



MERIMBULA RSL CLUB LTD

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23rd 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

The Merimbula R.S.L Club is a medium size club on the far south coast of NSW and was established in 1955. The Club has 6,800 members and during holiday times our population grows from approximately 9,000 people in Tura Beach, Merimbula & Pambula to approximately 36,000.

Whilst the Club supports appropriate measures to assist the minority of our population that are unable to control their spending on poker machines, the proposed changes to the operations of pokers machines in Clubs & Hotels as put forward by Mr Andrew Wilkie, Independent Member from Tasmania is abhorrent to the extreme. The suggestion that we personally, as citizens of this country and as patrons of our Club should have our spending choices tracked by having fingerprints scanned and data logged against those fingerprints by the Federal Government or some agency/authority will be a costly exercise and there is no information that proves that mandatory precommitment will work. A number of years ago the Government of the day asked the people of Australia to consider an Australia Card and the backlash they received was that overwhelming that the idea was abandoned. What impact do you think an idea like this would have on the Club industry? Somewhere along the line, people have to take responsibility for their own actions and by all means put measures in place to help the individuals, **NOT** shackle the 99.6% of people that have not got a gambling problem.

Since 2002, the Merimbula R.S.L Club has been offering a self exclusion scheme. In that time we have had 31 of our patrons use this service and to date the Club has got 5 patrons that have self excluded from our Poker Machine area. The Club industry has been leading the way in regards to harm minimisation/problem gambling and in my opinion have been let down by other forms of gambling which have some level of problem gambling e.g. TAB & lotteries.

Annexure A: Is a Marketing advice from TAB changing the minimum bet in NSW Retail and Phone TAB.

If precommitment is enacted on, it will result in substantial implementation cost to the club industry as well as the consequential loss of substantial revenues. ClubNSW has predicted the cost of complying with mandatory precommitment to be approximately \$6,000.00 per machine. The cost to the Merimbula R.S.L Club would be \$744,000.00 to upgrade all 122 machines and 2 link controllers, there would be an additional cost

of \$75,000 to upgrade the Clubs back of house system. Additional capital costs that the Club cannot afford.

Gambling revenues (over the last couple of years) have already taken a substantial hit with the introduction of smoke free environments and the proposed measures may just be the "nail in the coffin" for many venues. On the 24th November 2010, Mr Andrew Wilkie admitted an anticipated drop of some 40% in gaming revenue as a direct result of his proposed legislation.

Note: Other trading areas would also be impacted because of Mr Wilkies proposed legislation.

If Mr Wilkies projection is correct, this would have a major impact on the Merimbula RSL Club Ltd. In the 2009/2010 financial year the Clubs poker machine revenue was \$5,034,494. If the Club lost 40% (\$2,013,797) the following would have to be implemented for our Club to survive and would be a particular blow to our country town.

- i) Many permanent, permanent part time and casual employment positions lost.
- ii) All Meal and drink subsidies will be removed
- iii) Prices increased to a market value.
- iv) All functions held at the Club will be on the basis of user pays.
- v) Community and sporting donations and support will be reduced considerably.
- vi) Reduction in the poker machine tax to the state government.
- vii) Suppliers of goods and services to our Club will be heavily impacted.
- viii) Patrons will be turning to online gambling instead of coming to the Club.

Annexure B: Results of the recent survey sent to all clubs in the Eden Monaro Electorate confirming the above points.

When looking at the above it is also important to look at the other cost increases, as over the years the Club has strived to build revenue 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 services, insurances and utility charges, which does not include the Club facing a 60%+ increase in NSW electricity charges.

In concluding and stating again, we agree that those suffering 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

The Merimbula R.S.L Club trust and hope that the committee will let common sense prevail in the matter. Not to do so will be disaster for the hospitality industry and a disaster for the country.

Yours faithfully

Michael Mutsch
Secretary Manager

Marketing Advice

2010

Number by outlet type	
NSW Agencies	123
Vic Agencies	
NSW Licensed Venues	103
Vic Licensed Venues	
Trial Sites	

Date: 13/12/10

Directions:

Ensure all staff have read and signed this advice and then retain for future reference. If you have any questions, please contact your Business Development Manager.

Attachment/s: None

Changes to Minimum Bet NSW Retail and PhoneTAB

The New Year will see a change in the minimum bet requirements for customers.

From Tuesday 4th January 2011 the current minimum bet of 50c will only be accepted until midday in all retail venues *over the counter*. From midday a \$3 minimum per bet will come into play for *over the counter* bets and applies to all racing and sports transactions. **EBT will have no minimum.**

Changes to the minimum bet for NSW Retail outlets:

- Every day until 12 noon: 50c bets accepted over the counter
- **Every day from 12 noon until the end of trade: \$3.00 minimum bet with an operator**
- Continue to offer 50c bets all day through the EBT
- Please note the Mystery \$2 Quinella is exempt from the \$3 minimum.

You should advise your regular sub \$3 punters of the changes prior to Tuesday, 4th January 2011 and provide a quick tutorial on using the EBT if necessary.

PhoneTAB customers will be required to spend a minimum of \$10 per bet (some exclusions apply please see details below) but will still be able to bet below this amount in retail venues and on-line.

Changes to the minimum bet via PhoneTAB:

From 4th January 2011 the minimum per bet for Operator Assist will increase from \$0.50 to \$10 all day for all bet types (Platinum Customers and those recognised as Special Needs are exempt).

Customer benefits:

- A renewed focus on improving service for customers that bet more than \$10
- Removal of the 9pm operator line curfew for pari-mutuel for Bronze customers
- There are no off peak/peak times
- Account betting Speech Express and Touch Tone services now offer Fixed Odds including Sports betting

Account betting customers will be notified of changes via Direct Mail; email and details will also be listed on tab.com.au and announced in press releases, 'The Latest' and via TV and Radio.

Adam Rytenskild
GM Retail and Oncourse

Instruction received and noted			
Name	Date	Name	Date
	/ / 10		/ / 10
	/ / 10		/ / 10
	/ / 10		/ / 10





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8th December, 2010

The Hon Dr Mike Kelly
Parliamentary Secretary for Agriculture, Fisheries and Forestry
PO Box 214
Queanbeyan NSW 2620

Dear Dr. Kelly,

Please find below results from a recent survey sent to all clubs in your electorate, Eden Monaro. We received a response from 27 clubs which representing a 70% response rate.

- At the recent Clubs NSW Conference, it was suggested that gaming revenue may decrease by as much as 50% with the introduction of Mandatory Pre Commitment. If so, 74% of clubs believe that this will reduce wage cost by a minimum of 30%. Please note that 48% of clubs expect wage cost to reduce by 50% or greater.
- Direct wages are expected to decrease by a minimum of \$11.5 million per annum.
- Only two of the respondent clubs expect that they will remain buoyant although they expect that they will experience difficulty. All other clubs (93%) have indicated that they expect a bleak future with little optimism for survival with 20% of these clubs believe that they will seek amalgamation and if an amalgamation partner cannot be found they will slide into receivership or insolvency.
- The Clubs unanimously agreed they are willing to demonstrate the seriousness of mandatory pre commitment and ATM restriction by joining a mass meeting of Registered Clubs at Queanbeyan.
- Of the respondent clubs 74% have reported that the cost of introducing mandatory pre commitment (at a moderate estimate of \$6000 per machine) is not affordable.
- Using the moderate estimate of \$6000 per machine, clubs have estimated that \$11.3 million is required to implement pre commitment technology.

- Only one club has indicated that their existing gaming reporting system is capable of networking with the pre commitment system. Twelve clubs have reported that an upgrade to their reporting system will be required at an estimated cost of over 3 million dollars. The remaining fourteen clubs are unsure if their existing system will need to be upgraded.
- Twenty one clubs (77.7%) have indicated that they will face adversity/hardship should they seek finance to pay for pre commitment technology and updating of existing reporting systems. Six clubs have indicated that borrowings are not necessary, however cash flow difficulties may be experienced.
- Clubs that provide sporting facilities such as golf courses, bowling greens or tennis courts were asked "would your club consider the following if threatened with serious financial adversity caused by the introduction of mandatory pre commitment and/or ATM restrictions?." (Please circle)

Do not have sporting facilities, 4 Clubs

Reducing the amount of golf holes 2 Clubs

Closing golf course 3 Clubs

Maintaining the course to a lesser standard. 5 Clubs

Leaving golf course as is 1 Club

Reducing bowling greens 5 Clubs

Leaving bowling greens as is 1 Club

Closing bowling greens. 5 Clubs

Maintaining the greens to a lesser standard. 7 Clubs

Maintaining the tennis courts to a lesser standard. 1 Club

Closure 4 Clubs

Other reductions to sporting facilities 2 Clubs

Please note that only 2 clubs have indicated that they do not intend to reduce or close their sporting facilities.

Please note the responses are highlighted.

- Respondent clubs have unanimously agreed to display on and in their premises information for members in relation to your government's proposals and the dire effects that they will have on their club.
- Of the respondent clubs 89% of clubs believe that restrictions to ATM withdrawals will have a high to extreme influence on club revenue.
- Clubs have responded that 93% of members' rights (to withdraw their own money from their own accounts) and amenities (to utilise services provided for the community) will be a highly to extremely influenced.

- Clubs (89%) have indicated that to have any bearing on the outcome we must pursue this matter in a hard minded or aggressive manner to demonstrate our resolve to your government.
- All clubs have demonstrated a commitment to responsible gaming since (and before) guidelines were introduced in 2002.
- Since 2002 three hundred and twenty six persons have self excluded from clubs in your electorate.
- There are currently ninety four persons on self exclusion agreements in your electorate.
- Ten of the surveyed clubs have indicated that they have put on hold any future capital development. The short term cost is estimated at \$12.2 Million and long term is not measureable at this time.
- Clubs NSW has advised us that hundreds of clubs have closed over the last decade and that hundreds more may close over the next four years. Now that the Gillard Government is supporting mandatory pre commitment and ATM restrictions clubs have rated their optimism for the future as follows;

(a) A statistical causality – no future	23%
(b) May survive if we drastically cut member services	43%
(c) May survive if we find suitable amalgamation partner	9%
(d) Bleak with no potential for future growth	17%
(e) No real change	4%
(f) Prosperous	0%
(g) Continue to achieve great financial growth despite poor government policy making.	0%
No response to this question.	4%
- Generally speaking, clubs this electorate will be reluctant to afford amalgamation to clubs seeking amalgamation.
- There are many other services provided to the Community that are subsidised by the Clubs. Please see the attached list of services that will be affected in your Community should the Clubs suffer the full anticipated deterioration as a result of the Gillard/Wilkie introduction of Mandatory Pre Commitment and ATM restrictions. Of the 17 Clubs that responded to this question, 228 Community Groups or Organisations will either have no or limited donations/sponsorships.

- Clubs were required to respond to the following in regard to responsible gaming by circling what they believed to represent the success of RSG; Question; in comparison to five years ago how you rate the change in;
 - (a) General awareness to problem gambling;
none, slight, relative, significant, massive.
 - (b) Patron familiarity with Club Safe programme;
none, slight, relative, significant, massive.
 - (c) Patron awareness of self exclusion program;
none, slight, relative, significant, massive.
 - (d) Board, Management and Staff commitment to problem gambling;
none, slight, relative, significant, massive.
 - (e) Willingness of problem gamblers to seek help via counselling/self exclusion; none, slight, relative, significant, massive.

Please note the collective most common response is highlighted.

Yours sincerely

ON BEHALF OF THE REGISTERED CLUBS OF THE EDED MONARO ELECTORATE

**PETER COOK
GENERAL MANAGER
EDEN FISHERMEN'S RECREATION CLUB
PHONE 02 64961577**

