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CLASS 1 – LOCAL IMPACT ASSESSMENT

Prepared under the Gaming Machines Act 2001
and the Gaming Machines Regulation 2002

To accompany an application
for an increase of four in the
gaming machine threshold

of the
Yamba Shores Tavern
64 The Mainbrace, Yamba

Prepared for the licensee
Stephen Allan Smith
and for the owner
Leslie Muir Holdings Pty Ltd

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REF: 099365 LIA

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EXECUTIVE SUMMARY

The Yamba Shores Tavern stands in the Clarence Valley LGA (CVLGA) at 64 The Mainbrace, Yamba. Yamba is a coastal tourism and retirement town of some 6,000 people, located 150km south of the Queensland border and 60km from Grafton (vide **Plan 099365/1**).

The Tavern has a gaming machine threshold of 16 and keeps 16 machines. The applicant seeks an increase of four (4) in its gaming machine threshold.

The Tavern has a licensed area of 985m² and has development consent to expand this to 1,134 m².

The Tavern's trading hours are generally restricted to between 9am and 10pm Monday to Thursday, 9am and 1am Friday and Saturday, and 10am and 10pm Sunday.

For the purposes of this application, the "local community" has been identified as Yamba (including Crystal Waters), Palmers Island to the west and Angourie and Wolloweyah to the south, these areas being serviced by the Tavern's two courtesy buses. In 2006, it had a population of 6,760.

The Tavern's gaming machine operation is conducted in accordance with the relevant provisions of the legislation including those found under Divisions 3 and 4 of Part 4 'Gambling Harm Minimisation' of the Gaming Machines Act 2001 (*the Act*) and Divisions 1, 2 and 4 of Part 3 'Responsible Gambling Practices and Other Harm Minimisation Measures' of the Gaming Machine Regulation 2002 (*the Regulation*).

In terms of direct contributions to the local community, extensive and on-going sponsorship to local sports clubs and charities is provided including to the Clarence Coast Junior Rugby League, the Yamba Surf Lifesaving Club, the Yamba Breakers Soccer Club, the Dragons Abreast Dragon Boat Racing and the Variety Club.

As additional immediate support for the local community, the applicant is prepared to donate a sum of \$10,000 to be divided equally between the Yamba Public School and the Yamba Pre-school to be expended at their discretion.

1 INTRODUCTION

1.1 Under the Act, certain applications made to the Casino, Liquor and Gaming Control Authority (CLGCA) to increase the gaming machine threshold (*the GMT*) of a hotel need to be accompanied by a Local Impact Assessment (LIA). The Authority must approve the LIA before it can approve any increase in the GMT of the hotel.

1.2 Section 36 of the Act specifies that, for the Authority to approval an LIA, it must be satisfied that:-

- a. the LIA complies with the requirements of the relevant provisions of the Act and the Regulation;

- b. the LIA demonstrates the gambling activities in the relevant venue will be conducted in a responsible manner; and
 - c. in the case of a Class 1 LIA (*LIAI*) related to an established hotel, that:-
 - i. the proposed increase in the GMT will provide a positive contribution towards the local community; and
 - ii. the LIA has adequately addressed community concerns arising out of the consultation process under the Regulation.
- 1.3 Stephen Allan Smith, the licensee, on behalf of Leslie Muir Holdings Pty Ltd, the owner of Yamba Shores Tavern (*the Tavern*), 64 The Mainbrace, Crystal Waters, Yamba, is applying, under Section 34 of the Act, to the Authority for the approval of a GMT increase of four (4) at the Tavern, ie, from 16 to 20. The company has instructed Design Collaborative Pty Ltd (*DC*) to prepare an LIA to accompany that application.
- 1.4 An LIA is required because Yamba lies in the CVLGA. Pursuant to Section 33 of the Act, the Authority has classified the CVLGA as a Band 2 LGA. Because the increase in the GMT sought is in the low range of increases as defined in Clause 34 of the Regulation, a Class 1 LIA is required to accompany the application.

2 YAMBA

- 2.1 The township of Yamba stands on the southern side of the mouth of the Clarence River, some 150kms south of the Queensland border. **Annexure 1** describes Yamba and its surrounds. Yamba is relatively isolated, lying some 13 kms off the Pacific Highway, 18 kms from Maclean and 60 kms from Grafton, the nearest larger town. Iluka, which lies directly across the river from Yamba, is some 40 kms away by road.
- 2.2 In 2006, Yamba's usually-resident population was 5,514, with another 200 non-residents being recorded in the town at the time of the 2006 Census. Maclean's population was 3,245 at that time, while Iluka had a population of 1,738.

3 THE YAMBA SHORES TAVERN

- 3.1 The Tavern, which opened in 1991, stands on the south bank of the Clarence on Lot 27, DP879908, at 64 The Mainbrace, in Crystal Waters, isolated from any other commercial development. The shopping centre in Crystal Waters is over a kilometre to its south-west (see **Plan 099365/2**)
- 3.2 To the west of the Tavern, there is a tract of environmentally-sensitive mangrove flats while, to the east and south, there is residential development (see **Plan 099365/3**). The Tavern's location is such that there is no passing trade. Patrons of the Tavern come there specifically for the purpose of attending it.

- 3.3 The Tavern is single-storeyed, of brick construction with a metal roof and provides 145 car parking spaces. Part of the licensed area of the Tavern is a 60-metre-long pontoon in the Clarence River at which patrons' boats may moor. The licensed area of the Tavern covers 985m². **Annexure 2** is a floor plan of the existing premises. The gaming room is shaded on that plan. The Tavern provides a bottle shop, a restaurant, a public bar, an external (covered) children's playground, an external courtyard, a covered deck along the Clarence River's bank as well as a gaming room. Clearly, gaming is not the principal purpose of the Tavern.
- 3.4 Under its licence, the Tavern is permitted to trade between 5am and 3am, Monday to Saturday, and 10am and 10pm, Sunday. However, trading is generally restricted to between 9am and 10pm, Monday to Thursday, 9am and 1am, Friday and Saturday, and 10am and 10pm, Sunday. The Tavern's gaming room opens at 10am each day, ie, it is closed during the mandatory shut-down period between 4am and 10am each day.
- 3.5 Live entertainment at the Tavern is provided between 7.30pm and 11.30pm on Friday and Saturday nights and on some Sundays. During summer, some light entertainment may be provided on the external decking on the River between midday and 4pm. A condition of the licence prohibits entertainment being provided after midnight.
- 3.6 Bistro-type meals are available between 12pm and 2.30pm and 6pm and 8.30pm. The "Pelican Restaurant", providing fine dining from an 'al-a-carte' menu, is open between 6pm and 10.30pm (or 10pm on Sunday). Functions, such as weddings and birthday parties, are catered for without any charge being made for the use of its facilities.
- 3.7 The Tavern provides two courtesy buses which operate from noon each day until all patrons wishing to use the service are taken home. That service covers Palmers Island, Crystal Waters, Yamba, Angourie and Wolloweyah.
- 3.8 The Tavern attracts a wide variety of patrons ranging in age from 18 to 80. Children in the company of a responsible adult are permitted and visits by families are encouraged. The majority of the patrons live locally but patronage by people living elsewhere in the Clarence Valley, eg, day-trippers from Grafton, is increasing. The Tavern is promoted to tourists and its growth, as a business, is seen as being closely linked to its success, and the success of Yamba, in that field.
- 3.9 Development Application No. 2008/1074, consenting to alterations and additions which will provide larger dining and external areas and a new gaming room, was approved by the Clarence Valley Council on 21 April 2009. **Annexure 3** is the approved floor plan of the expanded premises.
- 3.10 The Tavern currently has 16 gaming machines. All gaming machines are located within a gaming room conforming with Clause 9 of the Regulation in that:-
- i. the gaming room is located in a bar area;

- ii. the gaming room is physically separated from the general bar area by walls and doors;
- iii. patrons are not compelled to pass through the gaming room in order to enter or leave the Tavern or in order to gain access to another part of it;
- iv. entry to the gaming room is free-of-charge;
- v. the gaming machines cannot be seen or heard from any place outside the Tavern that is used by the public or to which the public has access;
- vi. all gaming machines are suitably spaced in order to facilitate access;
- vii. the gaming room is supervised at all times by electronic means and/or the physical presence of the licensee or an employee; and
- viii. the gaming room cannot be accessed directly from a public street.

The gaming room approved by DA No. 2008/1074 will comply with those requirements.

- 3.11 In busy periods, the Tavern's existing machines cannot cope with players' demands. The inability of the Tavern to accommodate those peak demands adversely affects the profitability of the business because, at other times, the number of machines played is quite low. The threshold increase sought would assist the Tavern to meet the peak demands to play and should improve its profitability.

4 COMPETITIVE FACILITIES

- 4.1 There is another hotel – the Pacific – in the older part of Yamba. There are also two registered clubs in that part – the Yamba Bowling and Recreational Club and the Yamba Golf and Country Club. The hotel and the clubs keep 19, 105 and 62 gaming machines, respectively. They all lie over 3.5kms from the Tavern.
- 4.2 The next-closest hotel is the Harwood, on Harwood Island, some 13kms away to the west on the Pacific Highway. There are three hotels and two clubs in Maclean and a hotel and a bowling club in Iluka. All keep gaming machines.
- 4.3 **Plan 099365/4** shows the locations of gaming venues along the lower reaches of the Clarence River.
- 4.4 In total, the CVLGA has some 856 gaming machines, of which 272 are in hotels. [The CVLGA covers 10,440 sq kms and had a population of 48,146 at the 2006 Census.

5 THE LOCAL COMMUNITY

- 5.1 Neither the Act nor the Regulation defines how the “*local community*” for the purposes of a Class 1 LIA is to be ascertained. The definition provided for the purposes of a Class 2 LIA in Clause 38(6) of the Regulation is:-

“(a) the people in the area (or in the group) from which the persons using the services and facilities of the venue concerned are likely to be drawn,

(b) *the people in the area (or in the group):*

- (i) *that is to derive, or that the Authority considers is likely to derive, social or economic benefit if the threshold increase application is approved, or*
- (ii) *that is to suffer, or that the Authority considers is likely to suffer, social or economic detriment if the threshold increase application is approved.”*

As an LIA1 does not have to address (b), (a) has been adopted in this LIA1 to ascertain the local community.

- 5.1 Based on information provided by the applicant, the majority of the Tavern’s patrons live locally. A proportion of the Tavern’s patrons are day-trippers (eg, from Grafton and like places) and tourists who are attracted from across Australia and overseas. It would be unreasonable to suggest that the local community extends to encompass all of the places where patrons of the Tavern live because they do not visit it with any significant frequency.
- 5.2 It seems reasonable to limit the “*local community*” to Crystal Waters, Yamba, Palmers Island, Angourie and Wolloweyah, being the areas serviced by the Tavern’s courtesy buses. **Plan 099365/5** depicts the extent of that local community, ie, the area within which those persons most likely to use the services and facilities of the Tavern live.
- 5.3 People living in the rural areas west of Palmers Island can, reasonably, be excluded from the local community because, while they may visit Crystal Waters for its supermarket, they are unlikely to travel the extra 1.5kms to the Tavern with any regularity. They are more likely to patronise the “rural” hotels at Harwood and Maclean than the essentially “urban” Tavern because of commonality of interest with the other patrons of those hotels.
- 5.4 The ‘permanent’ population of the local community at the 2006 Census was in the order of 6,760. During peak holiday times, it increases, possibly, to more than 15,000 for short periods. It also increases at weekends due to day-trippers.
- 5.5 The population of the local community is growing, albeit relatively slowly. That population contains a significantly higher proportion of persons over 65 than the State’s and experiences higher unemployment although, at the CVLGA level, the rate of unemployment is falling.¹ The population has relatively-low household incomes but that is offset by lower household rentals. Those are common characteristics of many coastal towns in NSW.

6 THE BENEFITS TO THE LOCAL COMMUNITY

- 6.1 Under Clause 37(b) of the Regulation, details of the benefits that the Tavern will provide to the local community, if the threshold increase application is approved, must be nominated.

¹ Department of Education, Employment and Workplace Relations. *Small Area Labour Markets Australia*. (December Quarter 2009).

- 6.2 The Tavern already provides sponsorships to various local sporting clubs and charities on an on-going basis. These include the Clarence Coast Junior Rugby League, Yamba Surf Lifesaving Club, Yamba Breakers Soccer Club, Dragons Abreast Dragon Boat Racing and the Variety Club. The Tavern is the “home” for a variety of “community clubs” such as the local fishing club and the Port of Yamba Yacht Club. The Tavern also hosts a variety of functions such as the Boardline Street Hot Rods Show and Shine and Yamba Boxing Club’s fight night. Approval of the GMT increase sought will enable the Tavern to maintain and expand its support for such local groups, thereby providing a public benefit.
- 6.3 While the addition of machines sought by the application could be accommodated in the existing gaming room, the owner’s intention is to install them after the works approved by DA No. 2008/1074 have been undertaken. It hopes to use the existence of an approval to increase the GMT at the Tavern will assist it in obtaining finance for those works as it would provide would-be financiers with greater assurance of the Tavern’s viability. That would expedite the construction work.
- 6.4 The Tavern employs 40 full or part-time staff with 12 generally on duty at any time. When the proposed works have been completed, it is anticipated that the Tavern will employ additional staff. That will be a public benefit in this area of high unemployment.
- 6.5 As additional immediate support for the local community, the applicant is prepared to donate a sum of \$10,000 to be divided equally between the Yamba Public School and the Yamba Pre-school to be expended at their discretion.

7 HARM MINIMISATION

- 7.1 Under Clause 37(c) of the Regulation, details of the harm minimisation and responsible gambling measures that are in place must be provided.
- 7.1 The Tavern’s gaming machine operation is conducted in accordance with the relevant provisions of the legislation in that:-
- the licensee and all staff involved in gaming related duties hold a Responsible Conduct of Gambling Certificate. Copies of those certificates are kept on premises and are available for inspection by relevant authorities
 - the Tavern operates a self-exclusion scheme which complies with the provisions of the legislation through the AHA’s GameCare
 - the Tavern has an arrangement with the AHA GameCare in relation to the provision of problem gambling counselling and patrons are advised of the “gambling HELP” service
 - staff have training in self-exclusion and on referral to counselling services
 - all required signage and notices are displayed in conspicuous positions and maintained

- gambling counselling service contact cards are attached to each bank of approved gaming machines
- player activity statements under player reward schemes are made available on request of the patron in accordance with the Regulation (**Matthew: is this the case?**)
- a clock is visible from any seated position in the gaming room
- no ATM is located in its gaming room
- the Tavern does not provide credit
- there is a limit of \$2,000 on cash payments for winnings
- the Tavern does not cash cheques
- the Tavern does not offer or provide promotional prizes that are indecent or offensive
- the Tavern does not offer any inducements to gaming
- staff are not permitted to play the gaming machines when on duty at the Tavern
- the presence of poker machines is not made known outside of the Tavern
- no player reward scheme is operated at the Tavern.

7.3 If the application for the GMT increase is granted, these practices will be maintained.

8 CONSULTATION

8.1 In accordance with Clause 39 of the Regulation, within two working days of the application being lodged with the Office of Liquor, Gaming and Racing (*OLGR*), copies of the application and the LIA will be provided to the Council of the CVLGA and Police at Yamba. Notification that the application has been lodged will be provided to the Council of Social Services of NSW and the North Coast Area Health Service. (There is no organisation in the CVLGA funded by the Responsible Gambling Fund for the purpose of providing gambling-related counselling or treatment services.) In addition, an advertisement will be placed in a local newspaper circulating in the area and a notice will be posted outside at the Tavern.

8.2 All notifications and the advertisement will outline and explain the nature of the application and that an LIA has been provided, advising that application and the LIA may be inspected on the website of the OLGR and that any person may make a submission in relation to the application within 30 days of the date on which the advertisement or notice displays.

8.3 If OLGR forwards any responses it may receive to the applicant or DC, on behalf of the applicant, endeavours will be made to resolve any relevant concerns raised.

9 SOME OBSERVATIONS ON PROBLEM GAMBLING

- 9.1 Through experience, DC has found that the most-common submissions made by those opposed to increases in GMTs are concerned with the alleged likelihood of potential increases in over-spending by existing problem gamblers and/or the creation of additional problem gamblers.
- 9.2 It is generally accepted that the majority of people who play gaming machines do so for enjoyment and recreation and suffer no ill-effects from doing so.
- 9.3 The percentage of problem gamblers, i.e., those who suffer ill-effects from playing gaming machines has been estimated, in numerous studies, to be around 1% of the adult population. The NSW Government Population Health Survey 2008-2009 (2010) assessed the percentage of problem gamblers in NSW was around 0.4% of the adult population, ie, lower than the usually-postulated average.
- 9.4 The applicant reports that he is unaware of:-
- any problem gamblers among the Tavern's patrons;
 - anyone approaching its licensee or its managers for advice on counselling or for self-exclusion; and
 - no-one is currently self-excluded from the Tavern.

This suggests that the level of problem gambling in the local community is not high.

- 9.5 In its 1999 report, "*Australia's Gambling Industries*", the Productivity Commission estimated that problem gamblers were responsible for about 40% of all expenditure on gaming machines. If that estimate is correct, in a small venue – such as the Tavern – where most patrons are 'regulars', its staff ought to be aware of anyone affected by problem gambling. The applicant reports that no-one has been identified by its staff as exhibiting the more-common characteristics said to be indicative of problem gambling such as playing for extended periods or making frequent visits to the ATM.
- 9.6 The pattern of patronage of the Tavern should also assist the staff in identifying problem gamblers. For most of the time the Tavern is open, it attracts relatively-small numbers of patrons and only a few of them play the machines. It should be evident to staff if anyone is playing for an extended period. However, there are short periods each day when the Tavern is busier, eg, at lunch times and after work, with Thursdays and Fridays being markedly busier. In addition, Saturday and Sunday are generally busier than weekdays during daylight hours. It is during these busier periods in the Tavern that its gaming room is busy with – at times – people waiting to play the machines.
- 9.7 If the Tavern is upgraded and if it cannot keep additional machines, that situation is expected to become more pronounced as the Tavern is expected to attract more patrons. [The additional machines are being sought to relieve those periods of congestion which, of course, are the periods when the gaming room is most profitable.]

- 9.8 It is accepted that problem gambling imposes serious burdens on those afflicted and that those problems flow on to their families and close associates and to the community as a whole. The extents of those burdens are not clearly established, in part, because problem gambling is often associated with other problems such as depression, anxiety, unhappiness and/or addiction to drugs as well as impoverishment and lower levels of education. The situation is further complicated by the lack of any clear guidelines for diagnosing what level of dysfunction constitutes problem gambling. That is because the descent into problem gambling is usually gradual, mixed with other problems and manifested at different “levels” by different people. Moreover, it may not be constant or permanent as it seems people can drift into, and out of, that condition over a period.
- 9.9 Given that the Tavern already provides gaming machines and there are three other venues in Yamba which provide many more gaming machines, it would appear highly unlikely that any patron or potential patron would succumb to problem gambling simply because four additional machines were available at the Tavern.

10 CONCLUSION

- 10.1 At most, all that can be said about the approval of the GMT increase sought and the subsequent installation of four additional gaming machines at the Tavern is that their presence may create the potential for some increase in gambling problems in the local community. However, given that there are 202 gaming machines already in the local community, it seems improbable that four additional machines would result in any appreciable increase in either the number of problem gamblers or the amounts spent by any problem gambler.
- 10.2 The Tavern already provides funding to a number of local organisations and is a significant employer. If the GMT increase is granted, the Tavern will maintain that form of funding, increase its workforce and make a donation of \$10,000 to be divided equally between the Yamba Public School and the Yamba Pre-school.