

Maclean & District Bowling Club Co-op Limited

Local Impact Assessment (Class 1)



Aerial View



Street View

Executive Summary.

- Maclean & District Bowling Club Co-op Limited ('the Club') is located within the boundaries of the Clarence Valley Local Government Area (LGA). The Clarence Valley LGA has been classified by the Casino, Liquor and Gaming Control Authority as 'Band 2' in accordance with the Gaming Machines Amendment Act 2008 No 99.
- The Club is a small / medium sized registered sporting club. Total revenue for the 2008 / 2009 financial year was \$2.5 million dollars and net surplus was \$63,972. The Club provides a valuable social function to the Maclean district with *nearly 80%* of the local population of Maclean being members of the Club.
- The Club currently operates thirty-nine (39) approved gaming machines and is seeking to increase this number by six (6) to a total of forty-five (45) approved gaming machines to be implemented over a two (2) year period.
- The Gaming Machines Amendment Act 2008 (the Act) defines an increase of six (6) approved gaming machines to be a 'low range' increase. Given the Club's location in a 'band 2' LGA, the Act requires the submission of a 'Class 1' Local Impact Assessment.
- The Club provides community benefits well in excess of Community Support and Development Scheme (CDSE) requirements. During 2008 / 2009, the Club provided \$39,550 in direct funding to independent sporting organisations and \$7,700 to local community-based organisations. Total funding for sporting activities and community organisations was \$165,250 if costs to maintain and operate the Club's own sporting facilities (i.e. lawn bowling greens) are included.
- The Club is committed to providing Maclean with a viable sporting and recreational facility in the long term. The Club completed stage one of a four stage renovation and upgrade program during 2007 at a cost of 1.8 million dollars (ex GST). Many of the trades and materials to complete Stage 1 were sourced locally.
- Without gaming machine revenue, the Club could not provide any support to the broader community. Without increased gaming machine revenue, anticipated future rising expenses outside of the Club's control will prevent the Club from maintaining current high levels of support in excess of any CDSE funding, let alone allow the Club to increase funding.
- The Club has operated gaming machines since 1963 and is conscious of the principles of harm minimisation and complies with all relevant legislation and 'best-practice' guidelines as applied to the operation of gaming machines. The Club is a financial member of the ClubsNSW 'Club Safe' program and has adopted the ClubsNSW 'Registered Clubs Responsible Conduct of Gambling Code of Practice

and Best Practice Guidelines'. All employees with gaming related duties have successfully undertaken the Liquor Administration Board (LAB) approved 'Responsible Conduct of Gambling' course.

- There are several positive outcomes for the Maclean district should the Club be permitted to increase approved gaming machine numbers. Additional revenue will enable the Club to continue providing and improving sporting and recreation facilities for the district. Additional growth will create demand for more local employment, increased expenditure on local goods and services and the ability for the Club to expand facilities such as meeting and function areas.
- Increased revenue from approved gaming machines will allow the Club to continue providing funding to the local community well in excess of that required to offset gaming machine taxation via the Community Development and Support Expenditure (CDSE) scheme.
- Should the Club's application be successful, the Club will donate \$12,000 (over a two year period) to the United Hospitals Auxiliaries of NSW (Maclean Branch) for the purpose of improving car parking arrangements at the Maclean District Hospital. This donation will be over and above any other Category 1 payment made as part of the CDSE scheme.



Volunteers building a new bowling green during the 1940's

1.0 Introduction.

This Local Impact Assessment (Class 1) provides information that will support the Club's application for a 'low range' increase to the Club's current gaming machine threshold by 6 entitlements (i.e. from 39 to 45 gaming machines). In accordance with the 'Guidelines for Applicants – Class 1 Local Impact Assessment (LIA)' (February, 2009) for existing clubs, this LIA will provide details of the benefits to the local community that the Club currently provides and will provide in the future should additional gaming machines be approved. The LIA will also provide details of the harm minimisation and responsible gambling measures in place at the Club.

2.0 General Information.

The Club has been established in Maclean since 1929 and has been located in its current McLachlan Street location since 1947. The Club was granted a Certificate of Registration and licence to operate gaming machines during 1963. The Club maintains 3 natural grass bowling greens and provides facilities typical of a small to medium sized registered sporting club. These facilities include; restaurant / bistro, bar, lounge areas, auditorium, meeting and seminar rooms, outdoor BBQ area, pool table, darts and carpet bowls. The Club also provides gaming services including gaming machines, TAB and Keno. The Club operates two courtesy buses that are used to transport members to and from the Club.

The Club operates as a 'non-trading / non share' co-operative registered under the Co-operatives Act (1992). Unlike other venues such as hotels, taverns and the casino, the Club cannot issue shares or distribute profits. Any surpluses generated by the Club's trading activities are used for the following purposes:

- promote the sport of lawn bowls,
- improve the Club's facilities and services to members,
- improve the level of services provided to worthwhile local sporting and community organisations, and
- provide funding and in-kind support to the local community by way of sponsorships and donations.

The Club employs 20 staff with voluntary labour contributing another 120 hours per week (approximate) towards the day to day running of the Club. In addition, volunteers contribute towards bowls activities, bowling green maintenance, driving courtesy buses and general support of the Club's activities.

3.0 Current Benefits to the Local Community.

3.1 *A Significant Proportion of Local Residents are Members of the Club.*

The Club currently plays a significant role in the local community and a significant majority of local residents utilise the Club's facilities on at least an occasional basis. The following table illustrates the Club's importance in terms of the proportion of the local population that are members of the Club;

Population of Maclean	Total Members of the Club at 30 June 2009	Local Residents Eligible to be Members Based on Age	Members of the Club who Reside Locally	% of Local Residents that are Members of the Club
3,293 ₁	2,789	2,634 ₂	2,105	79.9%

1. Population based on ABS 2006 Census and projected to 2009 using Clarence Valley Council growth data.
2. Clarence Valley Council Economic Profile (2007) estimated that 20% of the population are up to the age of 14 effectively reducing the number of residents eligible to be members to 2,634.

3.2 *The Club provides a significant sporting facility to the local area.*

One of the primary aims of the Club is to promote the sport of lawn bowls. To this end, the Club maintains three natural grass bowling greens. The Club provides funding for major tournaments, representative events and social activities. In addition, the Club heavily subsidises participation costs to allow the sport to be accessible to as many people as possible. During 2008 / 2009, direct expenses to maintain the Club's greens were over \$118,000. It is expected that expenses in this area will increase to approximately \$130,000 during 2009 / 2010 due to major renovations and cost increases.

3.3 *The Club is a major sponsor of other sport in the local area.*

The Club provides financial and in-kind support to a range of other sporting activities in the district. During 2009, the Club provided major financial support to the following independent sporting organisations:

Maclean 'Bobcats' Football Club	\$ 8,000.00
Lower Clarence 'Magpies' Rugby League Club	\$15,000.00
Maclean Netball Club	\$ 2,000.00
Clarence Coast 'Magpies' Junior Rugby League	\$ 2,000.00
Lower Clarence Cricket Association	\$ 5,000.00
Woodford Island 'Warriors' Cricket Club	\$ 2,000.00
Clarence Coast 'Cane Cutters' Aboriginal Rugby League	\$ 2,000.00
Clarence River Jockey Club	\$ 2,500.00
Total	\$38,500.00

In addition to major sponsorship of local sport, the Club provided a further \$1,050 in miscellaneous sports funding for activities including AFL, athletics, disabled sports and individual representative sport. The Club provided \$39,550 in funding to local independent sporting organisations and individuals during 2008 / 2009 and \$157,550 in total funding of local sport when the Club's own sporting facilities are considered. This funding far exceeds the level of funding provided by other venues in Maclean and it is expected that the Club will provide similar funding during the 2009 / 2010 financial year.

3.4 *The Club provides significant funding and ‘in-kind’ support to community organisations and activities.*

The Club places great importance in making valuable contributions to the local community. To this end, the Club provides funding and in-kind support to a wide range of community organisations and activities. In particular, the Club hosts regular meetings of the Rotary Club of Maclean, Maclean Lions Club, Maclean View Club and the Maclean Senior Citizens Club. The Club also provides free use of the Club’s facilities to organisations such as Clarence Valley Community Programs, Maclean High School, Maclean Public School, Maclean TAFE, Clarence Valley ‘u3a’ (Book Discussion Group) and Neighbourhood Watch. The Club also provides regular meetings spaces at no cost to sporting clubs including; Lower Clarence Magpies Rugby League Club, Clarence Coast Junior Rugby League Club, Maclean Football Club, Woodford Island Cricket Club, Lower Clarence Cricket Association, Maclean Dirt Bike Club, Maclean Netball Club, Lower Clarence Australian Rules Club, Clarence River District Bowling Association, Maclean Women’s Bowling Club, Clarence River District Women’s Bowling Association and the Wherrett Park Indoor Sports Centre Committee.

During the period 01 September 2008 to 31 August 2009 corresponding to the most recent ‘Community Development and Support Expenditure Scheme’ (CDSE) year, the Club provided funding to the following organisations:

United Hospital Auxiliaries of NSW (Maclean)	\$3,000.00
Maclean Public School P & C Association	\$1,000.00
Maclean Senior Citizens Club	\$2,000.00

The Club also provided a further \$1,700 in donations to organisations including Clarence Valley Council Community Support Services, Maclean Show Society, Maclean High School, Lower Clarence Scottish Association, Maclean Patchwork Quilters, Maclean Orchid Society, Village Life Social Club, Maclean TAFE, Maclean Lions Club, Maclean Music Academy, Clarence Valley Business Excellence Awards and Clarence River District Bowling Association Cancer Awareness.

3.5 *The Club’s support to the local community significantly exceeds CDSE requirements to offset gaming taxation.*

During the 2008 / 2009 CDSE year, the Club’s total metered profit from gaming machines was \$1,581,115. To obtain a taxation rebate via the CDSE scheme, the Club was required to contribute a total of \$8,717 in category 1 and 2 payments. It can be seen that the Club has provided well in excess of the required CDSE amounts and excluding any expenditure towards the Club’s lawn bowls activities, the Club’s total direct funding to the local area amounted to \$47,250.

3.6 *The Club provides valuable input to the local economy.*

As part of the local community, the Club places great importance in supporting local business. For example, the Club purchased over \$110,000 in raffle prizes alone from local suppliers during the 2008 / 2009 year.

The following is a summary from the 2008 / 2009 Club's audited accounts:

Expense	Amount (\$)
Wages	706,121
Local Suppliers (e.g. fresh goods, groceries and consumables)	119,059
Local advertising	26,906
Local entertainers/artists	11,800
Local trades, Council rates and professional services	140,464
TOTAL	1,004,350

It can be seen that the Club injected over one million dollars into the local economy during 2008 / 2009. It must be added that during 2006 / 2007, the Club completed Stage 1 of a proposed 4 stage development whereby the Club funded a \$1.8 million dollar refurbishment and upgrade program of the Club's premises. A significant proportion of this work was undertaken by local trades with outside contractors only used where local skills were unavailable or insufficient due to the Club's regional location. It is intended that this policy will be maintained with any future stages using local trades wherever possible.

4.0 **Proposed Additional Benefits to the Local Community.**

4.1 *The Club will increase its already high levels of support to community organisations.*

The Club has been approached by the Maclean Lions Club and the United Hospitals Auxiliaries of NSW (Maclean Branch) to assist with raising funds towards the construction of a new car park at the Maclean Hospital. The Club has been informed that current arrangements are far from satisfactory requiring visitors and day patients to park in the street and walk some distance to the hospital. Should the Club's application be approved, the Club will provide additional funding to the already significant contributions that the Club makes to the Auxiliary. In particular, should the Club's application be approved, the Club will donate \$12,000 towards this project over a two year period. This donation will be in addition to any payment or other donations that the Club makes to this or any other local community organisation as part of the CDSE scheme.

4.2 *The Club will be able to maintain services to the local community at the current comparatively high levels.*

Should the Club's application be approved, it is expected that increased revenue will assist to offset increases in expenses that are largely beyond the Club's control. In particular, while the Club's demand for electricity has increased by 26.1% since 2006/07, the cost for electricity over the same period has risen by 79.3%. The Independent Pricing and Regulatory Tribunal (IPART) draft report into regulated electricity retail tariffs for 01 July 2010 to 30 June 2013 reveals that by 2013, typical business customers can expect a further cumulative increase in annual expenditure on electricity of approximately 62% (IPART, December 2009). Based on current data it is expected that the Club will be paying approximately \$103,008 for the 2009/10 year. This represents an increase of 25.7% (or \$21,046) compared to 2008/09. By 2012/13 it is estimated that the Club will be paying an additional \$63,865 (i.e. increase of 62%) for electricity based on the IPART report. While it will always be one of the Club's primary goals to provide as much support to the local community as possible, it can be seen that without additional revenue to compensate for this increase, the Club may be forced to reduce the current comparatively high levels of support that the local community enjoys.

4.3 *There will be increased expenditure on local suppliers of goods and services.*

Historically, as the Club has grown, so too has expenditure on local suppliers of goods and services. In particular, since 2004/05 expenditure on local supplies of goods to the Club (e.g. fresh produce, groceries and consumables) has risen by 31.9%. This increase is comparable with a 38.3% increase in total revenue experienced for the same period. It can therefore be expected that local suppliers would also benefit from increased revenue.

4.4 *Employment Benefits.*

Because the Club is located in a regional area, all employees reside locally. It is neither practical nor desired that the Club sources employees from anywhere but the local area. As the Club has grown, so too has the Club's requirement for additional staffing with an increase of 7.8% in actual hours worked since 2006. Allowing for increases in various award payments, the Club's total wage expense has risen by 16.5% (excluding compulsory superannuation) over this same period (source: Club's audited accounts). Given that all employees reside locally, it can be reasonably expected that the local community would benefit from any increased employment opportunities and available incomes.

- 4.5 *The Club will provide additional facilities that will be available to the public (in accordance with any legislative restrictions placed on registered clubs).* Subject to the approval of the Club's application for an increased threshold, it is anticipated that the Club will commence Stage 2 of a planned four stage redevelopment during 2014. Work scheduled at this time includes an upgraded food service area, increased meeting and function areas and improved 'back of house' facilities. It is suggested that based on the current demand for the Club's meeting facilities (refer to 3.4), improvements to the Club will be welcomed by a significant proportion of local residents given the lack of alternative (and low cost) meeting places in Maclean.

Currently, there are very limited meeting and function facilities available in Maclean. During a recent enquiry made by the Club to the Clarence Valley Council (CVC) regarding the availability of function rooms in Maclean (26 Feb 10, CVC Customer Service), the Club was advised by CVC staff to "contact the Maclean Bowling Club". Of course other facilities are available in Maclean however the Club is the only major venue in Maclean that can offer areas ranging from small meetings to relatively large seminars (up to 250 people). It must be noted that unlike CVC facilities, the Club does not charge any fee for the use of facilities by any local community, sporting or charitable organisations. As the population of Maclean increases it is to be expected that demand for the Club's facilities will also increase.

5.0 Gambling Harm Minimisation Procedures and policies.

In addition to adhering to legislative requirements, the Club is a member of the Clubs NSW sponsored "ClubSafe" program. The Club supports "best practice guidelines" aimed at responsible practices and harm minimisation. Measures that the Club takes to ensure responsible gambling activities include:

- 5.1 The Club conforms to all applicable Acts and Regulations.
- 5.2 Through community involvement, Club conforms to local community standards and expectations. The Club looks to ensure that public respect is maintained by achieving the best possible practices relating to gambling.
- 5.3 The Club has established a Member complaint resolution process to ensure prompt and fair resolution.
- 5.4 The Club has implemented policies to encourage responsible practices in advertising and promotions related to gambling that comply with relevant legislation.
- 5.5 The Club has established policies that ensure legislative requirements are adhered to relating to cheque cashing, payment of winnings and financial transactions. These policies encourage Members to develop responsible practices in their personal use of finances for gambling purposes.

- 5.6 The Club has established policies for the handling of personal information relating to gambling patrons to protect their privacy.
- 5.7 The Club provides a safe environment for gamblers. This measure includes a physically safe and secure environment and socially acceptable surroundings.
- 5.8 Employees are given training and ongoing information regarding legislative requirements, harm minimisation issues, the risks of not complying with legislative requirements or not adopting and practicing harm minimisation strategies.
- 5.9 The Club encourages members to take responsibility for their gambling activities through an effective self-exclusion program.
- 5.10 The Club informs Members and staff of the Club's responsible gambling policy and program, the nature of gambling products and the availability of support services for problem gamblers. Currently the Club has established links with 'ClubSafe' Counselling Service and this service is advertised within the Club.

6.0 Notification of Stakeholders.

The Club has identified that there are currently no organisations located in the Clarence Valley Local Government Area (LGA) that receive funding from the 'Responsible Gambling Fund' to provide counselling and treatment services (OLGR website, accessed 04 March 2010). Therefore, the following stakeholders have been notified of the Club's intention to apply for an increased threshold in accordance with the Casino, Liquor & Gaming Control Authority 'Guidelines for Applicants – Class 1 Local Impact Assessment':

- The Council of Social Service of NSW and
- The North Coast Area Health Service.

7.0 Conclusion.

This submission has highlighted the importance of the Club to the local community both in terms of the Club's value as a sporting provider and facility for a significant majority of the local population. Any additional revenue that may result from an increase in the number of gaming machines will provide a net benefit to the local community through; increased expenditure on local goods and services, improved employment benefits and expanded club facilities that are available for community use. Additional revenue will also allow the Club to maintain community funding at the already high levels by offsetting increased costs that are out of the Club's control. Should the Club's application be approved, the Club will also provide direct financial support towards a local project to improve car parking at the Maclean Hospital over and above any other commitment that the Club may make as part of the Community Support and Development Scheme.