licence requiring compliance with that Plan of Management at all times.

2.5. In accordance with the GPOM, the gaming room will be monitored regularly through CCTV cameras, the manager/licensee, as well as gaming attendants. This supervision will allow management to make early detection of any possible signs of at risk or problem gambling being experienced at the Venue.

### **3. LOCAL COMMUNITY AND DEMOGRAPHY**

3.1. The local community is the Burwood SA2.

3.2. Burwood is a suburb in the Inner West of Sydney, approximately 12km west of the Sydney CBD.

3.3. It is expected that patrons of the Venue will be residents of Burwood, including residents of the many new developments in and around Burwood CBD and employees of the many businesses in Burwood together with other visitors to Burwood CBD. The Venue will be welcome and cater to the needs of the local community.

3.4. Burwood is the administrative centre for Burwood LGA, and acts as the main shopping and commercial precinct for a significantly wider area. The suburb houses two shopping centres, being Westfield Burwood Shopping Centre in the northern section of the CBD, and Burwood Plaza Shopping Centre in the southern section of the CBD.

#### *Growth and development in Burwood and Burwood LGA*

3.5. Both Burwood suburb and Burwood LGA have been the subject of substantial development and population growth in recent years, which will continue into the future. Burwood is one of 15 new priority precincts earmarked for fast-track growth and revitalisation. The suburb is also one of eight urban activation precincts that have been set aside for a special investment in infrastructure and funding by the NSW Government due to being zoned for medium to high density residential and commercial development. The Burwood town centre has been classified by the NSW Government as a Strategic Centre due to its location along major transport corridors and its strong local economy.

- 3.6. The population of Burwood LGA increased from 29,381 persons at the 2001 Census to 40,217 persons at the 2021 Census. For the same period the population of Burwood suburb increased from 11,130 persons to 18,224 persons. Most notably the majority of the increase in population in the LGA during that period occurred within the suburb of Burwood.
- 3.7. According to Council's "Towards Burwood 2036" paper, the population in the LGA is forecast to increase significantly to around 73,500 persons by 2036, and the 0-5 year NSW Government housing supply target for Burwood is 2,600 dwellings.
- 3.8. Much of that growth taking place in the suburb of Burwood occurred in and around the CBD area, specifically within the southern section of the CBD where the Venue is located.
- 3.9. Further, between 2015 and 2018, there were 1701 dwellings approved in Burwood LGA, mostly in the suburb of Burwood.<sup>1</sup>
- 3.10. Expressed in terms of dwellings, the number of LGA dwellings in 2016 (14,750) was projected to increase to 17,000 in 2021 and to 18,650 in 2026.
- 3.11. Burwood is the administrative centre for Burwood LGA, and acts as the main shopping and commercial precinct for the surrounding areas.

### **Demography**

- 3.12. At the time of the grant of the licence and the initial gaming machine threshold increase for 20 machines, the Venue was located within the Burwood-Croydon SA2.
- 3.13. The demographic information for the Burwood-Croydon SA2 at the time of the 2016 Census is set out below:
  - 47.9% of the population is male.
  - 52.1% of the population is female.
  - The median age is 32.
  - Only 0.3% of the population is of Aboriginal and/or Torres Strait Islander descent. This is low when compared to the State average of 2.9%.
- 3.14. It is evident from the SA2 ABS statistics 2016 that the residents of this area are well educated with 36.8% of the population achieving a bachelor degree level and above. This is higher than the State average of 23.4%.
- 3.15. The most common occupations in the Burwood-Croydon SA2 included professionals at 30.3%. This number is higher than the State average of 23.6% and the national average of 22.2%.
- 3.16. 34.5% of the population were born in Australia compared to 65.5% in NSW. It had a high percentage of persons where both parents were born overseas (73.9%) compared to that of NSW (37%).
- 3.17. The median weekly personal income in the SA2 was \$532 compared to \$664 in NSW, although the median weekly household income was \$1,545 compared to \$1,486 in NSW.

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<sup>1</sup> <https://profile.id.com.au/burwood/building-approvals> accessed 10 April 2018.

3.18. In the SA2, 55.7% of the labour force over the age of 15 reported working full-time and 31.1% part-time. The comparable figures for NSW were 59.2% and 29.7% respectively.

3.19. The Socio-Economic Indexes for Areas (SEIFA) scores for the SA2 from the 2016 Census are:

INDICATOR	BURWOOD-CROYDON SA2 SCORE	BURWOOD-CROYDON SA2 DECILE
IRSED	991	5
IRSEAD	1044	7
IER	926	2
IEO	1074	8

3.20. Following the release of the 2021 Census Data and redefinition of SA2s, the Venue is now situated within the Burwood SA2.

3.21. The most recent demographic information in relation to the Burwood SA2 is set out below:

- 51.1% of the population is female.
- The median age is 31.
- Only 0.2% of the population is of Aboriginal or Torres Strait Islander descent. This is significantly lower than the State average of 3.4%.

3.22. 49.7% of the SA2 population is tertiary educated, significantly higher than the NSW State average of 23.8%.

3.23. 30.7% of the population are employed in a professional occupation in comparison to 25.8% for NSW.

3.24. Family composition in the SA2 is largely comprised of couple families without children (46.9%) compared to the NSW State average (37.9%).

3.25. The Socio-Economic Indexes for Areas (SEIFA) scores for the SA2 from the 2021 Census are:

INDICATOR	BURWOOD SA 2 SCORE	BURWOOD SA2 DECILE
IRSED	940	2
IRSEAD	1038	7
IER	849	1
IEO	1091	9

3.26. Overall, the demographic profile that emerges of the local community is a population that is well-educated and with a higher proportion in professional occupations. The demographic characteristics of the suburb are not suggestive of any particular vulnerability to gambling.

#### 4. POSITIVE CONTRIBUTION

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

- 4.2. A positive contribution shall be made by way of a financial contribution of \$2,861,857.50 (over a 5-year period) 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***

- 4.3. The Venue is not a new hotel as defined under the Gaming Machines Act 2001. However, as the Venue is yet to commence trading, the formula to be used to determine the contribution is the same as when making a determination for the contribution for a new hotel.
- 4.4. The formula provides for the 'positive contribution' to be 15% of the average annual profit of existing gaming machines before tax of existing hotels in the LGA, multiplied by the number of GMEs to be added by the GMT increase, per year over 5 years.
- 4.5. According to the Hotels Gaming Machine Report by Local Government Area, the average profit per machine for the year ending 30 June 2023 in the Burwood LGA was \$381,581.
- 4.6. Having regard to the above formula and the relevant Guideline published by Liquor & Gaming NSW, the calculation of the positive contribution required to be paid by the applicant on the grant of the application is \$2,861,857.50.
- 4.7. The positive contribution to be paid to the Responsible Gambling Fund will ultimately benefit the local community. The Venue will implement responsible gaming and harm minimisations to negate any negative impacts on the local community.
- 4.8. The Venue will provide substantial public benefits to the residents and business owners of Burwood and Burwood LGA. Those benefits include, but are not limited to, the following:-
- (i) Provide a modern, stylish, sophisticated and family-friendly hotel to meet the needs, demands and expectations of the growing population of Burwood and those persons who work in, or resort to that suburb.
  - (ii) The Venue will comprise of a hotel providing a range of facilities including bar area, dining, TAB and sporting facilities, designated gaming room and other associated facilities to meet the needs and demands of the local community.
  - (iii) Provide a venue to meet the needs and demands of residents and/or visitors to Burwood and Burwood LGA.
  - (iv) Provide a hotel facility in the southern section of Burwood CBD conveniently located where a number of large new residential developments are being or have been constructed and conveniently located for residents of those developments.
  - (v) Provides an additional choice for residents of Burwood and those persons resorting to the suburb. Only 2 premises the subject of a hotel licence are presently operating in Burwood CBD.
  - (vi) Provide a licensed premises that will operate in accordance with a detailed and comprehensive Plan of Management with various measures to minimise the potential for adverse impacts to the amenity of the area.

## **5. CONCLUSION**

- 5.1. This LIA, pursuant to Clause 33 of the Regulation, defines the Applicant's Local Community, details the positive contribution 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.
- 5.2. 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 will be conducted responsibly if this application is approved.
- 5.3. The proposed increase in the GMT from 20 to 30 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.
- 5.4. 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.