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DEUTSCHE BANK CONFIRMS DAMAGE OF WILKIE REFORMS ON CLUBS AND HOTELS

An independent analysis of Andrew Wilkie's mandatory pre-commitment technology for poker machines by Deutsche Bank confirms industry predictions of a financial wipeout for clubs and pubs.

The report predicts gaming revenue will be reduced by between 30-40%, which translates to an annual loss of income of between \$4.9 and \$6.5 billion.

Further, the Deutsche Bank report predicts the installation cost of Andrew Wilkie's licence to punt technology on the nation's 200,000 poker machines and linking them to a national database at up to \$5 billion.

Last night the ABC program Media Watch suggested industry predictions of 40% were inaccurate and that no one knows what the revenue implications will be.

Executive Director of ClubsAustralia Anthony Ball said the Deutsche Bank analysis of mandatory pre-commitment confirms industry warnings that the as yet untested technology will reduce club revenue by 40%.

"The Productivity Commission recommended to the Federal Government that this technology should be trialled, and with good reason.

"It's a measure of the Federal Government's desperation to avoid the wrath of Andrew Wilkie that they instead of trialling mandatory pre-commitment, they are defending it. The Government is now ignoring predictions from Deutsche Bank as well as the gambling industry and gambling researchers that this technology will cost billions of dollars.

"Possibly even more alarming, some of Australia's leading gambling academics have indicated mandatory pre-commitment will not achieve a reduction in the rate of problem gambling.

"Clubs and hotels employ more than 180,000 people directly. Tens of thousands more are employed through sectors such as food, cleaning, security and tourism that won't have a job if local clubs and pubs no longer exist.

"It's one thing for the Government and now the ABC's Media Watch to question the industry's predictions of the financial impact of mandatory pre-commitment. Today we have an independent, internationally recognised financial institution confirming that the Wilkie deal will cost the industry up to \$6.5 billion each year and another \$5 billion just to set up.

"The anti-gambling lobby regularly claims that poker machines damage the community. The Productivity Commission looked at this issue and calculated that after considering the impact of problem gambling, poker machines deliver a net benefit to the community of between \$768 million and \$5.5 billion a year," he said.

The Deutsche Bank report can be viewed at: www.clubsnsww.com.au/Files/DeutscheBank-2011.pdf

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