



## **NSW Greens' Submission to the Local Impact Assessment of Gaming Machines review**

**June 2017**

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The Greens are pleased to make a submission to the NSW Government's review of the Local Impact Assessment of Gaming Machines (LIA).

The LIA scheme should work to minimise the harm caused by Electronic Gaming Machines (EGM's – or poker machines) in our communities and in particular ensure the number of EGMs in NSW continues to decline. This decline should happen more quickly than it currently is.

There are over 95,000 poker machines in NSW today. This is estimated to be 10% of machines world wide. Around \$8bn is sucked out of the NSW community each year by poker machines in our local pubs and clubs. The Government's own tax forecasts show they are anticipating an increase in poker machine profits from clubs and pubs over the next four years. This suggests an increase in harm from poker machines losses is anticipated and raises questions about the ability of current regulations, including the LIA, to contribute to a goal to reduce harm and machines.

The level of transparency around the LIA process and poker machines profits is inadequate to give the community confidence that their concerns are being considered fairly. Commentary and suggestions are made in regards to transparency in response to the questions below. In order to demonstrate a willingness to improve transparency, the Government should ensure all submissions to this review should be made public, through the Authority's website, as soon as possible after submissions close. The public should be able to access all submissions during the review period, before a decision has been reached.

The NSW Greens make the following points in relation to the key review questions.

### **Does measuring the risk of harm at the LGA level remain appropriate?**

The LGA is not sufficient for measuring risk of harm from EGMs for the following reasons:

- Recent council mergers have created much larger LGAs, with diverse needs and socio-economic environments. The scale of these new LGAs mean that meaningful assessment of harm and risk will not likely be accurate or specific enough.
- Generally, the engagement of councils with the issue of gambling can vary significantly. Assessing only on the LGA level leaves areas vulnerable, depending on the interest and engagement of the local council.



- Within all LGAs, there are variations in levels of disadvantage – these pockets often cannot be adequately addressed when considering the LGA as a whole.
- Information considered is often limited to expenditure and socio-economic factors, which are not sufficient to properly assess risk of harm.

Therefore, risk and harm would be more accurately assessed through:

- Adopting a more localised approach to assessment.
- Subjecting venue-based applications to a process similar to development applications, with comment and submission allowed by any resident or body concerned with the likelihood of harm.
- Considering applications in relation to the aim of minimising harm to the community and reducing the number of EMGs.
- Requiring the applicant is to submit information about their current customer base and the potential risks to this group.
- Ensuring venue by venue data on expenditure and losses are reported regularly to inform assessments. (See question 4 for more information)
- Requiring councils to undertake regular reviews of the impact of gambling within their LGA and submit these finding to the Authority for consideration when assessing any increase submission.

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

The Greens question whether these Bands will continue to be an accurate reflection of risk and harm in the wake of council mergers.

The Greens believe that all increase applications should be subject to community consultation and rigorous risk assessment with the aim of reducing harm and the number of EGMs, regardless of classification. The current system, with different thresholds for different bands, risks Band 1 areas quickly becoming Band 2 areas (in relation to the number of entitlements). All applications for EGM increases should, at least, be held to the same high barrier of requiring a demonstrable overall positive impact on the community.

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

The Greens believe that current criteria are not sufficient to provide an comprehensive, overall risk assessment. As a key aim of the legislation is harm minimisation, criteria must be expanded to factor in the range of different harms associated with gambling. There are other social harm indicators that should be considered in addition to SEIFA scores, such as:

- Existing levels of gambling addiction, including problem gambling and moderate risks gamblers and the potential increase.
- Existing accessibility of EGMs e.g. number of venues, number of EGMs.



- Availability of alternative recreation in the local area, to ensure the community has different entertainment choices.
- Prevalence of violence.
- Crime.

Considering a range of social factors will allow a better and more comprehensive assessment of the existing impact of EGMs on the community and the risk associated with increasing a local or venue threshold. These factors should continue to be monitored, particularly if more entitlements are approved.

The criteria should reflect the main aim of this process and legislation; to reduce harm and to reduce the number of gaming machines in NSW. As such, there should be an onus placed on the applicant to demonstrate that their application will not result in harm across a range of economic and social factors.

#### **4. Should the existing community consultation process be amended?**

There is recognition that gambling can harm individuals and communities, evidenced by rates of problem gambling and moderate risk gambling. Because it is the community that bears the weight of the harm caused by gambling, their contribution should be a key part of the LIA process.

In order for communities to fully participate in their process, they need to be provided with information about their own area in relation to poker machine gambling and GMEs. The Authority should make available, on a monthly basis, the following information about venues in each local government area:

- Name and address,
- Total number of gaming machines,
- The gaming machine threshold for the venue,
- The total value of all bets made by players of gaming machines at the venue,
- The total profits from all gaming machines at the venue,
- For clubs, the total amount of category 1 financial contributions that make to the community and what this is as a percentage of their total gaming machine profits.

In addition, community consultation should be managed by the Authority. The Authority should proactively identify residents, businesses and community groups likely to be impacted. This process should be similar to existing development assessment processes.

In this process, the burden of proof should be on the applicant to demonstrate that the increase will provide a net benefit to the community, and will not increase harm caused by gambling.



## **5. Should was constitutes a 'positive contribution' be more clearly defined?**

The discussion paper outlines that the Authority provides guidance as to what a 'benefit' which may result in a 'positive contribution' amounts to. It states, "the benefit to the community is usually a one-time financial contribution made following the determination of the application by the Authority". If this is the practice, it should be made clear to the public that 'positive contribution' is in reality a one-off donation to secure an increase in gaming machines and the description should be changed to reflect this.

The Greens question whether a one-off payment can offset the negative consequences in the long-term from an increase in gaming machines at a venue or across a local area. The Greens also question whether there can be in effect be a net positive contribution, when all impacts are fully assessed, as a result of increases of poker machines in a venue or local area.

If the term 'positive contribution' continues to be used, it should not be able to be demonstrated by only a single, financial contribution but should have a much wider scope and longer lasting effect for the community. Any such contribution should also be outside the existing ClubGrants program, for which registered clubs receive tax concessions.

## **6. Should exemptions from the LIA process remain?**

The Greens believe there should be no exceptions to the LIA process, as all communities have the right to comment and respond to changes to their local area. This will also allow better monitoring of GME within LGAs, to ensure that disadvantaged areas within the area are not being subjected to more intense concentrations of machines.

Any questions in regards to this submission should be addressed to the office of Justin Field MLC, NSW Greens spokesperson on Gaming and Racing on [Justin.field@parliament.nsw.gov.au](mailto:Justin.field@parliament.nsw.gov.au).