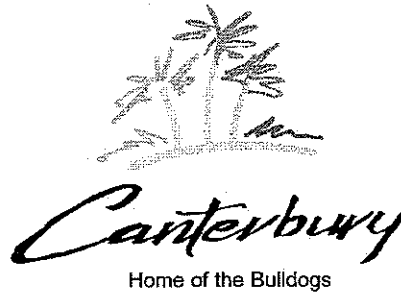


7th January, 2010



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

Dear Sir,

**Submission re Draft Report . . . Productivity Commission Gambling Inquiry**

I write as president of Bulldogs League Club Limited in response to the inquiry's preliminary findings. I have a clear belief that the report does not give due analysis to the downside impact that the projected recommendations will have on the club movement in NSW. The club industry embraces many positive benefits for communities in which they operate, and the report does not appear to have considered the risk to these benefits that its draft recommendations entail.

These benefits include a significant economic impetus in the area in which clubs operate, a large employment base, a major contribution to the social life of their communities, and a considerable impact in complementing often inadequate government services in areas of disadvantage and community stress. Accordingly, I would respectfully ask that you more widely consider the negative aspects that your recommendations will have on established community life.

In Canterbury's case, our projections suggest a loss to revenue of at least 30 percent should the draft recommendations be applied. This would be catastrophic for our club and the industry generally. In our case it would put us into negative territory, force a severe cut in services, trigger the loss of as many as 120-130 jobs, severely cut our community involvement, and ultimately put the club's future in jeopardy.

**The club's role in the community**

Bulldogs League Club was established on 13 December, 1956, so for more than half a century has been an integral part of our community. It was formed by the Canterbury-Bankstown Rugby League club and has always worked hand in hand with the football club. This means that our club occupies a large emotional space in the life of our community, as well as providing leisure facilities and services of a standard that would not otherwise be affordable to a large majority of our clientele. It is our contention then that draft recommendations of the Commission as outlined to this

point would so diminish club revenues as to put much of that community benefit at risk.

Canterbury is a successful club. We have a large and modern building which houses three restaurants, a well-appointed Health Club, a Showroom and several function spaces. We have at time of writing 46,706 members. The club operates premises at Lakemba (Lakemba Services Club) and Bateau Bay (The Bay Sports Club), and each of these facilities provides an extensive range of services. As with clubs generally we operate gaming installations. We have 584 gaming machines at Canterbury, 82 at Lakemba and 101 at The Bay Sports Club. We also operate Keno and a TAB service. Profits raised from gaming activities are used to support our club charter, which is simply to support sport and the community in our area, and to provide an amenity for members that enhances their lifestyle. It is an undisputed fact that many members, especially the aged and the lonely, rely on our clubs as the centrepiece of their social activity.

### **Economic contribution**

Economically, our club at Belmore, as with most large clubs, creates its own economic environment. It employs 504 people, creating economic activity that spreads to many local shops and services. It also does business with a vast number of suppliers who regard the club as a fundamental element of their economic stability.

The club is a significant economic entity. Its total non-gaming revenue for 2008-9 was \$12,199,154. Its gaming revenue was \$76,410,900. It paid \$27,367,604 in gaming taxation, made \$10,000,000 profit, carried debt totalling \$28,759,332 and maintained assets of \$139,520,001. A business of this size needs some certainty about the environment in which it operates. Your draft recommendations are such as to seriously threaten revenue at an operation like ours and to put in jeopardy much of the economic activity that we generate.

### **Social contribution**

The social contribution which the club makes is the primary reason for its existence. This is manifest firstly in the services it provides at an affordable price. It encourages family meals, runs a productive health club, provides free entertainment, and affords to the aged and the lonely a daily social outlet through bingo etc. that is fundamental to their well-being.

In the broader sphere the club provided in excess of \$1.3 million in donations to community and amateur sporting groups through 2009. This does not include money provided to support the Bulldogs Rugby League team, through which vast numbers of people maintain an emotional tether to their community, and gather much enjoyment.

The club made 130 separate donations to community groups. The recipients operated in a wide field of community service including in areas of health, youth services, employment services, disability services, education, child protection, crime prevention, emergency accommodation and sport. The club linked with Canterbury Council in providing funding for two of their programs in youth services and educational support, at a total contribution of \$62,000. The programs would not have

operated otherwise. The club works with council in many areas of community development, both through the Community Development Support Expenditure and independently. The club further supports many non-profit organisations in-kind, principally through the provision of facilities for meetings and, functions

### **Conclusion**

The aim of this submission is to provide the commission with a clear understanding of the positive community benefits that clubs provide, particularly in NSW where the industry is unique. We further submit that there is a huge cost threatened in financial and social terms by the sort of regulations your draft report foreshadows. It seems that clubs, or more particularly poker machines, have become a sharp focus of your deliberations, with less focus on many other forms of gambling. Much has been said about problem gamblers. It is our experience that the sort of restrictive processes you are suggesting will not solve the difficulties of problem gamblers, while negatively affecting vast numbers of others who use clubs for recreation, who work in the industry, or who benefit by its economic or social contributions. Problem gamblers will simply move somewhere else, perhaps to internet gambling now so freely advertised on television sports programs.

The club industry has led the way in dealing with problem gambling through tight supervision, and the provision of counselling services. Making it hard for clubs to survive will only force gamblers into less controlled gambling options. Clubs use gambling profits only for the benefit of their communities, while less controlled operations seemingly outside the current focus use them for private profit.

Our concern is that a lot of well-meaning regulation will hurt a lot of people without providing any benefit in the areas you are seeking. In fact it will only exacerbate the problem.

Yours sincerely



Peter Winchester  
President  
Bulldogs League Club Limited.