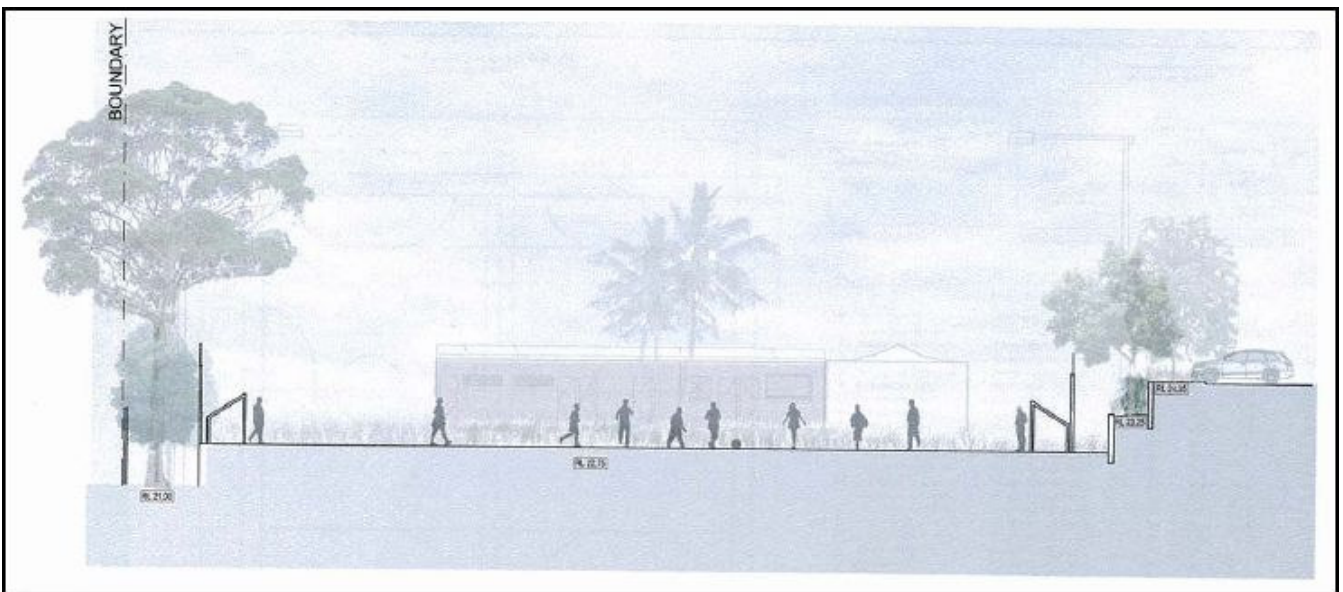

Local Impact Assessment Class 1 Application 82 Mona Vale Road, Mona Vale

Pittwater RSL Club Ltd
April 2009



Artist's impression of proposed futsal courts

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 'mid range' gaming machine threshold increase of 40 for Pittwater RSL Club Ltd (the "Applicant") at premises situated at 82 Mona Vale Road, Mona Vale NSW (the "Venue") located in the Band 1 Local Government Area (the "LGA") of Pittwater. The Applicant has operated at the Venue for almost 50 years existing for returned service men and women and providing 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 Service of Gambling House Policy (see Appendix 1). The Applicant has also implemented additional measures to ensure compliance with recent amendments to the *Gaming Machines Act 2001* and associated Regulations. The Applicant is a member of ClubSafe, and has adopted its best practice guidelines and policies.

3. LOCAL COMMUNITY

- III. Chapter 3 of this Report details the communities potentially affected by the approval of the Threshold Increase Application. The Pittwater LGA is the Local Government Area of the Venue and a map illustrating the extent of the LGA and the location of the Venue is included as Appendix 2. An area extending 5kms from the Venue has been identified as the Local Community for the purpose of assessment.

4. POSITIVE CONTRIBUTION

- IV. Chapter 5 of this Report details the positive contributions resultant from approval of the Threshold Increase Application to the Local Community. The major positive contribution to the Local Community is the Applicant's \$1.41m sporting facility development, recently making Development Application for six outdoor futsal courts and associated amenities. This facility responds to the need within the Local Community for additional recreational facilities, as identified in Pittwater Council's *Social Plan 2005-2009*, and is supported by local organisations and institutions. Additional positive contributions include the construction of a new multi-level carpark and a new outdoor terrace incorporating a state-of-the-art children's play area, four (4) full-time equivalent and four (4) casual positions valued at \$277,874 and additional taxes of \$6,751 on a per capita Local Community basis. A final positive economic contribution is valued at \$7.5 million.

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 for a Band 1 Local Government Area venue of ‘mid range increase’ of 40 gaming machines for Pittwater RSL Club Ltd (“the Applicant”). The Applicant is a returned and services league club and is located at 82 Mona Vale Road, Mona Vale, NSW (“the Venue”) in the Pittwater 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.
- 1.4 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. The overall aim of a Class 1 LIA is to provide 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 benefit to the Local Community. In order to comply with the requirements and meet this onus, the approach taken in this LIA is to firstly detail the statutory information requirements prescribed by the Legislation. These are then discussed in the context of the Local Community and LGA, in order to assess the likelihood of the approval of the Threshold Increase Application resulting in a positive contribution towards the Local Community.
- 1.5 Applicant Details and History
- 1.6 The Applicant seeks the approval of a Threshold Increase Application for an increase of an additional 40 gaming machines. The Applicant is located at 82 Mona Vale Road, Mona Vale (“the Venue”) and provides recreational services and community based enterprises for the residents of Mona Vale and the Local Community, in the Local Government Area of Pittwater (“the LGA”). The location of the Venue is identified and illustrated in Appendix 2. The total floor space of the Venue is 6847m² as shown by the layout plan of the Venue provided at Appendix 4. Established in 1958 by a group of returned soldiers, the Applicant began official trading in December 1961. The Applicant was founded with the intention of facilitating the well-being, care, compensation and commemoration of serving and ex-legion members and their dependants. It continues this tradition today.
- 1.7 Current Applicant Services, Facilities and Donations
- 1.8 The Venue currently comprises numerous lounge, dining, gaming and function spaces, as well as an auditorium, bowling greens, snooker/pool facilities and a children’s play area. The Applicant offers a number of services to its members and guests. Along with the provision of gaming and refreshments, the Applicant runs a kids’ club, operates a community bus, offers bus trips to tourist destinations and provides free live entertainment every weekend. The Applicant makes donations to a number of local organisations, including Narrabeen Youth Club, Mona Vale Hospital, several individuals facing hardship and in need of financial assistance, and local schools. It is also committed to nurturing local sporting talent and providing recreational opportunities to members of its Local Community by way of sponsoring numerous local sporting clubs. The Applicant employed a total of 150 staff at January 2009 (39 full-time, 46 part-time and 65 casuals). The Applicant exists for the benefit

of its members and guests, and provides members of its Local Community with a central meeting place.

1.9 Financial performance of the Applicant

1.10 The Applicant had a total revenue in 2008 of \$18.62 million and a pre-tax profit of \$2.52 million. Gaming machine revenue for 2008 was \$12.31 million, representing 66.1% of total revenue. Total bar revenue was \$2.38 million (12.8%) and food and catering revenue was \$138,703 (16.6%). The Applicant paid \$3.06 million in gaming machine duty in 2008. The Applicant made donations of \$337,187 in 2008, whereby it exceeded its CDSE contributions by in kind \$95,510. The Applicant had a total employee benefits expense of \$5.74 million, including payroll tax.

1.11 Gaming machine indicators

1.12 The Applicant operates 248 gaming machines currently. The Applicant had a profit per gaming machine (total turnover less payouts) of \$53,961 for the 2008 year. The Applicant projects that each additional gaming machine will return a profit of approximately \$50,000 per machine per annum. The additional machines will add an estimated \$2 million to the operating profit of the Applicant.

1.13 Proposal

1.14 The Applicant has submitted a Development Application proposing the construction of six outdoor futsal courts and associated amenities. This facility responds to the need within the Local Community for additional recreational facilities, as identified in Pittwater Council's *Social Plan 2005-2009*, and is supported by local organisations and institutions. The viability of this project is conditional upon the success of the Applicant's Threshold Increase Application for additional gaming machines, as access to an adequate number of gaming machine entitlements is required in order to fund construction. The Applicant also intends to redevelop the Venue so as to make it more family friendly. Additional employment will also be generated at the Venue, as will increased taxes. 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 Annexure 1. The Applicant operates its responsible gambling house policy which is drafted in accordance with the legislative requirements stated in the *Gambling Legislation Amendment (Responsible Gambling) Act 1999*, the *Registered Clubs Act 1976*, the *Gaming Machines Act 2001* and accompanying regulations. The Applicant's harm minimisation strategies include:

- All employees involved in gaming related duties hold a responsible conduct of gambling qualification in an approved course;
- No minors are ever allowed access to gaming areas of the Venue;
- Strong links are maintained with established referral systems problem gambling counselling services;
- Consumer information on the chance of winning maximum prizes and jackpots is made available in the gaming area;
- Gaming machines notices on the dangers of excessive gambling are placed in all

required areas;

- Signage on the unavailability of credit facilities, both through access to credit funds via Automatic Teller Machines and through no facility at the venue;
- That the Applicant does not cash cheques;
- No inducements are offered to gamble at the Venue;
- No cashing of third party cheques is possible;
- Clocks are clearly visible in all areas of the Venue;
- No cash payments over \$2,000 are made;
- No cash prizes in gaming promotions;
- Limiting the value of prize winning cheques to \$1,000;
- 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 Definition of Local Community

3.2 The Legislation provides that there must be a positive contribution from approval of the Threshold Increase Application. The approach to which the Applicant has defined its Local Community has been developed through its consultation with experienced advisors in the Registered Club industry, **recent** market share analysis, **and** its experience gathered through offering its services in the one locality for almost 50 years. 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.

3.3 In the context of the information set out above, the Local Community is defined as encompassing:

- The following suburbs: Bayview, Bilgola, Clareville, Elanora Heights, Elvina Bay, Lovett Bay, Mona Vale, Narrabeen, Newport, North Narrabeen, Scotland Island and Warriewood; and

- Parts of the following suburbs: Avalon, Belrose, Collaroy Plateau, Cromer, Ingleside and Morning Bay.

3.4 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 Pittwater LGA

- 4.2 Demographic modelling is required to assist in assessing the positive contributions linked to this Local Impact Assessment. The Pittwater LGA is located on the northern beaches of Sydney. The LGA includes the suburbs of Avalon (part), Bayview, Bilgola, Church Point, Coasters Retreat, Elanora Heights, Elvina Bay, Great Mackerel Beach, Ingleside (part), Mona Vale, Morning Bay, Newport, North Narrabeen, Pam Beach, Scotland Island Taylors Point, Towlers Bay, Warriewood and Whale Beach. Covering an area of 125km², the LGA is mainly residential and national park, with some commercial and light industries, and encompassing 22,605 private dwellings. The LGA is a sub-region of the Northern Beaches Statistical Sub-Division. The 2006 LGA population was estimated at 54,157 with a population density of 595 persons per km². It is located 26 kilometres to the north of Sydney's CBD. In 2006, 75.9% 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. 71.9% of the population is Australian-born. The population of the Pittwater LGA grew at an annual rate of 0.5% during the period of 2006-2007. This figure is lower than NSW's annual rate of growth, which was 1.1% for the same period.
- 4.3 In August 2006, the rate of unemployment in the Pittwater LGA was estimated at 2.7%, significantly lower than the NSW rate of 5.9%. The Pittwater LGA has a SEIFA (2006 social-economic index of relative advantage-disadvantage) of 1,159, which is higher than the State average of 978. An alternative measure of SEIFA is provided by the ABS. Each LGA in NSW has been ranked in deciles (ranges of 10 percent). The first decile denotes the most disadvantaged LGAs, the tenth decile, the most advantaged. The Pittwater LGA falls in the tenth decile. It therefore ranks at the top of all NSW LGAs. The advantage of using this method to analyse SEIFA is that it allows comparison with all LGAs, not simply a State average, which is skewed by a small number of very high SEIFA estimates for certain LGAs. This is emphasised by the fact that in 2006 only 50 of 151 LGAs (excluding Unincorporated NSW) or 33.1% of all LGAs, had a SEIFA in excess of the NSW average.
- 4.4 The LGA is characterised by a relatively even age spread, with a slightly higher proportion of the population aged over 60 years. However, the LGA's population also has a higher proportion of young children (aged nine years and under) when compared to NSW (13.2% compared to 13%), and a notably growing number of persons aged less than 18 years (a growth of 4.2% between 2001 and 2006, compared to a decline of -0.7% experienced in NSW during the same period). Indicators such as unemployment and labourers are substantially lower than the NSW rate, and the number of professionals is higher. The median individual and household incomes are also significantly higher than those for NSW. All indicators point to a more stable and socioeconomically advantaged population.
- 4.5 Pittwater Council's *Social Plan 2005-2009* indicates a need for additional recreational opportunities for the LGA's youth:

Youth service providers on the northern beaches [...] identified recreation and leisure issues for young people. As well as identifying boredom as a problem for young people on the northern beaches, they saw a need for [...] a wider range of recreational activities that are not necessarily linked to beach culture (p26).

- 4.6 The Applicant is attune to its Local Community having operated at the one site for almost 50 years. This has seen the Applicant provide services and make contributories in line with its Local Community's needs and demands. The Applicant is intending to continue this through major capital works at the Venue and the commencement of the sporting facility development on its adjoining lands. Further details of this project are included below.

5 POSITIVE CONTRIBUTIONS

5.1 General

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

1. Construction of futsal courts for the use and enjoyment of the Local Community;
2. Redevelopment of the Venue, including the construction of a multi-level car park and an additional outdoor terrace area incorporating a new children's play area;
3. Additional employment;
4. Construction-related benefits; and
5. Additional state taxes.

5.3 Construction of futsal courts

5.4 *Background to project*

- 5.5 As noted above the Applicant has operated to serve its Local Community since its registration. This has not only included specific services to returned service men and women and their families, but also its Local Community more widely. This is evidenced by its community support both in-kind and through its direct contributions.

- 5.6 In keeping with this, the Applicant became aware of a shortage of sporting facilities for local schools and sporting organisations for school age children. As the Applicant held land to the immediate west of the Applicant's bowling greens, a decision was reached by the Board to develop a project that would meet some of this demand. The Applicant has chosen to develop the parcel of land as a sporting facility made up of futsal courts. Futsal courts were chosen as it allows maximum utilisation of the space available for a team sport. The type of surface also allows play throughout the year and is conducive to adaptation to other sport use including netball, basketball, tennis, volleyball, cricket and badminton. Futsal more specifically is a modified variant of soccer that is played on a smaller, hard court surface delimited by lines. The futsal ball has lower bounce qualities when compared to the traditional soccer ball, and combined with the smaller space on which the game is played and fewer players per side (five as opposed to 11), promotes a faster, more intense game. Futsal is growing in popularity in Australia. In 2007 there were 18,000 players registered nationwide, along with 120,000 social participants. The hard surface of the futsal court allows it to be played on during wet

conditions, avoiding the limitations of traditional soccer which is played on a grass pitch.

5.7 *Project specifics*

5.8 The Applicant has submitted a Development Application proposing the construction of six outdoor futsal courts and associated amenities on land located to the west of the existing bowling greens (see Appendix 4 for layout plan). Development consent is expected from Pittwater Council within six months given the level of community support for the project. Once development consent is granted the Applicant will commence building works on the project. The project is expected to be completed by October 2009.

5.9 As noted above the sporting facility is located adjacent to the existing bowling greens, using approximately 3,500m². The courts are surrounded by landscaped gardens. Boys and girls toilets and also a canteen for use by local sporting organisations are to be constructed between the courts and the existing bowling greens. The canteen will be fully fitted out to ensure no expenditure is required by local sporting organisations prior to its use. The futsal courts are adaptable for junior/training play and also international or full court play. The courts are therefore made up of six 'social play/training' courts (17.5m x 30m) or three 'international' courts (22m x 37m). This will allow maximum usage of the facilities throughout the day and night.

5.10 *Need with Local Community and Local Community Support*

5.11 This facility responds to the need within the Local Community for additional recreational facilities, as identified in Pittwater Council's *Social Plan 2005-2009* (see comment above). The Applicant undertook consultation with various Local Community stakeholders in order to gauge the level of need and also what facility would be most utilised. This also included discussions with local sporting organisations as to the level of possible utilisation. Additionally, the Applicant's Local Community, is characterised by a growing young population and there are no other courts of this type in the Local Community or the wider LGA. The sports facility will be used by local schools, sporting organisations and employees of local businesses and the Applicant's employees. As evidenced by the Social Plan and stakeholder feedback (see below and Appendix 4) there is demand and need for the facility in the Local Community.

5.12 Local Community support was forthcoming prior to the development of the project, however further support has also been present since the Development Application was lodged. For example, the principal of Pittwater High School advises:

We would like to advise that Pittwater High School is in full support of this development and also advise that these facilities would provide services that will be utilised by our school students. At Pittwater High we would especially value their availability during Wednesday afternoon sport periods. We consider this development to be a wonderful additional asset to the local community.

5.13 Local sporting organisations will benefit from the project as shown by the president of Pittwater RSL Football Club who considers the proposed development "to be a further asset to the local community" and indicates that the courts "will be utilised by both senior and junior members" of the Football Club. Overall, the Applicant expects a significant positive contribution to the Local Community through the development of its lands a sporting facility. The type of facility developed lends itself to maximum usage throughout the year by a wide cross-section of the Local Community including local schools, and in this capacity it will be of significant benefit to the area.

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- 5.14 Further details pertaining to this positive contribution, including plans and photographs of a model of the proposed futsal courts, are included at Appendix 4. The estimated cost of the development is \$1.41 million.
- 5.15 Redevelopment of the Venue
- 5.16 The redevelopment proposed by the Applicant includes a new multi-level car park for the convenience of patrons, as well as an additional outdoor terrace area that will incorporate a new, state-of-the-art children's play area for the enjoyment of families who visit the Venue. The Venue redevelopment will allow increases in patronage to the Venue as a greater number of car parks will be available. The Children's play area is particularly relevant and beneficial to the Applicant's Local Community given the LGA'S higher than average proportion of children aged less than nine years. A significant proportion of the very demographic towards whom this facility is targeted.
- 5.17 Further details pertaining to this positive contribution are included at Appendix 4. The estimated cost of the redevelopment is \$5 million.
- 5.18 Additional employment
- 5.19 The revenue generated by the additional gaming machines will result in a further four full-time and four casual positions becoming available at the Venue. The value of the additional eight positions will have an employee benefits expense of \$277,874.
- 5.20 This is a critical social benefit in two aspects:
- Given the current instability of the economic climate, employment opportunities are generally fairly limited; and
 - Assuming the median household size for the LGA of 2.7 persons, approximately 21.6 people will directly benefit from the positions becoming available and being filled.
- 5.21 Construction-related benefits
- 5.22 A preliminary estimate obtained by the Applicant for the redevelopment of the Venue and the construction of the futsal courts is \$6.41 million. Together, the projects would be expected to generate \$17.92 million of economic activity and 106 full-time equivalent jobs during the construction period. If it was conservatively estimated that 40% of the additional economic activity and employment was to directly benefit the local economy, an injection of \$7.17 million would result.
- 5.23 Additional taxes
- 5.24 Additional state taxes are estimated to average \$691,645 per annum, along with an estimated additional \$51,058 in payroll tax per annum. The proportion of this total amount of \$742,703 which flows back to the Local Community (estimated on a per capita basis) is \$6,751.
- 5.25 Summation of positive contributions to Local Community
- 5.26 From this information it is estimated that the additional gaming machines will result, either directly or indirectly, in an additional \$7.5 million in funds flow into the public and private sector, which will directly benefit the Local Community.

6 CONCLUSION

- 5.27 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 Threshold Increase Application is approved, and details the harm minimisation and responsible gambling measures that are in place at the Venue.
- 5.28 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 achieved this objective for almost 50 years.
- 5.29 The Applicant intends to continue this support through offering its current services, and through redevelopment of the Venue itself and the sporting facility project more specifically. The Venue will be redeveloped to see additional car parking, outdoor terrace area and children's play area for use by members and their guests. The cost of the redevelopment is estimated at \$5.1 million.
- 5.30 The sporting facility project was developed through consultation with relevant stakeholders and is costed at \$1.41 million. The Applicant has committed to this project with Development Application giving been made. The benefits to this project are significant and extend to local schools, sporting organizations and local employees. A wide cross section of ages will benefit, however school aged children both at primary and secondary levels are expected to be major benefactors.
- 5.31 Other additional benefits include additional employment, state taxes and CDSE contributions valued at \$284,624.
- 5.32 The Applicant operates gaming at the Venue in compliance with mandated Legislative requirements and operates a best-practice style of interventions and procedures. The Applicant enforces this strict approach based on its House Policy on the Responsible Conduct of Gambling conducting regular in-house training for all of its gaming staff, each of whom holds qualifications in the Responsible Conduct of Gambling.
- 5.33 It is therefore provided that the test as set out in the Guideline and Legislation is met and the Applicant submits that the Threshold Increase Application should be approved.