

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

14<sup>th</sup> January, 2011

To The Committee,

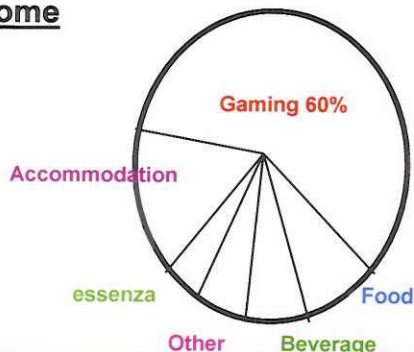
Mulwala & District Services Club Ltd trading as ClubMulwala is a medium sized Club situated in rural NSW on the Victorian NSW border. Our community of Mulwala NSW and Yarrawonga Vic have a joint population of approximately 6000 persons. Our township of Mulwala (population 1200 persons) has 3 licensed Clubs, 2 Hotels, Supermarket and Police Station. We are classified as rural (wheat, sheep). We have the largest explosive factory in the Southern hemisphere (Thales: employs 400 persons). But the town is primary a tourist destination for Melbourne, rural Victoria and Southern NSW.

Our membership of 10,000 persons resides primarily in Victoria. We were established in 1960, as the financial arm of the local Yarrawonga/ Mulwala sub-branch of the RSL and still have an affiliation with the Victorian sub-branch of the RSL.

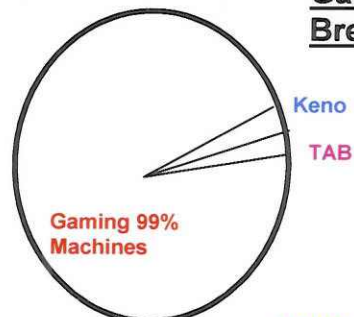
Our Club was established as the meeting point of our communities and this is still the case today. Our customer base are tourists and our operations are geared to service, and provide the normal amenities that they (tourists) would experience in a Resort environment, and at the same time still be a community Club.

Our gaming revenue, received from gaming machines, TAB and Keno is our core revenue base with our income break-up displayed below:

### Income



### Gaming Breakup



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Our Club income is dependant on the tourism industry and in particular Victorian and Crown Casino policies and gaming parameters.

The introduction of gaming machines to our border has placed severe strain on our income and the ability to continue in a progressive profitable direction.

Other regulations ie/ smoking, harm minimisation have also affected our opportunities to expand our operations. Number of Gaming machines in 1988 = 325, in 2011 = 205, a significant difference.

Our Club has been progressive in its attitude towards the diversification of income; we have been at all times considerate of our Members requirements and the tourism market focus. Mulwala & District Service Club was the first Club in NSW to provide tourist accommodation, first built in 1982, 20 units then expanded upon in 1990 to 60 four star accommodation units. We were the first Club in NSW to build and operate a Day Spa. Essenza Spa is part of our Resort package that provides first class accommodation facilities at a Resort destination.

Mulwala & District Services Club in its 50 years of operation has shown itself to be a responsible and resourceful leader for the community.

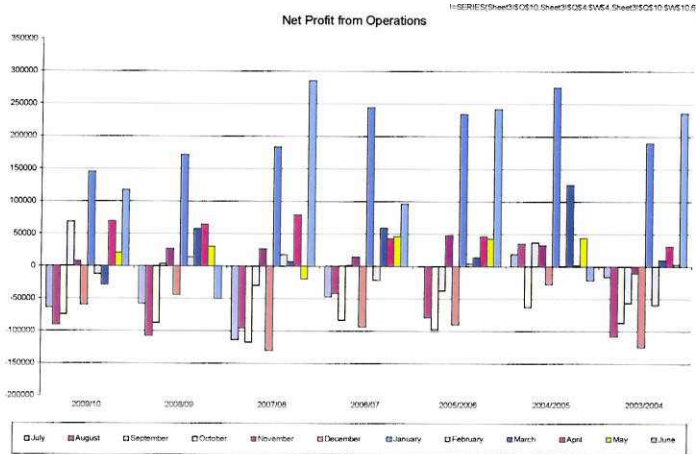
We were part of and introduced all harm minimisation measures prior to legislation. We have ensured that Employees, Managers and Directors are qualified and up to date and continually address all issues concerning industry related matters. We have had lockout procedures in place for over 8 years; our Club has not been breached or cautioned on any gaming related matter. Our internal audit conducted each 12 months by Management ensures our compliance. Self exclusion for gaming and alcohol is a practice our Club has operated since inception.

Our Gaming systems have assisted our operations in identifying (responsible) any concerns that are raised.

We agree with, accept and enforce all harm minimisation measures both practically and morally.

ClubMulwala is currently faced with major challenges, The Victorian Governments introduction of gaming, Crown Casino and its continuous growth, Victorian Governments amalgamation of shires, the tourist who is reluctant to sign into Clubs. (Crown Casino don't require, hotels in NSW/ Vic don't require), the removal of smokers from gaming areas – these have all contributed to a decline in profitability to our operations.

**PROFIT CHART**



Our Gaming revenue has allowed our Club to be the major provider of community donations and infrastructure to this Border community. Our 50 year history has seen donations in excess of \$5 million used to ensure our community has the opportunities afforded to our city cousins. This support in both cash and kind is far in excess of the CDSE requirements of approximately \$44,000 per annum.

Our Club contributes each year for vital infrastructure within our community. In the last 15 years we have been a major contributor to Yarrawonga Hospital, Age care, Warina, Karuna and Alawa hostels, swimming pool, Skate Park, community toilets, handicap toilets, cemetery toilets plus many more to ensure our community has the necessary facilities for our towns. ClubMulwala is the heart of this community.

Cash donations of scholarships and University fees have allowed our 5 schools the opportunity of assisting students to maximise their potential. Other incentives include a Kokoda Scholarship commitment until 2014. To assist our local pre-schools in their endeavours to provide assistance for children with disability our club has funded the cost of specialty teachers and aids to ensure every local child has the opportunity to attend pre-school.

Our Club has a long and satisfying history of support and commitment to all local sporting bodies. This support mainly to junior organisations is of vital assistance to our small community.

All of this prior and ongoing support is relative to our success and profitability as a licensed Club. That ongoing profitability is challenged yet again with further introduction of gaming restrictions.

ClubMulwala is resilient; we will take on a fair challenge that is good for competition and our economy.

We are unable to combat the proposed mandatory introduction of a pre-commitment process. Our customer demographic of an average age person of 65.3 year old, female will not accept the imposition of registering to have a social outing. Their entertainment will be severely curtailed due to the introduction of new technology requirements. We do accept that some elderly persons embrace technology, but would estimate a customer base loss of more than 50%. This estimate is given after personal surveys, experiences observation and discussion with employees, patrons and Management. As a decline in trade is forecast we have involved as many departments as practical.

Our 6000 Members whom reside in Melbourne use ClubMulwala as their rural bank. Our history shows that our ATM is used on a constant basis by incoming tourists for not only entertainment / food & beverage at ClubMulwala but for spending within our community. The travelling public/ members today live in a cash free environment, they go to ClubMulwala as a point of call. Mulwala has no banking facilities.

Elderly people use our facilities as it is a safe and secure environment. To remove that option by restricting them using their cash will see less patrons coming to ClubMulwala.

ClubMulwala continually evaluates our performance towards profitability and our member's requirements. We continue to investigate opportunities to diversify our operations; "Our 50 years is testament to that".

Our operations do effect this small community. Our wages of \$5 million per annum into Mulwala/ Yarrowonga is a substantial amount and any flow on effects to our towns is severe.

The possible introduction of a pre-commitment program has created uncertainty within our Board of Directors and Employees. We would urge our Government and Parliament to address the severe flow on effect this introduction will create. Our Club operations are operated efficiently and to receive the maximum return to Members and the community in a safe and secure environment.

To see 50 years of our community Club destroyed is a legacy we unfortunately have no say in. We again appeal to you on behalf of the community of Mulwala / Yarrowonga to say NO to Mandatory Pre-Commitment and limits on withdrawals at our Club ATM.

Yours faithfully

Micheal P Mullarvey CCM  
CHIEF EXECUTIVE OFFICER

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