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29 June 2017

Dear Natasha,

**Response from the Independent Liquor and Gaming Authority to the Local Impact Assessment
Review Discussion Paper 2017**

The Authority welcomes the opportunity to provide a response to the LIA Review. In summary, the Authority acknowledges that while there is a commitment to ensure improvements are introduced where needed, that this is an iterative process. The current LIA provided a framework that was, at the time of its development, a contemporary approach to meeting the objectives of the Act. Since that time however there have been many changes, including improvements in access to data and evaluation which could be included in this Review. It is anticipated that this Review will build on the current LIA and allow it to evolve appropriately to better meet the needs of the community and industry as identified in the objectives of the Act.

1. Does measuring the risk of harm at the LGA level remain appropriate?

As outlined in the Discussion Paper, the size of LGAs has increased as a result of the local government merger process which is ongoing. The issue with measuring risk of harm at the new LGA levels, even more so with their increased sizes, is that any differences in communities are further diluted and result in homogenization. The application of SEIFA across a Local Government Area doesn't allow for a more granular perspective, such as looking at the characteristics of a neighbourhood, which is more useful when assessing communities within a designated area.

The Authority would like to see exploration of Queensland's SA2 approach and the radius approach as noted in the Discussion Paper for application to NSW. The Authority recognizes that current data sets used may not readily align with new approaches. However, there have been developments in data analysis. The opportunity to apply more sophisticated analysis and gain a deeper understanding of risks to communities than has been previously possible should be explored.

2. Should the LIA scheme continue to classify areas into Bands, 1, 2 or 3?

Advantages of the banding system include regulatory consistency and greater certainty for industry. However, the Authority shares the view that, as LGA populations and size increase, it becomes an increasingly blunt instrument as noted above.

The Authority is also aware of analysis indicating that a significant number of Band 1 LGAs have poor SEIFA scores. This suggests that SEIFA status may be insufficiently weighted in the classification formula and/or that the formula should incorporate additional risk factors.

On balance, the Authority supports the banding system, but would also support modifications to the formula to include some of the assessment factors used in other jurisdictions, such as prevalence of problem gambling, demand for gambling help services, and available indicators of financial or emotional stress.

The Authority acknowledges that the classifications impact on the value of GMEs for licensees and that the LIA scheme seeks to foster balanced development in the industry and minimize harm associated with abuse of gambling activities. These objectives need to be considered in any changes to classifications.

3. Do the criteria used to determine levels of risk remain?

The Authority notes that the Discussion Paper has provided a brief summary of other local data used in other jurisdictions that may assist in determining levels of risk. The Authority would welcome enhanced criteria for NSW that include more information and assessment at the local community level and identify areas of risk. This should include assessment of problem gambling in the local area to which the application applies and also an analysis of the potential impact on problem gambling of the proposed threshold increase. The comments in Questions 1 and 2 are also relevant here.

4. Should the existing community consultation process be amended?

The Authority notes that the community consultation process should allow communities impacted by applications to participate in an accessible and meaningful manner. It may be timely to review the effectiveness of the community consultation process in light of the evaluation to date and the experiences in other jurisdictions and apply relevant improvements to NSW.

5. Should what constitutes a “positive contribution” be more clearly defined?

“Positive contribution” is not defined by the Act and the Authority is strongly of the view that this should be addressed through the current review. At present, there is an informally agreed approach that the “contribution” is a one-off monetary amount to support a community facility or service that provides a recognized benefit.

The Discussion Paper notes that some stakeholders have suggested that the donations could be spaced out over a longer period of time so the community receives a tangible, ongoing benefit. It would be appropriate that the contributions be required to demonstrate how they assist in minimizing harm and assist at risk or vulnerable communities in their catchments.

The Authority would support the development of guidelines for determination of “positive contribution”, possibly by regulation or similar statutory process. The Authority also considers that an evaluation methodology should be developed which will aid in decision making to inform future reviews.

6. Should the exemptions from the LIA process remain?

The current exemptions are based on the Band and LGA definitions. If these are changed, then the exemptions would also need to be reviewed.

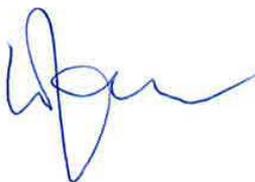
Regarding the special provision for clubs establishing in new development areas, the Authority notes the inherent difficulty in assessing risk and minimizing harm through LIA or similar processes, in the absence of a pre-existing residential community. This provides a rationale for the reduced LIA requirements for new developments in Band 1 areas. From this perspective, it is anomalous that the provision does not apply to “brownfield” new development areas.

The Authority’s consideration of new development LIAs would be assisted by greater clarity around “positive contribution” (see comments on Question 5) and any improvements to community consultation (see comments on Question 4).

7. Further questions for consideration and comment

The Authority supports the development of a comprehensive evaluation framework to assess the effectiveness of the LIA program. The evaluation framework would assist in monitoring implementation, identify potential improvements and provide information on whether the LIA meets its objectives.

Yours sincerely,



Philip Crawford
Chairperson

For and on behalf of the Independent Liquor and Gaming Authority