

NSW Independent Liquor & Gaming Authority

Our ref: DF25/030559

Mr Andrew Wennerbom
AMW Lawyers

15 May 2025

Dear Mr Wennerbom

Application No.	1-9276866270
Applicant	REDCAPE HOTEL GROUP PTY LTD
Application for	Gaming Machine Threshold increase with a Class 1 Local Impact Assessment
Application date	4 November 2024
Decision date	16 April 2025
Licence name	Lakeview Hotel Motel
Licence number	LIQH400114494
Trading hours	Monday to Saturday 05:00 AM – 12:00 AM Sunday 10:00 AM – 10:00 PM
Gaming machine shutdown hours	Monday to Sunday 04:00 AM – 10:00 AM
Premises	4 Government Road Oak Flats NSW 2529
Legislation	Sections 3, 34, 35 and 36 of the <i>Gaming Machines Act 2001</i> Clauses 31, 32, 33, 37 and 40 of the <i>Gaming Machines Regulation 2019</i>

Decision of the Independent Liquor & Gaming Authority
Application for a Gaming Machine Threshold increase with a Class 1 Local Impact Assessment – Lakeview Hotel Motel

We **refuse** the Class 1 Local Impact Assessment (**LIA**) under section 36 of the Gaming Machines Act 2001 (**the Act**) and **refuse** the application for a gaming machine threshold (**GMT**) increase under section 34 of the Act.

Statement of reasons

We note that the applicant seeks a GMT increase for a Hotel in a Band 2 statistical area 2 (**SA2**). We are concerned that the sociodemographic risk factors in the SA2, high gaming intensity at the venue and high gambling participation in the Local Health District (**LHD**) suggest that approval would be inconsistent with the objects of the Act.

We are not satisfied that:

- the proposed increase in the GMT for the venue will provide a positive contribution towards the local or broader community.
- the LIA has adequately addressed any community concerns arising out of the legislated consultation process.

We are satisfied that:

- the threshold increase application and the LIA comply with the requirements of Part 4 Division 1 of the Act and its associated Regulations, and
- the LIA has demonstrated that gambling activities in the relevant venue are likely to be conducted in a responsible manner.

Our main findings

The local community for the purposes of this decision is Shellharbour - Oak Flats. The broader community is the Local Government Area (**LGA**) of Shellharbour.

We are concerned that if the application were granted, with the result that the venue's gaming machine threshold is increased from 19 to 30, it is likely to increase the harm associated with the misuse and abuse of gambling activities due to the:

- venue being located in a Band 2 SA2, an area experiencing significant levels of socioeconomic disadvantage and surrounded by other Band 2 and Band 3 areas
- high gaming intensity at the venue, as indicated by the average profit per gaming machine at the venue being higher than in Shellharbour generally and higher than the average for venues of similar size and location
- location factors in Shellharbour – Oak Flats indicating higher than average levels of single people, people with lower levels of education and ATSI people, which have been identified in research as groups with increased vulnerability to gaming related harm
- gambling participation in the LHD being higher than state average
- LGA experiencing increased crime rates in relation to 'Incident of break & enter' and 'dwelling and motor vehicle theft' compared to NSW over the two years to December 2024. These are two of six types of crime found to be correlated with increased gaming expenditure. according to recent research 'Does gambling expenditure have any effect on crime?' from 2024 by Wan, Wang and Weatherburn¹.

We further note that Shellharbour Council strongly objected to the application citing similar concerns with the elevated levels of vulnerable populations in the area, local crime rates, and increased risk of gambling harm.

We acknowledge that it could be argued that the following may help to mitigate some of the risks in the community:

- the proposed increase of gaming machines to a total of 30 would require the venue to employ a Responsible Gambling Officer when gaming machines are operated
- the applicant would be required to contribute \$1.17 million to the Responsible Gambling Fund to fund local harm minimisation and education.

¹ Wan, W., Wang, J., Weatherburn, D., (2024). Does gambling expenditure have any effect on crime? Addiction. 2024 Dec;119(12):2197-2204. doi: 10.1111/add.16648

- the venue is not licenced to trade after midnight
- although gambling participation in the LHD is high, the sum of moderate and high-risk gamblers in the LHD is below NSW average
- notwithstanding the increased crime rates in the LGA for two of the six offences positively correlated with gaming expenditure, offence rates in the suburb of Oak Flats are all stable and all rates for both suburb and LGA are lower than the NSW wide average

However, on balance, we are not satisfied that the proposed increase will provide a positive contribution towards the local community.

The material we considered

We considered the following material when making our decision:

- the application material
- liquor licence document dated 10 February 2025
- LIA dated September 2024
- a gaming plan of management for the licensed business
- venue maps and images
- data provided by L&GNSW pertaining to:
 - location factors for populations at increased risk of experiencing gambling problems and gambling harm for the LGA and SA2 where the venue is located
 - gaming profits at the venue
 - gaming participation and prevalence in the local health district (LHD) compared to NSW
- submission from Shellharbour City Council
- the applicant's response to stakeholder submissions which:
 - noted Oak Flats has a lower than NSW average number of residents in the 18-34 age group
 - noted BOCSAR reports lower than NSW average rates of domestic and non-domestic assault, steal from motor vehicle and malicious damage offences for Oak Flats
 - asserted the proposed community contribution payment to the Office of Responsible Gambling
 - increased support to local sporting teams and the "*...sustainability of the hotel following its renovation*" all represent positive local impacts
- ILGA [Guideline 11](#) regarding Class 1 Local Impact Assessment process guidelines.

This decision will be published in accordance with section 36C of the *Gaming and Liquor Administration Act 2007*.

Opportunity for review

The applicant and anyone who was notified of the application and made a submission, may apply to [NCAT](#) for a review of the decision.

An application for review must be made no later 28 days after the decision is published on the website. There is a fee to lodge the application.

For more information, please contact the NCAT Registry at Level 10 John Maddison Tower, 86-90 Goulburn Street Sydney or visit the NCAT website.

If you have any questions

Please contact Liquor & Gaming NSW at: new.applications@liquorandgaming.nsw.gov.au if you have any questions.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Caroline Lamb'.

Caroline Lamb

Chairperson

Independent Liquor & Gaming Authority