



Productivity Commission

Gambling Enquiry

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### Canberra Southern Cross Club

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## **Canberra Southern Cross Club Profile**

The Canberra Southern Cross Club (the Club) which commenced operations in 1972 was established as a company limited by guarantee. The constitution of the Club outlines its objectives:

- a) to promote the moral, intellectual, social and material welfare of the members;
- b) to create and foster a spirit of co-operation among members;
- c) to extend fraternal welcome to persons of goodwill from all parts of the world; and
- d) to promote sporting events and pastimes and to encourage social activities amongst the members of the Club.

Starting with a membership of around 2000, the Club grew rapidly and today is one of the major clubs in the ACT.

- 7 club venues
- 420 employees
- 84,000 members
- 18 hole pitch 'n' putt golf course
- 2 sports stadiums (indoor games)
- MV Southern Cross (a vessel serving as a function centre and a public ferry)
- A comprehensive provision of food service (functions, a la carte, bistro and café.)
- Total Assets \$57m
- Members' Equity \$43m

The Club is committed to service to its members and the wider community. It is recognised by the community as setting the benchmark for the club industry in regards to the provision of quality member services and community assistance.

### ***Strategic Direction***

Initially the Club marketed itself as '-A club for Catholics and friends'. Over time this has changed to reflect the Club's diverse membership and today the mission statement is:

'To provide social and entertainment programs for members, based on Christian standards, through excellence in:

- Innovative and diverse amenities
- Family activities
- Community support and
- Financial management and corporate governance.'

Consistent with the mission statement and constitution, the objectives of the Club's current strategic plan are to:

- develop and keep under review a growth strategy for services and membership
- maintain innovative, diverse and cost effective services to members

- explore and develop positively the opportunities for diversifying investments
- foster family values and Christian standards
- provide positive and constructive community support.

## Economic Contribution

The Club is a major employer and its ongoing expenditure makes a valuable contribution the ACT economy.

Over the last three years the Club has invested \$22m on **capital** expenditure. This has included refurbishments at all venues together with the completion of a major development which was undertaken at Woden over the last three years and has seen the fit out and finalisation of the new 'events centre'. The 'events centre' is a state of the art facility to cater for weddings, conferences, seminars, entertainment, trade shows etc.

The following **recurring** expenditure based on the financial year ended 30 June 2008 has been injected directly into the ACT economy:

• Cost of sales	\$ 9.86m
• Wages	\$11.26m
• Marketing expenses	\$1.93m
• Donations to outside organisations	\$1.39m
• Gaming Levy	\$4.4m
• Land Tax & Rates	\$0.44m

## Social Contribution

### *Members Services*

#### **General philosophy**

Over 35 years the Club has become an icon in the Canberra community by consistently offering an impressive array of diverse services and facilities for its members now totalling 84,000.

The Club's record and reputation is a measure of the success of its underlying philosophy to provide a "community-minded leisure experience". This is clearly articulated in the Club's mission statement and strategic directions outlined above.

From the very beginning the vision was to create a family club with a broad range of activities and programs appealing to all members of the community. From the Club's inception in 1972 until the present day, it has remained true to that vision. The Board and Management of the Club continue to closely monitor existing member services and develop new member services. The Club is clearly dedicated to catering for as wide a range of members as possible by providing quality facilities for all.

## Services provided (Synopsis)

The Club provides a comprehensive list of services:

Food	Fine dining, Bistro, BBQ facilities, Fish & chip shop, free tea & coffee.
Beverage	Lounge and sports bars, cocktail bars.
Gaming	Modern lounges, TAB
Functions	Rooms to cater from 10 to 1000, Marquee, Motor Vessel Southern Cross.
Entertainment	Live shows, Children's movies (free in school holidays), free internet, Free newspapers, Quiet reading rooms.
Sports facilities	Bowling Greens, Pitch n Putt, Basketball Stadiums.

A more complete list of services by venue is shown in *Attachment 1*.

Special mention must be made of the **Southern Cross Health Club** (SCHC) where the Club has been a leader. It began promoting the idea of a "community-minded leisure experience" over ten years ago when it set up the Health Club for its members. The SCHC is now regarded as the best health and fitness centre in the ACT.

In 2007 it was awarded the ACT Fitness Industry "Fitness Club of the Year" award. And in 2008 the Centre received the "Australian Health and Fitness Facility of the Year" Award. This is the highest and most prestigious award a health and fitness centre can win. Since opening, the SCHC has continually upgraded its facilities and has in excess of \$1,000,000.00 worth of equipment, and services over 5700 members, including 2600 over 50 years of age.

## Quality control

A committee chaired by a Vice President of the Club is responsible for investigating any new services or facilities that may be offered to members. It also monitors the quality of services currently provided to members, as well as ensuring that acceptable standards of dress and behaviour are maintained.

The Club has a policy that all complaints must be acknowledged and dealt with immediately. As soon as they receive the complaint, the Venue Manager must ring the patron to discuss the concerns and any associated action. An internal investigation is carried out on each complaint and the customer is informed of the outcome straightaway.

A copy of the original complaint letter, the investigation report and the response to the member outlining the outcome, is forwarded to the Chief Executive Officer and then registered in the "Complaints Register".

The register is kept by the Executive Office and if the problem continues to occur the section/department/staff members are informed and further measures are taken to avoid further occurrences.

This complaints register is reviewed monthly by the Member Services Committee to ensure that complaints reach the highest level.

## **Social groups**

The Club generously supports many social groups for the enjoyment of its members. These groups have their own dedicated room “The Community Room” at the Woden site, which provides tea and coffee making facilities and biscuits. All social groups also receive assistance from the Member Services Officer and discounts for end of year functions held at the Club.

Following is a list of groups operating under the umbrella of the main club:

Art Class, Chess, Bridge, Craft Class, Carpet, Bowls, Cribbage, Dance, Drama, English Conversation, Euchre, Mah-jong, Scrabble, Sing a long, Solo, Travel Club, Pioneer Club and Wine Club.

## **Community Contribution**

A commitment to community assistance is high on the list of priorities for the Club. From the outset the Club saw community assistance as both an obvious civic responsibility and a vital corporate culture for the organisation. Achieving the minimum requirement is never a consideration and the Club has committed to provide at least 20% of its net profit as community assistance additional to that required by legislation. In 2007-08 the Club’s community contribution was \$1.3m compared to a legislative requirement of \$0.87m with 75% going to non sporting bodies and 25% going to sporting bodies.

Assessing community assistance is very much a team effort. The Board and the Management Group jointly approve allocations and oversee the process of distributions. The Board acts in a voluntary capacity on behalf of members of the Club and the community.

## **Non Sporting Contributions**

The Club addresses its community assistance to non sporting bodies through the following methods:

### *Continuing Support*

A number of the Club’s support activities are so important that they have become fixed commitments. They include the provision of food to the St Vincent de Paul’s Night Patrol Van and to the Woden Youth Centre.

### *Community Support Grants*

For the Club, the most satisfying and important part of each year is its Annual Grants Lunch. The luncheons are the Club’s way of acknowledging, rewarding and providing feedback to representatives of the various community organisations for their hard work throughout the year and to distribute the grants.

In the company of over 200 guests and four or five prominent politicians, the ACT Chief Minister presents cheques to the recipients. Once a year welfare, charitable, non-profit and non-sporting organisations have the opportunity to receive financial assistance through one of these Community Support Grants. In order to be considered for a grant, organisations must complete a Community Support Grants Application Form.

The Community Support Committee reviews all applications based on the category of application, and on the objectives of the Club. Beyond providing financial assistance, these Annual Grants Luncheons are also an excellent networking opportunity for all these volunteer groups.

### *Day to Day Cash Donations and In-Kind Contributions*

Of the many requests the Club receives from various charity groups, welfare organisations and individuals, most are for small amounts and are dealt with on a daily basis. To help facilitate a quick response, the letters of request are passed on to the Company Secretary or the CEO rather than a committee.

### **Sporting Sponsorships**

The Club strongly believes that sporting and leisure activities are the glue that holds communities together and help promote a healthy way of life. The Club's overall philosophy of providing a 'community-minded leisure experience' for members and their guests is extended in various practical ways and in particular that it should provide as much financial, in-kind and management assistance as possible to sporting groups which operate independently of but request assistance from the Club. The Club provides assistance to in excess of 30 sporting clubs.

Effective management of contributions in this area is the role of a Sub-Committee of the Member Services Committee, which is responsible for:

- Ensuring that communication between the Club, Sporting and Social Groups is enhanced.
- Providing recommendation to the Board in the allocation of funding to existing and new groups.
- Providing assistance and support to these groups as required for example, fundraising activities.
- Reviewing the operation of these groups to ensure the outcomes, performance and level of satisfaction of these groups is maintained.
- Ensuring that the visibility of the Club's assistance to the Sporting and Social infrastructure of the community is maximised

A list of sporting groups assisted by the Club is shown in *Attachment 2* but the Canberra Yacht Club requires special mention.

The Canberra Yacht Club (CYC) continues to operate for its 500 members thanks to the Club, which in 1997 was asked to take over the licenced club operated by the CYC, to allow the CYC to concentrate on sailing. Ever since, the Club has provided facilities, offices, boat storage, boat parking and financial support. The Club provides capital support of \$40,000 per year and also provides in kind support worth over \$33,000.

This assistance has allowed the CYC to provide training from basic sailing through to Olympic class. In 2008 the CYC was voted one of the four best sailing clubs in Australia.

## ***Harm Minimisation***

### **General policy**

The Club has never been satisfied to only do what legislation demands. Above and beyond our legal requirements, as legislated by the ACT Gambling and Racing Commission, the Club continues to take a pro-active approach to responsible gaming on a number of fronts.

The Club has been rigorous in training staff in the responsible serving of alcohol and the need for harm minimization in gaming. Southern Cross Club Venue Managers are as pro-active as they can be in an environment of harsh privacy laws in directing patrons to Lifeline assistance.

The Club worked closely with Government in formulating a gambling code and rigorously complies with this code. This is backed up with an internal audit program; harm minimization is also covered in the Club's comprehensive risk management plan.

The Club never puts pressure on members to play gaming machines; gaming machines are strategically placed so that members can come into the Club without being confronted by machines. The Club provides an excellent range of member services other than gaming and consistently wins the award for Members' Services in the ClubsACT Awards for Excellence Program. Gaming machines account for around 53% of the Club's total revenue and the Club will continue to diversify to reduce its dependency on gaming.

ATMs are placed in an area which is open to all to see and well away from the gaming area. The Club is of the view, given the robberies and bashings that have occurred around ATMs in the nearby major shopping centres, that the Club provides a real service to members with ATM's placed in open areas subject to strong traffic flows such as foyers.

### **Clubcare**

Prior to 2001 the Club was aware that Lifeline Canberra provided a gambling and financial counselling service and therefore had a tradition of making donations through its normal charities program to Lifeline. However in line with the rest of the community, the Club was not overly aware of the issues associated with problem gambling.

Studies around that time such as the productivity report clearly demonstrated a number of issues

- there were severe problems;
- Lifeline was the major service provider in the ACT;
- Lifeline had been aware for some time that the existing service was not able to meet the demand—



- the service was consistently over-subscribed for counselling appointments
- new clients were having to wait several weeks for an appointment.

In response to this situation the Club approached Lifeline Canberra to inquire what was needed to improve the situation. Lifeline responded that a research program was required to design an innovative program tailored to the needs in Canberra. Lifeline advised that the research would cost over \$30,000.

The Club funded this research. The brief for the project was to establish a cooperative program to reduce the harmful effects of problem gambling to patrons of the Clubs. Lifeline's research included contacting problem gambling support services in each state of Australia. Major issues were identified and a range of responses considered. One of the key issues raised by workers in other states was that a close working relationship between the venues and the support service could greatly assist the work of the service and be beneficial for the patrons. Lifeline also looked at existing programs such as Betsafe and Clubsafe in NSW.

The result of the research was a program called **Clubcare**. Clubcare identified problem gambling as multi faceted; the program was holistic with three major arms

1. the provision of counselling;
2. the education of Club employees in dealing with clients; and
3. the creation of an environment in clubs conducive to problem gamblers 'coming out'.

Armed with the research findings, the Club in conjunction with Lifeline approached the peak club industry representative body - ClubsACT. ClubsACT gave its full support and then began the process of selling it to the other clubs. In these ongoing negotiations the Club staunchly defended the need for Lifeline to maintain its autonomy and to be critical if need be of the efforts of clubs in dealing with the problem gambling.

Clubcare was launched in November 2001. The Club is still a member of Clubcare.

Over time the scope of Clubcare has gone through a number of changes to reflect the altering environment. Firstly over time the Government has introduced regulations which mean that some of the early aims of Clubcare are duplicated. Secondly in the area of training other service providers are now available.

Consequently Clubcare is now aimed more specifically at assisting Lifeline in its counseling role. Clubcare now covers 25 venues and 76% of poker machines as well as ACTAB in the ACT.

## **Self Exclusion**

Along with the other clubs in the ACT, the Club operates a self exclusion program and a major initiative undertaken by the Club in 2008 was to implement the ACT Electronic Self Exclusion Mailing List.

This system allows multi-venue exclusions -the most common type -to be efficiently communicated and processed across all the sites included in a specific exclusion. It eliminates the need for the venue executing the initial exclusion to photocopy and mail numerous copies. And more importantly, it ensures that the details of the person being excluded are passed on to relevant venues as soon as possible in order to prevent any slip-ups from the person in obtaining access to other venues. It provides clearer images of excluded patrons as opposed to countless photocopies and allows venues to maintain an electronic database.

On top of that, it has a positive impact on the environment by significantly reducing the reams of paper previously required for all these exclusions. Another key outcome from this process has been the establishment of a network of ACT club gaming departments that now better communicate with each other on matters of responsible gambling and how to improve all gaming-related systems.

At the Club, we believe responsible gaming is more than just minimising problem gaming and hence we introduced Canberra's first "Going Green" promotion. On the back of 2008 Earth Hour the Club decided to assess exactly what the carbon footprint of running gaming machines was and how we could reduce it. In 'Going Green' promotion, the Club invited local company Enviro-Friendly Products to calculate our footprint, and in conjunction with them, established Canberra's first Carbon Neutral Members Promotion.

Within this framework the Club purchased carbon credits to offset the carbon emissions produced by our gaming machines over a 20 week period. We also gave members the option to enter the 'Going Green' promotion by purchasing Carbon Credits. Entry to the promotion was extended to people who purchased meals, as well as the standard swipe and card-use entries. The promotion's major prize was an Enviro-Friendly package enabling the winner to reduce their carbon emissions by installing water tanks, solar photovoltaic panels and grey water systems.

## Environmental Contribution

On all current key issues affecting the club industry, the Club continues to contribute to policy formulation and development. However, the emerging environmental issue is one the Club has identified as particularly important and is already taking positive action to address.

The Club has joined the Eco Club program which was commissioned by ClubsNSW initially for the NSW club industry. The program assists clubs in developing environmental strategies that add business value and a marketing value. The Eco Club program has a range of features and is focused on each member Club completing a number of annual projects. The benefits from joining the program are that clubs learn from other clubs rather than reinventing the wheel.

Under the Eco club Program, the Club has a number of projects.

- *Pitch & Putt irrigation and grass conversion project*  
The Club converted grass from cool climate grass to couch grass for the fairways, surrounds and areas of rough at Pitch & Putt. The change to couch reduced the amount of water required to maintain the course.  
  
An irrigation conversion has also taken place which utilises the bore water licence together with potable water using the pond.
- *Lawns and gardens at the Woden Venue*  
The Club was granted a bore water licence and has installed water tanks to collect and use for watering lawns and gardens. The Club has also converted the lawns at the Woden venue to reduce the demand for watering.
- *Worm Farm*  
Involvement in the Eco Club program introduced the Club to the concept of worm farms. Benefits of the farm include reducing waste costs and the by-product being fertiliser to use on the greens and gardens of other venues.
- *Environmental Management of turf facilities, lawns and gardens & buildings, fixtures and fittings*  
An audit was conducted to identify areas requiring improvement which in turn become projects for meeting the Clubs environment management guidelines.  
The audit process has ongoing benefits for the Club whereby the company provides ongoing annual support and also provides training and upskilling of staff.

## **MOU with Department of the Environment, Water, Heritage & the Arts**

The Club has entered into an M.O.U. with the Department of the Environment, Water, Heritage and the Arts (DEWHA) to undertake a sustainability assessment of two of the Club's venues to provide a series of reports, outcomes and related case studies.

The assessment will examine energy and water usage, waste generation and management at the two venues. Following the assessment, a list of recommendations will be generated to provide the basis of the reduction of greenhouse gases, environmental and commercial sustainability and improvement in operational efficiencies. The project's aim includes the development of tools to encourage improved environmental performance while also considering opportunities that add value to the Club businesses and the Club industry sector members.

It is the Club's intent that the project provide an understanding of the operation of Clubs of various sizes. In conjunction with the Club, DEWHA will develop a case study or a series of case studies on opportunities that will or may be implemented either within the first 12 months of the assessment or at a later date. These can be used by other clubs to understand the impact of their operation and identify how they can improve their sustainability.

## Canberra Southern Cross Club Members Services and Facilities

	WOD EN	TUGGERAN ONG	YAM BA	YAC HT	JAMIS ON	TURN ER	KALE EN
Bistro	✓	✓			✓	✓	✓
A la carte Restaurant	✓	✓		✓			
Coffee Shop/Cafe	✓	✓	✓	✓	✓		
Take Away Fish n Chip Shop				✓			
Motor Vessel Southern Cross				✓			
Pitch n Putt			✓				
Bowling Greens (3)			✓			✓	
Tennis Courts			✓				
Bar(s)	✓	✓	✓	✓	✓	✓	✓
Bar Cocktail	✓	✓			✓		
TAB Facilities	✓	✓	✓		✓	✓	✓
Big Screen TV	✓	✓	✓		✓	✓	✓
Live Entertainment/Shows	✓	✓		✓	✓		
Function Rooms	✓	✓	✓	✓	✓	✓	
Marquee			✓	✓			
BBQ Facilities		✓	✓	✓	✓	✓	
Gaming Lounge	✓	✓	✓	✓	✓	✓	✓
Undercover Car parking	✓	✓					
Childs play area 0-5 years of age	✓	✓			✓		
Childs Entertainment 5-16 yrs	✓	✓			✓		
Baby Change Rooms	✓	✓			✓		
Children's Birthday Parties	✓	✓					
Free kids movies during school holidays	✓				✓		
Pool Tables	✓	✓	✓		✓	✓	✓
Snooker Tables	✓						

Taxi Phone	✓	✓			✓		
Free Internet Terminals and WiFi	✓						
Free Tea and Coffee Facilities	✓	✓			✓	✓	✓
Complimentary Newspapers	✓	✓	✓	✓	✓	✓	✓
Quiet / Reading Areas	✓	✓	✓	✓	✓		
Outdoor Areas	✓	✓	✓	✓	✓	✓	✓
Defibrillators	✓	✓					
Social Groups	✓	✓	✓	✓	✓	✓	
Lockers	✓	✓					
Sailing							
Keno	✓	✓	✓		✓	✓	✓
Function Facilities	✓	✓	✓	✓	✓	✓	
Members Promotions	✓	✓	✓	✓	✓	✓	✓

**Southern Cross Stadium Tuggeranong and Woden Basketball Stadium facilities.**

	<b>Tuggeranong</b>	<b>Woden</b>
Basketball Courts	✓	✓
Toilets /Change rooms	✓	✓
Referee Rooms	✓	
Take away Food	✓	✓
Office Space	✓	✓
Multi purpose use for Courts	✓	✓
School Holiday programs	✓	✓
WNBL Games played	✓	

## **Sporting Sponsorships**

ACT Cross Country Club  
ACT Little Athletics  
Basketball Canberra  
Belconnen West Tennis Club  
Belwest Little Athletics Centre  
Bowls ACT  
Canberra Bilbys Triathlon Club  
Canberra City Gymnastics Club  
Canberra North Bowling Club  
Canberra Raiders  
Canberra Royals  
Canberra Yacht Club  
Dragon Boaters  
CSCC Health and Fitness Centre  
Hockey  
Nordeck Water Polo Club  
Orienteering ACT  
Pedal Power  
Rebels Baseball  
Shadows basketball  
Southern Cross Fishing Club  
Southern Cross Pitch n Putt  
Southern Cross Social Golf  
Southern Cross Woden Bowling Club  
Travelling Bowlers  
Tuggeranong Bulldogs (AFL juniors)  
Tuggeranong Hawks (AFL)  
Tuggeranong Southern Cross Junior Basketball Club  
Tuggeranong United Football Club  
UC Devis Volleyball Club  
Western Districts Cricket Club  
Western Districts Junior Cricket Club  
Western District Rugby Football Club Senior  
Western District Rugby Football Club Junior