



## SOUTH WAGGA SPORTS & BOWLING CLUB

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### LOCAL IMPACT ASSESSMENT

Prepared for  
South Wagga Sports and Bowling Club  
By  
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&  
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## APPENDICES

## 1 EXECUTIVE SUMMARY

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1. This document is a Local Impact Assessment (LIA) Class 2 to accompany a Threshold Increase Application made for approval of a 'mid range' gaming machine threshold increase of 284 for South Wagga Sports & Bowling Club Ltd ((SWSBC) or the "Applicant") at premises situated at Lot 306, Fitzhardinghe Street, Wagga Wagga, NSW (the "Venue") located in the Band 1 Local Government Area of Wagga Wagga (the "LGA"). The SWSBC will provide sports facilities, 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 the additional gaming machines will provide a positive contribution to the Local Community.
2. SWSBC has in recent years faced financial difficulties. In November 2008 Chris Chamberlain, of SBR Chartered Accountants Wagga Wagga was appointed Administrator of SWSBC, (the Administrator). In June of 2009 the Administrator entered into a deed of company arrangement with the Wagga Hospitality Group Pty Ltd (WHG) giving WHG two years to assist SWSBC in its redevelopment. On behalf of SWSBC the Administrator and WHG will seek a development application from Wagga Wagga City Council (WWCC) to redevelop SWSBC. When the redevelopment is complete SWSBC will be head tenant paying a commercial rent to WHG. SWSBC will redevelop the current premises into a major sports and entertainment centre. Based on the conceptual designs, Regional Project Managers Australia Ltd (RPMA) the Project Manager for this venture envisages that the development would be in the vicinity of \$35-\$40 million.
3. The SWSBC's is of the view that the installation of 284 EGM's at the SWSBC will not only be **not** detrimental to the wellbeing of the community but will be overwhelmingly positive. The key points that have led to this assessment are:
  - The current plans suggest that the development will deliver valuable social facilities of high quality that do not exist in the immediate area. These potentially include new club facilities such as: Two all weather Bowling Greens, a Modern Gym, a Sports Medicine Centre , Child Minding Centre, Function centre, a 10 pin Bowling Alley, Gaming Venue, up to four Restaurants.
  - A redeveloped SWSBC is also linked to the redevelopment of Robertson Oval. This oval will become a modern ground with a crowd capacity of approximately 15,000 including a 1,500 seat grandstand.
  - The redevelopment of the club will significantly enhance important construction and ongoing employment opportunities within the region.

- The new gaming expenditure expected to be generated in the Region of Murrumbidgee<sup>1</sup> is \$2.1M which is only 2.69% of Murrumbidgee’s profits and hence the net increase in EGM expenditure is expected to be minimal in the region.
  - The demographic profile of Wagga Wagga area is significantly more robust than NSW and hence can accommodate the increase in expenditure.
  - Responsible Gambling: The SWSBC currently operates its gaming machines in accordance with Legislated requirements and Club Safe guidelines. The SWSBC as a part of this application plans an exhaustive responsible gambling program at the renovated venue and will implement additional measures that ensure compliance with recent amendments to the Gaming Machines Act 2001 and associated Regulations.
  - Another substantial benefit that will accrue from this application is financial contributions. Following the first full years trade after the redevelopment, the SWSBC will make a commitment to distribute up to 10% of trading profits based on an agreed community program which will require Wagga Wagga community groups making submissions to the club for funding.
4. The proposal has the support of AFL and Cricket NSW who have indicated a willingness to bring first class sporting fixtures to Wagga Wagga post development (refer Appendix A) that will allow it to continue and maintain Wagga’s proud heritage as the sporting capital of Australia.

## 2 INTRODUCTION

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5. Clubs provide facilities and funding for their local communities. It is important that clubs are supported in their activities and that appropriate governance and accountability measures are in place within registered clubs so they can continue to support local communities.
6. 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 a LIA Class 2 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.
7. The purpose of this report is to provide an assessment of the likely social and economic impacts associated with the increase of EGMs at the SWSBC. In doing so it considers both the social<sup>2</sup>

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<sup>1</sup> Murrumbidgee is the lowest statistical area for which gaming information is provided by OLGR. \$2.1M / \$78125253 (\$50155211.94 (clubs) + \$27970041.45 (hotels) for Murrumbidgee region) =2.69%

<sup>2</sup> Social Impact is the sum of the effects on the social infrastructure, social opportunities and social interactions (of the municipal district) In the short or medium term, and how this is likely to affect the well-being of the community.

and economic<sup>3</sup> impact of the proposed application on the local community and the City of Wagga Wagga and should be read in conjunction with other documentation as required by NSW legislations.

### 3 SUBJECT SITE

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#### 3.1 THE VENUE LOCATION & SURROUNDING USES

8. SWSBC is located at Lot 306, Fitzhardinghe Street. The SWSBC covers an area of approximately two acres. The Club house covers an area of approx 770 sq m and has 2 bowling greens.
9. The land is zoned 6, open space under the provisions of the Wagga Wagga local environment plan 1985 and designed open space 6 (b) private recreational under the city of Wagga Wagga Central Plan 1986. The subject land is in a commercial part of an overall sporting precinct away from the residential areas of Wagga Wagga. The closest residential area is located south of the Sydney – Melbourne train line on Railway Street, west of Peter Street and east of Tarcutta Street as visible in figure below. Pointer A in the figure indicates the location of SWSBC.
10. The SWSBC has Fitzhardinghe Street to the west, Edward Street (Sturt highway) to the south and Bolton Park/Robertson Oval to the east. Bolton Park is zoned open space and accommodates the Oasis Swimming Complex, Wagga Wagga Croquet Club, Robertson Oval and the SWSBC (Subject Land). SWSBC is about 180m away from Baylis Street and is 400m away from Wagga Wagga market place. The venue is part of the Bolton Park sporting precinct and backs on to the Robertson Oval AFL ground and is easily accessible by public transport. The SWSBC is also aware that the Bolton Park Sporting Precinct is part of a Wagga Wagga City Council overall master plan the details of which are still being finalised.
11. The closest school to the SWSBC is South Wagga Public School that is more than 300m away and the other schools are more than 800m away. Pedestrian traffic is limited towards the subject venue with most foot traffic guided towards the Oasis Swimming Complex. The subject site could be described as a destination venue, which would benefit from additional parking capacity.

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<sup>3</sup> Economic Impact is the sum of the effects on the viability and development of the economy (of the local community) in the short or medium term and how this is likely to affect the well-being of the community (economic prosperity and social robustness or health of the overall community).

Figure 1 – Location Plan



### 3.2 HISTORY

12. SWSBC was formed with a purpose to create a bowling club for the use of members and guests of the Wagga region. It's history is best summarised by Mr B.J Weir, the president of the club in his speech “ Welcome to South Wagga Bowling Club” on the occasion of the 16<sup>th</sup> anniversary of the club. As per his speech the existing club was first formed in 1929 and was then named the Bolton Park Bowling Club, it continued under this name until 1940 when it was renamed South Wagga Bowling Club. Bowlers of this Club were affiliated with the Narrandera & District Bowling Association, this being their headquarters until the Wagga and District Bowling Association was formed in 1953.
13. Bolton Park was originally owned by a Mr. Bolton who subsequently gave it to the people of Wagga Wagga for sporting purposes. This land is now owned NSW Department of Land Management (NSWDLM) and managed by the Wagga Wagga City Council. The land that the SWSBC is situated upon, lot 306 Fitzhardinge Street is currently leased from the NSWDLM. The existing clubhouse was built in three stages with the first section officially opened on the 25th May, 1957. The second section, the eastern side of the building was officially opened on the 13th March, 1965 and the third stage was opened on the 5th June, 1976. Lights were first installed on the Dr. Benjamin green in 1944 and in 1979 lights were installed on the Aub Loch green. In 1987 new lights were installed on the Dr. Benjamin green.
14. Gaming machines were ultimately introduced to the South Wagga Bowling Club and the venue now operates with 16 Licensed EGM's. In 2002 SWBC changed its name to SWSBC.
15. The SWSBC experienced financial difficulties in 2008 due to litigation with a contracted staff member. It entered into voluntary administration in November 2008 with the Administrator deliberating whether to liquidate the SWSBC.. In June 2009 the administrator entered into a deed of company arrangement with the Wagga Hospitality Group Pty Ltd (WHG). WHG is working with the Deed Administrator for the betterment of the SWSBC WHG and the Deed Administrator ('the Parties') believe that if there was no deed of company arrangement SWSBC would have been placed in to liquidation. Through the course of development the Administrator and WHG will ultimately complete the Deed of Company Arrangement leaving the SWSBC with autonomy. A letter from the administrator is attached in Appendix B
16. The Parties are now assisting SWSBC to redevelop the Club as a major sporting and entertainment destination in Wagga Wagga. National AFL and Cricket NSW want to see Robertson Oval developed for Wagga Wagga. The AFL team, Greater Western Sydney, (GWS) enters the AFL competition in 2012. The newly appointed coach of GWS, Kevin Sheedy, believes Wagga Wagga can host pre season AFL games and the possibly some home and away games provided Robertson Oval is developed.

**3.3 LICENSING/PERMIT APPROVALS**

17. SWSBC currently holds all necessary licenses and permits. Copy of the correspondence with Casino Liquor Gaming Control authority and the Club License is attached in Appendix C & D. The current venue layout is attached in Appendix E.

**3.4 SWSBC: FACILITIES**

18. The venue is in poor condition as evidenced by the photographs contained in Appendix F. The SWSBC requires an extensive upgrade that will provide the community with the benefits as previously stated.

Facilities	Condition
2 Bowling Greens	Good to Average Condition
Main Bar :	The bar is rundown and in need of a major refurbishment
Bistro:	Offers lunch 7 days a week and dinner most days a week. The food served is buffet meals. The Bistro needs major refurbishment to appeal to a wider market. At present the SWSBC serves an average of 200 meals per week.
Gaming lounge	Has 16 machines. The machines are old and have older games. Gaming Room needs a total refurbishment.
TAB	The TAB room needs refurbishment
KENO	The Keno area needs refurbishment

**3.5 PROMOTIONS**

19. The SWSBC currently does not run many promotional activities.

**3.6 GAMING OFFER**

20. The gaming offer provided by the SWSBC is limited, both due to the small number of gaming machines and the product offer. There are 16 Machines currently in the gaming venue all are old games. The Return to Player (RTP) is low providing little value to the players and there is currently no Jackpot product in operation. It is envisaged that significant investment would be required to offer any benefit to gaming customers that cannot be achieved with just 16 machines.



21. The times when the gaming room has its highest usage are Friday nights and Saturday nights which suggest that the venue is frequented by local population. The age group of the gaming patronage is mainly 30 to 70 years of age<sup>4</sup>.
22. The distribution of gaming venues around the local community is shown in figure 2. There are two major venues in Wagga Wagga the Riverina Australian Football Club Ltd (142 machines) and Wagga R S L Club Ltd (195 + an additional 39 machines due to an amalgamation). SWSBC considers these two clubs as its main competition. Both of which are significantly larger, bigger and better venues offering better facilities which the SWSBC cannot match based on its existing gaming offer and facilities.
23. SWSBC currently operates within the Club Safe guidelines. However no other additional measures of responsible gambling are in place. The SWSBC was fined approx 3 years ago for incorrect signage and has had no other breaches since then.

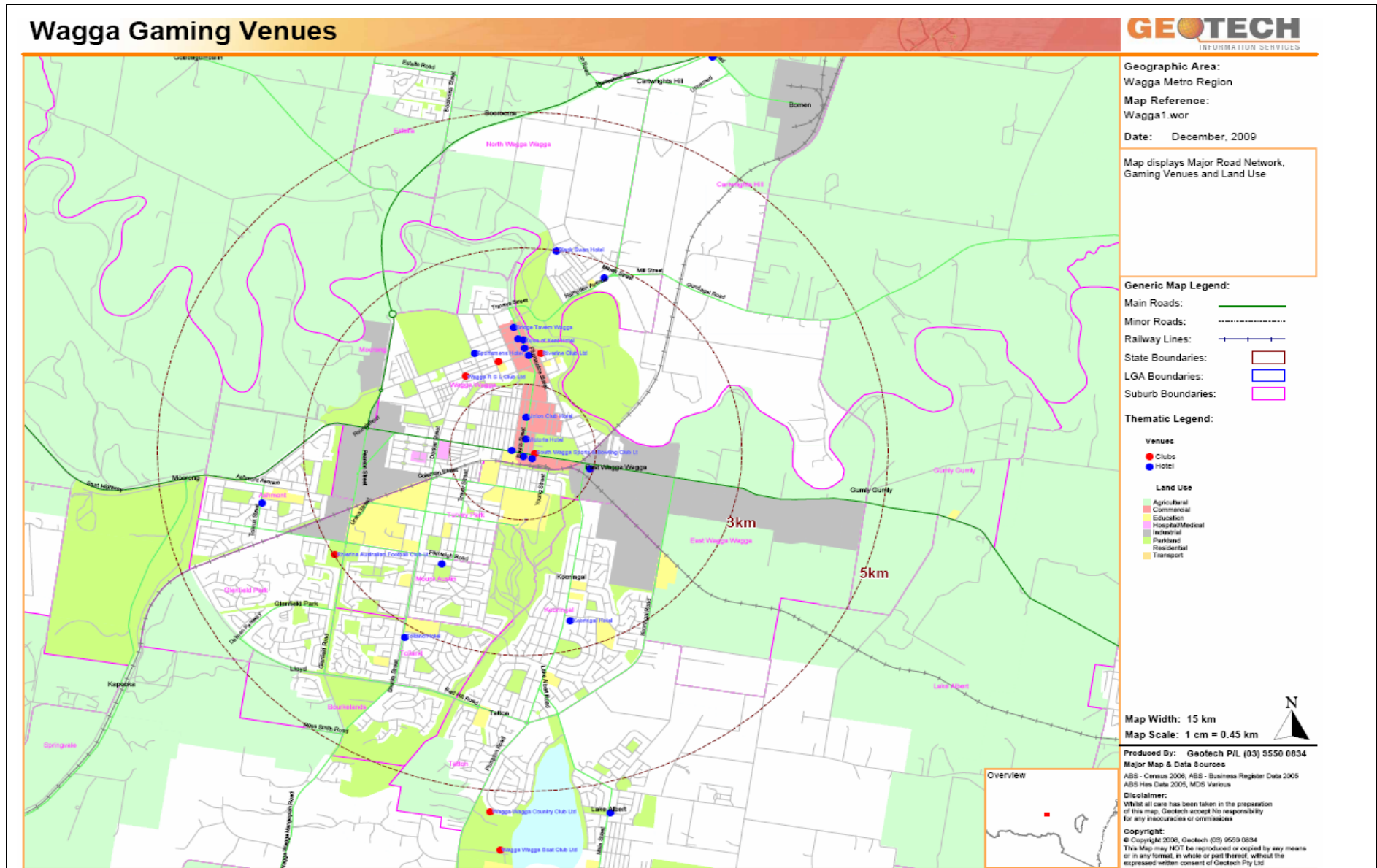
### **3.7 MEMBER & VISITOR DISTRIBUTION**

24. A review of the membership carried out by the SWSBC found that in 2008 the club had 150 full members and 1,100 social members. The current membership predominantly originates from Wagga Wagga post code 2650 and the remainder is mainly from local rural communities.
25. Growth in membership has declined in recent times due to the uncertainty for the future of the SWSBC in its present form<sup>5</sup>.

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<sup>4</sup> Paragraph 20, 21, 22 and 23 as advised by the venue's gaming manager

<sup>5</sup> Section 3.9



### 3.8 CURRENT COMMUNITY BENEFITS OFFERED BY THE SWSBC

26. The SWSBC is currently used by numerous community and charity groups on a regular or occasional basis and provides direct benefit to the community. The SWSBC offers its premises free of charge in most instances, for charities if a fee is charged it is donated back to the charity involved. Some of the community groups that use it are

- CHACA{vintage car club} Monthly approx 3hrs Approx 40 members
- Dirt Track Motor Cycle Club. Monthly approx 3hrs approx 40 members
- Red Back Motor Cycle Club. Monthly approx 3hrs approx 20 members
- Wagga Basket Ball Club. Monthly approx 3hrs approx 20 members
- Wagga Asmtha Swim Club. Monthly approx 3hrs approx 15 members
- Koorungal Provisie Club Monthly approx 3hrs approx 15 members
- Junior Rugby Union For presentation evenings
- Wagga Soccer use Club re registration.
- The club has also been used by Miss Wagga Wagga entrants for fundraising events, The Cancer Council and numerous Churches

27. In addition the SWSBC is also used by groups for gatherings and fund raising events, 21st birthday celebrations, wakes, wedding receptions and functions including trade functions.

### 3.9 CURRENT FINANCIAL POSITION

28. The SWSBC has been placed under voluntary administration. This is despite the SWSBC having special lease arrangements' with the NSW DLM with an annual rental of approximately \$4510, plus annual rate of approx \$7000. It is believed based on the Voluntary Administrators report and discussion with SWSBC board members that the SWSBC was unviable and would have had to enter into liquidation if Wagga Hospitality Group Pty Ltd had not entered into a deed of company arrangement with the Voluntary administrator.

29. The closure of the SWSBC would have a definite detrimental effect on the community. The community not only stands to lose on the facilities provided by the SWSBC to the community groups but it will lose out on the various hospitality services offered by the

SWSBC. The current support of SWSBC by WHG gives it strong financial backing and allows it pursue the proposal detailed in Section 6 of this report.

4 [MUNICIPAL PROFILE: WAGGA WAGGA](#)(THE COMMUNITY)

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4.1 **COMMUNITY**

30. The Community as referred for the purposes of this application includes the Local Community and the broader community of the LGA of the City of Wagga Wagga. The City of Wagga Wagga is part of the Murrumbidgee region in the heartland of the New South Wales Riverina, about 450km south-west of Sydney. Other relevant maps that show the venue in relation with the City of Wagga Wagga and surrounding LGA's are attached in Appendix G.



4.2 **LOCAL COMMUNITY**

31. The Legislation provides that there must be a positive contribution from approval of the Application. The approach to which the SWSBC 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 semiurban 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. The Local Community is thus defined as encompassing the vast majority of the city of Wagga Wagga including the following areas Central Wagga Wagga, North Wagga Wagga, Turvey Park, Ashmont, Mount Austin , Koorungal, Tolland, Bourkelands, Tatton, Gumly Gumly, East Wagga Wagga , Glenfield Park and parts of Estella.

**4.3 DEMOGRAPHIC PROFILE OF THE CITY OF WAGGA WAGGA**

32. The LGA includes the suburbs, villages and rural localities stretching from Mulong in the North West to Milthorpe in the South East. Covering an area of 4,886km<sup>2</sup>, the LGA constitutes both rural and urban regions, with some commercial, industrial and military areas. The LGA encompasses 20,620 private dwellings and is a sub-region of the Central Murrumbidgee Statistical Sub-Division. In 2006, its population was estimated at 57,015, its population density was 12.4 persons/km with 73.4% of the population aged 18 years and over. This compares to 76% for NSW.

33. Wagga Wagga is a growing LGA with a growth rate higher than NSW. The population of the Wagga Wagga LGA grew at an annual rate of 1.5% during the period of 2006-2007. This figure is higher than NSW’s annual rate of growth, which was 1.1% for the same period.

**Estimated Resident Population(a) and average annual growth rates, 2001 to 2007**

Wagga Wagga (C)

	Estimated Resident Population		Average Annual Growth Rate	
	2006	2007	2001–07	2006–07
Local Government Area	no.	no.	%	%
Wagga Wagga	43890	44895	1.09	1.02
New South Wales	5205975	5274068	1.06	1.01

34. Wagga Wagga LGA is characterised by relative youth, as indicated by its median age of 33 (markedly younger than the NSW median of 37) and its particularly high proportion of children aged less than ten years (21.7% compared to the NSW figure of 13%). 93.5% of the population of Wagga Wagga is Australian-born.

**Population Characteristics**

Wagga Wagga

	LGA		NSW	
	number	proportion	number	proportion
adult population 18+	41,841	73%	4,979,999	76.0%
pop aged 18 -24	7,184	13%	601,454	9.2%
pop aged 60+	9,388	16%	1,223,400	18.7%
total population	57,016	100%	6,549,177	100.0%

Source: Australian Bureau of Statistics, BCP Profile 2006

#### 4.4 UNEMPLOYMENT

35. Wagga Wagga is a key industry centre in the region, generating a GRP (Gross Regional Product) of approximately \$2.6 billion and accounting for over one third of the Murrumbidgee SD economic output from only 7% of the land area. Wagga Wagga has four key industries<sup>6</sup> in agriculture, defence, manufacturing and Education ie Charles Sturt University.

- Agriculture- accounts for approximately \$84 million and 12.9% of agriculture activity in the greater regional economy..
- Defence - Wagga Wagga is home to one of Australia's most significant defence force bases. In 2006, the base had a total of 1,583 employees accounting for 8.7% of NSW defence employees.
- Manufacturing -The manufacturing sector is one of the leading contributors to the Wagga Wagga economy, accounting for approximately 11.5%<sup>7</sup> of the total economy and is home to some major food product and beverage manufacturers in Wagga Wagga including Cargill Foods Australia, Heinz-Watties, Bidgee Bong Wines and Wagga Wagga Cheese Factory.

36. The relative strength of the economy and employment opportunities (economic snapshot obtained from council website attached in Appendix H) has helped Wagga Wagga achieve lower unemployment the NSW average. In August 2006, the rate of unemployment in LGA was estimated at 5.7%, slightly lower than the NSW rate of 5.9%. Its rate of unemployment is lower and median individual income slightly higher, whereas it has a higher proportion of labourers and a lower proportion of professionals.

#### Unemployment

Wagga Wagga

	LGA	NSW
	number	number
total labour force	29,053	3,092,603
unemployed population	1,639	183,159
unemployment rate	5.64%	5.92%

Source: Australian Bureau of Statistics, BCP Profile 2006

<sup>6</sup> The industry sector information has been obtained from the councils economic snapshot document available on its website. <http://www.wagga.nsw.gov.au/www/html/3368-economic-profile.asp>

<sup>7</sup> in 2006-07

#### 4.5 HOUSING

37. The Median house prices in Wagga Wagga are lower than NSW that leads to affordable living. This combined with economic growth adds to the region's attractiveness with lower weekly rents, monthly home loan repayments and median house prices when compared to the New South.

Statistic	Period	Indicator	% Annual Change
<b>Housing Affordability</b>			
<i>Median Property Prices</i>			
House	Mar Q 08	\$265,000	6.0%
Unit/Townhouse	Mar Q 08	\$186,000	18.2%
<i>Median Weekly Rents</i>			
House	Jun Q 08	\$270	6.8%
Unit/Townhouse	Jun Q 08	\$165	9.0%
<i>Average Home Loan Repayments</i>			
	2006	\$1,306	8.2%
<b>Earnings</b>			
<i>Average Individual Incomes</i>			
	2006	\$1,103	4.5%

Source: NSW Department of Housing (2008), ABS (2007a).

#### 4.6 SOCIO-ECONOMIC INDEX (SEIFA)

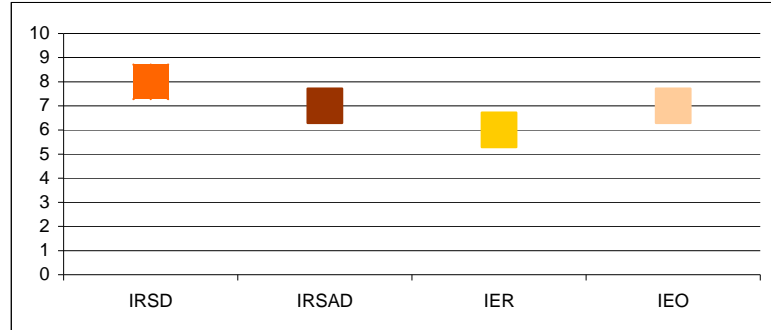
38. In discussing the proposal for the introduction of EGMs at SWSBC, it is useful to consider "SEIFA index of Relative Socio-Economic Disadvantage". The SEIFA Index is derived from the 2006 Census of Population and Housing and measures aspects of social and economic conditions in the area.

39. The SEIFA indexes are a broad indicator of SES. SEIFA provides a relative measure of disadvantage based on a group of four indexes derived from the Census of Population and Housing that reflect the socio-economic characteristics of individuals in Census Collection Districts (CDs). For the 2001 Census of Population and Housing the ABS produced the four indexes measuring different socio-economic conditions based on a range of variables:

- Index of Relative Socio-Economic Disadvantage (IRSD) which measures disadvantage only;
- Index of Relative Socio-Economic Advantage/Disadvantage (IRSAD) which simultaneously measures advantage and disadvantage;
- Index of Economic Resources (IER) which profiles the wealth, income and expenditure of households; and,
- Index of Education and Occupation (IEO) which reflects the educational and occupational structure of communities.

40. The indexes for Wagga Wagga are shown in the chart below.

**Table 13 - LGA SEIFA scores and decile ratings**  
Wagga Wagga



	IRSD	IRSAD	IER	IEO
<b>Wagga Wagga</b>	982.7	998.9	984.98	971.2

Source: Australian Bureau of Statistics, Socio-economic Indices for Areas 2006

41. SEIFA index summarises a large range of variables, in a SEIFA ‘score’, which is associated with the key socio-economic attributes in an area. The index covers a wide range of indicators listed in Appendix I. The index value is used to order or rank regions in terms of disadvantage. A higher index score means an area is relatively less disadvantaged while a lower score indicates the area is disadvantaged relative to other areas. The LGA has a SEIFA (2006 social-economic index of relative advantage-disadvantage) of 983, which is slightly higher than the State average of 978.)

#### 4.7 MUNICIPAL PROFILE SUMMARY

42. Wagga Wagga is a growing community with a younger population and a much lower unemployment level than the NSW average. The economic profile of the LGA and SEIFA index suggests that the community is robust with lower levels of disadvantage than the NSW average and hence may be expected to have lower levels of problem gambling issues.



## 5 [GAMING: NSW & WAGGA WAGGA](#)

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### 5.1 GAMING BACKGROUND

43. Gaming is recognised as having a legitimate role within the community as a form of recreation<sup>8</sup>, albeit with its share of disbenefits for the small percentage of people who are problem gamblers. It is generally accepted that

- Only 2.54% of the Australian adult population are estimated to be problem gamblers, with 24.7% of the surveyed population categorised as non-gamblers, 69.1% as non-regular gamblers and 6.2% as regular gamblers.
- The distanced travelled to EGM's is generally less than 5km with people playing in their local area.

44. "The Economic Impact of Gambling", prepared by the National Institute of Economic and Industry Research has reviewed previous studies into the impact of gaming on the regional economy. The study found that:

- Most gamblers, even heavy gamblers can afford to do so; and
- Increase in gaming expenditure leads to an increase in total expenditure in other products, such as food and beverages.

### 5.2 RECENT LEGISLATION

45. In 2008, the Gaming Machines Amendment Bill introduced in NSW parliament put forward a few changes to address problem gambling

- Removal of 450 machine threshold for a registered club
- Reduction of entitlements through the natural attrition rule to 99,000 (from 104,000)
- Prohibition of ATM and EFTPOS services that dispense cash from credit card accounts in Gaming venues
- Multi Terminal Games restricted at a maximum of 15% of club machines.
- Introduction of LIA
- Introduction of LGA classification into bands based on Machine Density

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<sup>8</sup> *Victorian Longitudinal Community Attitudes Survey 2003*, undertaken by the Australian University's Centre for Gambling

- New Venues in Band 1 areas can apply for 150 machines (1 to 3 swap) at any one **instance (first 50 machines are allowed a 1 to 6 swap).**

46. These changes were considered necessary to curb problem gambling however they do put additional pressure on venues who are facing issues due to changes in smoking law (July 2007), Economic Downturn (2008 & 2009), Demographic Changes and Increase in club Taxes<sup>9</sup> from 1 September 2007 to 31 August 2012<sup>10</sup>

### 5.3 GAMING IN WAGGA WAGGA: DISTRIBUTION & EXPENDITURE

47. The Gaming Machine Numbers in the LGA and the density in the area are shown in the tables below. The Density which is the number of gaming machines per 1000 adults in the LGA, an indicator of the overall capacity of an area to accommodate gaming machines is lower than the NSW average. This is particularly more so in the case of clubs.

**Poker machine entitlements for clubs and hotels**

Wagga Wagga

	LGA	NSW
clubs	423	76436
hotels	323	22026
total	746	98462

Source: OLGR January 2009

**Number of gaming machines per 1000 adults in the LGA**

Wagga Wagga

	May-09	
	LGA	NSW
clubs	9.40	13.62
	Jun-09	
	LGA	NSW
hotels	6.70	4.51
total	16.10	18.13

\*Adult population figures for 2008 are not available from ABS, figures used in density calculation for 2008 are from 2007

Source: OLGR January 2009

<sup>9</sup> \* All rates exclude GST of 9.09% The agreement also provides for a taxation rate of 10% to apply to earnings between \$200,000 and \$1M for clubs that earn more than \$1M in poker machine revenue, effective from 1 September 2006; and Continuation of the GST rebate on the first \$200,000 of club gaming tax revenue.

<sup>10</sup> Clubs earning \$1M - \$5M - 21%\* (down from a scheduled 25% by 2011), Clubs earning \$5M - \$10M - 26% (down from a scheduled 35% by 2011) ,Clubs earning \$10M - \$20M - 29% (down from a scheduled 40% by 2011)

48. Based on the above information Wagga Wagga can accommodate an additional 190 EGM's to gain parity with state average<sup>11</sup>. If the forecasted population growth provided by the council is taken into account, it may be suggested that Wagga Wagga could continue to take more than the 190 machines while maintaining parity with state average. Overall an increase in the region of 284 machines would marginally take it over the state average.
49. Moreover Wagga Wagga has a higher proportion of hotel gaming machines than club gaming machines when compared to rest of NSW. It is recognised that clubs provide a greater benefit to the community than Hotels. Wagga Wagga can look to maximise its benefit from gaming by increasing Club machines over and above that of hotel gaming machines.
50. The Quarterly Expenditure as per table below shows that gaming machine expenditure per machine over the last 5 years is lower than the NSW average. The table also suggests that gaming is mature industry in Wagga Wagga and has stagnated.

**Quarterly expenditure per gaming machine in the LGA for the last 5 years**

Wagga Wagga

	May-05		May-06		May-07		May-08		May-09	
	LGA	NSW	LGA	NSW	LGA	NSW	LGA	NSW	LGA	NSW
clubs	10,893.68	11008.01	11,684.78	11420.62	10,967.65	11952.96	9,745.74	10456.30	10,746.04	11,442.98
	Jun-05		Jun-06		Jun-07		Jun-08		Jun-09	
	LGA	NSW	LGA	NSW	LGA	NSW	LGA	NSW	LGA	NSW
hotels	11,474.58	16,348.01	11,672.55	16,822.14	11,960.43	17,589.14	11,211.90	15,181.96	11,554.46	15,794.93
total	22,368.26	27,356.02	23,357.33	28,242.76	22,928.08	29,542.10	20,957.64	25,638.26	22,300.51	27,237.92

Source: OLGR January 2009

51. Both gaming indicators of prevalence and engagement in Wagga Wagga i.e density and Expenditure suggest that it is below state average and can accommodate more machines.

<sup>11</sup> Assuming population is unchanged for Wagga at 44,895 and NSW at 5,274,068 used in calculation above by OLGR

## 6 THE PROPOSAL

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52. WHG and SWSBC in discussion with the community plan to develop the current premises into a major sports and entertainment centre. Concept sketches of the proposed plans are attached in Appendix J
53. WHG have had extensive discussions with members of the community of Wagga Wagga including meetings with Wagga Wagga City Council. Appendix K shows the list of various meeting dates. In meetings with AFL officials, NSW Cricket officials and AFL appointed architects all parties expressed a desire to have a premier sporting complex to cater for, amongst others, 1st class AFL and cricket games.<sup>12</sup>
54. In order to improve all the facilities, including sporting and community benefits in line with community aspirations, there needs to be a planned redevelopment of SWSBC. An extensive overhaul of club operations by the Administrator, working in conjunction with WHG is required. SWSBC plans to build new facilities and increase its membership to in excess of 10,000 full members. Under the current concept the redevelopment is to include:
1. The establishment of a vibrant club adjacent to the Robertson Oval/Bolton Park Sporting Precinct that will work with the Council in supporting the oval, the surrounding infrastructure and sporting clubs of all denominations including but not restricted to Football, Cricket, Croquet, Basketball, Waterpolo, Lawn Bowls, Ten Pin Bowling, and other special promotional events that may be attracted to the precinct as a result of the development.
  2. Up to Four Restaurants that offer a high quality and varying diversity of meals and service.
  3. Approx 1000 seat capacity modern function centre with separate entry to that of the club with partitioning capability that would accommodate smaller groups.
  4. A 10 pin bowling alley with separate entry to that of the club
  5. A 1500 person grandstand and a developed oval that has a 15,000-person capacity.
  6. Two all weather Bowling Greens: The development proposal includes two all weather bowling greens which will be the only all weather bowling greens in Wagga Wagga. It will increase the sports attractiveness to a wider population group with the ability to host evening games. By maintaining these two bowling

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<sup>12</sup> including pre season and home and away AFL matches and Ranger Cup and Sheffield Shield Cricket games

greens, Wagga Wagga would have a total of 6 greens thereby ensuring the long term viability of the sport within the city.

7. A gaming venue: The SWSBC plans to build a more inclusive gaming venue that will benefit a much wider community than its current membership base. It intends to provide it by servicing the venue with the latest games such that the venue becomes an attractive destination for a wider community that currently game in other venues in Wagga Wagga. The intent is to operate the venue responsibly and have 'best-practice' interventions and initiatives modelled on its Responsible Conduct of Gambling House Policy.
8. Upon approval and in line with SWSBC's current plans a feasibility study and further discussions with the Wagga Wagga City Council and the NSWDLM will be undertaken to identify the potential merits of further expansion, including the following facilities
  - A modern gym
  - Sports medicine/health centre
  - A child minding centre
  - Sporting academies

55. The proposal has the support of AFL and Cricket NSW. The SWSBC proposed development adjoins Robertson oval. The sporting bodies will require a major media facility and sporting amenities upgrade. WHG has been informed that both the AFL and Cricket NSW have indicated that post development they would endeavour to bring first class sporting fixtures to the city of Wagga Wagga. When Robertson oval is redeveloped other sporting and entertainment events, not currently enjoyed by the Wagga region, will be attracted to this venue.

## 6.1 RESPONSIBLE GAMING

56. The gaming venue is an integral part of the proposal as it allows the proposal to be financially viable. The SWSBC is committed to responsible gambling. This is one of the key planks of this application.

57. Post the grant of the application and renovation the SWSBC will operate in accordance with all legislated harm minimisation and responsible gambling measures. It will ensure gambling services conform to all applicable acts and regulations.

58. Central to the SWSBC's commitment to harm minimisation is its willingness to operate over and above legislation by adopting a range of industry best practice and in house responsible gambling measures in accordance with the Clubs NSW codes of Practice and the Club Safe responsible gambling program.
59. The SWSBC accepts its responsibility to ensure responsible gaming and will modify its own existing Gaming Code of Practice (the Code) as a part of the application. This code 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. It seeks to promote the responsible service of gaming to patrons and recognises that problem gaming is a serious social issue that impacts not only on the individual but also on family and friends.
60. The Code requires a number of initiatives above and beyond the statutory requirements, including the adherences to all relevant Codes of Practice. These initiatives are highlighted in Appendix L are exhaustive and show the drive and commitment behind the development. The SWSBC also commits quarterly independent review of its RSG operation
61. Recently WHG has met with Mission Australia and Wagga Family Support Services. These organizations receive funding from the responsible gaming fund and are responsible for problem gamblers within the Wagga Wagga region. Both organisations advised that if they could identify problem gamblers at an earlier stage their chances of being far more effective are greatly increased. SWSBC seeks to raise the standard of effectiveness by being proactive and making space available within the club to achieve this objective. The SWSBC will work with these organisations to conceivably achieve a higher standard of care for problem gamblers than exists at present. Communication from these organisations is attached in Appendix M.
62. WHG have met with the Federal member for Riverina, Kay Hull and the State member for Wagga Wagga, Daryl Maguire. Both parliamentarians have seen the proposed plans for development and are aware of the application for increased gaming entitlements. They expressed the need for Wagga Wagga to have modern sporting facilities that are currently lacking and stated that the community gain must outweigh the social detriment. Mr Maguire and Mrs Hull were very pleased in relation to the proposed plans of responsible gaming and their letters of support are annexed hereto in Appendix N.

## 7 NET IMPACT

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### 7.1 **ECONOMIC IMPACTS**

63. The establishment of the proposed project will be a significant development and will be a major economic boost to the city of Wagga Wagga. During the establishment phase it provides employment not only to the construction industry in Wagga Wagga but also to all the building support & supply industries in Wagga Wagga. Once established it will provide ongoing employment in its business for the services it offers.
64. Based on the conceptual designs, the SWSBCs Project Manager envisages (refer Appendix O) that the development would be in the vicinity of \$35–40 million<sup>13</sup> and that it would take in the vicinity of 18 months to 2 years to complete the project once construction commences. If SWSB is able to attract AFL games the building of the grandstand and player amenities would need to be completed by the beginning of the pre season games in 2012.
65. During the construction phase it is envisaged that approximately 250 local trades' people and approximately 20 new traineeships and apprenticeships would be employed. Furthermore following on from completion of construction to the opening and operation of the SWSBC it is considered that some 150 full and part time positions and staff will be required to operate the club and approximately 50 support and ancillary positions required to all sectors of the community.

#### 7.1.1 **Local Economy**

66. SWSBC plans to get the development completed by as many local trades' people and companies as possible. This will be achieved by adopting a Project Management Methodology to the project where significant weightings and criteria will be set for the engagement and employment of local trades people and companies that are owned and operated in Wagga Wagga. Furthermore evaluation criteria will include a requirement for local companies and small businesses to demonstrate their ability to provide additional traineeships and apprenticeships to local young people and encourage indigenous trainees to be involved in the project.

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<sup>13</sup> may vary depending on the final design development ,

67. If approved the project will be one of the largest construction project commencing in 2010 in Wagga Wagga.

68. Additionally the SWSBC also believes that the increased profile that will be generated due to this development and the resulting sporting activities would result in an increase in Wagga Wagga's profile and thus help generate tourism in Wagga Wagga.

### **7.1.2 Funding Contributions**

69. SWSBC intends to be a financial contributor to all sporting clubs within the Bolton park sporting precinct and intends to provide donations, sports scholarships to selected schools within the region.

70. Following the first full years trade after the redevelopment, the club intends to distribute up to 10% of net trading profits based on an agreed community program which will require Wagga Wagga community groups making submissions to the club for funding.

### **7.1.3 Operational details:**

71. The SWSBC plans to run promotional activities in the local area to increase awareness of the club and its offerings once the new venue is functional

72. Based on its advise from AHM (Appendix P) SWSBC estimates the employment needs in its different business to be as per the table below where some 81 full and 193 part time positions and staff will be required to operate the club. The full time equivalents calculated in the table below are based on the minimum<sup>14</sup> 20hrs per part time person per week.

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<sup>14</sup> An average of 20 hrs for part time workers has been taken.



Ongoing Employment

Business	FT	PT	Assumptions
Restaurants-Four			
Food	25	60	6,000 -10,000 meals pw
Beverage	10	40	
Gaming	5	20	
Functions	4	60	
Bowling Alley	8	10	
Child Minding Centre	10	15	
Sports Medicine Centre	10	20	
Gym	4	10	
Stadium Special Events	5	150	
	81	385	
Full Time Equivalents	81	193	
Total Full Time Equivalents	274		

73. At 274 employees SWSBC will be one of the major employers in Wagga Wagga

**7.1.4 Gaming Expenditure: Venue prediction**

74. In order to estimate the gaming performance at the venue the SWSBC has considered the NSW average. The OLGR figures for NSW suggest that venues with 200 to 300 machines return net revenue in the region of 43K<sup>15</sup>.

NSW ' >200 <=300 'group	
Revenue per machine	54,951
Tax	12,430
Net Gaming Revenue	42,521

75. When a narrower range of 276 to 300 machine venue is considered, machines return net revenue of 28K in NSW

<sup>15</sup> OLGR figures for Sydney region suggest that venues with more than 30 machines return net revenue of 43K and indicate that the total figure for NSW is inflated by venues in the Sydney region.

Sydney Region	Over 30 machine venues	All Venues
Revenue	1,982,025,520	2,045,106,604
Tax	\$443,705,321.44	\$443,932,306.39
Net Gaming Revenue	\$1,538,320,199.00	\$1,601,174,297.19
Machines	35,069	38,830
Net Gaming Revenue per machine	43,866	41,235

NSW ' 276 to 300 'group	
Revenue (Metered Profit)	59,089,567
Tax	8,647,466
Net Gaming Revenue	50,442,102
Machines	1,753
Net Gaming Revenue per machine	28,775

76. However if the OLGR figures for Murrumbidgee region for venues with more than 30 machines<sup>16</sup> is considered which is a more local and hence more close approximation of the venue performance, the figures suggest that venues with more than 30 machines return net revenue of 33K.

Murrumbidgee Region	More than 30 machines	Less than 30 machines
Revenue per machine	39,748	16,258
Tax	6,218	0
Gaming Revenue per machine	33,530	16,258

77. Based on the above and the facilities on offer the initial estimates of the gaming machine performance for Wagga Sports Club is estimated to be \$35,000 per EGM per annum for 300 machines (or 10.5M per annum for the venue) which may increase to 40K in 4 to 5 years (or 12M per annum for the venue) as the venue becomes established in Wagga Wagga.

#### 7.1.5 Gaming Expenditure: Transferred Expenditure

78. The Expenditure predicted for the venue is the total expenditure; however a major portion of this revenue is expected to be transferred revenue from other competing venues. Transferred Revenue is the revenue already being spent by customers in the community at other competing venues which they will choose not to spend at those venues and will spend it at the redeveloped SWSBC. The net of the transferred from the total revenue provides the new component of revenue against which the net detriment test is to be applied.

79. Transferred expenditure has been researched and findings presented in detail at hearings before the Victorian Commission for Gambling Regulation (VCGR, the authority in Victoria) by Tattersalls and TABCORP the two gaming operators in that state. Various case studies studying venue performance before and after a new venue establishment or top up of gaming venues have occurred has been studied. It has been accepted by the VCGR, the authority in that state, that the level of transferred depends on the competition around it maybe be quite high in instances where large number of

<sup>16</sup> Grouping are limited by and have been chosen based on the information provided by OLGR

gaming venues are present. The case study of Club Ringwood indicates that in instances where there are ample choices the transferred expenditure could be higher than 90%.

80. The number of competing venues in Wagga Wagga, particularly venues within 5km radius suggests that the gaming customers in the city have a large number of choices. Gaming customers hence will be choosing the new SWSBC over other venues based on its attractiveness and convenience. This coupled with the role of Wagga Wagga as a regional centre that attracts people from greater distances would mean that the transferred expenditure would be in the order of 80%.

Venue Forecast	
EGM's	300
\$/EGM	\$ 35,000.00
Venue Total	\$ 10,500,000.00
Transferred %	80%
New %	20%
Transferred \$	\$ 8,400,000.00
New \$	\$ 2,100,000.00

## 7.2 ECONOMIC BENEFITS FROM PROJECT

81. Economic Impact is the sum of the effects on the viability and development of the economy (of the local community) in the short or medium term and how this is likely to affect the well-being of the community (economic prosperity and social robustness or health of the overall community).

82. New gaming expenditure is generally seen as negative economic consequence of a gaming application. In this case it is \$2.1M (only a proportion of which is contributed by problem gamblers). This however needs to be assessed against the projects positive benefits. The proposal put forward by the SWSBC as described has numerous benefits to the community that outweigh negative consequences from the predicted new expenditure namely the creation or increase of problem gambling .

83. The new gaming expenditure expected to be generated in the Region of Murrumbidgee<sup>17</sup> is \$2.1M which is only 2.69% of Murrumbidgee's profits and hence the net increase in EGM expenditure is expected to be minimal in the region.

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<sup>17</sup> Murrumbidgee is the lowest statistical area for which gaming information is provided by OLGR. \$2.1M / \$78125253 (\$50155211.94 (clubs) + \$27970041.45 (hotels) for Murrumbidgee region) =2.69%

### 7.3 SOCIAL IMPACTS

84. Social Impact is the sum of the effects on the social infrastructure, social opportunities and social interactions (of the municipal district).
85. It is acknowledged by the SWSBC that gaming has negative consequences to a small proportion of the population and that there will always be an increase in problem gambling with an increase in gaming machines. It is however, the quantum of increase that is a cause of concern. There are ample opportunities for people to game in Wagga Wagga currently. It is unlikely that the approval of this application will lead to a large increase in problem gambling as most of the population who want to game already do and hence this application for an increase in gaming machines at an existing venue should not result in a substantial increase in problem gambling.
86. As discussed earlier the City of Wagga Wagga is a growing community with younger population than NSW and a much lower unemployment level than the average for NSW. The economic profile of the LGA and SEIFA index suggests that the community is robust with lower levels of disadvantage than NSW and hence may be expected to have lower levels of problem gambling issues.
87. Furthermore it's expected that the exhaustive responsible gambling measures over and above the code that the SWSBC will be pursuing as per its gambling code would help reduce problem gambling at the venue.
88. In addition to the benefits outlined in the proposal the SWSBC intends to work in conjunction with the sporting codes and the WWCC, for the development of the Robertson Oval with junior development as a particular focus. The SWSBC believes based on the recent discussions with the Wagga Clubs representatives that the development would allow for AFL and cricket to return to Wagga Wagga via pre season games, NAB cup and NAB challenge games, 20/20 competitions and possibly Sheffield Shield games and AFL home and away games in the 2012 season..
89. The increased profile that the city of Wagga Wagga would generate as a result of this development would significantly add to the sense of local pride. Wagga Wagga is commonly known throughout Australia as 'the city of good sports' and having a club as a sporting focal point for the city will provide for significant long term positive social benefits to the community.
90. SWSBC believes this application provides the opportunity to develop social infrastructure as per the proposal and hence provides an opportunity to enhance social interaction of the community.

## 7.4 CONCLUSION

91. This LIA, pursuant to Section 37 of the Gaming Machines Act 2001, defines the SWSBC's Local Community, details the positive contributions that the SWSBC 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.
92. If this project does not proceed, the bowling club and the bowling greens will disappear. Effectively by removing these greens the sport of Bowls in the city of Wagga Wagga will have only four competition greens thereby reducing the city's overall ability to compete at a state and national level. Furthermore the community will also stand to lose the community benefits detailed in Section 3.8 and all other facilities provided by the club by its existence.
93. On the other hand if this application is accepted the community stands to gain a major sports and entertainment centre detailed in Section 6. Cricket and AFL and other football officials have advised that there is no focal point within the Riverina for large sporting carnivals with first class sporting facilities. A first class facility will provide a focal point for smaller rural towns to be involved in sporting carnivals held at the regional center. The project has ample support in the community as evidenced by the letters of support provided by prominent members in Wagga Wagga and the sporting community (Appendix Q) and press clippings from local newspapers (Appendix R).
94. Gaming is an integral part of the project and is pivotal in making this project commercially viable. The presence of other gaming venues suggests that this is not a community that will be exposed to gaming for the first time. Furthermore, the economic profile of the community is robust and suggests that it would be able to deal better with any issues arising from problem gambling. SWSBC is committed to carry out Gambling in a responsible manner as evidenced in Section 6.1 It is seeking to raise the current threshold of care in harm minimisation and have initiated discussions with the two local bodies that receive funding from the responsible gambling fund mission Australia and Family Support Services. It is the intention of SWSBC to be proactive in this endeavour and make space within the club site to tackle this issue as it arises rather than after the event.
95. The SWSBC believes that net social and economic benefits as a result of this application are overwhelmingly positive. The community gain shall extend far beyond the local area of Wagga Wagga. Small rural towns will have a large regional center where they can attend major regional sporting carnivals. The club and sporting facilities will be a significant focal point for the entire region. This development will deliver a first

class club that in turn supports a long term sporting facility to the city of Wagga Wagga. The club's development is inextricably related to sport and will deliver and maintain continuing improvements and support to the many junior and senior sporting bodies that will utilise the precinct. SWSBC believes that the guidelines and legislation have been met and that the threshold increase application should be considered favourably.