

# Joint Select Committee on Gambling Reform St Marys Rugby League Club Submission

## Introduction

This submission is lodged on behalf of the Board of Directors, Management, Staff and Members of St Marys Rugby League Club.

The lies and mistruths that are being put forward as fact by a small number of self interested people is very upsetting, extremely disappointing and frustrating for those who work in the Club, for those who work in the industry and all those who volunteer their time to serve their local community. It is for this reason that the Board felt compelled to lodge this submission.

**It is hoped that the so called gambling reform is not on the pretence of assisting problem gamblers when the real agenda is about poker machine prohibition.**

It is the Club's understanding that the terms of the Inquiry are to focus on:

- The design and implementation of a full mandatory pre-commitment scheme.
- ATM Withdrawal Restrictions

There will always be problem gamblers just as there will be always be crime, drugs, alcohol abuse, speeding drivers, obesity and many other social problems. All reforms must be subject to a cost / benefit analysis to ensure the reforms are in the best interests of the majority of people and do not affect the social wellbeing of the community. The Inquiry should also note that:

- Clubs are not for profit organisations, all profits are re-invested into the Club to provide better facilities and benefits for the community.
- Clubs are acknowledged and respected for contributing to the social well being of the community and the Productivity Commission valued this contribution between \$768 million and \$5.5 billion.
- The distinction between community and privately owned gaming must be acknowledged.
- The definition of gambling includes all forms of gambling and reforms must apply to all forms of gambling.

How can a government make reforms that disadvantages more than it assists?

## **St Marys Rugby League Club**

St Marys Rugby League Club is just one of over 1,500 licensed clubs in New South Wales. The Club is one of the oldest clubs in the Penrith District, being formed with the advent of rugby league in Australia in 1908. The licensed club officially opened for trade on Melbourne Cup day in 1982. Since that time the Club has continued to grow with the community and provides facilities for a membership base of 38,000. The Club does not continue to grow because it wants to, it grows because the community needs it too. The Club is recognised and respected as an integral part of the community and has a very loyal membership.

Located in Sydney's outer western suburbs, the Club has gaming machines and acknowledges and accepts its responsibilities in relation to their operation and problem gambling. The Club is committed to minimising problem gambling and is proud to be a member of ClubSafe, one of the best problem gambling programs in the world.

It has been stated in the media that some believe that clubs exaggerate their contribution to the community. The Club strongly disagrees, following is a list of key objects as stated in our constitution and how the Club satisfies those objects.

- To assist generally in the promotion, conduct and propagation of Rugby League Football in the St Marys District or elsewhere and to promote or assist in the provision of training and conditioning and teaching facilities for football played in accordance with the rules of the New South Wales Rugby League.  
Please take the time to view "Attachment A."
- To render aid either financial or by other means to clubs and associations in the St Marys District or elsewhere which clubs and associations are playing or conducting football played in accordance with the rules of the New South Wales Rugby League.  
Please take the time to view "Attachment B".
- To provide for members and for members' guests a social and sporting club with all the usual facilities of a club including residential and other accommodation, liquid and other refreshment, poker machines and other forms of gaming devices, and provision for sporting and other social and recreational facilities.  
Please take the time to view "Attachment C".

- To provide football grounds and ovals at or near St Marys or elsewhere for the playing and practising of the game of football and for training for such game and to lay-out, prepare, construct, alter and maintain such grounds and ovals for football and other purposes of the Club and to provide, lay-out, prepare, construct, alter and maintain Clubhouses, pavilions, dressing rooms, grandstands and other accommodation and facilities for spectators and other conveniences in connection therewith. Please take the time to view "Attachment D".

Each year St Marys Rugby League Club provides both monetary and in-kind support to members and persons associated with the Club for the betterment of the community and to provide assistance to individuals in need. "Attachment E" lists of some of those organisations and individuals that the Club has supported over the past year.

Year	Minimum Amount required through CDSE.	Funds provided to the community	Funds provided over and above what is required.
2005/2006	\$357,602.82	Over \$1 million	More than \$640,000
2006/2007	\$379,395.34	Over \$900,000	More than \$520,000
2007/2008	\$326,482.50	Over \$900,000	More than \$570,000
2008/2009	\$397,791.68	Over \$1 million	More than \$600,000
2009/2010	\$409,641.44	Over \$1.1 million	More than \$690,000

Over the last five years the Club has conducted a number of significant events that have positively contributed not just to the local economy but NSW tourism.

- International Masters of Rugby League Tournament 2004 & 2008. A week long tournament for the over 35's attracting 56 sides, with 35 of those sides from New Zealand and 21 from across Australia.
- Hosting of the Rugby League World Sevens Qualifier 2003, 2004, 2005, 2006 & 2007. This event attracted local and international teams including; New Zealand Maoris, America Samoa, Aborigines, NSW Country, Japan, Italy and the Newtown Jets.
- Major sponsor of the 2009 World Masters Games.
- Cultural days such as the Maori Rugby League Cultural Day and Tournament, Malta and Lebanon Rugby League tournaments.

- Western Union Sports Pacific Rugby League Day
- Frank Farina Select Soccer Match.
- Variety Club Hot Rod Show.
- Filming of Australian Movie "Footy Legends".
- UK Army Matches
- Rugby League State Carnival
- Rugby League Coaching Clinics with state of origin and first grade club players.
- Rugby Union Coaching Clinics with NSW Waratah Players & Australian Wallabies.
- NSW Rugby Union Finals
- PCYC Tournaments

The Club provides members with an excellent "member benefit" package. The cost of these benefits amounts to over \$1.4 million per annum and includes:

- Discounted bar prices
- Discounted restaurant prices
- "Members Only" daily and weekly specials
- Birthday vouchers
- Bingo - 6 sessions per week
- Free courtesy bus
- Complimentary tea and coffee
- Members only promotions / giveaways / badge draw
- Free entertainment every Friday & Saturday night

The Club has seven sub clubs consisting of Darts, Snooker, Fishing, Golf, Netball, Cricket, and Masters of Rugby League. The Club subsidises and supports all of these sporting activities with a budget of \$70,000 per annum.

**Any reduction in Club revenue will have a significant impact on Club profitability. A drop of up to 40% will significantly affect both the social well being of the community and the Club's ability to uphold its objects.**

**Clubs are not for profit organisations, all profits are reinvested back into the Club and the community. A drop in revenue / profitability will be relative to a reduction in the Club's ability to maintain the above benefits to members and the community.**

## **Corporate Governance / Due Diligence**

Clubs, like all businesses, are required to submit a business plan to the bank with the critical component being a five / seven year cash flow projection. It is unconscionable that a club's future could be placed in jeopardy simply because a regulator decides to change the rules and move the goal posts.

A club could have the best business plan in the world and the Board of Directors extremely diligent with their corporate governance and responsibilities to members, but they can be made to look incompetent and negligent at the government's stroke of a pen.

Regulators need to be conscious of the implications of their decisions and appreciate that a diligent business has a seven year plan in place. If the rules change they need to be given time to adjust their operations and strategically plan how to deal with such changes.

Over the last five years St Marys Rugby League Club's Board of Directors have conducted several strategic planning sessions and formulated a business/strategic plan for the Club. With a growing population in the Penrith/Blacktown areas it was deemed necessary for a building plan to be put into place to ensure that the Club was able to meet the current and future needs of its members and the community. A master building plan was established, a business plan presented to the bank and a loan facility approved for Stage 1 of the master plan. The Board committed to a substantial loan facility of \$15 million that can be confidently repaid based on today's environment and regulations.

**A change in legislation that has the intention to reduce revenue by 40% will have a significant impact on Club profitability and result in the Club being unable to satisfy its loan covenants, placing the Club's future financial viability in serious jeopardy.**

## Problem Gambling

All those involved in the industry would acknowledge that one problem gambler is too many and this Club accepts its responsibilities and is committed to reducing / controlling problem gambling.

Statistics from the Productivity Commission estimated that 0.47% of the adult population are problem gamblers and that equated about 95,000 people in Australia who spend more than they can afford on gambling.

The prevalence of problem gambling has reduced over the last ten years because State and Territory governments, in consultation with the industry and introduced reforms that have shown to be cost effective and successful:

- Self – exclusion programs.
- Restrictions on gaming machine features, including maximum spins, bets and free games, restrictions on misleading information and mixing high and low denominations.
- Readily available consumer information resources.
- Mandatory lighting, clocks and signage to increase customer awareness.
- Breaks in play via mandatory shutdown periods.
- Caps in the number of electronic gaming machines in clubs.
- Payment of prizes by cheques.

Statistics highlight that there has been a significant reduction in the number of problem gamblers but anti gambling lobbyists have resorted to the practice of including “at risk” gamblers in order to bolster their numbers and attempt to justify their reforms.

**Any person, politician, club representative, industry representative or anti gambling lobbyist who thinks that one day there will be no problem gamblers is not living in reality?**

As stated, one problem gambler is too many however if the government could achieve 0.47% for many of the other social problems in society today they would consider this to be an excellent result. Any reform that is introduced to address problem gambling must be researched, be factual, be subject to a cost benefit analysis and must not inconvenience 99.53% of adults who do not have a gambling problem.

The Productivity Commission found that the net social benefit provided by electronic gaming machines is between \$768 million and \$5.5 billion a year. Unproven, unresearched and invasive reforms will have a significant impact on the future of the industry and a significant negative impact on society and the social well being of the community – the very thing the reformist / prohibitionist are claiming to protect.

## **Consistency**

One of the key points that need to be made and assessed in the Inquiry is how one reform introduced to combat one form of problem gambling is not applicable to all forms of gambling. There needs to be a consistency of reforms across all forms of gambling and a level playing field across all forms of gambling:

- Clubs are not permitted to advertise gaming machines or gaming promotions. Why are all other forms of gambling permitted to advertise without limitation?
- Clubs are not permitted to offer cash prizes for promotions on gaming machines. All other forms of gambling offer major cash prizes as incentives.
- Clubs are not permitted to advertise gaming promotions and promote life changing experiences as a result of a win. Lotteries / lotto, internet gambling all continually advertise and promote life changing experiences as a result of a win.
- All forms of gambling compete for the gambling dollar. Stand alone gaming machine jackpots were capped at \$10,000 in 1986 yet lotteries / lotto promote on a weekly basis multi million dollar draws and even \$40 million dollar draws.
- Clubs are prohibited from credit betting which is a responsible strategy. On line gambling operators accept bets placed with credit cards, offer inducements such as \$1,000 in free bets and Centrebet last year printed a flyer offering free "A" league tickets, with entry into the stadium through a Centrebet plastic card, committing people to a \$5 bet.
- Clubs must ensure that staff have completed accredited responsible gambling courses and offer free problem gambling counselling. On line gambling operators are not required to meet the same standards and requirements.

The Productivity Report identified and recommended other recommendations which were supported by all stakeholders. These recommendations are cost effective and have been shown to be useful. They include:

- Promoting self help and brief treatment options, which are 'cost effective ways of achieving self recovery'.
- Establishing a national minimum standard of training for problem gambling counsellors.
- Establish a national centre for gambling policy research, funded by the Australian Government.

**It must be noted that these recommendations may actually assist problem gamblers but have not been considered or recommended. Why haven't these strategies been considered as a reform?**

## **Internet Gambling**

It is beyond comprehension that those who portray themselves as advocates for problem gambling would not address the significant real risk associated with internet gambling. Over 1,800 English speaking sites accept bets from Australia using credit cards, which is prohibited for electronic gaming machines in clubs. Other potential dangers include:

- It is unsupervised and solitary gambling, making it easier for problem gamblers to conceal their problem.
- It is more easily abused by minors as identification is verified by credit card only.
- There is little protection to prevent fraud, money laundering or unfair gambling practices.
- No internet gambling is taxed or returned to the community in grants, donations or facilities.
- Online advertising is unrestricted and there are often inducements to gamble such as free credit for gambling accounts.



**We believe that there is a real danger of heavy regulations on poker machines, making it difficult to play and removing that recreational enjoyment will simply transfer problem and non problem gamblers to the internet and other forms of gambling. This would be a real tragedy for the community, the industry and the government but more importantly it would have a detrimental effect on problem gamblers.**

**A positive reform could be for the Government to legislate to prohibit banks from honouring credit card payments to internet gambling sites.**

## **Cost of Pre Commitment**

It has been stated in the media that the cost of mandatory pre commitment was \$1.50 per day per machine and that casual gamblers wouldn't be inconvenienced.

**How is this possible to know when the legislation has not been drafted or tabled? How can assurances be given that casual gamblers won't be inconvenienced and that privacy will not be breached?**

It is our understanding that mandatory pre commitment requires:

- Compulsory registration for all 5 million electronic gaming machine players, requiring player identification and verification.
- Unique smart cards or USB sticks for all individual players, possibly with biometric or other identifiers to prevent swapping, with pre commitment and player tracking.
- A nationally managed database for registered players, to ensure players do not register more than once and to authorise or replace lost or stolen cards.
- A secure website, to enable players to set limits before entering the venue, with data base hosting.
- Software to be designed that allows the machines to read card / USB information about limits and transmit information about play.
- All 197,000 machines will have the hardware / technology retrofitted or be replaced to accept smart cards/USB sticks, giving them the ability to shut down when limits are reached.

- All machines to have software upgrades to read smart cards/USB sticks compatible with the playing software, with older machines (around 50%) to be replaced.
- All machines are to be networked to a national central monitoring system.
- Integration of nine different protocol developments and possible replacement of the "X" series protocol.

It is of great concern that the \$1.50 per machine per day costing quoted is from a system being trialled in Queensland. The system in Queensland is voluntary pre-commitment and is venue based. It is like comparing an apple with an elephant.

### **Limiting Daily ATM Withdrawals**

It has been stated in the media that the overwhelming majority of problem gamblers access ATM's at gaming venues and that non-problem gamblers don't access them. This is a ridiculous assertion; it seems that some only recognise clubs as gambling dens. They do not consider that the Club has restaurants, showrooms, function centres, hosts fundraisers and charity events and are respected as the centre of the community.

St Marys has always been regarded as a tough area but in recent months St Marys has been in the media spotlight with a stabbing death, home invasion and bashing of an elderly lady and the bashing of police officers.

Could it be that persons access ATM facilities in clubs because it is very safe and convenient compared with street based ATM's, particularly at night? Our Club has security guards and prominent CCTV. Elderly people, people with disabilities and people with restricted mobility have access to disability parking and can seek the assistance of Club staff to help them with their transaction. Why would you access your cash in a potentially dangerous situation when you can do it in complete safety at your club?

**It is very important to note that effective solutions already exist. Any person can contact their bank and have restrictions placed on their withdrawals.**

Why is the vast majority to be inconvenienced when solutions already exist?

Why does the government need to legislate when the purpose of the reform already exists?

Why does the government need to make personal decisions for individuals?

It simply requires the individual to do it themselves rather than the government doing it for them.

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