

**COWBOYS LEAGUES CLUB LTD**

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**COWBOYS LEAGUES CLUB LTD.**

2 December 2009

**Gambling Inquiry - Draft Report**  
**Productivity Commission**  
Locked Bag 2, Collins St. East, Melbourne,  
VIC 8003

Dear Sir

**Re: Club Response to the Draft Report on Gambling**

On behalf of the Board of Directors of the Cowboys Leagues Club Limited I wish to lodge a response to convey the serious concerns our club and its members has relating to your Draft Report on Gambling.

Our club was founded to coincide with the introduction of the North Queensland Cowboys Rugby League Football Club into the then ARL National Rugby League competition. It was founded to provide a social home for team supporters with the objectives to promote, foster, fund and encourage the aims and objectives of the Cowboys Rugby League Football Club, and to foster encourage and promote the development, playing and interests of Rugby League Football generally.

In our view the Draft Report does not take into account the increasingly important role our club plays in the Townsville Region. We currently employ 26 people on a full time basis; 40 people on a Part time basis and 285 people on a casual basis – a total of 351 people.

Our club takes its community role extremely seriously having contributed \$1,565,755 over the past two years via direct donations and sponsorships of numerous community organizations throughout the greater North Queensland region. In fact last year we made contributions to 103 different community organizations (refer to Appendix A). We have recently written a Cowboys Leagues Club Community Benefits Policy and Statement. We have forecast that within the next three - five years our donations and sponsorships to the broader North Queensland community will increase to \$1.4 million per year.

We have in excess of 24,000 members of which 95% are from the Townsville Region. These people come to our club to enjoy our food and beverage offerings, our merchandise shop, but more importantly to support their team – the North Queensland Cowboys. No doubt many also frequent the

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club to enjoy our gaming facilities which include 156 gaming machines, keno and TAB terminals. Without our gaming facilities our club would be unlikely to survive let alone employ over 300 people or donate excessive amounts of money. Of our 24,000 members 11% are over the age of 70. Most of these people have retired and enjoy the clubs facilities and the opportunity to catch up with friends, meet new people and take respite from the North Queensland summer. Many of these people have commented to us that the club is their only social outlet and without the Cowboys Leagues Club they would be socially isolated. We are concerned that the Productivity Commission has failed to recognize that community clubs are integral providers to the community in both financial and social terms.

It is in our absolute interest to ensure that our gaming services are conducted in a responsible manner. We subscribe to the Queensland Responsible Gambling Code of Practice and are very much aware of our obligations and responsibilities to people who may have a gambling problem. In fact we were awarded the most Responsible Gaming venue in Queensland earlier this year. We were successful in this category on the back of the introduction of our innovative new committee – The Cowboys Leagues Club Community Development Advisory Committee (CDAC). The CDAC has a charter of:

To encourage and support the development of local community organisations, initiatives and services that aim to meet the identified needs of the residents of Townsville and the local area<sup>1</sup>.

The prime role of the CDAC is to ensure the club is utilizing its resources where the community expects the club to utilize its resources and to provide ongoing advice to the Board on matters of general relevance to the Cowboys Leagues Club's commitment to improving its relationship and role within the North Queensland community – which includes the issue of problem gambling. The CDAC is represented by all areas of the community including a State Government representative (Mandy Johnstone MP), a Townsville City Council representative (Cr. Ray Gartrell), a welfare and gaming counselling representative (Gerard Maloney from Centrecare), the clergy (Father Dave Lancini), a respected business leader in Townsville (Mr. Mark Adams), a community representative (Fiona Pelling) and a Director of the Cowboys Leagues Club (Dr. Daryl Holmes). This independent committee shows that the Cowboys Leagues Club understands its gaming and community responsibilities and adopts industry best practises.

While we welcome the gambling inquiry, as it was long overdue, we are very concerned about the negative impact that the draft findings and recommendations would have on the financial viability of our club. If these recommendations were to be adopted our club would more than likely experience extreme financial difficulties possibly to the point that the club would no longer be a going concern.

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<sup>1</sup> Cowboys Community Benefits Policy, 2009

This would mean that 351 people would no longer be employed in Townsville, that 104 community groups would need to find alternative funding, many people would be socially isolated and the people of North Queensland would no longer have a vehicle to support their team The North Queensland Cowboys.

As I have already mentioned our club would be severely impacted by the proposed changes so there is no possibility that our Community Benefits Policy, of providing community support of \$1.4m within 3-5 years, would come to fruition. In fact the harsh reality for our club may be that we would simply have to close our doors, leaving our members and the local community without the much needed services and facilities that is made possible through community gaming.

We also find the Productivity Commissions report to be dramatically unbalanced between gaming products. In Townsville there is a casino that is situated within 1 kilometer of our venue. One only has to review the Casinos marketing program (which is quite freely available on their website [www.jupiterstownsville.com.au](http://www.jupiterstownsville.com.au) which I have provided in Appendix B) to see they promote to the local people – not the tourists or overseas visitors. Their "members" draws and "members food promotions" clearly indicate their desire to promote to the North Queensland community. By allowing this Casino the relaxed rules for their "high roller or VIP rooms" would create an unfair competitive advantage particularly since there are no proposed segmentation of whom would qualify to be a VIP or high roller (ie it does not exclude local people) nor does it define what type of room qualifies as a high roller or VIP Room. By allowing casinos to have no maximum bet, allow credit betting and no input limit would not only decimate competition but would also breed problem gambling as no limits seem to be proposed on these areas.

The Productivity Commissions finding to open internet gambling to Australian households is somewhat puzzling considering the evidence that suggests internet gambling creates more problem gamblers than land based gambling. A report written by Dr. Robert Wood and Dr. Robert Williams from the University of Lethbridge in Canada provides the following table<sup>2</sup>:

CPGI Category	Internet Gamblers (%)	Non- Internet Gamblers (%)
Non-problem gambler (CPGI 0)	45.0	88.2
At-risk gambler (CPGI 1-2)	37.9	7.7
Moderate problem gambler (CPGI 3+)	12.6	3.1
Severe problem gambler (CPGI 8+)	4.5	1.0
<i>Average CPGI score</i>	1.62	0.34

<sup>2</sup> Wood, Dr. R & Williams, Dr. R; University of Lethbridge,  
[http://www.responsiblegambling.org/articles/Robert\\_Wood2009.pdf](http://www.responsiblegambling.org/articles/Robert_Wood2009.pdf)

This research clearly shows that Internet Gambling produces over four times more severe and moderate problem gamblers than land-based gambling. For the Commission to open internet gambling and the documented risks to Australian households all because it's "too hard" to regulate is very perplexing to say the least.

We urge the Productivity Commission to seriously consider the practical reality of their recommendations. In particular, we urge the Productivity Commission to consider the following facts when finalising its Final Report:

- The proposed changes will only impact on social gamblers. There is little or no evidence that the changes proposed will reduce problem gambling.
- The proposed changes will not only reduce community club income streams but the costs to comply with the proposed changes would be a massive cost burden on community clubs.
- The rate of problem gambling has declined across Australia because of the extensive measures that have been implemented since 1999. In Queensland, this now stands at 0.47% of the adult population - measured through one of the largest surveys of its kind in the world.
- We need firm data, not estimates, to build effective policy. Therefore, nationally consistent research is needed if there can be a 'true' understanding of the gambling sector. A 'one size fits all' approach is not possible because each State is different, with different regulations, tax rates, maturity of market, ownership model & splits between private and community ownership of gaming.
- Gaming serves different purposes in different venues. For clubs which are not-for-profit entities, gaming is a community initiative, which supports a range of community services and facilities. As mentioned a number of times in this report we supported 104 different organisations last year and aim to increase our community support to \$1.4 million in the coming years. Community Clubs are also heavily frequented by the elderly and it's often the case that community clubs are the only reason people have not succumbed to social isolation. It is therefore critical that there is a strong demarcation between community gaming and for-profit or entrepreneurial gaming.
- While technological innovations open many possibilities for harm minimisation, it is critical that any technology is evaluated first and then, based on solid evidence, accepted or rejected. Queensland in this regard is far ahead with its card-based gaming trials. The same also applies to any policy change (i.e. modelling to determine impact and effectiveness of the policy change before accepting or rejecting the policy platform).

Finally, our view is that the Productivity Commission should strive to achieve a balance in the Final Report between the needs of gaming venues and their patrons (of whom only a very small number have a gambling problem). There should also be an acknowledgment of the extensive responsible gaming measures that are already in place (many of which have produced spectacular positive outcomes). Some attention should also be given to the concept of personal responsibility as there is a limit to which controls can be placed on gambling venues.

Should the draft recommendations remain unchanged, the Productivity Commission may like to consider how our 351 staff may find employment, how the 104 community groups we funded will be funded, as it is highly likely we and many other community clubs will not be in a position to provide their current level of support. In fact, we would expect the demise of a significant number of community clubs should all the recommendations be taken up by respective Governments throughout Australia.

I hope the above is of some assistance in understanding the nature and importance of gaming in community clubs and the impact the draft recommendations may have on community gaming.

*Yours sincerely*



Laurence Lancini  
Chairman

## APPENDIX A

### COMMUNITY DONATIONS & SPONSORSHIPS

<i><b>GROUP</b></i>	<i><b>TOTAL</b></i>
Centrals ASA Junior RLC	<b>\$27,106.42</b>
Centrals ASA Senior RLC	<b>\$55,926.45</b>
City of Thuringowa Lions	<b>\$60,559.15</b>
JCU RLC	<b>\$39,338.99</b>
Lead On Youth	<b>\$33,209.70</b>
North Thuringowa JRLC	<b>\$54,043.78</b>
Ross River Apex	<b>\$7,300.68</b>
Rotary Club	<b>\$50.00</b>
Rotary Club of Townsville South West	<b>\$41,578.36</b>
Scripture Union	<b>\$10,657.43</b>
Townsville Greek Community	<b>\$55,067.98</b>
Townsville Sunrise Rotary	<b>\$33,887.69</b>
Tuvaluan Scholarship Fund	<b>\$0.00</b>
United Suburbs JRL	<b>\$25,802.15</b>
Upper Ross PCYC	<b>\$20.00</b>
Western Lions JRLFC	<b>\$52,725.06</b>
4TO Childrens Charity	<b>\$250.00</b>
Abused Child Trust	<b>\$237.00</b>
Anzac Day Barefoot Bowls	<b>\$200.00</b>
Apex	<b>\$230.00</b>
Autism Qld	<b>\$174.00</b>
Centacare	<b>\$0.00</b>
Cerebral Palsy League of Qld	<b>\$712.00</b>
Clubs Qld	<b>\$450.00</b>
Cootharinga Society of NQ	<b>\$2,276.11</b>
Diabetes Australia	<b>\$145.46</b>
Endeavour Foundation	<b>\$0.00</b>
Foodbank	<b>\$600.00</b>
Gift Vouchers	<b>\$2,442.60</b>
Guide Dogs for the Blind (Bingo)	<b>\$39,833.00</b>
Jeans for Genes Day	<b>\$500.00</b>
Life Education Centre	<b>\$1,754.05</b>
Masonic	<b>\$40.00</b>
Mayors Xmas Tree Appeal	<b>\$0.00</b>
NQ Domestic Violence	<b>\$322.73</b>
NQ Learning Centre	<b>\$100.00</b>
Princess Alexandra Hospital	<b>\$84.67</b>
Qld Cancer Fund	<b>\$591.70</b>
Quota International	<b>\$2,643.10</b>
Quota International Thuringowa	<b>\$1,394.40</b>
Royal Flying Doctors	<b>\$683.00</b>

Salvo's Xmas Appeal	\$200.00
Smile for a Child	\$1,242.53
Special Childrens Xmas Party	\$200.00
Spinal Injuries Assoc	\$445.00
Sporting Wheelies & Disabled Assoc	\$1,739.00
Starlight Foundation	\$0.00
Sunday Charity Raffles	\$34,616.84
Supporter of 65 roses	\$1,467.00
Townsville Legacy	\$1,570.35
Townsville Lions Club	\$368.18
Variety Club	\$1,711.59
Abergowrie College	\$1,000.00
Athletics North Queensland	\$1,299.41
Bowen RLFC	\$1,730.00
Brothers JRL	\$1,730.00
Burdekin JRL	\$1,730.00
Centrals JRLFC	\$1,730.00
Charters Towers RLFC	\$1,730.00
Darts	\$8,053.90
Herbert River RLFC	\$1,730.00
North Thuringowa RLF	\$1,730.00
NQ Police RL	\$0.00
NQ School Sports	\$240.00
QRL / TDRL	\$390.91
QRL Northern Division	\$0.00
Queensland Hockey	\$25.00
TDRL Referees	\$1,730.00
Townsville & District Rugby League	\$1,514.32
Townsville City Netball Association	\$926.85
Townsville Gymnastics	\$1,057.95
Townsville Netball	\$0.00
Townsville Tennis Association	\$476.28
Tsv & District Jnr Rugby League	\$3,022.83
United Suburbs JRL	\$1,730.00
Upper Ross JRL	\$1,730.00
Western Lions JRL	\$1,730.00
Cathedral School	\$40.00
Department of Education	\$25.00
Heatley Secondary College	\$1,213.94
Ignatius Park School	\$0.00
King Cole Kindy	\$20.00
Kirwan High School	\$1,698.53
Northern Beaches High	\$595.78
Pimlico High School	\$1,776.52
Secondary Schools Principals	\$60.00
St Anthony's College	\$50.00
Thuringowa State High School	\$607.39
Townsville High School	\$1,398.22

William Ross State High	<b>\$1,112.71</b>
Australian Volunteer Coastguard	<b>\$2,351.55</b>
Greening Australia	<b>\$891.99</b>
State Emergency Services	<b>\$2,610.44</b>
SurfLifesaving North Barrier Branch	<b>\$960.87</b>
Volunteer Rural Fire Service	<b>\$1,482.79</b>
Community Score	<b>\$238.40</b>
CRLFC	<b>\$69,699.52</b>
Donations Rev Cheq	<b>\$0.00</b>
Goose Club	<b>\$31,703.19</b>
Other Room Hire/Bistro/Bar	<b>\$0.00</b>
Player Sponsorship	<b>\$50,000.00</b>
Supporters Club	<b>\$20,822.64</b>
Tville Cross	<b>\$1,199.99</b>
<b>TOTAL</b>	<b>\$824,095.06</b>



## APPENDIX B

### JUPITERS CASINO TOWNSVILLE ADVERTISED PROMOTIONS<sup>3</sup>

#### Promotions



#### Reef and Beef Members Price

- \$12.90: Monday - Thursday (\$24.90 non-Members)
- \$15.90: Friday - Sunday (\$27.90 non-Members)

Non-members price \$24.90. Premium eye fillet steak and prawns with hollandaise sauce, chips and salad plus a bottle of Pure Blonde Naked or glass of Taylor's Estate Promised Land wine. For a limited time only. Subject to availability and cancellation without notice. Not available with any other offer or discount. Jupiters Club Membership card must be presented to cashier to receive Members' price. Must be 18 years of age or over to attend Spin.



#### \$7.90 Member Meal Deals - 7 Days a Week NOVEMBER

- Baked Ham with potatoes and seasonal vegetables
- Lasagne
- Beef Stroganoff

#### DECEMBER

- Roast Turkey with potatoes and seasonal vegetables
- Tortellini with tomato, basil and olive
- Pork Schnitzel

For a limited time only. Not available with any other offer or discount. Jupiters Club Membership card must be presented to cashier to receive Members' price.



#### Two-for-One Meals in Spin Cafe

Purchase any meal from the menu board or display cabinet and receive a second meal of equal or lesser value free in Spin Cafe on Tuesdays.

For a limited time only. Subject to availability and cancellation without notice. Not available with any other offer or discount. Jupiters Club Membership card must be presented to cashier to receive offer. Must be 18 years of age or over to attend Spin.

<sup>3</sup> Jupiters Townsville Website December 2 2009 -

[http://www.jupiterstownsville.com.au/Casino-Member\\_Promotions.cms?ident=G4IJ67GELCL01FB8K7AJ8R059URZKO&analyticsLink=Left](http://www.jupiterstownsville.com.au/Casino-Member_Promotions.cms?ident=G4IJ67GELCL01FB8K7AJ8R059URZKO&analyticsLink=Left)



#### \$5000 Weekly VIP Draw

9.00pm Wednesdays - **MUST BE PRESENT TO WIN!**

Jupiters Club Members, play any VIP Lounge gaming machine with your membership card inserted up until 27 January 2010, for your chance to earn entries into the draws. Be present Wednesday nights at 9.00pm for your chance to WIN.

One automatic entry generated for every one tier credit you earn during the promotion period. Terms and conditions apply. See staff for details. Guests must be over the age of 18 years to enter the Casino.



#### Sunday \$5,000 Jackpot

Drawn 9.30pm Sundays until 31 January 2010.

Jackpots by \$5,000 each week if not won!

Play any linked machine in the week prior to the draws for the chance to enter. You must be present to win!

Terms and conditions apply. See the Jupiters Club Desk for details.



#### Silver Swipestakes

\$1,000 to be won by Silver Members 3pm every Sunday.

Until 31 January 2010.

Must be present to win!

Swipe your Jupiters Club Card at the Members' Kiosk from 12pm - 3pm to enter.

Terms and conditions apply. See the Jupiters Club Desk for details. One swipe per Member per Sunday.



#### \$2 Coffee and Cake - Wednesdays and Thursdays

Exclusive to Jupiters Club Members every Wednesday and Thursday!

Patrons may be asked to present their Jupiters Club card when ordering. Not valid with any other offer. See staff for further information.

