



'Club Grove'

Ocean Grove Bowling Club Inc.

"2012 – Something New or Something Borrowed?"



Presentation to the Victorian Local Government Leading Edge Forum - 4 June 2009



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Mission

To achieve excellence in the provision of lawn bowling, indoor bowling, hospitality, social, gaming and wagering activities and holiday accommodation for members, guests and visitors.





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History – “A forward thinking Club”

- First public meeting held 11 November 1952
- Inaugural meeting of the Bowling Club held 22 January 1953
- Initial purchase of land – 3 blocks at £110 per block
- 2 years and 9 days after the public meeting the new Club was up and bowling
- Liquor Licence granted March 1969
- Gaming introduced in January 1993 – 20 gaming machines (currently 60)
- Green Valley Caravan Park purchased 1994 - \$875,000 (repaid in 3 years)
- Land now consists of 27 titles – incorporating 3 greens
- Several Clubhouse redevelopments have been undertaken
- Profitability of the Clubs business continues to allow forward thinking





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Our underpinning Gaming Philosophy

“Gaming is a legitimate form of entertainment however, we acknowledge and take responsibility for ensuring we provide gaming in a socially rewarding, enjoyable and responsible manner”.





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Desire to become a genuine Community Club – much, much more than a Bowling Club

- 2007 transition from Bowling Club to Community Club – giving back
- We are in our own right a community icon and as such must take our share of the responsibility for growing community
- Not a gaming destination model – gaming is but part of our offer
- Customer focussed/driven





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A genuine focus on Community Benefit

- Community Partnership Program in excess of \$55K in 2009/2010
- Significant in-kind contributions
- Business Grow Program rather than seeking sponsorship
- Community/Courtesy Bus
- A home for the RSL Sub Branch
- Lions Club Youth Initiative
- Numerous representation on Community Boards e.g. Ocean Grove Community Enterprise
- General Manager member of City of Greater Geelong Gaming Advisory Committee Establishment Working Group





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Consistent approach to the introduction of 2012

- Support the State Governments new gaming model as it provides independence in and greater control over this aspect of our commercial operations. We also believe strongly that it will enable us to provide even greater community benefit
- Played with a Straight Bat – did not deviate from the script e.g. support for minimum entitlements
- Initiated steering group (GM/Board Members ability to coopt)
- Stay abreast of developments and provided input where deemed appropriate
- Interstate Research
- Non confrontational – discouraged marching on Spring Street/petitions etc.
- Informally worked the network – professional bodies (CCAV, ClubsVic, RSL Licensed Sub-Branch Association, Club Managers Association, local and State politicians
- Support the ban on ATMs within venues





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Business Impact resulting from announcement of the 2012 Gaming Regime

- The ongoing indecision, especially in the current economic climate, severely hampers our ability to prepare for the bid
- Holding off on major building project - \$4.5 million
- Staff uncertainty
- Operator service provision already declining e.g. new product
- Club network more suspicious – less prepared to share





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The Gaming Landscape

What will it look like?

- 27,500 gaming machine entitlements available in Victoria
- The City of Greater Geelong is a capped area – 1371 gaming machines
- Two operator system (duopoly) of TABCORP and Tatts replaced with venue operators bidding for gaming machine entitlements
- The concept of Regional caps will be maintained however this is currently under review by the VCGR
- 50-50 split between Hotels and Clubs remains but could change if there is insufficient demand from Clubs
- Demand from hotels in capped areas will be high
- 80 CBD/20 Regional split remains
- Venue Operators Licence required but no requirement to have an approved venue





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Major concerns/issues raised by Clubs - 2012

- Consultation process did not include the new structure or the entitlement allocation process
- Proposed taxation system – the bigger you are the less tax you pay
- Competitive gaming machine entitlement bidding process
- The potential cost of Club gaming machine entitlements
- The state-wide application of the 50:50 rule – Clubs in a particular area could find themselves competing against hotels for their gaming entitlements. This is particularly threatening for Clubs in capped areas
- Existing operators have no advantage – no recognition of capability/track record etc. (very little interest in 2012 from Clubs who are not currently involved in gaming)





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Major concerns/issues raised by Clubs - 2012 (continued...)

- Unfairly disadvantages smaller Clubs – how are some community Clubs to raise the deposits/finance required?
- Lack of protection for existing Clubs e.g. squeezed out by cashed up hotels, elite sporting Clubs particularly in capped areas.
- Clubs downsizing or winding up due to loss of gaming revenue resulting in loss of jobs, support to community, etc.
- Commercial viability of some Clubs who are successful bidders – ability to balance debt
- Impact of a truly competitive Club gaming environment on the Club network
- Delays in finalising the Gaming Regulation Amendment (Licensing) Bill





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Sense will prevail

It is our belief a number of changes will be adopted to end the impasse that has seen the amendment to the Gaming Regulations Act stalled.

Possible changes include

- Variations to deposit payment terms
- Options to purchase “some” entitlements at a fixed price before bidding
- Bona fides tests for new bidders
- Limits on Club ownership and entitlements
- Legislating the 50:50 hotel/club and 80:20 Metro/Regional splits





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Fostering Responsible Gaming

- Adopted ClubsVic Code of Conduct
- Adopted ClubsVic Self Exclusion Program
- Deployed positive promotional strategy
- Compliance through staff education and training program
- Staff take ownership which is recognised via Staff Reward and Recognition Program
- Liaison on with VCGR, Gamblers Help and ClubsVic
- Exploring additional referral/counselling services to enhance current regional/country service provision





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Thankyou...

