

# **Case Study**

## **Canberra Labor Club Group**

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## **Case Study: Canberra Labor Club Group**

### **1 Introduction**

The Canberra Labor Club Group was established in 1979 for the purpose of supporting the ACT Branch of the Australian Labor Party. The Group now operates from four venues across Canberra and is proud of its 'Community' focus.

### **2 Demographics**

As at 18 March 2009, the Group had a membership base of 53,747 Members. Membership of the Group is just that, and provides access to all of the Group's four venues and services.

Due to the physical location of each of the Group's Clubs, they generally support differing demographics.

#### **2.1 Belconnen Labor Club**

The Belconnen Labor Club is located within a suburban business district. During the day this Club hosts a large number of office workers and serves as a meeting place for a number of senior citizens functions. At night, the demographic is significantly different with a large number of local university students and residents from all across Canberra visiting the Club.

#### **2.2 Ginninderra Labor Club**

The Ginninderra Labor Club is located in the local shopping centre of a medium to high density residential area. Most residents are renting their accommodation and many are sharing with extended family groups.

Unemployment is a significant social concern in the area with a large number of people's employment being susceptible to the troughs and peaks of the economy. There are also a relatively large numbers of schools in the area which attract couples with young children.

#### **2.3 Weston Creek**

The Weston Creek Labor club is located within a suburb predominantly populated by self funded retirees. Generally this group of individuals are currently struggling with low return rates on investments and as such have limited disposable income. Members in this area are generally home owners and have lived in the area for a significant length of time.

A mixed demographic is beginning to creep into the area, with young families buying older homes for space and renovations.

## **2.4 City**

The Canberra Labor Club Group's City Club is located in Canberra's central business district. During the day the Club attracts corporate customers from surrounding offices, and appeals to members looking for quality food and extended wine lists.

At night, the City Club attracts younger members and hosts many university students and young couples without children, whom live in the surrounding areas.

## **3 Growth**

Since the year 2000, the Canberra Labor Club Group's assets have increased from \$7 million to \$36 million. This growth has included the acquisition of three new club sites and three commercial buildings.

## **4 Member Services & Facilities**

Member services are some of the most important elements of Club Management. The Canberra Labor Club Group recognises that the more diverse the range of services it can provide, with as broad appeal as possible, the more Members it can attract

### **4.1 Entertainment**

The Group's entertainment programs in 2008 included regular free performances at Belconnen every, Friday and Saturday. Ginninderra hosts entertainment every Sunday with a range of small local bands, as well as other special events throughout the year. In 2008 regular Saturday night entertainment was introduced at Weston Creek which has proved to be a winner with our south-side members. City Club members decided that a live band was too imposing so a decision was made to go with 'Night Life' Electronic System.

### **4.2 Kids Movies**

During the school holidays, free entertainment for children includes popular movie afternoons, screening the latest kids movies available from Village Roadshow every weekday in the school holidays and during the last two weeks of the Christmas break.

### **4.3 Sports**

Members are provided access to each of the Canberra Raiders and Brumbies home games during the year. Buses from the Belconnen and Ginninderra Labor Clubs transport Members, their children and Guests to the games and back, free of charge.

The year's major fights and sporting events were also screened for the enjoyment of Members and their Guests, in addition to the Clubs' full suite of sports television.

## **5 Facilities**

Each of the Group's Clubs has its own personality, to best cater to the tastes of the Members it serves.

The Group's largest Club, the Canberra Labor Club, is located in Chandler Street Belconnen and due to its significant size and facilities, most often plays host to our community groups. Belconnen has food and beverage services, function facilities, a TAB and 272 gaming machines.

Our newest Club is the City Labor Club, located in the heart of the Canberra CBD. As its location may suggest, this Club is more of a boutique bar, serving our widest range of beers and wines to a corporate clientele. This venue also offers dining, function and gaming facilities with 58 machines.

Weston Creek Labor Club has the greatest sporting flavour of our venues, and overlooks two exceptionally well maintained bowling greens. As would be expected, this Club provides significant support to the associated Bowling Club and enjoys a significant number of common members. In addition to its greens, Weston has function, dining, TAB and gaming facilities, with 63 machines.

For families, the Ginninderra Labor Club, has its own children's playground which allows parents to dine whilst still being able to supervise children through the glass. The Ginninderra venue has recently been renovated to provide exceptional facilities including a dedicated function room, bar, bistro and gaming. There are 95 gaming machines located at this venue.

### **5.1 Dining**

Each Club offers a range of indoor and outdoor dining environments, from the Express Café at Belconnen and its spacious Bistro, to the stylish and casual Lounge at the City Labor Club or the fresh and intimate Dining Room at Ginninderra. Each dining area is individually designed to suit the market of each individual venue.

Members can select from a quick, ready-to-go lunch, right through the spectrum to a full sit-down three course meal, complete with a premium Australian wine or local and imported beer.

### **5.2 Internet Access**

The Group provides Members with internet access absolutely free of charge through a dedicated kiosk at Belconnen with 3 internet terminals, weekly trivia nights at Weston Creek, City and Belconnen, as well as all the entertainment options available through Fox Sports, Sky Channel and TVN.

### **5.3 Televisions**

Between the Belconnen and Weston Creek Clubs the Group has 56 screens dedicated to racing and various ACTTAB services. These include large screens in each outdoor area, above bars and in Bistros. There are an additional 10 screens at the Ginninderra Labor Club used to show Sky Channel.

## **6 Gaming**

The Canberra Labor Club Group (CLCG's) has built a reputation of being a community minded organisation committed to enhancing the lives of its Members, staff and the Canberra community. As part of the decision making process, the Canberra Labor Club Group considers the human element ahead of financial gain. This philosophy is nowhere more evident than in the Group's approach to responsible gaming, and its contribution of gaming revenue to community projects.

### **6.1 Responsible Service**

In what can only be described as "tough times" in the Club sector, many Clubs have been forced to reconsider their contribution to worthy community projects. In 2008 the Canberra Labor Club endorsed its continuing commitment to the community by contributing in excess of \$70,000 toward problem gambling initiatives.

The Group engaged the services of Betsafe in 2000 and continues to work with them on responsible gaming measures today. The Club contributes approximately \$80,000 per annum to the Betsafe and Lifeline gambling programs combined.

Across the Group, more than 30 senior staff are trained as Gambling Contact Officers (GCOs), a ratio far exceeding the standard in most Clubs, and exceeding the legislative requirement of one. This allows staff to deal with gambling issues, including exclusions, at any time of the day or night.

### **6.2 Gaming Installation**

Across the Group the Canberra Labor Club has 488 gaming machines.

### **6.3 TAB**

The Canberra Labor Club Group operates two ACTTAB sub-agencies, one at Belconnen and the other at Weston Creek. These two sub-agencies offer the complete suite of ACTTAB products between them, seven days a week.

Both clubs provide a huge range of ACTTAB products including but not limited to; ACTTAB Racing, Keno and Sportsbet with dedicated viewing screens, Daily Form Service and Sportspick.

The Belconnen venue also offers ACTTAB's Trackside (an interactive horseracing game, available in a limited number of venues in the ACT), live Giddy-Up Ratings

as well as access to the Giddy-Up Guide, which provides on-screen and written information for Australian thoroughbred races.

For Melbourne Cup, the Belconnen and Weston Creek venues also each hold a Calcutta on the Monday evening prior. This service to Members greatly enhances the attraction of the ACTTAB facilities and the Canberra Labor Club Group is the only Group who operates 2 Calcuttas.

#### **6.4 Keno**

2008 saw the addition to the Group of a second, dedicated Keno terminal and point of sale at the Belconnen Venue. The terminal has been permanently placed within the main lounge to allow Members the ability to play Keno close to where they were relaxing, enjoying the company of friends and possibly even listening to live music

### **7 Economic Contribution to the Community**

The Group currently employs 177 local staff. The Group's sub-contractors provide employment for approximately 40 more. The Group's annual wage bill exceeds \$6.1 million.

During the 2007/08 financial year, the Group recorded total revenue of \$32.6 million. Gaming revenue contributed \$23.7 million to total revenue. Recent increases in the Gaming machine taxation increased the Group's annual gaming tax bill by approximately \$1 million to \$4.75 million.

The Group does not currently carry any debt.

Profitability of the Group, despite difficult market conditions, has continued to improve. The Group recorded an annual profit for 07/08 of \$4.9 million. This figure does however include an abnormal profit from the sale of an option, net of tax, of \$1.8 million. Comparable figures are profit of \$2.4 million in 06/07 to \$3.1 million in 07/08. The Group is currently tracking to achieve a profit of \$3.4m for 08/09.

The Group currently has a number of renovations and developments in the planning process. Current estimates of capital expenditure for the next 3 years are in the vicinity of \$8.5 million.

#### **7.1 Community Support**

During the 2008 calendar year, the Group gave \$1,113,549 in support to 115 local organisations. (\$895,351 cash, \$218,198 in-kind). This contribution exceeded the statutorily required level of support by 16%. In addition to this the Group also donated \$583,000 to the Australian Labor Party (ACT Branch).

#### **7.2 ClubsACT Community Partnerships**

The Canberra Labor Club Group is a very strong supporter of the club movement through its membership of ClubsACT, having had Board representation over the past 18 years.

The Group has played a leadership role in a range of areas associated with regulatory development in gaming and smoking and in improving the services available to problem gamblers via its use of the Betsafe Program and in addition supporting the Clubcare Program which is a joint initiative between ClubsACT and Lifeline Canberra.

Also under the umbrella of ClubsACT, the Canberra Labor Club Group has been involved in all the major community partnerships, the current ones being with Lifeline Canberra (\$30,000+ per year), The Spastic Centre (\$16,500 per year) and Camp Quality (\$8,000+ per year).