



24 January 2011

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

Dear Sir/Madam,

Our Club would like to take this opportunity to lodge a submission to the Joint Select Committee on Gambling Reform.

The details of our submission are included in the following pages.

We thank the Committee for the opportunity to express our views. Should any additional clarification or supporting documentation be required we would be pleased to provide this information.

Yours sincerely,

Scott Williams
Chief Executive Officer

*Belmont 16 Foot Sailing Club Limited
Submission to the Select Committee on Gambling Reform
January 2011
Page 1 of 4*

Belmont 16 Foot Sailing Club Ltd

ABN 50 001 020 471 * The Parade, Belmont, NSW 2280 * PO Box 484, Belmont, NSW 2280
Telephone: 02 4945 0888 * Fax: 02 4945 7750 * E-mail: info@16s.com.au * Web Site: www.16s.com.au





SUBMISSION TO THE JOINT SELECT COMMITTEE ON GAMBLING REFORM

Belmont 16s is located on the shores of Lake Macquarie, New South Wales in the Federal Electorate of Shortland. Our Club has 27,490 members and our primary object is to support the sport of sailing. We have been trading in Belmont since 1955 although organised sailing has taken place since the summer of 1922. In 2002 we amalgamated with Swansea Bowling Club and have continued to support lawn bowls through the provision of 3 bowling greens since that time.

Like many other Clubs we rely on revenue generated from gaming machines to allow us to support our objects as well as maintain the levels of community support we currently provide. In our Annual Report for the year ended 31 March 2010 gaming machine revenue comprised 53.9% of total revenue with beverage revenue representing 17.4% and catering revenue representing another 18.5% of revenue. We have limited opportunities to diversify our revenue streams due to limited financial resources and the availability of adjacent land.

If the proposed reforms, particularly those related to Mandatory Pre Commitment, are introduced there will be a catastrophic negative impact on our revenue and therefore our financial viability will likely be unsustainable. We have reviewed our future financial forecasts and sensitized them to attempt to establish the financial impact of reduced gaming revenue. These sensitized forecasts reveal that our current business is unsustainable in its current format with losses of gaming revenue in excess of 20%. With widespread speculation that gaming revenues could decline by up to 40% our position would be untenable and we would need to cease trading with the significant losses of community facilities, jobs and community funding to the Lake Macquarie region.

Our Club currently employs 146 people and our ability to sustain a workforce of this size is highly doubtful should the proposed gaming reforms be implemented. One of the first casualties in our business would be the Swansea Bowling Club which we could no longer sustain. This would result in the loss of 24 jobs in Lake Macquarie before we even considered the job losses in our primary site at Belmont.

The 2006 Census conducted by the Australian Bureau of Statistics identified the Federal Electorate of Shortland as being the eleventh oldest electorate based on the average age of the population. Our membership demographics show similar trends with 25.43% of our membership being aged over 70 and 50.02% of our membership being aged over the age of 60. We provide a range of facilities to this demographic including the free weekly matinee seniors concert each Wednesday which is attended by approximately 200 people each week and to many of these people this concert represents their only social contact with others. Should gaming revenue decline as a result of these proposed gaming reforms the free weekly seniors concert is likely to be a casualty of the consequential expenditure cuts.

Clubs are owned for the community by the community. Our gaming machine revenue helps us support a variety of sporting associations, charities, schools, community groups and the broader community. Should our revenue decrease we will have little option but to reduce our support to these areas. Like all Clubs we make contributions under the Community Development Support Expenditure (CDSE) scheme whereby 1.5% of our gaming revenue is used to fund a variety of community groups. Our audited accounts for the year ended 31 March 2010 disclose that our gaming revenues for that period were \$10,385,745 so if our gaming revenue drops by a conservative 20% this equates to an additional \$124,627 in community support that we will be unable to provide to the Lake Macquarie community. We consider it highly unlikely that another tier of government will replace this support particularly the NSW State government as they will be under significant financial pressure due to the loss of gaming tax revenue due to these proposed reforms.

A good example of one of the entities that will have their funding placed into question is Sailability. This charity operates 4 days per week for 48 weeks of the year and provides a facility to offer sailing to physically and intellectually disabled people from the Lake Macquarie and Central Coast regions in specially designed boats. They have over 170 clients who participate with a broad range of disabilities ranging from people who have cerebral palsy to others who are blind. These people achieve a sense of satisfaction, achievement and independence by participating in Sailability which will be lost to some due to lower funding levels.

Although the stated intention of the proposed gaming reforms is to reduce problem gambling there is no guarantee that this will be the outcome. Problem gamblers will find a way to continue to gamble whether that be by gambling through unregulated medium such as foreign websites or manipulating the proposed reforms to their own advantage. The recreational gambler, which represents 99.6% of the adult population, who play poker machines for leisure and entertainment within their means will be significantly disadvantaged and will choose to discontinue gambling due to the barriers of entry whereas the problem gambler will continue to gamble.

The cost and format of the identification technology and associated systems is a significant issue. Regardless of whether smartcards, finger print driven USB's or some other form of technology is used there will be considerable objection to its introduction. We believe that many will consider such a system an invasion of privacy with uncertainty where such data will be stored and who will have access to this data. Many in the community still have memories of the ill fated Australia Card proposal of the 1980's and will deem whatever device is chosen as another defacto Australia Card.

Not only is there a general expectation of a material impact of revenue as a result of the proposed reforms there is also a significant cost of implementation. Based on the conservative cost estimate of \$5,000 per machine to introduce the proposed technology we would be required to expend \$1,730,000 plus unknown ongoing costs which will place significant strain on our financial resources. There is no logic in expenditure of this magnitude to guarantee an annual loss of revenue greater than this amount each year. This cost could be construed as an additional tax on Clubs and the community they support.

Our Club supports Responsible Gaming Practices and we do not want problem gamblers in our venue. We have a range of strategies in place to assist us including a self exclusion program, membership of ClubSafe as well as a range of regulatory obligations relating to responsible gaming and advertising. We believe that a voluntary pre commitment system would be a valuable tool to further assist our patrons to gamble responsibly.

In our view the proposed gaming reforms are the result of a political deal of convenience without the consequences of their implementation even being considered let alone researched in detail. These concepts were not raised as policies for the electorates to consider and accordingly there is no mandate from the people of Australia for their introduction. We urge the Committee to not support these reforms, particularly Mandatory Pre Commitment, and look at the net benefit that community owned gaming provides to the people of Lake Macquarie, New South Wales and Australia.