

TOONGABBIE SPORTS

TOONGABBIE SPORTS AND BOWLING CLUB LIMITED

LOCAL IMPACT ASSESSMENT 1

AUGUST 2014



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1. EXECUTIVE SUMMARY

1.1. Introduction and Background

- i) Toongabbie Sports and Bowling Club Ltd (TSBC) seek a Gaming Machine Threshold increase of twenty (20). Being situated in a Band 2 LGA (Parramatta) and seeking a Low Range Increase this document fulfills the requirements for a Class 1 Local Impact Assessment.
TSBC's licence is LIQC3002320694.

1.2. Responsible Gambling Measures

- ii) TSBC advises it remains compliant with ALL requirements under any applicable legislation and in many cases goes beyond the minimum requirements in relation to Responsible Conduct of Gambling.

1.3. Local Community

- iii) TSBC has identified it's Local Community as being within the immediately surrounding postcodes and being predominantly situated within the Parramatta LGA.
- iv) TSBC is not located within 200M of any school or church, noting it is a long established premise's.

1.4. Positive Contribution

- v) TSBC has proposed to make \$30,000 available to support Local Community Sporting Groups over a four (4) year period in excess of any minimum Club Grant requirements. These groups would directly benefit some 2,200 people from within the Local Community.

1.5. Conclusion

- vi) As TSBC has demonstrated it has met the current requirements relating to a Class 1 LIA, has demonstrated it's ongoing commitment to ensuring the responsible conduct of gambling and has guaranteed significant contributions to its Local Community, it is the clubs belief that this Class 1 LIA should be approved.

2. INTRODUCTION AND BACKGROUND

This document is a Local Impact Assessment (LIA) Class 1 for a Gaming Machine Threshold increase of twenty (20) to be acquired over a period of up to two (2) years for Toongabbie Sports & Bowling Club Ltd (TSBC) - LIQC300230694, situated at 12 Station Road, Toongabbie NSW 2146.

TSBC is currently classified as Band 2 being in the local government area of Parramatta.

This application seeks a low range threshold increase (20) as defined under CI 35 of the Regulations.

2.1. Methodology

The LIA guidelines provide that the Independent Liquor and Gaming Authority (the authority) can only approve an LIA where the LIA complies with the requirements of the Gaming Machines Act and the Gaming Machines Regulations (the legislation) and demonstrates that gambling activities will be conducted in a responsible manner.

The guidelines further require that the LIA must advise any benefit that approval will give towards the local community.

2.2. Toongabbie Sports Details and History

TSBC started like many NSW clubs from humble beginnings in 1958 when a group of locals decided the local area needed a bowling club. The club has expanded several times over the last 50 years and dealt with some more challenging times.

In 2013 TSBC withdrew an application to transfer 40 Gaming Machine Entitlements (GME) from Cumberland Community Club due to some financial implications such a transfer would have created. These GME's were ultimately sold to reduce the clubs debt and avoid the further investment required to operate the GME's.

The club is now trading positively and seeks to grow all revenue streams available to it to ensure the financial future of this local community based organisation.

2.3. Current Services, Facilities and Donations

TSBC currently occupies approximately 1.8 hectares^(Rfr Appendix 7.1) bordering 12 Station Rd, Toongabbie with floor space of 2,000 SQM, of which approximately 190 SQM is the clubs gaming room^(Rfr Appendix 7.2).

The club operates 53 Gaming Machines, TAB, Members Lounge, Bistro and Café, Alfresco Terraces, Four Function or Meeting rooms and two (2) full size Grass Bowling Greens.

After significant refurbishments in 2013 membership is growing and is currently 7371 being attracted to the venue by quality products and numerous activities such as Bingo, Raffles, Promotions, Courtesy Bus, Barefoot Bowls and Events.

TSBC not only supports and maintains the bowling green's for the Bowlers, but directly supports some 2,400 local sports people via our associations with numerous local sporting groups who rely on TSBC for significant funding to better enable the broader community to access their respective local competitions.

TSBC's total Club Grants Donations for 2013 totalled \$122,896 and 2014 totalled \$149,958, with further in kind provisions for many small organisations such as Probus.

TSBC provided twelve (12) times its minimum Club Grants requirement in 2013 and more than seven (7) times its minimum requirement in 2014.

2.4. Financial Performance

In 2013 TSBC achieved total revenue of approximately \$4.9M, with a profit of \$1.2M. However, approximately \$1.8M of this revenue came from asset sales, including the GME's previously noted.

As such the clubs total ordinary revenue was approximately \$3M, of which 46% (\$1.4M) came from Gaming Machines, and incurred a net loss of approximately \$0.6M, due the refurbishments noted above.

- Employee expenses were \$1M despite the interruptions to trade in the year.
- Total Gaming Duty paid was \$148K.
- Total donations were \$149K.

TSBC has seen ongoing improvements since the 2013 result, with significantly reduced debt and improving trading conditions.

As illustrated opposite the additional revenue projected from any approval would have had a material impact on many recent annual results.

Year	Profit	Adjusted Profit (- Asset Sale)
2009	-\$86,681	-\$86,681
2010	-\$42,418	-\$42,418
2011	-\$66,848	-\$66,848
2012	\$8,501	\$8,501
2013	\$1,229,962	-\$594,513

2.5. Gaming Machine Indicators

TSBC currently operates 53 gaming machines. The profit per gaming machines (turnover minus payouts) in 2013 was a modest \$28,566 (\$1.5M annual result), and in 2014 will be approximately \$36,868 (\$1.9M annual result). It is acknowledged that this level of profit remains modest within our competitive market and is not entirely indicative of the requirement for additional gaming machines.

However, as venue membership and patronage increases, TSBC is acutely aware that some customers enjoy the variety of larger venues and believes the ability to offer a more complete gaming installation will be beneficial to retaining and gaining customers. Further the club continues to plan for the future and acknowledges the ability to grow all areas of the business will be paramount to ensuring the financial future of this local facility.

TMBC expects the acquisition of GME's to be ad hoc and to take 2 years to complete commencing from 2015 and has modeled the clubs financial return over 3 years (2015-2017) to ensure a full year with the additional gaming machines in operation was considered. Broadly it is expected that in 2015, being the first year potentially operating any new gaming machines, the clubs anticipated revenue increase would increase from a projected 5.2% to 8.8% providing total gaming revenue of \$2.12M (+\$70K).

TSBC projects the profit per poker machine to decrease in the initial period as the existing level of turnover is spread within the venue. TSBC is acutely aware based on other venues experiences that venues cannot simply extrapolate current earnings and that it will take up to five (5) years before the additional machines achieve the current average profit per gaming machine - particularly as the total increase is significant in terms of scale within the venue.

Over the period 2015-2017 it is anticipated that total additional gaming profit from any additional poker machines would increase by \$458K (on current projections), providing an additional \$82K in gaming taxes, \$8.5K in Club Grants and \$100K to the clubs overall profit after finance and running expenses.

2.6. Proposal

While the projected increases to the clubs profit are modest they are significant in terms of the clubs bottom line profit that would have seen profits in place of losses over several recent periods as demonstrated in the table above.

The Local Needs and Priorities for Parramatta^(Rfr Appendix 7.3) includes;

“Support families and the positive social, emotional and educational development of children.”

“Reduce isolation and develop connectedness between communities and individuals, especially for groups with multiple barriers to participation such as; . . . people over 55 years of age, particularly those living alone. “

TMBC will commit a minimum of \$30,000 annual funding for the 2015 to 2018 Financial Years to local sporting and community groups over and above TSBC's Club Grant requirements totaling some \$120,000 over this period. The club has currently identified the following groups to be ongoing recipients;

Organisation	Registered Participants 2014
Pendle Hill Football Club	827
St Anthony's JRLFC	89
Aquablitz Swimming Club	174
Starlights Netball Club	199
Shamrocks Netball Club	211
Phoenix Softball Club	85
Toongabbie Demons Football Club	456
Pendle Hill Cricket Club	196
TOTAL	2237

TSBC advises the selection of these groups is consistent with the clubs stated objectives as stated below noting they are all immediately local organisations based solely in community sport;

"9. The objects for which the Club is established are:

(a) To promote, support, stage and cater for the games of Lawn Bowling (Bowls) and any other sport or recreational pastime whether indoor or outdoor and to supply, erect and provide all facilities of or ancillary, these to include clubhouses with all forms of accommodations and refreshments."

With these groups collectively co-coordinating some 2,200 local sports people on a voluntary basis, the need for funding is paramount to enabling them to continue to make these activities available at a price that enables access to the community at large.

TMBC will also continue to ensure the provision of two bowling greens, a diminishing resource within the LGA and the broader community.

The ongoing provision of Bowling Greens, combined with other club activities such as Bingo provides an ongoing outlet for social interaction and engagement from many elderly and disabled within the immediate local community.

TMBC has recently accepted membership from 50+ bowlers transferring from recently closed Bowling Green's within the Parramatta LGA.

3. RESPONSIBLE GAMBLING MEASURES

TSBC ensures the operation of the venues gaming machines is in strict accordance with the required legislation and regulations. Where possible the club seeks to exceed the minimum requirements in relation to all aspects of gaming machine operations.

3.1. Harm Minimisation Measures

- All employees involved in gaming duties hold a responsible conduct of gambling qualification;
- All prize winners receive prizes in accordance with legislation;
- All required records are maintained as required by legislation;
- No inducements are offered to patrons to gamble;
- All required signage under the regulations is prevalent within the venue and gaming area;
- All link jackpot displays are located within the gaming area;
- All player loyalty scheme requirements under the regulations are complied with;
- No minors are permitted access to the gaming area and it sufficiently separated from general areas ^{(Rfr Appendix 7.2).};
- The club operates the ClubSafe self-exclusion and counseling service as required by the regulations ^{(Rfr Appendix 7.4).};
- Chance of Winning Notices are displayed and available;
- Gaming machine notices are in place and checked weekly;
- No credit facilities are provided;
- Clocks are visible in all gaming areas;

- Gaming cash payout limits of \$2,000 are strictly adhered to;
- Gaming cheque payouts are stamped with "Prize winning cheque – cashing rules apply";
- No cash prizes are offered in gaming promotions;
- No gaming advertising in undertaken external to the venue.

3.2. Additional Harm Minimisation Factors

The club can also demonstrate the following measures that are either in excess of the legislation or exceed those of other NSW venues;

Self Exclusion

The club is a member of Clubsafe which operates in more than 950 clubs in NSW and importantly provides an Online Multi Venue Exclusion Scheme which is superior to many other schemes. The ability for a patron to easily self exclude from multiple venues is deemed to be an important harm minimization measure for patrons and goes beyond the regulatory requirements.

The club also accepts Exclusion request from other services such as Betsafe, and where possible (based on the agreement) requires patrons to re-apply for access, further demonstrating the clubs commitment to Responsible Gambling.

Many schemes require a patron to attend the venue to complete an exclusion – effectively a barrier to exercising this important tool.

Voluntary Pre Commitment

As the club operates a cashless gaming system it also offers a Voluntary Pre Commitment system and distributes the availability of this system to patrons choosing to use the cashless system.

Venue size

Being a smaller venue means that the monitoring of all gaming operations is easier to manage and patrons can more easily access staff for assistance as required. The increase sought is not thought to change the overall venue size.

No Cheque cashing

The club does not permit the cashing of any patron cheques.

Prize payments

The club also restricts the payment of non gaming machine prizes at \$2,000. While the club does not currently offer promotional prizes in excess of \$2,000, the policies in place would prevent the payment of cash for any greater amount.

3.3. Austrac

While not specifically covered by the Gaming Legislation the club is also acutely aware of its requirements under the Anti Money Laundering/Counter Terrorism Finance Act (AML/CTF) act and has in place the required policy and procedures to ensure compliance. An extract is provided in Appendix 7.5.

4. LOCAL COMMUNITY

4.1. Local Community Definition

The Legislation provides that there must be a positive contribution to the Local Community from approval of the Application. The approach taken to define the local community has been developed by reviewing the club's membership data and using a 5 kilometre radius due to the legislative requirement of membership for patrons residing within this area ^(Rfr Appendix 7.6).

33% of the club's membership comes from the one postcode (2146) being broadly Toongabbie. 87% of the club's membership comes from the surrounding 5 postcodes, generally within the 5Kilometre radius. Refer Appendix 7.7.

As such the Local Community is defined as encompassing;

Baulkham Hills, Blacktown, Constitution Hill, Girraween, Greystanes, Kings Langley, Lalor Park, Northmead, Old Toongabbie, Pendle Hill, Seven Hills, Toongabbie, Toongabbie East, Wentworthville, Winston Hills.

While these areas border three Local Government Areas (LGA's) the predominant local community and membership is from the Parramatta LGA.

45% of the clubs membership reside within postcodes attached to the Parramatta LGA.

It is submitted that that this defined area meets the requirement of the Act, Regulation and Guidelines.

4.2. Demography

Parramatta LGA is located in the western suburbs of Sydney, approximately 20 kilometres west of the Sydney CBD. Over the last 20 years Parramatta has become Sydney's second CBD being home to a large and growing number of government and private sector headquarters.

Along with significant growth and change in the CBD, the outlying suburbs of Parramatta are also growing. What has not changed significantly is the socially and culturally diverse aspects of the LGA's population.

The NSW average for persons of Anglo Saxon background is 78% with Parramatta having only 56% of the population from Anglo Saxon birth or heritage. Respectively, Parramatta has a significantly higher proportion of person from culturally diverse regions being broadly double that of the NSW average.

In 2011 Parramatta represented 2.4% of the NSW population but will account for 4.0% of the projected population growth for NSW.

Parramatta is growing at a rate faster than the NSW average, this will effectively decrease the gaming machine density in overall and relative terms.

In terms of Household income Parramatta has a slightly higher proportion of households on medium income levels with slightly fewer being considered high income. The proportion of Low income households is consistent with the NSW average totaling some 32,000 households within the Parramatta LGA.

In 2011 the population of Parramatta was 174,783 and is projected to grow to 214,755 by 2021 according to the Australian Bureau of Statistics (ABS). The population growth in Parramatta is almost double the growth within NSW for the last decade and for the projected decade^(Rfr Aopendix 7.8Error! Reference source not found.).

Approximately 31%, or 12,386, of this population growth is expected to come from under 18's who are likely to continue requiring access to recreational activities and competitive sports increasing the importance of the existing local sporting bodies.

Population growth from the over 60's is expected to be approximately 23%, or 9,361, who would continue to benefit from a community facility like TSBC and may utilise the social game of bowls as a recreational pastime.

5. POSITIVE CONTRIBUTION

The granting of this application will yield a social and economic benefit for the local community and LGA;

1. Additional Direct Community Support of \$120,000;
2. At a base level the club projects \$100K in bottom line profit that will assist the club to continue to be a community asset and provide a diminishing resource in terms of the venues bowling green's;
3. Ongoing affordable recreational facilities to the broader community;
4. Additional State Taxes contributed by the club will be some \$82K;
5. Additional Club Grants of \$8.5K;
6. A decrease in poker machines in the state;
7. Additional direct and indirect employment;

5.1. Additional Community Support

While the club already provides significant Community Support in excess of its Club Grants obligations, the approval of this application will guarantee ongoing significant funding to a large number of community groups benefiting some 2,200 sportspeople directly.

As the population continues to grow, the demands on sporting organisations is also likely to grow leading to a need for continued financial assistance.

All the groups identified to date operate directly within the clubs defined local community, and subsequently would cater to people from within the clubs defined local community.

TSBC understands and commits to maintain the \$30,000 per annum payments from the date they are approved until the end of 2018, being a full four (4) years, regardless of whether the club actually gains all twenty (20) entitlements.

This provides direct additional Community Support of \$120,000 from 2015.

Approximately 31%, or 12,386, of this population growth is expected to come from under 18's.

5.2. Community Asset

The importance of facilities offered by clubs like TSBC continues to increase as more recreational venues continue to close their doors, or remove their greens.

In August 2014 TSBC accepted some 50 bowling members transferring from another club, closing their greens in the Parramatta LGA.

The clubs ongoing investment in the greens totals some \$100,000 per annum in green keeping, insurances and general maintenance and any additional revenue is welcomed to keep these assets available to the community.

With respect to fee's the clubs Bowling membership is only \$80.00 per annum in order to enable anyone from the community to participate, with the bulk of this fee paying the required Bowls Association Fees. The club seeks to retain an affordable entry point for bowls.

ease of access is paramount to participation and such the facilities provided by the club are not easily replaced elsewhere.

5.3. Affordable Facilities

While understanding the need to remain profitable the club also understands that many in the community have limited disposable income. To this end the clubs seeks to keep modest pricing options suited for these patrons and by example only charges \$5 for membership.

The club is also a focal point for many community organisations and the clubs provides free rooms for the groups mentioned above to enable committee meetings, player briefings, presentation nights, etc.

The club also continues to provide free access to many other community groups on a monthly or as required basis such as Probus of Prospect, Wisefolk (a group of about 40 senior citizens), EAC (a charity social group), Euchre Players and others with a need.

The club also hosts any number of private events such as birthdays, etc. As the housing density increases some families will have an increased need for these facilities.

The population density will continue to increase within the Local Community, and the retention of community facilities and focal points is likely to become increasingly important.

5.4. State Taxes

The increase in gaming machines would yield the State Government an additional \$82,685 in taxes over the 2015 -2017 period, assisting the government provide for the people of NSW.

5.5. Club Grants

TSBC's Club Grants obligations will increase by \$8,475 over this same period.

In recent times the club has consistently over expensed its minimum requirements under Club Grants as it recognises the ongoing needs within the community.

TSBC provided twelve (12) times its minimum Club Grants requirement in 2013 and more than seven (7) times its minimum requirement in 2014.

5.6. Decrease in Poker Machines

If this application is approved and TSBC purchases the full twenty (20) entitlements, then there will be a reduction of ten (10) poker machines within NSW.

5.7. Employment

While difficult to quantify due to the small nature of the application, it is expected there would be increased employment as a result of installing the poker machines through the requirement to purchase the devices, sourcing the bases and labour for installation from a local supplier (Blacktown), some increased maintenance and ongoing service requirements.

More directly as the club continues to grow it is expected additional staffing within the venue will become a requirement.

6. CONCLUSION

This application has defined the Local Community, has detailed the positive contributions to that community, has demonstrated that TSBC operates its gambling activities in a responsible manner and as such has complied with the required regulations and guidelines.

The application seeks to ensure that TSBC can continue to grow its business within its community, continue to support its community and remain relevant within the context of its broader community and competitive market.

Without this application the club cannot guarantee the proposed level of additional community support as, at some stage, if the venue cannot grow its revenue then eventually it can only look to shrink its expenses.

As TSBC believes the venue has demonstrated a significant positive contribution being made to our local community, has a solid record of compliance and has met all relevant legislative requirements it is submitted that this application should be approved.

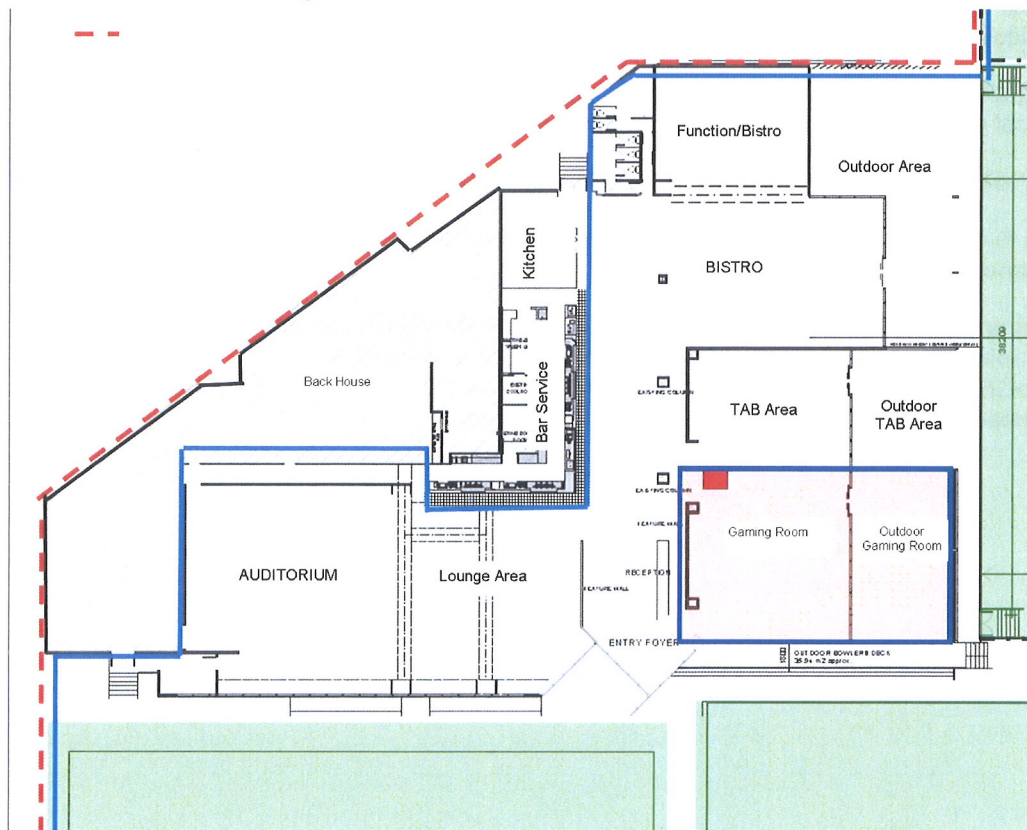
7. APPENDICES

7.1.Club Site Map



Source Six Maps - <https://maps.six.nsw.gov.au/>

7.2.Floorplan & Gaming Room Location



LOCAL COMMITTEE

Local Needs and Priorities 2014

PARRAMATTA LOCAL PRIORITIES

Programs/projects that *(not listed in any particular order)*:

- Support families and the positive social, emotional and educational development of children
- Improve safety for families and communities
- Reduce social isolation and develop connectedness between communities and individuals, especially for groups with multiple barriers to participation such as:
 - people with disabilities;
 - people from culturally and linguistically diverse backgrounds;
 - disengaged young people;
 - people of diverse genders and/or sexuality (GLBTI);
 - homeless people;
 - Aboriginal and Torres Strait Islander communities; and
 - people over 55 years of age, particularly those living alone.
- Provide seed funding for the development of sustainable community programs that encourage the development of community spirit, reduction of social isolation and community driven local initiatives
- Assist with the development of community groups and organisations, particularly those that service new and emerging communities and issues
- Target issues within a particular place or neighbourhood and seek to develop a local community-based response to local issues
- Aim to develop leadership skills for community groups and individuals
- Aim to deliver positive mental health outcomes to individuals and communities
- Respond to increase need for basic crisis support for individuals and families, not able to be met by existing funded projects. [As a general rule, ClubGRANTS does not fund to projects or services that can be readily assisted by an existing Government funding program]

Responsible Service of Gaming Policy

Objective

To promote and foster a gaming environment that protects our customers, and their extended relationships, from harm associated with excessive gambling.

Scope

To enable this protection within the bounds of current and future regulations demonstrating sensitivity to Privacy provisions across all levels of government and industry best practice.

Background

In partnership with the community, Toongabbie Sports Club promotes the responsible service of gaming. For the vast majority of patrons gaming is an entertaining and enjoyable pastime.

However, like all things, it should be enjoyed in moderation. Toongabbie Sports Club is a member of the ClubSafe Responsible Gambling Program developed by ClubsNSW. The Club practices the following measures to ensure that we offer patrons responsible service of gaming:

- Staff training that promotes responsible service of gaming. All staff are accredited with Responsible Conduct of Gaming certificates approved by the Liquor Administration Board.
- Education of patrons throughout the Club, so that they may seek help, if they feel that gambling is becoming a problem.
- Provision of proactive assistance, through exclusion schemes and education programs.
- Observing and practicing Duty of Care throughout the Club premises.
- Ongoing monitoring of all the foregoing, by management.

Procedure

This club has procedures in place for self-exclusion that can be used to assist you if you think you or our customers have a problem with gambling. The scheme is voluntary and the Club is compelled to accept any request.

For further information about this Club's self-exclusion procedure or for support or advice, please direct all enquires to the Duty Manager.

Revision/Issue Date

This policy is effective from 16 April 2013, under Board directive 2013-021.



Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Program Manual

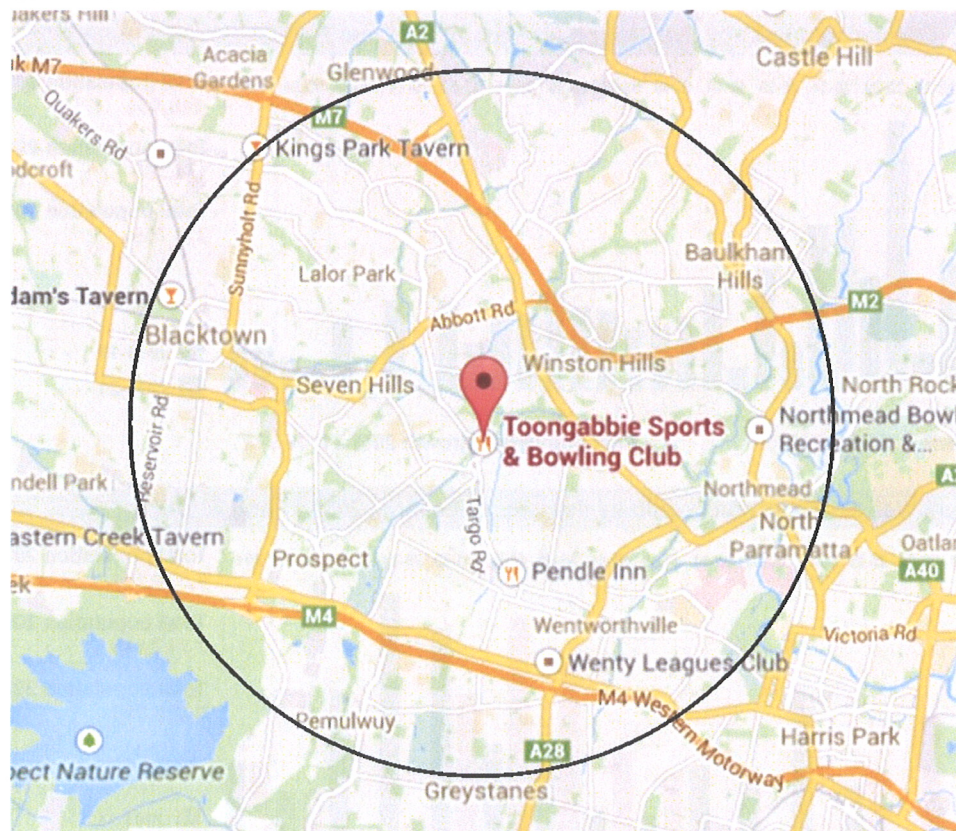
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	Date	Board Outcome
Commencement	25 March 2013	2013-013
Revised	10 January 2014	2014-005

7.6. Local Community Map

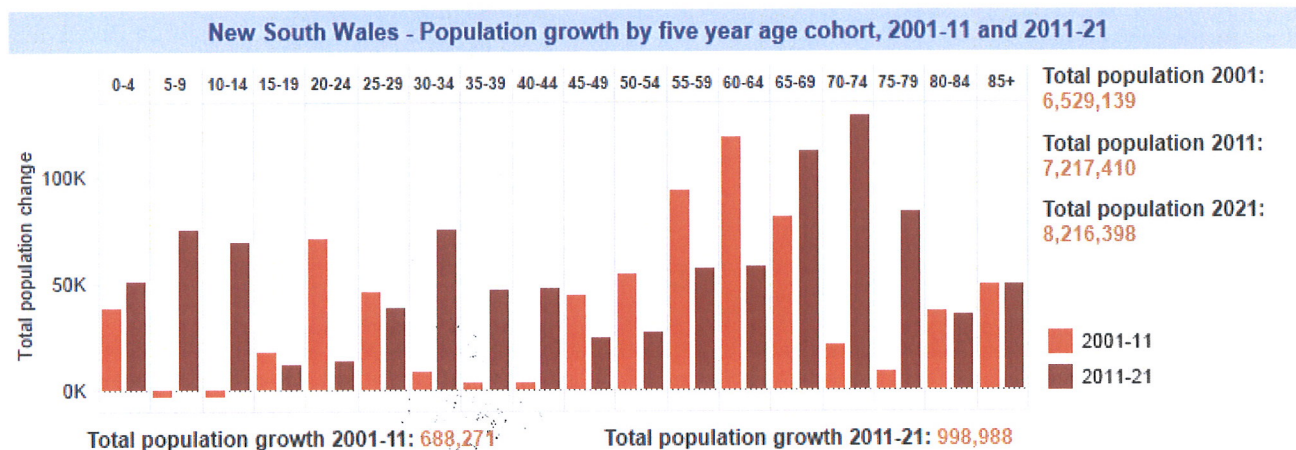
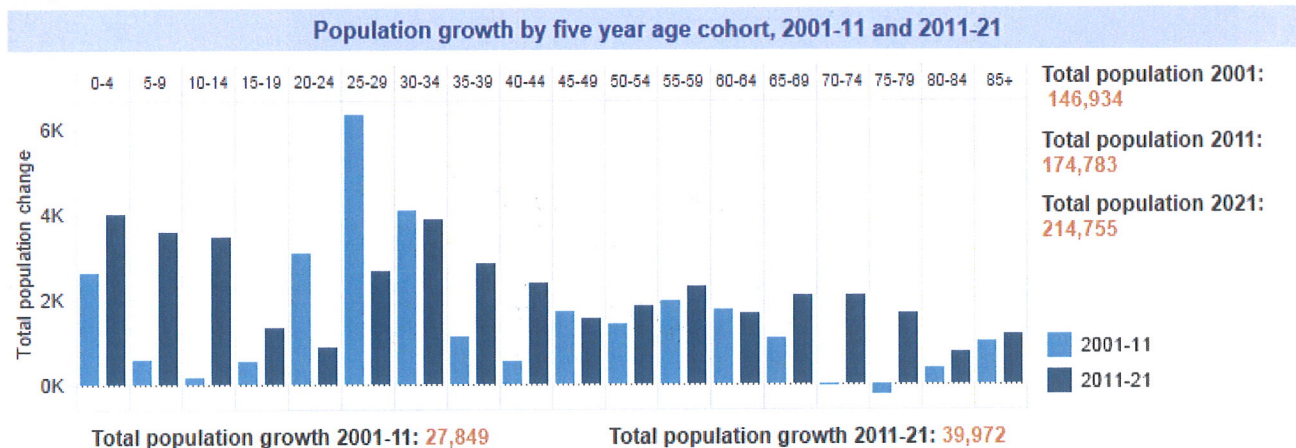
5Km Radius



7.7. Membership Analysis

Postcode	Members	% Membership	Predominant Suburb
2145	1300	17.9%	Pendle Hill
2146	2430	33.5%	Toongabbie
2147	1415	19.5%	Seven Hills
2148	365	5.0%	Blacktown
2152	211	2.9%	Northmead
2153	643	8.9%	Winston Hills
Subtotal	6364	87.7%	
TOTAL MEMBERS	7254		

7.8. Population Growth



Year	2001	2011	2021*
Parramatta Population	146,934	174,783	214,755
Parramatta Var		27,849	39,972
Parramatta % Var		19.0%	22.9%
NSW Population	6,529,139	7,217,410	8,216,398
NSW Var		688,271	998,988
NSW % Var		10.5%	13.8%