

WESTERN SUBURBS LEAGUES CLUB (CAMPBELLTOWN) LTD – LOCAL IMPACT ASSESSMENT (CLASS 1)

EXECUTIVE SUMMARY

- Western Suburbs League Club (Campbelltown) Ltd (“the Club”) is located in the Campbelltown Local Government Area (LGA), classified as in Band 2 by the Casino, Liquor and Gaming Control Authority as part of the *Gaming Machines Amendment Act 2008 No 99*. As such, a Class 1 Local Impact Assessment is submitted requesting a poker machine threshold increase of 20 poker machines, which constitutes a *low range increase* according to this same Act.
- This small increase is required to meet extra demand by predominantly social players during peak trading times, namely Friday and Saturday nights.
- The Club currently holds 380 approved gaming machines, thus an increase of 20 poker machines would bring this total to 400.
- The projected revenue from an extra 20 poker machines is \$900,000 per year. However once all related expenses are taken into account this figure is reduced to \$222,000.
- As a result of a range of factors the Club’s profits have been steadily declining over the past few years. This has unfortunately resulted in a substantial decline in CDSE contributions and thus had a negative impact on the local community.
- Even a low range increase of 20 poker machines would result in a variety of positive outcomes for NSW and particularly the Campbelltown community.
- Employment opportunities would increase both directly and indirectly as a result. An estimated extra \$54,000 would be spent yearly on wages within the Club.
- The local economy would benefit as the Club would increase spend on local suppliers, as well as encourage local spend by residents by providing a more attractive venue and thereby preventing the need to travel outside the area to seek entertainment.
- The extra revenue from these poker machines would allow the Club to more easily maintain its current affordable pricing levels.
- The people of NSW would benefit through an increase of approximately \$360,000 in poker machine taxes as well as a decrease of ten poker machines in the overall NSW pool.

- Most importantly, the Club would increase its current CDSE Category 2 spend by 42%, or \$100,000, by contributing this amount to the Healthy Kids Foundation, an organisation committed to promoting health and preventing obesity in children in the Macarthur region.
- The Club adheres to all harm minimisation and responsible gambling measures stipulated in the *Gaming Machines Regulation 2002* and the *Gaming Machines Act 2001*. Furthermore, Wests has adopted the Clubs NSW *Registered Clubs Responsible Conduct of Gambling Code of Practice – Best Practice Guidelines* principles and is a member of the *ClubSafe* Responsible Gambling Program.
- The Club has gone beyond legislative requirements by implementing a range of initiatives such as providing warning signage in car parks, help signage in bathrooms and telephone areas and instigating a no cheque cashing policy.
- The Club has a serious commitment to responsible gaming and ensures all gaming staff undertake extensive in-house training, as well as completing a Liquor Administration Board approved Responsible Conduct of Gambling course.
- The following information should demonstrate that an increase of 20 poker machines at the Club would have a net overall positive outcome for the community of Campbelltown.

1 INTRODUCTION

The following submission outlines an application for a threshold increase of 20 poker machines for Western Suburbs League Club (Campbelltown) Ltd pursuant to the recently amended *Gaming Machines Act 2001*.

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

The 20 poker machines requested are required to meet extra demand on Friday and Saturday nights as well as any other busy times such as public holidays. During these peak trading times there are often not enough poker machines to service patrons, the vast majority of whom are social players. Furthermore, the shortage of poker machines during these peak times often leads to patrons playing higher denominational machines as these are the only machines left. Thus an increase of 20 poker machines is unlikely to have any negative impact on problem gamblers, but should have a positive impact on social players during peak trading times.

It is projected an extra 20 poker machines on the floor should generate approximately \$900,000 in revenue (\$45,000 each). However from this amount, the following

expenses (approximate amounts) would be deducted:

Projected Revenue		\$900,000
Expenses		
Tax @ 40%	\$360,000	
Finance permits	\$35,000	
Finance cabinets	\$35,000	
Depreciation on cabinets	\$125,000	
Maintenance/CMS	\$15,000	
Staffing @ 6%	\$54,000	
Promotions @ 6%	\$54,000	
Increased CDSE spend	\$100,000	
		\$778,000
Total Profit		\$122,000

This remaining amount would be utilised to reduce the Club's \$10,000,000 debt. Refer Annexure A where the Board Of Directors Resolved to provide the funding.

1.1 The Club

Western Suburbs League Club (Campbelltown) Ltd is located in the Campbelltown City Council Local Government Area, classified in Band 2 by the Casino, Liquor and Gaming Control Authority as part of the *Gaming Machines Amendment Act 2008 No 99*. The Club occupies a substantial three-level premises at 10 Old Leumeah Road, Leumeah.

The Club currently holds 380 approved gaming machines and provides a range of food and beverage services, regular live entertainment, promotions, TAB, Keno services and has recently undertaken a \$13.5 million extension to the premises. Bambu Lounge and Dining was opened in July 2008 and provides a substantial up-market space for patrons to dine, socialise and relax in. This area is free from any gaming machines and highlights a focus on low key live entertainment and dining as a vital component of the Club's service offering.

Another significant focus of Wests Leagues Club is a commitment to the local sporting community, as evidenced by the Club's tag line – "home of sport". A substantial amount of money is donated annually to local sporting groups, as well as other community organisations. This commitment will be discussed further below.

2 BENEFITS TO THE LOCAL COMMUNITY

Despite the fact an extra 20 poker machines represents a low range increase, a range of positive benefits would result from this increase if it is approved. The benefits of increased employment, maintenance of the Club's commitment to affordable food and beverage pricing, increased spend in the local area and most importantly a significant increase in CDSE spend should offset any negative outcomes. Potential benefits are discussed below.

2.1 Increased Employment Opportunities

An increase of 20 poker machines would necessitate extra staff to cover the increase in demand for food, beverages, pay outs and general customer service on the gaming floor. Staffing costs in gaming alone are set to approximately 6% of gaming revenue. An extra 20 pokies will generate an estimated \$900,000 per year, thus wages will increase by approximately \$54,000 per year if the application is approved.

Expansion of gaming would also provide increased opportunities for employment and training through the refurbishment and implementation phase of the gaming floor, for both internal employees and external businesses.

Furthermore, the projected increase in revenue that would be generated through the extra poker machines would accelerate plans for future refurbishments within the Club, which would result in further increases in employment, both directly and indirectly.

Any increase in employment would be extremely beneficial within the Campbelltown LGA, particularly in the current economic climate where unemployment is projected to rise steadily. Given the great majority of our staff are drawn from our local community, it would further benefit the Campbelltown region by keeping funds within the region.

2.2 Increased Expenditure on Local Suppliers

Additional poker machines will result in an increase in local spend by the Club. Organisations in the local community that service the Club will benefit from the increased demand for goods and services brought about by increased patronage, maintenance requirements and refurbishments.

2.3 Maintenance of Affordable Pricing of Club's Services

The provision of additional gaming machines will provide the Club with more scope to maintain affordable pricing policies for members and guests for supporting services. This would apply to all areas of Club, including food and beverage services, membership fees and functions. It is important to note that this benefit would be received by all members of the community who utilise these services and not just gaming machine players. For example, many schools, community organisations and local business utilise our rooms for their functions and our bistro is frequented by many families in the community.

2.4 Encourage Spend in the Local Region

Increased revenue from extra gaming machines could provide further scope to diversify the Club's service and entertainment mix and thus attract visitors from outside the region which will create further revenue injections into the community. A more attractive entertainment and gaming venue could also prevent Campbelltown residents from visiting venues outside the area and thus spending their money in other regions.

2.5 Increased Spend on Community Grants

West's have always provided considerable financial support to many local groups within the Campbelltown area. In particular, the Club is heavily involved with great number of local sporting bodies who often rely on the Club's substantial contributions to continue. Furthermore, the Club has a policy of only supporting grants to applicants from inside the Campbelltown LGA to ensure funds are kept in the region.

Unfortunately given the decline in profit over the past few years as a result of economic conditions, legislative changes and increased poker machine taxes, the Club's spend on community grants has also decreased (see table below). This decrease has inevitably negatively affected the community of Campbelltown who obviously benefit greatly from the Club's support.

Table: Community Grants and Trading Profit 2006 – 2009

	2006	2007	2008	2009
CDSE CAT 1	\$190,100	\$182,900	\$183,020	\$185,000
CDSE CAT 2	\$632,126	\$569,538	\$462,553	\$236,000
TOTAL	\$822,226	\$752,438	\$645,573	\$421,000
TRADING PROFIT	\$4,434,481	\$3,095,997	\$2,888,047	

Indeed, the Club's CDSE spend has decreased from \$822,226 in 2006 to \$421,000 (49% decline) in 2009 due to decreasing profits. The projected increase in revenue from an extra 20 poker machines would provide the Club with the means to increase community expenditure in order to support the local community.

Provided this application is approved, West's will contribute a further \$100,000 to the Healthy Kids Foundation (A.C.N 125 069 678), which will represent a 42% increase in CDSE (Cat 2) spend as compared to 2008. The Foundation was established with the principal objective of promoting childhood health and preventing childhood obesity in the local Macarthur region (See Annexure B).

This extra contribution will further aid the Foundation in achieving its objectives, which include:

- Providing education directly to children suffering from obesity, including information on dietary issues and healthy lifestyle choices;
- Providing information to schools and canteens to raise local community awareness of obesity in children;
- Engaging in programs and activities to encourage, motivate and enable obese children to lose weight by making healthier food choices and engaging in daily physical activity;
- Encouraging and supporting canteens that promote the availability of a variety of low-fat, high-fibre foods;
- Promoting policies in the local community that provide children with obesity with opportunities to engage in sport and other physical activities, including facilitating participation by means of payment of sports accident insurance and first aid for participants and subsidising costs of participation in a range of sports; and

- Any ancillary activities that are consistent with promoting healthy kids in the Macarthur region.

Close to 30 per cent of children in Macarthur suffer from obesity, which is almost double the state average. Given such dire statistics, and the extremely harmful effects of childhood obesity, it is clear that this substantial amount will greatly benefit the families of Macarthur (See Annexure C).

2.6 Increased Taxes to Benefit NSW

Any increase in gaming revenue at the Club will also benefit the wider NSW community as a result of the increase in poker machine tax. A projected increase in revenue from 20 poker machines of \$900,000 in a year would lead to a further \$360,000 paid to the NSW Government by Wests in poker machine tax, which would in turn be utilised to provide necessary services to the people of NSW.

2.7 Overall Decrease in Poker Machines in NSW

Pursuant to the current legislation, an increase of 20 poker machines would result in another 10 poker machines being taken out of commission. To gain an increase of 20 poker machines, Wests would be required to buy 30 and relinquish 10 to the State Government to dispose of. This would lead to a decrease of ten poker machines in operation in the state.

3 HARM MINIMISATION AND RESPONSIBLE GAMBLING MEASURES

In order to provide a responsible gambling environment and comply with the relevant legislation, Wests has adopted the Clubs NSW *Registered Clubs Responsible Conduct of Gambling Code of Practice – Best Practice Guidelines* principles and is a member of the ClubSafe Responsible Gambling Program. The Club has lodged a *Responsible Gambling Affidavit* with the Liquor Administration Board. Furthermore, it has made all necessary changes to comply with the requirements of *Gaming Machines Regulation 2002* and the *Gaming Machines Act 2001*.

3.1 Gaming Machines Regulation 2002

The Club has adopted the following responsible gaming practices to comply with the above regulation:

- One of each of the six permissible gambling warning notices and one of two permissible problem gambling notices is located on each gaming machine in suitably sized letters (Clause 25).
- Notices supplying information on the chances of winning prizes on gaming machines are displayed in each part of the Club where gaming machines are located (Clause 21).
- Counselling signage notice is clearly displayed in the vicinity of the Club's main entrance (Clause 26).

- An approved problem gambling notice is clearly presented on each of the club's automatic teller machines (Clause 27). Moreover, the Club as located all ATM and EFTPOS machines in areas where there are no gaming machines.
- A fully functional clock is visible to any person playing a gaming machine.
- Approved Player Information Brochures are readily available and noticeably displayed in all gaming machine areas in English. A Player Information Brochure is made available in any of the twelve required languages as soon as practicable after a request. The Club has signage directing patrons to approach supervisory staff if they require a brochure in a language other than English.

3.2 Cheque Handling Procedures

In terms of cashing cheques and making cheque payments, the Club has adopted the following procedures in accordance with legislation:

- Cheques are not cashed by the Club at all, despite legislation allowing a maximum of one cheque to be cashed per person per day.
- All cheques presented for prizes that exceed \$2,000 or more are paid by crossed cheques payable to the patron. The Club uses ClubNet cashier system that facilitates the use of cheques being written for this purpose. When a gaming machine cancel credit of greater than \$2,000 is processed, the system automatically prints a receipt for the appropriate cheque value. This receipt is then transferred to administration where a cheque is written and available to the player within two working days.

3.3 The Payment of Prizes

All prizes are awarded or paid to a prize winner on request or in the following manner:

- Monetary prizes: within 48 hours of request;
- Non Monetary prizes: within the time undertaken in any material specifying available non-monetary prizes. If the Club has stated no such time in any relevant material, the prize will be awarded within 48 hours.

3.4 Cash Advances or Credit

The Club does not provide any cash advances or other forms of credit to any member or guest for the purposes of gambling, other than payment of allowable prizes and bonuses. The Club does not allow the use of any credit facility to be used, so that a patron can represent any cash advance made by the Club, as a payment for goods and services provided. Club directors, management and staff strictly adhere to this policy.

3.5 Advertising, Promotions and Inducements to Gamble

The Club does not offer any unlawful inducements to gamble such as free or discounted liquor promotions to gamblers or any schemes that allow free gambling credits to be distributed to gaming machine players.

The Club does not use the word *Casino* in any description or promotion of the Club in signs, advertising or promotional material which is visible or audible from outside the premises. The Club's gaming machine signs comply with Section 44 of the *Gaming Machines Act 2001*. The Club will not publish in any form information that identifies a winner of a prize of more than \$1,000 in value, if requested not to do so in writing.

3.6 Self-Exclusion Scheme

The Club has adopted the *ClubSafe* self exclusion scheme. Appropriate staff training has ensured that staff know when to talk to patrons about self-exclusion and how to process their request. As part of this scheme, the Club:

- Does not refuse any person requesting self-exclusion to be excluded from participation in the scheme. If a request is made, the Duty Manager will explain the process to the person and present the relevant documentation.
- Ensures that all participants sign a written undertaking not to gamble in the Club which clearly states the period of exclusion. Furthermore, the Club does not allow a participant to withdraw from the undertaking without the consent of *ClubSafe* who will ensure the participant undergoes a rigorous assessment process to ascertain the progress the person has made in managing their gambling problems. The Club employs a minimum three month exclusion period as per the *ClubSafe* model.
- Allows a participant to obtain independent legal or professional advice before signing the appropriate forms.
- Ensures all appropriate information about gambling related counselling and treatment services available to patrons is displayed on relevant signage or in brochures within the Club.
- Ensures staff are equipped to identify participants by displaying a recent photograph in areas accessible only to gaming staff as well as a folder with the details of all participants in it. The importance of identifying and removing participants is emphasised in staff training.
- Displays signs in the gaming area and reception foyer advertising the availability of the self-exclusion scheme.

3.7 Problem Gambling Counselling

As the Club is a member of the *ClubSafe* program, *ClubSafe* are the service provider for the provision of problem gambling treatment services for members and patrons. The Club displays a notice of the name and contact details of this provider.

If a patron enquires about problem gambling counselling, staff will ensure that the person is made fully aware of *ClubSafe*, G-Line, or any other provider in the vicinity of the gambler's residence. Any person who is identified as a problem gambler will also be advised of the Club's Self-Exclusion Scheme (see previous section). Brochure from *ClubSafe* detailing information on available counselling and the G-Line service are also prominently displayed and readily available at the Club.

The Club and all staff take this service extremely seriously and take an active role in ensuring this information is available and known to any potential problem gamblers.

3.8 Staff Training and Rostering

All staff who undertake any gaming-related duties have all completed a Liquor Administration Board approved Responsible Conduct of Gambling course. Furthermore, as a member of *ClubSafe*, all staff have been trained in the *ClubSafe* program and additional training has been provided for gaming area staff and Duty Managers in assisting problem gamblers and processing self exclusions. This training goes beyond the minimum requirements of the legislation and focuses on how staff can properly assist problem gamblers.

The Club has prepared three helpful workbooks which are distributed to all Club employees and regularly maintained and updated to reflect changing legislation and operating requirements, including:

- The Employee Handbook, which provides detailed information on responsible conduct of gambling, responsible service of alcohol and a range of other relevant work policies.
- Job Descriptions and Training Manuals, which outlines and describes the responsibilities, duties and skills required to complete tasks in all areas of the Club. This ensures all staff understand all aspects of their work, including those duties relating to the responsible conduct of gambling.
- ClubSafe Manual, which is available to all staff for training and revision purposes for responsible gaming procedures.

3.9 Monitoring Procedures

To ensure that all the above procedures are maintained so that the Club provides a safe gambling environment, regular and thorough monitoring checks are completed as follows:

- Gaming machine sticker warnings are checked on a daily basis by gaming staff
- The Gaming Manager completes a monthly compliance checklist
- A full audit based on the Office of Liquor and Gaming and Racing's Club Audit Program is conducted on an annual basis and the local police are invited to participate.

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

3.10 Car Park Surveillance Activities

Regular surveillance of the car park is undertaken and warning notices are displayed to ensure no children are left unattended in vehicles whilst drivers are playing gaming machines.

4 Conclusion

As a result of the introduction of indoor smoking bans, increasing economic problems and an increase in poker machine taxes, Wests has been experiencing declining profits over the

past few years. This decline has directly impeded the Club's ability to provide support to local organisations, which is a practice the Club takes great pride in. The extra revenue expected from an increase of 20 poker machines would aid in stemming this decline in profit, and thus allow a greater monetary contribution to the community. A further \$100,000 which will be donated if this submission is approved will undoubtedly make a substantial difference to the health and wellbeing of families in the Campbelltown region.

As evidenced by the preceding information, the Club has undertaken a number of measures to ensure that gambling activities are conducted in a responsible manner. The Club has shown a very high level of legislative compliance over an extended period of time. In addition to joining the *ClubSafe* program, Wests has also gone beyond the legislative requirements by undertaking a number of voluntary initiatives such as warning signage in car parks, help signage in bathrooms and telephone areas and providing no cheque cashing. Wests takes its commitment to responsible gaming extremely seriously and these measures prove this dedication.

The potential positive impacts to the community of Campbelltown (and also NSW more generally) in combination with the extensive harm minimisation and problem gambling initiatives undertaken by Wests indicate a low range increase of 20 poker machines in the Club should result in a net positive outcome to the region.

Tony Mathew
General Manager

By Order of the Board of Directors.