

Canberra Southern Cross Club Ltd

**Submission in response to the
Gambling Inquiry Draft Report**

Released 21 October 2009



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Brief Overview of Draft Report

Clearly the draft report is concerned primarily with problem gambling and the recommendations in the report are all aimed at mitigating the problems.

While the Canberra Southern Cross Club agrees that problem gambling is a most serious issue and supports in principle most of the recommendations we believe that a number of recommendations are overly broad: there is little certainty that they will achieve any reduction in problem gaming: there is a good deal of certainty that they affect recreational gambling: and, almost certainly they will have an impact on the club's operations that will be dire.

We are also disappointed that the Draft report took no account of the harm minimisation measures which the club movement in the ACT has implemented in collaboration with the major harm minimisation provider Lifeline. For this reason we feel compelled to repeat in this submission the section of our first submission dealing with harm minimisation. We will also outline the discussion we are currently having with Lifeline.

Likely Reaction

Should the recommendations in this report be adopted by Government, CSCC would have no option but to take the following course of action because its current operations would be unsustainable:

1. reduce the levels of community giving;
2. Sell assets which are unlikely to meet a predetermined internal rate of return.

CSCC Profile

The Canberra Southern Cross 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
- 421 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 \$56,582,136
- Members' Equity \$42,602,419

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.

Harm Minimisation

General policy

The Canberra Southern Cross 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 Canberra Southern Cross Club continues to take a pro-active approach to responsible gaming on a number of fronts.

CSCC has been rigorous in training staff in the responsible serving of alcohol and the need for harm minimization in gaming. CSCC 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 the code. This is backed up with an internal audit program; harm minimization is also covered in the club's comprehensive risk management plan.

CSCC never puts pressure on members to play poker machines; poker machines are strategically placed so that club 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. Poker 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 CSCC 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.

CSCC 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 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, CSCC in conjunction with Lifeline approached the peak club industry representative body - ClubsACT. ClubsACT gave its full support and then began the process of bringing it to the attention of other clubs. In these ongoing discussions CSCC 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 problem gambling.

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

Over time the scope of Clubcare has gone through a number of iterations to reflect the changing 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 counselling role. Clubcare now covers 25 venues and 76% of poker machines as well as ACTAB

Self Exclusion

Along with the other clubs in the ACT, the Canberra Southern Cross Club operates a self exclusion program and a major initiative undertaken by the Canberra Southern Cross 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.

Reaction to Draft Report

Chapter 5 Counselling and treatment support services

Broadly CSCC supports the thrust of these recommendations and we point to the holistic nature of the Clubcare program. Our major concern would be that implementation of the recommendations could result in new layers of bureaucracy and increased cost burdens for clubs. We believe that current taxing models should be adequate for Governments to take the necessary actions. We also emphasise the need to consult existing service providers.

As mentioned in the introduction, the club has held discussions with Lifeline. These discussions have confirmed the club's view that the recommendations contained in this section are largely already in operation in the ACT, given Clubcare and the existing code of practice. Lifeline expressed the view that perhaps initiatives could be undertaken to reinforce the preventative aspects of the Clubcare program. It was agreed that there was scope for the club and Lifeline to collaborate in ways which would be complementary to actions being put in train by ClubsACT.

In particular it was agreed that more could be done to educate club members in the need for responsible gambling. Lifeline has undertaken to compose material which the club will disseminate via the website initially and subsequently through newsletters.

The club will also investigate the possibility of running forums to which a general invitation will be issued to members on range of topics of interest, e.g. to outline the future directions of the club. The agenda will be arranged to include a segment on responsible gambling which would be coordinated by Lifeline.

Chapter 6 Gambling information and education

Once again CSCC is in broad agreement with the recommendations although we are not sure whether solutions based on Victorian experience are relevant to the position in the ACT. We believe that the current regulations and code of practice in operation in the ACT effectively cover the thrust of the recommendations but we would co-operate fully with the Government in any initiatives it wished to introduce.

We strongly agree with the need for greater regulation of gambling associated with online mobile phone and television-based quizzes, competitions and auctions and the need to protect consumers from any false impressions relating to gambling.

Chapter 7 Pre-commitment strategies

CSCC strongly supports self exclusion strategies and as outlined above the club has always been at the forefront in introducing initiatives in the ACT. While we have no in principle objection to family members having the ability to apply for third party exclusion, or the confiscation of prizes, there would be a need for clubs to be protected by clearly stated laws and regulations. In the case of confiscation we presume that the confiscated funds would go to a recognised charity, however we also believe that any regulations should include scope for the prizes go to the gambler's family.

Although we would support voluntary tracking mechanisms, we are of the view that the recommended pre-commitment system is too rigid; it will overly affect recreational players with potentially disastrous impacts on clubs: the cost to clubs of implementing the strategies is huge. The club's current policy is to provide total details to any member who utilises the club's tracking facilities and requests further detail.

Chapter 8 Venue activities

We support compliance and complaints-handling by regulators and we believe the mechanisms are already in place in the ACT to deliver the required outcomes.

The club has a long history of training staff in responsible gaming and serving of alcohol. We also oppose the offer of inducements likely to lead to problem gambling. The club's policy is not to have tiered or targeted players. All club members have access to free coffee and all poker machine players have access to free soft drinks.

Chapter 9 Access to cash and credit

CSCC has always adopted a policy of placing ATMs facilities away from gaming rooms and in full public view. The club has a large and diverse membership and the ATMs are used by members for a range of purposes including 'quasi banking', given the dangers in taking cash from machines in more public locations. For these reasons we oppose the blanket limit of \$200 per day.

We strongly support the recommendations relating to credit gambling and point out that ACT regulations prohibit it. In addition, ATMs do not allow drawing on credit accounts. The club does not allow cashing of cheques paid for gaming winnings.

We do not support the recommendation requiring prizes above \$250 being paid by cheque or direct credit to the gambler's account. We see the existing regulations as adequate.

Chapter 10 Accessibility of gaming machines.

CSCC is implacably opposed to the finding that the prohibition of poker machines from the casino is not warranted. The club is a strong advocate of the 'community based model' which would be completely undermined by expansion of poker machines into the casino. Once machines are privatised into the casino it would be practically impossible for the Government not to agree to expansion into other private facilities.

Currently in the ACT, clubs are required to close down gaming facilities from 4.00am until 9.00am. We could support the extension to 10.00am, although we would envisage little impact on problem gaming. We oppose the extension to midnight because it would be quite discriminatory to shift working recreational gamblers.

Chapter 11 Game features and machine design

While in principle we support the recommendations we oppose much of the detail in this section. We see the combination of a betting limit of \$1 and a maximum insertion of \$20 in a machine as being very disruptive to recreational gamblers with a serious effect on the operations of the club. Furthermore we believe that problem gamblers would be the least affected by the measures.

We would not be opposed to a reduction in the maximum bet provided any change was based on research to show that the current limit is causing problem gambling.

Summary

Recommendations CSCC endorses in principle

Chapter 5 –Counselling and treatment support services

Chapter 6 -Gambling information and education

Chapter 7 –self exclusion strategies

Chapter 8 –enhanced compliance and complaints handling arrangements
enhanced training

Additional recommendations

Chapter 8 –investigate ways to change the environment within clubs to assist problem gamblers to 'out'

Recommendations of Major Concern

Universal, mandatory card based pre-commitment system

\$200 daily withdrawal limit via ATM/EFTPOS

Prizes above \$250 by cheque

\$20 maximum cash insertion into poker machines

\$1 maximum bet

Shutdown from 12 midnight to 9.00am

Enhanced capacity for gamblers to gain judicial redress.

Incongruous Recommendations/findings

CSCC considers the following as completely incongruous with the thrust of the report

- the current ban on the Canberra casino should be lifted
- online gambling should be liberalised.