

Gambling Inquiry Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Sir,

Submission by Alfred McGrath – President - Oatley RSL & Community Club Limited to Gambling Inquiry

Oatley RSL & Community Club, a small social club located in the southern suburbs of Sydney is pleased to have the opportunity to place before the Inquiry an outline of its business and of its role within the community. The purpose of this submission is to debunk the often quoted mantra that because Clubs derive income from gambling, they are of no value to society.

Our Club first began trading shortly after WW2, when like minded Returned Servicemen got together to form a social 'club' within their local community. From those fragmented early beginnings the Club has provided to this community a continuous and important social amenity for its citizens – a not unfamiliar history found in hundreds of communities throughout Australia.

The Club was formed for the purpose of providing a meeting place for its members to fraternise, to entertain and to support the rehabilitation of service men and women returning to life after war. The Club embraced the aims and ideals of the Returned & Services League of Australia to provide support for those war veterans not able to provide for their own needs. That ideal remains today, whereby support provided by our Club is an extension of community welfare services delivered by government and non-government agencies across the wider community.

Our business, like most small Club businesses, provides a range of subsidised value for money services including food, catering, beverage, sporting, social, cultural, youth development and entertainment. Club facilities are made available free of charge to community based not-for-profit organisations, and at below commercial rates to organisations which levy a small charge on its members.

How is this possible? Income is derived from the sale of goods and services with by far the highest income being sourced from gaming (poker machines). Poker machine income accounts for about 55% of the Club's total income. The high percentage of poker machine income as a proportion of all income, is historic, although new taxing regimes, and other socio-economic factors, have seen the proportion fall in recent years. Poker machine income remains the big ticket item when it comes to our Club's income, but the decline in income from this source is having an adverse effect on the Club's ability to maintain its community services program.

The Club's profile sits at the lower end of the gaming machine income band \$1m- \$5m. It has a membership base numbering 3000, whose ages range between 18 years and 90+ years of age, both female and male members. The Club provides gambling services through poker machines, keno, and access to TAB wagering.

In delivering these services, as well as other non-gambling activities, the Club employs 7 full time staff, and some 20 other staff of part time and/or casual status. Wages and related staff costs account for about 30% of the Club's total income.

Apart from monies distributed in direct community support payments in the form of donations and sponsorships, the Club also provided 'in kind' assistance in the form of meeting place

facilities for community organisations across all age and interest groups free of charge. For groups which levy a fee for their participants, the Club's facilities are available at hiring charges substantially below commercial rates. There is no other suitable meeting facility in Oatley available for use by community groups.

The Club's business plan incorporates a commitment to responsible service of alcohol and has a range of actions directed at minimising harm from industry services. Staff is qualified to respond to patron concerns, including a 'self exclusion' process.

Much is written about the Australian way of life and its fondness for 'a good time' linked to alcohol and gambling - it is endemic in the Australian character. Moderation is practised by most of its citizens, who exhibit a responsible and mature approach to social enjoyment, as they do to family and work responsibilities, as well as their social relationships. From my experience over the past seventy five years, it has always been this way.

Our Club plays an important part in local community life which would be adversely effected if the Club was denied its income from gambling. The Club is not opposed to a modernisation of laws and regulations effecting its business, but would expect the role of the traditional community Club, such as ours, to be fairly assessed for what it is, and not become aligned with other mega Clubs and like businesses which operate a different philosophical and business model.

Alf McGrath
President
Oatley RSL & Community Club
30 March 2009