



18 January 2011

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

To whom it may concern

**RE: SUBMISSION REGARDING INQUIRY INTO PRE-COMMITMENTS SCHEME**

This submission is written on behalf of the South Australian National Football League (SANFL) and outlines the impact the proposed reforms to Gaming Machines (specifically the compulsory pre-commitment scheme) would have on Football and therefore the wider community in South Australia.

The SANFL serves as South Australia's governing body for football, representing 291 football clubs across the state. This number is inclusive of the Adelaide and Port Adelaide Football Clubs in the AFL and the nine SANFL Clubs that compete at State League level.

The revenue base of the SANFL, the two AFL Clubs and nine State League Clubs is in excess of \$115m per annum. There are 1800 paid employees and hundreds of volunteers.

**IN TOTAL – FOOTBALL GENERATES HALF A BILLION DOLLARS FOR SOUTH AUSTRALIA'S ECONOMY.**

Net gaming revenue of \$28m (from approximately 400 gaming machines) generates a gaming surplus (net of costs) of \$15m for the SANFL and its Clubs. There are at least a further 200 machines owned by Clubs associated with smaller affiliated Leagues not included in the statistics of this submission.

**Conservative estimates** are that these reforms will reduce the revenue of Gaming Machine venues by a **minimum of 30 per cent** and potentially up to 50 per cent. This equates to a decrease of \$4.5m (30% of \$15m) for the SANFL and its League Clubs.

In addition, with there being approximately 400 machines to make compliant from a technology perspective, the investment would be a minimum of \$2m and likely to be significantly higher as many older machines cannot be converted and would need to be replaced.

**How will this be funded by organisations that are not-for-profit entities?** It can only be via the reduction of the investment into community related programs.

Unquestionably, the mandatory pre-commitment for poker machines will impose significant costs on South Australia's AFL and State League Clubs and will ultimately lead to job losses; and the likely bankruptcy of many State League Clubs. This will therefore have a significant impact on the wider community in South Australia as represented below.

The SANFL currently engages 100,000 South Australians in football participation and injects at least **\$4m into junior development programs annually**. Many of the programs are based in regional areas of the State. The capacity to deliver these positive results for the South Australian community would be significantly reduced if the gaming reforms were to occur.

We understand the growing issue of childhood obesity in Australia which indicatively costs the Federal Government \$21b per annum. The cut back in junior development programs can only extenuate this issue.

**In summary, the consequences of mandatory pre-commitment will result in:**

1. A decrease in the operating surplus of at least \$4.5m for the SANFL and the League Clubs. This is in excess of 20% of the current revenue base of the League Clubs.
2. The closure of many State League Clubs, ending not only the oldest surviving football league of any code in the nation, but also one of the oldest sporting competitions in the world.
3. A decrease in investment into the Community and Junior Sport of at least \$4m per annum.
4. A significant decrease in participation levels from the current 100,000 per annum in junior programs.
5. A significant loss of jobs in the State.
6. A significant decrease in revenue for the State.

The research undertaken by the SANFL indicates very little evidence that a mandatory pre-commitment program would reduce problem gambling. In all likelihood, it would just direct problem gamblers to other forms of gambling.

Representatives of the SANFL would appreciate the opportunity to discuss our concerns and the impact any decision will have on Football in S.A., the community and the Club industry as a whole.

Yours sincerely

~~John Lyons~~  
Acting Chief Executive Officer