

Class 1 Local Impact Assessment

For an increase of 11 (Current Threshold is 19)

Electronic Gaming Machine (EGM) Threshold

for

The Berkeley Hotel

7 Devon Street, Berkeley, NSW, 2506

LIQH400122039

LGA: Wollongong 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 11 for The Berkeley Hotel.
2. The Hotel’s Gaming Machine Threshold is currently 19. 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 south-west part of the Local Government Area of Wollongong LGA (“Wollongong LGA”), which is a Band 2 LGA. The local community of the Hotel comprises a resident population (of the suburbs of Berkeley and Lake Heights) , a small business community (within Berkeley and the Unanderra Industrial Park), both within the suburb of Berkeley, where the Hotel is situated. Berkeley is located within The greater area of Wollongong 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 \$5,000.00 to Youth Off the Streets Wollongong (Cordeux Heights) for each Gaming Entitlement approved. If the full increase of 11 is approved, the total amount of donation will be \$55,000.00. If we are able to source EGM’s from within the WLGA, than the once only donation will be reduced by \$5,000 for each EGM sourced within the WLGA.
7. Also, Section 5 details the positive contributions which are currently made by the Hotel, and which we anticipate will arise once the Application is approved in full: funding for local community groups, charitable donations, 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 Wollongong 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 Wollongong Local community.

2: The Hotel:

- 1: The Hotel is an existing hotel and occupies a 2-story building on the south-western side of Devon Street, Berkeley. Annexure 1 shows the Hotel's location.
- 2: The Hotel is surrounded by a small neighbourhood shopping centre, 'The Berkeley Shopping centre which is anchored by a Coles store and has six speciality shops to the east, including a;
 - a. tobacconist,
 - b. baker,
 - c. takeaway food store,
 - d. butcher
 - e. Bottle shop (tenanted by Liquorland)
 - f. Hair dresser

The Hotel is surrounded by the shopping centre parking to the north and south, and Devon St to the west which adjoins residential housing on the west of Devon St.

- 3: The Hotel was acquired by the current freehold owner in 2008. The Hotel underwent a substantial refurbishment in 2008 to allow it be a better meeting place for residents in the area and to meet the demands of patrons. The Hotel has a AHA Award for excellence 'Stamp Thai Restaurant'. The owners / managers of the hotel have a focus on great food, a family and female friendly hotel environment.
- 4: The total internal floor space of the Hotel is approximately 1550m² (over three levels: basement cellar, ground floor hotel, first floor accommodation room), including approximately 350m² of cellar / basement / storage, 750m² of ground floor hotel space including Stamp Thai Restaurant, lounge area, two bars, toilets, gaming room . (The Gaming room area is approximately 250m²). Annexure 2 shows the current floor plan of the Hotel.
- 5: The Hotel has Liquor Act approval to trade for 24 hours Monday to Saturday and from 10am to 10pm on Sunday and the general Gaming Machines Act shutdown period applies between 3am and 9am Monday to Sunday. The Hotel currently trades from 9am - 3am (Monday to Saturday) and from 10am - 10pm (Sunday).
- 6: The ground floor facilities of the Hotel comprise: a public bar, a lounge bar, several internal and external bistro areas, a TAB area and a gaming room. The Hotel has an extensive food operation, and has the authority for children to come to the licenced premises with their parents to enjoy quality Thai style foods. Occasionally, low-key entertainment, such as a DJ, acoustic nights, are offered in the Sports bar.

3: The Local Community:

- 1: The local community for the purposes of this Application is identified as business community within the south west sector of the Wollongong City Council, plus the resident population from the surrounding residential suburbs to the North (Berkeley, Lake Heights) , North East and North West, within 5kms, of the Hotel.

2: There is one other licenced club within the suburb of Berkeley which is the Berkeley Sports and Social Club which has 131 EGM's (May 2012).

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 RGC 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 Berkeley Hotel is a member of the AHA hotel self exclusion scheme, and the Berkeley Hotel;
 - 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 \$5,000.00 for each Gaming Entitlement approved will be made to Youth Off the Streets, Cordeux Heights (Situated within the WLGA). Annexure 3 attaches a copy of the correspondence between the Applicant and YOTS Wollongong confirming the arrangement made for the payment of donations, should our application be successful.

The Berkeley Hotel has made contact with other hotels within the Wollongong LGA to see if they are interested in selling EGM's to the Berkeley Hotel, with these approaches so far proving fruitless. Should the hotel be able to source entitlements from within the Wollongong LGA, than its proposed that the \$5,000 donation per entitlement is reduced by the number of entitlements sourced from within the Wollongong LGA.

2: The Berkeley Hotel has selected the Youth off The Streets organisation because they provide a specific focus on treatment and education relating to 'at risk' youth within the Wollongong Local Government Community.

3: The total available for donation will therefore be a maximum of \$55,000.00 if the full increase of 11 Gaming Entitlements is approved. If less than 11 Gaming Entitlements are approved, the total amount of contribution will be \$5,000.00 for each Gaming Entitlement approved.

As per above, should the Berkeley hotel be able to source entitlements from within the Wollongong LGA, than its proposed that the \$5,000 donation per entitlement is reduced by the number of entitlements sourced from within the Wollongong LGA.

4: *Contributions to Charity*

At present, the Hotel makes regular contributions to: Berkeley Public school, Illawarra sports High Secondary School, St Viannis Warrawong, Lake Heights Public School P & C.

With the additional revenue expected to be derived from the extra gaming machines the Applicant would be in a position to not only maintain but increase the commitment and include support for additional charities.

5: *Sponsorship of Local Community Groups*

The Hotel enjoys a close relationship with the Berkeley Eagles Rugby League Club, Port Kembla Blacks AFL club, Berkeley Netball, Berkeley Baseball, Berkeley Amateur Fishing Club, Vikings Rugby Union Club.

The Applicant would not only like to maintain but also extend the support to local community groups outside of sport. The anticipated additional revenue from the extra gaming machines is expected to make this possible.

6: *High-standard of Facilities*

The Berkeley Hotel was completely refurbished in 2008, resulting in it being a finalist in the 2009 AHA Awards for Excellence in the Best Redeveloped Regional Hotel category and Best Regional Accommodation.

The additional funds expected to be derived from the increased in poker machines will be utilised in part to maintain the current high standard of repair and maintenance of the Hotel.

7: *Increased Employment*

The increase in the number of gaming machines of 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 particularly in an economic climate where unemployment rates are considerably above national averages.

Additionally, each of the employees at the Hotel participates 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, 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 Liquor Act 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, to the broader 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 Hotel has undertaken 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, local government area and to the State generally.