



04 December 2009
Gambling Inquiry Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Commissioners,

Thank you for the opportunity to provide a submission with regard to the inquiry into Australia's gambling industry recently undertaken by the Productivity Commission.

We would like to provide further comment for consideration.

The terms of reference; reference 5 "Assessing the benefits has not been given due consideration. Nor has the different gambling models across different jurisdiction been discussed at any length. Our submission listed many benefits provided to the Community:

4.0 New Projects and Involvements

4.1 Ainslie has provided management expertise to assist in the development and consolidation of a number of local sporting bodies.

4.1.1 Through **Softball Canberra**, Ainslie has assisted with fund raising activities and the sponsorship of special events. Ainslie has also sponsored many individual teams and regional competitions making Softball Canberra one of the strongest competitions in Australia. Ainslie's contributions have assisted many local men and women softballers to achieve Australian team selection and Canberra softballers are significantly over represented in the Australian team.

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4.1.2 Ainslie has assisted **North Canberra Gungahlin Cricket Club** in relocating to Harrison playing fields in Gungahlin and provides continued strong financial support.

4.1.3 Ainslie has provided ongoing financial support to **Lifeline Canberra** over the past decade. Also Ainslie was a major contributor to the launch of Club Care, a service to persons who may have issues with gambling.

4.1.4 Gungahlin Jets Australian Football clubs (Seniors and Juniors) has been provided with substantial funding over the past decade to assist with the continued development of the clubs. The Junior Jets have grown from one team to having a team compete in each age group in the space of 10 years.

4.1.5 Ainslie has provided scholarships and financial support for a number of **developing elite athletes** including Stuart Rendell¹, Olympic representative, two-time Commonwealth Games hammer throw champion and 2001 World Athletics Championships team captain, and Sasha Wainwright², Captain Matilda's and long time representative.

4.1.6 Ainslie has assisted **North Canberra Gungahlin Little Athletics** with the purchase of equipment such as the recent purchase of starting gates.

4.1.7 Ainslie has assisted the **Vietnam Veterans' Page Sub Branch** with funding for the complete refit and overhaul of a mobile food van which is used for fund raising activities.

4.2.8 Ainslie has sponsored the **ACT Swimming Championships** in recent years.

4.2.9 Ainslie has strongly supported the **Asian Tsunami and Canberra and Victorian Bush Fire Appeal** in recent years. In 2009 we contributed \$10,000 to the Kinglake Football Club via the Yarra Valley Football and Mountain and Football and Netball League to help Kinglake re-establish their football and net ball teams. It should be noted that we are ready to assist individuals and groups affected by natural disasters when they occur.

¹ http://www.athletics.com.au/fanzone/athleteprofiles/stuart_rendell

² http://www.womensoccer.com/refs/ofc-refs/ofc-auswin_13apr03.html

5.0 Other School Orientated Projects

5.1 Ainslie has provided on going financial support to many schools in inner North Canberra and Gungahlin, and assisted with the development of schools oriented sports programs through a full time Development Officer of the Ainslie Football Club.

5.2 Ainslie has assisted schools in our catchment by allowing students to use the Gungahlin Lakes golf course. Also Ainslie has developed a fully funded junior training program for promising junior golfers through Gungahlin Lakes Golf Club, and a gauge of the program's success is that four of past five Club Champions have been junior golfers.

5.3 Ainslie has assisted schools swimming carnivals by sponsoring events.

5.5 Over the past three years, many school and their students have used Ainslie's facilities, ranging from football and golf facilities to speech nights, formals and various cultural events and fund raising events.

5.6 Ainslie has funded **Dickson College** graduation day and **Ainslie Primary School** activities for many years.

5.7 Ainslie has provided staff to judge schools based training programs related to **Business Week**.

6.0 Community Partnerships

6.1 Ainslie has further expanded its community contribution by developing partnership arrangements with a number of well-established, long standing service organisations as follows.

6.1.1 Lifeline – Ainslie was a founding member of Lifeline's Club Care program and has provided funding in excess of \$300,000.

6.1.2 Council for the Ageing - Ainslie for many years have hosted free of charge the ACT Government Chief Minister's breakfast for the Council for the Aging.

6.1.3 Aglow – Ainslie has provided a venue for Christian groups to meet and use facilities free of charge.

6.1.4 Goodwin Homes – Ainslie continues to provide annual Christmas luncheon for the elderly residents from the nearby Goodwin Homes which is hosted by the Directors and Management providing table service for food and beverage gratis.

6.1.5 ClubsACT Community Partnership - Ainslie has been a strong supporter of ClubsACT Community Partnerships providing funding support to organisations including Camp Quality, The Spastic Centre, Crime Stoppers, and The Big Issue.

6.1.6 ClubsACT Annual Golf Day – Each year Ainslie has made available its golfing facilities to ClubsACT to raise funds for charities. These charities include Koomari, Galilee, Ted Noff's Foundation, South Care Helicopter, Breast Cancer Foundation, Movember, Affirm and Cyclops ACT. Over the past eight years almost \$100,000 has been donated.

7.0 Family and Senior Support

7.1 Over and above the wide-ranging family and seniors' programs provided by Ainslie, the club is also now providing the following additional programs:

7.1.1 Each week Ainslie hosts the **Belconnen Day Club** for its meetings providing a function rooms and refreshments free of charge.

7.1.2 Ainslie provides a weekly venue and refreshments for the **Vietnam Veterans'** group, and funding over many years exceeds \$100,000.

7.1.3 Every Tuesday the Gungahlin Lakes Community and Golf Club provides a meeting room for **Breast Feeding mothers** so individuals can enjoy each others company and share ideas about motherhood.

The Productivity Commission does not vigorously provide any comment about the distribution of trade surplus from operations that Clubs make to the community. Ainslie Football and Social Club Ltd provided benefits to the community of more than three times our statutory obligation (Community Contributions \$2.242m versus statutory contributions \$0.733m). In the year ending 30 June 2009 Ainslie Football and Social Club Ltd was not alone. Clubs in the ACT contributed double their statutory requirements (**Community Contributions of \$13.8m versus statutory contributions \$6.9m representing 14% of net gaming machine receipts**)

<http://www.gamblingandracing.act.gov.au/Documents/Community%20contributions%20Report%202008-09.pdf>

The Productivity Commission also does not make any mention about the different gaming model that exists in the ACT – a community based gaming model that does not allow private companies to operate gaming machines in the ACT. Therefore individuals do not profit from the operation of electronic gaming machines in the ACT. Subsequently all proceeds from gaming in some form makes it way back into the community. No one individual benefits from gaming in the ACT at the expense of another. On a pure pragmatic macro economic basis it follows then Ainslie Football and Social Club Ltd believes that the ACT gaming model provides an at least neutral economic platform. It is probable due to the multiplicity effect of the benefits that more benefits than costs are provided to the ACT community. This unique model of gaming should be further investigated by the Productivity Commission. Further research on this model of gaming should be undertaken and comment should be made about it.

The Productivity Commission has much to say about harm minimisation, the number of gaming machines and there proximity to market; and rightfully so. But

then to provide a conflicting and completely contradictory statement that says the Canberra Casino should have gaming machines based on economic pragmatism and fairness does little to explain other arguments put by the Commission as it relates to harm minimisation. It tends to make a mockery of all other statements purported by the Commission about harm minimisation.

Draft finding 6.1 "Little evidence has been collected about the effect of school-based gambling education programs on students' gambling behaviour. This is concerning, as there is some risk negative as well as positive behavioural impacts." 6.2 "Given the risk of adverse outcomes, governments should not extend school based programs without first assessing the impacts of current programs".

It is disappointing that on the one hand education about gambling is recognized by the Commission but then a biased position is put to mitigate any benefit by suggesting risk negative potential being an outcome. An educative process about many vices has been generally discussed at community levels for many years. Doubting Thomas' will suggest that the educative process will only encourage the negative behaviours. This position has been demonstratively proven wrong as it relates to alcohol consumption, HIV education, and sex and drug education of teens. These education programs have not resulted in an increase of these activities and have provided a better information base for teens to make valued decisions.

An initiative of Ainslie Football and Social Club with the help of ClubsACT is Clubstart; an educative program to train high school students for entry level in the hospitality industry. This course endeavours to show teens the risks associated with irresponsible consumption of alcohol and the risks associated with gambling. Clubstart acts completely independently of the club industry and is encourage to tell the story on at risk behaviours associated with either consumption of alcohol and or gambling as it is. It is a view held strongly by

Ainslie Football and Social Club Ltd that given the resources of the Productivity Commission more effort could have been made relating to the role of education assisting to mitigate at risk behaviours associated with gambling and alcohol consumption by teens and subsequently young adults.

To suggest a position that governments should almost put a halt on the educative process until a full assessment is done we feel is misguided. We feel the benefits are obvious. Should further assessment processes be undertaken to improve educative programs – the answer is obvious.

It is unfortunate that some individuals in the community will take the Productivity Commissions comments about education in the negative to the extent that no education is a more constructive model. The Productivity Commission should spend a considerable amount of time making sure its position about the educative processes is clear. Without clarity there is potential for confusion. Potentially, subsequent misguided exploitive statements might be made by interest groups taking Productivity Commission statements out of context to argue a position. This we feel is unfair and counterproductive. There is no conflict for clubs to make sure individuals are educated about all kinds of risk behaviours – gambling is but one of the vices that requires a strong educative process to mitigate risk behaviours.

It is disappointing that no mention is made of the submissions provided by ClubsNSW, Clubs Australia, ClubsACT or any other Club other than these submissions being included as reference material. This matter should be addressed to provide a balanced and more comprehensive report to Government.

Given that no mention is made about submissions by the Club industry generally then the Productivity Commission fails to clearly demonstrate strongly and unequivocally the enormous benefits the Club industry provides to sport and the

community compared to private gaming operators. Further it does not mean the report is presented in a fair and unbiased way.

The Productivity Commission Report does not properly investigate the macro impacts of changes to the regulatory framework and how these changes will be managed as they relate to individuals and their families that are employed by the club industry.

If all the recommendations proposed the Productivity Commission are implemented and the club industry is decimated who will pick up the macro shortfalls with the considerable infrastructure investment made by the club industry? It should be noted that many infrastructure projects have their basis in outdoor activities (bowls, golf, football ovals, swimming pools etc). As our population ages there will be an even greater demand for recreational pursuits by the aging.

The Productivity Commission does not properly explain any transitional frameworks required to implement any of the proposed changes. To expect many of these changes to be implemented by 2016 is impossible without completely fracturing this section of hospitality and recreational industry. In any case, Ainslie Football and Social Club would hold the view that technically the time frame cannot be met.

The Productivity Commission does not provide any suggestions or a framework for the sustainability for the club industry's economic activity. Again the recommendations are without explanation about how business might be expected to transition and survive if all the recommendations were implemented. Notwithstanding the long range impacts to transition if one or more of the recommendations are implemented; it is already apparent that financiers are reassessing risk outcomes of the clubs as a result of the release of your report. This in itself could cause some clubs to fail financially.

Our first submission aimed to provide the commission with an understanding of what the Ainslie Football and Social Club Ltd provides to residents in the inner north of Canberra and Gungahlin.

This value has both social and economic benefits. The benefits are derived from a variety of business activities with gaming revenue being one of our revenue streams. It should be vigorously stated that as a community club based on the principals of mutuality all surpluses goes back to the members. No one individual, corporation or shareholders receives any benefit from the proceeds of gaming.

We would like the Productivity Commission to revisit many of the issues we have raised. We would like the Club industry to be recognized for the benefits that the club industry does provide the community as per "Assessing the Benefits"; terms of reference point 5. It would be remiss of the commission not to address these outcomes and at the same time provide Government a well balanced position paper on the gambling industry.

Regards

A handwritten signature in black ink, appearing to read 'M Scholes', with a large loop at the end of the last name.

Malcolm Scholes

President

Ainslie Football and Social Club Ltd

04 December 2009