



The Australian Casino Association

ANNUAL REPORT

2001 - 2002

Mission Statement

*Our mission is to seek to
provide a balance between
the provision of the
highest quality
entertainment and
gambling facilities while
being mindful of the
industry's social
responsibility and acting
with integrity at
all times.*



Table of Contents

■ About the Association	4
■ Organisational Structure	5
■ President's Report	6
■ Executive Director's Report	7
■ National Council	8-9
■ Vital Statistics	10-11
■ Taskforce Reports	12-14
■ ACA Members	15-16



About the Association

Membership

The Australian Casino Association was formed in 1992.

All thirteen Australian casinos are members of the Association together with Sky City Auckland and Christchurch Casino New Zealand.

The Association represents the casino industry at a government and community level. The Association promotes the industry as one that is a world leader in regulatory and professional standards.

Association Governance

The National Council, whose members are the CEOs and Managing Directors of the casino companies, governs the Association.

The members of the National Council elect the President, Vice-President and Treasurer annually.

The National Office administers the affairs of the Association from its office in the national capital, Canberra. The Executive Director, who is supported by an Administration Manager and a Community Affairs Manager, heads the National Office.

A Collaborative Approach to Industry Affairs

The Association works with its members through a number of Taskforces and Working Parties to adopt a national industry approach to issues that have an impact on the casino industry.

By utilizing the professional expertise of the casino industry's employees the Association is able to provide advice and responses to Federal, State and Territory governments on a range of issues as well as developing industry wide frameworks.



Organisational Structure



President's Report



If the previous year was one of change and challenge for the Australian Casino Association, then the past year has definitely been one of consolidation.

The appointment of a full-time Executive Director in October 2000 heralded a new era for the Association and the past year has seen the development of a collaborative approach through the work of our taskforces in dealing with issues and developing industry positions.

The industry recognises its responsibilities to meet and exceed community expectations. Casinos are regarded as mainstream entertainment facilities, and an increasingly important part of our tourism infrastructure.

This year has seen the establishment of a Compliance Taskforce to complement the work of existing Taskforces. The work of our other Taskforces this year will also be of considerable ongoing benefit to the industry.

While the work of the Responsible Gambling Taskforce will remain an important task for the Association, the work of our other Taskforces has also been of great significance. I particularly want to compliment the members of the HR Taskforce and those who formed the Safety Net Award sub-committee. Much time and effort went into the safety net award campaign and whilst this did not affect all casino properties, the final outcome demonstrated the effectiveness of having an industry speaking as one voice.

Our industry was faced with the challenge last year of the introduction of national privacy principles from December 2001. A Privacy Code working party was established to develop a Privacy Code for all casinos. At this point in time the Code is in the final evaluative stage with the Office of the Privacy

Commissioner. The casino industry is one of the few industries in this country that has developed an industry-based Privacy Code and the benefits will be felt for many years to come.

Our relations with government at all levels continue to develop. The National Council again met in Canberra this year. The meetings with Ministers, their advisers and MPs and Senators were particularly successful. We look forward to developing a meaningful dialogue with all political parties and working with governments at a Federal, State and Territory level on those issues that have an impact on our industry.

Casinos continue to make an important contribution to the success of Australia's tourism industry. We have some of the best entertainment venues, convention and meeting facilities in the country. We very much cater to the business tourism market and as such are a vital part of the tourism industry. Our casinos attracted two million international visitors in 2000-01, many staying in the 3000 international standard hotel rooms that are part of our casino complexes. All of our properties are continually investing in refurbishments to ensure that we maintain a high standard for our international visitors as well as our local patrons.

Additionally, we make an important contribution to the Australian economy. We contributed \$2.15 billion to the economy in 2000-01, as well as employing over 20,000 Australians. We paid \$496 million in taxes and paid out \$755 million in wages and salaries. Casinos do indeed pay their way.

I place on record my thanks to my colleagues and to our staff for their efforts in the past year. We look forward to further successes in the coming year.

Grant R. Bowie
President



Executive Director's Report



The past year has been one of consolidation for the Association. My thanks go to the CEOs and to the members of our Taskforces for their efforts in ensuring that the collaborative approach has

become accepted as a means of developing Association policies and positions.

We need to continue to develop industry positions on a range of issues that serve to ensure that we are seen as the pace setter in setting the standards.

In this World Cup year, the Association has kicked some great goals. Some of the more notable achievements were:

■ **The Privacy Code** – The development of this Code demonstrated the effectiveness of collaboration and utilizing the expertise and experience of casino staff. The Code, when it is approved by the Privacy Commissioner will be one of the first industry codes approved.

■ **Community Attitudes Survey** – The Association conducted the first ever community attitudes survey, which gives the industry a great deal of information about the direction it should take with regard to the big issues. Results from the survey indicate a majority of Australians approve of responsible gaming in venues such as in casinos.

■ **The National Council Meeting in Parliament House** – The Association continues to speak with and discuss our concerns with MPs, Senators and advisers in our national capital. The fact that this year's meeting was well attended demonstrates that the Association has come of age. The challenge for next year will be to ensure the same high standard is attained and to continue to ensure that we have access to all MPs and political parties.

■ **The work of our Taskforces** – The Responsible Gambling Taskforce has continued its good work particularly with the development of an industry position on self-exclusions. The Taskforce has also been working on improvements to the Responsible Gambling section of the Association's website and the development of a policy for all casinos on unattended children. The HR taskforce, through its Safety Net Award sub committee has worked to ensure that the award has passed through all the correct processes. This year also saw the setting up of a Compliance Taskforce, whose major objective will be to ensure that a culture of compliance becomes well established in our industry.

■ **Submissions to Government** – The association has continued to work with AUSTRAC and made a submission to the Government regarding the Proceeds of Crime Bill. Further submissions have been made regarding the International FATF review of money laundering operations. The fact that casinos work with the government on these issues indicates our industry's willingness to ensure that our industry is not only above reproach but is seen to be above reproach. Unfortunately the perception persists in some sections of the community that casinos are prime targets for money laundering. The real fact is that nothing could be further from the truth.

The next twelve months will see the Association continue to work with government on issues of mutual concern. The association will also establish its reference group for responsible gambling issues as well as work on some position papers regarding the need for a national approach to internal audit controls and staff licensing requirements. I look forward to working with National Council and with our taskforces to ensure that our industry continues to progress and develop as an industry with a national focus.

Chris Downy
Executive Director



National Council



Grant R Bowie
President – Australian Casino Association
Senior Vice President - Australia & General
Manager - Conrad Jupiters



David Banks
Vice President -
Australian Casino Association
Chief Executive Officer – Star City



Dave Steinhardt
Treasurer - Australian Casino Association
General Manager – Jupiters Townsville



Rowen Craigie
Chief Executive Officer – Crown



Peter Bridge
Chief Executive Officer – Lasseters



Greg Farrell
Managing Director – The Federal Group
West Point & Country Club Casinos



National Council



John Schaap
Managing Director – Burswood
International Resort Casino



Evan Davies
Chief Executive Officer - Sky City
Entertainment Group Limited



Arthur Pitcher
Chief Executive Officer –
Christchurch Casino



Allan Tan
Company Secretary and
Chief Financial Officer



Andrew Wilson
General Manager –
MGM Grand Darwin



Rob Hines
Managing Director –
Jupiters Limited



Chris Downy
Executive Director –
Australian Casino Association



Vital Statistics

Australian Casinos Contributing to Australia's Economy

- Paying \$496.5 million in gambling taxes
- Employing 20,347 people paying \$755 million in wages and salaries
- Showcasing Australia's entertainment industry, providing some of the best venues in which a wide range of Australian and international talent
- Providing 18,00 training opportunities
- Generating gross revenue of \$3,138.1 million and value added of \$2,150 million
- Casinos in Australia today are widely regarded as a mainstream and legitimate form of recreation and leisure
- A mainstream majority of the Australian Community supports responsible gaming in casinos



Australian Casinos An Active Part of Australia's Tourism Sector

- Welcoming nearly 40 million visitors with 2 million coming from international destinations
- Offering world-class business tourism destinations – with award winning convention and meeting facilities
- Casinos form a quality mainstay of Australia's tourism infrastructure being less subject to negative short term economic cycles or tourism trends thereby providing stable employment, training and tax revenue

Among Australian Casino member properties you can:

- Eat in one of 69 restaurants
- Enjoy a drink at any one of 86 bars
- Or stay in your choice of 3,148 international standard hotel rooms



Vital Statistics

A Responsible Industry

The Australian Casino Association believes that responsible gambling occurs in a regulated environment where the potential for harm associated with gambling is minimized and people are able to make informed decisions about their participation in gambling.

Australian casinos are established under State and Territory Government legislation. Apart from specific legislation that governs the operations of casinos, casinos are also subject to a myriad of legislation that covers issues such as employee relations, occupational health and safety, responsible serving of alcohol, privacy, health and cleanliness of restaurant operations. The casino industry is also subject to the Federal Government's Financial Transaction Reports Act, which insists on reporting of all significant transactions and suspect transactions.

As well as taking a leading role in the gaming industry in implementing responsible gambling programs, Australia's casinos work co-operatively with governments at a State and Federal to promote responsible gambling practices.

Australia's casinos have implemented a range of programs to promote responsible gambling and to assist patrons who suffer with a gambling disorder. The range of programs implemented across Australia and New Zealand include:

- Staff training – responsible gaming training and responsible service of alcohol
- Self-exclusion programs
- Unattended children policies
- Dedicated responsible gambling staff
- On-site counselling centre (at Crown)
- Extensive player information - in brochure form and on some websites Extensive signage in all premises
- Clocks in all premises and on some machines

Gaming Facilities By State & Territory

State	EGMs	Tables
New South Wales	1500	200
Victoria	2500	320
Qld	3238	261
Conrad Jupiters	1328	106
Conrad Treasury	1308	89
Jupiters Townsville	498	22
Reef Casino	533	44
WA	1318	123
SA	850	70
ACT	Not Permitted	39
Tas	1153	50
Wrest Point	668	22-25
Launceston	490	24
NT	610	45
MGM Grand	371	25
Lasseters	264	20



Human Resources Task Force Report

Federal Award Safety Net For Casino Gaming

Background

In early 1999, the Australian Liquor, Hospitality and Miscellaneous Workers Union (LHMU) initiated a work value Application before the Australian Industrial Relations Commission seeking to vary the Federal Hotels Award in respect to Casino Gaming classifications, rates of pay and conditions of employment. After the settlement of the Crown Limited enterprise bargaining negotiations in 1999, no further action was taken with the Application by the LHMU.

After extensive consultation within the ranks of casino employers, it was agreed to initiate an employer Application to simplify the Federal Hotels Award and establish an appropriate safety net for casino gaming. After consultation with the Australian Hotels Association support was garnered to initiate the Application and it was filed with the AIRC in March 2001.

From the industry perspective, the establishment of an appropriate safety net was considered a strategic priority as:

- a) An appropriate safety net is the basis to assess "no disadvantage" assessments during EBA negotiations and for approval of registered documents;
- b) It theoretically provides a viable safety net to EBA's in the event that agreement cannot be secured with union parties or others;
- c) It provides certainty for casino employers in respect to minimum standards and reduces the impact of comparisons between EBA outcomes across properties.



The Objectives

The agreed ACA's objectives for the Application in March 2001 were to:

- Provide fair, equitable and sustainable minimum employment conditions for employees in the industry;
- Provide a minimum safety net that supported the long-term economic prosperity of the industry;
- Provide a safety net that facilitated increased productivity and operational flexibility;
- A foundation of minimum standards to allow employers and employees to choose the most appropriate form of instrument for their particular circumstances.



Human Resources Task Force Report

The Outcomes

After extensive negotiations, conferences before the AIRC and hearings on a small number of residual issues, the claim was settled fully with the following outcomes were achieved:

Classifications and Relativities:

Table Games	Electronic Gaming	Casino Finance	Gaming Technicians	Security and Surveillance
	Grade 1 - 90%			
1 Game - 95%	Grade 2 - 95%	Grade 1 - 95%	Grade 1 - 95%	Customer Liaison 95%
		Grade 2 - 100%	Grade 2 - 100%	Grade 1 - 100%
2 Game - 107.5%		Grade 3 - 110%	Grade 3 - 110%	Grade 2 - 110%
3 Game - 115%	Grade 4 - 115%			
Supervisor - 120%		Grade 5 - 120%		Surveillance - 120%

Employment Conditions

No new Award based employment conditions above the general hotel industry standards. All property specific standards in excess of the Award minimum standards such as additional annual leave etc are the province of enterprise bargaining.

Date of Operation

The Award was varied effective from 24 May 2002 with transition provisions for both Crown Limited and Star City operative from 30 September 2002.

Compliance Taskforce Report

The National Council determined during the year that a compliance taskforce should be established. The purpose of the taskforce is to foster and monitor an appropriate culture of compliance within the casino industry that encompasses legal, ethical and social obligations.

The taskforce will oversee the benchmarking of standards to ensure a high level of compliance and industry best practice within the industry as well as

act as the advisory body for the Privacy Code and through the AUSTRAC working party, ensure compliance with all aspects of the FTR Act and associated legislation. The taskforce will also develop industry positions on legislation at both the State and Federal level where it is considered necessary and prudent to do so.



Responsible Gambling Taskforce Report

The Australian casino has always led the way in responsible gambling. Casinos have a particular opportunity, as total compliance environments, to focus on programs to target problem gamblers and to promote responsible gambling initiatives in their properties. On a national basis, casinos can make a significant contribution to the broader issue by offering realistic and practical responses. The Responsible Gaming Taskforce was established in 2001. This allows the work of individual casino members to contribute to collaborative national responses, and provides an expert point of reference for Government, academics and the community. The Taskforce enjoys respected standing within the gaming industry for its initiatives and anticipation of policy issues.

At each meeting, Property Reports continue to be an important focus for the agenda. This forum provides the opportunity for the exchange of information and ideas from both a National and International perspective. It also offers an opportunity for networking and building relationships with other members of the Australasian Casino Industry.

The National Framework on Self-Exclusions was developed by the Taskforce during the year. The fundamental purpose of the document is to provide guidelines that ensure a national approach is adopted by all Australian casinos. In this way the casino industry in Australia is leading the world in the adoption of responsible gambling practices and is intent on establishing high benchmarks with regard to the responsible provision of gambling facilities.

The Australian Casino Association membership has developed significant responsible gambling initiatives over the period. The Taskforce has contributed to the development of a Responsible Gambling Measures Matrix that sets out the various initiatives that have been implemented in each Casino either voluntarily or by legislation.

The Taskforce working group has developed a framework with content material as a starting point to creating an appropriate set of information to be contained in a Responsible Gambling Web Page. It is timely for the Australian Casino Association to update our Web Site in relation to the implementation of Responsible Gambling initiatives with links to member sites. This project is in a developmental phase.

In the coming year, this group will look at developing a Responsible Gambling Reference Group with appropriate terms of reference to support their work as well as developing an unattended children's policy for all members.



Australian Casino Association – Members



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