Local Impact Assessment Class 1 Application



Muswellbrook R.S.L. Sub-Branch Club Limited





Muswellbrook R.S.L. Map Location

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Street View of Muswellbrook R.S.L

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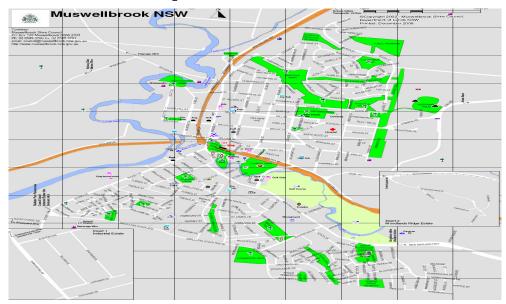
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EXECUTIVE SUMMARY

- Submission for Muswellbrook R.S.L. Sub-Branch Club Limited: Licence # 239918, LGA Band 2, Class 1 Application.
- The Club Premises are located at 113 Bridge Street, Muswellbrook NSW 2333 and is incorporated in the Muswellbrook Local Government Area (LGA), classified as in Band 2 by the Casino, Liquor and Gaming Control Authority as part of the Gaming Machines Amendment Act 2008 No 99. As such, a Class 1 Local Impact Assessment is submitted, requesting a poker machine threshold increase of 20 poker machines, which constitutes a low range increase according to this same Act.
- Muswellbrook R.S.L. currently holds 62 approved entitlements for gaming machines and thus an increase of 20 poker machines would bring this overall total to 82.
- The forecasted revenue before costs and State Taxes from the extra 20 poker machines is \$819,307 per year. After all related taxes and internal expenses are taken into account this figure is estimated at \$571,937. (Est. based on tax rates and poker machine expenses 2008, averaged for 20 additional Machines)
- The Club's profits have been gradually diminishing over recent years. The consequence will also be a reduction in CDSE contributions and accordingly, have a negative impact on the local community if the current situation shows no improvement.
- Positive outcomes for NSW and specifically the Muswellbrook community are the expected increase in employment opportunities both directly and indirectly as a result. The Club's employment prospects may extend with the likelihood of and additional \$59,833 allocated for this purpose. This additional amount, when fully operational and where necessary, will be spent yearly on wages within the Club.
- The projected annual net profit from the 20 additional poker machines of \$28,596 per machine, would allow the Club to support and maintain its current affordable pricing levels and assist with funding of the club's Financial Liabilities of \$1,130,226.
- Predominantly, by the exponential growth in Revenue, the Club would reasonably expect increases in its CDSE Category 1 spend and significantly, by a special allocation of \$60,000, being \$20,000 per annum for 3 Years, This amount to be contributed above the Standard Contribution to the Category 1 Fund, to allow for projects to be undertaken for the local community as per the requests made direct to the club via the Sub-Branch Welfare Officer. (No CDSE Committee in Muswellbrook)
- The direct benefit to NSW would be an expected increase of \$159,765 in poker machine taxes.
- The Club adheres to all harm minimisation and responsible gambling measures stipulated in the Liquor Act 1982 No 147, Gaming Machines Regulation 2002 and the Gaming Machines Act 2001. Muswellbrook R.S.L. Sub-Branch has also adopted the Clubs NSW Registered Clubs Responsible Conduct of Gambling Code "Best Practice Guidelines", and is a member of the ClubSafe Responsible Gambling Program.
- The Club follows all Responsible Gambling Polices.
 - All gaming related staff at Muswellbrook R.S.L. Club are required to undertake in-house training, as well as completing a Liquor Administration Board approved Responsible Conduct of Gambling course (RCG).
 - The subsequent information will establish that the Muswellbrook community will benefit by the increase of 20 poker machines.



Map of Muswellbrook LGA



Introduction

The following submission outlines an application for a threshold increase of 20 poker machines for Muswellbrook R.S.L. Sub-Branch Club Ltd pursuant to the recently amended Gaming Machines Act 2001.

In accordance with sections 32 to 37 of the Gaming Machines Amendment Act 2008 No 99, a submission follows for a Class 1 Local Impact Assessment, detailing the benefits the club will provide to the local community, as well as the range of harm minimisation and responsible gaming measures employed by the Club. A copy of this Local Impact Assessment is available for public inspection at the Club during operating hours.

It is projected an extra 20 poker machines, when fully operational, are forecast to generate \$571,937 in profit after Costs and Taxes. (Estimates calculated from 2008 financial report)

This amount would assist and may be utilised to reduce Muswellbrook R.S.L. Club's Financial Liabilities in conjunction with improved services for the Club. In 2008, the club has seen a reduction in Gaming Profit by 10.07%. The Clubs Income Statements show a reduction of Net Profit overall by 83.43% on 2007. The net profit before Income tax stated is \$64,786 for 2008 and \$390,868 for 2007.

1.0...The Club

Muswellbrook R.S.L. Club is located in the Muswellbrook City Council Local Government Area, classified as Band 2 by the Casino, Liquor and Gaming Control Authority as part of the Gaming Machines Amendment Act 2008 No 99. The Club occupies a site at 113 Bridge Street, Muswellbrook NSW 2333. The club was formed in 1947 and has been in operation for 62 Years. Muswellbrook R.S.L. Club currently holds 62 approved gaming machines and provides a range of food and beverage services, regular entertainment, free entertainment (small cover charge applies), promotions, TAB & Keno services. The club has strong relationships with Muswellbrook Rams RLFC, Muswellbrook Bowling Club and the Tennis Club. The club has 30 staff, 14 Permanent and 16 Casuals and provides 200 parking spaces. The club also operates a Courtesy Bus between 12.00 noon to 11.30 pm daily.

2.0...Benefits To The Local Community

The additional income generated, will benefit both the club and the community, by engaging additional employees and greater community funding. This increase of 20 poker machines will provide positive community benefits if approved. Several of these expected benefits are of increased employment, upholding of the club's pricing & services, enhanced spend in the local area and most importantly, a significant increase in CDSE spend should offset any negative outcomes.



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2.1...Local Community Related Issue

Due to the legislative requirements expressing compulsory membership for those patrons who reside within 5km of the venue, studies have shown that the majority of members & visitors are found to have been sourced within the scope of that range. The conclusion being that any improvements bought about by the approval of this application would be for the greatest benefit to the local community.

2.2...Increased Employment Opportunities

With the planned club's refurbishment there is a real prospect for additional local employment opportunities. The growth of the club depends on this additional income, which will benefit both the community and the Club by engaging both additional employees and providing greater community funding. To further define this, the additional poker machines would necessitate additional staff to cover the expected increase in demand for food, beverages, payouts and general customer service on the gaming floor. The additional 20 Gaming Machines applied for, have the potential to generate additional net revenue of \$571,937 per year, thus the expectation is that staff and wages would increase exponentially on approval of this application. (Estimates calculated from 2008 financial report)

This increase in gaming machines would also provide increased opportunities for employment for both internal employees and external businesses. With an extra 20 poker machines, additional furniture, stools and signage are just a small portion of the changes required to the Floor area in the implementation phase. Furthermore, the projected increase in revenue through the extra poker machines foresee accelerated plans for additional facilities within the Club, which would result in further increases in employment, both directly and indirectly.

Any increase in employment would be extremely beneficial within the Muswellbrook LGA, particularly in the current economic climate where the anticipated unemployment rate expects to rise steadily. Given the great majority of our staff are drawn from our local community; a further benefit will be to keep additional funds local to the region.

2.3...Increase Economic Activity in the Local Region

The projected increased revenue from the extra gaming machines are expected to allow greater proliferation of the Club's services and entertainment mix and thus attract visitors from outside the region, which will create further revenue injections into the community. A more attractive entertainment and gaming venue may potentially limit Muswellbrook residents from visiting venues outside the area, keeping their funds within the Muswellbrook community.

2.4...Increased Spend on Community Grants

Although, Muswellbrook R.S.L. Club's CDSE spend increased by 8% in 2008 (\$47,366) compared to \$43,577 in 2007, the projected increase in revenue from an extra 20 poker machines would provide the Club with the means to further increase community expenditure in order to support the local community.

In 2008, the Club provided the community \$17,925 additional Funds and in 2007, \$14,184 over and above their requirement by regulation.

Unfortunately given the decline in profit over the past few years as a result of economic conditions, legislative changes and increased poker machine taxes, the Club's spend on community grants has only slightly increased. Any further increases expected by the additional gaming machines, will have a positive effect on the community of Muswellbrook, who obviously benefit greatly from the Club's support.

Provided this application is approved, Muswellbrook R.S.L. Club will contribute an additional \$60,000 over 3 years at the rate of \$20,000 per annum to the CDSE Category 1. As there is no Local Committee in Muswellbrook, all additional funding will be managed by the Sub-branch Welfare Officer. The additional Funds will be allocated above and beyond all standard CDSE Contributions, on a sliding scale; \$1,000 per machine per Year for 3 years...Pro Rata from installs date, re: Time and Quantity Installed...To Max Of \$20,000.00 pa.



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2.5...Current Community Development Support Expenditure

Expenditure Summary-Total Expenditure on Community Development and Support									
2008	Category 1	Category 2	ategory 2 Total 2007 Category 1 C		Category 2	ategory 2 Total			
Cash Donations	\$ 16,060.00	\$19,756.00	\$ 35,816.00		Cash Donations	\$ 16,467.75	\$ 10,450.00	\$	26,917.75
In-Kind Donations	\$ 3,520.00	\$ 8,030.00	\$ 11,550.00		In-Kind Donations	\$ 8,839.81	\$ 7,820.00	\$	16,659.81
Total	\$ 19,580.00	\$27,786.00	\$ 47,366.00		Total	\$ 25,307.56	\$ 18,270.00	\$	43,577.56

2.6...Increased Taxes to Benefit NSW

Poker machine taxes would exponentially increase if gaming revenue were to increase. It is anticipated, that the projected increase in revenue from 20 poker machines of \$819,307 in a year, would lead to a further \$159,765 paid to the NSW Government by Muswellbrook R.S.L. Club in poker machine tax, which would in turn, be utilised to provide necessary services to the people of NSW. GAMING MACHINE TAX ACT 2001-Par 5. (Estimates calculated from 2008 financial report)

2.7...Overall Poker Machine Reduction

To gain an increase of 20 poker machines, Muswellbrook R.S.L. Club would be required to purchase 30 and relinquish 10 to the NSW State Government to dispose of. This would lead to overall decrease statewide of 10 poker machines.

2.8...Gaming Machine Expenditure

The club currently operates 62 gaming machines. The net gaming revenue was \$2,539,850 for the 2008 year. The net profit after costs and Taxes was \$1,773,007. This represents a reduction of net profit against 2007 figures of 10.07%.

3.0...Problem-Gambling Counselling

Muswellbrook R.S.L. Club is a member of the "ClubSafe" program.

ClubSAFE is the club industry's Responsible Conduct of Gambling Program.

Details of ClubSafe are available at:

(http://www.clubsnsw.com.au/Content/NavigationMenu/AboutUs/ClubsNSWServices/ClubSAFEProgram/default.htm)

Initially developed by ClubsNSW with significant input from the Australian Institute for Gambling Research, ClubSAFE is a comprehensive package designed to help registered clubs manage responsible gambling operations that meet legislative requirements and community expectations

ClubSAFE is recognised as the market leader in offering a comprehensive and affordable program so clubs can easily manage compliance with the Gaming Machines Act

The club displays a notice of the name and contact details of this and other providers. If a patron enquires about problem gambling counselling, staff will ensure that the person is made fully aware of ClubSafe, G-Line, Mission Australia, Singleton, or any other provider near the gambler's residence. Any person identified as a problem gambler, will also be advised of the Club's Self-Exclusion Scheme. ClubSafe brochures, detailing information on counselling and the G-Line service, are also prominently displayed and readily available at the Club. The club and all staff take an active role in ensuring this information is available and known to any potential problem gamblers.

3.1...Compliance Committee

Operated by the Senior Executives of Muswellbrook R.S.L. Club, the Responsible Conduct of Gambling Compliance Committee, monitors the club's implementation of Responsible Conduct of Gambling policy, evaluates procedures and relevant issues, oversees the quarterly Responsible Conduct of Gambling audit, review's incident logs and if necessary investigates breaches.



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3.2...Harm Minimisation and Responsible Gambling Measures

In order to provide a responsible gambling environment and comply with the relevant legislation, Muswellbrook R.S.L. Club has adopted the Clubs NSW Registered Clubs Responsible Conduct of Gambling Code of Practice – Best Practice Guidelines and is a member of the Club Safe Responsible Gambling Program. The Club has lodged a Responsible Gambling Affidavit with the Liquor Administration Board.

Furthermore, it has made all necessary changes to comply with the requirements of Gaming Machines Regulation 2002 and the Gaming Machines Act 2001. Details of the Act and recent Amendments are available for viewing at: (http://www.legislation.nsw.gov.au/fullhtml/inforce/act+49+1999+ed+0+Y?)

Relating directly to Schedule 2 Amendment of Liquor Act 1982 No 147, Section 125D, Responsible conduct of gambling activities, (exert show below) the Club complies with all aspects of this legislative framework.

Section 125D Responsible conduct of gambling activities

- (1) The regulations may make provision for or with respect to requiring or encouraging the adoption of responsible practices in relation to the gambling activities that may lawfully be conducted at licensed premises.
- (2) In particular, the regulations may make provision for or with respect to the following:
- (a) Restricting or prohibiting the conduct of promotions or other activities (including advertising),
- (b) The standards to be observed on licensed premises for the conduct of responsible gambling activities,
- (c) requiring licensees, managers or other persons involved or proposing to be involved in the conduct of gambling activities at licensed premises to undergo courses of training that will promote responsible practices in the conduct of those activities,
- (d) The prohibition or restriction of the offering of inducements, or inducements of a kind, specified in the regulations,
- (e) The information to be provided and signs to be displayed about gambling activities at licensed premises,
- (f) the notices to be displayed with respect to the availability of counselling in respect of financial, social or other problems that may arise in connection with gambling,
- (g) requiring facilities on licensed premises for the withdrawal or transfer of money from banks and authorised deposit-taking institutions (such as ATMs and EFTPOS) to be installed or located in parts of the premises that are separate from parts of those premises where gambling activities are conducted,
- (h) The provision of anonymity at the request of a gambler who has won a major prize.
- (3) The regulations under this section may create offences punishable by a penalty not exceeding 50 penalty units.
- (4) It is the intention of Parliament that regulations under this section will be made as soon as practicable after the date of assent to the Gambling Legislation Amendment (Responsible Gambling) Act 1999.

3.3...Advertising, Promotions and Inducements to Gamble

Muswellbrook R.S.L. Club does not offer any unlawful inducements to gamble such as free or discounted liquor promotions to gamblers or any schemes that allow distribution of free gambling credits to gaming machine players.

The Club does not use the word Casino in any description or promotion of the Club in signs or any advertising or promotional material, which is visible or audible from outside the premises. The Club's gaming machine signs comply with Section 44 of the Gaming Machines Act 2001. The Club will not publish in any form information that identifies a winner of a prize, if requested not to do so in writing.

3.4...Monitoring Procedures

Regular and thorough monitoring checks are completed as follows:

- Gaming machine sticker warnings are checked on a daily basis by gaming staff
- The Gaming Manager completes a monthly compliance checklist

This monitoring process is thorough and exceeds the minimum requirements, further emphasizing the Club's commitment to ensuring a safe gambling environment to its patrons.

3.5...Car Park Electronic Surveillance

To assist in complying with legislation and general public safety, surveillance cameras enable management to:

- Monitor car park to ensure that children are not left unattended in motor vehicles
- Monitor the behavior of club patrons



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3.6...In-House Gaming Policy

Muswellbrook R.S.L. Club has adopted the following responsible gaming practices to comply with the above regulation:

- Provides gambling services and practises that conform to all applicable acts & regulations.
- Not permitting minors (under 18) in gaming area.
- Ensuring all legislative requirements related to cheque cashing, payment of winnings and financial transactions are implemented and encouraging patrons to develop responsible practises in the use of finances for gambling purposes.
- Not giving credit. Not cashing cheques.
- Ensuring all winning payments over \$2,000 are paid by cheque.
- Providing and maintaining a pleasant and safe gambling environment.
- Providing an effective self exclusion scheme and encouraging patrons to take responsibility for their gambling activity.
- Promoting G-line and other gambling counselling services.
- Ensuring that all approved signage is on gaming machines and ATM's.
- Displaying approved information brochures in the gaming area and throughout the club.
- Placing clocks throughout the gaming area.
- Promoting responsible gambling practises that conform to local community standards and expectations.
- Practising responsible advertising and promotions related to gambling and ensuring compliance with relevant legislation.
- Responsible handling of personal information relating to gambling patrons to protect their rights of privacy.
- Informing and training staff of legislative requirements and harm minimisation issues and the risks of not complying and taking appropriate steps to promote patron and employee care.

Daryl Egan CEO

3.7...Gaming Related Staff Requirements and Training

All staff who undertakes in any gaming-related duties, have all completed a Liquor Administration Board approved Responsible Conduct of Gambling course (RCG). As a member of ClubSafe, all staff has trained in the ClubSafe program and additional training has been provided for gaming area staff and Duty Managers in assisting problem gamblers and processing self-exclusions. This training goes beyond the minimum requirements of the legislation and focuses on how staff can properly assist problem gamblers. The ClubSafe Manual is available to all staff for training and revision purposes for responsible gaming procedures.

3.8...Self-Exclusion Scheme

Muswellbrook R.S.L. Club has adopted the ClubSafe self-exclusion scheme. Appropriate staff training has ensured that staff knows when to talk to patrons about self-exclusion and how to process their request. As part of this scheme, the Club:

- ❖ The club or an employee cannot refuse a participant's request to participate in the scheme.
- On receipt of a request, the Duty Manager will explain the process to the person and present the relevant documentation.
- Allows a participant to obtain independent legal or professional advice, at the participant's expense, before signing the appropriate forms as to the meaning and effect of the undertaking.
- Ensures that all participants sign a written undertaking not to gamble in the Club which clearly states the period of exclusion. Furthermore, the Club does not allow a participant to withdraw from the undertaking without the consent of ClubSafe, G-Line and Mission Australia, Singleton, who will ensure the participant, undergoes a rigorous assessment process to ascertain the progress the person has made in managing their gambling problems. The Club employs a minimum three month exclusion period.
- Ensures all appropriate information about gambling related counselling and treatment services are displayed and available to patrons, on relevant signage and in brochures within the Club.
- Ensures staff is equipped to identify participants by displaying a recent photograph in areas accessible only to gaming staff as well as a folder with the details of all participants in it. The importance of identifying participants is emphasised in staff training.
- Displays signs in the gaming area & reception foyer, advertising the accessibility of the self-exclusion scheme.

4.0...Map of Muswellbrook LGA

The club is located in the Muswellbrook LGA. As displayed in the map reproduced on Page 3. Muswellbrook LGA has an estimated population of 15,235.



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4.1...Demography

Muswellbrook R.S.L. Club is located 48.9 km from Singleton and 245 km from the Sydney GPO. Muswellbrook LGA lies on the New England Highway and the Hunter Rail Link.

From the Australian Bureau of Statistics 2006, the age distribution of the 15,235 residents is as follows:

- Under 15 age group of 24.23% (3,691)
- ❖ 5.0% (762) of residents are in the 15-17 age compared with NSW average of 4.1%.
- ❖ 28.7% of residents are in the 25 to 44 age groups (4,372).
- In the Muswellbrook LGA, 20.37% of residents are aged 55 and older, compared to 24.8% in NSW.
- Overall, 70.8% of the population were aged 18 years and over. This compares to 76% for NSW.
- Only 1.7% of Muswellbrook LGA residents speak a language other than English at home, compared to 20.1% in NSW.
- Indigenous residents account for 4.8% of the resident population, compared to 2.1% in NSW.
- The unemployment rate of 5.4 % is marginally lower compared to 5.9% in the rest of NSW.

Profile of the Muswellbrook LGA, provided by 2006 Census Data

Population 2006]			
Source: Australian Bureau Of Statistics 2006					1			
Age Group	Males	Females	Number	% Of Total]			
Under 15	1,867	1,824	3,691	24.23%	1			
15-17	381	381	762	5.00%				
18-24	683	613	1,296	8.51%				
25-34	1,092	986	2,078	13.64%			25-44]
35-44	1,224	1,070	2,294	15.06%			28.7%	
45-54	1,038	972	2,010	13.19%	18+ 70.77%	25+	45-5413	.9%
55-64	823	736	1,559	10.23%		62.26%	55+	
65-74	430	443	873	5.73%			20.37%	
75+	269	403	672	4.41%			20.37 76	
Total	7,807	7,428	15,235	100.00%				-

The annual Population Growth of the Muswellbrook LGA is 0.1% with the average NSW State Growth at 0.9%.

5.0...Conclusion

Muswellbrook R.S.L. Club has been experiencing declining profits over the past few years.

The expected increase in Revenue from an additional 20 poker machines installed at the club, would aid in moderating this profit degeneration and thus improve the venue and significantly, contributions within the local community. On approval of this submission, it is the club's commitment, to provide a further \$60,000 over 3 years, allocated directly to CDSE Category 1 fund. These additional funds will undoubtedly make a substantial difference to the health and well-being of families in the region. Other aspects have also supported the downfall in revenue being: The sustained economic condition, indoor smoking bans and an increase in gaming taxes. However, the club is undertaking all efforts, in every area of the clubs operations, to ensure a positive future for its members and the community as a whole.

The Club has undertaken a number of measures to ensure that gambling activities are conducted in a responsible manner. Muswellbrook R.S.L. Club has shown a very high level of legislative compliance over an extended period of time. In addition, Muswellbrook R.S.L. has revealed an exemplary level of legislative compliance over an extended period. To comply further, the club joined and fully participates in the ClubSafe program, to expose its commitment as significant with responsible gambling compliance and attitude.

Muswellbrook R.S.L. Club appreciates that they have met all the necessary Legislative requirements and in combination with the extensive harm minimisation and problem gambling initiatives undertaken, indicate a low range increase of 20 poker machines in the Club will result in a net positive outcome to the region.

Daryl Egan Chief Executive Officer By Order, the Board of Directors Muswellbrook R.S.L Sub-Branch Club Limited



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