

Director-General of Licensing

Decision Notice

Matter: Application for Gaming Machine Licence

Premises: Flynn Tavern
127 Flynn Circuit
Bellamack NT

Applicant: Armada Hotels and Leisure Pty Ltd

Proposed Nominee: Mr David Anthony

Submissions: Ms Caron Banks and Mr Liam Banks
Bellamack Residents Group

Legislation: Section 24 *Gaming Machine Act*

Decision of: Director-General of Licensing

Date of Decision: 20 June 2016

Background

1. By decision dated 13 April 2016 the Director-General of Licensing ("the Director-General") approved the grant of a tavern liquor licence for premises to be known as Flynn Tavern ("the Tavern"), located at 127 Flynn Circuit, Bellamack NT. The application for a tavern liquor licence was lodged by Mr David Stanley Anthony, Director of Armada Hotels and Leisure Pty Ltd ("the Applicant"). The Tavern is currently under construction and the liquor licence was granted subject to a condition that it will not become operative until such time as the construction of the premises is complete and all necessary statutory approvals are obtained.
2. Concurrent with the application for a liquor licence Mr Anthony also lodged an application, pursuant to section 24 of the *Gaming Machine Act* ("the Act"), seeking a gaming machine licence to authorise the operation of 20 gaming machines at the Tavern.
3. Under section 24(1)(b) of the Act, a licensee may apply for a gaming machine licence. The Director-General of Licensing ("Director-General") may grant or refuse such an application and in determining the application shall have regard to Part 3, Division 2 of the Act.
4. The application was accompanied by the prescribed application fee. Pursuant to section 24(3)(q)(ii) of the Act, the application must also be accompanied by the prescribed levy for each gaming machine that the applicant seeks to have authorised for use under the licence. However, pursuant to regulation 31B(2) of the Regulations, the levy is nil if the total number of gaming machines that would be authorised for use under the applicant's licence if the application were granted would not exceed the pre-July 2015 maximum number, which for a tavern licenced premise was ten. In this instance the Applicant has paid the levy for the ten gaming machines above the former maximum number.
5. The application was also accompanied by the required Community Impact Analysis ("CIA") prepared by Jacaranda Advisory.

Consideration and Reasons

6. When determining this application, the Director-General must have regard to relevant provisions of the Act and Regulations, including but not limited to the statutory objects of the Act which are:
 - (a) *to promote probity and integrity in gaming;*
 - (b) *to maintain the probity and integrity of persons engaged in gaming in the Territory;*
 - (c) *to promote fairness, integrity and efficiency in the operations of persons engaged in gaming in the Territory;*
 - (d) *to reduce any adverse social impact of gaming; and*
 - (e) *to promote a balanced contribution by the gaming industry to general community benefit and amenity.*
7. Additionally, section 25(3) of the Act prescribes the matters that the Director-General must consider when determining an application for a gaming machine licence. Relevant to this application those matters are:
 - (a) *the suitability of the premises to which the application relates having regard to the size, layout and facilities of the premises;*
 - (b) *the suitability of the premises to which the application relates having regard to the primary activity conducted at the premises;*
 - (c) *the suitability of the location to which the application relates having regard to the population of the local area, the proximity of the premises to other gaming venues and the proximity of the premises to sensitive areas such as schools, shopping centres, other community congregation facilities, welfare agencies, banks and pawn brokers;*
 - (d) *the appropriateness of problem gambling risk management and responsible gambling strategies;*
 - (e) *economic impact of the proposal including contribution to the community, employment creation and significance or reliance of the venue to or on tourism;*
 - (g) *if the applicant is a body corporate – the business reputation and financial stability of the body corporate and the general reputation and character of the secretary and executive officers of the body corporate;*
 - (i) *whether the applicant is a fit and proper person to hold a licence;*
 - (j) *if a person is referred to in the affidavit under section 44 – whether that person is a fit and proper person to be an associate of a licensee;*
 - (k) *if the Director-General considers it appropriate – whether any other associate of the applicant is a fit and proper person to be an associate of a licensee; and*
 - (l) *any other matter that the Director-General considers necessary.*
8. In respect of this application, section 25(13) of the Act sets out the matters the Director-General must take into account in determining the number of gaming machines authorised for use under a licence as follows:
 - (a) *the number of gaming machines sought in the application made under section 24;*
 - (c) *the hours and days when the premises are open for the sale of liquor;*
 - (e) *the size, layout and facilities of the premises to which the application relates;*
 - (f) *the size and layout of the proposed gaming machine areas;*
 - (g) *the anticipated level of gaming on the premises; and*
 - (h) *such other matters as the Director-General considers are relevant.*

Suitability of Premises – size, layout, facilities and primary activity

9. The CIA reports that Bellamack is a rapidly growing suburb situated in one of the fastest growing regions within Australia. The proposed Tavern forms part of a larger mixed use development. Information contained within the CIA shows that the proposed total floor space of the Tavern, including the external verandas, is approximately 600 square metres the majority of which is used for bars, dining areas and dedicated areas for children. The proposed gaming area comprises approximately 49 square metres which represents approximately 8% of the total floor space.
10. The plans submitted by the Applicant show that the proposed gaming room is a discrete area situated towards the rear of the premises. The gaming room will not be visible from the outside of the premises including from the road.
11. The Tavern is a new business that has not yet commenced trading. The CIA describes the Tavern as a small to medium sized venue which will include a sports bar, lounge bar, beer garden, 90 seat bistro, purpose built children's play area including a climbing gym, outdoor entertainment/dining terrace, Keno, TAB and gaming room as well as a take away liquor outlet. The CIA reports that management intends to have a strong emphasis on dining with a total seating capacity for 150 patrons.
12. The liquor licence authorises the premises to trade in the sale of liquor for on premise consumption of alcohol from 10.00 am to 12.00 midnight 7 days per week. The bottle shop comprises an internal area of the premises with no drive through facility. The licensee will be authorised to conduct take away sales of alcohol for the hours usually associated with a take away licence once the licence becomes operative.
13. Function facilities will be available at the Tavern for up to 30 guests with the function area able to be enlarged if required. Local clubs and community organisations will be invited to use the rooms at no charge for their regular meetings.
14. No trading figures are available at present as the Tavern has not commenced trading under the liquor licence. Budgets provided in the confidential section of the CIA indicate that bistro and bar sales are expected to make up the majority of the Tavern's income.

Suitability of Location - population of local area, proximity to other gaming venues and proximity to sensitive areas

15. The suburb of Bellamack in which the Tavern is proposed to be located is a reactively new suburb designed as a master planned community set over 107 hectares.
16. The Local Community Area ("LCA"), agreed by the Applicant and Licensing NT includes the suburbs of Rosebery-Bellamack, Moulden and Woodroffe. At the time of the 2011 census the total population of the CIA was 10 358 which is projected to increase to 17 034 by 2018. The adult population in 2011 was 6 953 or 67.1% of the total population. The LCA has a slightly higher employment rate than the Darwin benchmark. The unemployment rate, quoted as 3.0%, is higher than the benchmark at 2.5%.
17. Within the LCA 43.8% of dwellings are owned with a mortgage, a reflection of the fact the LCA includes a new housing development area. The number of dwellings being rented in the LCA is slightly higher than the benchmark.
18. The Australian Bureau of Statistics' Socio-Economic Indexes for Areas ("SEIFA") indicates that the LCA is an area of relative social advantage. The SEIFA index for the LCA under consideration highlights that approximately 16% of residents are in the least disadvantaged quintile five classification, 16% in the quintile four classification and 21% in the quintile three classification. The most disadvantaged suburb in terms of socio-economic rating is Moulden which falls within the 1 to 2 quintile classification being the most disadvantaged.

19. There are currently no gaming machines or gaming machine venues within the LCA. As a result the LCA has a significantly lower density of operational gaming machines per 1 000 adults than the Darwin benchmark which included 747 gaming machines at the time the CIA was prepared. The CIA reports that there are currently no gaming sensitive sites within close proximity to the tavern however it is noted that there are proposals to develop a school for special needs students nearby. A number of licensed premises in the Palmerston area include gaming facilities however they are all located outside the LCA.
20. Section 25(1)(c) of the Act requires the CIA to assess the proximity of the premises to sensitive areas such as schools, shopping centres, other community congregation facilities, welfare agencies, banks and pawn brokers. The CIA notes that there are 16 gambling sensitive sites within the LCA however none of those venues are located nearby or within sight of the proposed tavern.

Appropriateness of problem gambling risk management and responsible gambling strategies

21. The CIA notes that the NT Gambling Prevalence survey undertaken in 2005 reports that 0.23% to 1.06% of the adult population of the Northern Territory suffer from severe problem gambling. No specific information relating to problem gambling within the LCA is available. The CIA states that management of the proposed Tavern have confirmed that all staff employed within the gambling department will be required to complete the responsible service of gambling training.
22. Management has also advised that the Tavern will ensure that a responsible approach is taken to the provision of all forms of gaming, including gaming machines, and they will adhere to the highest standards of internal control. Further, gaming compliance at the Tavern will be constantly monitored and reviewed to maintain adherence to the requirements of the various regulatory bodies and industry best practice.
23. The CIA states that whilst incidents of problem gambling may arise in the LCA the low quantifiable rates of problem gambling in the area and the moderate risk of problem gambling, coupled with the low machine density within the LCA, indicate that there is not a significant foreseeable problem gambling issue for the Tavern.
24. Local resident consultation was undertaken by the Applicant and included surveys undertaken by 143 people, 125 of whom are residents of the LCA. Approximately 35% of respondents indicated that they partake in Keno gambling whilst 29.4% stated that they gambled on gaming machines. Of the 143 people survey two indicated that they had sought help for gambling problems in the past. Of those who completed the survey 32.9% indicated support for the proposed tavern, 25.2% were opposed to the application and 39.2% of respondents were indifferent to the application.
25. The authors of the CIA sent surveys to 13 identified community organisations. At the date of publication of the CIA only 3 of the organisations contacted had provided a response. The CIA notes that the lack of responses may indicate a lack of concern or a degree of comfort to key community advisors that the addition of gaming machines to the local community will not result in harm to members of the community. The CIA does acknowledge however that there may be other reasons for the failure to respond.
26. St Vincent de Paul Society responded to the survey and does not support the application for a gaming machine licence. The Society states that the suburb of Bellamack is likely representative of surrounding suburbs and given that it falls within the demographic of Darwin it already qualifies as being statistically at significant risk of problem gambling. With the broad availability of gambling options already available, access to gambling opportunity is not likely to be inhibited and the presence of a closer physical locale in which to engage in gambling activities would not necessarily equate to an increase in actual gambling.

27. The Society also submits that the proposed site for the Tavern is not a significant distance from existing sites where gaming machines can be accessed. It is not reasonable to contend that the introduction of a further 20 gaming machines will produce new gamblers, especially in the context of a locality where other gambling options, especially gaming machines, are easily accessible. The Society opposes the grant of a gaming machine licence to the Applicant and states that to put gaming machines in the proposed Tavern will result in selfish gains for the Applicant and further exploitation or residents rather than being of benefit to the community. The Society also notes that whilst only 27% of the adult population of the NT participates in gaming machine activity problem gamblers are more likely to use gaming machines over other forms of gambling.
28. The Salvation Army responded to the survey advising that it opposes gaming machines as they seek to gain at the expense of others solely based on chance and to put them in the Tavern means it is for selfish gains to further exploit profit for the owner rather than benefit the community. The Salvation Army submits further that the application may lead to an increase in addictive behaviours in people within the local community and this may lead to other negative effects such as stress and tension in families, between neighbours and within the community. Further, granting the application may lead to further burdens on those living in the lower socio-economic areas within Palmerston.
29. The Salvation Army queries the need for gaming machines and asks why it is not possible to provide benefit to the community that enhance the reputation of the Flynn Tavern, for example the provision of community grants and support to engage in leisure activities other than gambling.
30. Amity Community Services Inc. responded to the survey and advised that it does not support the increase of electronic gaming machines in the Territory community. Amity submits that the catchment area for gamblers extends beyond the boundaries of the LCA. Amity estimates that there are approximately five gaming machines per 1 000 head of population in the Palmerston area and that problem gamblers are most likely to play gaming machines.
31. Amity submits that there is a plethora of problem gambling research that demonstrates the effects of problem gambling, including adverse effects on physical and mental health and wellbeing, financial stability, relationships, employment and legal issues. Amity submits that problem gambling has been linked to risk factors for family violence and elevated levels of suicide including an increase in accessing homelessness services in the Northern Territory. Amity states that research further indicates that 27% of the adult population in the Northern Territory participate in the use of gaming machines and problem gamblers spend on average \$30 000 per annum. Amity states that during 2012-13 the average net loss by players in community venues, pubs and clubs, in the Northern Territory was \$141 per machine, per day equating to approximately \$50 000 per machine per year.
32. Amity submits that Darwin has a general population of 81 670, including persons below 18 years of age, with 1 191 gaming machines located in the hotels, clubs and the casino which equates to 14.6 gaming machines per 1 000 head of population. Amity states that in 2014, the Australasian Gaming Council indicated that the national average for gaming machines was 11 machines per 1 000 adults indicating a much higher gaming machine density in Darwin compared to the national average. Amity suggests there is ample evidence that demonstrates communities experiencing widespread social and economic problems are those communities with a higher concentration of convenience gambling.

Economic impact - contribution to the community, employment creation and significance/reliance of the venue to or on tourism

33. The CIA states that, should the gaming machine application be approved, the Tavern intends to employ 18 staff members. That level of staffing is expected to amount to \$690 000 in annual wages. Staff are expected to be sourced from residents of the local community.

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34. As the Tavern is not yet operational there are no figures indicating the level of financial support by the Tavern to community organisations. The CIA reports however that it is anticipated that if the application is successful management will consider requests from local associations for support as received and that additional revenue from gaming machines will allow additional funds to be provided for community organisations.
35. It is projected that 14.9% of the Tavern's overall revenue will be derived from gaming machines. On that assessment gaming machine tax and contributions to the Community Benefit Fund are projected at \$108 882 and \$52 600 per annum respectively. It is also anticipated that the Tavern will spend in excess of \$2 million annually on the procurement of goods and services that will be sourced locally where possible. Tavern management has indicated that the projected construction and fit out costs to completion the Tavern are in the order of \$6 million.
36. The CIA states that, based on the information available, the overall net economic impact is determined to be positive for the LCA.

Business reputation and financial stability of the applicant body corporate and its officers

37. The Flynn Tavern is under construction and, as a result, has no trading record on which to rely for the purposes of this application. The personal and business assets of the Applicant company and its director significantly exceed liabilities.
38. Taking account of the fact that business conducted at the Tavern is yet to commence significant reliance must be placed on the projected revenues for the venue, as included in the CIA. Those revenue projections indicate that the business will be financially successful and not overly reliant on income generated from gambling with the focus being on food and beverage services.

Fitness and propriety of the applicant and persons able to influence the conduct of the business

39. Mr David Anthony is sole director of Armada Hospitality and Leisure Pty Ltd and nominated as the only person able to influence the conduct of the business under the liquor licence and for the gaming licence should that be granted. In addition, Mr Anthony has provided satisfactory evidence that his company is financially sound and that he is an appropriate person to be appointed as Manager under the liquor licence.
40. Taking account of the financial information provided within the confidential section of the CIA I am satisfied that Armada Hospitality and Leisure Pty Ltd is an appropriate entity to hold a gaming machine licence. I am also satisfied that Mr David Anthony is a fit and proper person to manage the business and affairs of a corporation holding a gaming machine licence.

Written submissions in response to the application

41. As required by section 24A of the Act, the application was advertised in the Northern Territory News on 12 and 14 August 2015. Pursuant to the Act, a written submission may be made to the Director-General within 30 days of the notification.
42. Ms Caron Banks and Mr Liam Banks lodged a submission dated 11 September 2015 opposing the grant of a gaming machine licence. Ms and Mr Banks are residents of Bellamack and state that the subject land is not zoned for a tavern and they would like the matter to go to the Development Consent Authority for consideration to allow the public to comment on the use of the land.

43. A group of 32 residents of Bellamack and nearby suburbs ("the Resident Group") lodged a comprehensive submission titled: "*Bellamack Community – Group Submission Objection to the Application for Gaming Licence for the proposed Flynn Tavern*". The Resident Group objects to the grant of a gaming machine licence for the Tavern on the grounds it will have a direct impact on their families and the neighbourhood as well as affecting the health, education, public safety and social conditions in the community. They submit that there are currently five gaming machine venues in Palmerston with a total of 132 gaming machines equating to 6.5 gaming machines per 1 000 head of population. Current and potential increases to gaming machine numbers since the lifting of the legislated cap may push the density out as high as 9.9 gaming machines per 1 000 head of population. It is also submitted that the selected LCA is not appropriate and that the CIA should take account of the total population and gaming machine data for all of Palmerston.
44. The Residents Group submits that the adverse impact of gaming facilities close to residential areas has been widely documented in research literature and express concerns as to how close the Tavern will be to residential properties and the impact on local families from potential gambling harm. They submit further that gambling behaviour can be reduced simply by reducing the supply of gambling facilities and keeping them away from residential areas, especially if they are socio-economically disadvantaged, and that is not socially responsible to place gambling opportunities so close to residences, especially gaming machines.
45. The Resident Group also raises concerns regarding the negative impacts of gaming venues within a residential suburb including loss of employment, family violence, physical health and even suicide. They also raise concerns that children will see adults frequenting the gaming room and may suffer long terms effects from exposure to gambling as they become desensitised to the potential harm that may be caused. The submission also states that research has shown that that there is an increased risk of gambling harm to people in the lower socio-economic range which applies particularly to the nearby suburb of Moulden.
46. The submission states that the Resident Group sees no benefits to the local community arising from the application and that the gaming room will attract patrons from Palmerston, rather than tourists, therefore there will be a net financial loss to the community. They state that any benefits to the community, such as increased employment opportunities, will be outweighed by gambling losses and gambling related harm in the community. They also express concerns that the venue will attract anti-social behaviour that will spill into the wider community due to the mix of alcohol and gambling.
47. The submission also raises the prospect of devaluation of property prices in the vicinity of the proposed Tavern, citing research demonstrating the negative effect of gaming venues on property prices. The Resident Group also raise concerns regarding the close proximity of the proposed gaming room to the proposed special school, planned for construction in close proximity to the Tavern. They submit that children of a very young age will be exposed to gambling and that it is not a good mix to have a special school in close proximity to the Tavern. The submission also complains regarding the lack of community consultation and the lack of rigour applied to the residents' survey conducted by the Applicant.
48. The Resident Group raises a number of issues relating to the CIA prepared in respect of this application. They state that the selection of the LCA is flawed and that residents from all areas of Palmerston will use the Tavern's facilities. They state that the gaming machine density stated for the LCA, being zero, is unrealistic due to the use of collective data only for the four suburbs within the LCA. They also allege that the CIA fails to address the diverse socio-economic determinants of the four suburbs in the LCA, noting that residents of the suburb of Moulden have higher potential for gambling problems than other suburbs.

49. It is also claimed in the submission that the identification of sensitive sites in the CIA is defective in not including reference to the special school and the Bellamack Seniors Village. The Residents Group suggests the fact there are currently no gaming machines within the LCA demonstrates there is no need for them as these are family suburbs and not city centre locations. It is also submitted that the Applicant, through Mr Anthony, lacks suitable experience in the industry meaning the risk of harm to the community may be higher than that of a well-managed, existing establishment. They submit further that the lack of experience in managing licensed premises means there is no reliable evidence to demonstrate the applicant's ability to implement responsible gambling practices or to mitigate risks of problem gambling at the venue. The submission lists and names 32 residents who are in support of the submission and who oppose the grant of a gaming machine licence.

Applicant's Response to Submissions

50. By letter dated 28 September 2016 Mr Anthony responded to the submissions on behalf of the Applicant raising the issue of the validity of a submission apparently lodged on behalf of 32 residents of Bellamack and nearby suburbs. In response to comments regarding the LCA applicable to the application, Mr Anthony stated that the primary objective of the CIA is to investigate the social and economic implications which may occur as a result of the operation of gaming at the Tavern and an increase of 20 gaming machines on the local community, not the entire area of Palmerston. He notes that a LCA is defined as the area that will experience the primary impact from the grant of the gaming machine licence application.
51. Mr Anthony submits that the introduction of 20 gaming machines into the LCA will increase gaming machine density to two per 1 000 persons over the age of 18 years with the benchmark equivalent for the Darwin area being 14 machines per 1 000 persons over 18 years of age. The submission raises concerns about the proximity of the Tavern to residences which Mr Anthony states is quite normal for suburban venues. He notes that the suburbs included in the LCA, including Bellamack, are a mix of residential and vacant land however they also include commercial properties, schools, shops and sporting grounds as well as open space. Mr Anthony submits that the Tavern will be the first and only licensed site within the LCA offering members of the local community access to a licensed venue with gaming, just like their neighbours to the north of the LCA in the Palmerston region.
52. Mr Anthony states that incidents of problem gambling may arise in the CIA however the low quantifiable rates of problem gambling in the area and the demographics of the LCA demonstrate that it is a moderate risk area for problem gambling. However, combined with the low machine density and lack of gambling venues in the LCA there is not a foreseeable problem gambling issue in general if the Tavern is well-managed and adopts best practice gaming procedures.
53. In respect of the potential for risk in disadvantaged areas within the LCA, Mr Anthony notes that this issue is covered in the CIA. He states that the Tavern will be an important social and entertainment meeting place that offers activities and services at reasonable prices in a secure and responsible environment and that a venue of this nature will help accommodate the needs of local residents. The Tavern management will act responsibly and management practices will help negate any incidents of problem gambling and any potential for anti-social behaviour in or near the venue.
54. In respect of the submission suggesting the location of the Tavern will have a negative impact of property prices in the area, Mr Anthony states this is merely an opinion based ground of objection and, in any event, concerns of that nature are addressed in the CIA. In response to the submission regarding the close proximity of the special school to the Tavern, Mr Anthony notes that the CEO of the Department of Education objected only to the grant of a take away liquor licence, not the grant of a gaming machine licence. Mr Anthony states that the Tavern will predominantly be a family orientated venue with its purpose built play area and parents room. Due to the family orientated nature of the Tavern Mr Anthony submits that a high

percentage of customers will be using the venue after hours and in the evenings, that is outside of school hours

55. Mr Anthony states that the submission suggesting that the Tavern and gaming activities will be a net financial loss to the community ignores the section of the CIA addressing that issue. He states that the CIA provides significant details of projected positive economic impacts on the community including venue employment, the economic value of future contributions to the community, sponsorships and donations to local community groups and organisations, contracts for the supply of goods and services and the value of the construction and development of the Tavern.
56. Mr Anthony notes the criticism of the methodology behind the resident survey conducted on behalf of the Applicant and notes that such surveys are not a requirement of the CIA guidelines however the Applicant undertook that task to ascertain the views of people residing in the neighbourhood.

Hours and days when the premises are open for the sale of liquor

57. Proposed trading hours for the sale of liquor and consumption of liquor on the licensed premises are from Monday to Sunday (seven days per week) from 10:00 hours to 12:00 midnight with no trading on Good Friday or Christmas Day. Proposed trading hours for the sale of takeaway liquor are Sunday to Friday from 10:00 hours to 22:00 hours, Saturday and Public Holidays from 09:00 hours to 22:00 hours with no trading on Good Friday or Christmas Day. Proposed trading hours for the gaming room are from 10:00 hours to 00:30 hours seven days per week.
58. Section 88(a) of the Act provides that a licensee shall not allow gaming to be conducted in a part of the licensed premises when liquor is not permitted to be sold in that part of the premises. As a consequence, should the gaming machine licence be granted gaming activity will need to cease at the same time as sale of liquor for on premise consumption ceases, namely 12:00 midnight.
59. The trading hours for take away liquor are typical of the hours applicable to most licensed premises holding a tavern authority licence. However, the 12:00 midnight closure for the sale of liquor and gaming machine activity is two hours earlier than normal for a tavern liquor licence i.e. the majority of taverns in the NT are authorised to trade until 2.00 am. The reduced hours for on premises alcohol consumption and gaming are reflective of the fact that the Tavern will be located in a residential neighbourhood.

Other matters the Director-General considers relevant

60. The Gaming and Liquor Amendment Bill of 2015 amended the Act to effectively lift the previously imposed cap on authorisations of gaming machines in licensed hotels, taverns and clubs in the Northern Territory. As well as lifting the overall cap, the amendments also allow for hotels and taverns to apply for an increase in the number of gaming machines from the former maximum number of 10 to the new maximum of 20 gaming machines. Hotels and taverns that do not currently have gaming machines, such as the Flynn Tavern, are entitled to apply for a maximum of 20 gaming machines.
61. The Application presented by Mr Anthony on behalf of the Applicant is compliant with the relevant provisions of the Act. The CIA accompanying the application addresses all the matters the Director-General is required to take into account in assessing an application of this type. The CIA raises no issues specific to the Flynn Tavern that would persuade the Director-General that the application should be refused. The application, including the CIA, meets the requirements of the Act in relation to an application for a new gaming machine licence.

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62. The potential harms associated with gaming machines and gambling in general are well known within the wider community. The potential for gaming machine related harm is properly articulated in the submission received from the Resident Group. However in this instance I am satisfied that the Applicant will have in place appropriate policies and procedures that will have the effect of minimising the harms associated with gambling generally and the use of gaming machines specifically at the venue under consideration.
63. One issue of significant concern to the Resident Group specific to the Flynn Tavern is the location of the Tavern itself and the gaming room in close proximity to the proposed special school planned for development in the neighbourhood. As noted above, the Resident Group submitted that children of a very young age will be exposed to gambling and that it is not a good mix to have a special school in close proximity to the Tavern.
64. Contrary to that submission, a review of the Victorian Civil and Administrative Tribunal regarding gaming machine applications concluded there is no evidence to suggest that the proximity of children to gaming venues is in itself problematic¹. In addition, and as noted above, in this instance the Applicant proposes that the gaming room will be located in a discrete internal area situated towards the rear of the premises such that the gaming room will not be visible from the outside of the premises including from the road. As a result it will be impossible for school children passing the Tavern to observe any gaming activity unless they physically enter the premises in the company of an adult.
65. The submission lodged by Ms Carol and Mr Liam Banks opposes the grant of a gaming machine licence on the ground the site on which the proposed Flynn Tavern is being constructed does not have Development Consent Authority approval for that use. As noted in the decision relating to the grant of a liquor licence for the Flynn Tavern, the Applicant will need to comply with all statutory requirements, including obtaining planning and Development Consent Authority approval, prior to the commencement of the business under the liquor licence. The same conditions will apply should the gaming machine licence be granted.
66. In respect of the submissions opposing the grant of a gaming machine licence, the Gaming and Liquor Amendment Bill of 2015 amended the Act to effectively lift the previously imposed cap on authorisations of gaming machines in licensed hotels, taverns and clubs in the Northern Territory. At the time of introducing the amendments, the Minister for Racing, Gaming and Licensing noted that the arbitrary Territory-wide cap was abolished in favour of a rigorous community impact assessment process for new applications and for applications seeking additional gaming machines.
67. The comprehensive CIA lodged in respect of this application raises no issues specific to the proposed Flynn Tavern that would persuade me to refuse the application.
68. In terms of the requirements of the Act, the Applicant the subject of this decision has presented a well prepared application with strong supporting evidence indicating that this application meets the requirements of the Act in relation to an application for a gaming machine licence. The materials supporting the applicant and the CIA deal specifically with the minimisation of gambling related harm to vulnerable members of the community. I am satisfied that the Applicant in this instance will have in place policies and procedures that will have the effect of minimising the harms associated with gambling generally and the use of gaming machines specifically at the venue under consideration.
69. As evidenced by the Applicant's submissions in support of the application, including the content of the CIA, the Applicant intends to incorporate strategies aimed at reducing gaming-related harm if the application is approved.

¹ Brown H (2014): Decisions about EGM Gambling Applications by the Victorian Civil and Administrative Tribunal: A review of selected findings.

Number of gaming machines

70. The Applicant does not currently hold a gaming machine licence and, under this application, has applied for a licence authorising the use of 20 gaming machines.
71. Regulation 3 of the Regulations sets the maximum number of gaming machines for a Category 1 licensed premise at 20. As the Applicant is the holder of a licence issued under the *Liquor Act* endorsed AUTHORITY – TAVERN, which is defined under section 3 of the Act as a hotel liquor licence, the premises are considered to be a Category 1 licensed premise pursuant to 2(a) of the Regulations.
72. As such, the Applicant is able to apply for authority for a maximum of 20 gaming machines. I am satisfied that the number of gaming machines applied for falls within the statutory limit of 20 gaming machines.

Decision

73. For the reasons set out above, and in accordance with section 25 of the Act I have determined to grant the application lodged by Armada Hotels and Leisure Pty Ltd for a gaming machine licence authorising the use of 20 gaming machines to be located at the proposed Flynn Tavern.
74. The 20 gaming machines authorised by this decision will be included in the schedule attached to the licence in which each individual gaming machine is identified and authorised for use. The schedule will be prepared upon submission by the Applicant of the details pertaining to the 20 gaming machines once purchased.

Review of Decision

75. Section 166A of the Act provides that a decision of the Director-General, as specified in the Schedule to the Act, is a reviewable decision. A decision under section 25 of the Act for the grant of a gaming machine licence and a determination of the number of authorised gaming machines under section 25(12) of the Act are specified in the Schedule and are reviewable decisions. Section 166C of the Act provides that a person affected by this decision may seek a review before the Northern Territory Civil and Administrative Tribunal. Noting the submissions received by the Director-General in respect of this application, the affected persons are Ms Caron Banks and Mr Liam Banks, the people referred to in this decision as the Residents Group and the Applicant.



Cindy Bravos
Director-General of Licensing

20 June 2016