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Community Benefits Associated with the Gaming Machine Industry : The Gaming Machine Amendment Bill 2001

The introduction of gaming machines into Queensland in 1991/92 heralded a new era in government support for community and sporting facilities and cultural projects through the establishment of such funds as the Community Benefit Fund, and the Sport and Recreation Benefit Fund. The Gaming Machine Amendment Bill 2001 establishes the Major Facilities Fund which will be used to fund major sporting and cultural facilities throughout the State.

Wayne Jarred **Research Brief No 18/01**

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Ms Mary Seefried	(07) 3406 7116
Ms Karen Sampford	(07) 3406 7310
Ms Nicolee Dixon	(07) 3406 7409
Ms Cathy Green	(07) 3406 7641
Mr Wayne Jarred	(07) 3406 7422

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1 INTRODUCTION

The growth of gaming machines as a lawful method of gambling has been dramatic in Australia. Prior to 1992 the only Australian jurisdictions that allowed such machines were New South Wales and the Australian Capital Territory. By 1997-1998 Western Australia was the only State that did not have gaming machines in clubs, hotels, taverns and bars. Nationally, State government revenue from gambling activities is now heavily supported by revenue from taxation struck on gaming machine profits and levies applied to gaming machines. Across the nation in 1997/1998 poker/gaming machines were the source of $1.7 billion (or 46%) of gambling taxes and levies for State and Territory governments.[1]

The *Gaming Machine Act 1991* introduced gaming machines into Queensland after a long period of unsuccessful lobbing of successive governments on the part of organisations such as the Licensed Clubs Association which declared in 1981 that many of its member clubs were in dire straits and would need interest free government loans to remain solvent.[2] A Morgan Gallop Poll in 1981 suggested that over 60% of adult Queenslanders were in favour of the introduction of gaming machines into the State.[3]

A striking feature of the pro-machine lobby in Queensland was the estimated $100 million taxation that would be paid to the New South Wales government between 1980-1990 through Queensland residents playing machines in seven licensed clubs operating over 1 300 machines in the Tweed Heads area. These seven clubs were among the largest in New South Wales with an estimated combined membership of 98 000, of whom over 80 000 were estimated to be Queensland residents.[4]

The gambling industry has now become a legitimate industry making a significant contribution to the State's economy and this has been magnified since the introduction of gaming machines.[5] (The development of the industry is detailed in a previous paper by the Parliamentary Library.)[6]

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1 Australia. Bureau of Statistics, *Gambling Industries Australia*, 1997-98, (ABS Catalogue No 8684.0) p 11.

2 'Clubs face cash crisis on illegal machines', *Sunday Sun*, 18 January 1981, p 6.

3 'Pokie preferred to casino: Poll', *Courier Mail*, 30 October 1981, p 4.

4 'NSW skims Qld $100m from pokies', *Telegraph*, 26 June 1981, p 3.

5 Charlotte Grigg, 'Gambling in Queensland: Government Revenue and Regulation', *Research Bulletin 5/97*, Queensland Parliamentary Library, p 1.

6 Charlotte Grigg, 'Gambling in Queensland: Government Revenue and Regulation', *Research Bulletin No 5/97*.

In Queensland the growth in the number of sites and gaming machines in use since 1993 has been enormous. In June 1993 there were 848 licensed sites across the State, operating 8,813 gaming machines.[7] As of June 2000 there were 1,313 licensed venues in Queensland operating a total of 31 896 gaming machines.[8] In that time the average number of machines per license / site has risen from 10 to 24.

By way of contrast Victoria currently has 30 000 machines in use across 560 licensed sites. This 30 000 machine level has been capped under that State's *Gambling Legislation (Responsible Gambling) Act 2000.*[9]

A 1995 report prepared on behalf of the Queensland Department of Family Services and Aboriginal and Islander Affairs stated that the machine gaming industry in Queensland was of a remarkable magnitude which had not (by 1995) reached its full potential.[10] This report also stated that a survey of club secretaries/managers found that there was a feeling that the Community Benefit levy (funded from a tax on machine turnover) would be better managed at a local level.[11] This indicates that there is a perception on the part of licensed clubs that the projects that are funded from taxation and levies from the operation of gaming machines should be locally recognisable.

For the 1995 report, a small number of hotel managers were also surveyed. These interviews suggested that hotel managers were concerned that licensed clubs were in the process of replacing hotels as the principal focus of the community since the introduction of gaming machines.[12]

2 THE GAMING MACHINE AMENDMENT BILL 2001

The main elements of the Bill are:

- The introduction of a levy on gaming machine profits of category 1 licensed premises. **(Clause 11 inserting new ss 316A-316C into the Act)** Category 1 licensed premises are defined in **s 2** of the *Gaming Machine Act 1991* as

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7 Queensland. Machine Gaming Commission, *Annual Report 1992/1993,* p 7.

8 Queensland. Gaming Commission, *Annual Report 1999-2000*, p 11.

9 State Government of Victoria, 'Responsible Gaming', *Consultation Paper*, 2000, p 4.

10 Queensland. Department of Family Services and Aboriginal and Islander Affairs, *Report of the First Year of the Study into the Social and Economic Impact of the Introduction of Gaming Machines to Queensland Clubs and Hotels*, Report prepared by the Australian Institute of gambling Research, University of Western Sydney and Labour and Industry Research Unit, University of Queensland. January 1995, p 28.

11 Department of Family Services and Aboriginal and Islander Affairs, p 32.

12 Department of Family Services and Aboriginal and Islander Affairs, p 35.

licensed premises over which a general liquor licence or an on-premises licence or a special facilities licence exists. The Treasurer, when introducing the Bill, indicated that category 1 licensed premises are non-club premises primarily consisting of hotels.[13]

- Exclusion of operators of category 1 licensed premises from the right to apply for an increase in the approved number of gaming machines to be installed. **(Clause 8 amending s 81(1) of the Act)**
- Restriction on applications for gaming machine licenses to body corporate holders of club liquor licences and holders of existing club or hotel gaming machine licences who wish to transfer those existing licences. **(Clause 6 amending s 56(1) of the Act)**
- A decrease in the number of allowable gaming machines at a licensed premises on the recommendation of an inspector who reports that a licensee has, within the 6 month period prior to the report, not operated one or more gaming machines continuously for 3 months. **(Clause 9 amending s 86(3)of the Act)**

2.1 MAJOR FACILITIES FUND

An important initiative of the Gaming Machine Amendment Bill 2001 is the establishment of a new fund to be known as the Major Facilities Fund. This fund will receive a percentage of the monthly profit from gaming machines operated within category 1 licensed hotels which record a monthly metered win of $100 001 and over.

The Major Facilities Levy that is being introduced in the Bill will be paid into the Major Facilities Fund. The first major project to receive funding in this way will be the Suncorp Metway Stadium at Milton, but funding from the levy will not be restricted to sporting facilities as cultural facilities will also be eligible.

The rate of levy increases to 3.5% for sites recording between $100 001-$140 000 as a monthly metered win, up to 20% for sites recording above $260 000 as a

[13] 'Gaming Machine Amendment Bill 2001', *Weekly Hansard,* 20 June 2001, p 1573.

monthly metered win. In announcing the Fund, the Premier said:

> *This new Fund will now return more of that money to the community and through added infrastructure projects it will provide more jobs for Queenslanders.*[14]

In introducing the Bill, the Treasurer said:

> *I must stress that not all hotel sites with gaming machines will pay the levy. In fact, on current profit levels, 80% of such venues will not be liable to pay the levy. It is only those sights with a monthly metered win of more than $100,000 which will be affected by the Major Facilities Levy.*[15]

3 THE PROLIFERATION OF GAMING MACHINES IN QUEENSLAND AND SOME FINANCIAL DIMENSIONS OF THE INDUSTRY

The government regards the provisions of the Bill as providing a positive answer to community concerns of the growth of gaming machines in the State and that hotel sites are now responsible for an increasing share of the total number of machines.[16] **Table 1** indicates the level of gaming machine numbers in licensed clubs and hotels between 1992 –2000.

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[14] Hon. Peter Beattie MP, 'New Fund for Sporting and Cultural Facilities', *Ministerial Media Statements*, 8 May 2001.

[15] Hon. T Mackenroth MP, 'Gaming Machine Amendment Bill 2001' *Queensland Parliamentary Debates*, 20 June 2001, p 1574.

[16] Hon. T Mackenroth MP, 'Gaming Machine Amendment Bill 2001', *Queensland Parliamentary Debates*, 20 June 2001, p 1573.

Table 1

GAMING MACHINE NUMBERS IN QUEENSLAND CLUBS AND HOTELS 1992-2000

YEAR	CLUBS		HOTELS	
	Number	**% of Total**	**Number**	**% of Total**
30/6/1992	3 730	83.38	743	16.62
30/6/1993	8 813	75.98	2 785	24.02
30/6/1994	12 147	78.31	3 363	21.69
30/6/1995	14 309	80.16	3 541	19.84
30/6/1996	15 776	77.17	4 666	22.83
30/6/1997	16 079	76.41	4 963	23.59
30/6/1998	16 624	70.93	6 811	29.07
30/6/1999	17 773	63.78	10 092	36.22
30/6/2000	18 536	58.11	13 360	41.89

Source: Queensland. Gaming Commission, *Annual Report 1999-2000,* p 15.

On a percentage basis, the number of gaming machines located in licensed hotels almost doubled between 1996 and 2000. Overall, however, licensed clubs still dominate with just over 58% of all machines located there, compared with just under 42% for hotels.

As of June 2000 the majority of licensed clubs (42.8%) were only licensed to operate a maximum of 10 machines. On the other hand, 44.1% of hotels operated over 20 machines (but not in excess of the 35 capacity limit in force for hotels as of June 2000). This was increased from the corresponding figure of 24.8% in 1998. Only 6.6% of clubs were licensed to operate in excess of 100 machines as of June 2000.[17]

Between 1996/1997 and 1999/2000 there were 90 club gaming machines licences that were surrendered, whilst for hotels the figure was 150.

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[17] Queensland. Gaming Commission, *Annual Report 1999-2000,* p 11.

3.1 RESTRICTIONS ON APPLICATIONS FOR NEW LICENCES AND INCREASED MACHINE NUMBERS

It is generally acknowledged that increased gambling opportunities will result in more people gambling and more people losing money gambling.

The Australian Productivity Commission has highlighted the fact that the impact of increased gambling opportunities depends on mass appeal and ease of use.[18] If there is a strong correlation between increased gambling opportunities and a rise in problem gambling then there is justification on public policy grounds to implement controls on the number of machines in operation.[19] The Productivity Commission, in its report on gambling industries in Australia, accepted that there is already sufficient evidence to suggest that increased opportunity results in an increase in gambling problems.[20]

The 2001 Bill provides that new licence applications will only be accepted from body corporate clubs **(Clause 6)**. This provision will of itself place a restraint on the number of total machines by limiting the total pool of possible applicants. **Clause 6** is to have retrospective effect back to 8 May 2001.

Clause 8 of the Bill places a prohibition on category 1 licensees from applying for an increase in gaming machine numbers operating at a category 1 site which consists of non-club premises in the form of hotels. As with **Clause 6**, the effect of the prohibition included in this provision will be retrospective as from 8 May 2001. The effect of **Clause 8** is that only clubs will be able to apply to increase their gaming machine numbers.

3.2 NEW RESTRICTIONS IN NEW SOUTH WALES

On 26 July 2001 the New South Wales government announced that licensed clubs in that State would be restricted to the operation of 450 gaming machines whilst hotel sites would be restricted to a maximum of 30 machines. Existing clubs with more than the 450 ceiling will be required to dispose of 10% of the number in excess of the 450 over a five year period. The new provisions will not apply to the Sydney Casino.

The measures are to be introduced in the face of government concern over possible negative social impacts resulting from the increase in gaming machine numbers

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18 Australia. Productivity Commission, *Australia's Gambling Industries*, Draft Report Volume 1: Report, July 1999, p 8.1

19 Marshall and Baker, p 87.

20 Australia. Productivity Commission, p 2.20

across the State. The government also announced that a Statewide cap of 104 000 gaming machines would also be implemented.

Both club and hotel sites will be able to trade existing permits for machines with each other. For example, a club operating in excess of 450 machines will be able to trade its former right to have those machines with other clubs who are looking to increase their machines numbers. In this way, the ceiling of 104 000 machines will be enforced but clubs wishing to increase their machine numbers will be able to do so without being prohibited by the State wide ceiling.[21]

3.3 SOME FINANCIAL DIMENSIONS OF THE GAMING MACHINE INDUSTRY IN QUEENSLAND

The average per capita adult expenditure on gaming machines in Queensland is less than the corresponding figures for New South Wales and Victoria. In 1998/1999 the adult per capita figure was $286 whilst in New South Wales and Victoria it was $720 and $578 respectively. An additional comparative figure lies in the average revenue per gaming machine. In 1998/1999 this figure for Queensland was $25 500 whilst for New South Wales and Victoria the figures were $36 000 and $72 000.[22]

In percentage terms hotel sites have increased their share of metered win more than club sites. The Queensland Gaming Commission has pointed out that whilst growth has occurred in both clubs and hotels, in recent times the strongest growth has occurred in the number of hotel sites and the number of machines located in hotels.[23]

Between June 1997 and June 2000 the number of licensed clubs operating gaming machines fell from 642 to 635 (decline of 1%) whilst the number of hotel venues operating machines rose from 471 to 678 (increase of 44%) over the same period. Correspondingly, the number of machines being operated in licensed clubs rose from 16 079 to 18 536 (increase of 15%) whilst the number of hotel venues rose from 4 963 to 13 360 (increase of 169%). In terms of turnover, licensed clubs were responsible for $419 million metered win in 1996/1997 and $516 million in 1999/2000 (increase of 23%) whilst for hotel sites the recorded metered win rose from $100 million in 1996/1997 to $355 million in 1999/2000 (increase of 255%).[24]

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21 Robert Wainwright, 'Curbs to fight gambling misery', *Sydney Morning Herald*, 27 July 2001. http://www.smh.com.au/news/0107/27/text/national1.html Downloaded 27 July 2001.

22 'Poker Machines and Queenslanders', *Club Insight*, 6(3), June/July 2000, p 18.

23 Queensland. Gaming Commission, *Annual Report 1999/2000*, p 12.

24 Queensland. Gaming Commission, p 12.

Despite the overall general trend toward more machines in the hotel sector, it has been argued by the Queensland Hotels Association (QHA) that there are areas in Queensland where licensed clubs have a much stronger hold on gaming machine revenues than hotels. Claims that hotel sites have been responsible for a decline in licensed club revenues in such places as Bundaberg, Maroochydore and Mooloolaba have been refuted by the QHA.

The QHA has supported its position with figures suggesting that licensed clubs in Bundaberg account for 69% of the total number of machines in the City and earned 77% of the gaming income, leaving hotel sites with 31% of the machines accounting for 23% of the gaming income for the City. The QHA has further argued that clubs accounted for 64% of the increased growth in revenue experienced in Bundaberg between June 1999 and December 2000. In support of its Bundaberg members, the QHA argued that hoteliers would need a sufficient income base from gaming machines to finance redevelopment of their properties that would in turn be a positive investment for the city's physical amenity.[25]

The QHA has also argued lines in relation to similar claims for Maroochydore and Mooloolaba by saying that licensed clubs operate 71% of gaming machines in these areas which account for 78% of total gaming income whilst eight hotel sites account for 29% of machine income.[26]

3.4 STATE OF THE LICENSED CLUB INDUSTRY 1999-2000

Clubs Queensland conducted a survey of its member clubs to gauge their financial position. Of the 155 clubs that responded, 37% had recorded a deficit whilst 63% had recorded a surplus for 1999/2000. The level of community contributions made by clubs also declined. Forty-three percent of clubs recorded an increase in the level of community support that they gave from their profits whilst 57% recorded a decrease. Membership decreased in 49% of clubs and increased in 51%. Direct employment remained static with 63% of clubs reporting no change, 23% declaring a decrease and 14% declaring an increase.

Fifty-two percent of clubs surveyed indicated that they expected their financial position to improve in the 2000/2001 financial year whilst 20% expected their position to remain unchanged and 28% expected their financial position to

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[25] Michael Hudson, 'Gaming Machines in Bundaberg – the facts not fiction', *QHA Review*, April 2001, p 8.

[26] Michael Hudson, 'Unity is strength', *QHA Review*, May 2001, p 8.

deteriorate.[27] The club sector in Queensland is responsible for the direct employment of 18 000 people and indirectly responsible for a further 5 500.[28]

3.5 TAXATION ON GAMBLING

The level of State revenue obtained through taxation of and levies on all forms of gambling for the financial year 2001-2002 is expected to be down on previous years. The actual amount collected for 1998/1999 was $645 million, the estimated actual amount for 1999/2000 is a similar amount of $646 million whilst the budgeted figure for 2000/2001 is $531 million. The 2001/2002 budget provides for an expected $583 million of State revenue.[29]

Approximately 13% of total State revenue is derived from taxation on gambling activities and has been responsible for the provision of social services and community projects through established community benefit funds.[30]

For Commonwealth taxation purposes, the goods and services tax (GST) has been applied to operation of gaming machines. The level of GST that is payable is one-eleventh of the difference between the total amount that is bet and the total winnings that are paid out. With respect to gaming machines this equates with 9.09% of the monthly taxable metered win that is currently being paid to the State government. The States formally agreed with the Commonwealth that they would adjust their level of gambling taxation downward to take account of the impact of the GST on the industry's profits.[31]

The club sector's contribution to State government revenue is approximately $150 million per annum and it has been estimated that a further $75 million per annum is returned to the community by way of support for sporting, community and charitable organisations.[32]

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27 'CQ Survey Confirms Clubs Doing it Tough', *Club Insight,* 7(1), February/March 2001, p 5.

28 *Club Insight,* 5(6), December/January 1999, p 14.

29 Queensland. State Budget 2000/2001, *Budget Overview*, Budget Paper No 2, p 100; State Budget 2001-2002, *Budget Statement,* Budget Paper No 2, p 103.

30 Queensland, Gaming Review Steering Committee, *Review of Gaming in Queensland-Report to the Treasurer,* December 1999, p 40.

31 *Intergovernmental Agreement on the Reform of Commonwealth-State Relations,* Clause 5 (viii).

32 *Club Insight,* 6(3), June/July 2000, p 4.

4 QUEENSLAND GOVERNMENT'S GAMING POLICY

The government's policy on gaming was published in April 2000[33] and represented the results of a public consultation process through a Review[34] and a Green Paper.[35]

The policy document acknowledged the rapid growth in the gambling industry which has been contributed to, in the main, by the introduction of gaming machines and the Treasurer stated in the Executive summary that :

> *In future, the social costs generated by gambling will be weighed against the benefits and proactive measures will be implemented to minimise social problems…*[36]

The *Policy Direction* committed the government to addressing the social and economic issues associated with increased gambling opportunities whilst being mindful of preserving the benefits that the gambling industry provides.

The main points of the government's policy as announced in the *Policy Direction* document are:

- A maximum limit of 280 machines per site for licensed clubs and a maximum limit of 40 per site for licensed hotels.
- Public comment to be sought by the Gaming Commission on any application for an increase of 20 machines or more at a club site or 10 machines or more at hotel sites.
- The proximity of schools, shopping centres and other venues which the public frequent in relation to sites that are the subject of gaming machine licence applications is to be considered by the Gaming Commission.
- The approval of new gaming machine sites will be influenced by issues raised in a Community Impact Statement which must accompany the application as well as the applicant's commitment to a policy of responsible gambling to be implemented on the proposed site.
- Annual financial statements to the Gaming Commission from clubs operating more than 50 gaming machines must be accompanied by a community benefit statement.
- The Gaming Commission will examine the internal layout of proposed sites in relation to the location of ATM's (if any), the location of the machines and signage when considering applications.

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33 Treasurer of Queensland, *Policy Direction for Gambling in Queensland*, April 2000.

34 Queensland, Gaming Review Steering Committee, *Review of Gaming in Queensland-Report to the Treasurer*, December 1999.

35 Queensland Treasury, *Green Paper on Gaming in Queensland*, December 1999.

36 Treasurer of Queensland, April 2000, p 1.

There were also a number of initiatives concerning socially responsible gambling:

- A responsible gambling strategy to be developed that will focus on the prevention of socially damaging gambling, the protection of the community from over-exposure to socially damaging gambling, and the rehabilitation of individuals suffering gambling problems.
- The establishment of a Responsible Gaming Fund from which funds will be allocated for strategic research, and programs containing responsible gambling initiatives based on the findings of the research. The research is to be coordinated by the Gaming Directorate located within Treasury.
- The development and implementation of an industry wide Responsible Gambling Code of Practice and an Advertising Code of Practice.[37]

5 CONSEQUENCES OF AN OVER-SUPPLY OF GAMING MACHINES – THE PETERSBOROUGH CASE STUDY IN SOUTH AUSTRALIA

A study was conducted in the South Australian township of Petersborough to test the impact on a small troubled rural community that had experienced increased opportunities to gamble through the introduction of gaming machines and which had embraced them in excess of the State average.[38] The study highlighted the importance of considering the costs and benefits of gambling at the micro or local community level.

Petersborough acts as a service centre for the dry-land farming and pastoral areas surrounding it. It was at one time a regional railway junction and railway service centre but this has now ceased. The town still maintains a focus for regional social activities such as sport and service clubs and religious groups.

Petersborough is recognised as a town under threat as it was experiencing a higher level of unemployment than the State average and this also was true of the town's population which had a greater proportion on annual incomes below $25 000 than the State average. The level of the town's population has been falling for some time and the percentage of the population over 65 years is also greater than the State average.

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[37] Hon. David Hamill MLA, Treasurer of Queensland, *Policy Direction for Gambling in Queensland*, April 2000, p 2.

[38] D C Marshall, 'Missing the Jackpot? The Proliferation of Gambling in Australia and its Effect on Local Communities', *Australian Geographical Studies*, 36(3), November 1998, pp 237-247, p 240.

All the licensed gaming venues in the town are hotels, of which there are four. There is a heavier concentration of gaming machines per capita in Petersborough at 20 per 1,000 town residents compared to the State average of 5 machines per 1,000 head of population. The study estimated that the average annual expenditure on gaming machines in the town was $400 which is well above the State average of $167 per adult.

The introduction of gaming machines into an area that is experiencing decline may result in one of two outcomes:

(a) Their introduction may serve to hasten community decline by extracting wealth out of the region thereby reducing the viability of local businesses; or

(b) Their introduction may enhance the viability of the licensed sites as centres of social interaction by providing increased revenue for facilities enhancement and further employment opportunities.

The researchers interviewed townspeople who represented small business, sporting and social clubs, charity providers, hoteliers, and representatives from other organisations in order to ascertain the impacts that could be attributed to the introduction of gaming machines on their personal lives and the organisations they represented.

The study found that the introduction of gaming machines:

- Worsened the plight of local businesses that were already suffering from declining economic fortunes;
- Created a strong competitor for charitable organisations and sporting clubs for the disposable income that was present in the town;
- Resulted in the four hotels recording increased profitability levels that allowed renovations to their premises;
- Threatened the viability of other entertainment and meal venues;
- Resulted in a decline at sporting and charitable fundraising events;
- Did not contribute to increased employment at the licensed venues to any significant extent;
- Contributed to a decline in employment opportunities in other town businesses;
- Did not lead to a trickle down effect to other sectors of the town's economy;
- Was responsible for a shift in the expenditure patterns of the declining disposable income in the town's community; and
- Had created new problems and exacerbated old ones but brought little in the way of benefits to the town.

The study suggested that there is a threshold and, when it is reached, the ability of new gambling facilities to attract economic benefits diminish and, in so doing,

escalates the costs associated with the proliferation of gambling opportunities within the community.[39]

6 ECONOMIC AND COMMUNITY BENEFITS FOR QUEENSLAND FROM GAMBLING

6.1 COMMUNITY BENEFIT STATEMENTS

The core criterion of being community based and returning profits to the community is essential for the existing 'non-tax' status of licensed clubs to continue. In raising the need for Community Benefit Statements the government argued that they could be used positively to withstand pressure from the Commonwealth to alter the tax status of clubs.[40] Eighty percent of licensed clubs in Queensland operate no more than 50 gaming machines, and it is only those clubs operating more than 50 machines who are now required to provide Community Benefit Statements.[41]

Since 1 December 2000, these clubs have been required to lodge a Community Benefit Statement with their yearly audited financial statements.[42] Community Benefit Statements are required to contain information on financial and other support given to charitable, sporting, recreational and other community associations during the financial year. Along with the financial statements, the Community Benefit Statements will also be audited. A copy of the annual Community Benefit Statement issued by the Office of Gaming Regulation is attached in **Appendix A**.

In a formal submission to the government concerning Community Benefit Statements, Clubs Queensland (as the peak representative body of licensed clubs) said that such statements would amount to an administrative and financial burden on clubs. However, Clubs Queensland, in its submission, argued it was essential that grants by them to affiliated and associated bodies of clubs be considered as community contributions and that assistance in kind also be recognised as legitimate community contributions.[43]

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39 Marshall, p 245.

40 'Government Bows to Entrepreneurial Gaming', *Club Insight*, 6(3), June/July 2000, p 7.

41 *Club Insight*, 6(3) June/July 2000, p 7.

42 *Gambling Legislation Amendment Act 2000*, inserting s 305(1)(e) into the *Gaming Machine Act 1991*.

43 Penny Wilson, 'Meeting with Treasurer Hamill Yields Some Relief Measures for the Club Industry', *Club Insight*, 6(5), October/November 2000, p 4.

The prescribed clubs (over 50 machines) are now to submit an annual Community Benefit Statement that provides information on indirect assistance in kind such as free labour and the organising and hosting of community functions, as well as direct financial assistance

The first community benefit statements for the 2000/2001 financial year are required to be lodged with the Office of Gaming Regulation by 14 October 2001.[44]

6.2 THE GAMBLING COMMUNITY BENEFIT FUND

The fund was initially created in 1994 to help address the Statewide impact of the introduction of gaming machines on the fundraising capabilities of community groups. Grants from the fund are intended to supplement existing support for human services, charities and community groups.

The fund is administered by the Treasurer on advice from the Gaming Machine Community Benefit Committee. The Treasurer has the power under **s 316(b)** *Gaming Machine Act 1991* to determine the membership of the Committee which currently consists of one representative of the hotel sector, one representative of the clubs sector, three community representatives, one church representative and an independent chairperson.

The Committee reports that it endeavours to achieve an equitable geographic distribution of funds throughout the State with a weighting for rural and remote communities, high growth areas, and for organisations that provide a statewide service.[45]

The Gambling Community Benefit Fund is expected to receive $30.5 million in 2000/2001 based on 8.5% of the total taxation collected.[46] The funds are for allocation to small community projects chosen from applications that are received. Community organisations may apply for a grant of up to $30,000 for non recurrent expenditure on such items as sporting equipment, musical instruments, computer equipment and motor vehicles. Repairs to community buildings are also eligible for funding. The key criteria with respect to the approval of grants from the fund is

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44 David Ford, 'The Latest on Responsible Gambling Practices', *Club Insight*, 7(1), February/March 2001, p 20.

45 Queensland. Gaming Machine Community Benefit Committee, *1999-2000 Allocations*, October 2000. http://www.gcbf.qld.gov.au/home.htm Downloaded 27 June 2001, p 2.

46 Regulation 46, Gaming Machine Regulation 1991.

community benefit. Applications for funding remain current for a period of 12 months with a fresh application having to be submitted thereafter.

Applications for grants above $30 000 will be received and considered by the Committee. For applications in excess of $30 000 to be successful, the expectation is that the projects be innovative, cover a large geographical area involving a large number of groups or alternatively have a significant impact on a small community.[47]

Between June 1994 (first round of grants) and June 2000 the fund has been used to fully or partially finance 14 426 projects at a total cost of more then $111 million. Allocations by region between 1994 and 1999-2000 from the fund are included in Appendix **B**.[48]

As 2001 is the International Year of Volunteers, the Fund Committee reports that it is keen to receive applications from community organisations for the funding of projects that promote the contribution of volunteers as well as providing ongoing support for volunteers beyond the life of the expected project.[49]

The introduction of the Goods and Services Tax (GST) had significant implications for community groups and the fund. Only where organisations obtained a tax exempt status, was there no change. Where the GST is payable, an additional 10% of the grant level is paid to the organisation who then has the responsibility of remitting that 10% amount to the Australian Taxation Office.

Examples of grants to sporting and recreational organisations, statewide organisations, and successful applications in excess of $15 000 from the Committee's annual report for 1999-2000[50] are included in Appendix **B**.

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47 Queensland. Gaming Machine Community Benefit Committee, .http://www.gcbf.qld.gov.au/home.htm p 21.

48 Queensland. Gaming Machine Community Benefit Committee, http://www.gcbf.qld.gov.au/home.htm p 8, 10.

49 Queensland. Gaming Machine Community Benefit Committee, http://www.gcbf.qld.gov.au/home.htm p 21.

50 Queensland. Gaming Machine Community Benefit Committee, http://www.gcbf.qld.gov.au/home.htm pp 23-25.

6.3 JUPITERS AND TREASURY CASINO COMMUNITY BENEFIT FUND

Under **s 52(3)** of the *Casino Control Act 1982*, one percent of the gross revenue of both casinos is provided to the fund for distribution to community groups. On an annual basis, approximately $3.5 to $4 million dollars is distributed. The fund began operating in 1987 and since then more than $35 million has been distributed to over 1450 recipient organisations in South East Queensland.[51]

As with the Community Benefit Fund, allocations are made from the Jupiters and Treasury Casino Community Benefit Fund on a quarterly basis. For the March 2001 quarter, $1.2 million was distributed to 114 charities and community groups such as the Queensland Ambulance Service which received $107 596 for the purchase of equipment and the Queensland Police Citizens Youth Welfare Associations at Beenleigh and Inala which combined received over $100 000.

Applications for grants from the fund are assessed on the level of benefit to the community that will be derived from the projects with the further objective of a distribution that is fair and equitable. Examples of grants paid from the fund in February, May and November 2000 are included in Appendix **C**. Examples of community organisations that have received funds from the Reef Hotel Casino Community Benefit Fund are included in Appendix **D**.

7 EXAMPLES OF FUNDS IN OTHER STATES

7.1 NEW SOUTH WALES

The *Casino Control Act 1992* (NSW) established the Casino Community Benefit Fund which is funded by the Casino Community Benefit levy. The levy is currently set at 2% of the Casino's gaming revenue. The Casino Community Benefit Fund is used to:

- Finance research into the personal and social impacts of gambling and promotion of the awareness of problem gambling;
- Support organisations offering counselling services to problem gamblers and their families; and
- The funding of community projects that would be of general benefit to the community.

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[51] 'Jupiters supports local charities', *QHA Review*, June 2001, p 32.

7.2 VICTORIA

The *Gaming Machine Control Act 1991* (Vic) established the Community Support Fund into which a proportion of government revenue from gaming machines operated in hotels is to be paid. Funds are used for such things as:

- Gambling research
- Prevention of and assistance with gambling problems
- Counselling of problem gamblers and their families
- Drug education, treatment and rehabilitation
- Youth, sport and recreation programs
- Arts and tourism

The Community Support Fund can be used to finance infrastructure items such as those envisaged under the proposed Major Facilities Fund in Queensland. The *Gaming Acts (Gaming Machine Levy) Act 2000* (Vic) provided for the payment of a Casino Community Benefit Levy and a health benefits levy into the Hospitals and Charities Fund established under the *Health Services Act 1988.*

8 DIRECT COMMUNITY CONTRIBUTIONS FROM THE INDUSTRY

Both the club and hotel sectors can lay claim to providing direct financial and other assistance to community and charitable groups. Such assistance is separate from government funding of community groups from gaming taxes.

Both sectors of the industry use their annual general meetings as an avenue to raise funds for a nominated community organisation. In 1999, the Royal Flying Doctor Service was the recipient of $25 000, whilst in 2000 the Central Queensland Helicopter Rescue Service was the beneficiary of $27 000 from the Clubs Queensland Annual General Meeting.[52] The Annual General Meeting of the QHA has been used to raise funds for medical transplant research.

Licensed clubs directly returned 18% of their profits back to their communities and this figure is more like 47% when taxes and levies paid to the State government are taken into account.[53]

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[52] 'Club Industry Raises $27,000 for the Central Queensland Helicopter Rescue', *Club Insight,* 6 (5), October/November 2000, p 5.

[53] *Club Insight,* 6(4), August/September 2000, p 8.

The QHA believes that the contribution of its members to community organisations would be worth millions of dollars across the State annually through both donations and sponsorship in cash and in kind.[54]

The QHA has been recognised by the Princess Alexandra Hospital Foundation for ongoing support from its members in the financing of medical research. Some QHA members are part of a support program for the Foundation whereby a donation based on liquor sales is made available to the Foundation and one Toowoomba member was recognised for raising $50 000 for organ transplant research.[55] In two years members of the QHA raised $60 000 for Mater Hospitals in Queensland.[56] Some QHA members have joined a campaign to raise funds for the Kids First Foundation a national charity that works to prevent child abuse.[57]

Examples of direct financial contributions from some licensed clubs are included in Appendix **E**.

9 EXAMPLES OF IMPROVED CLUB FACILITIES

Appendix **F** contains examples of improved services offered by licensed clubs to their members as revenue has increased. Increased revenue to clubs though the operation of gaming machines has resulted in improved services to club members and the community generally. Clubs fulfil an important social function for the communities within which they are located and the ability to offer improved social and recreational facilities highlights this positive relationship between clubs and their respective communities.

10 CONCLUSION

Although the gambling industry has existed for many years widespread access to the gaming sector is relatively new to Queensland. As with other industries, the gaming sector of the gambling industry provides opportunities for employment, investment and improved community facilities. It provides the State government with an additional avenue for revenue to fund services across the board.

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54 Richard Bowly, 'Donations, sponsorship and wasted money', *QHA Review*, December 2000, p 8.

55 'Hospital recognises QHA members' fundraising efforts', *QHA Review*, May 2000, p 22.

56 'Its time to shout for the Mater again!', *QHA Review*, October 1999, p 22.

57 'Hotel Industry Rallies Against Child Abuse', *QHA Review*, April 2000, p 23.

However, an obligation on the part of government to confront associated social problems has not been ignored with individual and family counselling being publicly funded. Both licensed clubs and hotels, as service providers, are now expected to provide responsible gaming environments and to positively justify community impacts when seeking to expand their gaming operations or create new ones. Community Benefit Statements are now to be submitted by licensed clubs to allow an examination of the community benefits that each club provides through specific cash donations and measures in kind.

APPENDIX A – COMMUNITY BENEFIT STATEMENT

Gaming Machine Act 1991
S305 (1)(e)

Community Benefit Statement

Name of Club: _____

Type of Club:

☐ Bowls Club ☐ Community Club ☐ Football Club ☐ Golf Club

☐ RSL Club ☐ Sporting Club ☐ Surf Life Saving Club

Contributions *

	Cash	◆Non-Cash
Non-Affiliated * • Charitable & Welfare • Sporting & Recreation • Community • Other (specify) _____		
Affiliated * (list of affiliated organisations below) • Charitable & Welfare • Sporting & Recreation • Community • Other (specify) _____		

Affiliated Organisations:

_____

_____

_____

_____

_____

_____ Date: ____ /____ /_____

Signed by
Executive Member of Club For the Financial Year End: ____ /____ /_____

◆ Dollar value of the non-cash contribution to be shown.

*** DEFINITIONS:**

Contributions – means a benefit, either monetary or non-monetary, received by another entity for its charitable, sporting, recreational and community purposes or initiatives.

Non-Affiliated – means an entity, other than an affiliated entity.

Affiliated – means an entity established or recognised under the Club's constitution or an entity which although not formally recognised by the Constitution, has similar objectives and a traditional arrangement or relationship with the Club.

APPENDIX B – GAMING MACHINE COMMUNITY BENEFIT COMMITTEE REPORT

Downloaded from www.gcbf.qld.gov.au/pdf/gmbcf.pdf pp 10, 23-25.

APPENDIX C – JUPITERS CASINO COMMUNITY BENEFIT FUND, GRANTS APPROVED NOVEMBER 2000

Downloaded from http://www.jccbf.org.au/grants2.pdf.

APPENDIX D - THE REEF HOTEL CASINO COMMUNITY BENEFIT FUND

Lists of successful applicants from the 7th , 8th and 9th rounds of funding. Dowloaded from http://www.cairnscasinocbf.com/Round%207%20Grants.htm

THE REEF HOTEL CASINO COMMUNITY BENEFIT FUND

Below is the list of successful applicants from the 7th round of funding:

ORGANISATION	AMOUNT GRANTED	PROJECT
Atherton Children's Centre	$6,550	shade cover
Australian Pensioners and Superannuants League QLD - Edmonton	$2,800	sporting equipment
Australian Volunteer Coast Guard – NQ Squadron	$4,280	laptop computer
Australian Volunteer Coast Guard - QF10 Mossman/Port Douglas	$7,671	clubhouse ceiling repairs
Cairns Bridge Club	$6,000	chairs
Cairns Indoor Sports and Futsal Soccer Club	$2,100	sports equipment
ARC Disability Services	$4,201	Soft furnishings
Cairns Netball Association	$6,390	photocopier, fridge, computer, printer
Cairns/Mulgrave Police-Citizens Youth Club	$5,000	building extension
Cairns Rock and Roll Dance Club	$5,126	sound equipment
Centenary Soccer Club Cairns	$5,000	expansion of playing fields
Cairns TAFE Community Child Care Centre	$916	dishwasher
Cairns Touch Association	$5,470	field lighting
Dimbulah Swimming Club	$13,720	build club house
Edmonton Amateur Swimming Club	$6,000	25m heat blanket

Eacham Community Help Organisation	$1,200	two wheelchairs
Einasleigh Rodeo Association	$12,000	upgrade power supply at race course
Fretwell Park Sporting Association	$11,460	upgrade field
Lifeline Australia - Cairns Region	$3,018	playground equipment
Mulgrave Branch Little Athletics Centre	$798	walkie-talkie system
Mareeba Gymnastics Club	$5,000	gym equipment
Mareeba Wetland Foundation	$4,762	picnic table /shelter
NQ Amateur Gemcutters and Jewellers	$1,654	polisher, grinder and flexible drive
Rotary Club - Atherton	$15,000	mobile skate/bike ramp
Rotary Club - Tully	$5,900	Half-basketball court
Ruth's Women's Shelter, Cairns	$1,397	air conditioner, shredder
Scouts Queensland - Innisfail	$4,000	repair and upgrade scout den
Southside Swallows Gymnastics Club	$5,058	safety matting
Tablelands Frog Club	$5,763	display system
The Information Alliance of FNQ Families of Disabled People	$3,500	photocopier
Young Animal Protection Society	$6,000	refit 3 kennel runs
TOTAL	$167,734	

THE REEF HOTEL CASINO COMMUNITY BENEFIT FUND

Below is the list of successful applicants from the 8th round of funding:

ORGANISATION	**GRANT AMOUNT**	**PROJECT**
Atherton Junior Rugby League Inc.	$ 2,000.00	PA system
Australian Red Cross, Queensland	$ 5,000.00	airconditioning
Animal Welfare Cairns Inc.	$ 1,098.00	2 fridges
Babinda District Hospital & Community Welfare Association	$ 7,965.00	wheelchairs
Bayview Heights Community Kindergarten Association	$ 13,668.00	airconditioning

Bloomfield River Volunteer Rural Fire Brigade	$ 3,778.00	awning
Barron Valley Gymnastics Club Inc.	$ 4,763.00	gymnastics equipment
Children's Activity Groups Association	$ 2,000.00	juggling balls/training equipment
Cairns Multiple Birth Association Inc.	$ 2,000.00	computer system
Cairns St Andrews Pipe Band Assoc. Inc	$ 2,000.00	band uniforms
Cairns Showband Inc.	$ 2,675.00	50 music stands
Cairns Touch Association Inc.	$ 10,000.00	upgrade playing fields
Edmonton & District Pony & Horse Club Inc.	$ 2,829.00	42 jumping bloks
Far North Equestrian Group Inc.	$ 4,318.00	2 arenas
Gordonvale Community Kindergarten Assoc.	$ 1,155.00	security screens
Gordonvale Lions Club	$ 18,000.00	mobile kitchen
Herberton & District Junior Rugby League Inc.	$ 3,920.00	line ceiling of clubhouse
Hmong Queensland Assoc. Inc.	$ 2,665.00	fax, photocopier, PA system
The Historical Society of Cairns,NQ, Inc.	$ 3,113.00	digital camera, photoprinter
The Leukaemia Foundation of Queensland - Cairns & District	$ 11,030.00	office furniture and equipment
Mareeba Community Housing Association	$ 1,377.00	security screens
Malanda Show Society Inc.	$ 5,000.00	office equipment
Ravenshoe Branch Little Athletics Centre Inc.	$ 8,615.00	upgrade clubhouse
State Council of YMCA's of QLD – Marlin Coast Recreation Centre	$ 1,600.00	wall mounted fans
Society of St Vincents de Paul	$ 2,500.00	computer system
Tarzali Community Group Inc.	$ 7,000.00	outdoor shelter
Atherton Neighbourhood Centre Inc.	$ 2,500.00	chairs
Tableland Women's Centre Inc.	$ 4,000.00	interior painting
Walsh River Community and Sports Club Inc.	$ 2,400.00	gas fridge

Cairns & District Child Care Devlopment Association Inc.	$ 4,945.00	repair and paint interior walls and ceiling
Yungaburra Community Kindergarten Assoc. Inc.	$ 1,733.00	outdoor play equipment
Yorkeys Knob Kindergarten & Pre-School Association Inc.	$ 4,115.00	electrical work,plumbing
TOTAL	$ 149,762.00	

THE REEF HOTEL CASINO COMMUNITY BENEFIT FUND

Below is the list of successful applicants from the 9th round of funding:

THE REEF CASINO COMMUNITY BENEFIT FUND		**ROUND 9 - March 2001** **Distributed May 2001**
ORGANISATION	**AMOUNT**	**PROJECT**
Atherton Neighbourhood Centre Inc.	$ 2,000.00	Various Equipment
Atherton Rugby League Football Club Inc.	$ 7,950.00	Purchase a Lawn Mower
Australian Volunteer Coast Guard - QF15 Innisfail	$ 5,000.00	Photocopier
The Babinda & District Aged Care Assoc.Inc.	$ 6,915.00	Purchase Furniture & Fittings
Bayview District Guides	$ 13,000.00	Extension to Guide Hut
Barron Valley Gymnastics Club	$ 3,000.00	Purchase of safe landing mats
Cooktown Community Housing Assoc. Inc.	$ 3,252.00	Purchase office equipment
Cairns & District Aboriginal & Torres Strait Islander corporation for women	$ 5,000.00	Purchase office equipment
Community for Coastal & Cassowary Conservation Inc.	$ 4,780.00	Materials for plant nursery
Carpentaria Freemasons' Homes	$ 2,000.00	Computer and printer
Cairns Netball Association Inc.	$ 2,267.00	Purchase office equipment
Cairns Potters Club Inc	$ 1,430.00	Purchase of a digital camera

Cairns Rape Crisis & Incest Service Inc.	$ 1,761.00	Purchase computer equipment
Cairns Touch Association Inc.	$ 791.00	Purchase TV & Video
Family Day Care South Cairns Assoc. Inc.	$ 4,544.00	Facilities for children's program
Fretwell Park Sporting Assoc. Limited	$ 4,000.00	Equipment to maintain floor
Friends of Cairns Regional Gallery Inc.	$ 2,000.00	Purchase sound system
Gordonvale & District Tennis Assoc. Inc	$ 1,500.00	Ball machine
Qld Police Citizens Youth - Innisfail	$ 5,000.00	Gym equipment
Kewarra Beach Community Hall Activities Group Inc.	$ 3,060.00	Supply & Install Gazebo
Kick Arts Collective Inc.	$ 1,300.00	Purchase Printer & fax
Lions Club of Tolga & District Inc.	$ 5,000.00	Construct ablutions block
Mareeba Gymnastics Club Inc.	$ 8,767.00	Electrics for new gymnasium
Mossman Golf Club Inc	$ 4,000.00	Improve course drainage
Mareeba District Rodeo Association Inc.	$ 5,000.00	Upgrade seating at Kerribee Park
Mareeba Local Ambulance Committee	$ 5,000.00	projector
Mareeba Rugby League Club Inc.	$ 8,000.00	Purchase of digital clock
Mossman & District Gymnastics Club Inc.	$ 5,000.00	Gym Equipment
Ravenshoe Branch Little Athletics Centre Inc.	$ 14,770.00	Construct a shed for storage
Ravenshoe/Tully Falls Rural Fire Brigade	$ 4,750.00	Towards the purchase of a truck
Scout Assoc. of Australia - Kuranda	$ 3,500.00	Connect toilet block to sewer
State Emergency Service Babinda Social Club Inc.	$ 4,474.00	Rescue & New Facilities Equip.
Tableland Rape & Incest Crisis Centre Inc.	$ 5,000.00	Purchase Photocopier
Tinaroo Rural Fire Brigade	$ 5,000.00	Construct a fire station shed
TOTAL FUNDS GRANTED	$158,811.00	
Number of Grants - 34		

APPENDIX E - EXAMPLES OF CHARITABLE AND COMMUNITY SUPPORT GIVEN BY SOME INDIVIDUAL LICENSED CLUBS

Club	**Recipient/purpose**
Kedron-Wavell Services Club	$125 000 to Prince Charles Hospital Foundation over a period of years for medical research and other projects.
Wynnum Manly Leagues Club	$18 000 in 2000/2001 to Wynnum District Primary Sports Association for school affiliation fees, relief teachers, sporting uniforms, administration and coaching.
Maroochydore RSL	$1 million over a period of time for purchase of land and construction of the Memorial Park Kindergarten and Pre-School. For 1999/2000 the club donated a total of $94 000 to local organisations.
Kingaroy RSL	$1,500 in 1999/2000 to the Kingaroy High School Open Rugby League Team and the Kingaroy Netball Club and $500 to the Endeavour Foundation. The club also allowed its premises to be used for a fund raising event that raised over $3,000 for the Queensland Cancer Fund.
Logan Diggers Club	$14 000 to the Royal Children's Hospital Foundation for purchase of medical equipment.
Coorparoo RSL Club	Raised $15 000 to assist local
Carina Leagues Club	paralympians travelling to the 2000
Easts Leagues Club	Games.
Chermside Bowls Club	In 1999/2000 raised $6,000 for the Prince Charles Hospital Appeal.
Redcliffe RSL	In 1999/2000 over $9,000 to the Ye Old Brass RSL Memorial Band to purchase instruments and $4,000 to Neighbourhood Watch to purchase computer equipment.
Across the Waves Sports Club	Raised $3,000 for 11 sick Bundaberg
Brothers Sports Club	children to attend a Camp Quality.
Bundaberg RSL sub-branch	
Western Suburbs Leagues Club	

Eastern Suburbs Sports Club	
Bargara Golf Club	
Gatton RSL Club	$1,000 donated to the Justin Cameron Cancer Care Foundation.
Carpentaria Buffalo Club	Funded two year $6,000 bursary for a Northwest Queensland student commencing tertiary studies in 2000.
Gold Coast Yacht and Game Fish Club	Ongoing financial support for the junior training facility which is used by 16 local schools who attend courses throughout the school year.

APPENDIX F - EXAMPLES OF IMPROVED CLUB FACILITIES

Bramble Bay Bowls Club

Since installing gaming machines the Bramble Bay Bowls Club membership strength has increased from 462 to 625 full members with the social club membership increasing to over 800. With increased revenue the club was able to finance a building program for club facilities. Since the introduction of gaming machines the staff level has grown from 6 to 24. Gaming machine profits are directed toward debt reduction and general maintenance.

The club has supported charitable organisations such as the Blue Nursing Service, the Queensland Cancer Fund, Red Cross and local youth sporting groups such as the Peninsular Cricket Club and the Scarborough Sharks Swimming Club. The club also has a policy of purchasing locally wherever possible.[58]

Mareeba Leagues Club

After the introduction of gaming machines the Mareeba Leagues Club made the decision to construct new premises. This was in 1993. This decision was based on the experience of other clubs in similar circumstances. In terms of the number of machines in use the club is only small with approximately 50 machines. The club now employs 9 permanent and 10 casual staff compared with one casual employee before the machines were introduced.

The Mareeba Leagues Club now boasts over 2,000 members out of a Mareeba district population of approximately 7,000. Members can now obtain meals 7 days a week The club's premises contains a function room that is hired out for private functions and seminars to individuals and organisations.

The income from gaming machines has enabled the club to provide a first class entertainment centre for the people of the Mareeba district. Club management recognises that the club has a responsibility to support local community organisations such as the Mareeba High School and the local TAFE College by providing training places for hospitality students.[59]

Hervey Bay RSL & Services Memorial Club

The Hervey Bay RSL Club has since the introduction of gaming machines embarked on a major program of redevelopment. The first stage was the construction of the new clubhouse at a cost of $6.4 million which was completed in February 1996. The club originally commenced operating 22 machines but this has grown to 160. Club employment increased from18 to 32 immediately the club installed its first gaming machines. By February 1996 the staff level had increased to 80. Club membership has grown from 3,000 before the introduction of gaming machines to 10 000 since their introduction. The provision of meals and entertainment for members and their guests has expanded greatly as the club has grown in membership and in revenue.

Club management has recognised that it is an important part of the Hervey Bay districts hospitality industry as it caters for visitors from interstate. Hervey Bay is a well known retirement area but is now starting to attract a younger population that is needed to provide services to the older citizens

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58 Queensland. Office of Gaming Regulation, *Machine Gaming Newsletter*, 8 (1), April 1998, p 9.

59 Queensland. Office of Gaming Regulation, *Machine Gaming Newsletter*, 7 (2), June 1997, p 6.

and the club recognises this demographic change and plans to provide services that will attract younger adults into its membership.[60]

Pine Rivers RSL & Services Memorial Club

The Pine Rivers RSL Club has embarked on a three stage development that includes a 1 300 theatre style auditorium that will provide the Pine Rivers region with a performance and conference facility. When the redevelopment is completed with stage 3, the result will have been a complete renovation of the club's facilities that were first constructed in 1973.

The basis for the expansion is the increased income from approximately 160 gaming machines that are in use in the club premises. Club membership is increasing at a rate of about 200 per month which reflects the growing population of the Pine Rivers district. In 1999, direct club employment stood at 85 and it was projected at that time that direct employment would climb to approximately 140 after completion of the first stage of the redevelopment.

The RSL Club supports community organisations such as Blue Nurses, Salvation Army, the Kallangur over 50's Club and the Vietnam Veterans Association and provides places for students in hospitality training courses some of whom have obtained paid employment with the club after training.[61]

Bribie Island RSL & Citizens Memorial Club

The Bribie Island RSL Club boasts a membership strength equal to 85% of the Island's adult population with over 100 new members joining per month. The club now operates approximately 120 gaming machines. Between 1993 and 1999 the club invested $9.7 million in a three staged redevelopment of its premises. The club now boasts an auditorium capable of seating 300 and a general lounge capable of seating 120 people along with other improved facilities. A further two stages of redevelopment are planned which is expected to cost a further $8 million. Like other clubs around the State the Bribie Island RSL Club recognises that its ability to improve its services and attract more members lies with the revenue that gaming machines provide.

The club supports local community organisations such as junior sports teams and local ambulance services. Local schools also receive assistance through the provision of premises as a venue for such things as speech nights and play presentations. The club provided the venue for the Lions National Congress in 2000 and has on three occasions hosted the annual Australian Billiard Titles.

Club employment has grown from 8 full-time staff members before the introduction of gaming machines to 30 full-time employees since their introduction as well as 62 casual employees.[62]

The Bribie Island RSL Club was the first club in Queensland to sign up to receive a percentage of its electrical power from renewable energy sources. Since 2000 the club has been purchasing 5% of its energy requirements as renewable energy from ENERGEX Retail. Over a three year period the amount of renewable energy purchased will be sufficient power to operate the club's gaming machines on a daily basis.[63]

Eastern Suburbs Leagues Club- Brisbane

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60 Queensland. Office of Gaming Regulation, *Gaming Newsletter*, 6 (1), March 1996, p 8.

61 Queensland. Office of Gaming Regulation, *Gaming Newsletter*, 2 (4), December 1999, p 6.

62 Queensland. Office of Gaming Regulation, *Gaming Newsletter*, 2 (1), March 1999, p 8.

63 'Bribie Island RSL – First club to sign to Earth's choice', *Gaming Newsletter*, 6 (1), February/March 2000, p 22.

The Eastern Suburbs Leagues Club in Brisbane has experienced major growth and redevelopment since the introduction of gaming machines on its premises. The club now operates over 200 machines and membership has increased dramatically from over 2,000 to over 13 000.[64] Women over 50 comprise 50% of the club membership.

The club has increased direct employment from 2 permanent and 2 casuals before the introduction of gaming machines to 32 permanent staff and 40 casual staff. Redevelopment of club premises was completed in 1995 at a cost of $3.1 million.

Eastern Suburbs Leagues Club sponsors the Metropolitan Netball Association, the Brisbane Blazers and Spartans basketball teams as well as district and junior rugby league teams. Sponsorship of sporting teams in 1996 totalled $350 000. Charitable organisations such as the Womens Hospital Perinatal Research Centre, Salvation Army, Queensland Spastic Welfare League have received financial support from the club. Local schools are allowed access to the club's sporting facilities as required.[65]

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64 Easts Leagues Club Incorporated website http://www.eastsleagues.com.au/regular.html 1 July 2001.

65 Queensland. Office of Gaming Regulation, *Gaming Newsletter*, 6 (3), September 1996, p 6.

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