

27 January 2011

Committee Secretary
Joint Select committee on Gambling Reform
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary

The idea to form a club in Wellington Point (on Brisbane's Bayside) evolved due to the determination of a number of like minded residents who combined in 1980 to form an association to promote and foster sporting interests. In 1983 a cricketer's clubhouse opened however it was quickly realised by these volunteers that the region required a facility that would not only foster and develop a multitude of sporting organisations but would take up the shortfall in supporting many worthwhile community projects.

Today the Redlands Sporting Club (RSC) has the well established reputation of a multi award winning Community Club with a membership of just over 22,000 employing 74 staff and providing in excess of \$600,000 in unconditional voluntary contributions and in kind donations to our local community. This commitment remained steadfast throughout 2010 despite the wide spread economic uncertainty.

Whilst gaming is the major source of revenue for the Club we are proud to provide an environment best described as a "home away from home" for our members who include many elderly patrons and disadvantaged groups with interests that differ from those wishing to use the gaming area. They are therefore able to enjoy the air-conditioned comfort of the large activity lounge, free daily entertainment, and also utilise any of the three eateries which serves to satisfy the diverse range of dining needs, all at heavily subsidised prices.

With total revenue of \$12.3M generated during the 2009/2010 financial year, the club has remitted \$2.4M (excluding GST taxes) to the Queensland Government in gaming taxes.

Our understanding is that the terms of the Inquiry include the assessment of possible impacts given the implementation of a full pre commitment scheme and the effects of ATM restrictions outlined in the recommendations of the recent Productivity Commission (PC) report. Whilst the proposal of the PC was to realize pre commitment technology by 2016 and after consultation with the industry this has now been advanced to commence in 2012 with finalisation in 2014 without conference.

We are of the belief that the introduction of full pre commitment would not only be untenable for the RSC but would mark the end of the club industry in Queensland as we now know it. Preservation of at least the current revenue levels is vital in the continuance of the provision of sporting facilities, the ability to provide product and services at subsidised cost levels and the maintenance of support levels directed to local community and charitable organisations.

Projections as to the effect of the introduction of a full pre-commitment system strongly indicate that gaming income will decline by at least 25% and food and beverage income will decrease by 10%. The devastating flow on from this would require cost cutting measures in the area of wages and on costs to the tune of 20%, administration/overheads by 10% and gaming promotions by 20%. Initially gaming taxation would also be reduced to \$1.8M leaving the State Government in arrears of some \$600,000.

In addition to this RSC would need to reduce employment initially by fifteen staff (out of a total of seventy four) and unwillingly cut back our community support by an estimated \$350,000. The end result financially would see a profit change in excess of \$1M, creating an annual loss for the Club. Clearly the operation would close within a short period of time. If these conservative forecasts are mirrored throughout the industry the consequences, not only for our dependant Queensland communities but indeed all Australian jurisdictions, would be catastrophic. .

Prior to consideration of this legislation, the Club ensured that all employees and management were suitably qualified and held Responsible Service of Alcohol and Responsible Service of Gambling certificates. The practice of self exclusion for gaming (and alcohol) is a practice that our Club has operated since its incorporation. All Duty Managers and most Senior Management are certified as Customer Liaison Officers and each has been trained specifically in the area of identifying problem gamblers. These initiatives confirm our continuing pledge to help further reduce the incidence of problem gambling.

It is the belief of RSC that full mandatory pre commitment will not further assist those addicted to gambling. Success in reducing those recognized as problem gamblers has been highlighted in the most recent Queensland Household Gambling Survey produced by the Queensland Government in 2008-2009. This showed a decline in rates to 0.37% of the states population and was significantly down on the 2001 survey results (0.83%).

The RSC supports a realistic phase in of a cost effective mandatory system or machine based (gaming machine manufacture technology) pre-commitment arrangement but it must remain optional to players. One problem gambler is one too many but we need also to apply a "duty of care" in respecting the freedom of the majority of our population (99.63% in Queensland).

It is also our belief that this principle should be applied when considering the implications of ATM restrictions. RSC supports current arrangements which allow withdrawals from personal savings or cheque accounts and does not allow cash advance withdrawals on a credit basis.

Redlands Sporting Club's house policy dictates that our staff are not permitted to gamble onsite therefore the ATM is used to draw on their salaries upon exiting the club for groceries, rent, etc. Elderly people also prefer to use our ATM facilities before leaving the club as it is can be done in a safe and secure environment. The reduction of daily limits to \$250 we deem would have no positive impact on problem gambling as any adjustment to current levels would simply further inconvenience reasonable people.

In summary, the devastating consequences of a mandatory pre commitment system as outlined above, if applied to both the venues and all gaming machine players will undoubtedly result in the end of community clubs such as ours. I respectfully thank the Joint Committee for the opportunity to provide this submission and look forward to your positive consideration.

Yours sincerely

Rick Veale
General Manager