
Local Impact Assessment Class 1 Application 24 Stoney Creek Road, Bexley

Bexley RSL and Community Club Ltd
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Prepared by:



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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 'low range' gaming machine threshold increase of 20 for Bexley RSL and Community Club Ltd (the "Applicant") at premises situated at 24 Stoney Creek Rd, Bexley NSW (the "Venue") located in the Band 2 Local Government Area (the "LGA") of Rockdale. The Applicant has operated at the Venue for almost 80 years and provides hospitality based recreational pursuits and community based enterprises for its members and their guests.

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 Conduct 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. The Rockdale LGA is the Local Government Area of the Venue. An area extending 5kms from the Venue has been identified as the Local Community. Maps of the LGA and Local Community are included in Appendices 2 and 3 respectively.

4. POSITIVE CONTRIBUTION

- IV. Chapter 5 of this Report details the positive contributions resultant from approval of the Application to the Local Community. Jobsupport was established in 1986 and specialises in placing people with significant intellectual disabilities into open employment, now servicing 500 clients across Sydney, 50 of these clients are located in the Rockdale area, within the Local Community of the Applicant. Demand has increased by 20-40 new clients annually for Jobsupport services as intellectually disabled persons and the community becomes more aware of the opportunities presented through the program and the likelihood of a positive outcome being reached. Jobsupport receives funding from the Department of Education, Employment and Workplace Relations (DEEWR). Funding from DEEWR is capped and does not allow fundraising until March 2010. Given these proposed changes Jobsupport now fundraises to self-fund waitlisted clients who desire work in open employment. Jobsupport receives \$19,500 per client from DEEWR for the initial placement; however the true average cost is between \$27,000 and \$30,000, leaving a deficit of \$7,500 and \$10,500 per placement that Jobsupport fundraises for. Each year, between 2 – 4 clients living or working in the Rockdale LGA and surrounds requires placement or replacement into a new job. The Applicant's donation to Jobsupport's core program of \$15,000 per year for seven years would allow Jobsupport to place up to 2 clients in the Rockdale local area annually. Jobsupport views the benefits stemming from the program to clients as being integration into the workforce, financial independence, independent travel training and a feeling of 'belonging' as a member of the community. The Applicant also presents additional positive contributions from approval of the Application being additional State taxes, additional employment of one full time staff member and additional CDSE contributions. A total quantifiable positive contribution is presented at \$405,048.

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.

1 INTRODUCTION

1.1 This Report is a Local Impact Assessment (“LIA”) Class 1 to accompany a Threshold Increase Application (“the Applicant”) for a Band 2 Local Government Area venue of ‘low range increase’ of 20 gaming machines for Bexley RSL and Community Club Ltd (“the Applicant”). The Applicant is a returned and services league club and is located at 24 Stoney Creek Rd, Bexley, NSW (“the Venue”) and provides recreational services and community based enterprises for the residents of the Rockdale LGA and its Local Community. The location of the Venue is identified and illustrated in Appendix 2 and has a total floor space of 2494m², as shown by the layout plan of the Venue provided at Appendix 4.

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 Venue was officially opened on the 21st June 1930, and since this time undergone numerous changes and improvements. The Applicant was established with the intention of providing both recreational opportunities and various forms of support for local returned servicemen and women, as well as members of its wider Local Community. It continues this tradition today.

1.6 Current Applicant Services, Facilities and Donations

1.7 The Venue currently comprises numerous lounge, entertainment, dining, gaming and function spaces, as well as an auditorium and performance facilities utilised by various local dance groups. The Applicant provides a number of services to its members and guests. Along with the provision of gaming and refreshments, the Applicant offers its members the opportunity to participate in a number of other activities, such as twice-weekly bingo, singles’ nights and yoga classes. In addition, discounted meals and live entertainment are available to members on a monthly basis. The Applicant makes donations to a number of local organisations and sporting clubs, including Nurses on Wheels, Roselands Sports and Aquatic Centre, Calvary Hospital, Bexley Public School, Bexley Playgroup, Metro Central Foster Care Group, St George Community Services, Bexley North Soccer Club and Marian Villa Women’s Refuge. The Applicant currently employs a total of 21 staff (seven full-time, nine part-time and five casuals). 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 had a total revenue in 2008 of \$3.2 million and the club returned a loss

before income tax of \$128,485. Gaming machine revenue for 2008 was \$2.2 million, representing 70.0% of total revenue. Total bar revenue was \$546,780 (17.0%). The Applicant paid \$372,720 in gaming machine duty in 2008. The Applicant made CDSE donations of \$35,528 in 2008. The Applicant had a total employee benefits expense of \$919,176 including payroll tax.

1.10 **Gaming machine indicators**

1.11 The Applicant operates 66 gaming machines currently. The Applicant had a profit per gaming machine (total turnover less payouts) of \$34,000 for the 2008 year. The average net revenue per gaming machine for the Rockdale LGA in 2008 was \$51,732. The Applicant projects that each additional gaming machine will return a profit of approximately \$30,000 per machine per annum. The additional machines will add an estimated \$600,000 to the total gaming revenue of the Applicant.

1.12 **Proposal**

1.13 The Applicant has entered into a relationship with Jobsupport through its Kingsgrove branch located in the Local Community. Jobsupport provides employment opportunities to intellectually disabled persons at various workplaces throughout Sydney. The employment opportunities provided allow clients to be engaged in the community, developing valuable feelings of self worth and confidence. The relationship will result in the Applicant contributing \$15,000 per annum for seven years to make up the shortfall in Federal Government funding for intellectually disabled persons in the Rockdale area (so the Local Community). The Applicant consents to the imposition of a condition on the approval of the Application to reflect the per annum nature of the contribution.

1.14 Additional employment will also be generated at the Venue, as will increased taxes, and CDSE contributions. Further detail in relation to the positive contributions is provided later in this Report. Further details in relation to the proposal follow.

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 Appendix 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 prize winners 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 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* 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* 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 identities of any prize winners are not published;
- The Applicant does not promote gambling outside the Venue, including not providing gambling 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 or 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*, specifically provisions relating to the promotion of cash prizes over \$1,000, exchanging 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;
- Strong links are maintained with established referral systems problem gambling counselling services;
- The Applicant operates the ClubSafe self-exclusion scheme in compliance with clause 47 *Gaming Machines Regulation*;
- 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;
- No cashing of third party cheques is possible;
- Clocks are clearly visible in all areas of the Venue as per clause 28 *Gaming Machines Regulation*;
- No gaming cash payments over \$2,000 are made;
- No cash prizes in gaming promotions;
- Only the provision of opt-in marketing is undertaken and only as part of the Applicant's full suit of promotions;
- All direct advertising of gaming is contained within the Venue premises and is not visible outside the Venue; and
- The availability of player activity statements by players upon request is well known.

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. The approach to which the Applicant has defined its Local Community has been developed through its analysis of membership penetration in the surrounding area and its market share. 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. A diagram of the Local Community is included as Appendix 3 and includes:

- The following suburbs: Allawah, Arncliffe, Ashbury, Banksia, Bardwell Park, Beverly Hills, Beverley Park, Bexley, Bexley North, Blakehurst, Brighton-Le-Sands; Campsie, Canterbury, Carlton, Carss Park, Connells Point, Dolls Point, Earlwood, Hurlstone Park, Hurstville, Hurstville Grove, Kingsgrove, Kogarah, Kogarah Bay, Kyeemagh, Kyle Bay, Monterey, Ramsgate, Ramsgate Beach, Sandringham, Sans Souci, Turrella, Undercliffe, and
- Parts of the following suburbs: Ashfield, Belfield, Belmore, Croydon Park, Dulwich Hill, Marrickville, Mortdale, Oatley, Penshurst, Roselands, Sydenham, Sydney Airport, and Tempe.

3.2 It is submitted for the purpose of assessment that this area is the Local Community of the Venue.

4 DEMOGRAPHY

4.1 The Rockdale LGA is located on the shores of Botany Bay and is 12km from Sydney central business district. The City of Rockdale encompasses Sydney Airport at Mascot, down to Sans Souci in the South, Kingsgrove in the West and Willi Creek in the North. Covering an area of 28km², it has approximately 38,013 dwellings and is a sub-region of the St George-Sutherland Statistical Sub-Division. In 2006 its population was estimated at 92,126 and population density 2,400 persons per square kilometre. 79.6% of the population were aged 18 years and over comparing to 76% for NSW at the same period. The median age of people residing in the LGA in 2006 was 37 years, on par the state figure, with 49.7% of the population is Australian-born. At the June quarter, 2006, the rate of unemployment in the Rockdale LGA was estimated at 5.4%, lower than the NSW figure of 5.9%. The portion of professionals within the LGA was 1.8% lower than the figure for NSW at 19.4%. The LGA has a SEIFA (2006 social-economic index of relative advantage-disadvantage) of 1026, which is higher than the State average of 978. (2033.0.55.001 - Socio-economic Indexes for Areas (SEIFA), Data Cube only, 2006).

4.3 The Local Community encompasses the majority of the LGA and shares common demography being predominantly older in age than NSW. 79.6% of the LGA are over the age of 18 compared to 76% for NSW, similar to the Local Community rate of 78.6%. The proportion of the population aged over 80 is 5% in the LGA and 4.3% in the Local Community compared to 3.9% for NSW and the proportion aged between 60 and 79 is 15.3% compared to 14.8% for NSW. This all provides that the Local Community and LGA are an aging population.

5 POSITIVE CONTRIBUTIONS

5.1 General

5.2 The granting of the Application will yield a significant social and economic positive contribution for the Local Community and LGA through a number of major and ancillary

positive contributions, including:

1. Community contribution to Jobsupport Kingsgrove;
2. Additional employment;
3. Additional State taxes; and
4. Additional CDSE contributions.

5.3 The various positive contributions are outlined in greater detail below.

5.4 **Community contribution to Jobsupport Kingsgrove**

5.5 Background to Jobsupport

5.6 Correspondence from Jobsupport Kingsgrove is included in Appendix 5. The correspondence provides greater detail to the information presented below.

5.7 Jobsupport has operated as a non-for-profit organisation throughout Sydney since 1986 with its main mission to place, train and maintain as many people as possible with significant intellectual disability into quality regular jobs. Jobsupport's goal is to benefit not only the employee but also the employer through not only training clients accurately but to also ensure longevity with the employment relationship. Jobsupport has grown since 1986 to now placing 480 clients in employment.

5.8 Jobsupport provides two main programs. The first is 'Open Employment' which places people with an intellectual disability into regular paid employment. This program is part of the Disability Employment Network, funded by the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR). Given Jobsupport caters to persons with a significant intellectual disability, this program uses a tested process to carefully match the right person to the right employment and employer. This process has an assessment part, job search and analysis, training including ensuring rates and standards are met and an on-going maintenance where clients are able to gain additional training if so required. The program has been of considerable success for some time.

5.9 The second program provides a transition to work service called Community Work Options. This provides school leavers with an intellectual disability assistance before paid employment is attempted. The program provides work experience in employment suitable to the client. This is funded by the NSW Department of Aging Disability and Home Care and allows real work settings to be used rather than training and simulation.

5.10 Both programs have gained considerable success for both clients and employers. Jobsupport operates both an open employment and a transition to work (CWO) program. Over 70% of people who finish Community Work Options achieve open employment with Jobsupport being the only service in NSW to specialise in clients with severe intellectual disabilities and high support needs and is skilled in dealing with specific problems with this client group (difficulty with travel, poor communication skills, poor grooming, etc.). 500 clients across Sydney are now serviced by Jobsupport, with over 50 of those being in the Rockdale area (the Local Community).

5.11 Project specifics

5.12 Josupport provides that demand for its services has increased by 20-40 clients per annum since 2006. This increased demand is resultant from more intellectually impaired persons graduating from school, being encouraged to find employment and as news of the success of such programs spreads. As noted above, Jobsupport receives funding from Federal and State governments, who have cap participants at 500 persons with no authority until March 2010 for fundraising to occur. Given this Jobsupport now fundraises in anticipation for the March 2010 timeline which has allowed Jobsupport and the Applicant to establish a relationship for the Applicant to directly fund this initiative.

5.13 Jobsupport clients require additional training and support given that they have more severe intellectual disabilities. This includes additional hours for job searching to create the right job for the right person, resulting in higher retention rates and higher salaries for clients. This more intense preparation time and therefore also cost, creates a deficit in terms of the government funding provided and the actual cost. Jobsupport receives \$19,500 per client from DEEWR, however the average cost of between \$27,000 and \$30,000, meaning that a \$7500 to \$10,500 deficit remains. Jobsupport work to bridge this gap through fundraising and it is in this capacity that the Applicant has contacted Jobsupport to commit to a contribution of \$15,000 per annum for seven years to the organisation. Jobsupport provide that the funding contribution will allow two to four clients living in the Local Community and Rockdale LGA to be placed into a new job. This will mean that over the course of the funding at least fourteen clients will be funded into the jobs through the contribution by the Applicant.

5.14 Benefits for Jobsupport Clients, Community, Rockdale LGA and NSW Government

5.15 The majority of Jobsupport clients have significant intellectual disability meaning that they are highly unlikely to not only access employment, but also other employment agencies. In this capacity Jobsupport connects such clients with their community and delivers a sense of self-worth to people who would not otherwise experience this. Jobsupport provide that some of these benefits are the most significant positives to come from the programs, including:

- *Social benefits from integration into a normal work environment*
- *A degree of financial independence (average salary is five times higher than in Sheltered Workshops)*
- *Independent travel training leading to confident, independent travel on public transport*
- *A feeling of 'belonging' to and being a valued member of the community*

5.16 The program also provides substantial benefits to employers who participate, and therefore also the wider community. This is because 'Jobsupport clients help employers, as they are able to perform routine tasks effectively and efficiently...', thereby freeing up more experienced staff increasing efficiency and also retention. Jobsupport provides that clients have an 85% retention rate.

5.17 There is a direct correlation between the Local Community, given that currently 30 Jobsupport clients live in this area. Furthermore, local businesses have Jobsupport clients currently working in them, these include:

- Bexley RSL
- Ramsgate RSL sub-branch Memorial Club
- City Ford, Arncliffe
- St George Bank Personal Lending, Kogarah
- The Plastics Centre, Arncliffe
- Big W, Rockdale
- Rockdale City Library
- Spotlight, Rockdale
- Woolworths, Kogarah
- Lowes Manhattan, Arncliffe
- McDonalds, Bexley
- McDonalds, Sans Souci
- St. George Bank, Kogarah (2 clients)
- Australia Post Delivery Centre, Kingsgrove
- St George Private Hospital, Kogarah
- Pizza Hut, Kogarah
- Woolworths, Rockdale

5.18 Benefits to NSW and the taxpayer also exist through a cost effective method for people with a disability to be employed. Jobsupport reports provide that the Jobsupport method of employment for persons with significant intellectual disability costs the NSW state government approximately \$1,692 per annum compared to \$6,358 for business services being sheltered workshops and \$15,699 for ATLAS programs. Jobsupport estimates that this saves the State government approximately \$3 million per annum where persons with a significant intellectual disability go into employment rather than sheltered activity programs.

5.19 From the information provided it is evident that the Jobsupport project that the Applicant is entering into subject to approval of the Application will be a significant positive contribution to the Local Community.

5.20 **Additional employment**

5.21 The revenue generated by the additional gaming machines will result in the creation of a full time position at the Venue. The additional position will have an employee benefits expense of approximately \$40,000 per annum.

5.22 **Additional taxes**

5.23 Additional state taxes are estimated to average \$201,358 per annum, along with an estimated additional \$2,260 in payroll tax per annum. The proportion of this total amount of \$203,618 which flows back to the Local Community (estimated on a per capita basis) is \$2,864.

5.24 **Additional CDSE contributions**

5.25 The Applicant paid \$35,528 in CDSE contributions in 2008. The increased revenue attributable to the additional 20 gaming machines will increase total gaming revenue by \$600,000 generating an additional \$9,000 in CDSE contributions per annum.

5.26 **Summation of positive contributions to Local Community**

5.27 From this information it is estimated that the additional gaming machines will result, either directly or indirectly, in an additional \$57,864 per annum or \$405,048 over the seven year

period in funds flow into the public and private sector, which will directly benefit the Local Community.

6 CONCLUSION

- 6.1 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.
- 6.2 The Applicant is a community based registered club with a focus on facilitating services to returned service men and women, providing recreational and social services to its members and through contributions and in-kind support to its Local Community more widely. It has acted in this capacity for over 80 years, developing over time to become an integral part of its community.
- 6.3 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.
- 6.4 The positive contributions put forward in this LIA will not occur without the approval of this Application. The positive contributions are underpinned by a \$15,000 per annum contribution to Jobsupport Kingsgrove for seven years. Information concerning the per annum contribution is presented in this LIA and reflecting the value of the Jobsupport program and its demonstrated success in placing intellectually disabled persons in valued employment. The contribution will allow Jobsupport Kingsgrove to place two clients into employment per year where the funding will bridge the deficit between Federal and State government funding and the true cost of training and placement. The Applicant currently employs Jobsupport clients and understands the benefit that the employment has on clients including feelings of self-worth, self esteem and value to society.
- 6.5 The Applicant also presents additional employment generation, additional taxes and CDSE contributions stemming from approval of this Application. The quantifiable positive contributions from approval of the Application equate to approximately \$57,864 per annum. The positive contributions presented in this LIA warrant approval of this Application.
- 6.6 It is therefore provided that the test as set out in the Guideline and Legislation is met and the Applicant submits that the Application should be approved.