

BRIEFING NOTE



Impact of new IRDs on community clubs

Background...

Clubs Queensland commissioned and released an independent report from Synergies Economic Consulting regarding the impact of Integrated Resort Developments (IRDs) on community clubs. The report specifically looked at the social and economic impacts of the three (IRD/casinos) in Brisbane, Gold Coast and Cairns (proposed).

Jurisdictional comparisons indicate Queensland is already well serviced when it comes to casinos and the report outlines, the gaming (pokies) market is saturated and statistically declining.

NSWs population = 7.544M. one casino + Bangaroo under construction (table games only)
Victoria's population = 5.791M. one casino
QLDs population = 4.691M. four casinos + an additional two licenses pending.

Impact...

Conservatively 63 community clubs are forecast to experience serious financial risk with an estimated total annual gaming revenue loss of \$100 million to casinos. Additionally, an estimated \$75 million reduction annually in taxes foregone to the State and community contributions to local communities – affects children's sport, legacy for returned service personnel, Surf Life Saving, other not for profit community groups, and much needed social infrastructure.

Facts from NSW highlight that only 9% of all visitors to the Star Casino in Sydney are from overseas, with 65% of all visits being local residents. Report confirms, new IRD/Casino offers will not be sustained via international market, particularly given existing Australian casino offers. NOTE: Australian casinos rely on locals to sustain operations, and alarmingly the report confirms profitability across the community club sector projected to fall by almost 25% after construction is completed.

Outcomes...

Available gambling offer for community clubs inferior to when compared to casinos. Additional Queensland casinos (with a significant gaming machine offer), only exacerbates the disparity and inability of community clubs to compete and remain relevant. NOTE: Market saturation of the gaming offer and the existing number of licensed casinos per capita in Queensland compared to other jurisdictions. Additionally, the shift towards digital (online gambling, sports betting and the like), is increasingly diluting the highly regulated/taxed 'on-premise' gaming environment.

The Synergies Economic Consulting report makes a number of recommendations for the Government's consideration. Areas the report identifies as requiring parity include:

- **Increase the Ticket In/Ticket Out (TITO) input limit**
- **Increase the return to player levels in line with casinos**
- **Introduce multi terminal games**
- **Increase trading hours**
- **Increase maximum bet limits**
- **Index tax thresholds on community club gaming revenue**

Recommendation

Cease additional IRD/casinos licenses being awarded in Qld + given Queens Wharf IRD already committed, government to action Independent Review of impact with recommendations for urgent consideration/action.