

# Class 1 Local Impact Assessment

For an increase of 15 (Current Threshold is 15)

Electronic Gaming Machine (EGM) Threshold

For

Central Hotel, Blacktown

45 - 51 Main St, Blacktown, NSW,

LIQH400111479

LGA: Blacktown City Council

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## 1: Executive Summary of LIA Submission:

1. This Class 1 Local Assessment accompanies an Application under the Gaming Machines Act 2001 (“Act”) for a Gaming Machine Threshold Increase of 15 for Central Hotel, Blacktown.
2. The Hotel’s Gaming Machine Threshold is currently 15. The Application, once approved in full, will take the Threshold number to 30.
3. Section 2 describes the Hotel, its location and facilities.
4. Section 3 describes the local community of the Hotel: which is the Blacktown City Centre part of the Local Government Area of Blacktown LGA (“Blacktown LGA”), which is a Band 2 LGA. Blacktown City Centre (the Centre) is the largest commercial centre in the City of Blacktown which now has a population in excess of 250,000, the largest of any local government area in NSW. The centre developed around the Blacktown Railway Station. The first commercial development in what is now the Centre, occurred along Main Street, south of the station, before spreading to the east (along Main Street), south and the west and, in more recent times, north. The southern side of the railway line remains by far the more significant part in terms of retail and commercial development. The Hotel is located close to the place where the centre originated and can be said to be in the core of the centre. The focal point of retailing in the Blacktown City Centre is the WestPoint Shopping Centre (WestPoint) west of Patrick Street. The suburb of Blacktown is located within the greater area of Blacktown Local Government Area.
5. Section 4 describes the harm minimisation and responsible gambling measures of the Act and Gaming Machines Regulations 2002 (“Regulation”), and the additional measures to minimise the risk of harm to individuals associated with the operation of gaming machines at the Berkeley Hotel.
6. Section 5 details the specific benefits that will arise once the Application is approved. A once-only donation will be made of \$10,500.00 per each entitlement approved to Blacktown PCYC for each Gaming Entitlement approved and purchased from outside of the Blacktown Local Government Area.

We do point out, that if we are able to source all, or some of the EGM's from another hotel within the BLGA than we would not fund Blacktown PCYC for the number of EGM's which we source from within the BLGA. To clarify this, if we purchase all 15 EGM's from outside of the BLGA than we would fund Blacktown PCYC for \$157,500k. If we purchase four machines from within the BLGA and eleven from outside of the BLGA, we would fund Blacktown PCYC \$115,500, \$10,500 for each of the eleven EGM's purchased from outside of the BLGA.

7. Also, Section 5 details the positive contributions which will be made by the Hotel, and which we anticipate will arise once the Application is approved in full:

funding for local community groups, charitable donations, and improved facilities for patrons, increase in employment and payment of additional government taxes.

8. Section 6 identifies the potential negative effect which may arise, should our application be successful, namely the increase in total amount wagered on gaming machines by potential 'at risk' problem gamblers or problem gamblers.
9. We conclude that this submission will provide a positive contribution to the Blacktown Local Government Area.

We believe the Authority can approve our application due to it;

- a. Complying with the requirements of the Gaming Machines Act and Regulations
- b. Demonstrates that gambling activities at the venue will be conducted in a responsible manner
- c. Demonstrates that the proposed increase in gaming machines for the venue will provide a positive contribution towards the Blacktown Local community.

## 2: The Hotel:

1: The Hotel is a four story existing building known as Central Hotel, Blacktown at 45 - 51 Main Street occupying land described as Lot B, DP 318565 Plans 996542/1, 996542/2 and 996542/3.

The Hotel is an improved part three and part four storey brick and concrete building. The Hotel occupies the ground and lower ground floors of the building. The upper two floors remain vacant.

2: The Hotel is the first privately owned property on the northern side of Main Street, east of the Blacktown Railway Station.

To the east of the hotel, each side of Main Street is lined with a mixture of uses, mainly in buildings of two or three storeys. The uses there include banks, electrical appliance stores, medical and dental surgeries (mostly at first floor level but with some at street level), jewellery stores, food stores, cheaper variety stores, adult shops (at first floor level) and opportunity shops. Next door to the hotel, there is a large TAB agency. There are also licensed restaurants, and a noodle house, a pizza shop and a couple of coffee lounges. Along Main Street to the east, a similar mixture of uses and buildings exist opposite the railway station with the six storey State office Building occupying the site of the former Robin Hood Hotel, the main hotel in the Centre until the 1980s, which stand directly opposite the railway station.

The focal point of retailing in the Blacktown City Centre is the WestPoint Shopping Centre (WestPoint) west of Patrick Street.

The only other hotel in the Town Centre, The Town Tavern, is located in the remains of a small shopping arcade, the Central plaza, east of Patrick Street.

3: The Hotel was acquired by the current freehold owner in October 2014. The Hotel will undergo a substantial refurbishment in 2014 and 2015 to allow it be a better meeting place for residents in the area and to meet the demands of patrons.

The Hotel has hopes to attain industry and AHA Awards for excellence for its proposed restaurant, similar to the Green Peppercorn which operates at one of their other hotels, which it hopes to have operational by mid-2015. The owners / managers of the hotel will have a focus on great food, a family and female friendly hotel environment. At this stage, further refurbishment of the hotel (including the proposed introduction of Green Peppercorn or similar upmarket style restaurant, and refurbishment of the first and second floors) is dependant upon this LIA being approved to allow the finances to make this refurbishment of the hotel happen.

4: The total internal floor space of the existing Hotel is approximately 800m<sup>2</sup> (over two levels: basement hotel, ground floor hotel), including approximately 400m<sup>2</sup> of basement, approx. 400m<sup>2</sup> of ground floor hotel space. (The Gaming room area is approximately 200m<sup>2</sup>).

5: The Hotel has Liquor Act approval to trade for 10am - 3am Monday to Saturday and from 10am to 10pm on Sunday and the general Gaming Machines Act

shutdown period applies between 4am and 10am Monday to Sunday. The Hotel currently trades from 10am - 3am (Monday to Saturday) and from 10am - 10pm (Sunday).

- 6: The basement and ground floor facilities of the Hotel comprise: two bars, a bistro area, a TAB area and a gaming room. The Hotel proposes to have an extensive food operation once the kitchen is refurbished and new food operators appointed. It's envisaged that the award winning 'Green Peppercorn' operators will run the food operation once the refurbishment is completed. As stated previously, the future refurbishment of the hotel and the introduction of an upmarket food operation like 'Green Peppercorn', is at this stage dependant on this LIA being approved to provide some of the funds needed to carry out the work.

### 3: The Local Community:

- 1: The local community for the purposes of this Application is identified as the Blacktown Town Centre business community around Blacktown Station. There is a large resident population from the surrounding residential suburbs of the Hotel.
- 2: There is one other licensed pub within the Blacktown Town Centre being the Town Tavern, and two licenced clubs being the Blacktown Workers Club and the Blacktown RSL Club. Blacktown Council is located within approximately 150 metres of the hotel.

### 4: Harm Minimisation and Responsible Gambling Measures:

- 1: To provide a responsible gambling environment and to minimise the risk of patron harm, the Hotel complies with the policies and guidelines of the AHA (NSW) and is a member of the AHA (Game Care) Gambling Counselling Program.
- 2: The Hotel complies with the Gaming Machines Act and the Regulation, and harm minimisation strategies include:
  - a) All employees involved in gaming related duties hold a responsible Conduct of Gambling Certificate ("RGC") from an approved course provider;
  - b) Copies of the RCG certificates are kept on the premises and are available for inspection by relevant authorities;
  - c) No minors are ever allowed access to gaming areas at the venue;
  - d) The Hotel maintains strong links with AHA (Game Care) in relation to the provision of problem gambling courses;
  - e) The Central Hotel Blacktown is a member of the AHA hotel self-exclusion scheme
  - f) Consumer information on the chance of winning maximum prizes and jackpots is made available in the gaming area;
  - g) Information warning patrons about problem gambling and advising on the availability of counselling services and self-exclusion are displayed in the gaming room;
  - h) The ATM is not situated in the gaming room;
  - i) The Hotel does not publish any gaming machine advertising and all gambling related signs are situated within the Hotel and cannot be seen from outside the Hotel;

- j) Clocks are clearly visible in those parts of the Hotel where approved gaming machines are located;
- k) The Hotel does not cash third party cheques;
- l) No cash payments over \$2,000.00 are made;
- m) Any unclaimed prizes are processed in accordance with the Act and Regulation;
- n) The Hotel's ATM does not allow patrons to withdraw cash from a credit account.

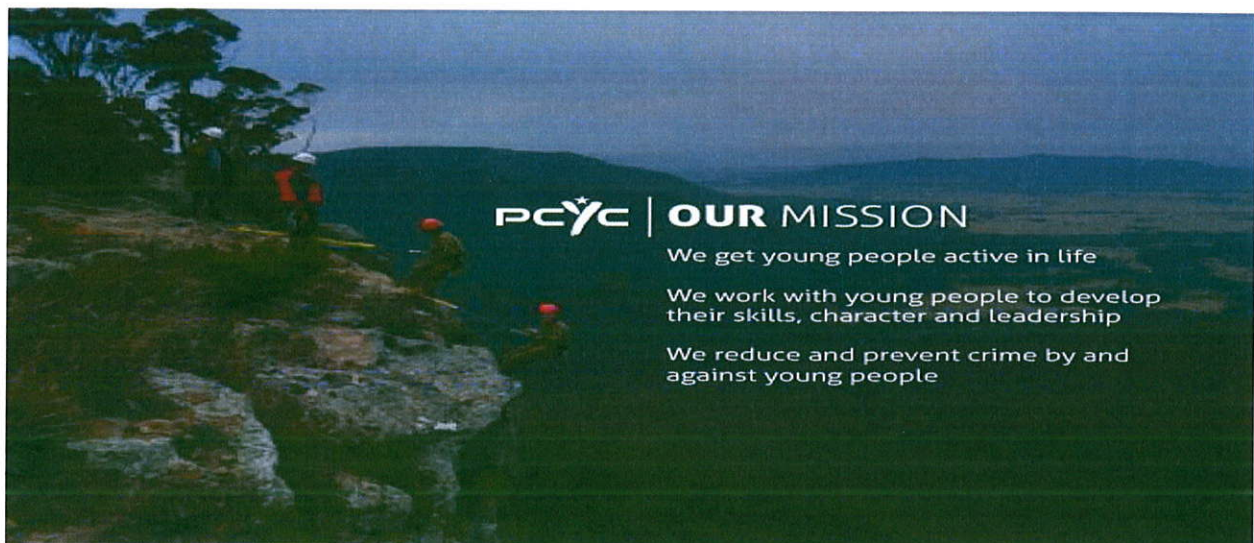
3: This manner in which the Hotel conducts its gaming operations will be maintained if this Application is approved.

5: Anticipated Positive Contributions:

1: If the Application is approved in full, a once-only donation of \$10,500.00 for each Gaming Entitlement approved and purchased from outside of Blacktown LGA will be made to Blacktown PCYC (Situating within the BLGA). Annexure 3 attaches a copy of the correspondence between the Applicant and Blacktown PCYC confirming the arrangement made for the payment of donations, should our application be successful.

The Blacktown Hotel has made contact with other hotels within the Blacktown LGA to see if they are interested in selling EGM's to the Central Hotel Blacktown, with these approaches so far proving fruitless. Should the hotel be able to source some or all of the entitlement's from within the Blacktown LGA, than it's proposed that the donation will be reduced by the number of entitlements it can source from within the BLGA.

2: The Central Hotel Blacktown has selected the Blacktown PCYC organisation because they provide a specific focus on working with and educating 'at risk' youth within the Blacktown Local Government Community. In speaking to local police, residents, businesses and community groups, it's clear that more opportunities for youth in the Blacktown Local Government area are needed. We believe that should our application be successful, it will create additional opportunities for youth in the area to be supported by Blacktown PCYC.



3: The total available for donation will therefore be a maximum of \$157,500.00 to Blacktown PCYC if the 15 Gaming Entitlement application increase is approved.

As per above, We do point out, that if we are able to source all, or some of the EGM's from another hotel within the BLGA than we would not fund Blacktown PCYC for the number of EGM's which we source from within the BLGA. To clarify this, if we purchase all 15 EGM's from outside of the BLGA than we would fund Blacktown PCYC for \$157,500. If we purchase four machines from within the BLGA and eleven from outside of the BLGA, we would fund Blacktown PCYC \$115,500, \$10,500 for each of the eleven EGM's purchased from outside of the BLGA.

4: *Contributions to Charity*

The Hotel proposes to make regular contributions to local schools and community groups within the Blacktown Local Government Area.

With the additional revenue expected to be derived from the extra gaming machines the Applicant would be in a position to support many local schools, community groups, charities and sporting groups.

6: *High-standard of Facilities*

The Central Hotel Blacktown is proposing to be completely refurbished should our application be successful, over the first nine months of our application being approved. Should our application be successful, and the refurbishment of hotel than takes place, we hope that the Central Hotel will be nominated as finalist in AHA Awards for excellence as well as many other industry awards.

Should our application be successful, The additional funds expected to be derived from the increased in poker machines will be utilised in part to refurbish the hotel and in part to maintain the future high standard of the Hotel.

7: *Increased Employment*

Should our application be successful, the increase in the number of gaming machines at the Hotel is projected to increase staff levels at the Hotel, not only in the gaming related areas, but also in the food service areas.

Any increase of employment would be extremely beneficial within the local government area of Blacktown.

Additionally, each of the eligible employees at the Hotel will participate in a Federal Government hospitality traineeship that gives them a nationally accredited certificate upon completion of the program. This will result in an increasingly skilled workforce in the local community.

Further, should our application be successful, the Hotel will purchase further gaming machines, which will have a flow on benefit to local manufacturers and suppliers.

#### 8: *Increased Taxes to Benefit New South Wales*

The increase in the number of poker machines at the Hotel will lead to an increase in:

- a) Gaming tax from increased revenue - The Productivity Commission Report 2010 cited that one of the main community benefits of Poker machines was the tax revenue derived from recreational gamblers.
- b) Stamp Duty from the purchase of the additional Poker Machine Entitlements or Poker Machine Permits

Such taxes could reasonably be expected to be used by Government for the benefit of the local and broader communities.

#### 7: *Increased Taxes to and Benefits for the Federal Government*

The increase in the number of poker machines at the Hotel will lead to an increase in:

- a) GST from increased gaming revenue and machine purchases;
- b) Company tax payable by the Hotel; and
- c) PAYG attributable to additional employees and reduced welfare payments to the employees those formerly unemployed.

#### 6: Potential Negative Effect:

- 1: On the basis that additional machines at the Hotel will allow additional opportunity to play gaming machines, it is anticipated that there may be additional amounts gambled on the machines at the Hotel by 'at risk problem gamblers' or 'problem gamblers'..
- 2: However, it is believed that this opportunity will be sought by additional players, and not by existing players. This belief is based on observation of the use of machines by current players, and also requests and comments made by intending players who have needed to wait for machines to become available during peak periods.
- 3: Notwithstanding this, the Hotel is not ignorant of the harm that arises from excessive gambling, and the Hotel maintains a responsible gambling environment to minimize the potential for problem gambling.

#### 7: Conclusion:

This assessment identifies a number of positive impacts to the identified local community being the 'Blacktown Town Centre', to the broader Blacktown local government area and also New South Wales more generally which are likely to result from the increase of gaming machines. None of those benefits will flow to the local community if this Application is not granted. The potential \$157,500 we are proposing to Blacktown PCYC will not be donated if this application isn't approved.

The Hotel will continue to undertake a variety of measures to ensure that gambling activities are conducted in a responsible manner and in accordance with the Act and



Regulation, and these allow the negative effect to be outweighed by the positive effects.

When combined with the harm minimisation and problem gambling initiatives already in place and the benefits identified, it can reasonably be concluded that the increase in the Gaming Threshold sought by the Application will provide a positive contribution towards the local community, the Blacktown local government area and to the State generally.