

Industry devastated by new gaming tax

The Association is joining with ClubsNSW and other industry Associations in a major battle with the State Government over new gaming taxes announced in the State Budget.

The new gaming taxes announced by the State Treasurer threaten to destroy the fundamental culture on which Association member clubs were formed.

Virtually all RSL and Services clubs were originally formed as or from sub-Branches as part of the RSL to provide hospitality and comradeship for war veterans. While many of the clubs have now become separate identities the vast majority still provide a venue for local RSL sub-Branches to meet and are supportive of RSL ideals and aspirations, particularly on commemorative days such as Anzac Day. Many of these clubs are still governed by a majority of ex-servicemen and women on their Boards.

The new taxes, effective from September 2004 will see the top marginal rate increase from 17.16 (+GST) to 40% by 2010.

In his Budget Speech, the Treasurer, Michael Egan said the rate increases are largest for the most profitable clubs and bring taxation into line with tax regimes applying in other states.

However, SCA Chief Executive, Graeme Carroll, says that the Treasurer has failed to acknowledge that NSW is

the highest taxed state for a number of other taxes.

Mr Carroll says that member clubs still foster the original traditions of a venue for ex-diggers to meet up with their mates with whom they had fought in overseas conflicts.

Initial feedback from member clubs showed that a significant number – from the small to the large – would struggle to survive the new tax as its impact took hold. However, further economic modelling was required.

The opportunity for our war veterans to share an affordable beer and meal with their mates could well be threatened by the Government's move.

The new tax regime could have a devastating impact on all levels of clubs in the Services Clubs sector, and these values along with grants to local community and sporting groups could be under serious threat as clubs struggle to make budgets.

More detailed financial analysis of the clubs will take place and the Association is confident that it can show how unjust this tax is, but the traditional culture of services clubs will be eroded if it remains.

Mr. Carroll said that judging from comments attributed to the Treasurer in the media it was obvious he did not understand the difference between gaming revenue and the club's actual profit.

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From the CEO

Graeme Carroll

Conference planning advanced

Planning for the Association's second Annual Conference, to be held at the Hyatt Hotel Canberra from 6-9 November 2003 is almost complete.

The Association is anticipating an estimated 200 delegates to attend the conference under the theme of "*Managing in a dynamic environment a positive approach*" which will again have Aristocrat as its major sponsor.

The conference will commence with a Welcome Reception at the Australian War Memorial on Thursday evening, 6th November. An optional golf tournament will be held earlier in the day.

The conference sessions will be staged on Friday 7th November and will conclude at 1pm on Saturday 8th. They are again designed to provide delegates with practical advice which they can take back to their club and implement.

Topics to be addressed by an array of expert and high profile speakers include corporate governance, getting benefits from your community donations, disaster recovery planning, food safety standards, the future of gaming legislation, minimising insurance risks, extracting the most from your club assets, increasing the performance of food and beverage and getting the best out of your staff.

The Association's Annual General Meeting will be held on the afternoon of Saturday 8th. The conference will conclude with a dinner on the Saturday evening at a special venue to be announced.

Conference registration brochures will be mailed to clubs in August. Block bookings of accommodation have been secured and will be available when registrations open.

Constitutional changes

The Association is considering a number of changes to the Constitution to increase voting rights and board representation of all members.

The proposed amendments are in response to criticisms that the Constitution does not adequately cater for the input of all categories of members. Category 3 members are currently not entitled to vote or stand for election to the Association's Board of Directors.

The changes to the voting entitlements are based on giving proportional voting rights to all Categories of members - three voting delegates for Category 1 Members, two voting delegates for Category 2 Members and 1 voting delegate for Category 3 members - relative to subscription fees.

The proposals also provide for representation of all categories on the Association's Board of Directors with one position held by a Category 3 Member club; two positions by Category Two clubs and not less than four to be held by Category One clubs.

The proposed amendments are seen as a way of improving the input of all categories of membership in determining Association policy.

It is planned to call a Special General Meeting of member clubs, most likely in September, to vote on the proposed changes so that they can be implemented for the AGM in November.

New Association office

The Association has completed its move to a new and larger office at Hurstville in Sydney's south.

The move will enable the Association to recruit an assistant to the CEO and improve and expand services and assistance to members.

The new office address is Lvl 2, 12 Butler Road, Hurstville, NSW, 2220. The phone number is (02) 8567 0930 and the fax (02) 8567 0931. The mobile number for Graeme Carroll is exchanged at 0412 188 097 as does the email address gcarroll@servicesclubs.asn.au

New member

Welcome to Ulong Ex-Services Club which has joined the Association, taking the total number of members to almost 50.

Discussions are continuing with a number of other clubs and it is expected the number will surpass 50 in the near future.

Ulong rises again

The Ulong Ex-Services Club has risen from the ashes of a devastating fire early last month thanks to the generosity of a number of Association member clubs and industry suppliers.

The club was the only licenced premises in the small village of 300 people on the Dorrigo Plateau, west of Coffs Harbour. An electrical fault is believed to have caused the fire that burnt the club building to the ground.



Club Manager, Todd Kadwell, has been working against the clock to get the club back on its feet and says he has been overwhelmed by the support from other clubs in the industry, the trade and community in surrounding towns.

Aristocrat and IGT offered gaming machines, Tooheys bar facilities, Rooty Hill RSL provided furniture, Merrylands RSL cash registers and cooking equipment, Richmond Club a photocopier, Lidcombe RSL computer equipment, Taree RSL cash registers and Coffs Ex-Services glassware and crockery. Park Beach Bowling Club and the Coffs Harbour Race Club also provided fund-raising support, while Australian Temporary Fencing has fully fenced the temporary clubhouse.

So extensive was the assistance that it took Mr Kadwell and his team two trips to Sydney in a three-tonne truck to collect all the equipment for which he says the club is extremely grateful.

The Coffs Harbour City Council allowed the club the temporary use of the local community hall to resurrect the club and following Liquor Administration Board approval the club was back up and running on Monday 16th June, some six weeks after the fire.

“It’s a bit cold and lacks atmosphere at present but with a little more work we will bring it to life

pending the construction of a new club”, Mr Kadwell said.

SCA Chief Executive, Graeme Carroll, says the ready assistance given to the club shows that the club industry spirit is very much alive.

“The clubs and trade that were able to come to the assistance of Ulong Ex-Services by providing their surplus equipment are to be congratulated”.

Alcohol Summit

The State Government will host the NSW Summit on Alcohol Abuse (The Alcohol Summit) at Parliament House, Sydney from 26-29 August.

The SCA will be seeking the views of member clubs in developing a submission to the summit.

The Alcohol Summit will bring together an array of stakeholders including: alcohol experts; families affected by alcohol abuse; industry, representatives of interest groups; treatment services; community leaders and Members of Parliament to examine existing approaches to alcohol abuse.

Through the Alcohol Summit, the Government is seeking to identify ways in which to improve existing strategies, programs and services as well as examining solutions that can provide a strong platform for addressing the problems associated with the abuse of alcohol.

The Alcohol Summit is an important initiative that will focus on the significant community problems associated with alcohol use and is supported by a whole-of-government approach to the issue.

Consultation with the liquor industry will be an important aspect of the Alcohol Summit, with the Liquor Industry Consultative Council, representing the relevant industry associations and key employee groups, being the primary point for industry consultation by the Government and post-Alcohol Summit implementation.

The Government has established a special website - www.alcoholsummit.nsw.gov.au - for further information and regular updates on the Alcohol Summit, including how submissions can be made by interested groups and individuals.

Diary date: the SCA Annual Conference, Hyatt Hotel, Canberra, 6-9 November 2003

Industry revolt against new Gaming taxes

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“Rather than simply look at gaming revenue, the Treasurer also needs to take into account all aspects of a club’s operation where he will find that profits are marginal at best, especially in medium and smaller clubs. The higher taxes will simply push more clubs into the ‘red’ as they will find it virtually impossible to make up the extra gaming tax from their food and beverage sales and entertainment.

“The flow on effect will also mean that smaller struggling clubs will no longer be able to secure an amalgamation partner which will result in them almost certainly floundering and communities will lose these valuable assets forever. This will, in particular, have a devastating impact on regional towns.

Similarly, clubs which have recently undertaken refurbishments or redevelopments will now be struggling to service loans. Others will be forced to forgo those upgrades depriving members of new facilities.

Amalgamation regs proposals

The Association will join with other industry Association in seeking more streamlined amalgamation regulations.

The Association maintains that the current amalgamation restrictions are timing consuming and too costly and are compounded under the impact of the new gaming tax.

Consideration needs to be given to the possibility of accommodating the amalgamation of three, or perhaps four clubs, each operating at marginal financial levels, which may wish to amalgamate common elements of their operations. The current legislation generally contemplates the proposition of a ‘parent’ – generally larger and more profitable – club amalgamating with a financially struggling smaller club.

Shutdown guidelines passed

New guidelines to allow clubs an exemption from the six-hour shutdown have passed through State Parliament.

The new guidelines will allow a three-hour shutdown under certain hardship circumstances including:

- Financial viability seriously threatened; or
- Clear loss of revenue since 3 hour s/down; or
- Clear reduction in number of permanent staff; or
- Significant downturn in support to community.

Clubs will also need to demonstrate:

- All harm minimisation requirements implemented;
- Participation in local liquor accord
- Any decline in revenue or loss of jobs direct result of shutdown requirements.

Local Councils no longer need to be consulted in relation to the shutdown applications.

Mandatory RSA training changed

The Minister for Gaming & Racing recently approved a revised timetable to allow for a two-tiered commencement of mandatory RSA training.

The new timetable is:

- Training to be mandatory by 31 December 2003 for all permanent staff - full-time or part-time.
- Training to be mandatory by 30 June 2004 for all casual staff - full-time or part-time, and for all liquor licensees, club secretaries and any other category of person involved in the sale or supply of liquor on licensed premises.
- Refresher training to be undertaken every three years (re-training due on 31 December 2006 or 30 June 2007).
- Training courses and providers to be approved by the Liquor Administration Board, with the Department of Gaming and Racing to develop a "model" RSA training course*

Changes to the liquor laws are required to give effect to the introduction of mandatory RSA training. It is expected that the liquor laws will only recognise RSA courses approved by the Liquor Administration Board. A list of Training Providers approved by the LAB is available on the Department’s website www.dgr.nsw.gov.au ‘click on’ *Whats New* and scroll down to “Mandatory RSA Training”.

Further information about the introduction of mandatory RSA training will be available from the Department shortly. In the meantime, enquiries can be referred to the Department's Client Access Centre - telephone 02 9995 0333.