

22 March 2009

**Gambling Inquiry Productivity Commission
GPO Box 1428
Canberra City ACT 2601**

Dear Commissioners

Thankyou for allowing Tocumwal Golf Club the opportunity to provide a submission in contributing to the discussion surrounding the Family First's proposed Poker Machine Harm Reduction Tax Bill. Attached to this letter you will find the submission outlining the position of the Tocumwal Golf Club for the committees to consider.

Tocumwal Golf Club offers many services to their members and guests. Poker Machines are a major one of these services, which play a significant role in entertaining patrons. Revenue projected from poker machines is what allows the Tocumwal Golf Club to be an active member in supporting community groups and projects.

Staff and Board members at the Tocumwal Golf Club believe that this legislation has the potential to not only damage their club, but the club industry as a whole. Internally, this club could then suffer from financial problems as well as social implications. It has been drawn to our attention gambling is a big problem for some people, but there has to be better ways to combat the problem without impacting those who do not suffer from gambling problems and only rely on poker machines for social interaction.

It is for this reason we request careful consideration of this submission by the committee and more thorough research into the effectiveness of the proposed legislation is undertaken as implementation could damage our club, as well as our community.

Yours Sincerely

Tocumwal Golf Club

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Tocumwal Golf Club

Jessica Moloney

Submission to the Community
Affairs Committee of the Federal
Senate

Regarding the

**Inquiry into Poker Machine Harm
Reduction Tax (Administration)
Bill 2008**

Written by

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on behalf of

Tocumwal Golf Club

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1.0 Executive Summary

This Submission has been written in order to outline the financial and social position of the Tocumwal Golf Club and how potentially devastating the Family First's Poker Machine Harm Reduction Tax (Administration) Bill could be to not only the Tocumwal Golf Club itself, but the township of Tocumwal.

- ❖ The Tocumwal Golf Club was first established in 1956 and has significant history, as where the Club is situated was once a RAAF base used in the war. This provides the elderly patrons with a sense of belonging as they may have been here many years ago or known people that were here while the war was taking place.
- ❖ The Tocumwal Golf Club is one of two registered Clubs in the town of Tocumwal. However, there are four hotels located within the town that have the benefit of being located close to the main street. All of these hotels provide similar services to the Tocumwal Golf Club but on a smaller scale. For example: Smaller TAB and Poker Machine Facilities.
- ❖ Gaming Revenue was the largest source of revenue for both 2007 and 2008 but a decrease in gaming revenue was experienced in 2008 compared to 2007.
- ❖ The Tocumwal Golf Club plays a vital role within surrounding communities by donating money to local organisations and sporting groups. This is made possible, largely due to gaming machine revenue.
- ❖ The Tocumwal Golf Club believes that this tax should not be imposed, as it would damage the community and the club. The money should be directed to something more worthwhile and beneficial for all parties. This may include rehabilitation programs for problem gamblers and awareness about the problem.

The Tocumwal Golf Club recognises what the government is trying to achieve by introducing the Family First's Harm Reduction tax but believes that the legislation is

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misdirected and extensive research needs to be conducted to find more beneficial ways to prevent problem gambling.

2.0 Introduction

The Tocumwal Golf Club is a Club situated on the outskirts of Tocumwal on the Murray River in New South Wales. The Tocumwal Golf Club offers many services to both members and guests, Poker Machines being one of these. The Club offers 121 poker machines for patrons to choose from. These poker machines provide entertainment and a venue full of social interaction for many people that visit the club.

It is the belief of the Tocumwal Golf Club that the Family First's Poker Machine Harm Reduction Tax (Administration) Bill, if implemented, will unfairly affect the members and guests as well as the club. The Legislation would not achieve the aim of reducing problem gambling, as problem gamblers would find other ways to gamble, such as the internet. Extensive research needs to be conducted into whether this bill will be affective and the implications it may cause.

This submission has been produced by Jessica Moloney on behalf of the Tocumwal Golf Club to express the clubs concern about the severe nature of this legislation and the significant affect it can and will have on the club's sustainability.

3.0 Scope and Position of the Tocumwal Golf Club

3.1 General Information and Background

The Tocumwal Golf Club was first established in 1956 and has slowly grown to offer more facilities to patrons. The Tocumwal Golf Club is situated on a magnificent golf course, which offers 36 holes of golf. Most of the patrons who visit the Tocumwal Golf Club have similar interests, this being golf. These people travel from Melbourne to Rockhampton to enjoy the golf course and hospitality services the club has to offer.

The Tocumwal Golf Club is situated on Corowa Road on the outskirts of Tocumwal. Tocumwal is a town consisting of 1930 people on the Murray River in New South Wales. The town is driven by tourism and relies on this to boost the local economy. Although the Club is situated on the outskirts of town this does not reduce membership as transport can be easily arranged on Friday and Saturday nights via the Club's courtesy bus.



This is a map that shows the position of the Tocumwal Golf Course where the Club is situated on the outskirts of town.

The Club draws members from not only Local areas such as Finley, Cobram and Berrigan, but all over the country as far as Perth and even Korea. Patrons over the age of 18 who live in Tocumwal within a 5km radius of the Club need to be members in order to enter the club. The club currently has approximately 3126 members.

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Tocumwal consists of a mix of retirees and working class people without large disposable incomes. The members are people looking for a low cost social environment, which is what the Tocumwal Golf Club offers them.



This is a map that shows the proximity of other nearby towns that visit the Club on a regular basis for social outings.

The Tocumwal Golf Club offers brilliant hospitality services seven days a week with full bar and restaurant facilities. The restaurant in the Club, known as RAAFTers, is the only Restaurant in Tocumwal with full table service.

The Tocumwal Golf Club offers full TAB and KENO Facilities as well as 121 different types of poker machines. These are all used as social interactions for individuals when they come to visit the Club.

The golf course is the main attraction of the Tocumwal Golf Club. This attracts many people to not only the town of Tocumwal but to the Club. The Tocumwal Golf club has approximately 1180 golfing members. Local businesses such as motels and hotels recognise and benefit from the club's contribution to attracting people to the town and helping keep the local economy strong.

4.0 Revenue Streams

4.1 Types of Revenue

The Tocumwal Golf Club stimulates revenue from a set number of activities. These include:

For year ended 30 June 2008

Revenue Type	2008 (\$)	2007 (\$)
Bar Sales	1164825	1214051
Catering Sales	1096434	1085669
Gaming Revenue	2892151	3071930
Other Gaming Revenue	2246450	2374969
Golf Course Revenue	1044060	1025046
Package Deals	1000774	905615
Motel Revenue	568622	230101
Total	10013316	9907381

Gaming Machines were the Tocumwal Golf Clubs largest source of revenue for both 2007 and 2008, accounting for 55% in 2007 and 51% in 2008 of the total revenue. Although, this revenue has decreased from 2007 to 2008 and will continue to decrease if the Poker Machine Harm Reduction Tax is imposed.

Motel revenue, golf package deals and catering sales have all increased from 2007 to 2008 but bar sales have decreased. These different sectors would not produce enough revenue to keep the club financially stable.

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4.2 Types of expenses

The Tocumwal Golf Club has many different expenses, these include:

For year ended 30 June 2008

Expense Type	2008(\$)	2007(\$)
Administration Expenses	718547	713595
Operating Expenses	726557	711329
Bar Expenses	473109	464223
Catering Expenses	586386	475029
Gaming Machine Expenses	788215	846824
Gaming Expenses	569865	602246
Motel Expenses	467713	154920
Package Deals	861342	818756
Golf Course Expenses	823929	759908
Total	6015663	5546830

In 2008 expenses were higher than 2007. This can be seen in operational expenses which was due to computer costs, motor vehicle expenses and light and power expenses. Wages were a major factor that contributed to motel, catering and course expenses to have a significant increase. Gaming machine expenses were lower in 2008, which can be correlated to the fact that Gaming Machine Revenue was lower thus, less gaming machine tax.

4.3 Profitability

The Tocumwal Golf Club has experienced an 11% decrease in profitability from 2007 to 2008. An increase in expenses is one of the factors that has contributed to this. The

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Tocumwal Golf Club fears that in the future if the Harm Reduction tax is imposed profitability may decrease more severely.

5.0 Employment and Training

The Tocumwal Golf Club currently employs approximately 92 staff. This ranges from catering and bar staff to course and motel staff. These consist of full-time, part-time, casual, trainees and apprentices.

Each and every one of these staff relies on the Tocumwal Golf Club to financially support them. This can be seen as over \$6 million in wages and \$570 000 in superannuation has been paid out over the past three years.

When employing staff at the Tocumwal Golf Club it is recommended that they have completed their Responsible Conduct of Gambling as well as Responsible Service of Alcohol. Every staff member that works in the bar has the opportunity to learn about poker machines and how to do refills and payouts. This is a skill that helps them in future employment as well as here at the Tocumwal Golf Club.

If the Family First's Harm Minimisation Tax was to be implemented the Tocumwal Golf Club would have to look at ways to decrease expenses. This may include having to cut staffing cost.

6.0 Gaming Machines

Here at the Tocumwal Golf Club we believe that Poker Machines are a legal and well-liked leisure activity enjoyed by people across the world. When visiting the Tocumwal Golf Club one of the major attractions are the poker machines.

At the Tocumwal Golf Club a pleasant environment where the patrons can enjoy themselves and relax is provided. The laughing and talking heard coming from the gaming machine area makes this evident.

At present, the Tocumwal Golf Club follows all current legislation regarding Gaming Machines. This is frequently reviewed and audited by management staff to ensure the Tocumwal Golf Club is doing all they can to help prevent problem gambling.

7.0 Benefits to the Community

The Tocumwal Golf Club plays an important social role within the surrounding communities. It provides a location for them to socialise and relax as well as meet new people. The Tocumwal Golf Club also plays a major role in financially funding sporting groups, organisations and clubs so that they can take part in desired activities.



“The River Rats”

A Local Paddling Team that the Tocumwal Golf Club sponsored so that they could participate in the Murray River Marathon.

7.1 Club Facilities and Internal Benefits

The Tocumwal Golf Club offers many facilities for patrons to enjoy and utilize.

These include:

- Keno
- TAB
- Restaurant seven nights a week
- Fully licensed bar
- Poker Machines
- Outdoors gaming and smoking area
- Live entertainment every Saturday night
- Bingo three times a week
- Function room
- Big screen entertainment
- Member discounts
- Golf Package Deals
- Courtesy Bus Friday and Saturday nights

The Tocumwal Golf Club holds many events that are very popular within the community. These include:

- Friday night raffles and members draws
- Special Dinners (For example: Mauritius Dinner, Indian Dinner)



View from the outdoors Gaming and Smoking area

Tocumwal Golf Club

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7.2 External Benefits

The Tocumwal Golf Club is required to contribute funds to community projects under the Community Development Support Expenditure Scheme (CDSE). The recipients include;

30th September 2007-31st August 2008

Name of recipient	Contribution (\$)
Cobram Gateway Services	1390
Cobram Yarrawonga Group of Melbourne Legacy Inc.	1900
Finley High School	50
Pink Ribbon Foundation	60
Red Cross	1500
Tocumwal Angling Club	300
Tocumwal Football & Netball Club	2000
Tocumwal Football & Netball Club	1200
Tocumwal Football & Netball Club	5000
Tocumwal Lions Club	800
Tocumwal Pony Club	100
Tocumwal Race Club	1200
Tocumwal Red Cross	550
Tocumwal Visitor information	1300
Tocumwal Hospital	930
Royal Life Saving Society	9000
Tocumwal Hospital Auxiliary	4960
Cobram Special Development School	2200
Total	35770

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The Tocumwal Golf Club also donates money to local organisations and charities from the money given to staff as tips in the restaurant. Recipients of these donations include:

- New South Wales Fire Services
- Sacred Heart Primary School
- Tocumwal Public School
- Tocumwal Pre-School



Chief Executive Officer Greg Ferguson presenting Val Col a donation from the Tocumwal Golf Club

8.0 Potential Impact of Poker Machine Harm Reduction Tax (Administration) Bill on the Tocumwal Golf Club

8.1 Financial Impact

The most severe impact that the Tocumwal Golf Club would experience would be financial hardship. The Club is already experiencing revenue loss which can be linked to rising petrol costs, the current economic cycle and current climate conditions affecting local farmers.

The Tocumwal Golf Club does not have the revenue streams to be successful and maintain profitability without gaming machines as they account for approximately 50% of total revenue.

8.2 Social Impact

The loss of gaming machine revenue would also infringe on the Tocumwal Golf Clubs role as a social gathering point for local community members. Patrons repeat their visit to the Tocumwal Golf Club to enjoy the atmosphere as well as good value, discounted prices.

If the Poker Machine Harm Reduction Tax was to be imposed the Tocumwal Golf Club would have to look at ways to decrease expenditure. This may impact the members and guests as the club would no longer be able to offer discounted prices to members and guests.

Generally people who visit the club for a meal utilise the gaming facilities which makes their experience within the club more enjoyable. If this tax was to be imposed it has the potential to decrease the gaming facilities available to patrons of the club.

8.3 Community Impact

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As noted previously, the Tocumwal Golf Club has significant contribution to many community organisations and groups. Without gaming machine revenue, the Tocumwal Golf Club would no longer have financial flexibility to fund these important groups within the community.

The relationship and reputation the Tocumwal Golf Club has within the town would then be weakened. This would also impact the clubs ability to attract patrons as by sponsoring community organisations the Club is recognised for goodwill, which then acts in the clubs favour as a marketing tool.

9.0 Recommendations

The Tocumwal Golf Club recommends that;

- This tax is not imposed
- Government funds and time be spent on researching and investing into more sufficient ways to decrease problem gambling such as assisting the mental health of problem gamblers.

10.0 Conclusion

The Poker Machine Harm Reduction tax will not mend the issue of problem gambling. It may on the other hand destroy the financial stability of the Tocumwal Golf Club as well as the club industry.

The Tocumwal Golf Club relies heavily on poker machine revenue and without it will struggle to remain profitable. This lack of profitability will then impact the local community who benefit from the facilities the club offers and the financial funding the club offers to local organisations.