

CLUBS SA

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

gamblingreform@aph.gov.au

To the Committee,

Re: Inquiry into Pre-Commitments Scheme

The Club Industry

Clubs SA is the industry body that represents the interests of licensed Clubs in South Australia. Clubs are not-for-profit organisations whose purpose is to provide services and infrastructure for their members and the community. There are more than 1,200 licensed Clubs in South Australia with 66 of those with gaming machines. Those 66 gaming Clubs provide essential support to numerous other sporting Clubs and/or groups in their local community.

The Club industry in South Australia employs approximately 4,000 people and provides purpose and social networks for thousands of volunteers.

Sporting facilities maintained by the Club Industry includes approx 230 bowling greens, 148 golf courses, 250 tennis courts and hundreds of playing fields which cater for sports such as cricket, football, soccer, softball, rugby, just to name a few.

Nationally, there are more than 4,000 registered and licensed Clubs which make a significant contribution to the Australian economy. Clubs provide employment to approximately 80,000 full-time, part-time, casual and apprentice/trainee employees. In addition to paid employees, there are more than 65,000 volunteers in Clubs who are estimated to work around 7 million hours per year as Club Directors, assisting in trading activities, and organising sport and community events.

Clubs work together with the community to achieve worthwhile benefits for those who need it most. They are responsive to the needs of the community and foster need-based activities through community partnerships.

Revenue raised from Electronic Gaming Machines is vital to help support and relieve the financial burden of keeping Club based facilities up to date. Without it reliance would be placed on local and State Government and the families who utilise the facilities, families whom already contribute both financially and physically to enable our children to play and participate in grass root sports and activities.

Through gaming machines, Clubs provide a positive social return. This is demonstrated through the significant contribution made by Clubs to local charities, causes and communities. In many cases the revenue from gaming machines has enabled Clubs to provide improved facilities to its members and the community at large. In addition to industry taxation obligations, the Club industry in South Australia voluntarily contributes gaming machine revenue via the Independent Gaming Corporation to worthy projects and initiatives throughout the SA community. The industry also voluntarily contributes over \$2 million annually to the Gamblers Rehabilitation Fund.

Problem Gambling

Clubs SA recognises that while the majority of the population enjoys gambling as a recreational activity, there are some that experience significant problems.

Clubs SA rejects however, the notion that a mandatory pre-commitment scheme will reduce the prevalence of problem gambling. No evidence exists to support this. Professor Alex Blaszczynski (University of Sydney), a member of the Ministerial Expert Advisory Council, has even noted in his submission to this inquiry that the effectiveness of mandatory pre-commitment is “of limited benefit” to the majority of problem and pathological gamblers. The Professor also notes that no cost benefit analysis has been undertaken.

It is important to recognise that that prevalence of problem gambling is actually declining around the nation. The most recent prevalence survey using the ‘Canadian Problem Gambling Index’ (CPGI) indicates that South Australia has 0.4% prevalence of problem gambling in the adult population, down from 2.1% ten years ago. The evidence is clear that the incidence of gambling related harm is on the decline, as recognised by the Productivity Commission.

Harm Minimisation

One of the reasons why problem gambling prevalence is on the decline could be due to the commitment from industry to implementing harm minimisation strategies.

Mandatory pre-commitment is just one harm minimisation measure, it is not the answer. There are many other successful harm minimisation measures.

In South Australia we have a very successful Responsible Gambling Agency named Club Safe. Club Safe was initiated in August 2006 to provide extra support to Clubs in South Australia with gaming machines to ensure they conduct their business in a responsible manner. Club Safe assists staff to identify gambling related issues in the early stages and provides staff with intervention techniques and skills to help the patron connect with a Gambling Help Service. Club Safe is one of the most significant programs developed in the Industry to address issues related to gambling. Club Safe Officers liaise directly with all Gaming Clubs, managers and frontline staff across South Australia and provide these services free of charge. Club Safe also works collaboratively with the industry funded Gambling Help Service counsellors to promote a working network and relationship between the venues and the counsellors. Industry recognises social responsibility and is very proactive with harm minimisation measures.

Mandatory Pre-Commitment

First and foremost, there is no evidence to suggest it works. It will only punish the majority to target the minority. It is grossly unfair to treat every gambler like a problem gambler. It will more than likely turn recreational and problem gamblers to other forms of gambling such as the internet. The potential dangers from internet gambling are far worse than community gaming.

Mandatory pre-commitment will only deter the recreational gambler and therefore have severe consequences for the industry. Mr Wilkie himself admitted that mandatory pre-commitment will reduce Club revenue by up to 40%. The reality of this for the Club industry is diabolical. Clubs in South Australia will literally close their doors and this in turn will leave communities, staff, volunteers, children, seniors and the like abandoned.

The costs involved with mandatory pre-commitment are excessive. How are our South Australian Clubs, with a maximum of only 40 GME's meant to meet this expenditure? With anticipated costs of thousands per GME, the sheer cost of implementing the proposed model, a national model, makes it unviable.

Even the Productivity Commission did not recommend a mandatory pre-commitment model that was universally applied across all Australian states and territories. The Commission proposed each jurisdiction would have its own system, given the different central monitoring systems and operations.

The unintended consequences of mandatory pre-commitment also need considering i.e. 1) Costs - as mentioned above. 2) Privacy - why should individuals be subject to providing their personal details to spend their own money on a recreational activity of their choice? 3) Setting high pre-determined limits and chasing those limits – therefore an increase in expenditure and 4) Moving to other forms of gambling – internet etc.

South Australia has recently undertaken trials for voluntary venue based pre-commitment. The reports of the trials are available on the Department of Treasury & Finance's website www.treasury.sa.gov.au The trials found that an overwhelming majority supported voluntary, as opposed to mandatory, pre-commitment systems.

Clubs SA supports methods derived from a thorough consultation process which can be backed by evidence based measures. The current proposal is emotive with no evidence to support its viability or effectiveness. Clubs SA favours the adoption of an appropriately designed voluntary pre-commitment system. A pre-commitment system should be designed to assist those with problematic gambling behaviour but not at the expense of recreational players.

Personal responsibility

Any solution should be derived on a shared responsibility basis. It would be irresponsible to formulate gambling reforms without appropriate discussion on personal responsibility. The power to change one's behaviour ultimately rests with the individual. Venues invariably inform patrons about the product and support available, but the patron must take responsibility for making use of that information to make informed decisions about their gambling behaviour. Like any addiction, recognition that it's a problem depends on admission and then seeking support.

Summary

Clubs are no doubt the lifeblood of our State's sporting and community groups. They provide facilities and infrastructure as well as local community support. If mandatory pre-commitment were to be introduced, the Club industry in South Australia would be at serious risk. Not only would Clubs close their doors, many would lose their jobs, volunteers would diminish, community groups would no longer be supported, junior sports would cease, seniors would have nowhere to go and the list goes on.

Mandatory pre-commitment is not the answer. There is no evidence to conclude that mandatory pre-commitment would be effective in reducing harm caused by electronic gaming machines.

In recognition that those with problematic gambling behaviour may find pre-commitment useful, Clubs SA supports voluntary pre-commitment. A voluntary pre-commitment scheme would enable players of GME's to have the option of utilising pre-commitment technology. Therefore, a patron with problematic gambling behaviour could use pre-commitment to set limits on their expenditure whilst the recreational gambler can play without unnecessary interrogation.

Yours Sincerely,

Helen Martin
General Manager