

Submission to
The Productivity Commission
Inquiry into Gambling

prepared by



March 2009

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Executive Summary

The Productivity Commission will receive submissions from representative bodies of the licensed clubs industry. However, Mounties Group considered it may be useful to make a submission that shows how an individual club functions on an every day, practical basis within its community.

Therefore, the purpose of this document is to demonstrate that Mounties is much more than an organisation in buildings that house poker machines. The Mounties Group does have 789 poker machines and considers it manages them responsibly.

The not-for-profit Mounties Group comprises the Mt Pritchard & District Community Club (Mounties), Mounties Bowling Club, Harbord Diggers Memorial Club (Harbord Diggers) and Manly Bowling Club.

In 2008 it had 94,505 members, gross revenue of \$322,233,574, total assets of \$199,086,561, total liabilities of \$15,210,120, investments of \$24,170,000 and membership equity of \$183,876,441.

Since it was founded in 1967, Mounties has been, and continues to be, a significant contributor to its members and community by providing the highest quality sporting and leisure facilities. That is its primary purpose.

Since it was founded, it has donated tens of millions of dollars to sports and service organisations that continually have difficulty in raising funds. In doing so, it has assisted community well-being.

It has 39 sub-clubs ranging from cricket, rugby league, soccer, and netball through to euchre, swimming and bowls. Mounties donates more than \$4 million each year to provide sports facilities and to sponsor sporting and community groups, including local schools, the Telstra Child Flight helicopter service, ethnic groups and aged care.

The Mounties Group is most aware that most of its revenue comes from poker machine gambling. It returns a higher than industry standard return to players.

In 2006 and 2007 Mounties at Mt Pritchard won the ClubsNSW Large Club of the Year award. It has 15 bars, four restaurants, three outdoor terraces, a world class health club, free door to door courtesy buses transporting 90,000 passengers a year, live entertainment from Thursday to Sunday - including Latin and Asian bands - plus the customary club offerings of TAB, keno, raffles and bingo.

The club provides free children's birthday and Christmas parties, free entertainment during school holidays, a family entertainment arcade and a strictly time limited children's supervised play centre.

Mounties' support of its community has changed in tune with the years: it was founded to meet community needs that could not be met by government.

It continues to do so: an example is the \$2.6 million Mounties has to date donated to help establish the Street University at Liverpool. This is conducted by the Noffs Foundation meet the needs of some of western Sydney's most disadvantaged young people.

Through amalgamation, Mounties has been able to ensure the future of three other important community clubs - Harbord Diggers, Fairfield Bowling Club (now known as Mounties Bowling Club) and Manly Bowling Club. This is also in keeping with Mounties desire to expand its corporate responsibility to service clubs and in doing so, embracing important elements of the RSL culture.

As will be seen in this document, the high levels of taxation which Mounties faces impose severe challenges – not only to maintaining its high levels of community service, but to its business.

It is seeking to diversify its income sources, but this is limited by the number of potential complementary acquisitions and by the clubs sector's capability to raise capital only from member fees and debt. Financially sound clubs are carefully following the same path as they seek to assure their futures, while others with less sound bases may be looking with concern at the years ahead.

Mounties considers that gambling taxation levels, which are a considerable component of annual State government tax revenue, are ultimately unsustainable for those paying them. In 2007-08 it paid \$18.85 million in poker machine taxes alone, and projects that if tax rates remain consistent, will pay more than \$230 million over the next 10 years.

If the ability to pay becomes increasingly difficult, there will be a corresponding negative effect on tax revenue.

Governments need to consider that if notable declines in club industry profits continue, this will likely affect the industry's ability to provide financial support, services and facilities to community organisations and the community may in turn, demand that government finance them.

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The Mounties Group

Mounties Group is one of Australia's largest licensed community clubs, serving members and their families in Sydney's south-west and on the city's Manly-Warringah peninsula.

It comprises the Mt Pritchard Community Club (Mounties), Mounties Bowling Club (formerly Fairfield Bowling Club), Harbord Diggers Memorial Club (Harbord Diggers) and Manly Bowling Club. As is the case with other registered clubs, those in the Mounties Group operate as not-for-profit mutual entities.

The greater part of the Group's 95,000 membership is drawn from residents of the Fairfield City Local Government Area.

Mounties opened its doors as the Mount Pritchard & District Community Club in 1968, in a former army hospital hut placed on a block of vacant land in Mt Pritchard. Mounties Bowling Club at Fairfield became part of Mounties in an amalgamation in 1998. This had been preceded by an arrangement whereby Mounties had paid significant amounts to the club for providing a green for the use of its lawn bowls sub club. The Harbord Diggers Memorial Club and Manly Bowling Club became part of the Mounties Group in 2006, at a time when both were facing closure.

The financial positions of both clubs have now been stabilised, they continue as decades-long parts of their communities and both firmly fit within the long-term strategy of the Mounties Group to reduce dependence on poker machines revenue.

The Mt Pritchard & District Community Club was founded principally to support rugby league and cricket clubs active since the 1920s.

As the years passed the number of players grew and the competitions developed. There was early recognition that to better develop the sports played and to encourage the playing of sport by the increasing young population of the western suburbs, a means to raise funds was needed.

The history of Mounties can only be understood by referring to the nature of its location.

The region it serves was largely a social experiment in the 1950s and 1960s by the Federal Government.

At that time, Government housing was constructed in the region to accommodate those in the community who needed affordable housing options. There were many social and economic problems.

Mounties founders recognised the socio-economic problems of their area - which still exist. The club's continuing management theme has been to involve as many people

(especially young people) in sport for their social development and to divert them from being lured into criminal or other inappropriate activities caused by idleness.

As the region's population becomes older, especially for those who moved here more than 40 years ago to establish their families, the club provides a wide range of sports for the elderly.

Yet another dimension has been added to the low socio-economic issue in Mounties' western Sydney drawing area by the influx in recent years of immigrants from a non-English speaking background. If they work, they tend to do so in the most menial of jobs. Many, particularly the elderly, are doubly isolated because of their poor English.

Mounties' reason for being continues, as it has for more than four decades, in providing opportunity for as many people as possible in its region to become involved in sport or other activities that enhance their lives at minimal cost.

Its contributions to its community often cannot be met by the various tiers of government. It enjoys a strong reputation in its community for its support – and in return enjoys a high level of support from its community.

Today Mounties Group employs more than 500 staff to serve its 95,000 members and the community generally. Of this, 410 staff are employed at Mounties, five are employed at Mounties Bowling Club, six at Manly Bowling Club and 115 at Harbord Diggers.

Like all of the 4000 clubs in Australia, with their total 10 million members, the Mounties Group operates on a not-for-profit basis to provide benefits for its members. It is directed by a Board of Directors elected by its members.

Mounties continues to reflect the motives of its founders by a high level of reinvestment in high quality facilities and services for its members. It also provides significant financial and other support for community organisations.

In its 2007-08 financial year, the Mounties Group made a profit of \$6.46 million on gross turnover of \$322 million or a net \$87 million after payouts from poker machines. Of this \$6.5 million profit, \$4.073 million - or 63.1 per cent - was spent on community support. In the same year, the Group contributed significantly to NSW Government revenues by paying \$18.8 million in poker machine taxes.

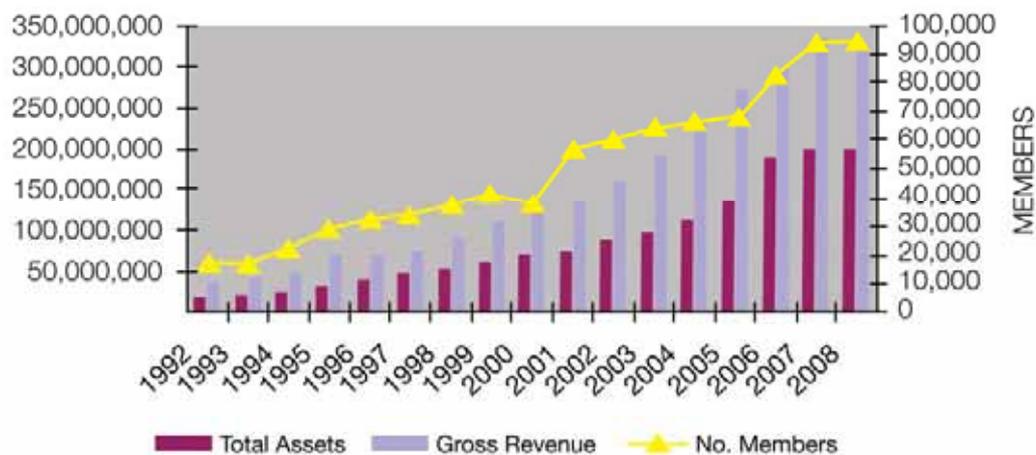
Mounties' Group financial profile and economic contribution

The following pages provide an overview of the Mounties Group's financial performance.

1. Club Progress at a Glance

Year	No Members	Gross Revenue	Total Assets	Total Liabilities	Investments	Membership Equity	Membership Equity Per Member
		\$	\$	\$	\$	\$	\$
2008	94,505	322,233,574	199,086,561	15,210,120	24,170,000	183,876,441	1,946
2007	94,597	331,118,057	195,157,034	17,740,617	26,164,703	177,416,417	1,875
2006	82,949	291,938,051	189,284,877	18,315,705	25,758,169	170,969,172	2,061
2005	67,676	268,590,382	131,523,972	10,686,670	42,036,349	120,837,302	1,786
2004	66,544	230,470,480	109,874,597	7,772,391	36,500,000	102,102,206	1,534
2003	64,999	189,943,144	95,336,020	7,414,288	26,550,000	87,921,732	1,353
2002	60,516	157,316,645	85,243,204	9,117,844	19,750,000	76,125,360	1,258
2001	57,964	131,864,083	74,018,488	7,919,527	14,835,740	66,098,961	1,140
2000	38,110	118,990,523	64,969,108	5,377,643	10,143,772	59,591,465	1,564
1999	41,829	107,963,620	60,412,442	5,653,519	6,274,019	54,758,923	1,309
1998	38,044	87,503,031	49,733,021	3,848,108	265,255	45,884,913	1,206
1997	34,327	71,319,118	43,625,522	3,447,893	2,771,315	40,177,629	1,170
1996	32,528	69,431,193	37,068,953	2,562,973	9,077,575	34,505,980	1,061
1995	28,730	67,075,259	29,463,266	3,071,239	4,283,835	26,392,027	919
1994	22,651	48,397,341	21,974,299	2,305,170	1,300,105	19,669,129	868
1993	17,095	38,471,739	18,885,165	2,107,982	2,082,746	16,777,183	981
1992	16,954	35,007,001	16,988,357	1,691,127	883,070	15,297,230	902

GROWTH



2. Productivity Commission – CONFIDENTIAL MATERIAL

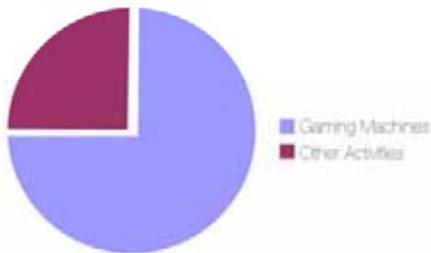
see Confidential Item separately attached



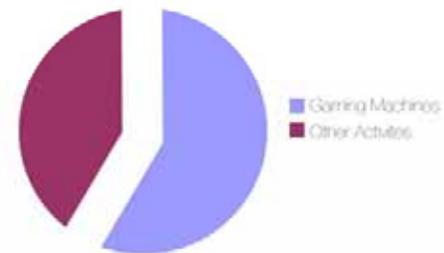
Gambling and managing problem gambling

SOURCE AND APPLICATION OF FUNDS Year Ending 30 June 2008

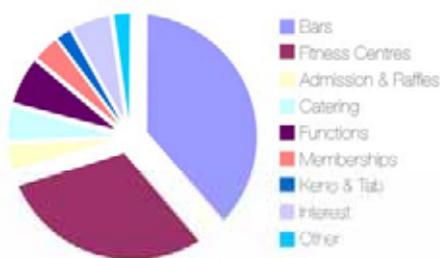
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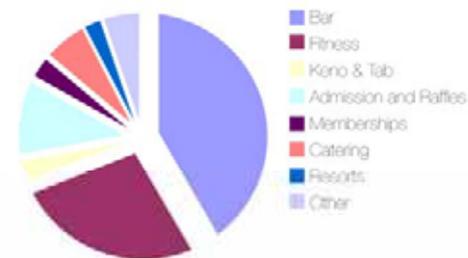
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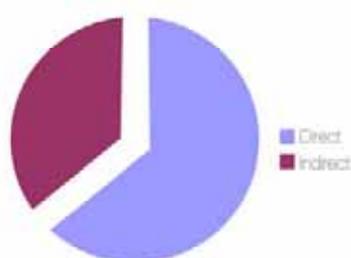
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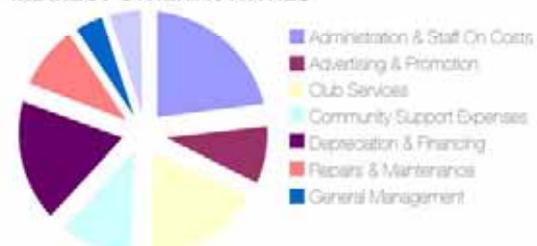
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APPLICATION OF FUNDS



APPLICATION OF FUNDS INDIRECT OTHER ACTIVITIES



Mounties Group has some 95,000 members, who make 2.4 million visits to its premises each year.

It has 789 poker machines operating across the Group, and also offers TAB and keno services.

Mounties is most aware that the greater part of its revenue comes from gambling and poker machines in particular. Virtually all patrons are responsible users: no doubt the Commission will be drawing upon the at risk and problem gambler data discussed in the Independent Pricing and Regulatory Tribunal's 2008 Review of the Registered Clubs Industry in NSW.

However, Mounties is equally aware of the benefits profits from gambling can deliver to the community and of the damage gambling abuse can cause to individuals and their families.

As a community club, it firmly believes it is mutually negative in effects for both the club and its patrons to be caught up in the process of gambling abuse. As a result, in addition to the services mentioned below, Mounties Group in 2008 adopted as one of its strategic targets: "Review current harm minimisation practices and develop practices and policies that exceed both national and international standards for harm minimisation."

In a clubs industry first, Mounties has developed a Venue Compliance Program Manual which formalises all compliance documentation into one easy to use manual. It is a one stop shop for staff to access all current policies, practises and important new industry announcements and legislation. Police and local councils can also access this manual during compliance visits to ensure Mounties are both proactive and compliant. Mounties is currently working with the local Liquor Accords to formally launch this concept at a local level.

Mounties Group fully supports and implements required protective initiatives: additionally, it pays more than \$100,000 annually for problem gambling consulting services. As discussed elsewhere in this submission, it also strongly advocates having all sectors of the gambling industry being subject to similar problem gambling management.

ALL staff, irrespective of their work area, are required to have current Responsible Conduct of Gambling accreditation. Mandatory annual refreshers are also completed by all employees. In addition, it is an employment requirement of Mounties that ALL employees must complete and maintain Responsible Service of Alcohol accreditation and undertake annual training in keeping with the Anti Money Laundering Counterfeit Alcohol Terrorism Financial Act.

Mounties has operated a self-exclusion process for problem gambling patrons since 2000. In that time and under this process, 206 patrons have been referred to BetSafe counselling services.

All relevant signage is properly displayed and maintained in its most up to date versions with the types of gambling offered by Mounties.

The Mounties Group is amongst 41 club members of the problem gambling counselling and support organisation, BetSafe (which it understands is making its own submission to the inquiry).

Since it joined the program on March 1, 2002, the following results have been recorded:

STATISTICS RELATING TO INCIDENTS

- 195 self-excluded patrons from Mounties Group clubs (77 patrons completed single venue self-exclusion, 86 completed a multiple venue self-exclusion at Mounties, 32 patrons completed a multiple venue self-exclusion at another club)
- 5 persons have been involuntarily excluded due to the club becoming aware that they have a gambling problem
- 6 people have lodged a complaint about someone's gambling (3rd party complaint)
- 20 incidents of self-excluded patrons attempting to enter the club and being denied
- 51 other possible problem gambling related incidents
- 16 patrons have satisfied BetSafe requirements for readmission and had their self-exclusion rescinded

STATISTICS RELATING TO COUNSELLING

- 188 patrons of Mounties Group clubs have either called the BetSafe telephone counselling service and/or attended face-to-face counselling
- 486 telephone enquiries or telephone counselling sessions with patrons of Mounties Group clubs
- 317 face-to-face appointments with patrons of Mounties Group clubs

Details of an actual intervention using BetSafe that assisted a patron with a gambling problem, with the person's identity withheld are:

CASE STUDY

John, a 37 year-old married man, approached a (Mounties Group) gaming floor staff member in 2005 and asked about help available for problem gamblers.

The staff member, who had recently attended a BetSafe Problem Gambling Awareness training course, advised John that the club has a comprehensive self-exclusion program which allows him to have some time away from the club in order to address his gambling problem. John advised the staff member that he would like to self-exclude himself.

The staff member called the manager to assist him with this.

John self-excluded himself from the Mounties group of clubs, along with nine other clubs in the local area (through a BetSafe multiple exclusion), at which he also gambled.

During the self-exclusion process, the manager informed John that patrons of the club are entitled to free problem gambling counselling through BetSafe.

John said that he was interested in counselling, but he was unable to attend sessions during the day, as he worked. The Mounties manager offered to call BetSafe to see if it was possible to organise some after hours counselling. Contact was made between John and a BetSafe phone counsellor who was able to make an appointment for him to see a face-to-face counsellor the following evening.

John attended 19 (first weekly, then fortnightly, then monthly) counselling sessions with BetSafe over the next 11 months. Through counselling, John learned to deal with the issues from which he used gambling as an escape. He was able to understand the consequences of his gambling.

In 2008, John attended an interview with his counsellor to discuss the possibility of ending his exclusion from Mounties.

BetSafe provided a positive recommendation to the club and as a result Mounties made the decision to rescind his self-exclusion. John calls the BetSafe 24 hour counselling hotline for support from time to time if he feels the urge to gamble. He has managed to refrain from gambling for the past 4 years and reports that all aspects of his life have improved as a result.

Because it recognises that it must operate at an exemplary level in harm minimisation, Mounties Group is a member of the Netherlands-based Global Gambling Guidance Group, or G4. This organisation aims to minimise the impact of problem gambling by promoting a worldwide accreditation program for the remote gambling industry operators.

G4 was established by experts in the field from Australia, the Netherlands, the United Kingdom and Sweden.

They have many years experience of working with the gambling industry worldwide to encourage responsible gaming and to minimise the harm caused by problem gambling.

Their experience covers drafting responsible gaming programs and devising and delivering training programs for staff of land based and remote and e-gambling companies, as well as running help lines and face to face counselling services for problem gamblers.

Mounties' social contribution to the community

Mounties' social contribution to the community is the core of its existence: it is the largest non-public sector provider of funds to sporting and other groups in its community, making available money and facilities that would not otherwise permit these groups to exist as they do.

While many of these activities are funded through the mandatory CDSE scheme, considerable other monies and services are provided through direct sponsorship or dollar for dollar funding.

Under the club's constitution, profits or other income of Mounties must be applied only to the promotion of the objects of the Club and must not be paid to or distributed among the members of the Club.

The relevant objects of the Club are:

- To provide for members and members' guests a social and sporting club with all the usual facilities of a club including residential and other accommodation, liquid and other refreshment, libraries and provision for sporting, musical and educational activities and other social amenities, and
- To assist generally in the promotion of education, sport and culture in the Municipality of Fairfield, City of Liverpool, Warringah Shire, Manly and such other places as determined appropriate by the Board.

In its 2007-08 financial year, Mounties provided \$4.074 million in grants to community organisations. These included:

Donations	\$1,419,323
Sub Club Grants	\$399,589
Sub Club Expenses	\$384,422
Operation Expenses Sports Areas	\$264,887
Children's Christmas Party	\$106,899
Senior Citizens Functions	\$133,463
Carols by Candlelight	\$15,971

At Harbord Diggers Club, \$190,885 was provided as follows:

Donations	\$ 141,144
Sub Club Grants	\$18,746
Sub Club Expenses	\$30,995

This ensures many organisations in the community and the 41 different sub-clubs at Mounties – alone comprising more than 5000 players and 1500 volunteers, coaches, trainers, managers and committee members - can operate.

Mounties is most aware that the provision of and access to low cost sporting activities and special interest hobbies is crucial to the health and wellbeing of its members.

Within the club is a Champions Indoor Sports Centre, home to table tennis, darts and indoor bowls, while Mounties Bowling Club has three top quality greens for lawn bowlers. Mt Pritchard Oval is the home ground for cricket and rugby league, while Cook Park caters to Mounties' soccer players. Joe Broad Oval at Bonnyrigg is for its softball and t-ball players. Courts at the club are the training centre for its netball club.

Mounties' snooker room has 10 championship tables which are free for members' use.

The sub-clubs supported by Mounties include:

- Lawn Bowls at: Mounties Bowling Club, Fairfield; Harbord Diggers and Manly Bowling Club
- Athletics, senior and junior baseball, camera, cricket, women's and men's darts, euchre, 50s-Plus, fishing, social and seniors golf, hockey, joggers, netball
- Rugby league (plus Bundaberg Rum Cup team and until 2006 funding of more than \$300,000 a year to the Parramatta Eels NRL team), snooker, soccer (Mounties Football Club and juniors to State League with a total of 720 players in 54 teams)
- Softball and t-ball, Squash, Swimming, Table Tennis and Toastmasters.

Some of the great rugby league players produced by Mounties include Arthur Summons, Bob O'Reilly, Geoff Gerard, Steve Ella, Eric Grothe, Paul Taylor and Brad Fittler.

In cricket, Mounties can count current Australian players vice-captain Michael Clarke and off-spinner Jason Krejza amongst its distinguished club graduates, along with the NSW Blues' Ben Rohrer and former South Australian wicketkeeper Shane Dietz, now coaching successfully in New Zealand.

Following a dual strategy of continuing to improve facilities for members and to diversify sources of revenue, in 2006 the M1 Mounties Health & Fitness Centre was opened. It required an investment of \$34.5 million – more than Mounties' combined profits in 2004 and 2005.

It includes: two indoor heated swimming pools – one pool purpose designed for child safety and learn to swim programs; a 1000 square metres training floor for cardio and strength enhancement; four exercise studios dedicated to boxing, group exercise, spinning and mind-body classes; personal training services; Pilates and meditation classes; and a sports medicine centre offering professional services such as massage, rehabilitation and body therapies to assist injury management and relaxation.

In a recent addition to Mounties Learn to Swim Program, parents or carers of all those taking part are offered free of charge lifesaving certificate courses.

In June 2007 M1 Health & Fitness Centre was designated as a Recognised Training Facility by the New South Wales Institute of Sport, which has 31 programs in 24 sports and over 700 athletes on its programs.

The centre is also used by local schools for their sports programs.

Mounties Group believes there would be few centres in New South Wales comparable to M1, which offers its facilities to members at rates less than those charged at commercial centres.

At Harbord Diggers, the Freshwater Fitness Centre is one of the oldest established facilities in a licensed club in NSW. In addition to learn to swim and three very active swimming sub-clubs, it offers, as does Mounties, an exercise physiologist for rehabilitation work, including support for recovering cardiac patients.

The Mounties Group of clubs offer welfare support services. These are carried out by volunteers who make hundreds of visits a year to members who need help with an extensive range of community and personal services. Welfare Officers are well supported by Mounties Group with administrative assistance, an allowance and reimbursement of out of pocket expenses.

The Harbord Diggers RSL Sub Branch also ensures ex servicemen and woman and their spouses are given assistance to access RSL benefits including pensions, aged care facilities and disability services.

While it has continued – and expanded - its traditional support of sport and other activities, more recently Mounties has become involved in other areas affecting its members and their families.

As an example, in 2006 Mounties donated \$1.6 million for the purchase of a building in the centre of Liverpool that enabled the opening of Australia's first Street University, which was established in conjunction with the Ted Noffs Foundation.

Further information on this project is contained in Chapter 7, The Street University.

Mounties has recently contributed \$1.1 million in a partnership with Fairfield City Council to help restore Green Valley Creek, which runs through the club's property. The project required the planting of 60,000 native plants, including some species thought to be locally extinct.

Six woody rifle dams were constructed along the 600m length of the creek. Now filtering and cleaning water as it makes its way downstream, the system has attracted native birdlife back to the area.

Green Valley Creek Before



Green Valley Creek After



Mounties this year was awarded a highly commended in the Keep Australia Beautiful Awards for its environmental programs following on from winning the award in 2007. Mounties also placed third in the Fairfield City Council Garden Competition for best commercial garden using drought resistant species in its renovated gardens.

Across its clubs, Mounties Group provides a wide range of quality food and beverage facilities for its members at reasonable prices.

This continues into the provision of entertainment which is becoming increasingly broad in scope, especially as the population mix that makes up the membership changes with the community. For example, Mounties now spends some \$100,000 a year at Mt Pritchard for entertainment designed for its members from Asian backgrounds.

Mounties Group also provides low cost access to holiday destinations for its members.

It has occupancy rights to four holiday cottages at Sussex Inlet, four cottages at Fingal Bay and six at Urunga.

In addition, it owns holiday cottages at Sussex Inlet and two apartments at the Twin Towns Resort at Tweed Heads. When it amalgamated with Harbord Diggers Club, Mounties acquired the Kooloora Ski Lodge at Perisher Valley.

Sussex Inlet



Kooloora Ski Lodge



The Mounties Community

The Fairfield City Local Government Area, in which Mounties is headquartered, is, according to the 2006 Census, home to 179,893 people in one of Australia's most culturally diverse areas.

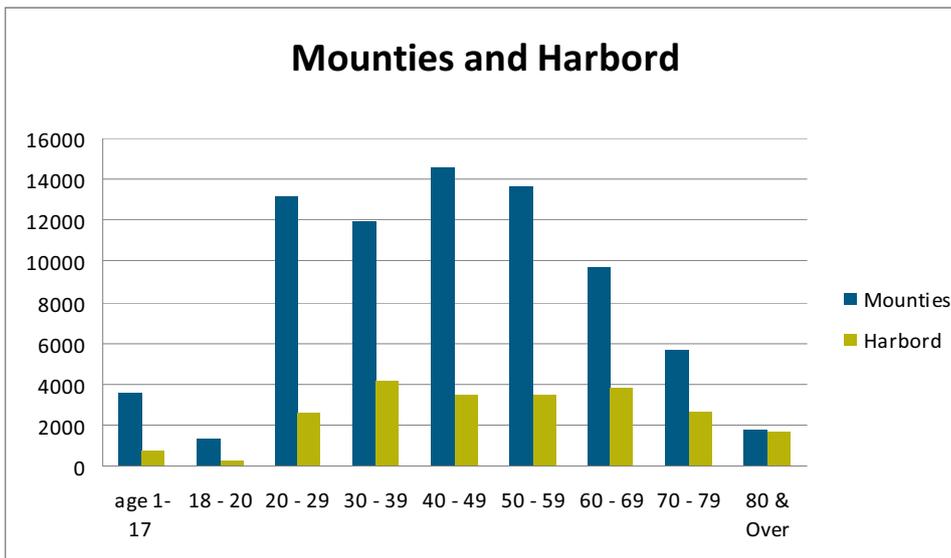
More than half Mounties' members were born overseas, mostly in non-English speaking countries.

In addition, while Fairfield City has a comparatively young population with many young families, the greatest demographic growth is in the 65 years and over group.

This is reflected in the table below, which also shows the age distribution of membership of the Harbord Diggers Club.

The income levels of residents of Mounties' western Sydney area are generally low. The 2006 Census reported that the median individual annual income was \$16,558 (or \$319 per week) and that the median annual family income was \$49,192 (or \$946 per week) - some of the lowest incomes in Sydney.

The unemployment rate is also much higher than for other metropolitan areas. Official unemployment data show that over the last three years the average unemployment rate in NSW ranged between 4.8-5.4%, while in Liverpool it was 5.2-6.1% and in Fairfield 6.3-9.1%.



A Mounties Community Support Case Study The Street University, Liverpool

When Mounties was established, it was to provide facilities and support to a community that had been established with poor or totally lacking infrastructure. The surrounding Green Valley area was often criticised for criminality and dysfunction, but lack of opportunity was an underlying theme.

Not all of the issues confronting people, and especially young people, in those days – the lack of educational, employment and other development opportunities – have disappeared.

In 2005 Mounties was approached by representatives of the Ted Noffs Foundation for financial assistance to establish a Street University at Liverpool. Its aims were to draw disadvantaged young people, who could not even afford TAFE course fees, away from drugs and crime by providing free educational opportunities.

When it was approached by the Ted Noffs Foundation to help fund the project, which also involved faculties of the University of NSW, Mounties responded quickly. Mounties Board considered the project fitted its remit of community assistance.

For this submission to the Productivity Commission, Mounties put a number of questions about the Street University to the driving force behind its founding, Matt Noffs. Following is an email (March 10, 2009), that includes a series of questions and Mr Noffs' responses:

Could you please advise how the need for the Street University was identified, its scale, and how it might be able to help young people in a way usual community support services could not?

Matt Noffs: "First of all the Liverpool/ Fairfield area's drug pushing and drug using figures given by NSW crime stats stick out like a sore thumb when compared to other areas around NSW outside of inner Sydney. Over half the population of Fairfield come from other countries and the unemployment rate is significant.

"The identification for a need of a service of this kind came about because of a lack of resources already existing in these cities. Also there had not been an appropriate response from a treatment and intervention perspective in the aftermath of the "Cabramatta drug clean-up.

"The Street University was born from discussions with prominent health professionals such as Prof. Ian Webster, Superintendent Frank Hansen of NSW drug command and Peter Homel of the Institute of Criminology about this precise lack of resources.

"The scale of the project was always going to be in proportion to the support gained and the problems at hand. So in the beginning the support came from Mounties alone.

“Mounties CEO Greg Pickering and I developed the idea over a period of a year or so to make sure we were heading in the right direction.

“I saw Street University as an alternative and indirect approach which could provide significant benefit whilst Mounties explore a clinical problem gambling solution. Mounties understands the need to engage families in the community and we are aware of Mounties broader strategic philosophy to assist those who are in trouble with gambling.

“The first idea of The Street University suggested to Mounties (that Greg and I were developing) was based around holistic services that worked with both young people and their families.

“It was harking back to Ted Noffs' vision of The Wayside Chapel which aimed to bring (together) the fragmented divisions of Kings Cross and create a new healthy community through education and therapy.

“More focussed on young people, The Street University concept was sketched out as a hybrid service that brought together the disparate welfare sectors of drug and alcohol, crime prevention, mental health and community education”.

How did Mounties become involved and in what manner?

Matt Noffs: *“Mounties generously offered to purchase a building for the Street Uni project and we found the perfect premises - 1 Speed St Liverpool. Speed Street is notorious for its dealings and housing estates. It's also a wonderful and culturally rich community that have embraced the street uni and become its founding core.*

“Mounties went on to pay for a youth worker's role within the project and also built the inside of the warehouse in conjunction with the Property Industry Foundation. Construction was only complete just over a month ago now”.

How important was this to the establishment of the Street Uni?

Matt Noffs: *“If it wasn't for Mounties' contribution we wouldn't exist. They are not interested in simply throwing money at projects like ours. Thanks to people like Greg Pickering and his awesome board (I'm honestly not blowing smoke up anyone here), Mounties have chosen to be a part of a proactive solution to the issue of problem gambling, rather than just being part of the problem. I am proud of our partnership with Mounties and I know in my heart that they believe in us and what we're doing”.*

What has been the development of the Street University since and how has it been able to deliver on its objectives?

Matt Noffs: *“Well we've only been open for just over a month. We've seen hundreds of young people already. Referred by DOCS, Juvenile justice, Head Space or they've popped in themselves to check it out. Our objectives are to become a fully functional educational facility that can work with young people who may be involved with drugs or crime or if they've been kicked out of every other educational environment. We're proud to be a strong resource for young people and their families in the Liverpool - Fairfield area and although we've only just begun, we've already hit some major milestones. ENDS*

The School of Public Health and Community Medicine at the University of NSW, along with members of other faculties, are involved with the Noffs Foundation at the Street University. Free courses in subjects such as art, music, technology, business and hospitality will be made available.

A senior lecturer from the university's School of Public Health and Community Medicine, Anne Bunde-Birouste, said: *“This is all about resilience building and community development, which is consistent with the Faculty of Medicine's objectives.*

“Health is not simply about clinical manifestations, it is broader than that. We hope it will contribute to building social cohesion”.

Ms Bunde-Birouste, the coordinator of the School's health and conflict research project said the involvement would give students applied learning experiences.

The courses are not designed to provide any specific accreditation or qualifications from the university.

The School of Public Health and Community Medicine has a history of community-campus collaboration, including work being done by the Muru Marri Indigenous Health Unit (designed to enable more Aboriginal and Torres Strait Islander people to study medicine) and the Centre for Health Equity Training Research and Evaluation, which brings together four research groups within the School to contribute to primary health care and equity locally, nationally and internationally”.

People Management

The Mounties Group employs 204 full time, 211 part time, and 85 casual staff. It structures its workforce this way to position itself as an employer of choice, and to wherever possible meet the needs of current and prospective talent pools.

The demand for permanent over casual work clearly demonstrates the priorities of Mounties' pool of potential candidates. The staffing structure has followed this preference since 1999 and is strongly supported by positive staff satisfaction feedback. It has delivered a continuous decline in staff turnover, with increases in retention assisting succession planning.

Innovation in employment agreements and quarterly reviews of rostering in line with business needs delivers flexibility to employer and employee, enhancing Mounties as an employer of choice.

The organisation backs up its managerial approach with training investment, spending a total of \$1.02 million in the past three years.

Training and development at Mounties is industry based, and geared toward skill refinement and development, however the central focus is on developing the whole person. In 2007/2008 all training undertaken on site was tailored to the organisation and delivered by accredited providers. Members of the management team, who are accredited TAFE trainers, delivered workshops internally and courses attended offsite were also held by accredited providers.

Over the year 90 different in house training sessions were run, 102 varied off site seminars were attended and 60 employees received reimbursement for course fees for university and TAFE. In the reporting period 100% of staff attended some form of training with an average of \$3636.36 per head spent on training and development of some sort (this expenditure does not include wage costs and the cost of the internal mandatory training staff must do).

In addition to the training outlined above, prior to commencement of employment at Mounties, all staff are required to attend a 3 hour orientation/induction session and mandatory armed robbery, BetSafe, Austrac and occupational health and safety training.

The objectives of the programs offered, differ from course to course, however the common objective for all training programs is to equip staff with the skills required to carry out their roles in an efficient and effective manner, and to assist them in adopting a life long learning approach to employment and development. The BetSafe and Austrac training focus on legislative knowledge but also on how to deal with patrons that might have issues that fall under these guidelines.

Mounties has five fully accredited NSW Office of Liquor, Gaming & Racing trainers that run monthly responsible service of alcohol and responsible conduct of gambling seminars for both internal staff that need refreshing and to the broader community - in the past twelve months Mounties has trained upwards of 300 people in Responsible Conduct of Gambling.

Through its partnership with TafeNSW and the Mounties Vocational Training Academy, Mounties is able to ensure that all development undertaken is fully accredited and the majority of staff member have some level of formal certification - (i.e. Certificate II in Hospitality Operations and so on).

In 2007/2008 Mounties had 30 active traineeships in place and three apprenticeships, as well as providing 145 work experience placements to local education providers and schools

Mounties' approach to managing its people has regularly been recognised for its quality. A representative sample of the awards it has received is:

2008	Australian Human Resources Institute – National Winner HR Impact Award (Best HR Team)
2007	Australian Human Resources Institute – National Winner – HR Leadership Award – Jodi Dickson
2005	Australian Human Resources Institute Award for Excellence in People Management. Mounties also won the Institute's NSW Division for this award in 2004 and 2005
2003	Australian Human Resources Awards for Employer of Choice
2004	Equal Opportunity for Women in the Workplace Agency - Leading Organisation for the Advancement of Women 2004
	Western Sydney Industry Awards:-
2006	Leader in Business Practice – Occupational Health and Safety Management and Processes
2005	Leader in Business Practice – People Management and Development
2004	Business Excellence – Training and Development Leader
2002,2003, 2005, 2006 and 2007	Clubs NSW Excellence in Human Resource Management.

Mounties regularly surveys its employees about the effectiveness of its human resources practices.

It has conducted three surveys in three years: one to measure engagement, another to measure satisfaction and the other to measure the effectiveness of its human resources policies and practices on the business.

Some 60 per cent of the workforce responded to the first survey: 70 per cent rated their engagement with Mounties as excellent, 20 per cent as very good and 8 per cent as good, while 2 per cent were non-committal.

In regard to the second survey, about 60 per cent again responded. Some 93 per cent rated their satisfaction with Mounties as excellent, 6.5 per cent as very good and 0.5 per cent as average. Some 98 per cent of the responding staff indicated that they had no desire to leave Mounties in the next two years.

In the final survey, staff and business leaders rated Mounties' human resources practices as outstanding and influencing the success of the business.

National, uniform gambling and problem gambling regulation

Mounties believes there should be a uniform approach to regulating all forms of gambling, and of the services that must be made available by gambling providers to manage problem gambling.

It particularly calls for all Australian internet gambling companies to be subject to the same laws governing clubs, pubs and casinos that operate poker machines.

This would mean:

- Banning bets placed with credit cards
- Banning gambling inducements such as \$1000 of free bets
- Requiring internet gambling providers to offer trained staff, made available through an accredited gambling course provider offering free problem gambling counselling.

Mounties fully supports the position taken by ClubsAustralia – that internet gambling is now so popular that Federal, State and Territory Governments must act to ensure it is subject to the same checks and balances that apply to poker machine operators.

As at October 2008, a gambler with a credit card could access one of more than 2000 internet gambling sites, gamble on credit, alone at home, with no problem gambling safety net, no social or supporting environment, no Australian tax and no community benefit to Australia.

In an article published in the on-line iGamingBusiness publication (March 3, 2009) a US study suggests legalising and regulating the on-line gambling sector in the United States could deliver its government \$US51.9 billion in revenues in the next 10 years.

ClubsAustralia's Chief Executive Officer, David Costello said recently of on-line gambling in Australia:

"Clubs have worked tirelessly with Government to significantly reduce the level of problem gambling in the community. We are not prepared to sit back and watch this hard work be lost by a group of online cowboys who think responsible gambling is providing an email address to a counselling centre located in Los Angeles.

"Internet betting is a multi-billion business in Australia. Centrebet recently boasted to its shareholders that turnover increased by 14% in 2008. It predicted turnover would increase by even more in 2009 despite the world financial crisis.

"However with the privilege of holding a gambling license comes responsibility. Inducing people to gamble with a credit card with the promise of free bets is in my opinion an invitation to problem gambling.

“Centrebet last year printed a flyer offering free A League soccer tickets, with entry into the stadium through a Centrebet plastic card committing people to a \$5 bet.

“And if you go to the Centrebet website and click on Responsible Wagering, you will be directed to a website in Los Angeles which offers nothing more than an email address.

“ClubsAustralia does not speak out due to a fear of competition. Indeed last year ClubsNSW publicly rejected a business proposition from both Centrebet and Betezy on the basis of concerns about the aforementioned practices.

“Clubs believe gambling is a legitimate form of entertainment, but its vital safeguards exist - ensuring it never goes beyond a recreational activity. Clearly when it comes to online gambling very few, if any, safeguards exist.

“To those that question the danger of online gambling, they need look no further than recent studies showing more than 20 per cent of online gamblers are problem gamblers. The rate of ‘regulated’ gambling on the other hand is less than 1 per cent of the adult population,” he said.

Mounties was recently approached (and immediately rejected) with a sponsorship proposal from an Internet gambling organisation.

Mounties also believes that in keeping with ClubsAustralia’s view, the Federal Government should make Responsible Conduct of Gaming Training mandatory for all staff operating in the business, no matter the form of gambling.

It also supports other ClubsAustralia positions:

- Improved financial education of young people, integrating gambling education into existing schools lifestyle curricula that may address matters such as management of banking services, including credit card debt and entering into mobile phone and motor vehicle purchase agreements.
- Family interventions. Presently venues are not obligated to refer the patron to counselling services following an intervention by his or her family. While, ultimately, it remains an individual’s right how he or she spends his or her money, allowing families the right to have the person referred to a counselling service may provide some peace of mind. This is in practice in South Australia, where in the three years to June 2007 the authorities received 131 inquiries, 13 of which proceeded formally. It might be noted by the Commission that Mounties already follows this family intervention practice.
- Empower counsellors. Venues should not be permitted to allow a problem gambler to re-enter until he or she has been formally cleared by their counsellor. It might be noted by the Commission that Mounties already follows this practice.

- Improve counselling services by establishing national standards for assessing or accrediting counsellors' expertise. It is notable that in many cases they do not have to report on how their grant money is spent. Counsellors should be experts and able to prove their effectiveness.
- Establish a national, expert peak body with representatives of Government, industry and independent researchers in public health, economics and behavioural science.

Its aims would be to:

1. Develop further effective policies to reduce gambling that are not driven by political expediency, ideology or knee-jerk reactions
2. Measure the extent and severity of harm experienced by gamblers in general and problem gamblers specifically as a direct consequence of their gambling compared with other social harms such as alcohol, illegal drugs, tobacco and domestic violence.
3. Develop specific minimum standards guiding the provision of responsible service and conduct of gambling in Australia. Establish these after benchmarking assessment of harm minimization practices against scientifically tested outcomes.

Given the current uncertain economic circumstances, Mounties believes that protections against unfettered and irresponsible on-line gambling have become more essential.

Last November alone, the number of unique visitors to on-line gambling sites in the United States rose by 11 per cent, according to figures released by marketing research company comScore Incorporated.

The publication iGamingBusiness reported in its December 17, 2008 edition: "According to its Media Metrix measurement service, comScore reported 16.1 million unique visits to online gambling sites in November, an increase of just over 1.5 million from October's tally.

"The Media Metrix service provides details of online media usage, visitor demographics and buying power for the home, work and university audiences across the United States and the globe with syndicated ratings based on industry-sanctioned sampling methodologies".

As mentioned earlier in this section, the following article was published in the March 3, 2009 edition of iGamingBusiness:

Gambling Prohibition Costing America Billions

In America, the Safe And Secure Internet Gambling Initiative (SSIGI) has revealed that the Federal Government could receive over \$50 billion in revenues over the next decade by legalizing and regulating online gambling.

Jeffrey Sandman, Spokesperson for the Washington, DC-based pro-gambling lobby group, stated that a recently updated PricewaterhouseCoopers analysis showed that the Government could earn \$51.9 billion over the next ten years.

The SSIGI revealed that that this figure is 22 percent higher than that projected in a previous PricewaterhouseCoopers study two years ago, which reflects an increase in online gambling activities in America despite the passage of the Unlawful Internet Gambling Enforcement Act (UIGEA) in 2006.

"This analysis further illustrates that the US is missing the opportunity to collect billions of dollars in Federal revenues," said Sandman.

"We are optimistic that the Obama Administration and Congress will pay closer attention to this issue as they seek to find new revenues that can be generated without raising taxes for critical Federal, state and local government programmes.

"Regulation is also needed to ensure there are safeguards to protect against compulsive and underage gambling, money laundering, fraud and identity theft."

Democrat Representatives Barney Frank from Massachusetts and Jim McDermott from Washington recently stated that they would be reintroducing legislation to regulate online gambling activities. In addition, they announced that their proposals would help to ensure that revenues currently lost to offshore gambling operators would be collected and remain in the United States.

Representative Frank's Internet Gambling Regulation and Enforcement Act was introduced in 2007 and would, if passed, establish a regulatory and enforcement framework for licensed gambling operators. A companion bill, Representative McDermott's Internet Gambling Regulation and Tax Enforcement Act, was presented last March and sets out ways to tax these legal gambling activities.

"The current ban on Internet gambling has proved to be a failure as millions of Americans continue to gamble online each day," said Sandman.

"It's time for Congress to take action to regulate and tax Internet gambling to protect consumers and ensure that the US receives the billions in revenue it is due." He concluded.

Closer to home, the Sydney Sun Herald reported in its Sunday, March 8, 2009 issue on how Australians are responding to the effects of the economic downturn:

“Australian Bureau of Statistics household data show a 10.7 per cent drop in spending on gambling for the December quarter compared with the previous year. However, it appears Internet betting and Lotto are holding up well in the financial crisis.

“The number of Centrebet’s registered clients increased in the second half of last year and total turnover increased 17 per cent compared with the same period in 2007.

“Centrebet spokesman Neil Evans said much of the increase was due to small and middle ground punters. *‘In backs-to-the-wall times people love to have a bet. In tough times its one industry that tends to blossom,’* he said.

“Mr Evans said *punters spent a total of \$300,000 betting on the recent Oscar winners, up about 40 per cent on the previous year.*”

The newspaper also reported NSW lottery sales were 6.9 per cent above budget in the second half of 2008.

For the further information of the Productivity Commission, the following article was published in the London Daily Telegraph on March 19, 2009:

Problem gambling soars following growth of internet games

Gambling addiction has increased dramatically since the Government relaxed the rules on advertising for internet gaming sites, the Conservatives have claimed.

By Rosa Prince, Political Correspondent
Last Updated: 6:44AM GMT 19 Mar 2009

Online gambling is on the increase with new sites springing up daily



Gambling sites have a series of measures to weed out the under-age users and in most cases the commission found shortcomings in only one check, meaning that children may still have been caught by others. Photo: GETTY/IMAGE SOURCE

Figures released by the party show that nearly a quarter of a million more people gambled online last year compared to 2007 when advertising was permitted for the first time.

The Gambling Commission estimates that 7.4 per cent of online gamers go on to develop an addiction to betting, leading the Tories to suggest that there could be an additional 17,760 people with a problem.

They have criticised the Government for failing to crack down on gambling sites based overseas, which may have fewer safeguards such as contact numbers for help lines and limits on stakes.

The party would block sites from advertising in the UK unless they met the regulatory standards set by the Gambling Commission, and remote licences would be issued only once a company complied with the rules.

Firms would then be charged a fee to adopt a British standard kite mark advising customers that the site was approved.

Tobias Ellwood, the shadow gambling minister, said: "The Government has been happy to sit idly by and do nothing to stop the surge in unregulated online gambling.

"With each year that passes more people are getting addicted to these sites which offer little consumer protection.

"Companies that advertise here must meet the UK's regulatory standards. We must ensure that online gambling is done in a responsible and safe environment."

A spokesman for the Department for Culture rejected the Conservatives' calculations, however, saying that official research showed that gambling addiction remained stable at 0.6 per cent of the population.

She added: "There is no basis in fact for this claim and the reality is that levels of problem gambling have not risen since 1997.

"Whilst it is true that more people are gambling online, it does not necessarily follow that more are becoming problem gamblers."

Last year, 3.36 million adults, 5.6 per cent of the population, played gambling games online, compared to 3.12 million, or 5.2 per cent, the year before.

Of the 7,000 gambling sites available to internet users, 5,000 are unauthorised.

Firms can obtain a license to advertise in this country only if they are registered in the UK or European Economic Area, or based in a country which appears on the "white list" of approved nations, which includes Antigua and Barbuda.

The Conservatives say that many of these jurisdictions allow unregulated online gambling. ENDS



Further Information

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The Mounties Group Clubs



Harbord Diggers



Mounties Bowling Club



Manly Bowling Club



Mounties



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*making it memorable...
something we do, not just say.*



Manly Bowling Club

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Harbord Diggers was the destination for the Race for Life fundraiser.

School children have benefited from the generous financial support of Mounties Group clubs.



Harbord Diggers Advisory Committee Chairman presents a \$15,000 cheque to fund the Northern Beaches Men's Shed project.



Mounties is the foundation supporter of Street Urn in Liverpool, providing \$1.5 million to help launch the centre.



The Red Cross Good Start Breakfast Club helps feed hungry kids.



Mounties Group President Kevin Ingram and Mounties Group Vice President present Fairfield City Mayor Nick Latch with a cheque for \$3.4 million for local community groups.



Drug Arms Street Outreach Service's Matthew Geracitano and Maysoon Gugers receiving a donation from Harbord Diggers General Manager Andrew Lauritzen.



Sophie Deloso is the patron of the Race For Life event which culminates in an event at Harbord Diggers.