
Local Impact Assessment Class 1 Application Corner Kincaid and Dobbs Streets, Wagga Wagga

Wagga RSL Club Ltd (243362)
August 2009



Prepared by:



© Lawler Partners HGM Pty Ltd 2009. Reproduction or copy of this document, or part thereof is prohibited except as where expressly permitted under the Copyright Act 1968 or where written permission is provided from Lawler Partners HGM Pty Ltd.

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 Wagga RSL Club Ltd (the "Applicant") at premises situated at Corner Kincaid and Dobbs Streets, Wagga Wagga NSW (the "Venue") located in the Band 1 Local Government Area of Wagga Wagga (the "LGA"). The Applicant has operated at the Venue for more than 50 years and provides hospitality based recreational pursuits and community based enterprises for its members and their guests. This LIA provides relevant gaming data, social data and issues of concern to the Local Community so that the Authority can determine whether the additional gaming machines will provide a positive contribution to the Local Community.

2. RESPONSIBLE GAMBLING MEASURES

II. Chapter 2 of this Report details the mandatory and additional responsible service of gambling measures put in place by the Applicant at the Venue. The Applicant operates its gaming machine operations in strict accordance with Legislated and 'best-practice' interventions and initiatives modelled on its Responsible Conduct of Gambling House Policy (see Appendix 1). The Applicant has also implemented additional measures to ensure compliance with recent amendments to the Gaming Machines Act 2001 and associated Regulations. The Applicant is a member of ClubSafe, and has adopted its best practice guidelines and policies.

3. LOCAL COMMUNITY

III. Chapter 3 of this Report details the communities potentially affected by the approval of the Threshold Increase Application. The Wagga Wagga LGA is the Local Government Area of the Venue. An area extending 5kms from the Venue has been identified as the Local Community. A map of the LGA and Local Community is included in Appendices 2 and 3 respectively.

4. POSITIVE CONTRIBUTION

IV. Chapter 5 of this Report details the positive contributions resultant from approval of the Application to the Local Community. There are three parts to the positive contribution to the Local Community. Firstly, the Applicant intends to purchase outright a bus currently leased by Willans Hill School on its behalf. The School population is made up of disabled children who rely on the bus for transport to various activities during and after school, the cost of the bus is \$23,000. Secondly, the Applicant has committed to part fund Wagga Wagga City Council's upgrade of Anzac Avenue in time for the 2015 100 year anniversary of the Gallipoli landings. This project will involve the Applicant donating \$45,000 (in three \$15,000 amounts per annum) in funding to the Council for a memorial drive and walk to be constructed. The memorial drive and walk will include story plaques, dedicated memorial trees and statues to serve to commemorate the landings for future generations of Australians. Thirdly, other ancillary positive contributions are also submitted including additional employment of two full-time equivalent positions with a full time benefits expense of \$90,000, additional CDSE contributions of \$27,000 and additional taxes of \$5,743 on a per capita Local Community basis. A final positive economic contribution is valued at \$190,743.

5. CONCLUSION

V. Given the satisfaction of the requirements of the Act and Regulation through the conduct of gaming machine operation at the Venue in a responsible manner and the evidence of substantial positive contributions to the Local Community, it is the Applicant's belief that this LIA meets the requirements of the Legislation and should be approved.

1 INTRODUCTION

- 1.1 This Report is a Local Impact Assessment (“LIA”) Class 1 to accompany a Threshold Increase Application (“the Application”) for a Band 1 Local Government Area venue of ‘mid range increase’ of 40 gaming machines for Wagga Wagga RSL Club Ltd (“the Applicant”). The Applicant is a returned and services league club and is located at Corner Kincaid and Dobbs Streets, Wagga Wagga, NSW (“the Venue”) in the Wagga Wagga Local Government Area (“the LGA”).
- 1.2 Methodology
- 1.3 In respect of LIAs relating to threshold increase applications, the LIA Guidelines provide that the Casino, Liquor and Gaming Control Authority (“the Authority”) can only approve an LIA where the LIA complies with the requirements of the [*Gaming Machines*] Act [2001] and the [*Gaming Machines*] Regulations [2008] (“the Legislation”) and demonstrates that gambling activities will be conducted in a responsible manner. The Guidelines further state that an LIA Class 1 must demonstrate that the proposed increase in gaming machines for the venue will provide a positive contribution towards the Local Community in which the venue is situated.
- 1.4 Applicant Details and History
- 1.5 The Applicant was established in 1958 by members of the Wagga RSL Sub-Branch. 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. The Applicant and Venue has developed over time into offering a state-of-the-art recreational facility to its some 14,000 members and residents of Wagga and surrounds. The Applicant has more recently amalgamated with Wagga Commercial Club Ltd and continues its RSL tradition today.
- 1.6 Current Applicant Services, Facilities and Donations
- 1.7 The Venue has a total floor space of 6,720m², as shown by the layout plan of the Venue provided at Appendix 4. The Venue offers a large entertainment and leisure complex with a range of members’ amenities, including dining, gaming, sports, a free courtesy bus and an adjoining motel. The Venue also features seven function rooms, each offering state-of-the-art facilities and serviced by on-site catering. The Venue recently established a Kidz Klub, in a refurbished room equipped with video game consoles and fully supervised by experienced staff Thursday through Sunday between 6 and 10pm. The Applicant makes donations to a number of local organisations, including Micah House, Wagga Wagga Family Support Service and Wagga School of Arts Community Theatre as well as several local schools – Willans Hill School in particular. 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 more than 80 staff at January 2009. The Applicant exists for the benefit of its members and guests, and provides members of its Local Community with a central meeting place.

1.8 Financial performance of the Applicant

1.9 The Applicant had a total revenue in 2008 of \$10.33 million, and a post-tax loss of \$110,626. Gaming machine revenue for 2008 was \$8.85 million, representing 86% of total revenue. The Applicant paid \$1.76 million in state taxes in 2008, including gaming machine duty and payroll tax. The Applicant made donations of \$175,944 in 2008, whereby it exceeded its CDSE contributions by \$117,944. The Applicant had a total employee benefits expense of \$2.63 million.

1.10 Gaming machine indicators

1.11 The Venue operates 189 gaming machines and had a profit per gaming machine (total turnover less payouts) of \$46,800 for the 2008 year. The average net profit per gaming machine for the LGA in 2008 was \$40,056.

1.12 Proposal

1.13 The Applicant seeks approval for a 40 gaming machine threshold increase for the Venue. For the Application to be approved a positive contribution must be forthcoming to the Local Community. The Applicant presents the following as positive contributions from approval of the Application:

1. For the past two years, the Applicant has been leasing a modified bus for the use of Willans Hill School students. The Willans Hill School provides educational opportunities for children of the Local Community with a disability. The Applicant will purchase the bus on behalf of the school and donate it to the School at a cost of approximately \$23,000. Willans Hills School caters to the needs of disabled children, who require the use of this bus in order to access their wider community. This facility responds to the need within the LGA for additional means of transport for its disabled population. Without the Applicant's funding, the school would not be in a position to continue its access to the bus;
2. The Applicant has also entered into an agreement with Wagga Wagga City Council to partially fund its upgrade of tree-lined Anzac Avenue. The Applicant will commit a \$45,000 to the project being \$15,000 per year for three years. The viability of these projects are conditional upon the success of the Application for additional gaming machines, as access to an adequate number of gaming machine entitlements is required in order to fund the project; and
3. Additional positive contributions will also be forthcoming from approval of the Application, including additional employment of two full time persons, additional taxes and CDSE contributions.

1.14 Further detail in relation to the positive contributions is provided later in this Report.

2 RESPONSIBLE GAMBLING MEASURES

1.15 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;
- All prize winners receive prizes in accordance with clause 13 *Gaming Machines Regulation*;
- The prize schedule of the Applicant is operated in accordance with clause 14 *Gaming Machines Regulation*;
- The Applicant operates its multi-terminal gaming machines in accordance with clauses 16 and 17 of the *Gaming Machines Regulation* in relation to maximum bet amounts and prize winning cheques;
- The Applicant maintains certain records as per clause 18 and 19 *Gaming Machines Regulation*;
- The Applicant maintains records relating to gaming machine prizes as per clause 15 *Gaming Machines Regulation*;
- No inducements as specified in clause 48 of the *Gaming Machines Regulation* are offered by the Applicant to gamble;
- Player information brochures in relevant community languages are kept in the Venue as per clauses 22, 23 and 24 *Gaming Machines Regulation*;
- Signage containing wordage as per clauses 26,25 and 49 of the *Gaming Machines Regulation* are located in conspicuous positions in all gaming areas of the Venue;
- All jackpot link monitors are located in gaming or bar areas only;
- The identities of any prize winners are not published;
- The Applicant does not promote gambling outside the Venue, including not providing gambling signage which draws attention to the availability of gaming machines in the Venue, includes a term or expression frequently associated with gambling or relates to gambling franchise or gambling business;
- The Applicant maintains records of its player loyalty scheme in compliance with clauses 42, 43 and 44 *Gaming Machines Regulation*;
- The Applicant operates its player loyalty scheme in accordance with section 45 of the *Gaming Machines Act*, specifically provisions relating to the promotion of cash prizes over \$1,000, exchanging prizes for cash, redemption of bonus points for cash and advises of availability of player activity statements upon request;
- All gaming machines at the Venue are located in areas which do not attract members of the public who are outside the Venue or are contrary to public interest;
- The Applicant operates its gaming machine operations in accordance with the ClubsNSW Code of Practice;
- No minors are ever allowed access to gaming areas of the Venue;
- Strong links are maintained with established referral systems problem gambling counselling services;
- The Applicant operates the ClubSafe self-exclusion scheme in compliance with clause 47 *Gaming Machines Regulation*;
- Consumer information on the chance of winning maximum prizes and jackpots is made available in the gaming area;

- Gaming machines notices on the dangers of excessive gambling are placed in all required areas;
- Signage on the unavailability of credit facilities, both through access to credit funds via Automatic Teller Machines and through no facility at the venue;
- The Applicant does not cash cheques;
- No cashing of third party cheques is possible;
- Clocks are clearly visible in all areas of the Venue as per clause 28 *Gaming Machines Regulation*;
- No cash payments over \$2,000 are made;
- No cash prizes in gaming promotions;
- Only the provision of opt-in marketing is undertaken and only as part of the Applicant's full suit of promotions;
- All direct advertising of gaming is contained within the Venue premises and is not visible outside the Venue; and
- The availability of player activity statements by players upon request is well known.

2.1 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*'.

2.2 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 Application. The approach to which the Applicant has defined its **Local Community** has been developed through its analysis of its membership penetration within the surrounding area. Generally a registered club will have a membership penetration in urban and semi-urban areas of approximately 5kms. This assessment is linked heavily to legislative requirements pertaining to compulsory membership of any person residing within 5kms of the registered club in question. The Local Community is thus defined as encompassing:

- The following suburbs: Ashmont, Bourkelands, Estella, Galore, Koorungal, Ladysmith, Mount Austin, North Wagga Wagga, Oura, Tarcutta, Tolland, Turvey Park, Uranquinty, and Wagga Wagga ; and

- Parts of the following suburbs: Brucedale, Cartwrights Hill, Collingullie, East Wagga Wagga, Glenfield Park, Humula, Springvale and Tatton.

3.3 It is submitted therefore, that this defined area meets the requirements of the Act, Regulation, and Guidelines. A diagram of the Local Community is included in Appendix 3.

4 DEMOGRAPHY

4.1 Wagga Wagga LGA

4.2 The Wagga Wagga LGA is located in the Riverina region of New South Wales, about 450km south-west of Sydney. 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 4,886km², 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. The median age of persons residing in the LGA in 2006 was 33 years compared to the state median of 37 years. 93.5% of the population is Australian-born. 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.

4.3 In August 2006, the rate of unemployment in LGA was estimated at 5.7%, slightly lower than the NSW rate of 5.9%. 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. The 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%). Figures pertaining to the LGA's affluence suggest that it is essentially on par with state averages – 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. This is also the case with the Local Community, albeit somewhat younger with a median age of 35.

5 POSITIVE CONTRIBUTIONS

5.1 General

5.2 The granting of the 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. Purchase of Willans Hill School Bus;
2. Funding of Anzac Avenue Tree Project;
3. Additional employment;

4. Additional state taxes; and

5. Additional CDSE contributions.

5.3 **Purchase of Willans Hill School Bus**

5.4 Background to Willans Hills School

5.5 The Applicant has a well established relationship with Willans Hills School, located at Lord Baden Powell Drive, Wagga Wagga. The School is a large regional special school that caters for the educational needs of more than 60 disabled students. Disabilities of the children at the School range in degree from moderate to severe and are physical and/or intellectual in nature. Students are aged between four and 20 years. Children from the School reside throughout the LGA, but are more concentrated in the city and residential surrounds. The NSW Public Schools website describes the school's educational philosophy as follows:

The school focuses on the individual needs of the students, expressed through individual education plans containing carefully selected and clearly defined educational priorities.

Willans Hill's main belief is that students "learn by doing" and it is this aspect which allows staff to focus on what students can do not what they can't.

5.6 The School services a large geographic area and plays a very important role for not only its students allowing them educational and socialising opportunities, but furthermore for the children's carers and parents by allowing them some time off from their full time caring role. This is vital given the constraints and pressures placed on individuals and families who have disabled children.

5.7 Specific project

5.8 In 2005 the School lost funding and was unable to purchase a much-needed wheelchair accessible bus. The bus was to enable the School's students to access the wider community through visiting various sites, organisations and facilities around the town to enhance their educational experiences and socialise. The Applicant learnt of this lack of funding and so offered to lease an appropriate vehicle on the School's behalf to be used for this purpose. A modified bus was thus made available to the school in September of that year however at the end of the lease the bus would not be the property of the School or the Applicant but would instead be returned. The Applicant will pay for the bus in its entirety allowing the School full ownership.

5.9 Amount to be contributed

5.10 The bus has a residual value of \$23,000. The Applicant will pay this amount to ensure the bus remains the property of the School and thus ending the lease agreement for its rent.

5.11 Established need and who will benefit in the Local Community?

5.12 The bus features tinted windows to protect the students from the sun and fold away seating that allows for wheelchairs to be transported. It can be driven by anyone with a

basic driver's license. The bus enables a class of students, including two students in wheelchairs, to access work experience, swimming programs, community orientation programs and school excursions. Without this funding, the school's students would be unable to access their own community.

- 5.13 Supporting information from the School is provided in Appendix 6. This information discusses the need for the bus in the School and that the ownership of the bus will allow some certainty into the future for its students. As well as the need discussed in the supporting documentation and as mentioned above, Wagga Wagga City Council's Community Social Plan 2009-2013 states that there is a particular need for transportation of this type in the LGA. Wagga Wagga City Council's Community Social Plan 2009-2013 addresses a number of needs relevant to the LGA's disabled population, which included 263 children in 2006. In particular, it indicates a need for additional appropriate transport services, which would ideally be "accessible [...], affordable and flexible" (p.41). This information supports the need for the project in the Local Community and therefore that it will also provide a substantial positive contribution to the Local Community.
- 5.14 Overall, the purchase of the bus for the School will provide a number of benefits to this group in the Local Community allowing them to visit different parts of the city that would not otherwise be accessible. It is worthwhile community project for the Local Community. Further details pertaining to this positive contribution are included at Appendix 6.

5.15 **Funding of Anzac Avenue Tree Project**

5.16 Background to the project

- 5.17 In order to take advantage of the increasing desire of local organisations to contribute to their community, Wagga Wagga City Council recently established the City Partnership Program. A Project Bank offers potential partners a selection of community projects, varying in scope from large to small. It provides businesses with a means by which they can select projects that are of relevance to them, allowing private sector monetary contributions to public sector works. The projects range in scale from contributing to park benches to the sponsorship of major masterplanning exercises for large-scale community infrastructure. It is via this program that the Applicant has become associated with the Anzac Avenue Tree Project.

5.18 Specific project

- 5.19 In 1938, an avenue of 350 Lombardy poplar trees were planted along the northern footpath of Moorow Street and the southern alignment of the Memorial Gardens. This avenue was later named Anzac Avenue. The trees are now aged and damaged, and are unable to cope with current climate conditions, to which they are poorly suited. Wagga Wagga City Council is planning to upgrade Anzac Avenue ahead of the 100 year anniversary of Gallipoli in 2015. The upgrade will involve the removal of existing poplars from Anzac Avenue, the planting of replacement poplars (Poplar P. simoni), restoration work to the cenotaph and improvements to lighting and landscaping so as to improve visibility and access to the cenotaph. The replacement species, Poplar P. simoni, have been specifically selected due to their suitability to the Wagga climate. A number have already been successfully planted and cultivated in the vicinity of Anzac Avenue.

5.20 Funding contribution

5.21 The Applicant will contribute \$15,000 per year for three years to assist Wagga Wagga Council to quickly and properly complete the project. This positive contribution therefore has a total cost of \$45,000.

5.22 Established need and who will benefit in the Local Community?

5.23 As noted above the project has been identified as being needed by Wagga Council through its inclusion in the City Partnership Program. The City Partnership Program projects were selected by Council based on each projects "ability to contribute to meeting community needs as well as improving the vibrancy and diversity of the Wagga Local Government Area." One of the key aims of the Council through the Program is to ensure the projects "...are relevant and meet community needs." It is the view of the Applicant that the need for the project in the Local Community is demonstrated by its presence in the City Partnership Program.

5.24 ANZAC day is recognised by all Australians as a day of national significance with thousands of memorial services held across Australia each year. The Wagga area, and specifically the Applicant hold a number of commemorative day events throughout the year including Remembrance Day and ANZAC Day as well as several RSL Sub-Branch meetings on a monthly basis where smaller services are held. The project will ensure the Local Community benefits in numerous ways, including but limited to:

- Allowing a dedicated community wide commemorative space being available year-round for learning activities, remembrance purposes and community building;
- Rectification and rejuvenation of a run down community asset; and
- The ANZAC spirit is developed and maintained well after 100 years of the Gallipoli Landings having occurred.

5.25 The ANZAC spirit is the integral part of the Applicant's ethos as a community asset. Commemorative based days in the Local Community events calendar and for the Applicant are therefore of great significance and this project will also ensure the ANZAC spirit and day remains an integral part of the Local Community even after 100 years since the Gallipoli Landings have occurred.

5.26 Need in the Local Community

5.27 Further details pertaining to this positive contribution, including newspaper articles and relevant council documents, are included at Appendix 5.

5.28 **Additional employment**

5.29 The revenue generated by the additional gaming machines will result in a further two full-time positions becoming available at the Venue. The value of the additional two positions will have an employee benefits expense of \$90,000 per annum.

5.30 **Additional taxes**

5.31 Additional state taxes are estimated to average \$654,544 per annum, along with an estimated additional \$5,175 in payroll tax per annum. The proportion of this total amount of

\$659,716 which flows back to the Local Community (estimated on a per capita basis) is \$5,743.

5.32 **Additional CDSE contributions**

5.33 A total revenue is expected from the additional 40 gaming machines subject to this Application of approximately \$1.8m. This will generate an additional \$27,000 per annum to the local Wagga Wagga Community Development and Support Expenditure Scheme to go towards local organisations and projects.

5.34 **Summation of positive contributions to Local Community**

5.35 From this information it is estimated that the additional gaming machines will result, either directly or indirectly, in an additional \$190,743 in funds flow into the public and private sector, which will directly benefit the Local Community.

6 CONCLUSION

6.1 This LIA, pursuant to Section 37 of the *Gaming Machines Act 2001*, 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.

6.2 The Applicant is a returned services league based registered club which provides needed community support through additional donations exceeding those required through CDSE contributions.

6.3 The Applicant operates gaming at the Venue in compliance with mandated Legislative requirements and operates a best-practice style of interventions and procedures. The Applicant enforces this strict approach based on its House Policy on the Responsible Conduct of Gambling conducting regular in-house training for all of its gaming staff, each of whom holds qualifications in the Responsible Conduct of Gambling.

6.4 The positive contributions put forward in this LIA will not occur without the approval of the Application. The positive contribution from approval of the Application is submitted in three parts. Firstly, a \$23,000 contribution will allow the outright purchase of a bus for a local school whose students are intellectually and physically disabled. This will allow the children the opportunity to access services and facilities into the future. A second contribution totaling \$45,000 (to be paid \$15,000 per year for three years) will be provided to Council through the City Partnership Program to fund works to the Anzac Avenue memorial drive and walk. This contribution will allow replacement of trees, construction of memorial plaques and lighting allowing rejuvenation and refurbishment to a run down part of the city. This will be of benefit to the Local Community at large. Lastly, additional employment of two positions will be created along with additional CDSE contributions and state taxes. A total quantifiable positive contribution is estimated at \$190,743.

6.5 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.