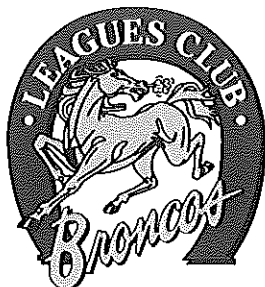


21 January 2011



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

Dear Committee Secretary

Brisbane Broncos Leagues Club Ltd (BLC) is situated in Red Hill, Queensland and is home to the Brisbane Broncos, one of the most successful teams in the National Rugby League competition since their inception in 1998. BLC currently boasts 41,000 members and employs 180 staff. During the 2009/2010 financial year our total revenue was just over \$22 million and our wages totaled \$4.3 million. Additionally we paid \$3.5 million in gaming taxes to the Queensland Government.

The Productivity Commissions' Report into Gambling recommended a full pre-commitment scheme be implemented in all jurisdictions by 2016 along with a number of other gambling reforms. After breaking a written promise to consult with industry prior to making any formal commitments a Labor-Green-independent alliance is now proposing a 'best practice full pre-commitment scheme' commencing in 2012 which would apply across Australia by 2014.

BLC feels it is absolutely critical that the Joint Select Committee on Gambling Reform clearly understands the severe consequences of such a system being developed and implemented and our major concerns are as follows:

- a) That if a pre-commitment scheme is implemented, our revenues will fall by an estimated 40%, which would significantly jeopardise our future and our ability to meet our constitutional requirements.
- b) That a number of communities and organisations of all types and levels will be 'worst off' if BLC cannot meet their constitutional requirements.
- c) The Queensland club industry as we know it will 'slowly die'.
- d) That if a pre-commitment scheme is implemented it will have no impact on the reduction of problem gambling.
- e) As a result the issue of problem gambling remains but other problems arise from BLC becoming less profitable and possibly closing its doors including, but not limited to, higher unemployment; reduced community contributions; lower gaming tax receipts and the loss of important social infrastructure.

Brisbane Broncos Leagues Club Limited

- f) That the costs of developing and implementing an unsuccessful pre-commitment scheme would be better spent on other initiatives to reduce problem gambling like additional counseling and support mediums.
- g) That a pre-commitment scheme takes the freedom or the ability for 99.63%* of the adult population of Queenslanders who gamble responsibly to make their own decisions relating to how and when they gamble.

According to the most recent Queensland Household Gambling Survey produced by the Queensland Government in 2008-2009 approximately 12,000 Queenslanders or 0.37% of the adult population are problem gamblers. According to the same survey conducted in 2001 the incidence of problem gambling in Queensland has fallen from approximately 22,000 Queenslanders or 0.83% of the adult population.

Australia wide 95,000 or 0.47% of the adult population are problem gamblers and to put this number into perspective currently there are at least 2 million problem drinkers in Australia (just under 10.0% of the population), 4 million smokers (just under 20% of the population) and 9 million overweight Australians (just over 40% of the population).

One problem gambler is one too many, however, the reduction of problem gambling achieved in Queensland is an outstanding result which clearly highlights the important role and dedication both the Queensland Government and the Queensland club industry have in regard to this issue. It also highlights how this partnership, where regular consultation occurs, is working. BLC and the Queensland club industry believe it's possible to further reduce the incidence of problem gambling, however, it can only occur if the expertise and experience of both of these partners continue to be used when developing and implementing new initiatives to ensure they are evidence-based, cost-effective and practical.

It was interesting to read an article on news.com.au by Piers Akerman recently who quotes Professor Alex Blaszczynski, the director of the University of Sydney Gambling Treatment Clinic and Research Unit. He says 'pre-commitment is unlikely to have a major impact on the majority of those in the targeted population' and 'will not achieve the anticipated benefits.' He also says 'given the extensive costs associated with a state and nationwide integrated system of linked gaming machines and unknown benefits, a proper evaluative research study ought to be undertaken before the widespread introduction of pre-commitment.'

The above comments clearly demonstrate the pre-commitment scheme provides no guarantees of success in terms of being able to reduce problem gambling. Additionally the process required to implement the pre-commitment scheme also contains a number of challenges which suggests even this aspect is seriously flawed. The costs involved for each individual venue to adopt the pre-commitment scheme have been estimated at around \$1.50 per gaming machine per day. This would create a new operational expense of around \$150,000 per annum for BLC. It must also be noted that these costs are to run the pre-commitment scheme only and do not include the installation or upgrade

costs to ensure the gaming machines are pre-commitment scheme ready. These costs at this stage are unknown, however, they are again expected to be significant. We also understand technology may not be available to ensure mandatory limits are enforced across multiple venues. Even if this can be achieved it's expected at BLC that our members and guests will simply move on to the Treasury Casino which is located less than three kilometres away to continue gambling. Casinos will not have a pre-commitment scheme in place as they have been excluded from the majority of the gambling reforms. This is another serious flaw as is the possibility problem gamblers will move towards gambling on the Internet so they can continue to play gaming machines. It is no secret that the responsible service of gambling (RSG) is virtually non-existent on the Internet.

BLC is 100% committed to RSG and to the Queensland Responsible Gambling Code of Practice. All of our staff involved with gaming hold certificates in RSG, as is required by the Queensland Government, and receive regular training in this regard. Additionally at least seven staff work as Customer Liaison Officers and each of these have been trained specifically in the area of identifying problem gamblers. BLC also strictly adheres to its self-exclusion and venue-exclusion policies and attends all meetings scheduled by the RGNet – Brisbane which is an organisation that via a network of Clubs and Hotels improves RSG policies and procedures.

A recent Social and Economic Impact Study was commissioned by Clubs Queensland to determine the true scope and value of what the Queensland club industry makes to the community and the State each year. There are 939 licensed community clubs in Queensland that boast almost 3.5 million members and during 2008 these venues returned \$377 million to the Queensland Government in gaming taxes. They also employed almost 27,000 people and provided facilities totaling \$1.8 billion to the community. These statistics clearly demonstrate the role and value of the Queensland club industry and fairly begs the questions which has been used in recent advertising campaigns 'Where would Queensland be without its community Clubs?'

The following point was made recently in a speech delivered by the President of Clubs Australia and the Chairman of ClubsNSW, Mr Peter Newell. 'In 1999 the Productivity Commissions' Report into Gambling found that 70.0% of people believed gambling did more harm than good. Eleven years later this myth has been dispelled by calculating gambling's net social benefit to the community at between \$3.7 and \$11.1 billion annually. This means, after the social cost of problem gambling is considered, the community is still up to \$11.1 billion better off every year as a direct result of gambling'.

BLC is a strong contributor to a number of community groups, schools, hospitals and health organisations, charities and both junior and senior sporting teams. During the 2009-2010 financial year, and including contributions made to the Gambling Community Benefit Fund, a total of almost \$1 million was distributed to the above mentioned by BLC. This includes, but is not limited to, our Platinum sponsorship of the Brisbane Broncos and support of our other major community

partners including Wests Juniors, Camp Quality, Men of League, Save our Waterways Now, the Paraplegic Benefit Fund, Former Origin Greats and the Red Hill Special School. Additional BLC during the 2009-2010 financial year provided raffle or auction prizes to over 200 individual organizations who requested assistance.

It was extremely uncomfortable to read an article on Wednesday 24 November 2010 that quoted the independent federal member for Denison, Andrew Wilkie, a key driver of gaming reform, saying 'this system will reduce club revenue by up to 40 per cent.' Clubs Australia has subsequently equated this to a drop in revenue of \$2.1 billion and as a result a question needs to be asked of the Federal Government where the funds to replace this revenue would be generated from. Secondly if Clubs were to lose 40.0% of their revenue it wouldn't be too long before the remaining 60.0% of revenue also evaporated as they struggled to survive.

It also cannot be forgotten that BLC provides a number of non-cash benefits also to the community. BLC, like all community clubs, is an extremely vital social outlet for a number of people. These people rely on our services and facilities to obtain their quality of life. For most, our staff and the friends they meet during their visits are an enormous part of their lives. Whether they visit to enjoy one of our free shows or one of our highly subsidised meals in The Buffet, our venue provides numerous social opportunities. We ask you to consider the costs to replace these types of services and facilities if a pre-commitment scheme is implemented and drops in revenue force the cancellation of these essential non-cash benefits.

I trust this information assists the Joint Select Committee on Gambling Reform to understand the important role community clubs and in particular BLC plays every day. I also trust it's highlighted that the incidence of problem gamblers is already reducing as a result of the combined efforts of the Queensland club industry and the Queensland Government. Additionally an untested pre-commitment scheme cannot guarantee it will address the issue of problem gambling but it can be guaranteed it will be hugely detrimental to BLC and the Queensland club industry and the large number of stakeholders associated with it.

Yours sincerely

Geoff Kühner
General Manager