
Local Impact Assessment Class 1 Application

99 Mortimer Street, Mudgee

Mudgee Soldiers Club Limited
December 2009



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 Mudgee Soldiers Club Ltd (the "Applicant") at premises situated at 99 Mortimer Street, Mudgee NSW (the "Venue") located in the Band 2 Local Government Area (the "LGA") of Mid Western Regional. The Venue has operated at the site for almost 60 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 a 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 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 Mid Western Regional LGA is the Local Government Area. An area extending 5kms from the Venue has been identified as the Local Community. Maps of the LGA and the 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. Positive contributions are included in two parts. Firstly, the Applicant has committed to a \$60,000 contribution to the Mudgee Men's Shed. A sum of \$60,000 will be paid to the Mudgee Men's Shed which provides activity, identity and meaning to vast numbers of older, younger, unemployed, job-redundant, isolated, depressed and happily retired, enthusiastic men. There is need in the Local Community for this positive contribution evidenced by the Mid-Western Regional Council's most recent social plans as well as 2006 census data that characterises the LGA as having an older population than the figures for NSW and the limited availability of social activities and recreational pursuits compared to other areas for older persons. The \$60,000 contribution will allow the Mudgee Men's Shed to finalise construction of the shed, with any remaining funding going towards the running costs of the organisation into the future. Additional positive contributions include one additional employment position at the Club valued at \$40,000 per annum, \$10,500 in CDSE and additional taxes of \$619 on a per capita Local Community basis. The total positive economic contribution is valued at \$111,119.

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 submits that the Application should be approved.

1 INTRODUCTION

- 1.1 This Report is a Local Impact Assessment (“LIA”) Class 1 to accompany a threshold increase application for a Band 2 Local Government Area venue of ‘low range increase’ of 20 gaming machines for Mudgee Soldiers Club (“the Applicant”). The Applicant is a returned and service’s league and community registered club, and is located at 99 Mortimer Street, Mudgee, NSW (“the Venue”) in the Mid-Western Regional 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 was established in the early 1950s as a place for the congregation of returned World War I and World War II veterans. The Applicant became extremely popular with local residents during the 1950s and saw significant growth in membership during this period. Since its establishment the Applicant has flourished to become one of the Mudgee district’s major social venues, offering a wide variety of social facilities. The Applicant has long been viewed by its Local Community as being a place of social activity and interaction whilst maintaining its ethos as a returned and service’s league club.

1.6 Current Applicant Services, Facilities and Donations

- 1.7 Having been renovated and rebranded in 2007, the Applicant has consolidated its position as Mudgee’s number one entertainment complex. The Venue currently features four bars, a restaurant, four function rooms, bowling greens and an outdoor deck. The Applicant sees itself as an integral part of the local community. Being closely aligned with a large number of sporting and community organisations, including Mudgee District Hospital, Mudgee Nursing Homes, Mudgee High School, Mudgee Country Women’s Association, Mudgee Raiders Cricket Team and Mudgee Gulgong and District Junior Soccer, it takes this role very seriously. The Applicant employed 39 people at December 2008 (12 full-time, 27 permanent part-time and casual). The Applicant exists for the benefit of its members and guests and provides a central meeting place.

1.8 Financial performance of the Applicant

- 1.9 The Applicant had a total revenue in 2008 of \$5.06 million and a pre-tax profit of \$68,969. Gaming machine revenue for 2008 was \$3.6 million, representing 70.7% of total revenue. Total bar and bottleshop revenue was \$1.11 million (21.8%) and food and catering revenue was \$42,795 (1%). The Applicant paid \$629,000 in gaming machine duty in 2008. Payroll tax was set at \$54,023. The Applicant made donations of \$42,719 in the

year ending 31st August 2008. The Applicant had a total employee benefits expense of \$1.48 million.

1.10 **Gaming machine indicators**

1.11 The Applicant operates 77 gaming machines and had a profit per gaming machine (total turnover less payouts) of \$46,000 for the 2008 year. The Applicant projects that each additional gaming machine will return a profit of \$35,000 (per annum). The additional gaming machines will add an estimated \$700,000 to the operating revenue of the Applicant.

1.12 **Proposal**

1.13 The Applicant puts forward two sets of positive contributions to the Application, proposing the following:

1. A \$60,000 contribution to the Mudgee Men's Shed organisation; and
2. Positive contributions stemming from approval being additional employment, CDSE contributions and taxes.

1.14 The contribution to the Mudgee Men's Shed organisation will allow the organisation to finalise the construction of the shed currently partly completed. Any remaining monies will be contributed towards the on-going costs of running the project. This initiative is jointly organised through the Mid Western Regional Council with additional information presented later in this LIA and supporting documentation contained in Appendix 4. The second raft of positive contributions includes additional employment valued at \$40,000, additional taxes at \$619 and additional CDSE contributions valued at \$10,500 are also presented as positive contributions. Further detail in relation to the positive contributions is provided later in this Report.

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 to the Local Community. The approach to which the Applicant has defined its Local Community has been developed through its analysis of its membership penetration within the surrounding area. 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. In the context of the information, the Local Community is defined as encompassing a 5km area surrounding the Venue, including in the most part the Mudgee Urban Centre Locality. It is submitted therefore that this defined area meets the requirements of the Act, Regulation, and Guidelines. A map of the Local Community is included in Appendix 3.

4 DEMOGRAPHY

4.1 The Mid-Western Regional LGA was redefined in 2004 as the result of an amalgamation of Mudgee LGA and parts of Gulgong LGA. It is located approximately 250 kilometres

from Sydney, in the Central West of NSW. The LGA is bounded by the Upper Hunter and Muswellbrook in the north, Wellington in the east, Bathurst and Lithgow to the south and Singleton in the west. It encompasses the towns of Mudgee, Gulgong, Kandos and Rylstone, and the villages of Bylong and Ilford. Mudgee is the LGA's commercial hub, largest town and largest council seat. The LGA is predominantly agricultural. In recent years it has established itself as one of the State's premier wine regions, and as such attracts over 30,000 tourists to the area per month. The positioning of Mudgee as a premier wine area has resulted in a number of benefits to the area including new employment opportunities in the service sector. This has also resulted in an overall increase in affluence for the area more generally with a not insignificant number of persons undertaking a 'tree-change' to Mudgee from Sydney and regional centres.

- 4.2 Covering an area of 8,737 square kilometres, the LGA encompasses a number of sparsely located townships and villages, and approximately 7,998 private dwellings. The LGA's population is estimated at 21,086. At 30 June 2006, its population density was 3.1 persons per square kilometre. In 2006 74.5% of the population were aged 18 years and over. This compares to 76% for NSW at the same period. The median age of people residing in the LGA in 2006 was 41 years compared to the state median of 37 years. 85.2% of the population is Australian-born. The population of the Mid-Western Regional LGA decreased by 0.1% between 2001 and 2006. During that same period, the population of NSW grew by 3.4%. At the June quarter, 2006, the rate of unemployment in the Mid-Western Regional LGA was estimated at 7.3%, higher than the NSW average of 5% for the period of 2006-2007. The LGA has a SEIFA (2006 social-economic index of relative advantage-disadvantage) of 934, which is lower than the State average of 978. (2033.0.55.001 - Socio-Economic Indexes for Areas (SEIFA), Data Cube only, 2006).
- 4.3 The LGA is characterised by its older age profile, evidenced by its median age of 41 years, as opposed to the state median of 37, as well as the fact that a substantially larger proportion of the population is aged over 60 years (23.1% compared to 18.7% for NSW). The LGA also has a higher rate of unemployment than NSW, as well as a lower median individual income. This is, however, characteristic of regional areas. When compared to other regional LGAs, Mid-Western Regional is actually relatively affluent. The neighbouring LGAs of Lithgow and Wellington, for instance, have unemployment rates of 8.5% and 8.4% respectively, and median individual incomes of \$353 and \$339.
- 4.4 Like the LGA, the Local Community's population is older than that of NSW, with a higher proportion aged over 60 years (22.4% as opposed to 18.7%). The Local Community also has a higher rate of unemployment when compared to that of the state, as well as a lower median household income. This is, however, characteristic of regional townships. The indicators suggest that the Local Community is in fact relatively affluent when compared to nearby, comparable regional localities. Lithgow, for example, has an even higher unemployment rate of 9.5%, and a median household income of only \$669 per week.

5 BENEFITS

- 5.1 The granting of the Application will yield a significant positive contribution to the Local Community. The two areas of positive contributions are:

1. Contribution to the Mudgee Men's Shed organisation of \$60,000; and
2. Other positive contributions, including additional employment, state taxes and consumer benefit;

5.2 These benefits are discussed in further detail below.

5.3 **Contribution to Mudgee Men's Shed**

5.4 Background to community contribution

5.5 As well as providing a convenient meeting place for the community at large, supporting various community projects and sporting organisations, the Club offers a variety of services to older persons in the Mudgee community and has done for almost 60 years. This includes services that actively generate community inclusion for many older men, as well as men of all ages.

5.6 The Club has become aware of the need for funding by the Mid Western Regional Council of the Mudgee Men's Shed which offers a unique service to local men to create social inclusion, increase self-esteem and generally allow men a space to socialise.

5.7 In line with the provision of such services to this section of the community, the Club commits to make a one-off donation to the Mudgee Men's Shed of \$60,000 to assist with the final construction of its building and the on-going provision of its services.

5.8 Background to 'Men's Shed'

5.9 The Men's Shed program is an Australian wide phenomenon run by the Australian Men's Sheds Association (AMSA). The overall aim of the Men's Shed movement is to increase the self-value of men of all ages largely through creating and nurturing a feeling of community and identity.

5.10 Men's Shed creates social inclusion, identity and builds self-esteem through a simple method; gathering together men who share time to work and converse. Men from all backgrounds, ethnicities and social mixes use Men's Sheds, bringing their unique cultural characteristics to enliven the activities. The Men's Shed movement provides a service to its communities noting:

Communities are keen to provide activity, identity and meaning for vast numbers of older, unemployed, job-redundant, 'downsized', isolated, depressed and happily retired, active, creative, enthusiastic men. Men's Sheds are fast being recognized as vital, viable places to fulfil these needs and provide relaxed, happy creative spaces for men to enjoy.

5.11 There are currently over 200 Men's Sheds running throughout Australia. The Men's Shed program is designed to assist men facing unemployment, job redundancy, mental health issues, and feelings of isolation as well as those who may be happily retired or active and enthusiastic members of the community. The environment created by the program allows these men to share their skills, make friends, network and gain access to health information programs and opportunities whilst at the same time make a physical contribution to their local community. For those who do not wish to take part in the activities, some Men's Sheds have sitting areas where men can come and sit and

socialise in a friendly place.

5.12 Mudgee Men's Shed

5.13 The Mudgee Men's Shed is located on Cassilis Road, Mudgee. The Mudgee Men's Shed was constructed in 2008 by a group of local men and tradesmen who donated time, expertise and materials to provide the facility. It is the largest purpose-built Men's Shed in NSW spreading over 600 square metres, and whilst a considerable amount of resources and materials was spent in constructing the building more work needs to be done to complete it.

- *The Mudgee Men's Shed offers a number of benefits to its participants and therefore also its members, these include:*
 - *The shed encourages a male atmosphere for all men to feel that they can network and talk to each other.*
 - *The shed encourages improved health and lifestyle by addressing issues such as isolation, loneliness or depression.*
 - *Men learn, master or teach new skills.*
 - *Men improve self esteem by being productive and contributing members of the community.*
 - *Members develop new friendships, life experiences and have fun amongst their peers.*
 - *Members increase in daily exercise and social interaction.*
 - *New opportunities for mentoring and medical information as well as for men with disabilities*

5.14 It is proposed that the provision of these services and opportunities to men in the community will assist them to develop feelings of social inclusion and togetherness rather than feelings of isolation which can unfortunately be present in men, no matter their age. The Men's Shed program runs throughout NSW and is viewed as a successful program, beneficial to the communities in which it operates.

5.15 Proposal from Applicant

5.16 The Club will provide a contribution of \$60,000 to the Mudgee Men's Shed to provide funding for:

- the completion of the building, including the required construction materials and trades skills

5.17 Should there be part of the contribution remaining after the building is constructed, Mudgee Men's Shed will be permitted to use the remaining funding for on-going assistance in its operation. Mid Western Regional Council and Men's Shed acknowledge that the contribution is contingent on the approval of an application to increase the number of gaming machines at the Club. The Applicant consents to a condition being imposed on the grant to the effect of the \$60,000 contribution being made within twelve months from the date of approval of the Application.

5.18 Need in the Local Community

5.19 The Mid Western Regional LGA has a comparatively larger proportion of older persons than NSW and Australia, a fact which is identified and acknowledged by the Mid Western Regional Council Social Plan 2006. This has resulted in the Mid Western Regional Council placing particular focus on the service needs of older persons in the area. Whilst there are a number of issues facing older persons which are identified in the Social Plan, feelings of social isolation for older persons is identified specifically as being an issue. This is also coupled with limited recreational activities for older persons being identified, with specific requests for a Senior Citizens Centre being made. There is evidence to suggest that there is limited opportunity for older persons in general and therefore also men to engage in social activity. Mental health for older persons is also discussed at length, mainly focusing upon the onset of dementia and dementia sufferers with a need for adequate mental stimulation to ensure the onset of dementia is delayed as long as possible.

5.20 It is evident that a number of the issues identified in the Social Plan specifically fit into the services and purpose of the Men's Shed program. This is particularly the case for the need for social recreation, activities and interaction to allow social inclusion and also the specific targeting of mental health issues in the community. It is clear that there is an established need for the services and facility that the Men's Shed provides and represents.

5.21 **Other positive contributions**

5.22 Additional employment

5.23 The revenue generated by the additional gaming machines will result in at least a further one Full Time Equivalent (FTE) position becoming available in the Venue. The one FTE position may in fact represent a larger number of positions, of lower economic effect per position, but with the same total outcome. The value of the additional one FTE position have an employee benefits expense of \$40,000.

5.24 Additional CDSE contributions

5.25 The Applicant paid \$42,719 in CDSE contributions in 2008. The increased revenue attributable to the additional 20 gaming machines will increase total gaming revenue by \$700,000 generating an additional \$10,500 in CDSE contributions per annum.

5.26 Additional taxes

5.27 Additional state taxes are estimated to average \$192,054 per annum attributable to the additional gaming machines, along with an estimated additional \$2,260 in payroll tax per annum. The proportion of this total amount of \$194,314 which flows back to the Local Community (estimated on a per capita basis) is \$619.

5.28 Summation of benefits to Local Community

5.29 From this information it is estimated that the additional gaming machines will result, either directly or indirectly in an additional \$111,119 in funds flowing into the public and private sector, will directly benefit the Local Community.

6 CONCLUSION

- 6.1 This LIA, pursuant to Section 36 of the Gaming Machines Act 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 which provides needed community support through additional donations exceeding those required through CDSE contributions each year. The Venue provides numerous services to its members through the provision of first-class facilities such as hospitality services and recreational endeavours. The Venue has provided these facilities and services for some time and will continue to do so into the future existing as a community asset.
- 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 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 the Application. The positive contributions include a \$60,000 donation to the Mudgee Men's Shed organisation. Men's Shed is a not-for-profit organisation operating 200 sheds throughout Australia providing needed social space for men. The contribution will go towards finishing the construction of the partially built Mudgee Men's Shed, with any remaining proceeds going towards the on-going operating costs of the Shed. The Men's Shed project provides a meeting and working space for men of all ages, but is mostly utilised by older men in the community. The Men's Shed program offers men a place to once again develop feelings of inclusion amongst their community, for some at a time in their lives when they may feel isolated and excluded. It is a worthwhile and successful project which will be of substantial benefit to the Local Community.
- 6.5 The Applicant will also generate an additional \$10,500 in CDSE funding for the 2010 CDSE year made up of a mandatory 1.5% contribution. This additional CDSE support is provided in conjunction with the Applicant's existing support to a number of sporting and non-sporting organisations in the LGA which will continue to be supported through the Applicant's operations. The Applicant is the predominant registered club in the LGA and operates with a responsibility to its members and its community in providing support to a number of organisations, charities and not-for-profits.
- 6.6 An additional position will be created through the approval of the Application with a full time benefits expense of \$40,000 per annum. Additional taxes of \$619 will flow to the LGA from a total additional tax amount to the state of \$194,314. A total quantifiable positive contribution of \$111,119 is submitted as well as numerous unquantifiable positive contributions through approval of the Application.
- 6.7 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.