



Blacktown Workers Club Group

Submission to the Parliamentary Joint Select Committee on Gambling

Club History

Blacktown Workers Club (BWC) Group is one of the largest Club Groups in NSW. It is located in the Western Suburbs of Sydney which is one of the fastest growing Local Government areas in Australia.

The BWC Group comprises 3 clubs:

- Workers Blacktown 55 Campbell Street, Blacktown;
- Workers Sports 170 Reservoir Road, Blacktown;
- Workers Parramatta 163-165 George Street, Parramatta.

The BWC Group has over 55,000 members of varying ages and members come from mostly in the Blacktown Local Government area, intra state and interstate as far as Queensland.

The Club Group offers the following facilities:

Workers Blacktown

- Gaming Machines;
- Keno;
- Platinum TAB;
- Cafe;
- Beverage Outlets;
- All you can eat Buffet;
- Chinese A la Carte Restaurant;
- International Restaurant;
- Entertainment showroom;
- 9 Function and meeting rooms;
- Snooker, Table Tennis, Indoor Bowls and Darts facilities;
- Barber Shop;
- Undercover Car park(6 levels);
- Health Club;
- Foxtel.

Workers Sports

Is located on 55 Acres of privately (members) owned sports facilities that comprise:

- 5 Tennis Courts;
- 2 Bowling Green's;
- Rugby League fields;
- Soccer Fields;
- Baseball Fields;
- Travelodge comprising 105 rooms;
- McDonalds;
- Dressing sheds, canteen facilities and amenities;

Licensed Club which offers;

- All you can eat Buffet;
- Gaming machines;
- Keno;
- TAB;
- Coffee Shop;
- Beverage Outlets;
- Barber Shop;
- Outdoor BBQ and children's play area;
- Undercover Car park (3 levels);
- Foxtel.

Workers Parramatta

- Gaming Machines;
- Keno;
- TAB;
- Cafe;
- Beverage Outlet;
- 3 Function Rooms;
- Outdoor facilities;
- Secure onsite parking;
- Foxtel.

Sporting Sub Clubs

BWC Group also supports 24 Sporting Sub Clubs, both indoor and outdoor, that consist of the following categories:

- Junior Baseball
- Senior Baseball
- Billiards & Snooker
- Indoor Bowls
- Pensioner Bowls
- Men's Outdoor Bowls
- Women's Outdoor Bowls
- Junior Cricket
- Senior Cricket
- Darts Club
- Euchre
- Fishing Club
- Ladies Golf
- Men's Golf
- Intra Club Sports
- Netball
- Junior and Senior Rugby League
- Small Boats Club
- Junior and Senior Soccer Club
- Junior and Senior Soft Ball
- Table Tennis
- Tennis
- Travel Club
- Netball

Economic contribution

The BWC Group currently employs 253 employees that comprise both Management and employees of which there are:

- 120 Full Time;
- 49 Part Time Permanent;
- 84 Casual.

The majority of employees are located within the Blacktown Local Government Area; Workers Blacktown is one of the largest employers in the Blacktown area.

Gaming Machines currently account for 80% of the clubs annual revenue.

Other forms of revenue generated from Catering, Beverage, Functions, Keno, TAB and contracted facilities account for 20% of revenue.

Gaming Machine Taxes

- In 2005 the club paid Gaming taxes of \$7,126,000
- In 2006 the club paid Gaming taxes of \$8,695,125;
- In 2007 the club paid Gaming taxes of \$9,535,063;
- In 2008 the club paid Gaming taxes of \$9,430,000;
- In 2009 the club paid Gaming taxes of \$9,674,000
- In 2010 the club paid Gaming taxes of \$9,653,000

Total for the last 5 years

\$44,439,188.

As you can see from 2005 to 2010 we have seen increases in Gaming taxes of around 35%.

Blacktown Workers Club cannot continue its funding program at current levels if these tax rates continue and with the expected decrease in revenue if a mandatory pre commitment program was introduced would see even larger cuts in funding to our sporting bodies and the community as a whole.

This is money that would have been channeled back into member's services, community benefits and for all our Sporting bodies. The tax increase coupled with the no smoking impact has severely impacted on both our revenue levels and bottom line results, mandatory pre commitment will only exacerbate this situation.

Social Contribution

Workers Blacktown supports the 24 Junior and Senior Sporting bodies in the BWC Group through sponsorship and support through;

- Cash Grants to assist with uniform and sporting equipment;
- End of year presentations and functions;
- Meeting room facilities (in kind donation);
- Fully maintained sporting facilities and equipment;
- Fully maintained Change rooms and catering facilities.

Over 2000 Adults and Children utilize the various facilities at the Workers Sports at various times of the year, both during the week and on weekends. These facilities allow families in the Blacktown Local Government areas to enjoy various sports to ensure the health and fitness of the junior members.

Without these facilities which are fully financed and maintained by the BWC Group (through member's contributions) there would be a severe lack of available sporting facilities within the Blacktown Local Government area.

In 2010 the BWC Group contributed \$ [550,000] as subsidies to all our 24 Junior and Senior Sub Clubs.

Other contributions made include the following:

- Donations (including in kind) \$383,000

• Welfare contributions	\$210,000
• Sponsorships	\$29,000
Total	\$622,000
Grand Total	\$1,172,000

Any reduction in the ability of the BWC Group to maintain its profitability will impact on future funding and subsidies in these areas.

We have had to minimize our renovation program over the last 12 months and beyond due to decreased profits and less cash flow available, which has reduced our ability to fund these projects. These both can directly and indirectly have an economic affect as industries and businesses rely on clubs like ours for the benefits of a continuing building and renovation program. This has also affected the opportunity to offer our members and guests improved facilities.

Voluntary Pre – Commitment.

We have recently introduced voluntary Pre-Commitment (supplied by IGT Australia) throughout the BWC Group, which allows members to set limits on their gaming machine spend; limits that have been chosen by the member are placed on their membership card/file and members are notified through the gaming machine console when they have reached their limit/s whilst playing. This program has created interest from our members through the point of sale material that has been placed around the Clubs, which has encouraged them to ask our gaming staff questions as to its functionality.

I believe that offering a program, such as [voluntary](#) Pre-commitment, gives the patron the option to set their own spending limits on gaming machines, rather than telling them what they can spend. If marketed in the correct manner throughout the industry, this program would be successful.

If mandatory pre-commitment was introduced, this would have a dramatic downturn on, not only gaming revenue, but also the industry as a whole, which would see a massive reduction to gaming taxes available to the government, it could lead to a reduction in employee numbers across the 34 clubs in the Blacktown Workers Club Group, a major decrease in funds for sporting facilities (sub clubs) and so on. Recreational and occasional gamblers will simply not play gaming machines but look at alternatives such as lotteries or even overseas online gaming sites of which no revenue remains in the country.

Gaming revenue accounts for the majority of the clubs revenue and allows the BWC Group to continue its renovation and expansion program to improve facilities for all our members and their guests, it also allows us to continue to donate to Charity based organizations and community based organizations and also to continue to fund senior and junior sports and offering the best facilities to both junior and senior sports persons.

Without this revenue the above would not be possible and reliance on Local, State and Federal Governments to cover this shortfall would be required.

Responsible Conduct of Gaming

The BWC Group is a member of **BETSAFE** and is seen as being a proactive program for those that may have a gambling problem.

All employees (including Management) who work in gaming related areas with the BWC Group have undertaken the Responsible Conduct of Gaming course. We also conduct regular refresher courses through **BETSAFE** to ensure that everyone is up to date with all the latest legislative changes to the Gaming industry.

All correspondence in relation to regulatory updates that relate to Gaming Compliance is filtered down to the relevant managers and employees to ensure they are fully conversant in all areas and understand their obligations as employees of the BWC Group.

See attached the RCG Policy as developed by Betsafe that is used across the BWC Group.

ATM's

The proposed restrictions of withdrawals in clubs ATM's to \$250.00 per day will have a major impact on the club.

Not just through the Gaming and other revenue that we earn from their use by our members and guests of our ATM's but the main concern is that a great number of our members are over the age of 50 years.

Withdrawing from an ATM at our clubs is a much more secure proposition than withdrawing from an ATM in a Main St we guarantee safety in the premises with full CCTV coverage 24/7.

The members use these ATM's as not just a means of withdrawing cash for use in our clubs but also for their everyday needs and to take this facility away would mean them having to use less secure sites for cash withdrawals.

Neale Vaughan ACCM Dip Bus.
General Manager
Blacktown Workers Club Group

RESPONSIBLE CONDUCT OF GAMBLING

The Blacktown Workers Club Group has adopted the BETSAFE policies.

EXTRACT FROM BETSAFE RESPONSIBLE CONDUCT OF GAMBLING POLICIES AND PROCEDURES MANUAL

Responsible conduct of gambling (RCG) refers to the delivery of gaming and wagering services in a manner that minimises the potential for harm that may be caused by gambling to individuals, their families and the community generally.

However, **the focus is much broader than problem gambling**. It extends to fostering responsible gambling practices among club patrons and staff. This is achieved by putting in place various harm minimisation and consumer protection measures such as those outlined in this manual.

THE CLUB'S RCG MISSION STATEMENT

The club acknowledges that, while most people participate in gambling activities in a socially enjoyable and harmless manner, gambling can create problems for some individuals. The extent of these problems ranges from occasional over-spending to the development of pathological gambling addictions.

The club seeks to create a responsible gambling environment and is committed to implement Responsible Gambling legislation and best practice for the benefit of patrons and employees.

CLUB'S MISSION

To deliver gambling services in a lawful and responsible manner, having regard to the potential for harm and community concerns about the conduct of gambling.

The BetSafe program assists the club in fulfilling its mission, through a variety of measures and strategies, including:

- Development and implementation of best-practice policies and procedures for the responsible conduct of gambling;
- Provision of a free 24 hour counseling and crises intervention service for club patrons and staff who have a gambling problem or know someone who has a problem;
- Provision of an effective voluntary self-exclusion scheme for patrons;
- Responsible Conduct of Gambling training for all staff;
- Assistance with the handling of gambling-related incidents which occur at the club and advice;
- Promoting responsible gambling practices among club patrons and the community.

RESPONSIBILITIES OF CLUB DIRECTORS & MANAGEMENT

Club Directors and Management may be personally at risk of prosecution in the event of club mismanagement. Club Secretary/Managers and CEO's are required to undertake an approved RCG training course and Directors should also be encouraged to undertake such training voluntarily.

Section 201 of the **Gaming Machines Act** provides that where a club has contravened the Act, the Secretary and Directors are also taken to have contravened the Act unless they can prove that:-

- the contravention occurred without the knowledge of the person charged, or
- the person charged was not in a position to influence the affairs of the club in relation to the contravention, or
- The person charged, being in such position, used all due diligence to prevent the contravention.

This means that the clubs Directors have a positive duty to be familiar with the laws governing responsible conduct of gambling and to take positive steps to ensure that the club complies with the law.

The **Gambling Legislation Amendment (Responsible Gambling) Act 1999** contained a number of penalties where a "responsible person" for a club broke the law.

A "responsible person" includes a Director, Secretary or Manager, where that person has been responsible for setting club policies or giving directions to staff.

Some offences include:-

- s.54C **Registered Clubs Act** which prohibits an offer to extend cash advances or any other form of credit to another person to enable that other person to gamble at the club;
- s.54D **Registered Clubs Act** which prohibits the misdescription of cash advances as being for "accommodation" or "meals".

The maximum penalty for these offences is 50 penalty units (currently \$5,500).

ANTI-MONEY LAUNDERING/COUNTER TERRORISM FINANCING (AML/CTF) POLICY

POLICY

To ensure that the club addresses its legal obligations to have an Anti Money Laundering and Counter Terrorism Financing Act. This policy covers all employees of the club and is ongoing.

GUIDELINES

The club is committed to compliance with the requirements of the AML/CTF Act and Regulation so far as they apply to the activities of the club. The club will provide the resources to develop and maintain the necessary procedures for the making of reports of threshold transactions and suspicious activities to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

WHAT IS THE AML/CTF ACT?

- The AML/CTF Act is a Federal law that requires clubs, hotels, casinos and TABS to make reports about large cash transactions or suspect transactions;
- Terrorism Financing is the act of providing financial support to terrorists or terrorist organizations to enable them to carry out terrorist acts;
- AUSTRAC (Australian Transaction Reports and Analysis Centre) is the government agency that receives reports of large and suspicious financial transactions;
- By reporting large transactions or suspicious activities we can help fight money laundering and terrorism financing;

WHY DO PEOPLE LAUNDER MONEY?

- To hide the profits made from illegal activities;
- Illegal drug dealing, arms smuggling and other criminal activities related to organised crime can generate huge profits;
- The goal of these criminals is to conceal the profit they make out the illegal activity behind a legal front;
- Money laundering allows criminals to keep their ill-gotten profits and encourages further crime;
- Money laundering is often linked to the illegal drug trade;
- Money laundering may also be used by people smugglers, illegal prostitution rackets and corporate criminals;

PENALTIES FOR NON-COMPLIANCE

- Severe penalties apply for failure to comply with the AML/CTF requirements;
- Individuals can be fined up to \$11 million or sent to prison;
- Non-compliance includes tipping off someone that they are being investigated for suspect activities.

WHAT DOES THE CLUB NEED TO REPORT?

- Clubs must report cash transactions for amounts of \$10,000 or more for gaming machines & TAB;
- The Club is required to make reports about certain suspicious activities.

WHAT SHOULD I BE ON THE LOOKOUT FOR?

- **False name and address provided;** E.g., someone may use a name different to that on their ID;
- **Purchase of winning tickets;** Patron A wins a prize at the club on a Members Draw, TAB, Keno, Gaming Machine or Link. Patron A transfers their prize-winning ticket to Person B, so it looks like Person B won the prize. Patrons who redeem prize-winning tickets a couple of days after winning a large prize should be considered suspicious;
- **Abnormal play and credit redemption;** A patron inserts large amounts of cash into a gaming machine and then collects a payout after a short time playing a machine. In the TAB area a customer could place a large bet and then cancel it;
- **Multi-Terminal Gaming Machines (MTGM's);** Unusual behaviour by patrons playing Roulette or other Multi-Terminals (where maximum bet is \$100);
- **Stolen or Counterfeit Notes;** Patron may try to exchange or spend stolen or counterfeit money. Patron may insert stolen or counterfeit money into the note acceptor of the gaming machine, play for a while, and then collect. Some note acceptors may not recognise the counterfeit money. Clearance staff & other staff involved in cash handling should be on the lookout for suspect notes;
- **Collusion between staff and money launderers;** A corrupt staff member may alert the money launderer to significant payout situations and facilitate the introduction of the prize-winner and the money launderer. Staff may also be involved in other ways with money launderers;
- **Other suspicious activities;** It is best to report activities that make you feel uncomfortable, no matter what they are. Suspicious activities don't just involve money or gambling. For example, a staff member reported a patron who wanted to know about the exact opening and closing times of the club and who was at work then.

WHAT DO I DO IF I SEE SOMETHING SUSPICIOUS?

- Report suspicious activity to management as soon as possible after you become aware of it;
- Try to identify the person or persons involved in the suspicious activity;
- Details are important - what was said, what was done, when and where;
- **Don't alert the individuals to your suspicions;**
- It can be helpful to write down the details - an Incident Report will probably be needed;
- Your supervisor will make a report to the club's Compliance Officer;
- The Compliance Officer may make further investigations;
- The Club may make a report about the suspicious activity to AUSTRAC;
- AUSTRAC will use the information provided to identify money laundering and terrorism financing activities and make Australia a safer place.

REPORTING THRESHOLD TRANSACTIONS

- The Club sends reports about gaming machine threshold transactions to AUSTRAC. Payments of \$10,000 or more should be reported and the following information **MUST** be collected using reliable identification:
 - Full Name,
 - Residential Address;
 - Date of birth.
- The TAB makes reports about TAB threshold transactions.

SUMMARY

- Be on the lookout for suspicious activity and unusual or suspicious activities to the supervisor;
- Notify Compliance Manager as soon as possible;
- Get as much information as possible;
- Don't alert the individual/s;
- Get copy of driver's license for TAB cash payouts of \$10,000 or more.
- The Club is required by law to make reports about suspicious activity and threshold transactions to AUSTRAC.