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The Secretary
Standing Committee on Public Accounts
Legislative Assembly for the ACT
GPO Box 1020
CANBERRA ACT 2601.

A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	70
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13 May 2015

Dear Committee,

RE: INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR

Eastlake Football Club Limited, trading as Eastlake Football Club, Calwell Club and Sports Club Kaleen, (the Company) welcomes the inquiry into the future viability of the ACT licensed club industry. The current economic climate, increased competition in the hospitality sector along with a difficult legislative and regulatory environment has contributed to it being the most difficult trading environment in recent years.

The Company appreciates the privileged position it has in operating electronic gaming machines (EGMs). With this comes responsibility to ensure the community is properly protected. We are also acutely aware of the government's role in protecting the vulnerable within our community and accept that legislation from time to time will impact on our revenues.

Over the past two years the Company has experienced a significant decline in revenue while operating costs have increased. As a result, the Company has been active in finding efficiencies which has included reduced employment.

On top of this, after two years of reducing operating costs the Company has now been forced to also reduced community contributions while maintaining well above industry average. This has been a difficult decision given the Company's track record in supporting the community.

The Company's strategic plan is to maximise revenue from existing assets while at the same time implementing a business model that diversifies away from gaming. As part of this strategic plan the Company seeks to have a geographical presence across the ACT. This spread in its business footprint strengthens the Company by lessening the impact of local economic factors. In order to achieve this, the Company has established businesses in Calwell, Griffith, Kaleen and more recently purchased a Greenfield club site in Gungahlin.

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The Company is eager to develop a business on this site. Unfortunately due to the uncertainty in the regulatory environment within the club sector the Company lacks the business confidence to fund a project of this magnitude. Consequently, the Company has been actively seeking potential partners to assist in funding the development of this site. Elements of the lease may need to be reviewed in order to achieve this outcome.

There are many issues facing the future of the ACT licensed club industry which have been detailed in the ClubsACT submission. The Company fully supports this document. As such, it is timely that a review into the future viability of the ACT licensed club industry is being undertaken as more than anything, the industry needs certainty.

The Company supports a collaborative approach to the regulation and sustainability of the licensed club industry, and would like to see the government and industry working together to ensure the long-term viability of the club sector.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Lorin Joyce", written over a light grey background.

Lorin Joyce
President
Eastlake Football Club Limited

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