

Supporting Customer Commitment

A Progress Report to the Minister for Gambling
by the Responsible Gambling Working Party

October 2007



An Initiative of
**Government of
South Australia**

Minister's foreword

The South Australian Government is pleased to support the partnership of the gaming industry and the community sector through the Responsible Gambling Working Party.

The Working Party is focussing on ways to assist customers who wish to make a commitment to limit their gambling on electronic gaming machines.

This Progress Report documents the initial investigation of the Working Party as a means to generate further discussion and debate. It does not represent a final position that binds the individual and organisations that have contributed to the Working Party.

The merits of a range of mechanisms that could be implemented within South Australia to support customers' commitments on gambling limits will be examined. This includes measures that can assist customers before, during and after play, for the benefit of all customers.

The Working Party established a set of nine criteria with which to assess all potential voluntary customer commitment measures.

Supporting customer commitment is a complex process and I thank the members of the Working Party for their personal commitment to this important task.

There is much more to do and I look forward to seeing further progress in this work.



PAUL CAICA
MINISTER FOR GAMBLING

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Glossary

ACM	Automatic Coin Machine
AGC	Australia Gaming Council
AHA (SA)	Australian Hotels Association of South Australia
DFC	Department for Families and Communities
DTF	Department of Treasury and Finance
EGM	Electronic Gaming Machine
GRA	Gambling Research Australia
GRF	Gamblers Rehabilitation Fund
IGA	Independent Gambling Authority
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
OCBA	Office of Consumer and Business Affairs
OECD	Organisation for Economic Co-operation and Development
OPG	Office for Problem Gambling (Department for Families and Communities)
SACOSS	South Australian Council of Social Services

1 CUSTOMER COMMITMENT IN CONTEXT

1.1 Background

The playing of EGMs is a common recreational activity undertaken by 30% of the South Australian adult population (DFC 2006).

The South Australian Government is seeking to create a more supportive environment for EGM players. Of particular interest is creating an environment that enables gamblers to set and keep voluntary commitments regarding their time and expenditure on EGMs. With the establishment of the Responsible Gambling Working Party, the South Australian Government has set out to consider a broad range of measures that may support people using EGMs to achieve this.

Eighty-six percent of regular EGM gamblers make a prior commitment for their gambling based on money limits; with the setting of limits generally of a short term nature, such as on a per session or weekly basis (GRA 2006).

Generally, regular gamblers set commitments in relation to:

- Maximum spending limit
- Maximum bet size
- Maximum number of gambling sessions per week
- Maximum time on a single gambling session

There is no simple, easy solution to assisting customer commitment. There is little evidence to inform this process, as it is a relatively new area for public policy. However, the Working Party is focussed on setting a direction for the future. That direction will seek to minimise harm in the context of a sustainable industry.

In 2005, the IGA recommended the introduction of a mandatory system that enables the tracking of a person's play on electronic gaming machines, the setting of limits, and exclusion from play – in the form of 'smartcard' technology (IGA 2005). The South Australian Government at the time considered it premature to introduce a scheme of the nature recommended by the IGA.

Mechanisms to support customer commitment can assist all gamblers, not just those experiencing negative impacts from their gambling. Supporting customers to set limits on their EGM play, so that they may enjoy the game within their social and economic means, is also good customer service.

While 70% of the population enjoys gambling as a recreational activity, a minority have developed difficulties with their gambling (DFC 2006). In South Australia, people classified as moderate and high-risk gamblers (often referred to as 'problem gamblers') equate to about 1.6% of the adult population (1.2% and 0.4% respectively) or approximately 18,000 people (DFC 2006).

The social and economic impacts of problem gambling extend far beyond the individual: impacting on family, friends, employers, venues and the wider community. Among the reported impacts of their gambling, problem gamblers 'often or always' use gambling to escape from worry or trouble (22%); and gambling made it harder to make money last between paydays (18%) (DFC 2006).

Additional measures are required in South Australia to assist customers before gambling problems develop.

1.2 Responsible Gambling Working Party

The Responsible Gambling Working Party was established in November 2006 with representatives from hotels and clubs, the casino and the union representing the industry workforce (the 'industry') and community organisations concerned about problem gambling. Members of the Working Party include:

- Cheryl Vardon, CEO, Australian Gaming Council (Chair)
- Eve Barratt, CEO, Lifeline South East
- David Di Troia, Assistant Secretary - Liquor, Hospitality & Miscellaneous Union
- Mark Henley, Manager Advocacy and Communications, Uniting Care Wesley
- Ian Horne, General Manager, Australian Hotels Association (SA)
- Andrew Lamb, Manager, Government Affairs, SKYCITY Australia
- Cameron Taylor, President, Clubs SA

The Responsible Gambling Working Party reports to the Minister for Gambling. The role of the Working Party is to determine appropriate strategies to support customer commitment in relation to EGMs before, during and after play. Strategies approved by the Minister will be implemented in hotels, clubs and the casino.

The Working Party will assess a range of measures to support customer commitment, in an attempt to:

- Assist customers before problems develop
- Provide feedback to customers who feel their gambling is problematic
- Work collaboratively across industry, government and community agencies

Creating gaming environments that are supportive of customer commitment is likely to further assist many gamblers who already make self-commitments regarding their gambling. The Working Party will focus on creating this environment through the collaboration of industry, community, government and customers.

The following criteria are considered minimum requirements for achieving collaboration and agreement across stakeholders for the implementation of any customer commitment initiatives:

Cost-effective	Efficient within the context of a sustainable industry and venue viability
Evidence-based	Relevant research is considered and incorporated where appropriate
Flexible	Flexibility of functions is important to meet the needs of a variety of customers and venues
Informed choice	Accessible information to support choice
Integrated	Integrated with existing industry responsible gambling programs i.e. Host Responsibility Coordinators, Gaming Care and Club Safe
Long-term	Longevity of any new system is highly likely
Privacy	Compliance with Commonwealth Privacy Principles
Simple	Ease of use is important so that social gamblers are not deterred or inconvenienced (particularly important for tourism)
Variety	Not just limited to one solution
Voluntary	Voluntary for the customer to take up and for the venue to provide

1.3 Supporting Responsible Gambling in South Australia

The Government recognises that gambling can be a sociable and relaxing form of entertainment but for some people gambling can lead to problems that impact on individuals, families and communities. Preventing and addressing the negative consequences from problem gambling are the joint responsibilities of all governments, the gambling industry, communities and, of course, individuals themselves.

Government approach

The SA Government is concerned about the impacts of problem gambling on South Australians. The SA Government has introduced a range of initiatives aimed at reducing problem gambling. Key initiatives include:

- A reduction in the overall numbers of EGMs in South Australia
- Introduction of mandatory Advertising and Responsible Gambling Codes of Practice – commenced in April 2004
- Increased Government funding to the GRF from \$0.8m per annum under the previous Government to \$3.845m per annum
- Introduction of the Problem Gambling Family Protection Order Scheme to enable family members who are being financially harmed by a problem gambler to seek an order against that person (similar to domestic violence orders)
- The establishment of the “Dicey Dealings” school based gambling education program
- The establishment of the Responsible Gambling Working Party to consider pre-commitment strategies for implementation by hotels, clubs and the casino, which will enable gaming machine players to pre-commit expenditure on gaming machines

The IGA is the senior South Australian regulator for all commercial forms of gambling. The IGA has responsibility for:

- Reviewing the mandatory Advertising and Responsible Gambling Codes of Practice for the gambling industry
- Producing guidelines for the approval of games in the casino and in hotels and clubs, and for the granting of gaming machine licences
- Implementing the Problem Gambling Family Protection Orders Scheme
- Undertaking the statewide voluntary barring scheme in relation to EGMs

The IGA undertook a review of the following codes and guidelines in 2006:

- Advertising Codes of Practice
- Responsible Gambling Codes of Practice
- Gaming Machine Licensing Guidelines
- Game Approval Guidelines

The IGA recommended a number of amendments to existing first stage measures (implemented in the Codes of Practice first stage review in April 2004). Following

consultation on the second stage review in November 2006, the IGA released a report in May 2007 that detailed the following eight new measures to be implemented:

- Gambling providers must implement a common, mandatory warning in gambling advertising, based on the “Gamble Responsibly” suite of messages
- Limitations to on- and in-venue signage for venues
- Requirement to screen the sights and sounds of gaming machines to ensure the activity is not observable either from outside the premises or from non-gambling areas within the premises
- Inducements to gambling and loyalty programs will be prohibited
- Operators will have to develop relationships with counseling agencies
- Operators are to establish internal processes for the identification and reporting of potential problem gamblers
- ACMs to be relocated so they are able to be directly supervised by gaming machine staff
- The availability of alcohol is not to be linked to the consumption of the gaming machine product

Further to the second stage issue considerations, the IGA has recommended to the Government it take legislative or administrative action on the following:

- Establish common closing hours—opening at 10am and closing at midnight for weekday trading days and 2am for weekend trading days
- Keno to be removed from non-licensed premises
- Lottery products only to be sold by adults

The IGA will implement a series of exemptions (listed below) from the second stage measures for hotels and clubs that subscribe to the industry responsible gambling initiatives of Gaming Care and Club Safe. The second stage measure exemptions are:

- The ban on external venue signage
- The requirements to screen the sights and sounds of EGMs
- The requirement to close during the common hours
- Prohibition on loyalty schemes
- The requirement to relocate automated coin dispensing machines

The new guidelines and exemptions offered by the IGA are of particular interest to the Working Party given the attention on ACMs and card-based mechanisms within this report.

The prohibition of venues using loyalty programs and then the exemption where a venue subscribes to Gaming Care or Club Safe further supports the direction of the Working Party. It is acknowledged that venues supported by Gaming Care or Club Safe are in a better position to support their customers in setting limits on their gambling as they are much more aware of problem gambling issues as a result of their exposure to industry responsible gambling programs.

Industry approach

The industry is committed to delivering responsible gambling products. Industry peak bodies (AHA (SA) and Clubs SA) and the casino voluntarily contribute a combined total of \$1.6 million to the GRF per annum. They each have programs in place to promote responsible gambling, including:

- Host Responsibility Coordinators located within the casino, Skycity Adelaide
- Gaming Care, a Hotels Responsible Gambling Early Intervention Agency
- Club Safe, a responsible gambling initiative of Clubs SA

The Skycity Adelaide Host Responsibility program has been in operation since 2004. The aim of the program is to minimise the likelihood of customers experiencing gambling or alcohol related problems. In recognition of the negative social impacts of problem gambling, Skycity Adelaide has introduced:

- Compulsory staff training on host responsibility in consultation with gambling help services
- Facilities for self-barring for a minimum period of 12 months
- An information campaign for customers (including posters, wallet cards, light box transparencies and brochures in six languages) detailing the signs of problem gambling and information about where to seek help

Gaming Care has employed several responsible gambling officers (Gaming Care Officers) since 2005. Their role is to tackle gambling-related harm by working with hotel managers and staff within hotel venues.

Gaming Care is designed to assist gaming venue staff to identify problem gamblers before they lose control. It promotes a closer working relationship between gaming venue staff and local gambling support counsellors.

Clubs SA launched Club Safe Limited in September 2006. Club Safe assists the club industry with responsible gambling obligations and early intervention techniques. The program promotes a closer working relationship between Club gaming venues and local gambling support services.

Community approach

There are a number of organisations within the community dedicated to assisting people affected by problem gambling and advocating on their behalf. These organisations are varied and include counselling organisations funded through the GRF, religious organisations and peak bodies.

Gambling help services (funded through the GRF) offer free, confidential and professional services for people affected by problem gambling, including services for friends and relatives of problem gamblers. These services offer individual and family counselling; financial counselling; support groups (where available) and community education.

The Gambling Helpline offers free and confidential 24-hour telephone counselling and support including crisis management and referral; referral to face-to-face counselling services; written information posted upon request and general information.

The community sector has been active in working with industry to develop workable solutions to support customers experiencing gambling-related harm within venues. For example, establishing pathways for venue staff to refer customers to counselling agencies. The community sector was also largely involved in the development of the Host Responsibility program at Skycity casino.

Furthermore, the community sector, religious organisations and peak bodies such as SACOSS have been actively involved in policy debates regarding gambling. There are some community advocates that actively support the prohibition of EGMs. However, there are also organisations largely concerned with reducing the harm associated with EGMs.

1.4 Supporting customer commitment: themes

The progress report discusses a range of options for supporting customer commitment under three main themes:

- Supporting customer commitment: before play
- Supporting customer commitment: during and after play
- Supporting customer commitment: next steps

'Before play' refers to initiatives that are aimed at the broader community. Such initiatives are knowledge and skills focused in the areas of decision-making and financial literacy. This includes proactive initiatives that may also be offered outside of the gaming venue.

'During and after play' refers to initiatives or mechanisms that can be implemented within a gaming venue that assist customers to voluntarily set limits on their EGM play, track their progress in relation to their limits and to receive feedback.

The 'next steps' for the Working Party involve undertaking the actions set out within this report over the next six months and reporting back to the Minister for Gambling on the potential for trialling one or more mechanisms supporting customer commitment.

2 SUPPORTING CUSTOMER COMMITMENT – BEFORE PLAY

2.1 Background

Supporting customer commitment before play offers a focus for industry and community to work together to prevent problem gambling through education and information provision.

Whilst the choice to gamble is an individual decision, it is coupled with a personal responsibility to select choices that are appropriate to and within one's preferences, circumstances and financial and social limits. There are many people, however, who find it difficult to select appropriate choices for a variety of reasons including a lack of knowledge, erroneous beliefs about gambling, stress, denial, debt etc.

The gaming industry has a responsibility to all customers to provide sufficient, necessary and timely information regarding the potential implications and consequences associated with gambling (AGC 2005). Although it is widely recognised that information alone does not alter behaviour, information represents a basic and necessary building block for decision making.

To encourage customer commitment before play, the Working Party will focus on:

- Informed decision-making
- Improving financial literacy

2.2 Informed decision-making

Measures to support customers make informed decisions about their gambling will be considered. In particular, customers will be able to access information about how EGMs function, facts about probability and randomness and facts to dispel common myths and erroneous beliefs about EGM play.

People with gambling problems typically hold thoughts or beliefs that support their behaviour¹, including:

- Beliefs about fated luck
- Superstitions related to winning
- Illusions of control
- Misunderstandings about the nature of probability and randomness

South Australian EGM players were surveyed regarding their beliefs about gaming machines (DFC 2006), revealing that:

- 19% of EGM players strongly believe that winning and losing occurs in cycles
- 18% strongly believe that it is always bad to play on a machine that has recently paid out
- 5% believe that there are certain ways of playing that increase winning
- 2% strongly believe in engaging in rituals or superstitions when playing

¹ <http://www.problemgambling.vic.gov.au/problemgambling/problem.asp>

The outcome of EGM play is independent of previous plays. Factors such as when the machine last paid out, how much is bet or how many lines are bet, how long a person has been playing, the time of day or past and future plays, do not affect the outcome. However, as demonstrated above, there are many people who believe otherwise.

Customers are currently informed of the odds of winning a jackpot on any given EGM. However, providing odds assumes that all customers are able to interpret what this means. Understanding probability and randomness requires prior knowledge (generally obtained through formal education) and the ability to apply this knowledge to a venue environment. This assumption disadvantages customers who either do not have the knowledge or are unable to apply their knowledge when making decisions regarding their EGM play.

The Working Party is concerned with providing information to customers and the community on:

- Probability and randomness and its application to EGMs
- EGM products i.e. address perceptions of “who controls the machine”, the influence of luck and strategising

2.3 Improving financial literacy

Financial literacy is a term being used by governments to define ‘knowledge, understandings, skills and values in consumer and financial contexts and the related decisions that impact on self, others, the community and the environment’ (MCEETYA 2005).

Improving levels of financial literacy is now a focus of government programs in countries including Australia, Japan, the United States and the United Kingdom. The OECD commenced an inter-governmental project in 2003 in order to establish common financial literacy principles - the objective being to improve financial education and literacy standards. It cites overwhelming support for educating individuals as early as possible about financial issues, particularly at schools and universities, as impetus for its focus (OECD 2005).

Managing discretionary spending has become less of a priority in Australian society where there is easy access to cash (ATMs) and credit (through lines of credit, such as a mortgage redraw). Such accessibility enables people to spend beyond their means in all areas of their life, not only in gambling.

The Working Party is interested in finding ways to assist customers assess the affordability of their expenditure on gambling, as a component of their discretionary finances. In an effort to improve financial literacy, the Working Party will focus on supporting customers to:

- Understand how to set a budget
- Learn good financial habits
- Calculate affordability of expenditure i.e. how to arrive at an affordable amount for gambling

2.4 Actions: supporting customer commitment before play

The Working Party will create opportunities to provide information to **support informed decision making** by undertaking the following during July 2007 to January 2008.

Planned actions supporting informed decision-making	Working with
Meet with the Education Department to determine industry support for Dicey Dealings	Department of Education
Meet with the Office for Problem Gambling to determine industry support for community education initiatives	OPG
Meet with the Office for Problem Gambling to gain an understanding of the applications of the Ontario community education package, modified for the South Australian context	OPG
Meet with <i>Consumer Voice</i> a program for recovered problem gamblers (funded through the GRF) to gain an understanding of the mechanisms that prompted them to seek help when they were affected by problem gambling	Relationships Australia
Expand Host Responsibility/Gaming Care/Club Safe programs to include a greater focus on educating customers in venues about gambling products	Industry Community OPG
Expand Host Responsibility/Gaming Care/Club Safe programs to provide information about gambling products outreach to the community	Industry Community OPG

The Working Party will create opportunities to provide information to **improve financial literacy** by undertaking the following during July 2007 to January 2008.

Planned actions supporting improved financial literacy	Working with
Understand what financial literacy programs are available in South Australia and elsewhere	Department of Education OPG OCBA
Meet with financial counsellors from gambling help services	Community
Provide support to the AGC financial literacy research program for young people	AGC and Financial Literacy Foundation
Meet with the IGA and GRA to better understand their research agendas concerning financial literacy. Determine potential for research funding.	IGA GRA
Prepare a research proposal to expand upon existing pre-commitment studies from a South Australian perspective	IGA GRA OPG
Expand Host Responsibility/Gaming Care/Club Safe programs to offer training for venue staff in financial literacy so they are able to discuss this with customers	Industry Community OPG
Add responsible gambling message(s) and the gambling helpline logo to screens and receipts of ATMs located within licensed premises	DTF OPG

3 SUPPORTING CUSTOMER COMMITMENT – DURING AND AFTER PLAY

3.1 Background

Supporting voluntary customer commitment during and after play requires mechanisms whereby customers can:

- Voluntarily set limits on their EGM play
- Track their activity
- Receive feedback in relation to their commitment

The Working Party agrees that the more information a customer has regarding their EGM activity, the more informed they are to make choices regarding their gambling.

There are a range of mechanisms to be explored that will assist players to set a commitment about their gambling (e.g. time or money limited), which then enables the tracking and reporting of gambling behaviours back to the customer, in relation to their commitment.

Mechanisms that enable voluntary customer commitment range from low cost manual mechanisms such as cashier-assisted systems, to higher cost automated mechanisms requiring significant software and hardware replacement. There are four theoretical mechanisms, listed in the table below, that have been identified by the Working Party and will be discussed within this paper. Each needs to be considered within the Working Party's minimum criteria.

Cashier assisted	Customers set a voluntary limit with the cashier on the amount of money they can change at the cashier in a 24-hour period. This can only occur by a manual transaction operated by the cashier.
ACM	Automatic coin machines dispense coins for use in EGMs. Modify existing ACMs to require all customers to use a card to activate an ACM (possibly a venue card). The card must be able to limit the amount a customer can change at the ACM in a 24-hour period. This system can also provide automated assistance to cashiers.
2nd Screen EGM	Upgrade the software of all EGMs in the State to enable a second-screen option. This will enable customers to track their play and view statistics about their play on a single machine. Single machine function only, non-transferable. Customers cannot be identified or tracked across machines/venues.
Venue card	Customers can voluntarily sign up to obtain a venue card. The venue card has minimal default commitment features and may also have reward (loyalty) features. However, it is necessary that reward features can be deactivated at the customer's request for the purposes of supporting customer commitment. Venue cards enable tracking of customers across machines within a single venue or across a group of venues. It is possible to offer a 'commitment card' that is separate to the standard 'loyalty card' within the one venue. This theoretical option may be worth investigating within current loyalty systems.

Two of the options presented above offer card-based solutions (ACM and venue card). Loyalty or reward cards are currently used by 15% of EGM players, offering a sizeable customer base upon which to trial the implementation of new customer commitment options.

Evidence suggests that more than a third of moderate to high-risk gamblers (35%) use loyalty or reward cards (DFC 2006). Therefore, by incorporating commitment options within existing reward card programs, there is potential to provide immediate and direct support to many reward cardholders currently experiencing problems with their

gambling. However, for this to be effective, venue cards must be offered that enable the deactivation of reward features for the purpose of supporting customer commitment.

As an aside, Ticket In Ticket Out (TITO) technology is a further mechanism that may have been of interest to the Working Party. However, TITO technology requires the presence of note acceptors on all EGMs, which are banned in South Australia.

TITO technology is used in New South Wales. It is a technological facility that can be installed on gaming machines to allow players to use tickets rather than cash in gaming machines. With TITO technology enabled, tickets are inserted into EGMs via the note acceptor as a form of cash input. Most jurisdictions in Australia have note acceptors on EGMs, but South Australia does not. Therefore, this technology is not applicable to the South Australian context at this point in time.

Furthermore, there is little evidence at this time to support the introduction of TITO technology for the purpose of supporting customer commitment. As such, TITO technology will not explicitly be considered by the Working Party, but progress within New South Wales will be monitored.

A fifth option, referred to as an advanced venue card was identified by the Working Party. Theoretically, the system could operate through new hardware and software whereby players can be identified and tracked across both machines and all venues across South Australia. The upgrading of hardware and software in all EGMs would require the complete replacement of all EGMs across the State.

The Working Party is not aware of any jurisdiction in the world that has such technology in operation broadly across the industry. As a result, the Working Party will not consider this option as it fails the minimum criteria set out on page 6.

Furthermore, the Government has already applied itself to consideration of this option (through the IGA Inquiry into Smartcard Technology). The IGA recommended the introduction of a mandatory player tracking system in 2004. The South Australian Government at the time considered it premature to introduce a scheme of the nature recommended by the IGA.

The function and parameters of each of the four solutions being considered are broken down into the following three categories:

- Enabling customers to set the parameters of their commitment
- Tracking customer activity in relation to their commitment
- Reporting back to the customer on their activity

3.2 Enabling customers to voluntarily set the parameters of their commitment

Enabling customers to set a voluntary commitment, be it money, time or bet size, will assist customers to play within their own preferences, circumstances, financial and social limits.

The following table demonstrates the possible commitment parameters that could in theory be set. Each of the four possible options for supporting customer commitment can be compared against these parameters.

Customers can set limits on:	Cashier assisted	ACM	2nd screen EGM	Venue card
Spend levels (session / day / week / month / etc)	✓	✓	✗	✓
Time spent (session / day / week / month / etc)	✗	✗	✗	✓
Maximum bet size (e.g. play no more than 3 lines)	✗	✗	✓	✗
Forced breaks (e.g. 15 min break after each 30 min play)	✗	✗	✓	✓
'No play' periods (certain times/days)	✓	✓	✗	✓
Self-barring (e.g. for nominated days)	✓	✓	✗	✓
Deactivate a reward system	✗	✗	✗	✓
3 rd party access code for increasing limits	✗	✓	✗	✓
Cooling-off period for increased limits to take effect	✓	✓	✗	✓
Universal default settings	✗	✓	✗	✓
When can customers set limits?	Cashier assisted	ACM	2nd screen EGM	Venue card
Before arriving at the venue (online)	✗	✗	✗	✓
On arrival at the venue	✓	✓	✗	✓
At the machine before play	✗	✗	✓	✗
At the machine during play	✗	✗	✓	✗

The cashier-assisted option enables the setting of spend levels, no-play periods, self-barring and cooling-off periods. As a manual mechanism this option relies on venue staff to be aware of customers who have set limits. Limits can only be set once a customer has entered the venue and discussed their commitment levels with a cashier.

The ACM option requires all customers to have a card in order to dispense coins from an ACM. The card can then be programmed by the cashier to set spend levels for a 24 hour time period, to set no-play periods and set self-barring options. A customer will be required to set their commitment once and then be able to use that card on multiple visits to the venue. It also enables the changing of set commitments via interaction with a cashier at the venue. A cooling-off period for increased limits to take effect can be set as well as a 3rd party access code to approve increased limits. The ACM option enables the use of universal default settings to be put in place as a safety net for all customers.

The 2nd screen EGM option enables customers to set their maximum bet size and time intervals for forced breaks by logging this information onto the EGM. A customer would be required to set their commitment at every EGM either before or during play.

The venue card option meets the majority of the parameters set by the Working Group.

It is anticipated the venue card option would enable customers to voluntarily set: spend levels, time to be spent playing, forced breaks, no-play periods, self-barring and enable the deactivation of reward features. A cooling-off period for increased limits to take effect can be set as well as a 3rd party access code to approve increased limits. The venue card option also enables the use of universal default settings to be put in place as a safety net for all customers. Customers can set their limits before arriving at the venue or with assistance from a cashier at the venue.

3.3 Tracking customer activity in relation to their commitment

Tracking of a customer's gaming activity will enable interpretation of that activity in relation to a set voluntary commitment i.e. whether they are close to reaching or overreaching their commitment. Tracking customer activity essentially collects the information and prepares that information for reporting back to the customer.

The following table demonstrates the coverage of the tracking system for each of the four possible options for supporting customer commitment.

What is the coverage of the tracking system?	Cashier assisted	ACM	2 nd screen EGM	Venue card
Customer verification	✓	✗	✗	✗
Per machine	✗	✗	✓	✓
Across a single venue	✓	✓	✗	✓
Across multiple venues	✗	✗	✗	?
Across all hotels, clubs and the casino	✗	✗	✗	✗

The cashier-assisted option is the only option enabling customer verification. This ensures that an account or card cannot be transferred to another person and the voluntary limits set cannot be ignored. This is due to the human interaction not necessarily available with any of the other options.

The cashier-assisted option provides customer tracking through direct contact with a venue staff member via a manual tracking process. This is of benefit to people who prefer not to or who are unable to use a card-based system. Customer activity can only be tracked within a single venue.

The ACM option provides customer tracking via an automated process at the coin machine. The ACM software can be linked to a cashier station to offer more support to customers via a human interface. Customer activity can only be tracked within a single venue.

The 2nd screen EGM option offers automated and discreet tracking of customer activity on a single machine. Activity cannot be tracked across a venue.

The venue card option would in theory enable the tracking of customer activity for each machine within a single venue. There is speculation that this option could offer tracking of customer activity across multiple venues. However, this is dependent upon the providers of existing software and hardware. The capacity of existing providers to support a harm minimisation component within their reward program is unclear.

3.4 Reporting back to the customer on their activity

Reporting back to a customer on their gambling activity in relation to their voluntary commitment may assist customers to meet their expectations and not exceed their commitment. Longer-term reporting may also encourage customers to be more aware of the trends in their activity.

The following table demonstrates the reporting function for each of the four possible mechanisms for reporting back to customers on their set commitment.

When will the customer receive feedback?	Cashier assisted	ACM	2nd screen EGM	Venue card
Before threshold is reached (e.g. at 50% or 75%)	✗	✗	✓	✓
When threshold is reached	✓	✓	✓	✓
When there is a change in playing behaviour (per session/over time)	✗	✗	✓	✓
If there has been a pre-set reminder message (time/date/length of play)	✗	✗	✗	✓
How will the customer receive the feedback?	Cashier assisted	ACM	2nd screen EGM	Venue card
Interaction with venue staff	✓	✗	✗	✓
Second screen tracking (on request)	✗	✗	✓	✗
Message on card reader display	✗	✓	✗	✓
Sound on machine (e.g. beep, music)	✗	✗	✓	✓
On-screen (pop-up)	✗	✗	✓	✗
Text message (SMS)	✗	✗	✗	✓
Activity statement (receipt, email, post, online)	✗	✓	✗	✓
What happens when a threshold is reached?	Cashier assisted	ACM	2nd screen EGM	Venue card
Refusal to dispense coins	✓	✓	✗	✗
Machine shuts down	✗	✗	✗	✗
Reward options switch off automatically	✗	✗	✗	✓

The cashier assisted option enables customers to receive feedback on their activity when a set threshold is reached. The cashier offers feedback to the customer upon initiation from the customer (i.e. when the customer approaches the cashier for additional change or seeks feedback on limits). The cashier is able to refuse to dispense coins once a set limit has been reached.

The ACM option enables customers to receive feedback on their activity before a set threshold is reached or when the threshold is reached. Customers receive feedback via a message on the card reader display (e.g. 'you have reached 50% of your limit') or via an activity statement. The ACM is able to refuse to dispense coins once a set limit has been reached.

The 2nd screen EGM option enables customers to receive feedback automatically when a set threshold is reached, or when there is a change in playing behaviour. Customers can seek feedback via the 2nd screen, otherwise there are automated features to alert customers via a sound or pop-up message on-screen.

The venue card option in theory, could enable customers to receive feedback automatically before a set threshold is reached, when a set threshold is reached, when there is a change in playing behaviour or when there has been a pre-set reminder message. Customers receive feedback via interaction with venue staff, a message on the card reader display, a sound on machine, text message or activity statement. When a set limit is reached or exceeded the reward options on the card automatically switch off.

3.5 Actions: supporting customer commitment during and after play

The Working Party will support customer commitment during and after play by undertaking the following during July 2007 to January 2008.

Planned actions supporting customer commitment during and after play	Working with
Prepare a project brief for the implementation of a trial of customer commitment systems	Industry Community DTF
Complete further research customer commitment systems, their impacts, effectiveness	IGA GRA
Complete cost analysis for undertaking a trial of customer commitment systems	DTF
Identify potential funding sources (if required) to fund a trial of customer commitment systems across a variety of venues or regions	IGA GRA OPG
Prepare funding submission(s) (if required) to support the trial of agreed customer commitment systems	Industry IGA GRA
Identify appropriate provider(s) of the software and hardware which may be necessary to implement a trial any customer commitment systems	DTF Industry
Develop an appropriate training schedule for venue staff on recognising the signs of problem gambling, approaching customers and offering help	Industry Community
Develop an implementation plan for a trial of customer commitment systems	DTF Industry
Meet with gambling help services and venue representatives to discuss draft feature sets and operational arrangements.	Community Industry
Meet with manufacturers of the second-screen option to determine suitability for South Australian machines	Industry

4 SUPPORTING CUSTOMER COMMITMENT – NEXT STEPS

This progress report has presented a structure for guiding the efforts of the Working Party over the next six months. The Working Party is committed to supporting voluntary customer commitment in relation to gaming machines on two levels: before play and during and after play.

The Working Party intends to support voluntary customer commitment before play by:

- Informed decision-making
- Improving financial literacy

The Working Party intends to support voluntary customer commitment during and after play by:

- Enabling customers to set the parameters of their commitment
- Tracking customer activity in relation to their commitment
- Reporting back to the customer on their activity

The Working Party is focussed on gathering additional information regarding the practicalities of implementing the range of solutions presented within this report.

Actions listed within this document will be undertaken by the Working Party in collaboration with venue operators, community, government and customers.

During July 2007 to January 2008, the Working Party will deliver the following:

October 2007	<p>This progress report is provided to the Minister.</p> <p><i>A work plan will be based on priorities for further investigation by the Working Party for 2007/08 leading to a recommendation for a trial of one or more commitment mechanisms.</i></p>
October – March 2008	<p>Further investigation of mechanisms to support customer commitment before, during and after play; cost analysis of these options and further consultation.</p>
January 2008	<p>Second progress report provided to the Minister</p>
March 2008	<p>Third progress report provided to the Minister</p>

5 References

AGC	2005	<i>Informed Choice and Gambling: Principles For Consumer Protection.</i> Australian Gaming Council, Victoria.
DFC	2006	<i>Gambling Prevalence in South Australia – October to December 2005.</i> DFC, Government of South Australia.
GRA	2006	<i>Analysis of Gambler Precommitment Behaviour.</i> Gambling Research Australia, State Government of Victoria Department of Justice.
IGA	2005	<i>Inquiry into Smartcard Technology Report.</i> Independent Gambling Authority, South Australia.
MCEETYA	2005	<i>National Consumer and Financial Literacy Framework.</i> Ministerial Council on Education, Employment, Training and Youth Affairs, Australia.
OECD	2005	<i>Improving Financial Literacy: Analysis of Issues and Policies.</i> Organisation for Economic Co-operation and Development. OECD, Paris.
