

BARRIER SOCIAL DEMOCRATIC CLUB



Sunday, 1 March 2009

Gambling Inquiry Productivity Commission
GPO Box 1428
Canberra City A.C.T. 2601
gambling@pc.gov.au

Dear Commissioner,

The Barrier Social Democratic Club is replying to an opportunity presented by the Australian Federal Government to Parts 2 and 3 of the Productivity Commission Act 1998 regarding Gambling in Australia and its social implications.

The Barrier Social Democratic Club situated in Broken Hill in Western NSW is a Registered Club under the auspices of NSW Government legislation. We class ourselves as a Social Club. We have approximately 8200 members.

We provide a variety of entertainment in the form of:

Gaming Machines;

Keno;

Bingo;

Indoor Bowls;

Live Bands;

Texas Hold em Poker.

We also provide meals: breakfast, lunch and dinner each day of the week plus beverages including alcohol, coffee, tea, soft drinks and water.

The revenue from our Club facilities enables us to provide support for a number of external community sponsorship programs such as:

Sponsorship for our youth to attend sporting competitions in regional or metropolitan areas;

Aged Care services and facilities;

Emergency Services;

School Awards and Development;

Local Community Events;

Lifeline – Counselling Services’

Medical Research and Development

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It is the view of the Board of Directors, Management of the Club, and the Club patrons that changes in the form of any new Taxation or any other restrictions placed on our Club will jeopardise our ability to continue in the role the Club carries out in Broken Hill at this time.

We request that careful consideration of this submission be undertaken by the committee and more research be undertaken to ensure that the best result be obtained for our industry.

Attached please find a letter explaining in a much broader for what Registered Clubs in NSW provide to the State in general and also to our members in Broken Hill.

Yours faithfully

A handwritten signature in blue ink that reads 'Peter Baxter'.

Peter Baxter
President



Submission to the Gambling Inquiry Productivity Commission

Regarding

Gambling

Public Enquiry

Written by
Peter. E. Baxter
On behalf of
Barrier Social Democratic Club Limited
Broken Hill N.S.W. 2880



Information About Our Club

The Barrier Social Democratic Club (Herein referred to as “The Demo Club”) is a Registered Club under the legislated laws of NSW and administered for the Government by the Office of Liquor, Gaming and Racing. The Club occupies a central position in Broken Hill which is a city in the far west of the State of NSW. The membership is approximately 8200 which fluctuate depending upon local membership and tourists’ who take advantage of pleasant, comfortable and social surroundings which provide reasonably priced meals and beverages.

Broken Hill is considered to be an isolated community of about 20,000 people. The nearest village to Broken Hill is Silverton, population of about 100, and then further away (110km) is the Darling River township of Menindee, population of about 800 people and then further away (200km) is the Darling River township of Wilcannia.

The Demo Club was formed in 1903 as a place for the early miners to congregate for social reasons and the congregation included ladies as well as men. This situation has continued and is as strongly present today as it has ever been.

Broken Hill residents are a mix of retired people, aged pensioners and working class people who in general do not have a large disposable income. These residents utilize the Demo Club for many of their social outings as well as taking advantage of reduced charges for meals, beverages, and entertainment.



Information About Our Industry

The Socio Economic Impact Study of Clubs in NSW (2007) undertaken by the Allen Consulting Group on behalf of Clubs NSW highlighted the position both financially and socially of the NSW Club Industry. It highlighted among other things the unique structure of Registered Clubs in NSW as distinct to the structure of clubs in other states. The major difference in the NSW structure is that clubs regularly support some 1500 clubs connected with Lawn Bowling Clubs, RSL/Ex-Servicemen Clubs, Golf Clubs, Football and Rugby League Clubs, Workers/Social Clubs and other sports, business, ethnic origin, and social clubs similar to our Club, The Demo Club.

It is important to note that about 35% of these clubs are in the metropolitan area of Sydney and 65% of Clubs are in Regional and Country areas. Almost 45,000 people are employed in these Clubs.

The NSW Club structure provides funds to enable something in the order of 1000 Bowling Greens, 300 Golf Courses, 300 playing fields for sport of some sort, 100 gymnasiums, and 100 swimming pools and to add to this ClubNSW as the peak body of the Club movement provide the NSW Institute of Sport with \$1m annually.

The Club movement is also a major contributor to provide volunteers to their local communities. The funds for these various ventures come from trading surpluses from the Clubs activities.

Studies of our industry by the Allen Consulting Group and the NSW Government Independent Pricing & Regulatory Tribunal indicate that apart from the revenue raised the social impact on the State is very positive.



Information About Our Financial Position

The Demo Club generates revenue from 3 financial trading centres which are:

1. Bar Sales – Beer, wine, spirits, non alcoholic beverages, tea/coffee;
2. Bistro Sales – Includes breakfast, lunch and dinner, function;
3. Gaming Revenue – Gaming Machines, Keno;

The overall revenue of the Club for the past three financial years was:

- | | |
|----------------|-------------|
| a. 2007 – 2008 | \$5,873,458 |
| b. 2006 – 2007 | \$5,585,917 |
| c. 2005 – 2006 | \$5,463,465 |

Gaming machines provide an average of 58% of our revenue.

The overall expenditure of the Club for the past three financial years was:

- | | |
|----------------|-------------|
| a. 2007 – 2008 | \$6,029,275 |
| b. 2006 – 2007 | \$5,563,304 |
| c. 2005 – 2006 | \$5,135,409 |

The Gaming trading centre is subjected to several State Taxes which are quite substantial. The Demo Club falls into an area as designated by legislation of being in the \$1m to \$5m category and pays Gaming Machine Tax to the sum of \$571,657 in 2007-2008, \$612,876 in 2006-2007 and \$511,617 in 2005-2006 plus central monitoring service charges of approximately \$35 per machine per month and also is required to provide 1.5% of Gaming Machine revenue to the Community Development Support Scheme (CDSE) or forfeit that sum to the treasury. The interesting aspect of this charge is that almost all Clubs contribute to appropriate local programs in excess of the 1.5% as a matter of Club policy.

The overall costs to the Club can be seen to be substantial.

We acknowledge that the major part of these costs are paid for with proceeds from gaming with some from the bar, bistro and adherence to budget in administration trading centre.

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The Demo Club employs 45 staff, a mix of permanent and part time plus casual staff as required.

The Demo Club provides training for staff as found appropriate as well as employing apprentices within the staff levels mentioned.



Information about Gambling

Australia is a multi cultural society with members of society from almost every race in the world. With them has come a cultural pattern which they have lived with for a very long time. Gambling and alcohol have been around at least 5000 years having now been identified as existing in Sumerian times.

We multicultural Australians have found ways to gamble on just about anything from cards to race horses, dogs, trotters and the list goes on to Casino games of all sorts including 2 Up. Government legally sanctioned gambling includes the various state Casinos, Gaming Machines, TAB, Keno, Bookmaking and now Internet Gambling. These gambling methods are sanctioned by Government to produce Treasury revenue.

Controls of these forms of gambling consist of: Taxation for Gaming machines, TAB, Keno and bookmaking but no controls exist for the control of Internet Gambling.

The NSW government has recognised the need to have protection for the individual gambler by having in place the process called “Responsible Conduct of Gambling” (RCG). No member of a clubs gaming staff can prevent a person of legal age (ie: over 18 years) from purchasing coin or notes for inserting into a gaming machine. It is without a doubt that some patrons play the machines hoping to win a major prize but others play for recreation. A considerable amount of recreation costs money so if a person is prepared to pay for that recreation, many people see playing a gaming machine in the same light.

Part of the RCG is the provision of a service called “Gambling Counseling” and a process called “Self-Exclusion”.

The Government legislation requires all registered Clubs like the Demo Club to have this process in place and to have a nominated “Gambling Counseling Service”. That service for the Demo Club is carried out by Lifeline Inc Broken Hill. The Demo Club strives to ensure that harm minimization from gambling is at an absolute minimum for our members.

Our collaboration with Lifeline Broken Hill is extremely positive and in correspondence attached indicates our relationship in regards to Counseling and Self – Exclusion.



Conclusion

The Demo is an old Social Club inca 1903.

- IT has been a social gathering place since that time.
- It has had legal gaming machines since 1956.
- It enjoys a central meeting point for a variety of entertainment in Broken Hill.
- Members feel it is like “A home away from Home.”
- Widows and widowers enjoy the company of many friends and utilise our Bistro for a wholesome “value for money” meal and to socialise.
- The Demo ensures that the Responsible Service of Alcohol (RSA) (Government legislation) and Responsible Conduct of Gambling (RCG) Government legislation) are strictly adhered to within the guidelines.
- The previous increases in taxation by the NSW Government impacted quite severely on the NSW Club industry causing the closure of many Clubs and a loss of employment.

Should the Productivity Commission Gambling Enquiry take the view that gambling is damaging our economy and putting livelihood in jeopardy and introduce legislation which curtails or redirects gaming machines similar then this action would have a serious impact on the Demo Club and every other Registered Club in NSW to be able to provide the facilities and other things which Clubs presently do.

There is no doubt that there are individuals who cannot control themselves and gambling is only one. Drugs and alcoholism are 2 others but there are others like anorexia, smoking, obesity producing diabetes, which impact on society as well.

It requires the individual to address their problem. The Demo, even working within the RSA & RCG Guidelines can do no more if the individual is unable to address and rectify their problem. Shifting machines or creating some form of prohibition simply does not work.

The USA had prohibition for a number of years and all that did was push the problem “underground” and spawn some of the worst of human behaviour.

We hope that the Commission will be able to realise that so far as NSW is concerned, Government Legislated programs and guidance through “Clubs NSW” have made the Registered Club movement in NSW as mindful of your responsibilities to the public at large as is possible and considers these points when deliberating on decisions they make.

BARRIER SOCIAL DEMOCRATIC CLUB



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Counselling Centre:
194 Argent Street
BROKEN HILL NSW 2880

ABN: 73 164 421 054

Phone: 13 11 14

2nd March 2009

The President
Barrier Social Democratic Club
218 Argent Street
BROKEN HILL NSW 2880

Dear Mr. Baxter

I refer to your recent request for a letter of support in relation to the manner in which your club actively supports the principles and practices of the Problem Gambling Program.

Your club management and staff are to be congratulated for the proactive procedures you have in place to assist problem gamblers.

You have in place a long established procedure of bringing and not sending people to our office and then following through to ensure the entire process of self exclusion and/ or counselling is completed.

These procedures are very professional, extremely thorough and responsible.

I have the utmost respect for the manner in which your club deals with problem gamblers and I commend you for your initiative and attention to detail.

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard Lines".

Richard Lines
Manager

Patrons:
Buckworth, Keady Lawyers
Professor Ian Plimer
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Supported by:
NSW Health Dept.
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