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22 December 2010

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

Dear Sir

**Proposed legislation relating to poker machines**

As members of several clubs in the ACT and NSW as well as proprietors of the Merimbula Lakeview Hotel in Merimbula NSW we find the proposed changes to the operations of poker machines in hotels and clubs as put forward by Mr Andrew Wilkie, Independent Member from Tasmania, abhorrent to the extreme.

The suggestion that we personally, as citizens of this country and others as patrons of our hotel should have our spending choices tracked by having fingerprints scanned and data logged against those fingerprints by the Federal Government or some agency/authority thereof is a clear breach of our civil rights and a gross invasion of our privacy.

Whilst we support appropriate measures to assist the minority of our population that are unable to control their spending on poker machines, to propose that everyone should be subjected to the same measures is suggesting that each and every hotel or club patron has a similar problem.

If this were the appropriate measure to put into place, then where do we stop?

Why not introduce legislation to limit everyone's' fast food intake given that obesity is also a major problem in Australia with substantial health risks, financial burden on the private and public purse as well downstream impacts on families through premature deaths or incapacity. The same or similar fingerprint technology could be rolled out to all McDonald or Kentucky Fried Chicken outlets.

How about introducing fingerprint scanners in tobacco outlets, and car dealers. That may prevent underage citizens from purchasing cigarette products and unskilled drivers from purchasing high powered vehicles. Both could be seen to be a scourge on our society and both resulting in multiple deaths, incapacitation and substantial costs to family, friends and the public purse.

Somewhere along the line, people have to take responsibility for their own actions and by all means put measures in place to help the individual NOT shackle the whole of society to protect the few.

*The Grill Restaurant, Lakeview Function Rooms, Bars, Fine Wines Bottle Shop, Lakeview Motel, Home Catering*



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These proposed measures will if enacted result in substantial implementation costs to the hospitality industry as well as the consequential loss of substantial revenues. Whilst some establishments maybe able to withstand these outcomes, we can assure you that smaller establishments such as our hotel in Merimbula may not survive.

This will result in many permanent and casual employment positions being lost, a particular blow to country towns.

Gambling revenues have already taken a substantial "hit" over the years with the introduction of smoke free environments, and the proposed measures may just be the "nail in the coffin" for many venues.

Our hotel has already been burdened with a 300% increase in NSW land tax charges together with flow-on increases in council rates and taxes as well as facing a 60%+ increase in NSW electricity charges. These imposts will add close to \$60,000 to our annual expenses without the addition of proposed increases in staff superannuation contributions, workers compensation insurance and NSW payroll tax.

More specifically in respect of our own hotel, our annual gaming revenues average no more than \$240,000 pa net of GST and before NSW gaming taxes (which are charged on GST inclusive gaming revenue, i.e. essentially double dipping).

We employ 5 permanent staff and a number of local casual staff including many university students during holiday periods. Our annual payroll exceeds \$650,000.

We have over the years strived to build our revenue base and reduce overheads, however we are continually faced with extra-ordinary increases in local, State and Federal charges as well as substantial increases in basic service fees such as insurances and utility charges. Basically one step forward and two steps back year in year out.

During the 2010 year alone we have paid to the NSW State Government the following revenues:

- Payroll tax                      \$23,200
- Gaming tax                      \$41,550
- Land tax                         \$12,400 soon to increase to \$24,000 up from \$6,000 in 2009

In addition we contribute over \$15,000 per year in respect of workers compensation insurance premiums and some \$57,000 in superannuation for our employees per annum.

It is noted that Andrew Wilkie's recent admission on 24<sup>th</sup> November that he anticipates a drop of some 40% in gaming revenues as a direct result of his proposed legislation.

We can assure you that a loss of around \$96,000 to \$100,000 in our gaming revenue will result in the immediate loss in all casual employment positions and reduction in permanent staff in an attempt to contain financial losses and probably the closure of our establishment in a very short period.



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Also impacted will be the suppliers of goods and services to our business, i.e. almost \$1million in food and beverage purchases and around \$750,000 in supplies of cleaning, advertising, maintenance, laundry and utility services, not to mention the benefactors of our annual charity fund raising events that receive up to \$15,000 per annum.

We state again, that we agree that those suffering from a gambling problem, indeed all of our citizens that suffer from any form of addiction require assistance to help them overcome their affliction, however penalising the masses is not the way. Without direct assistance, those suffering will find other ways to feed their addiction eg online gambling.

We trust and hope that the committee will let common sense prevail in this matter. Not to do so will be a disaster for small business and a disaster for the country.

Yours faithfully

Peter Toscan

for Dennis Souter