

STAR CITY
Casino Licence Review 2011

PUBLIC SUBMISSION



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EXECUTIVE SUMMARY

The 2011 review of Star City's casino licence comes at a time of significant change for the business. Certainly there is great physical change as the casino undergoes a major redevelopment dubbed "Project Future Star". Equally important however, Star City continues to evolve as a business with a strong compliance culture, enhancing its reputation as a responsible operator of the Sydney casino licence.

Star City has devoted considerable resources to upgrading its compliance training. This includes a revised Code of Conduct which emphasises the requirement for all staff to report suspicious activity. Regular staff awareness campaigns are conducted, focussing on critical areas such as Responsible Service of Alcohol, Responsible Gambling and Illegal and Undesirable Activity.

Compliance induction is provided for new employees while RG and RSA online courses have been completely re-written and refreshed. In recognition of these advancements, a recent independent review by Neill Buck & Associates described Star City's compliance program as one of the best of its type.

Star City has demonstrated its commitment to Responsible Gambling by appointing a second Responsible Gambling Manager and training an additional 83 Responsible Gambling Liaison Managers. These senior managers are trained to provide assistance 24 hours a day to customers who may have a gambling problem.

Reflecting the work done in this area, parent company Tabcorp Holdings Limited has been recognised by the Dow Jones Sustainability Index as a global leader in the gambling industry and a world leader in responsible gambling.

With an investment of \$860 million, work began on the redevelopment of the property in November 2008. Project Future Star is building new restaurants and bars, boutique retail stores and world-class spas and Sydney's first five star hotel since the 2000 Olympics.

The casino's gaming floors are being totally refurbished and there is a significant expansion of VIP customer facilities including luxury accommodation, private aircraft and private gaming rooms. However the majority of the capital expenditure is on non-gaming venues and facilities, including a proposed \$100 million state-of-the-art Entertainment and Events Centre. This investment is on top of the \$60 million that's been spent over the last five years on maintenance at the property.

Most of the new venues are scheduled to be opened by the end of 2011, further consolidating Star City as Sydney's premier gaming and entertainment destination.

Over the last five years, the award winning Lyric Theatre continued to host world-class stage productions, among them: *Priscilla Queen of the Desert*, *The Phantom of the Opera*, *Mamma Mia*, *Chicago* and the world premier of *Dr Zhivago*.

Star City was judged Australasia's Leading Casino Resort in the World Travel Awards, 2007, 2008 and 2010 while its Astral restaurant was recognised with Chef's Hats in the 2007 & 2008 Sydney Morning Herald Good Food Guide Awards.

Since 2006, Star City's workforce has grown to over 3,600 – an increase of 500 employees – making the company one of the biggest private employers in NSW. Staff numbers are expected to swell to well over 4000 on completion of Project Future Star which has also created 750 construction jobs.

Star City continued to make a significant contribution to the NSW economy courtesy of gaming taxes and the Casino Community Benefit Levy which, over the review period, amounted to over \$376 million.

These and other achievements that have been realised since the last licence review are detailed in the attached submission. In June 2011, Star City will undergo a major corporate restructure when the casino and its sister properties in Queensland are separated from Tabcorp to form a new stand-alone public company, Echo Entertainment Group.

The demerger from Tabcorp will allow the casino businesses to pursue their own growth and investment strategies. However, Star City is committed to remaining focused on its compliance systems and culture throughout these changes and beyond. We realise this is an ongoing process and further improvements can always be made.

For these reasons Star City believes it is in the public interest for the casino licence to be renewed and that Star City is suitable to hold that licence.

1. INTRODUCTION

Under section 31 of the Casino Control Act 1992 (“Act”), The NSW Casino Liquor & Gaming Control Authority (“Authority”) is required to determine whether:

- Star City Pty Ltd (“Star City”) is suitable to continue to give effect to the casino licence and the Act; and
- It is in the public interest that the casino licence continues in force.

This submission gives an overview of why Star City believes it is in the public interest for the casino licence to remain in force and for Star City to hold that licence.

It provides a summary of the ongoing improvements that Star City has made to its culture, business and gaming and entertainment facilities since the last review in 2006.

Star City believes it has continued to improve its cultural and business performance over the last five years.

However, in a company the size of Star City, it is also recognised that this is an ongoing process and further improvements can always be made.

It is therefore Star City’s intention to work with the Authority to review the last five years and identify opportunities for making the casino a better place to work while creating a better experience for its customers.

2. MAJOR ACHIEVEMENTS

Over the last five years Star City has strived to be an industry leader in all aspects of its business – from its food and beverage operations to building a strong compliance culture. As a result the company has received a number of awards for its restaurants and recognition for its commitment in the areas of compliance and responsible gambling.

Major achievements have included:

- February 2011: Report by Neill Buck & Associates finding “the compliance program at Star City represents one of the better programs of its type we have seen”;
- Every year bar one since 2003, Star City’s parent company Tabcorp Holdings Ltd recognised as a global leader in the gambling industry and a world leader in responsible gambling: Dow Jones Sustainability Index;
- Chef’s Hat 2007 & 2008: Astral Restaurant, Sydney Morning Herald Good Food Guide Awards;
- Chef of the Year 2008: Sean Connolly, head chef Astral Restaurant, Sydney Morning Herald Good Food Guide Awards;
- Chef of the Year 2006, 2007 & 2008: Sean Connolly, head chef Astral Restaurant, Australian Hotels Association NSW Awards for Excellence;
- Best Restaurant of the Year 2007: Astral Restaurant, AHA NSW Awards;
- Best Fine Dining Restaurant in a Hotel 2007: Astral Restaurant, Restaurant & Catering Awards for Excellence NSW & ACT;
- Winner Master Builders Assoc 2010 Excellence in Construction: Sports Theatre.

3. FUTURE STAR PROJECT

In September 2008, Tabcorp Holdings Ltd announced the first stage of funding for the Future Star project with the aim of transforming Star City into a one-of-a-kind entertainment destination. It was no small investment – \$575 million would be spent on building a new 5 star hotel, more restaurants and bars and improved entertainment and gaming facilities. With construction partner Brookfield Multiplex, work began on reorientating the casino towards Pyrmont Bay and creating a new grand harbour-side entry, replacing the old staircase entrance.

The plans called for the main gaming floor and new signature restaurants to face the harbour and city skyline, giving customers one of the best views of Sydney. But the Tabcorp board had an even grander vision in mind and in August 2010 it announced an additional \$285 million investment in Star City, taking the total capital expenditure to \$860 million.

Central to these revised plans is a \$100 million 4,000 capacity Events Centre which has been designed to host top acts from around the world in an intimate setting as well as domestic and international conferences, exhibitions and banquet functions. The 2,400 square metre column-free venue will be the largest event space of any hotel in Sydney and will fill a void in the local entertainment and convention market.

This increased investment in Future Star provides an additional \$160 million to attract international VIP customers to Star City where they will be offered world-class facilities including six star hotel suites complete with their own private gaming rooms. The former Astral Bar and Dining area on the 17th floor of the current hotel is being converted into a gaming area with unparalleled views for international high- end customers. The first of two Global Express executive jets has been purchased to bring VIP guests to Sydney from across the Asian region.

Future Star will also see the main casino floor undergo a complete refurbishment and expansion featuring marble walkways and chandelier lighting. Existing private gaming rooms are also being refurbished.

The end result of this massive investment will be the making of a total leisure and entertainment destination. Some 80% of the capital expenditure is on non-gaming facilities, much of which is on schedule for completion by late 2011:

DINING & NIGHTLIFE

- 20 new restaurants, bars and cafes, including the live music bar Rock Lily (opened in April 2011);
- Renowned chefs from around the globe including David Chang, Teage Ezard, Stefano Manfredi, Chase Kojima, Luke Nguyen, Adriano Zumbo, Peter Kuruvita and Eric & Linda Wong of Golden Century;

- An internationally operated nightclub with panoramic city views spanning the length of the property.

HOTEL

- 172 rooms within a new 5 star boutique hotel;
- 480 rooms in the existing 5 star hotel and residences;
- A total of 652 guestrooms across 3 towers at completion;
- A new deluxe spa with 16 treatment rooms;
- 2 pool areas and a refurbished health club.

EVENTS CENTRE

- Proposed entertainment and events centre overlooking Sydney Harbour (set to open in 2012);
- Flexible design will allow for domestic and international conferences, exhibitions and functions, as well as A-list performances in an intimate setting;
- 4,000 standing and seated capacity;
- 3,000 seated capacity.

RETAIL

- A new 5,500m² retail space will connect the casino, restaurants, entertainment venues and hotel towers;
- Retail space will include an upmarket café court;
- Tenancies will include a mix of International and Australian fashion brands.

In November 2010 the Sydney Morning Herald said of Project Future Star: "This must surely rank as one of the more expensive redevelopments of an existing property." The redevelopment when complete will have created 750 construction jobs, 1,000 ongoing jobs and a world-class venue that will enhance Sydney's reputation as a premier business and leisure destination.

4. CULTURE/COMPLIANCE

Star City believes it has continued to maintain an effective compliance program and a strong culture of compliance over the last five years.

This is underlined by an independent review of Star City's compliance framework and program by Neill Buck & Associates in February 2011. The review found: **“the compliance program at Star City represents one of the better programs of its type that we have seen.....**

“Star City has a suitable compliance framework, a competent compliance team and a commitment to compliance from the Board and Executive”.

However, it is recognised that this is an ongoing process and that no business can ever afford to become complacent in this critical area. This is why Star City remains focused on improving its compliance systems and culture.

Among the actions taken by Star City to improve its compliance culture over the last five years has been a revised Code of Conduct. Distributed to every employee in 2011, the code emphasises the requirement for all staff to report actual or suspected illegal or undesirable activity.

Other measures have included:

- Regular awareness campaigns conducted in the staff cafeteria focussing on critical areas such as Responsible Service of Alcohol, Responsible Gambling and Illegal and Undesirable Activity;
- A “Be Alert” campaign in 2007 (and planned for 2011) sought to raise awareness of illegal and undesirable activity – especially the “big four” of money laundering, loan sharking, drugs and prostitution;
- The Lawlex compliance management system introduced in 2004 was replaced by a group-wide integrated risk and compliance management system in 2008 called Cura;
- A new customer feedback program Market Metrix which allows customers to give feedback following their most recent visit. Information is used to drive continuous improvement for all levels of customer service;
- All senior management, including the Managing Director, have key performance indicators (KPIs) related to Compliance in their annual performance reviews;
- Compliance induction and refresher training has been provided in all key areas including Responsible Gambling, Responsible Service of Alcohol, Illegal and Undesirable Activity, Code of Conduct and Equal Employment Opportunity, Occupational Health and Safety and Competition and Fair Trading. Since the previous review, RG and RSA online courses have been completely rewritten and refreshed;
- Drake WorkWise Pty Ltd (BetCare) was appointed in 2008 to replace the previous provider, Wesley Gambling Counselling Services,

providing problem gambling counselling and assessment services including a 24 hour crisis counselling service to Star City;

- A new risk-based Anti Money Laundering and Counter Terrorism Financing regime was introduced following the commencement of the *Anti Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act) and associated Rules (AML/CTF Rules);
- Star City has given external presentations on compliance processes and culture to various business and compliance forums;
- Several new division-wide policies have been introduced in the last two years to assist Star City and the Queensland casinos with managing excluded patrons across all four properties.

4.1 Compliance Surveys

As outlined above, Star City has put in place a comprehensive program aimed at developing and maintaining the appropriate culture of compliance throughout the business.

The company has long recognised that it was imperative to benchmark and measure the success of these measures and in 2005 it conducted its first compliance culture survey.

As noted during the last review, this compliance culture survey was recognised in 2005 by the Australasian Compliance Institute with the first ever national industry award.

Follow up surveys were conducted in 2006, 2007, 2008 and 2009 with the most recent survey completed in early 2011. The results of these surveys have been supplied to the Authority and show a consistent improvement in positive responses:

Year	Positive Responses
2005	81%
2006	84%
2007	95%
2008	94%
2009	95%
2011	91%

4.2 Responsible Gambling

Star City operates an extensive Responsible Gambling program the primary focus of which is to protect vulnerable customers from the harmful effects of gambling.

In the last five years, the casino has demonstrated its commitment to this program by appointing a second Responsible Gambling Manager (April 2011) and providing appropriate and timely support for customers who may be experiencing difficulties with their gambling behaviour.

In a reflection of the work Star City does in this area, parent company Tabcorp Holdings Limited has been recognised as a global leader in the gambling industry and a world leader in responsible gambling by the Dow Jones Sustainability Index (2005, 2007, 2008, 2009, 2010).

Since December 2005, the casino has trained an additional 83 senior operational staff as Responsible Gambling Liaison Managers (“**RGLMs**”) while 16 Senior Managers have participated in a shortened version of the RGLM training.

In 2009 Star City developed a DVD as a new training resource which demonstrates real life case studies to reinforce Star City’s ‘Respond with Respect and Refer’ RG message.

Star City requires all front line staff to participate in RG induction and bi-annual refresher training even if their employment is not directly related to the provision of gambling services. This training was revised in 2010 to ensure the currency of content, including guidance on how to recognise and report to management a customer exhibiting signs of problem gambling.

Other key measures:

- April 2008, Drake WorkWise engaged to provide “BetCare” gambling counselling service, replacing Wesley Gambling Counselling Service;
- A Responsible Gambling Committee which has introduced a Star City Responsible Gambling Code to replace the Tabcorp Responsible Gambling Code;
- Provision of external counseling service, mandatory RG related signage and clocks to assist customers in being aware of the passage of time, gambling contact cards at all electronic gaming slot banks, player information brochures available in a variety of community languages;
- Requirement for customers to undertake counselling/gambling assessment prior to the casino’s exclusion review committee considering revocation of RG related exclusions/self exclusions;
- Annual Responsible Gambling Awareness Week for staff;

- Conflict resolution training for Security staff (supervisors and managers);
- Specific training for Table Games Casino Duty Managers (Gaming Managers) prior to their commencement in their role. Subsequently these managers undertake the RGLM training;
- From May 2011 all Star City Electronic Gaming Machines will have an RG message included on the NAMB screens prompting customers to consider taking a break from play and this message will be displayed every 2 minutes;

4.3 Responsible Service of Alcohol

Star City recognises Responsible Service of Alcohol (RSA) is another key element in its overall program to encourage and develop a compliance of culture.

To that end, Star City's Responsible Service of Alcohol Committee meets every six weeks to ensure the business fulfils its obligations as a responsible supplier of liquor and complies with all legal and regulatory requirements.

RSA Training and Education programs are also reviewed and discussed to make sure they meet industry best practice and that employees are being equipped with the necessary skills to deal with situations that may arise from the service of alcohol.

A two-volume Responsible Service of Alcohol Manual has been developed to assist the business and employees with meeting their obligations in this important area. An Operations manual is located at each of the bars and restaurants where alcohol is served as a reference tool for F&B employees while an Organisation manual contains more detailed information which is relevant to senior management such as Liquor Managers.

Ongoing initiatives include yearly education awareness programs such as RSA Awareness Week which is conducted in the staff canteen. This year more 320 employees completed Q&As pertaining to Star City's RSA policies and procedures.

Star City is also a member of Sydney City Liquor Accord group and the Darling Harbour Liquor Accord group and the chair of the RSA Committee regularly attends group meetings and reports back with any relevant information pertaining to RSA.

Other RSA initiatives taken since the last license review include:

- Change over from standard glassware to tempered glassware (2009) for all Main Gaming Floor outlets to assist with customers and employee safety;
- No double spirits served between the hours of 2am and 10am daily;
- Bottled water is provided free of charge during "high risk" periods such as the Easter long weekend, NYE, NRL Grand Final and Soccer World Cup;
- All new employees who have a F&B role that involves the service of alcohol are required to have an external training certificate in RSA by a registered training organization in addition to the on-line and classroom training that is conducted by Star City;

- Classroom training for new employees is now conducted within the 2nd day of induction while regular refresher courses are held throughout the year;

4.4 Training and Expertise

Star City strives to continually improve the extensive training program it has developed to reinforce its culture of compliance.

Training is currently provided in a range of issues relating to culture including:

- Responsible Service of Alcohol (RSA);
- Responsible Gambling (RG);
- Illegal and Undesirable Activity;
- Code of Conduct (including Equal Employment Opportunity);
- Work Health and Safety;
- Privacy;
- Anti Money Laundering/Counter Terrorism Financing (AML/CTF).

Since November 2010, as part of Future Star, the induction program for new staff has been substantially redeveloped into a new Welcome Day format. The majority of the compliance training is now completed pre-employment by all relevant employees. Currently the Code of Conduct/pre-employment training is a quiz of 15 questions based the Code of Conduct which staff members receive in their employment pack.

In addition, all new employees participate in customer service role plays, including RSA and RG scenarios. .

Star City has made a significant commitment to upgrading its compliance training according to industry standards. For example, online RSA and RG training courses now include video role plays developed by Tabcorp Casinos. Refresher training in the Code of Conduct is also provided for employees with 2 or more years service including online refresher courses in Code of Conduct/EEO and Illegal and Undesirable Activity.

5. EXPERIENCE AND EXPERTISE

Star City has a management team that is highly qualified and experienced in the operations of hotel casinos both in Australia and overseas. CEO of casinos Larry Mullin and Star City's Managing Director Sid Vaikunta have proven track records in casino development in the United States. Both were appointed to their positions in the last few years to spearhead the Future Star project at Star City and major redevelopment projects that are planned for Tabcorp's casinos in Queensland.

Larry Mullin (Chief Executive Officer, Casinos Division)

After a 20 year career in casino operations in the United States, Larry Mullin was appointed to head up Tabcorp's Casino Division in February 2009. Prior to taking up his position in Australia he was President and Chief Operating Officer with the market leading Borgata Hotel Casino and Spa in Atlantic City, a joint venture between Boyd Gaming Corporation and MGM MIRAGE. Larry is credited with playing a pioneering role in shaping casino entertainment as we know it today.

Sid Vaikunta (Managing Director, Star City)

Appointed Managing Director in March 2010, Sid Vaikunta has the dual role of overseeing the \$860 million redevelopment of the casino as well as managing its 3600 employees during the construction period. Sid began his career in the Hyatt Hotel group and also worked for the Marriott and Mandarin hotels in the United States and Macau. Prior to his appointment at Star City, he worked extensively in Las Vegas and Atlantic City.

Murray McCall (General Manager, Finance)

Murray has 9 years experience in the casino industry, working in finance and IT for the SkyCity Entertainment Group in Auckland and Darwin before taking up his position as General Manager of Finance for Star City in mid 2009.

Sylvia Aloizos (Divisional General Manager Compliance, Casinos Division)

Initially appointed as the Compliance Manager at Star City in September 2001, Sylvia became Divisional General Manager Compliance for Tabcorp's Casinos Division in 2007. She is accredited as a Certified Compliance Professional (Fellow) with the Australasian Compliance Institute, holds the position of AML/CTF Compliance Officer for Star City and chairs the Casinos Division AML/CTF Working Party. Previously Sylvia worked at Crown Casino in Melbourne for approximately 7 years.

Heather Scheibenstock (General Manager, Table Games)

Heather was an original Star City trainee dealer and since 1995 has been rapidly promoted up the ranks. She has worked as a Supervisor, Pit Manager, Table Game Development Manager and Casino Business Manager. In 2007 Heather was promoted to the role of General Manager Electronic Gaming at Jupiters on the Gold Coast before taking up her current position in September 2010.

Jason Yeates (General Manager, Electronic Gaming)

Jason has 21 years experience in the hospitality industry, the last 16 years working in Star City's Electronic Gaming division. He held the positions of EG Operations Manager and Casino Manager before he was appointed General Manager Electronic Gaming in April 2010.

Andrew Power (General Counsel)

Andrew studied law at the University of Sydney, graduating with first class honours. He worked in private legal practice in the areas of dispute resolution, intellectual property and media before joining Star City's Legal Department in October 2007. He was promoted to the position of General Counsel for Star City in March 2010 and has responsibility for a range of legal matters including the provision of commercial legal advice, contracting and leasing, management of litigation and legal review of promotional and marketing material.

Drew Schlesinger (General Manager, Hotel, Food and Beverage)

Drew was appointed in the dual roles of Hotel General Manager and General Manager Food & Beverage in April 2011 to oversee the opening of Star City's new five-star hotel and series of new restaurants and bars. He has more than 30 years experience in hotel hospitality in the United States, having held senior management positions with the Borgata Hotel Casino and Spa in Atlantic City as well as the Intercontinental Hotels Group in New York and the Mondrian Hotel in Los Angeles.

Mark Harbidge (General Manager, Property Services and Asset Protection)

Mark has been with Star City since 1997. After working in, then managing the Security and Surveillance Teams for 10 years, four years ago he added the Property Services portfolio to his management duties. Today he is instrumental in coordinating the major redevelopment of Star City with the day-to-day running of the business.

Maria Stamoulis (General Manager Human Resources)

Appointed to her position in June 2009, Maria previously worked at Woolworths and Metcash Trading Australasia and was head of HR Commercial at The Just Group. International experience includes managing Human Resources for Stella Travel Services which incorporates Harvey World Travel, Travelscene American Express, World Aviation and over 20 international airlines.

6. CUSTOMER SERVICE

Since the introduction of the 20/20 Vision program referenced in the 2006 review, Star City has continued to devote significant resources towards improving customer service and experience. To measure its success in this crucial area, Star City has moved to the **Market Metrix** monitoring program which represents a new, more authentic and accurate approach to obtaining customer feedback.

Where as 20/20 Vision sought to provide a satisfaction rating (out of 20) based on a small sample of 360 customers, Market Metrix is both a customer satisfaction score and a loyalty score that is applied to all guest surveys both on property and online. The questions focus on the following areas: Product, Service and Emotion. Scores are based on whether the customer will return and whether they are likely to recommend Star City.

As a global supplier of customer satisfaction tools, the advantage of Market Metrix is that Star City not only listens directly and immediately to its customers but can also benchmark the scores and compare them to other world class casinos. Our customer service team also responds to complaints and strives to resolve them to minimize customer dissatisfaction.

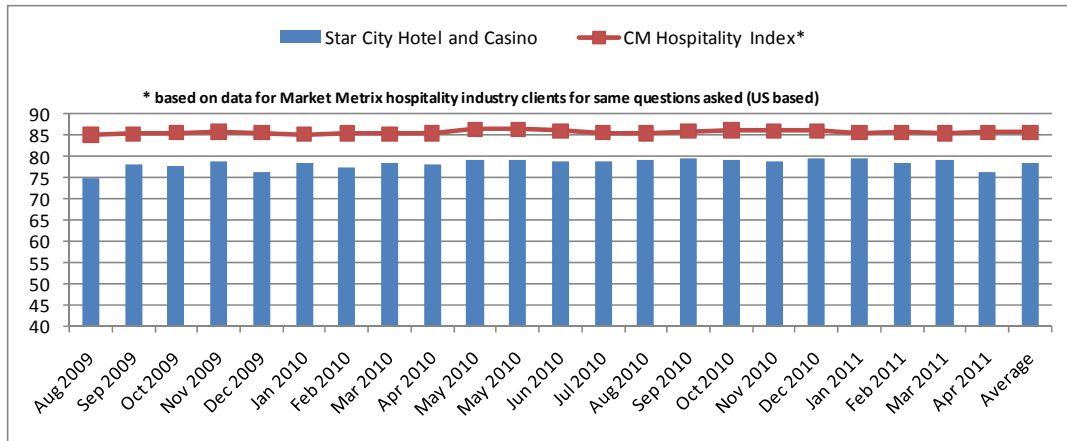
In conjunction with Market Metrix, an internal staff feedback program called the 5F's (Fast, Fresh, Focussed, Fun & Friendly) was introduced to replace the previous SHINE program. The 5F's are specific, measurable behaviours within each staff member's job description and performance. Most importantly these behaviours can be tailored to suit the huge variety of job functions present at Star City.

Benefits of Market Metrix include:

- real time access to customer satisfaction feedback / scores;
- access to qualitative customer feedback;
- ability to report customer satisfaction by segment and outlet;
- easier identification of customer problems;
- access to international benchmarks.

On average the number of email surveys that are sent to customers each month is 4,941. The average response rate is 14.7% which means more than 700 completed surveys are returned each month.

As can be seen in the following chart, Star City's Customer Satisfaction score over the period since the introduction of Market Metrix has been between 75 and 80. While this is slightly below the international benchmark for companies in the same category, for the first time Star City has a world's best benchmark to aim for. We believe this can be achieved by providing world-class product and customer service across all aspects of the business, from Star City's restaurants and bars to its hotel and gaming facilities.



7. STANDARD AND NATURE OF FACILITIES

As mentioned earlier, Star City has been undergoing a major redevelopment since 2008 aimed at positioning the casino as one of Australia's premier gaming and entertainment destinations. Through the Future Star project, \$860 million is being spent refurbishing gaming facilities and building a variety of new entertainment venues, including restaurants, cafes and bars and a \$100 million events centre. The project will also deliver Sydney's first new five star hotel since the 2000 Olympics.

Star City aspires to take the experience of its customers to a new level and believes this can only be achieved by providing the highest standard of facilities and customer service.

7.1 Table Games

Star City is licensed to operate table games such as Blackjack, Roulette, Baccarat, Craps and Pontoon. This includes Multi Terminal Gaming Machines which are based on a casino table game .

In 2009, work began on a complete refurbishment of Star City's gaming facilities under the Future Star Project. The redevelopment has seen the opening of a designated Poker Room on Level 2 with facilities to run multi-million dollar international tournaments, and a new Baccarat Room on the Main Gaming Floor.

This make-over and expansion which is due for completion towards the end of 2011 will feature chandelier lighting and marble walkways connecting gaming areas with new food and bar outlets across the property.

All table games areas are of international standard. Equipment is tested and evaluated prior to purchase and is audited by Star City's Occupational Health and Safety Committee.

Other highlights for the period under review include:

- Star City's Sovereign Room continues to offer the best in high-limit gaming and now has an Electronic Roulette offering -- Vegas Star;
- In 2007 Star City expanded the number of Inner Sanctum Rooms from 3 to 7 and created the Vermillion Room and VIP dining areas, delivering world-class facilities for high-end local and international customers;
- Star City continues to expand the types of games offered to keep the casino experience fresh for customers. New games introduced include Texas Hold 'Em Bonus Poker, Blackjack Challenge, War and Baccarat Pairs while new games are planned for the next 12 months. Star City also offers the widest choice of MTGMs;
- The introduction of Gaming Floor Live which has seen a new generation of gaming limit signs appear on the gaming floor plus

additional performance information for Roulette is now available electronically;

- A number of business initiatives have been introduced across table games including Dynamic Yield and the capability for Wireless Technology for Chip Purchase Vouchers is currently under development.

7.2 Electronic Gaming

Star City operates 1500 electronic gaming machines and over 350 multi terminal gaming machines. These include the latest, diverse range of products from all the leading manufacturers, ensuring Star City maintains its position as the premier gaming venue in NSW.

Through Government concessions, Star City can operate approved products from various overseas jurisdictions which provide a more compelling casino offering in a competitive environment. The casino currently operates 100 of these products as well as up to 250 high bet limit machines in private gaming areas.

Star City makes about 200 electronic slot machine conversions every year and purchases approximately 300 new machines. Over the last year the casino has installed 400 new devices in line with the Future Star Project to ensure the redevelopment opens with the latest electronic gaming technology and products.

In the last five years Star City has improved its electronic gaming operations by:

- Implementing a new casino management system (KCMS) to enable the introduction of new electronic gaming products and technology and improved promotional/marketing offerings for customers;
- Installing Ticket In-Ticket Out technology and ticket printers in all electronic gaming products, enabling machines to accept payout tickets and add credits;
- Purchasing the latest gaming platforms and devices from leading manufacturers including Aristocrat, IGT, Konami, Shufflemaster, Bally and Aruze;
- Building and opening new electronic gaming areas including Gold Suite, Platinum Suite, and unenclosed gaming areas;
- Opening a new TAB outlet that offers the latest paperless and self-serve technology.

7.3 Food and Beverage

Star City City's Food and Beverage Department again won a number of awards over the review period in recognition of its commitment to providing quality dining and bar facilities (see Major Achievements). These accolades are set to continue as the casino opens a number of new restaurants and bars under the Future Star Project.

In February 2010 Star City opened the first of its new Food and Beverage venues. Fat Noodle is a 100 seat quick service noodle shop with chef Luke Nguyen as a consultant. This popular eatery is located on the main gaming floor and offers lunch, dinner and supper daily.

This year customers have welcomed the conversion of Seans Kitchen into a casual brasserie- style restaurant called Bistro 80. The year has also seen the opening of a new live music venue called Rock Lily – a cocktail bar which regularly features touring bands and up and coming local musicians.

With the Future Star redevelopment shifting the focus to a new section of the building overlooking the city skyline and harbour, the decision was made in December 2010 to close Astral Restaurant and Bar. However, customers will not want for fine dining experiences. Star City has signed up several leading chefs to headline a series of new signature restaurants:

Teage Ezard

The Melbourne-born chef and former The Age Good Food Guide Chef of the Year is opening a modern Australian steak and seafood restaurant.

Stefano Manfredi

Stefano Manfredi is recognized as a master of modern Italian cuisine. The new Manfredi restaurant will have a menu inspired by modern Milanese cuisine in an Italian Trattoria setting.

David Chang

New York chef David Chang opened the Momofuku Noodle Bar in 2004. Since then he has opened numerous restaurants including Momofuku Ko in New York which has received two Michelin stars.

Chase Kojima

Formerly executive chef at Nobu in the Bahamas, Chase will offer an ultra-modern Japanese menu as well as a vibrant cocktail bar adjacent to the new hotel lobby.

Adriano Zumbo

Already well known in Sydney for his sweet treats as well as being regularly featured on MasterChef, Adriano is set to open a new style of retail café and display kitchen located in the retail promenade.

Food Standards

HACCP Accreditation is the industry standard for major food operations and is a quality control system which ensures food from any outlet is safe for customers.

Over the review period, Star City has undergone certification audits every six months and has achieved HACCP accreditation on each occasion. The casino has also passed every annual Food Authority inspection by Sydney City Council and continues to undergo third-party food inspections to ensure the highest food safety standards are maintained.

7.4 Hotel

Over the last five years, Star City has spent more than \$12 million upgrading and modernising its existing hotel to ensure it maintains its 5-star rating.

Every room has undergone some form of upgrade, including a \$200,000 refurbishment of each of the 31 suites.

As a result, the hotel casino achieved wide industry recognition during the review period, culminating in the Apartment/Suite of the Year Award in the 2010 Australian Hotels Association Awards for Excellence.

Star City was also judged Australasia's Leading Casino Resort in the World Travel Awards, 2007, 2008 and 2010.

As part of the \$860 million Project Future Star, a second 5-star hotel is undergoing construction on the Switching Station site facing Union Street.

Due for completion in November 2011, this 172-room boutique hotel will be Sydney's first 5-star establishment since the 2000 Olympics. Among the features will be a 16-room luxury spa, an outdoor pool and a modern Japanese restaurant and cocktail bar adjacent the hotel lobby.

Together with the existing hotel and apartment tower, Star City's guest rooms will total more than 650, making it a significant player in the NSW tourism market.

7.5 Entertainment

Star City's goal is to become a one-of-a-kind entertainment destination through the Future Star Project but its reputation for attracting top stage shows is already well established courtesy of its award-winning* Lyric Theatre.

In recent years the Lyric has hosted a number of major productions including the world premieres of Priscilla, Queen of the Desert in 2007 (returning in 2008) and Doctor Zhivago in 2011.

The Lyric Theatre delivers all the facilities required for presenting big musical productions through to intimate concerts and special VIP events. After the auditorium's refurbishment in December 2010, there was much media and industry attention when it staged a one-off private concert featuring Bon Jovi.

Stage productions hosted by the Lyric Theatre during the last four years include:

Production	Attendance
Priscilla, Queen of the Desert	563,000
The Phantom of the Opera	256,000
Mamma Mia !	136,000
Chicago	130,000
Miss Saigon	100,000
Doctor Zhivago	90,000
West Side Story	85,000
Cats	59,000

A number of smaller shows have been staged including 'The Buddy Holly Story', 12 sell out shows of John Farnham, Sir Bob Geldof, Julio Iglesias and Helmut Lotti. The Lyric has also hosted events for the Sydney Festival and our Chinese community have enjoyed many of Asia's top recording artists such as Jeff Chang and Sally Yeh.

* The Lyric Theatre was named 'Best Entertainment Venue' at the Australian Hotels Association (NSW) Awards for Excellence from 2002 – 2004.

7.6 Property Services

Environmental

Star City was part of the NSW Government's Greenhouse Reduction Program since 1998, but when this was phased out the casino became a member of the Energy Efficiency Opportunities (EEO) program and the Federal Government's National Greenhouse Energy Reporting Scheme (NGERS). Star city is also a member of Sydney Water's Every Drop Counts Program.

Environmental achievements since 2006 include,

- Replacement of lighting to latest technology, including energy efficient globes or LED;
- Upgrade of boiler controls from mechanical linkage to micro modulation electronic controls, reducing energy losses;
- Upgrade of plant including air compressors, variable speed drives and drive motors to increase efficiency while reducing energy consumption;
- Electrical sub-metering (Scada Ecoview) to measure consumption of energy within individual areas, enabling greater analysis of energy consumption to allow the property to develop energy saving projects;
- Previous water recycling trials conducted with Sydney Water are now being implemented under Project Future Star. Estimated recycled water 100,000lt per day.

Safety-Engineering & Maintenance

Star City is ever vigilant when it comes to the safety of its customers and employees, whether it be checking the air quality within the casino or carrying out annual fire safety tests. Once a year the complex undergoes a full evacuation and shuts down the normal power supply while fire and mechanical testing of essential services is completed using auxiliary power. Testing is conducted over a six hour period and ensures Star City complies with the Fire Safety Statement.

Other initiative since 2006 include:

- Bi-Annual Fire Safety Testing (as above but does not involve shut down or evacuation of the building);
- Safety upgrade of Lifts & Escalators;

- Building Maintenance Units (BMU) & mono rail track reviewed by engineering consultant;
- Annual & quarterly air quality test performed by independent consultant;
- Emergency generators replaced (Project Future Star);
- Replacement & duplication of main switch boards 1 & 3 (Project Future Star);
- Engineering of new gaming tables with ergonomics consultant review;
- Replacement of high rise fall arrest system;
- Upgrade of emergency exit signage to comply with code;
- Upgrade Car Park CO2 monitoring system;
- Installation of back flow prevention valves to main water supply lines into the complex.

7.7 Asset Protection

Since the last licence review, Star City has combined its Security and Surveillance Departments to form The Asset Protection Department. This change maximizes natural synergies between the departments to provide a more effective security and surveillance operation.

Security

Star City has again increased its training for all Security Personnel. Much of this has focused on techniques for removing problem customers from the property without the use of physical force. Security staff are taught that physical removal should only ever be used as a last resort or in self defence. Every physical interaction with patrons is viewed by The General Manager of Property Operations, the Director of Media and Government Relations and a member of the legal team. This training and feedback from Executive Management has resulted in the number of physical removals decreasing by almost 40% since 2006.

The Security Department has also recognized the need for specialized security to further improve customer relations. Subsequently the following specialist roles have been implemented.

- Welcome Team Officer – security officers receive training in the greeting and welcoming of customers, providing location specific information and vetting entrance points for compliance;
- Safety Team Officers – security officers receive a greater level of conflict training (both verbal and physical);
- Service Team Officers – security officers perform internal service tasks such as the movement of gaming chips and money as well as transferring gaming equipment (cards and dice).

Surveillance

The Surveillance Department continues to improve its ability to monitor and protect the integrity of operations at Star City.

Measures implemented during this review period include:

- Extra 756 CCTV cameras, taking total to 1856;
- Digital recording platform. Moving away from analog video recording has been the single biggest change in the Surveillance Department since Star City commenced trading. The digital recording of information allows for the immediate recall of surveillance footage which significantly reduces the reaction time of the department. Emergency situations where the need to answer the question “what just happened?” can now be answered in seconds rather than minutes.
- The restructure of the Department to include both a Systems Manager and an Analytical and Reporting Manager has improved communications across the organization with more areas utilizing the skills and resources available from the Surveillance Department.

Investigations

Star City has a dedicated Investigations Department with extensive experience in criminal investigation and risk mitigation. The Department has a state of the art intelligence system which is utilised world-wide to analyse and identify illegal and undesirable activity.

An extensive and proactive working relationship with all Law Enforcement and Regulatory agencies assists in the identification of real and perceived illegal and or undesirable activities in and around the casino precinct.

Part of the job of the Investigations unit is to make regular presentations to Star City Departments, Senior Managers and other employees, including training in how to identify and report such activities.

The Star City Investigation Department is committed to delivering a culture of integrity and honesty and communicating the message that Illegal and undesirable behaviour is not tolerated at Star City.

7.8 Cage

Star City believes it is an industry leader in the reporting of significant and suspicious cash transactions. This is due in no small part to the vigilance of its Cage staff. While the prime function of the Cage is to provide cash-out facilities for customers, it also plays an important part in the detection of illegal and undesirable behaviour.

Over the last four years significant improvements have been made to ensure all staff are acutely aware of the Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) processes and reporting obligations. A new AML/CTF program incorporating the “know your customer” (KYC) philosophy was implemented in 2008 and has been fully adopted into the business.

Other programs such as Illegal Undesirable Activity (IUA) and privacy training have been rolled out to ensure our financial services area is of the highest standard.

8. SOCIAL IMPACT

Financial Contribution to NSW

Since 2006, Star City's workforce has grown to over 3,600 – an increase of 500 employees – making the company one of the biggest private employers in NSW. The casino also makes a significant tax contribution to the NSW Government and local economy each year. On average taxes and the Casino Community Benefit Levy have increased more than \$10m a year compared to the previous 3 years.

Star City has also invested a significant amount in its Future Star Project which is transforming the casino into a major entertainment destination and creating 750 construction jobs.

The redevelopment includes a new five-star hotel, a proposed \$100 million Events Centre and a number of major new restaurants overlooking the harbour and city skyline. This will stimulate more visitations and further enhance the Pyrmont peninsula as a thriving commercial/residential area with flow-on benefits for local businesses.

The table below shows amounts spent in various categories:

Expenditure (last 4 years up to Jun 10)	Amount Paid
NSW Gaming Taxes and Casino Community Benefit Levy	\$376,919,815
Salaries and Wages	\$808,419,624
Repairs and Maintenance	\$58,209,954
Capital Expenditure (Future Star)	\$391,032,209

14 April 2010

Mr David Greenhouse
Chief Executive
Casino, Liquor and Gaming Control Authority
GPO Box 3970
SYDNEY NSW 2001

**RE: Investigation of the Sydney Casino Operator and Licence
under Section 31 of the Casino Control Act 1992**

Dear Mr Greenhouse,

The Tourism & Transport Forum (TTF) welcomes the opportunity to comment on the Sydney Casino Operator and Licence.

TTF is a national, member-funded organisation representing the top 200 owners, operators and investors in Australia's tourism, transport and aviation sectors. TTF's interest in the investigation stems from the considerable contribution casinos make to the tourism experience and visitor economy through expenditure and employment.

Australia's casino experience is an increasingly important component of our tourism offering to international visitors. In 2010, there were 928,000 international visitors who went to a casino during their trip, representing 17% of all visitors to Australia¹. These visitors spent \$5.3 million, accounting for 30% of total international expenditure in 2010 and representing a 36% increase in spending by this group over a five-year period.

Furthermore, Australia's casino experience appeals to key growth markets China, Korea, Malaysia and Taiwan. Visitors from these countries have a higher propensity to visit casinos. The 2009 *Casinos and the Australian economy* report by the Allen Consulting Group highlighted high-yield VIP patrons from these destinations primarily visit Australia for the casino experience².

In order for Australia to continue to provide an internationally competitive casino offering, ongoing investment in the casino experience and supporting infrastructure is necessary to meet the demands of these travellers. Visitors are now seeking the complete tourism experience, encompassing accommodation, dining, entertainment and gaming.

¹ Tourism Research Australia, *International Visitors Survey*, year ending December 2010.

² The Allen Consulting Group (2009), *Casinos and the Australian economy*

Star City is a market leader in this sector, having made a significant commitment to revitalise its offering. The \$860 million revitalisation project will include \$160 million to cater for VIP clientele, \$100 million to develop a multi-purpose events centre and \$600 million in upgrades to gaming, accommodation, retail, entertainment and dining spaces.

The redevelopment will address significant market failure in tourism infrastructure, delivering new accommodation and convention capacity in Sydney at a time of critical under-supply. The new five-star hotel will be the first of its kind in the Sydney CBD since the Olympics, and the new 3,000-seat events centre will increase the destination's ability to host large conventions, exhibitions and performances. Both additions to the Star City complex will enhance the attractiveness of Sydney as a business and leisure destination.

The Star City project will also deliver positive externalities for the broader community. An estimated 1,700 jobs will be created in the construction and delivery of new services and facilities. The additional elements of the Star City complex will complement existing infrastructure including the Lyric Theatre, further activating Pyrmont as a cultural, retail and entertainment hub for visitors and residents alike.

In the deliberation of the Sydney casino operator and licence, TTF believes Star City's contribution to the broader tourism industry, including their contribution to employment and the delivery of critical new visitor infrastructure should be considered. Star City's investment will ensure Sydney remains an iconic destination for casino experiences while facilitating significant tourism expenditure in the local economy.

TTF strongly supports the suitability of Star City Pty Ltd to continue to give effect to the casino licence under the *Casino Control Act 1992*. If you would like to discuss our submission further, please contact Denise Kirk | Manager, Tourism Policy at dkirk@tff.org.au or (02) 9240 2015.

Regards

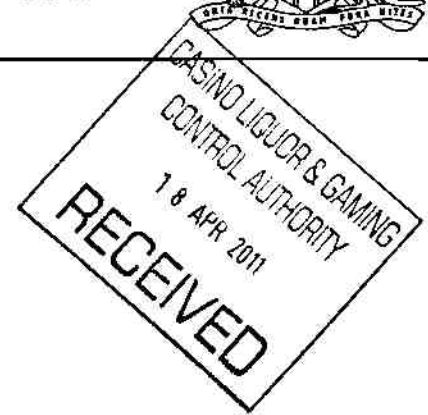


Mr John Lee
Chief Executive Officer
Tourism & Transport Forum

RESPONSIBLE GAMBLING FUND



Mr David Greenhouse
A/Chief Executive
Casino, Liquor and Gaming Control Authority
PO Box 3970
Sydney NSW 2001



Dear Mr Greenhouse

Re: 2011 investigation under section 31 of the *Casino Control Act 1992*

Thank you for the invitation to lodge a submission in response to the investigation by the Casino, Liquor and Gaming Control Authority under section 31 of the *Casino Control Act 1992*.

I understand the Authority is seeking to form an opinion as to whether or not Star City Pty Limited is suitable to continue to give effect to the casino licence and the Act, and whether it is in the public interest that the casino licence should continue in force.

I enclose a submission by the Trustees of the Responsible Gambling Fund. The Fund draws its income from a levy paid by the operator of the Sydney Casino in respect of its licence, as required by the *Casino Control Act 1992*. The Trustees then make recommendations to the Minister on how the money can best be expended to reduce and prevent the harms associated with problem gambling.

The submission provides an overview of the work of the Responsible Gambling Fund, issues around future funding and expenditure, the participation of the casino in the Fund's programs, data and research relating to the Sydney Casino and an invitation to speak with Gambling Help services about problem gambling and issues relating to the casino.

If you have any further questions regarding this submission, please contact Ms Jabez Allies, Acting Assistant Director, Policy (RGF) at the Office of Liquor, Gaming and Racing on (02) 9995 0377.

Yours sincerely

A handwritten signature in black ink, appearing to read "Harry Herbert".

Reverend Harry Herbert
Chairperson, Responsible Gambling Fund Trustees

15 APR 2011

2011 INVESTIGATION UNDER SECTION 31 OF THE CASINO CONTROL ACT 1992

SUBMISSION BY THE RESPONSIBLE GAMBLING FUND TRUSTEES

April 2011

Section 31 Investigation 2011

At least every five years, the Casino, Liquor and Gaming Control Authority is required by s.31 of the Casino Control Act 1992 to investigate and form an opinion as to whether or not the casino operator is a suitable person to continue to give effect to the casino licence and whether it is in the public interest that the casino licence should continue in force. The Authority is to report its findings and opinion to the Minister, giving reasons for its opinion, and is to take whatever action under the Act it considers appropriate in the light of its findings.

Below is a submission from the Trustees of the NSW Responsible Gambling Fund to the section 31 investigation 2011.

1. OVERVIEW OF THE RESPONSIBLE GAMBLING FUND

The Responsible Gambling Fund (RGF), formerly the Casino Community Benefit Fund, draws its income from a levy paid by the operator of the Sydney Casino in respect of its licence, as required by the *Casino Control Act 1992*. This levy - set at a rate of 2% of the casino's gaming revenue - forms a part of the overall taxation arrangements that apply to casino gaming operations. The casino operator pays the levy to the Casino, Liquor and Gaming Control Authority, and it is re-directed into the Fund established in the Special Deposits Account in the NSW Treasury.

The casino's taxation arrangements were originally entered into in 1994 for a period of 12 years from the commencement of gaming at the casino in 1995 and expired in September 2007. On 30 October 2007 the Treasurer announced the settlement of the casino taxation negotiations, being the continuation of the RGF levy at 2% for a further 12 years.

The Casino Control Act provides that the money in the RGF is to be subject to a Trust Deed appointing Trustees and containing provisions - approved by the Minister - for the expenditure of the money on purposes relating to responsible gambling.

The current Trust Deed was executed by the then Minister on 3 May 2006. It provides for the appointment of up to eleven Trustees to recommend to the Minister particular activities on which RGF monies should be expended. These projects and services are predominantly the development and implementation of programs that aim to reduce and prevent the harms associated with problem gambling.

To this end, a variety of organisations are funded to:

- deliver counselling and support services that will assist people with gambling-related problems, and those close to them, to reduce the negative impact of problem gambling on their lives;
- ensure a greater understanding of the nature of gambling, the potential for harm, and the availability of help and support, through a range of industry and community awareness and education activities; and

- undertake research to better inform the development and implementation of responsible gambling and related policy.

The Trustees are supported in their work by officers of the NSW Office of Liquor, Gaming and Racing (OLGR).

1.1 Gambling Help Counselling and Support Services

The RGF funds a wide range of organisations to deliver problem gambling counselling and support to NSW residents with gambling problems and their families.

Gambling Help

'Gambling Help' is the name of a group of services and resources to assist those affected by problem gambling. Gambling Help consists of the following services:

- The Gambling Helpline (NSW) 1800 858 858.
- The face-to-face Gambling Help counselling services – almost 40 services across NSW.
- Five ethnic-specific face-to-face counselling services.
- Three services that support the helpline and the face-to-face services – a statewide legal support service, a statewide training support service and a statewide multicultural service.
- Gambling Help Online www.gamblinghelponline.org.au
- Gambling Help Self Help www.gamblinghelp.nsw.gov.au

Workforce and Service Development

A range of workforce and service development initiatives are funded by the RGF to support the Gambling Help sector. These include the following.

- A service accreditation program
- The development of the Diploma of Problem Gambling Counselling
- A code of ethics
- Clinical supervision
- Problem gambling resources
- The provision of free, high quality specialist gambling-related training courses and e-learning opportunities
- The provision of CALD cultural competence, Aboriginal cultural competence, and child protection training
- Annual NSW Problem Gambling Counsellors' Conferences

1.2. Gambling Help Awareness Program

Awareness and communication activities are funded by the RGF in order to raise awareness about problem gambling and the availability of Government-funded resources and counselling services for those impacted by problem gambling.

In April 2009, a three year \$2.4 million Early Intervention, Prevention and Community Engagement Strategy was launched. Recent initiatives include the following.

- The Gambling Hangover multi-media awareness campaign targeting young men.

- The development of communication strategies for CALD and Aboriginal communities with awareness campaigns undertaken in five community languages (Arabic, Vietnamese, Chinese, Italian and Greek).
- Radio and television community service announcements promoting Gambling Help.
- Development and distribution of resources such as the *Gaming machines: facts and myths* DVD.
- Gambling Hangover facebook page, youtube channel, Counsellor Sam blog, phone applications and SMS subscriber service.
- Gambling Help sponsorship of the Ella 7s annual Aboriginal rugby tournament.
- Responsible Gambling Awareness week activities in May.
- Workshops with the NRL raising awareness of the signs and impacts of problem gambling and avenues for assistance with gambling problems.

1.3. Responsible Gambling Fund Research

The RGF commissions a wide range of gambling-related research projects, including research jointly conducted with the Commonwealth Government and other states and territories. Recent projects include the following.

- Gambling module: NSW population health survey 2008/09
- Factors that influence gambler adherence to pre-commitment decisions
- Gambling and the impact of new and emerging technologies and associated products
- Correlates of reported gambling problem in the CALD population of Australia
- Exploring Indigenous gambling: Understanding Indigenous gambling behaviour, consequences, risk factors and potential interventions
- The influence of venue characteristics on a player's decision to attend a gambling venue
- Children at risk of developing problem gambling

The RGF is currently funding a comprehensive review of the Responsible Conduct of Gambling course for gaming venue staff.

2. FUNDING FOR THE RESPONSIBLE GAMBLING FUND

Section 115.1 of the Casino Control Act requires the operator of the Sydney Casino to pay a levy in respect of the casino's licence, whose current term is until June 2019. The current requirement for this levy is 2% of the casino's gaming revenue.

Treasury's annual estimate of levy funds to be received by the RGF has been a constant \$12.2 million since 2002. Actual levy funds received by the RGF have never reached this expectation, with the exception of 2010.

Table 1 details levy funds remitted to the RGF since 2002.

Trend analyses were undertaken to provide projections of RGF's revenue streams to the completion of the current Casino Operator's Licensing Agreement. The projections for the levy and interest revenue streams are provided in table 2 below. The total revenue shown in table 2 is the minimum revenue anticipated for each year.

Table 1. Historical RGF revenue

\$,000			
Financial Year	Levy	Interest Received	Total
2002	10,636	769	11,405
2003	10,769	719	11,488
2004	10,956	704	11,660
2005	11,875	739	12,614
2006	11,778	885	12,663
2007	11,346	1,094	12,440
2008	11,317	1,168	12,485
2009	11,896	1,098	12,994
2010	12,507	824	13,331
Totals	103,080	8,000	111,080

Table 2. Projected RGF revenue

\$,000			
Financial Year	Levy	Interest Received	Total
2011	12,375	1,109	13,484
2012	12,559	1,153	13,712
2013	12,744	1,197	13,941
2014	12,928	1,241	14,169
2015	13,122	1,285	14,407
2016	13,296	1,329	14,625
2017	13,481	1,373	14,853
2018	13,665	1,417	15,082
2019	13,849	1,461	14,310
Totals	117,019	11,564	128,583

3. EXPENDITURE FROM THE RESPONSIBLE GAMBLING FUND

Expenditure from the Fund is outgrowing the annual revenue from the levy. Table 3 shows the current expenditure from the Fund on RGF programs. Current expenditure is around \$15 million compared to the income from the levy of \$13.5 million. The Fund currently has a surplus of around \$8 million and this will cover costs that exceed expenditure in the short term.

Table 3. Approximate expenditure per year on RGF programs

Program Area	Current expenditure per annum
Counselling and Support Projects	\$11,500,000
Research	\$500,000
Awareness	\$1,500,000
Administration	\$1,500,000
Total	\$15,000,000

Most of the costs associated with the Fund are directed towards funding the Gambling Help services for people in NSW impacted by gambling problems. These costs increase about 3% every year. And new programs, requirements, innovations and needs add additional pressures on the fund every year.

4. PARTICIPATION OF THE CASINO IN RGF PROGRAMS

Staff from Star City Casino have been active participants in recent RGF-funded programs. Ms Virginia Baker attended the 2011 NSW Problem Gambling Counsellor's Conference in April and provided an information table at the conference. Ms Baker was also crucial in the development of the Time Out room located in Star City Casino for Responsible Gambling Awareness Week in 2009. The aim of the room was to provide a break in play for patrons in a quiet area of the casino with complimentary refreshments and information about gambling and problem gambling from two qualified gambling counsellors, self-help materials and an online interactive display. Star City promoted the Time Out room throughout their premises in light-box displays and signs and also in messages broadcast over their public address system. Casino staff wore badges inviting patrons to visit the room to learn more about responsible gambling. The Minister also launched the Week from the Casino.

The RGF Trustees and staff appreciate the participation of the casino in RGF programs and looks forward to continuing the productive relationship.

5. RGF RESEARCH FINDINGS RELATING TO THE SYDNEY CASINO

5.1 Gambling Help Data

All Gambling Help services collect specific data on each client receiving counselling services related to problem gambling. Following are key findings relating to casino gambling in NSW.

Gambling Help face to face services

The following data is derived from the 2009/10 Client Data Set report where 4,495 clients were recorded as having received counselling services between 1 July 2009 and 30 June 2010.

- 5.9% of problem gamblers reported the casino as their preferred gambling venue (3.6% of female problem gamblers, 7.0% of male problem gamblers).
- 3.6% of problem gamblers reported casino table games as their principal gambling activity (2.0% of female problem gamblers, 4.3% of male problem gamblers).
- The percentage of problem gamblers who reported the casino as their preferred gambling venue was much higher among clients who speak a language other than English at home (18.6%) than among clients who speak only English at home (2.6%).
- 62.0% of problem gamblers who speak a language other than English at home, and who reported the casino as their preferred gambling venue, speak Chinese or a South-East Asian language at home.
- Casino was the preferred gambling venue for 20.6% of problem gambling clients of the Multicultural Problem Gambling Service.

Gambling Helpline

In 2009/10, 8.9% of the 6,266 target callers to the Gambling Helpline reported 'casino' when asked about their type of gambling.

Gambling Help Online

In 2009/10, 15.8% of the 1,263 national Gambling Help Online counselling clients reported casino as their primary gambling venue and 7.7% reported casino table games as their type of gambling.

5.2 Gambling Prevalence Data

Results from two prevalence surveys

In 2006 the RGF funded a state-wide gambling and problem gambling prevalence survey of 5,026 people aged 18 years and over across NSW.

In 2008/09 the RGF funded the NSW Population Health Survey to ask 9,408 people across NSW aged 16 years and over about their gambling activities.

Table 4 shows the comparison of participation in each gambling activity across the two surveys.

Table 4. Percentage of survey respondents who had participated in each gambling activity in the 12 months previous to the survey

Gambling Activities	2008-09 Health Survey (%)	2006 Prevalence Study (%)
Gaming machines	25	31
Horse or greyhound races	16	20
Lotteries incl scratchies	51	56
Keno	12	11
Table games at a casino	4	5
Bingo	4	Not asked
Sports betting	7	8
Casino games on the internet	2	1
Private card games	4	3
Raffle or Art Union tickets	44	Not asked
Other gambling activity excluding sweeps	0.5	1
No gambling in last 12 months	30	31

Table Casino Games - Participation, frequency and duration

The 2006 NSW prevalence study found that 5% of NSW adults participate in table casino games, such as blackjack or roulette. Those adults playing table casino games are more likely to be aged 18-24 years (17%), male (8%) and residing in the Sydney and surrounding region (7%).

Among the gambling groups, participation rates for playing table casino games in 2005/06 were significantly higher across all the risk groups, and particularly higher for moderate risk gamblers (35%). This compares to 27% for problem gamblers, 19% for low risk gamblers and 12% for non-problem gamblers, and a considerably lower 4% for non-regular gamblers.

The frequency and duration of playing table casino games is outlined in tables 5 and 6. Note that these results are based on small sample sizes across the gambling groups and are therefore indicative only.

Table 5. Frequency of participation across gambling activities in last 12 months, by gambling groups

Gambling activity	Gambling group	Frequency %			
		Once per week or more often	1-3 times per month	Less than once per month	Don't know
Lottery products (n=2,852)	Total NSW	29%	26%	44%	1%
	Non-regular gamblers	28%	23%	49%	#
	Non-problem gamblers	50%	27%	22%	1%
	Low risk gamblers	57%	29%	15%	-
	'At risk' (moderate problem)	38%	35%	27%	-
Pokies gaming machines (n=1,467)	Total NSW	16%	27%	56%	1%
	Non-regular gamblers	-	32%	68%	#
	Non-problem gamblers	69%	19%	13%	-
	Low risk gamblers	63%	25%	12%	-
	'At risk' (moderate problem)	71%	19%	10%	-
Horse dog races (n=966)	Total NSW	14%	15%	70%	-
	Non-regular gamblers	-	17%	83%	#
	Non-problem gamblers	54%	13%	32%	1%
	Low risk gamblers	56%	15%	29%	-
	'At risk' (moderate problem)	45%	26%	29%	-
Keno (n=519)	Total NSW	10%	25%	63%	2%
	Non-regular gamblers	-	13%	63%	6%
	Non-problem gamblers	37%	24%	39%	-
	Low risk gamblers	28%	43%	28%	-
	'At risk' (moderate problem)	21%	38%	40%	1%
Sports betting (n=353)*	Total NSW	20%	20%	57%	3%
	Non-regular gamblers	-	#	96%	4%
	Non-problem gamblers	4%	4%	92%	-
	Low risk gamblers	50%	15%	34%	-
	'At risk' (moderate problem)	35%	35%	29%	1%
Table casino games (n=206)*	Total NSW	2%	10%	87%	1%
	Non-regular gamblers	-	25%	70%	5%
	Non-problem gamblers	62%	14%	22%	2%
	Low risk gamblers*	5%	17%	78%	-
	'At risk' (moderate problem)	7%	31%	62%	-

Base: NSW adults who participated in each gambling activity in last 12 months (incl screeners)

Q7-15: In the last 12 months, how many times per week OR per month OR per year have you ... TAKEN PART IN GAMBLING ACTIVITY?

* Caution: small base sizes across gambling groups

Note: Frequency for private card games (n=130) and internet casino games (n=17) not shown due to very small sample sizes across gambling groups

Table 6. Usual duration of participation across gambling activities, by gambling groups

Gambling activity	Gambling group	Duration %				
		Less than 15 minutes	15-59 minutes	1-3 hours	More than 3 hours	Don't know
Pokies gaming machines (n=634)	Total NSW	23%	43%	31%	2%	1%
	Non-regular gamblers	27%	44%	28%	1%	1%
	Non-problem gamblers	13%	47%	38%	1%	1%
	Low risk gamblers	13%	51%	31%	6%	-
	'At risk' (moderate problem)	10%	29%	52%	9%	-
Horse dog races (n=433)	Total NSW	38%	22%	21%	14%	5%
	Non-regular gamblers	42%	22%	17%	13%	6%
	Non-problem gamblers	37%	23%	25%	11%	4%
	Low risk gamblers	32%	12%	35%	19%	2%
	'At risk' (moderate problem)	15%	23%	39%	21%	2%
Keno (n=284)	Total NSW	30%	34%	27%	=	9%
	Non-regular gamblers	30%	36%	23%	-	12%
	Non-problem gamblers	40%	28%	27%	-	5%
	Low risk gamblers	16%	40%	42%	3%	-
	'At risk' (moderate problem)	23%	28%	42%	2%	6%
Table casino games (n=92)*	Total NSW	11%	23%	52%	13%	2%
	Non-regular gamblers	16%	16%	55%	8%	4%
	Non-problem gamblers	7%	24%	61%	8%	-
	Low risk gamblers	-	51%	27%	21%	-
	'At risk' (moderate problem)	-	28%	47%	25%	-

Base: NSW adults who participated in each gambling activity in last 12 months

Q22, 35, 46, 48: How much time do you usually spend ON GAMBLING ACTIVITY ON EACH VISIT/ OCCASION?

* Caution: small base sizes across gambling groups

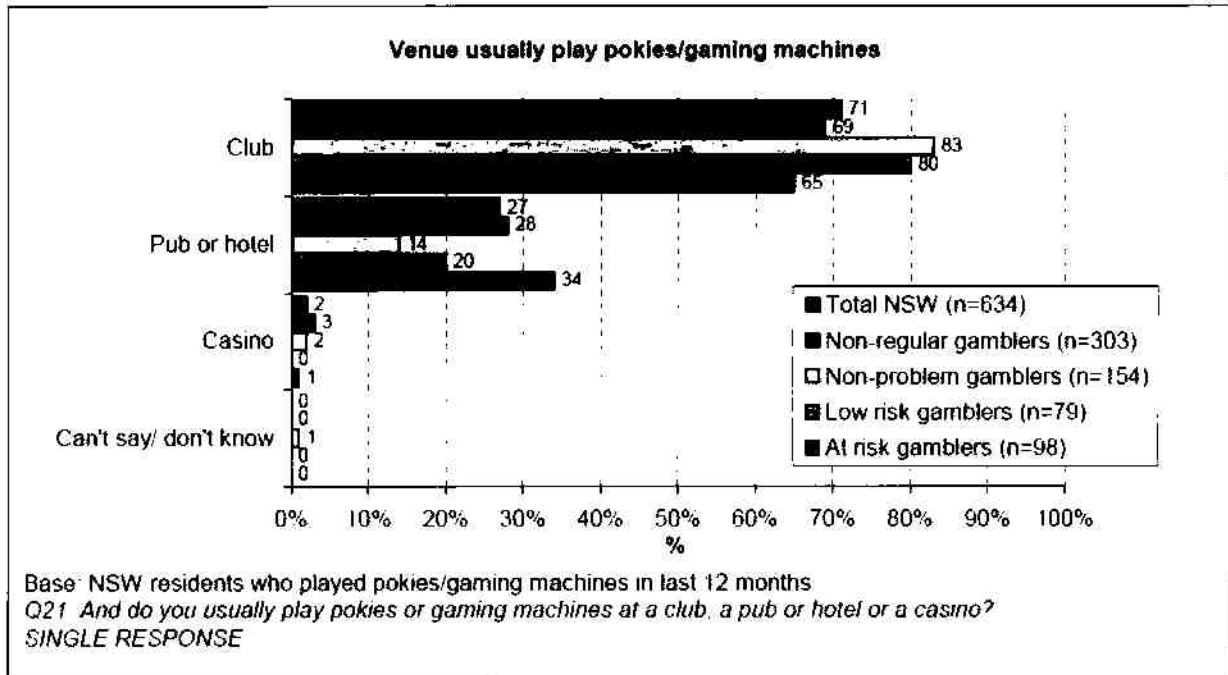
Note: Duration for internet casino games (n=9) not shown due to very small sample size

Table casino games are the least frequent gambling activity engaged in by NSW gamblers, with 2% of table casino game players overall playing once per week or more often, and a further 10% doing so at least monthly. The results suggest that higher risk gamblers participate more frequently (at least once per month) than non-problem gamblers.

Compared with other gambling activities, duration of play is slightly different for table casino games. While those playing table casino games tend to have a lower frequency of participation, this is combined with a longer duration of participation on any given occasion. As such, both non-problem gamblers and 'at risk' gamblers (moderate/problem) alike are more likely to play for longer periods of time (particularly 1-3 hours).

Table 7 from the 2006 prevalence study shows the small percentage of gaming machines players who usually play gaming machines at the Sydney Casino compared to clubs or hotels.

Table 7. Venue usually play pokies/gaming machines, by gambling groups



6. FURTHER INFORMATION

Further information about the Responsible Gambling Fund and its programs can be found at www.olqr.nsw.gov.au/rgf_home.asp and www.gamblinghelp.nsw.gov.au/.

Key contacts for the Fund are below.

Name	Position	Telephone	Email
Reverend Harry Herbert	Chairperson, Responsible Gambling Fund Trustees	9376 1402	harryh@nsw.uca.org.au kristeng@nsw.uca.org.au
Jabez Allies	A/Assistant Director, Policy (RGF)	9995 0377	jabez.allies@communities.nsw.gov.au

The Trustees and the staff of the Responsible Gambling Fund are available for further consultation in regards to the 2011 investigation under section 31 of the *Casino Control Act 1992*. The Authority may also wish to consult with staff from the Gambling Help services, especially those operating around the casino and those from the multicultural services to discuss issues around problem gambling and other issues relating to the casino.

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