
Local Impact Assessment Class 1 Application 11 Renown Road, Baulkham Hills (231550)

Bankstown District Sports Club Ltd tas Baulkham Hills Sports Club
August 2009



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EXECUTIVE SUMMARY

1. INTRODUCTION

- I. This document is a Local Impact Assessment Class 1 to accompany a Threshold Increase Application made for approval of a 'mid range' gaming machine threshold increase of 40 for Bankstown District Sports Club Ltd tas Baulkham Hills Sports Club (the "Applicant") at premises situated at 11 Renown Road, Baulkham Hills NSW (the "Venue") located in the Band 1 Local Government Area (the "LGA") of Baulkham Hills. The Applicant has operated at the Venue for over 10 years and provides hospitality based recreational pursuits and community based enterprises for its members and their guests. This LIA provides relevant gaming data, social data and issues of concern to the Local Community so that the Authority can determine whether additional gaming machines will provide positive contribution to the Local Community.

2. RESPONSIBLE GAMBLING MEASURES

- II. Chapter 2 of this Report details the mandatory and additional responsible service of gambling measures put in place by the Applicant at the Venue. The Applicant operates its gaming machine operations in strict accordance with legislated and 'best-practice' interventions and initiatives modelled on its Responsible Service of Gambling House Policy (see Appendix 1). The Applicant has also implemented additional measures to ensure compliance with recent amendments to the *Gaming Machines Act* 2001 and associated Regulations. The Applicant is a member of ClubSafe, and has adopted its best practice guidelines and policies.

3. LOCAL COMMUNITY

- III. Chapter 3 of this Report details the communities potentially affected by the approval of the Application. An area extending 5kms from the Venue has been identified as the Local Community and maps showing this area and the LGA are included in Appendices 3 and 2 respectfully.

4. POSITIVE CONTRIBUTION

- IV. Chapter 5 of this Report details the positive contributions resultant from approval of the Application to the Local Community. There are four main positive contributions from approval of the Application. Firstly, the Applicant will make a \$40,000 contribution to the Local Community organisation "Bridging the Gap In The Hills Project" for the on-going provision of accommodation, financial and training services to persons from the Baulkham Hills area in need. Secondly, the Applicant is undertaking a \$8 million redevelopment of the Venue including construction of an auditorium and refreshment facilities for use by Local Community organisations. Substantial in-kind support will be provided through use of the auditorium as is currently the case with function rooms at the Venue. Thirdly, the Applicant's sporting ethos has meant that is has long sponsored a number of affiliated local sporting clubs. The current financial performance of the Venue has meant that unless additional revenue is secured the Applicant will be forced to reduce some of these contributions. The fourth positive contribution is ancillary benefits including additional CDSE contributions of \$18,000 per annum, two full time employment positions with a full time benefits expense of \$66,826 and additional taxes of \$9,923. A total quantifiable positive contribution is estimated at \$134,749 with a further \$8.96 million and 134 full time positions in short term construction related benefits during the course of construction at the Venue.

5. CONCLUSION

- V. Given the satisfaction of the requirements of the Act and Regulation through the conduct of gaming machine operation at the Venue in a responsible manner and the evidence of substantial positive contributions to the Local Community, it is the Applicant's belief that this LIA meets the requirements of the Legislation and respectfully requests that the LIA be approved.

1 INTRODUCTION

1.1 This Report is a Local Impact Assessment (“LIA”) Class 1 to accompany a Threshold Increase Application (“the Application”) for a Band 1 Local Government Area venue of ‘mid range increase’ of 40 gaming machines for Bankstown District Sports Club Ltd tas Baulkham Hills Sports Club (“the Applicant”). The Applicant is located at 11 Renown Road, Baulkham Hills, NSW (“the Venue”) in the Baulkham Hills Local Government Area (“the LGA”).

1.2 Methodology

1.3 In respect of LIAs relating to threshold increase applications, the LIA Guidelines provide that the Casino, Liquor and Gaming Control Authority (“the Authority”) can only approve an LIA where the LIA complies with the requirements of the [Gaming Machines] Act [2001] and the [Gaming Machines] Regulations [2008] (“the Legislation”) and demonstrates that gambling activities will be conducted in a responsible manner. The Guidelines further state that an LIA Class 1 must demonstrate that the proposed increase in gaming machines for the venue will provide a positive contribution towards the Local Community in which the venue is situated.

1.4 Applicant Details and History

1.5 The Applicant seeks the approval of Application for an increase of an additional 40 gaming machines. The Applicant is located at 11 Renown Road, Baulkham Hills (“the Venue”) and provides recreational services and community based enterprises for the residents of Baulkham Hills and its Local Community, in the Local Government Area of Baulkham Hills (“the LGA”). The location of the Venue is identified and illustrated in Appendix 2. The total floor space of the Venue is 1,925m² as shown by the layout plan of the Venue provided at Appendix 5. The Applicant was originally formed to provide off-field amenities and support for Bankstown’s sportsmen and women, and opened its Bankstown venue in August 1958. The Applicant’s charter is to sponsor and foster sporting talent. This purpose continues today. The Applicant now operates as part of the Bankstown Sports Group, from five separate registered club premises. In 1999 the Applicant amalgamated with the Baulkham Hills Sports Club and in 2008 with Bankstown Bowling Club. It now also manages the Dunc Gray (Sydney Olympic) Velodrome. In order to facilitate the public’s enjoyment of world class cycling at this venue, the Applicant constructed the on-site Handle Bar Tavern.

1.6 Current Applicant Services, Facilities and Donations

1.7 The Applicant operates its five venues, including the Venue, as being integral to the communities in which they are located. The Venue features a restaurant, a coffee shop, a function room and two meeting rooms, and, along with gaming and refreshments, offers bingo and trivia, as well as a courtesy bus for patrons living within a 5km radius of the premises. The Applicant supports its local communities by employing over 480 local people, and by making donations to a number of local organisations across the Bankstown and Baulkham Hills LGAs. In terms of the Baulkham Hills LGA specifically, in 2008 it donated to Baulkham Hills Lions Club, National Seniors Australia, Probus Club of Baulkham Hills, The Oaktree Foundation and Woodbury Autism Education and Research, amongst others. The Applicant continues its tradition of sponsoring local sports through its support of various Baulkham Hills sporting clubs, directly assisting an estimated 1,300 local children. The Applicant exists for the benefit of its members and guests, and provides members of its Local Community with a central meeting place.

1.8 Financial performance of the Applicant

1.9 The Applicant has traded under significant financial distress from the Venue since its amalgamation some time ago. Despite rationalisation of operations and significant inputs of capital the Venue recorded a loss of \$473,348 in 2008 from its total \$3.7 million revenue. Gaming

machine revenue for 2008 was \$2.4 million, representing 66% of total revenue. Total bar revenue was \$627,429 (17%) and food and catering revenue was \$567,772 (15%). The Applicant paid \$362,048 in gaming machine duty in 2008 for the Venue. The Bankstown Sports Group made donations of \$3.1 million in the year ending August 2007, whereby it exceeded its CDSE contributions by \$2.2 million. The Applicant had a total employee benefits expense of \$1.3 million, with the Bankstown Sports Group paying \$904,141 in payroll tax.

1.10 Gaming machine indicators

1.11 The Venue operates 73 gaming machines currently. The Applicant had a profit per gaming machine (total turnover less payouts) of \$33,232 for the 2008 year. The average net profit per gaming machine for the Baulkham Hills LGA in 2008 was \$66,599. The Applicant projects that each additional gaming machine will return a profit of \$30,000 per machine for the first year or operation. The additional machines will add an estimated \$1.2 million per year to the operating revenue of the Applicant.

1.12 Proposal

1.13 There are four main positive contributions to approval of the Application. Firstly, the Applicant will make a \$40,000 contribution to the "Bridging the Gap In the Hills Project" a local charitable organisation that provides assistance in the form of finances, accommodation and vocational training to local families and individuals in need. The donation will ensure that the organisation is able to continue to provide its current level of services in the Local Community. Secondly, the additional gaming machines will ensure that the current level of funding of local sporting and charitable organisations continues into the future. Having reached its maximum level of debt, without the revenue from the additional machines the Applicant will not be able to maintain the level of financial support it has provided to these bodies in the past. Thirdly, the Applicant is undertaking capital works at the Venue and the additional gaming machines subject to this Application will ensure this is able to occur. Other positive contributions include additional employment of two full time positions with a full time benefits expense of \$66,826, increased state taxes and an additional \$18,000 in CDSE payable. A total quantifiable positive contribution is estimated at \$134,749.

2 RESPONSIBLE GAMBLING MEASURES

2.1 The Applicant's gaming machine operation is in strict accordance with legislated and optional responsible gambling measures and is considered best practice in this area. A copy of the Applicant's House Policy on the Responsible Conduct of Gambling is included at Annexure 1. The Applicant operates its responsible gambling house policy which is drafted in accordance with the legislative requirements stated in the *Gambling Legislation Amendment (Responsible Gambling) Act 1999*, the *Registered Clubs Act 1976*, the *Gaming Machines Act 2001* and accompanying regulations. The Applicant's harm minimisation strategies include:

- All employees involved in gaming related duties hold a responsible conduct of gambling qualification in an approved course;
- All prizewinners receive prizes in accordance with clause 13 Gaming Machines Regulation;
- The prize schedule of the Applicant is operated in accordance with clause 14 Gaming Machines Regulation;
- The Applicant operates its multi-terminal gaming machines in accordance with clauses 16 and 17 of the Gaming Machines Regulation in relation to maximum bet amounts and prize winning cheques;
- The Applicant maintains certain records as per clause 18 and 19 Gaming Machines Regulation;

- The Applicant maintains records relating to gaming machine prizes as per clause 15 Gaming Machines Regulation;
- No inducements as specified in clause 48 of the Gaming Machines Regulation 2002 are offered by the Applicant to gamble;
- Player information brochures in relevant community languages are kept in the Venue as per clauses 22, 23 and 24 Gaming Machines Regulation;
- Signage containing wordage as per clauses 26, 25 and 49 of the Gaming Machines Regulation 2002 are located in conspicuous positions in all gaming areas of the Venue;
- All jackpot link monitors are located in gaming or bar areas only;
- The identity of any prize winners are not published;
- The Applicant does not promote gambling outside the Venue, including not providing gambling related signage which draws attention to the availability of gaming machines in the Venue, includes a term or expression frequently associated with gambling or relates to gambling franchise of gambling business;
- The Applicant maintains records of its player loyalty scheme in compliance with clauses 42, 43 and 44 Gaming Machines Regulation;
- The Applicant operates its player loyalty scheme in accordance with section 45 of the Gaming Machines Act 2001, specifically provisions relating to promotion of cash prizes over \$1000, exchanging of prizes for cash, redemption of bonus points for cash and advises of availability of player activity statements upon request;
- All gaming machines at the Venue are located in areas which do not attract members of the public who are outside the Venue or are contrary to public interest;
- The Applicant operates its gaming machine operations in accordance with the ClubsNSW Code of Practice;
- No minors are ever allowed access to gaming areas of the Venue and are supervised at all times by responsible adults in non-restricted areas of the Venue;
- Strong links are maintained with established referral systems problem gambling counselling services in compliance with clause 43 Gaming Machines Regulation;
- The Applicant operates the ClubSafe self exclusion scheme in compliance with clause 47 Gaming Machines Regulation;
- The availability of the ClubSafe self exclusion scheme is advertised in prominent positions in the Venue;
- Consumer information on the chance of winning maximum prizes and jackpots is made available in the gaming area;
- Gaming machines notices on the dangers of excessive gambling are placed in all required areas;
- Signage on the unavailability of credit facilities, both through access to credit funds via Automatic Teller Machines and through no facility at the venue;
- That the Applicant does not cash cheques;
- No cashing of third party cheques is possible;
- Clocks are clearly visible in all areas of the Venue as per clause 28 Gaming Machine Regulation;
- No cash prizes in gaming promotions;
- Limiting the value of prize winning cheques to \$2,000;
- Only the provision of opt-in marketing is undertaken and only as part of the Applicant's full suit of promotions;

2.2 The Applicant has also implemented additional measures to ensure compliance with recent amendments to the *Gaming Machines Act 2001* and associated *Regulation*, this includes:

- No ATM in the Venue permits the dispensing of cash withdrawn from a credit account;
- Any unclaimed prizes are now processed as follows:
 - The Applicant places any unclaimed jackpot winning tickets not claimed within

- 12 months in a conspicuous area of the Venue for one month;
- Any unclaimed gaming machine tickets or jackpots not claimed during the 12 month period are now to be paid into the Community Development Fund;
- All prize winning cheques now clearly state - '*Prize winning cheque – cashing rules apply*'.

2.3 The Applicant is a member of ClubSafe, and has adopted its best practice guidelines and policies. As such, the Applicant goes beyond compliance with current legislation.

3 LOCAL COMMUNITY

3.1 The Legislation provides that there must be a positive contribution from approval of the Application to the Local Community of the Venue. The approach to which the Applicant has defined its Local Community has been developed through its analysis of membership data and consultation with experienced advisors in the Registered Club industry. Generally a registered club will have a membership penetration in urban and semi-urban areas of approximately 5kms. This assessment is linked heavily to legislative requirements pertaining to compulsory membership of any person residing within 5kms of the registered club in question. With this reasoning the Applicant has defined its Local Community as encompassing the area within a 5km radius from the Venue. In the context of this information, the Local Community is defined as encompassing:

- The following suburbs: Baulkham Hills, Castle Hill, Northmead, North Parramatta, North Rocks, Oatlands, Old Toongabbie, Telopea, West Pennant Hills and Winston; and
- Parts of the following suburbs: Beecroft, Carlingford, Cherrybrook, Dundas, Dundas Valley, Dural, Glenhaven, Kellyville, Kings Langley, Parramatta, Seven Hills, Toongabbie, Wentworthville and Westmead.

3.2 It is submitted therefore, that this defined area meets the requirements of the Act, Regulation, and Guidelines. A diagram of the Local Community is included in Appendix 3.

4 DEMOGRAPHY

4.1 Baulkham Hills LGA is located in the north western region of Sydney. The LGA includes suburbs stretching from Baulkham Hills in the Lower North West through to the outskirts of the Hawkesbury River region. Covering an area of 380km², the LGA has several major residential, shopping and commercial centres with approximately 54,369 dwellings and represents one the fastest growing regions of Sydney and NSW. Suburbs including Kellyville and Castle Hill have experienced considerable population growth over the past ten years with the LGA growing from 119,545 in 1991 to 159,391 in 2006. The LGA is a sub-region of the Blacktown-Baulkham Hills Statistical Sub-Division. At 30 June 2007, its population was estimated at 159,391, with 73.5% being over 18 years in 2006 (76% for NSW) and its population density 418.8 persons per square kilometre. The median age in 2006 was 36 years compared to the state median of 37 years. 66.1% of the population is Australian-born. The population of Baulkham Hills LGA grew at an annual rate of 1.3% during the period of 2006-2007. This figure is greater than the NSW annual rate of growth, which was 1.1% for the same period.

4.2 In August 2006, the rate of unemployment in Baulkham Hills LGA was estimated at 3.2%, significantly lower than the NSW rate of 5.9%. Baulkham Hills LGA has a SEIFA (2006 social-economic index of relative advantage-disadvantage) of 1156, which is higher than the State average of 978. An alternative measure of SEIFA is provided by the ABS. Each LGA in NSW has been ranked in deciles (ranges of 10 percent). The first decile denotes the most disadvantaged LGAs, the tenth decile, the most advantaged. Baulkham Hills LGA falls in the tenth decile. It

therefore ranks right at the top of all NSW LGAs. The advantage of using this method to analyse SEIFA is that it allows comparison with all LGAs, not simply a State average, which is skewed by a small number of very high SEIFA estimates for certain LGAs. This is emphasised by the fact that in 2006 only 50 of 151 LGAs (excluding Unincorporated NSW) or 33.1% of all LGAs, had a SEIFA in excess of the NSW average.

- 4.3 The LGA is characterised by its relatively young population, evidenced by its median age of 36 and the larger proportion of the population aged less than 18 years (26.5%, compared to the NSW figure of 24%). Indicators such as its unemployment rate of 2.7% (significantly lower than the NSW rate of 5.9% for the same period), and its higher than average percentage of professionals (26.2% as opposed to 21.2%) are suggestive of the LGA's relative affluence. The LGA's median household income is also substantially higher than that of the state, at \$1,732 per week. All indicators point to a stable and comparatively socioeconomically advantaged population.
- 4.4 Overall, the LGA is viewed as the major urban growth belt on the North Western urban fringe of Sydney, experiencing substantial population growth in several new residential sub-divisions such as Kellyville and Castle Hill. The area is also seen as not having the requisite social infrastructure to cope with a young and rapidly growing population. Such community facilities as registered clubs and other recreational spaces are not as common as other suburbs in Sydney and NSW. Whilst the area remains relatively advantaged, there is a need for important community facilities such as the Venue to maintain and increase its level of community support into the future.

5 POSITIVE CONTRIBUTIONS

5.1 General

- 5.2 The granting of the Application will yield a significant social and economic benefit for the Local Community and LGA through a number of major and ancillary positive contributions, including:

1. Additional \$40,000 donation to the "Bridging the Gap in the Hills Foundation";
2. Redevelopment and expansion of Venue, including the construction of a coffee shop and auditorium with associated construction related benefits;
3. Maintenance of funding of local sporting clubs and local CDSE beneficiaries;
4. Additional employment; and
5. Additional state taxes.

5.3 Donation to the Community Foundation of North Western Sydney

5.4 *The Community Foundation of North Western Sydney*

- 5.5 The Community Foundation of North Western Sydney, a subsidiary of The Hills Community Aid and Information Service Inc, was launched in August 2008. It was established in response to views that there was increasing socioeconomic disadvantage in the North Western Region of Sydney, attributable to some degree of existing mortgage stress compounded by the Global Financial Crisis. The Community Foundation of North Western Sydney services the LGAs of Baulkham Hills, Blacktown, Hawkesbury, Hornsby and Parramatta, but mostly concentrates efforts in the Baulkham Hills area. The Foundation provides assistance to a variety of households throughout the North West of Sydney with its mission being to facilitate:

- Crisis accommodation for homeless families and youth;
- Crisis relief, including access to financial assistance, trauma and financial counselling, and a No Interest Loan scheme; and
- Activities, programs and transport for socially and physically isolated families, young people and the aged.

5.6 As the Community Foundation of North Western Sydney is manned entirely by volunteers it does not have adequate resources to provide the services listed above itself, instead relying upon existing professional services in the area. This allows the Foundation to maximise the donated monies and provide a first class service delivery method.

5.7 *The Applicant's donation*

5.8 The Applicant has committed to a donation of \$40,000 to this project, which directly benefits in-need members of its Local Community. In return, the Foundation will report to the Applicant on a quarterly basis regarding the project's progress and financial status. The Foundation makes the commitment that 90% of the contribution will flow through to the target clients.

5.9 *The "Bridging the Gap in the Hills" Project*

5.10 Demographic statistics position the Baulkham Hills LGA as being comparatively affluent and advantaged, with 78% of families earning an above average income. However, as with any LGA in Australia, there is a certain segment of the population that may require assistance. The Global Financial Crisis has resulted in fewer employment opportunities and an increase in redundancies, and as a result a number of previously financially stable families are requiring financial support. This is particularly the case with some middle income earners in mortgage stress. State and National social welfare systems provide assistance to those in acute need, however it is widely recognised that there is an underclass of 'working poor' who are not eligible for substantial social security assistance but nonetheless require some form of help with day-to-day living costs.

5.11 The "Bridging the Gap in the Hills" Project is designed to provide supplementary support that enables the client to move out of welfare dependency and become at least partially self-sufficient. The project is so named because it is intended to "bridge the gap" between subsistence dependency and self-sufficiency. The support provided may take the following forms:

- Accommodation funding for homeless families or those facing the threat of eviction;
- Transport to enable access to work and/or training;
- Financial and trauma counselling;
- Funding for health care;
- Vocational training; and/or
- Crisis financial assistance.

5.12 The Hills Community Aid and Information Service Inc, St Michael's Church and The Hills District Youth Service, each of whom are locally based organisations, have been engaged to assist the Foundation in identifying clients who would benefit from the program. These organisations have a large client base from which the project will draw.

5.13 The Applicant's contribution will go directly towards ensuring these services are maintained in the Local Community. Those who are likely to benefit from the donation vary, however the vast majority reside in the Baulkham Hills LGA and will benefit from this positive contribution. Appendix 6 contains correspondence from the Community Foundation of North Western Sydney regarding the funding project.

5.14 Redevelopment of the Venue

5.15 The Venue became an amalgamated premises of the Applicant in 1999 having experienced significant trading difficulties for some time. Over the years the Applicant undertook refurbishment of the Venue and rationalisation of the operations. This has resulted in some financial improvement; however the Venue remains to trade at a near \$0.5 million loss. The Applicant nonetheless remains committed to the Venue given its place and role in the Local Community. Part of the Applicant's strategy is to make the Venue a more attractive destination venue in the area. This includes a two-stage redevelopment and refurbishment of the Venue. Stage 1, completed in 2008, entailed the construction of a brand new building, encompassing a gaming area, bar, function room, restaurant, lounge, foyer and entry. Stage 2, which will cost approximately \$8 million, includes a coffee shop, improved and additional facilities for staff members, and a large, multi-purpose, 700-seat auditorium. The Applicant hopes to have this completed by 2013. The \$8 million redevelopment project is set to have construction related flow-on benefits to the Local Community of approximately \$8.96 million and an additional 136 positions during the course of construction. Additional information relating to the construction related benefits is included in Appendix 4.

5.16 These planned facilities will benefit the Applicant's Local Community in a number of ways. The coffee shop will provide an additional dining and refreshment option for its patrons, whereas the auditorium will offer a space for private events, professional conferences, and both meetings of and functions catering to locally-based organisations, including many of those who currently benefit from the Applicant's CDSE commitments and sponsorship of local sporting clubs. Currently, the limited function rooms allow for a number of local organisations to receive in-kind support through use of the function rooms available. The 700-seat auditorium will ensure that the Local Community and local organisations have adequate space to hold various events and meetings. This two-pronged strategy, and ultimately the future viability of the Venue hinges on the success of the Application, without the additional revenue generated by the proposed gaming machines, the Applicant will not be in a position to go ahead with the continued redevelopment of the Venue and it is foreseeable that the future viability of the Venue as a Local Community asset, including Local Community support is at threat.

5.17 Maintenance of funding of local sporting clubs and local CDSE beneficiaries

5.18 *Sporting contributions*

5.19 The Applicant is committed to providing on-going sponsorship for its numerous affiliated local sporting bodies. These include a Baseball Club, Cricket Club, Golf Club, Men's Hockey Club, Women's Hockey Club, Junior Hockey Club, Netball Club, Soccer Club and Tennis Club. These clubs each have a substantial membership – Baulkham Hills Soccer Club alone has over 80 junior teams, whereas Baulkham Hills Netball Club is currently fielding 22 teams, 15 of which feature children aged less than 15 years. A number of members of these sponsored clubs have gone on to play representative sport at regional, state and national levels. By way of its sponsorship of these sporting clubs, the Applicant facilitates the subsidisation of registration fees, sporting equipment and uniforms, and thus directly benefits the families of more than 1,300 local children. This funding constitutes a particularly significant and relevant positive contribution to the Applicant's Local Community, given that the Local Community features so many families with children aged less than 15 years. The LGA's "high proportion of 0-11 year olds", which is forecast to continue to grow, is, according to the Hills Shire Council, "expected to drive demand for access to age appropriate recreation facilities and services", including "junior sports development and participation opportunities" (*Recreation Strategy* 2007, p.8). The LGA also has a high proportion of 12-24 year olds, an "age cohort [that] tends to have one of the highest rates of participation in organised sports and activities" (p.8). As well as responding to the demographic data pertaining to the LGA and Local Community, this funding also complies with one of the directives of the Hills Shire Council's 2007 *Recreation Strategy*, which provides that one of its key objectives is to

“facilitate and promote community health and well-being through active involvement in sport, recreation and leisure” (p.6). This document also specifically recommends the “build[ing of] the capacity of sport and recreation clubs as well as other community organisations in the [Hills Shire] with respect to administration, management, and fundraising functions” (p.7).

5.20 As noted above, the Applicant has experienced significant financial difficulty at the Venue for some time and post amalgamation has attempted to improve this position through redevelopment and rationalisation of operations, whilst at the same time maintaining a level of community support through sponsorship and donations well in excess of what is required. The Applicant has now reached a point where unless revenue increases, through both additional revenue streams (the gaming machines subject to this Application) and the Stage 2 redevelopment, it will have to reduce community contributions. Therefore, rather than hoping to increase its funding of local sporting bodies, the Applicant requires the additional gaming machines in order to simply maintain its current level of funding. The Applicant has reached its maximum level of debt (\$48.5 million). Without the revenue that the additional gaming machines will generate, the Applicant will no longer be able to sponsor the many affiliated sporting clubs that currently rely on it for survival.

5.21 *Other CDSE beneficiaries*

5.22 In 2007, the Applicant generously contributed to its Bankstown and Baulkham Hills Local Communities more than \$2.1 million in excess of its CDSE requirements. Its primary beneficiary is Bankstown Aged Care, to whom it has donated \$2.5 million over the past decade. Given that the Applicant operates from multiple sites, the organisations that benefit from the Applicant by way of the CDSE program are situated across both the Bankstown and Baulkham Hills LGAs. In 2008, the Applicant contributed \$210,155 to its Baulkham Hills Local Community. The recipients of this funding included Baulkham Hills Lions Club, National Seniors Australia, Probus Club of Baulkham Hills, The Oaktree Foundation, Woodbury Autism Education and Research, and the MS Society, along with the various affiliated sporting clubs mentioned above. Given that the Applicant's Baulkham Hills site is currently trading at a loss, without the funds generated by the proposed additional machines, the Applicant will be unable to continue to so generously assist local in-need organisations. In order to maintain its current CDSE funding, the Applicant needs its gaming machine threshold to be increased in accordance with this LIA.

5.23 Additional CDSE

5.24 The gaming machines subject to the Application are projected to provide an \$1.2 million in gaming machine profit to the Venue. At the minimum CDSE rate, \$18,000 in additional CDSE contributions is estimated to be provided to the Baulkham Hills Local CDSE Committee for the 2010 CDSE year.

5.25 Additional employment

5.26 The revenue generated by the additional gaming machines will result in at least a further two full-time positions becoming available at the Venue. The additional two positions will have an employee benefits expense of \$66,826.

5.27 This is a critical social benefit in two aspects:

- Given the current instability of the economic climate, employment opportunities are generally fairly limited; and
- Assuming the median household size for the LGA of 3.1 persons, approximately six people will directly benefit from the positions becoming available and being filled.

5.28 Additional taxes

5.29 Additional state taxes are estimated to average \$314,400 per annum, along with an estimated additional \$3,842 in payroll tax per annum. The proportion of this total amount of \$318,242 which flows back to the Local Community (estimated on a per capita basis) is estimated to be \$9,923.

5.30 Summation of positive contributions to Local Community

5.31 From this information it is estimated that the additional gaming machines will result, either directly or indirectly in an additional \$134,749 in quantifiable funds directly flowing back to the Local Community. An additional \$8.96 million in construction related economic benefit is also submitted as being a positive contribution on a short term basis.

6 CONCLUSION

5.32 This LIA, pursuant to Section 37 of the *Gaming Machines Amendment Regulation 2009*, defines the Applicant's Local Community, details the positive contributions that the Applicant will provide to the Local Community if the Application is approved, and details the harm minimisation and responsible gambling measures that are in place at the Venue.

5.33 The Applicant is a community based registered club with a focus on sports related activities and provides needed community support through additional donations exceeding those required through CDSE contributions. The Venue has existed at the site for a significant period of time and is an important part of the social infrastructure of the Local Community particularly through its focus on sporting endeavours in a growing and young area.

5.34 The Applicant operates gaming at the Venue in compliance with mandated Legislative requirements and operates a best-practice style of interventions and procedures. The Applicant enforces this strict approach based on its House Policy on the Responsible Conduct of Gambling conducting regular in-house training for all of its gaming staff, each of whom holds qualifications in the Responsible Conduct of Gambling.

5.35 The positive contributions put forward in this LIA will not occur without the approval of the Application. The positive contributions include a \$40,000 contribution to a local charitable welfare organisation to assist in providing services to persons in the Local Community suffering financial distress or requiring accommodation. This will be a substantial positive contribution to those persons in the Local Community in need. Furthermore, the Applicant is spending \$8 million refurbishing and redeveloping the Venue including construction of an auditorium for use by Local Community organisations and groups, many of which will utilise the facility through in-kind donations by the Applicant. Substantial short-term construction related benefits will also flow from this project. Resultant from the financial distress of the Venue, without the additional revenue stream from the gaming machines subject to this Application, the Applicant will be forced to reduce its funding of local charitable and sporting organisations. The additional gaming machines will ensure this current level of donation is maintained into the future. In this respect one of the positive contributions from approval of the Application will be that this current level of donations is not reduced. Lastly, the additional employment of two full time positions will be forthcoming from approval of the Application, as well as additional taxes and additional CDSE contributions. The approval of the Application will result in a substantial positive contribution to the Local Community.

5.36 It is therefore provided that the test as set out in the Guideline and Legislation is met and the Applicant submits that the Threshold Increase Application should be approved.