



SUBMISSION TO THE
PRODUCTIVITY COMMISSION INQUIRY
INTO GAMBLING

Response to Draft Report prepared by the Redcliffe Leagues Club

December 2009

[Overview of Response]

Thank you for the opportunity to submit a written response to the Draft Report and for the opportunity to present this at today's public hearing. My name is Tony Murphy and I am the General Manager of the Redcliffe Leagues Club and Redcliffe District Rugby League Football Club. I am also a Director of Leagues Clubs Australia. I am joined by the Redcliffe Leagues Club's Marketing Manager Trent Dixon and Peter Turnbull, CEO of Leagues Clubs Australia.

We would like to commence by stating that the Redcliffe Leagues Club Ltd and the Redcliffe District Rugby League Football Club Inc are a successful model for community based sporting clubs.

We feel we are representative of sporting clubs which can be found in every community in Queensland, and I would like to make the Commission aware of the worth of sporting clubs to a community. I believe we are in a good position to respond to the Draft Report.

After an initial submission to the Productivity Commission prior to the release of the Draft Report, and after considering its recommendations, we would like to offer the following as a response:

- A case study of the Redcliffe Leagues Club (looking at present day KPIs against the 1992 scenario prior to EGMs)
- Information pertaining to our commitment to achieving best practice in the responsible service of gaming products
- The significance of the Queensland Household Gambling Survey

In doing so we would firstly like to offer this snapshot of our business, in order for the Commission to put our response in perspective:

Redcliffe Leagues Club Limited

280 EGMs

28,000 active, financial members

65,000 visitations each month (excludes the community-based Dolphins Aquatic Centre)

\$25m+ in annual sales

200 staff

100 senior players, 800 junior players, 6 fields of a playing standard

80+ recipients each year of grants, sponsorships and donations

[Section 1 – A Case Study]

In providing the following case study on Redcliffe Leagues Club, our intention is to paint a picture of our leagues club and football club now as opposed to 1992, prior to the arrival of EGMs in Queensland.

I would like to preface the following statistics by pointing out the population of Redcliffe has grown approximately 22% from its 44,933 residents in 1991 to the 54,888 residents today. In running through some of the growth in areas of our business that deliver both direct and indirect benefits to our community, you will notice the growth is substantially more than that of the population.

In 1992 the Redcliffe Leagues Club was very close to closing its doors. I can say without hesitation the introduction of EGMs allowed not only the Club to survive but to thrive, which places us in a wonderful position today of being a part of the very fabric of the Peninsula community.

The Club had approximately 1,500 financial members in 1992. Today this figure stands at 28,000. Employment has risen from 10 to 200 persons during this time. Entertainment consisted of paid shows in 1992 and our investment was approximately \$10,000pa. Today we invest \$500,000pa in providing at least 11 free shows each week. This comes with significant intangible benefits I will outline below.

The most significant change over this time period is undoubtedly participation rates. We had 200 juniors, we now have over 800 in Redcliffe making us the largest junior club in Queensland. We formed the Narangba Rangers and this growth corridor has grown to 350 juniors in 4 short years. Ofcourse community gaming has also covered the extraordinary administration and ground maintenance expenses associated with this level of rugby league.

We are concerned the untested recommendations in the Draft Report will steer our Club and those like it back to the 1992 scenario. We would like the Commission to consider these points:

- Direct loss of jobs: 97% of our current employees live local, injecting \$6m pa into the local economy in payroll alone. Approximately 75% of our employees could face redundancy. We offer flexible employment that is attractive to students and busy mums juggling families

□ Indirect loss of jobs:

- Entertainment providers
- Building industry
- Architects
- Sales representatives
- Transport and logistics
- Dolphins Aquatic Centre (community hydrotherapy pool)
- Cleaners
- Food and beverage providers
- Security providers
- Printers
- Etc

□ Community Commitment: The Redcliffe Leagues Club consistently assists over 80 worthwhile community groups, causes and sporting teams. This figure was in excess of \$1.7m last financial year. Highlights of this include:

▪ Peninsula Power Soccer Club	\$13,750pa
▪ Redcliffe Leagues Netball Association	\$11,000pa
▪ Redcliffe Leagues Padres Baseball Club	\$11,000pa
▪ Redcliffe Leagues Softball Club	\$11,000pa
▪ Redcliffe Hospital Foundation	\$100,000 over 4yrs
▪ Redcliffe Volunteer Coast Guard	\$11,000pa
▪ Redcliffe Little Athletics	\$6,000pa
▪ Peninsula Disabled Riding School	\$12,257 (since 2006)
▪ Redcliffe PCYC	\$11,000
▪ State Emergency Service	\$5,000
▪ Redcliffe Tennis Association	\$5,000pa
▪ Redcliffe District Touch Assoc	\$2,200pa
▪ Redcliffe Leagues Hockey Club	\$10,000pa
▪ Redcliffe Leagues Lawnton Swimming Club	\$10,000pa
▪ Redcliffe City Junior Cricket Club	\$2,000pa
▪ Deception Bay JRLFC	\$5,000pa
▪ Burpengary JRLFC	\$5,000pa
▪ Narangba JRLFC	\$5,000pa
▪ Dayboro JRLFC	\$5,000pa
▪ Caboolture JRLFC	\$2,000pa
▪ Bribie Is JRLFC	\$2,000pa
▪ Brighton JRLFC	\$5,000pa

- Potentially, the leagues club would not be able to assist its own football club, let alone the aforementioned groups within its current community commitment.
- The QLD State Government recently acknowledged it simply could not provide the sporting infrastructure we currently enjoy without the significant contribution of community clubs.

Intangible Values:

- Rugby league is a working class game, with participants most likely to come from low socio-economic backgrounds. The equation is simple: we had 200 kids playing before the introduction of EGMs, we put them in, subsidise the cost making it affordable for the working class and below, and we now have over 800 Redcliffe juniors. What happens to those 600 kids if the \$45 registration becomes \$400? This is just one of the intangible values of community gaming I refer to. If a single child misses out on that team environment, a potential father figure in a coach, discipline and teamwork, does he turn to crime? What cost does this bring with it? Juvenile delinquency and childhood obesity are just 2 possible outcomes.
- Engaging our seniors. What are the intangible values in engaging our seniors through social interaction and exercise through dancing. We hold aqua classes aimed at our seniors. We keep our seniors out of hospital beds. How much stress do we ease off our crippled health system?
- Can we ask the people who have been saved by our Volunteer Coast Guard, after a search and rescue effort onboard 'Redcliffe Leagues 2' their primary weapon in saving lives, if they appreciate the Redcliffe Leagues Club's \$11,000 pa sponsorship?
- What value, beyond the \$25,000 it costs the Redcliffe Leagues Club, can you put on a popular community event like Carols by Candlelight? What benefits does this have in terms of binding a community?
- What is the real, dollar value benefit to a community of a \$100,000 commitment to cancer research?

Based on the current recommendations set out in the Draft Report, we believe the 1992 scenario looms dangerously close. What is concerning is this is the impact on a Club better placed than most to handle these untested measures.

We are naturally concerned about the impact on the industry as a whole, and we are naturally concerned that these measures may not indeed impact on the current levels of problem gambling, which in our jurisdiction, is just 0.37%. A figure we will address in the final section of our response.

[Section 2 – Best Practice RSG]

On the topic of the important distinction between community and entrepreneurial gaming, of which the Commission is aware of the various scenarios for taxation and distribution of proceeds, we would like to add the following points applicable to the Redcliffe Leagues Club:

- We are community gaming
- We have one entry point to the venue staffed by long-term, friendly, responsible, trained employees. It is at this point our patrons are greeted and satisfy the conditions of entry, which may be showing a membership card or signing in as a visitor or member' guest
- Our community gaming room is staffed by long-term, friendly, responsible, trained employees. Our best employees.
- All gaming staff are trained in Responsible Service of Alcohol; Responsible Service of Gaming; and Anti Money Laundering & Counter Terrorism Financing
- We believe this makes our community gaming room significantly safer than an entrepreneurial gaming room which can have its own entrance off a side-street or car park
- Since 2006 eight persons have self-excluded from the Redcliffe Leagues Club, two of which were not leagues club customers. We do not welcome problem gamblers, it is not in anyone's best interests
- We are committed to the QLD Code of Practice, which we believe has been instrumental in the decline of problem gamblers amongst the adult population of Queensland as outlined in the QLD Household Gambling Survey

We consider ourselves an important cog in the very, very tight knit Redcliffe community and we therefore have to trade extremely responsibly, year in, year out. Any other result would eventually mean our downfall. Like most light-entertainment destinations, we operate in a limited catchment zone and rely on healthy, loyal members providing repeat visitation. For this to occur we need the people of Redcliffe to be in a sound financial position so they can enjoy their leisure time with us. The reputation of the Redcliffe Leagues Club as a responsible, community business must be upheld.

With this said we would also like to point out that, of the 65,000 visitations every month, gambling is not a problem for 99% of them based on the QLD Household Gambling Survey that, despite the Commission's proclamations, cannot be ignored. It is the largest survey of its kind in the world.

This leads us to the issue of personal responsibility. We ask the Commission to consider that, given all of the evidence of tangible and intangible value community clubs generate put before them, along with the decline in the levels of problem gambling in this country, where does the valid case for personal responsibility lie?

[Section 3 – Queensland Household Gambling Survey]

Finally, we feel the draft report has largely ignored or disputed the QLD Household Gambling Survey. In relation to this survey, which the Commission is aware of:

- The survey is completed regularly
- The survey is one of the largest of its kind in the world
- The survey uses the widely-respected Canadian Problem Gambling Index
- The survey has never recorded, since 2001, problem gambling levels amongst the adult population of QLD of more than 0.83%
- This figure has declined in 4 successive surveys to its current level of 0.37%
- Is commissioned by the Queensland Office of Liquor, Gaming and Racing

To summarise our thoughts on this survey, we would like to reiterate that the Redcliffe Leagues Club operates in Queensland, a heavily regulated gaming jurisdiction by any standards, and we strongly believe the QLD survey should be duly considered when setting recommendations that impact on an industry that so many rely on.

[Summary]

The community club scenario I have just outlined is repeated in every town, district, community or city.

We ask the Commission the question:

Why is there no distinction between responsible, community-based gaming and entrepreneurial for-profit gaming in the draft report in terms of recommendations?

Why is there no acknowledgement of the size of licensed clubs' community contribution or any real investigation by the Commission as to the effect their proposed recommendations will have on both the community contributions and the direct impact on employment?