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## **Report confirms club industry wipeout by new Casinos**

Clubs Queensland today released the Synergies Economic Consulting report titled '***The impact of new casinos on Queensland community clubs***'.

The independent report, the first of its kind, comprehensively outlines the social and economic impacts of the three proposed Integrated Resort Developments (IRDs), which includes casinos. Conservatively, 63 community clubs are forecasted to experience serious financial risk with an estimated total annual gaming revenue loss of \$100 million to casinos.

Clubs Queensland CEO Doug Flockhart is alarmed by the forecasted impact of the proposed IRDs.

"The report's findings indicate that 30 Gold Coast community clubs are at very high risk of financial failure as a result of the expected competitive battle for customers between the existing Jupiters Casino and a second Gold Coast casino as part of a proposed IRD development by ASF. The number of clubs in the high risk of financial failure category equates to 44% of the 67 licensed community clubs on the Gold Coast that currently have a gaming offer," Mr Flockhart said.

"Without fully assessing the impact of these IRDs, particularly given the forecast failure of many community clubs, including Surf Lifesaving clubs, RSLs, sporting clubs, etc, and the consequential displacement of hundreds of thousands of community club members of all ages is detrimental to the social fabric of local communities," he said.

"We are staring down a conservative \$100 million annual revenue shortfall, which will be ripped out of local communities with community contributions and tax revenue alone impacted to the value of over \$75 million annually, and \$34 million of that from the Gold Coast."

"Experience from NSW highlights that only 9% of all visitors to the Star Casino in Sydney are from overseas, with 65% of all visits being local residents. The statistics clearly confirm our argument that an integrated casino offer will be sustained by a new international market is absurd.

"Community clubs already compete on an un-level playing field, given concessions casinos have in areas including maximum bet, return to player, trading hours, and taxation. Adding more Queensland casinos only exacerbate the inequality and inability of community clubs to compete and remain relevant," he said.

"Community clubs are not for profit entities, purpose built to develop and contribute to infrastructure, services, and the local community as part of their objectives. Additionally, the proposed new integrated resort casinos line the pockets of shareholders, most who don't even live in Australia, to the detriment of Queenslanders young and old.

"With Australian casinos focusing on locals to sustain operations, the report confirms that profitability across the community club sector is projected to fall by almost 25% after construction is completed. That will leave many community clubs unable to survive and certainly unable to supplement other not-for-profit community groups or community infrastructure.

"The forecasted impacts are real, and the consequence of allowing these developments to proceed means that many current activities, from supporting aspiring Olympians to the legacy work with veterans via RSLs, will suffer," Mr Flockhart stressed.

Gold Coast BMD Northcliffe SLSC for example, only has a small gaming area, however, it is a significant contributor to the local community with the majority of funds assisting surf lifesavers to patrol our beaches and save lives.

## **MEDIA RELEASE**

BMD Northcliffe Club Manager Dermot McEnroe said, "As one of the community clubs closest to the proposed second Gold Coast casino, a reduction in gaming revenue of even 10% for example would result in a \$250,000 drop in financial support for our supporters club. Our supporters club funds surf life saving operations and this reduction in funds would significantly negatively impact our junior development programs, competitions, patrols and jobs."

"BMD Northcliffe Surf Club provides a unique and diverse community service, not only providing an emergency service by patrolling Northcliffe beach but also educating our community through local schools and offering a fun and healthy sport for members of all ages," Mr McEnroe said.

"I have no doubt that the impact a second casino would have on our club would not only be detrimental to our members and staff but also to the amenity and safety of the local community."

The Synergies Economic Consulting report makes a number of recommendations for the Government's consideration, starting with a detailed committee review to mitigate likely impacts, and accompanying regulatory changes to ensure a level playing field for the largest not for profit sector in Queensland. Further, the report recommends that any future IRDs be subject to a more rigorous and transparent evaluation process that is subject to and includes substantial community input.

**ENDS**

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