

Supporting Customer Commitment

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

June 2008



An Initiative of
**Government of
South Australia**

Minister's foreword

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

This is the second progress report from the Working Party on the theme *Supporting Customer Commitment*. In the latter half of 2007 and the first half of 2008, the Working Party has been occupied with the continued investigation of ways to help people playing electronic gaming machines to set limits on their gambling.

I commend the Working Party for its efforts over the last nine months. This was an important time spent meeting with counsellors, gaming venue staff and members of the community to gather feedback on ways to support customer commitment.

I sincerely thank all who met with the Working Party, particularly those who attended discussions in Mount Gambier, Regency Park, the Riverland and Port Pirie during October to November 2007.

The insights gleaned from this process have shaped the collective thoughts of the Working Party. The feasibility of initiatives originally presented in the Working Party's first progress report have been reassessed as a result.

The Working Party is now ready to be involved with industry trials of player tracking systems and other initiatives. This is an important step and one that I am sure the gaming industry will fully support through the development of industry trials.

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



PAUL CAICA
MINISTER FOR GAMBLING

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Glossary

ACM	Automatic Coin Machine
AGC	Australasian Gaming Council
AHA	Australian Hotels Association of South Australia
DECS	Department of Education and Children's Services
EGM	Electronic Gaming Machine
GRA	Gambling Research Australia <i>(an initiative of the Ministerial Council on Gambling (MCG). GRA is responsible for managing and implementing a national research agenda)</i>
IGA	Independent Gambling Authority
RGE	Responsible Gambling Education

Executive summary

This report is the second progress report of the Responsible Gambling Working Party ('Working Party'). The focus of the Working Party in the second half of 2007 was a series of structured discussions with community leaders in four regions across the State (Mount Gambier, Regency Park, Riverland and Port Pirie).

In 2008 the terms of reference for the Working Party remain the same; that is to report to the Minister for Gambling on strategies that can be implemented to support customers to make commitments about their level of gambling on EGMs. The resulting key focus areas for the Working Party are:

- *Informed decision-making*
Supporting education programs on understanding gambling products
- *Money management*
Supporting the delivery of a range of financial information for customers
- *Player tracking systems*
Undertaking trials of a cashier-assisted and venue card models

Informed decision-making

Customer commitment can be supported through the provision of information to enable customers to make informed decisions about their gambling on EGMs.

Feedback from the regional discussions on the issue of informed decision-making are categorised into the following six themes, with examples of specific feedback provided:

- *Information topics*
Enhance existing educational material to include a focus on understanding the gambling product, basic mathematics and translation of commitment strategies into actions.
- *Increase staff and customer interaction*
Create an atmosphere that actively engages and supports customers, increase staff understanding of the gambling product, supports staff to approach people at risk and offer help.
- *Multi media advertising*
Enhance existing advertising by, for example, producing more television advertising, using billboards in localised advertising/education campaigns, improving the problem gambling website to be more interactive and up to date.
- *In-venue advertising*
Offer more discreet opportunities for customers to obtain information, mail out educational material along with loyalty card promotional material, utilise additional promotional material that highlights gambling help services being 'free and confidential'.
- *Cultural and literacy diversity*
Tailor existing materials to different cultural groups as well as allowing for a range of literacy levels in advertising/educational campaigns.
- *Education in schools*
Responsible gambling education in schools to focus on how to use money appropriately, problems associated with gambling, information about the gambling product, how to access help when needed.

Further investigation of ways to support informed decision-making has led to discussions with DECS regarding the new Responsible Gambling Education (RGE) strategy. The new RGE strategy is focussed on providing a more holistic approach to the development of student wellbeing, with the positioning of gambling education alongside other wellbeing initiatives including health literacy and financial literacy.

The Working Party has also considered the impact of the new smoking bans within gaming venues, which has led to increased breaks in play. These breaks offer an opportunity for the industry to provide information to customers that will encourage informed decision-making, prior to customers returning to play.

Money management

Customer commitment can be supported through improved money management skills. This can be achieved through providing appropriate information to customers and enhancing education for young people to focus on financial management. This will enable customers (or future customers), to make informed judgments about the use of their money for gambling purposes.

Feedback from the regional discussions on the issue of money management have been categorised into the following three themes, with examples of specific feedback provided:

- *Financial topics*
The financial topics considered to encourage good financial management included the promotion of gambling as a component of recreational spending; reduction of personal withdrawal limits on ATM cards; use of local assisted budgeting resources.
- *Customer care*
Offer increased customer care through getting to know customers. This will allow staff to act upon sudden unexplained increases in play in a supportive and friendly manner.
- *Pressures on venue staff*
Additional training for venue staff will be required to allow them to appropriately refer customers to financial services.

Further investigation of money management issues has included discussions with DECS regarding the new RGE strategy and a new federally funded project focussing on financial literacy within schools.

The Working Party has also assessed the outcomes of the GRA research report *Identifying Problem Gamblers in Gambling Venues*¹. Key items from the report, such as a checklist for identifying problem gamblers within gaming venues, will be adapted by industry for use within gaming venues.

¹ GRA (2007) *Identifying Problem Gamblers in Gambling Venues*. Prepared by Delfabbro, P., Osborn, A., Nevile, M. and Skelt, L. for the National Gambling Research Program on behalf of the Ministerial Council on Gambling. Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria.

Player tracking systems

Feedback from the regional discussions regarding player tracking systems comprised the following (note that second screen EGMs were not explicitly discussed):

- *Cashier-assisted*
The cashier-assisted model was mildly supported for implementation within small venues only where ACMs are not present. It was considered a good option for frequent recreational gamblers, rather than providing support for problem gamblers.
- *ACM*
The modification of ACMs to enable customers to pre-set limits on how much money they change at a coin machine was generally not supported at the regional discussions. It was considered an expensive option, which would have little effect if not made mandatory.
- *Venue card*
The venue card model was supported for implementation within medium to large venues. It was generally seen to have a high likelihood of being an effective prevention and early intervention tool, rather than a means to reduce problem gambling. Constructive feedback was offered regarding the implementation of a venue card, as well as a number of concerns (e.g. privacy, the contradiction with using a loyalty card to offer pre-commitment and activity statements as a precursor to chasing losses).

Further investigation of the cashier-assisted model has been undertaken. The idea of a cashier-assisted card, similar to loyalty cards used at cafes and coffee shops, has been supported by the Working Party. The Working Party will advance work on the implementation of cashier-assisted card trial(s). Due to the lack of support for the ACM option by both participants in the regional discussions and the Working Party, no further action is to be undertaken on ACMs.

Regarding second-screen EGMs, meetings were held with representatives of gaming machine manufacturers Aristocrat Technologies and International Gaming Technologies to further investigate second screen EGMs and their applicability to the South Australian market. It was determined through these discussions that venue cards and new EGM technology will surpass the usefulness of second-screens in the near future, therefore, no further action is to be undertaken on second-screen EGMs.

Further investigation of the venue card has been undertaken. It is clear that the implementation will require an industry proponent. There are still a number of issues that must be addressed, particularly as they relate to more sophisticated implementation of player tracking and reporting. The Working Party will advance the implementation of venue card trials through an open invitation to industry proponents to submit proposals for trials to the Working Party.

Actions

The Second Progress Report on Supporting Customer Commitment sets out the following actions for the Working Party to undertake during 2008/09.

Informed decision making	<p>Work with the Office for Problem Gambling to improve the <i>problem gambling website</i> to provide:</p> <ul style="list-style-type: none"> • more interactive activities for young people • information about gambling products e.g. cost of the product and myth-busting • basic mathematics related to gaming machines e.g. statistics, probability • translation of commitment strategies into actions • up to date information about gambling help services
	<p>Continue dialogue with DECS regarding the implementation of the 2007 – 2010 RGE Strategy, and determine future industry, gambling help service and community support.</p>
	<p>Consider ways to incorporate information into smoking break-out areas within venues.</p>
Money management	<p>Continue dialogue with AGC regarding the implementation of its' financial literacy program, and determine future industry and community support.</p>
	<p>Explore the potential for placing responsible gambling messages on ATM screens and receipts for ATMs located within gaming venues.</p>
	<p>In addition, there are three actions being undertaken by individual members of the Working Party within their own constituencies as a result of the outcomes of the GRA research report <i>Identifying Problem Gamblers in Gambling Venues</i>.</p> <ul style="list-style-type: none"> • AHA to fund the development of a training program for hotel gaming staff by Dr Delfabbro (co-Author). The training program will be based on the checklist for identifying problem gamblers, highlighted in the report (p281) and will provide increased support for venue staff and improve customer care. The project will take place during 2008 and will be implemented as a component of the overall Gaming Care venue-based training package. AHA will regularly report to the Working Party on this process. Clubs SA will work with the AHA to implement the results across clubs. • SkyCity Adelaide has invited Dr Delfabbro to present the findings of the report at an open forum during Gambling Awareness Week 2008 (12-16 May 2008). The forum will be free of charge and targeted towards gambling counsellors and gaming venue staff. SkyCity Adelaide will report on the outcomes of the presentation to the Working Party. • AGC intends to invite Dr Delfabbro to present the findings of this research to AGC members in NSW during 2008 (details yet to be confirmed). The AGC will report to the Working Party on the outcomes of the presentation by Dr Delfabbro.
Player tracking systems	<p>The concept of a cashier-assisted card trial was endorsed at the Working Party meeting of 22 November 2007. The Working Party will advance implementation planning for trial to be held within small venues (i.e. venues with less than 15 machines) and cover country as well as metropolitan locations.</p> <p>A workshop with gaming venue staff would be held prior to the implementation of a trial of a cashier-assisted card. The workshop would be an opportunity for venue staff to offer their input about the design of both the cashier-assisted model and any trial.</p>
	<p>Investigate the impact of the removal of ACMs from venues that do not implement a player tracking system.</p>
	<p>It is recommended that no action on second-screen EGMs take place in South Australia because this approach would be rendered redundant by other measures being proposed by the Working Party.</p>
	<p>The Working Party in this report has issued an open invitation for industry proponents to submit proposals for trials of player tracking and pre-commitment systems in South Australia. This will be the primary method for advancing the implementation of the venue card model. The Working Party's involvement will be determined by the principles set down in section 5 of this report.</p>

1. INTRODUCTION

2.1 Background

This report is the second progress report of the Working Party on the theme of *Supporting Customer Commitment*. It outlines the work undertaken by the Working Party since October 2007. The main focus of work in the second half of 2007 has been a series of structured discussions with community leaders in four regions across the State.

In 2008 the terms of reference for the Working Party remain the same; that is to report to the Minister for Gambling on strategies that can be implemented to support customers to make commitments about their level of gambling on EGMs. The resulting key focus areas for the Working Party are:

- *Informed decision-making*
Supporting education programs on understanding gambling products
- *Money management*
Supporting the delivery of a range of financial information for customers
- *Player tracking systems*
Undertaking a trial of a cashier-assisted and venue card model

The Working Party continues to assess strategies that may be able to support customer commitment, by the following essential minimum criteria:

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

1.2 Regional discussions

The Working Party held four regional discussions across South Australia in:

- Mount Gambier, 18 October 2007
- Regency Park, 22 November 2007
- Riverland, 23 November 2007
- Port Pirie, 26 November 2007

The aim of the discussions was to gain input from community leaders, gaming venue staff, counsellors and members of the local community affected by problem gambling. Discussions focussed on the practicalities of implementing the customer commitment mechanisms presented in the Working Party's *First Progress Report* in October 2007.

Participants invited to the discussions were intended to be representative of the Working Party membership (i.e. equal parts gaming industry and community organisations, as well as community members affected by problem gambling).

The Working Party found these workshops to be of considerable benefit and is very grateful to the people who made the effort to meet with the Working Party and share their insights.

The Discussions were guided by a series of topics that focussed attention on some of the actions outlined in the Working Party's *First Progress Report*. These included:

- Supporting customer commitment before play, by:
 - Educating customers in venues about gambling products.
 - Providing information about gambling products to the community.
 - Offering financial training to gaming venue staff so they are able to engage with customers on issues of affordability.
- Supporting customer commitment during and after play, by:
 - Discussing draft feature sets and operational arrangements for the implementation of a cashier-assisted, ACM and venue card models.
 - Discussing how customer commitment measures can be promoted to customers.

The outcomes and overall themes arising from the regional discussions are explored further throughout this report.

2 INFORMED DECISION-MAKING

Customer commitment can be supported through the provision of information that enables customers to make informed decisions about their EGM gambling. The Working Party are of the belief that providing information about the gaming product is a necessary component of supporting informed decision-making.

Although information alone does not alter behaviour, information represents a basic and necessary building block for decision-making.

The Working Party's *First Progress Report* focussed on the following areas for supporting informed decision-making:

- 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

Feedback from regional discussions

Participants at the regional discussions encouraged the provision of a variety of information to support informed decision-making, so long as information is presented in ways that address differing cultural and literacy needs.

Education strategies were considered most appropriate for regular/frequent recreational gamblers as a prevention or early intervention measure. People already experiencing significant problems as a result of their gambling were considered less likely to be receptive to information or education about EGMs.

Feedback from participants on the issue of informed decision-making have been categorised into the following six themes:

- Information topics
- Increase staff and customer interaction
- Multi media advertising
- In-venue advertising
- Cultural and literacy diversity
- Education in schools

Information topics

The majority of participants agreed that there is already a good range of educational material out there in venues and on the web. Essentially the messages cover similar topics²:

- gaming machines are programmed to act randomly, at all times
- nothing you do before, during or after a game changes the outcome

² IGA booklet *'The Pokies: Before You Press the Button Know the Facts'*; AGMMA *Player Information Booklet*; OLG website *Myths versus Facts*; Clubs SA *Myths About Gambling – Play it Safe*.

- Hotels and Clubs do not have any control over the game
- the gaming industry is highly regulated.

What is needed now is greater access to this information in more user-friendly formats.

Information topics supported by participants for enhanced educational material included:

- *understanding the gambling product*
(e.g. material on the cost of the product and myth-busting; hold an information session on 'get to know your gaming machine'; and offering a chance for customers to look inside the machines).
- *basic mathematics*
(e.g. statistics, probability).
- *translation of commitment strategies into actions*
(e.g. offer practical tips for sticking to limits such as to 'press the 'collect' button every time you win').

One example of how to help people understand the cost of the gambling product could be to look at how much money that person could save in a year. Such as:

Person A loses \$40 per week on the pokies. If they cut their spending on pokies by half, so that they only spent \$20 per week, in a year they will have saved themselves \$1,040. Think about it, what would you like to do with all that money?

The focus could then be on what they could use that money for (e.g. for a young person it could be to purchase an iPod or Playstation3; for an older person it could be a weekend escape with the family).

Real emphasis was placed on the topics of probability and randomness being further explored through the education system, rather than trying to educate customers within venues. It was the common view that that education in this area should occur outside the gaming venue.

Increase staff and customer interaction

Staff interaction with customers was considered a positive point for information exchange. Customers often listen to staff and this can break down isolation.

Participants were in favour of the following strategies to support informed decision-making:

- create an atmosphere that actively engages and supports customers;
- increase staff education on understanding the gambling product, approaching people and dealing with sensitive situations; and
- provide more support to venue staff in country regions through increased Gaming Care & Club Safe services.

Again, concern was expressed for the increasing responsibilities being placed on staff with the introduction of new measures to support informed decision-making.

Multi media advertising

Participants encouraged the use of:

- more television advertising
- success stories in local press and radio
- billboards in localised advertising/education campaigns
- an improved problem gambling website that is more interactive and up to date

The tagline 'gamble responsibly' was considered ineffective and a new approach was widely encouraged.

The last television marketing campaign '*Think of What You're Really Gambling With*', adapted from Victoria and implemented during 2003 to 2006, received considerable positive feedback. Many participants agreed that the television advertisements in particular, were successful in raising community awareness about problem gambling and the Gambling Helpline.

In-venue advertising

Participants agreed on the use of:

- more visual information in education strategies to cover a broader audience.
- more discreet opportunities for customers to obtain information (both educational and promotion of gambling help services). For example, placement of small cards in coin cups, brochures in toilets and so on.
- mail outs of educational material along with loyalty card promotional material as there is an existing database of customers that may benefit from receiving this information.
- additional promotional material that highlights gambling help services being 'free and confidential'.

There appears to be a lot of visual clutter within venues, some of which is mandatory but not necessarily effective (e.g. Rules Ancillary to Gaming. Participants), and it was recommended that efforts be made to reduce the clutter and keep the important messages or information in prominent, as well as discreet places.

The removal of the maximum payout message on machines was strongly encouraged. The existing message was considered a negative influence on recreational gamblers who could easily misunderstand the message. For problem gamblers this message was considered even more detrimental, as many counsellors reported that the message appeared to encourage more risky playing behaviour, in the hopes that they would win \$10,000.

Cultural and literacy diversity

Participants encouraged the use of tailored information to specific cultural groups where appropriate.

The appropriateness of providing standardised education and marketing strategies for various non-English speaking background communities and for people with varying levels of literacy was questioned. Solutions to these issues will depend on the education or marketing exercise, however, it was suggested that consideration be given to culturally adapting education or marketing strategies within areas that have a high prevalence of a particular cultural group. This would need to be undertaken in collaboration with local community leaders.

Allowing for a range of literacy levels in marketing campaigns was seen to benefit the broader community. Many people choose not to read the vast amounts of paraphernalia available to them, thus, the use of simple diagrams, cartoons or line drawings may appeal to a broader audience whilst also accommodating people with lower literacy skills.

Education in schools

The Dickey Dealings school-based gambling education program received positive feedback. There was overall enthusiasm for more widespread uptake by schools. In this regard, increasing pressures on staff time, in particular the requirement for staff to undertake intensive training in order to present the Dickey Dealings package and issues related to back-filling of staff attending this training were acknowledged.

Participants expressed a need for school education to focus on how to use money appropriately, problems associated with gambling, information about the gambling product (e.g. randomness, probability, statistics and myth busting) and how to access help when needed.

Further investigation

Department of Education and Children's Services

Representatives of the Department of Education and Children's Services (DECS) presented information to the Working Party meeting on 11 December 2007 about:

- internal evaluation of the Dickey Dealings program; and
- DECS 2007 – 2010 Responsible Gambling Education (RGE) Strategy.

It was reported that the evaluation of the Dickey Dealings program found the pilot program to be successful in addressing gambling issues with young people. The outcomes from the education program were seen to result in young people being more informed consumers and more able to negotiate potential pitfalls regarding gambling. DECS is now focussed on providing a more holistic approach to the development of student wellbeing, with the positioning of gambling education alongside other wellbeing initiatives, including health literacy and financial literacy. A new DECS 2007 – 2010 RGE Strategy will focus on middle years students with the aim of preventing risky gambling behaviours and trying to change future gambling behaviour.

The middle years curriculum will be adapted to integrate and trial existing national RGE material, including DECS Dickey Dealings, AGC financial literacy material, National Consumer & Financial Literacy Framework, the Qld Responsible Gambling Kit and similar programs.

Impact of smoking bans in gaming venues

An indirect consequence of the new smoking laws is that a proportion of EGM players are now having more breaks in play. These breaks offer an opportunity for the player to think over their decisions before returning to the gaming machines. This provides an opportunity for information to be provided to customers about the gambling product to support informed decision-making.

Action

The Working Party will undertake the following to support customer commitment through informed decision-making:

- Work with the Office for Problem Gambling to improve the problem gambling website to provide:
 - more interactive activities for young people
 - information about gambling products e.g. cost of the product and myth-busting
 - basic mathematics related to gaming machines e.g. statistics, probability
 - translation of commitment strategies into actions
 - up to date information about gambling help services
- Continue dialogue with DECS regarding the implementation of the 2007 – 2010 RGE Strategy, and determine future industry, gambling help service and community support.
- Consider ways to incorporate information into smoking break-out areas within venues.

3 MONEY MANAGEMENT

The area of money management is broad and generally relates to a person's ability to make informed judgments and to take effective actions regarding the current and future use of their money.

In the Working Party's *First Progress Report*, the focus was on finding ways to assist customers to assess the affordability of their expenditure on gambling, as a component of their discretionary finances. In an effort to improve money management skills, the Working Party suggested a 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

Feedback from regional discussions

The suggestion of providing money management training to venue staff in order to pass on this information to customers was not supported. This was considered to be outside the scope of the employee's position within a gaming venue and more the role of an accredited financial counsellor.

Knowing and understanding the difference between the roles of a gambling counsellor and a financial counsellor, however, was considered essential knowledge for all venue staff. Importantly, venue staff should know who the local counsellors are and be able to make appropriate referrals.

Feedback from participants on the issue of money management have been categorised into the following three themes:

- Financial topics
- Customer care
- Pressures on venue staff

Financial topics

The financial topics considered of most interest in encouraging good financial management, if located within venues, included the promotion of:

- gambling as a component of recreational spending and not as a means for making money
- a customer's ability to reduce their own personal withdrawal limits on ATM cards directly through their bank or financial institution
- assisted budgeting resources available locally.

Customer care

Participants suggested that venue staff be encouraged to get to know their customers in order to observe changes in behaviour over time. This would enable

staff to act upon sudden unexplained increases in play in a supportive and friendly manner.

Pressures on venue staff

The increasing pressures on venue staff, not just in the area of money management but with the introduction of any customer commitment measure, caused concern for many participants.

Additional training of venue staff would be required to ensure they are able to make appropriate referrals for customers to available financial services. This would be assisted by encouraging regional information sharing between financial counsellors, gambling counsellors and gaming venue staff.

Further investigation

There is a strong focus on 'financial literacy' and responsible gambling at the national level. The Financial Literacy Foundation and AGC have funded research and product development to improve money management skills nationally.

As a result of research into financial literacy, responsible gambling and young people³, AGC have proposed to develop a nationally coordinated approach to responsible gambling education and financial literacy in general. The proposal is to develop a senior school focussed, interactive product during 2008, for which AGC has already received in principle support from numerous stakeholders. The Working Party will continue to monitor the progress of this initiative.

In addition, DECS has recently received Federal funding for a *Financial Literacy and Responsible Gambling Education* initiative. The project will provide a pathway for schools in response to the National Financial Literacy Framework. The RGE pathway recognises the importance of young people developing an understanding of the day-to-day management of money as a means of preventing problem gambling behaviours.

GRA released its' research report *Identifying Problem Gamblers in Gambling Venues* on 19 November 2007⁴. This report is particularly useful to the Working Party when considering ways to improve customer care and reduce pressures on venue staff.

The study investigates whether it is possible to identify problem gamblers at venues through observation. The conclusion being that within venues, it is theoretically possible to identify problem gamblers from other gamblers through observation and the use of a checklist.

Action

The Working Party will undertake the following to support customer commitment through promoting improved money management:

³ AGC (2007) *Financial Literacy, Responsible Gambling and Young People: A Problem Gambling Prevention Proposal*. AGC, Melbourne, Victoria.

⁴ GRA (2007) *Identifying Problem Gamblers in Gambling Venues*. Prepared by Delfabbro, P., Osborn, A., Nevile, M. and Skelt, L. for the National Gambling Research Program on behalf of the Ministerial Council on Gambling. Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria.

- Continue dialogue with AGC regarding the implementation of its' financial literacy program, and determine future industry and community support.
- Explore the potential for placing responsible gambling messages on ATM screens and receipts for ATMs located within gaming venues.

In addition, three actions were to be undertaken by individual members of the Working Party within their own constituencies, as a result of the outcomes of the GRA research report *Identifying Problem Gamblers in the Gambling Venues*.

- AHA to fund the development of a training program for hotel gaming staff by Dr Delfabbro (co-Author). The training program will be based on the checklist for identifying problem gamblers, highlighted in the report (p281) and will provide increased support for venue staff and improve customer care. The project will take place during 2008 and will be implemented as a component of the overall Gaming Care venue-based training package. AHA SA will regularly report to the Working Party on this process. Clubs SA will work with the AHA to implement the results across clubs.
- SkyCity Adelaide invited Dr Delfabbro to present the findings of the report at an open forum during Gambling Awareness Week 2008 (12-16 May 2008). The forum was free of charge and targeted towards gambling counsellors and gaming venue staff. SkyCity Adelaide were to report on the outcomes of the presentation to the Working Party.
- AGC intends to invite Dr Delfabbro to present the findings of this research to AGC members in NSW during 2008. The AGC will to report to the Working Party on the outcomes of the presentation by Dr Delfabbro.

4 PLAYER TRACKING SYSTEMS

4.1 Cashier-assisted model

A cashier-assisted model is described within the Working Party's *First Progress Report* (p14) as an option that allows:

'Customers (to) set a voluntary limit with the cashier on the amount of money they can change in a 24-hour period. This can only occur by a manual transaction operated by the cashier where there is no presence of an automatic coin machine on the premises'.

The cashier-assisted model will enable customers to set limits on the following:

- spend levels (session / day / week / month / etc)
- no play' periods (certain times/days)
- self-barring (e.g. for nominated days)
- cooling-off period for increased limits to take effect

The cashier-assisted model was described as being the only option in theory that enables customer verification. This is due to the human interaction not necessarily available with any of the other options. It was also described as being available across a single venue only.

When a threshold is reached using a cashier-assisted model the cashier can refuse to dispense additional coins to the customer.

Feedback from regional discussions

Any mechanism that promotes increased contact with cashiers was mildly supported. Increased human contact was considered beneficial for people experiencing problems with their gambling because it was seen to increase opportunities for venue staff to make referrals to appropriate gambling help services.

Frequent contact with cashiers was also considered beneficial for frequent recreational gamblers. In developing ongoing relationships with regular customers, cashiers are in a unique position to recognise any changes in gambling behaviours over time. This opens up the opportunity for discussions with customers when dramatic changes in gambling behaviours are noticed.

Additional feedback on the cashier-assisted model included:

- the model was supported for implementation within small venues without ACMs
- considered a good option for frequent recreational gamblers
- limited by the level of customer and staff interaction and relies heavily on this being a positive relationship
- will add to cashier workload
- could increase waiting times for customers

- shift changes make it difficult to monitor customer activity
- use strategies such as a log book with basic descriptions of people to keep track of concerning customer behaviour

Further investigation

The Working Party proposes to develop a cashier-assisted card, similar to customer loyalty cards offered at cafes, whereby customers retain custody of the card and then produce the card at the point of transaction. The card can then be used as a record of their transactions at the cashier.

This proposal does not promote the use of a customer verification system prior to the issuing of a card. This is a voluntary system targeted to recreational gamblers as a means to promote responsible gambling. The cashier-assisted card will provide a mechanism that can support informed decision-making. It is not designed specifically to reduce problem gambling behaviour.

Some of the benefits to this system include:

- simple, easy and quick for both customers and cashiers.
- attractive for recreational gamblers who wish to keep a record of their gambling but who do not want their name recorded in a database.
- there is no record keeping required by the venue.
- the responsibility for keeping and maintaining the card is placed on the customer, not the venue.
- there is potential for the card to be used across multiple venues if it is standardised.
- cost-effective.

The cashier-assisted card promotes responsible gambling in a number of ways. It raises awareness amongst all customers that the setting of personal limits is a positive and easy thing to do. It also raises awareness that the setting of personal limits is encouraged by the venue.

The cashier-assisted card also promotes to customers that venue staff are able and willing to assist them in setting and sticking to their personal limits. It can be seen as an extension of good customer service.

The target group for cashier-assisted pre-commitment would most likely be older recreational gamblers who wish to limit and keep track of how much they are spending over a week or fortnight. They will most likely appreciate a paper, rather than electronic transaction and prefer to maintain custody of this paperwork, than leave it with the venue. However, arrangements could be made for the venue to hold these cards within easy access of the cashier.

Action

The concept of a cashier-assisted card trial was endorsed at the Working Party meeting of 22 November 2007. The Working Party will advance implementation planning for trial to be held within small venues (i.e. venues with less than 15 machines) and cover country as well as metropolitan locations.

A workshop with gaming venue staff would be held prior to the implementation of a trial of a cashier-assisted card. The workshop would be an opportunity for venue staff to offer their input about the design of both the cashier-assisted model and any trial.

4.2 Automatic coin dispensing machine (ACM)

The ACM model is described within the Working Party's *First Progress Report* as the modification of:

'...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' (p14).

The ACM option enables customers to set limits on the following upon arrival at the venue:

- spend levels (session / day / week / month / etc)
- 'no play' periods (certain times/days)
- 3rd party (counsellor) access code for increasing limits where the individual has a standing relationship with a counsellor and prior arrangements have been made with the venue.
- self-barring (e.g. for nominated days)
- universal default settings.

The ACM option enables customers to receive feedback on their activity before or as a set 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. Feedback can also be via interaction with venue staff should the system be linked to a cashier station. Once a set limit has been reached, the ACM will no longer dispense coins to that customer.

The ACM software could be linked to a cashier station to offer more support to customers via a human interface.

Customer activity with the ACM option could only be tracked across a single venue, unless a universal ACM card that was networked across the State is introduced. In this instance it would need to be mandatory in order to justify the expense of such a system, which is not consistent with the minimum criteria set by the Working Party.

Feedback from regional discussions

Overall, participants:

- did not support the implementation of the ACM model; and
- considered it an expensive option, with little effect if not made mandatory.

There was a suggestion that ACMs be removed altogether in order to promote increased interaction with the cashier and support the implementation of any customer commitment mechanism. One suggestion however, should ACMs remain

in the majority of venues, was to decrease the accepted note denominations to \$10 or \$20 notes only.

Further investigation

Given the lack of support for the implementation of the ACM option by participants in the regional discussions and the Working Party members, no further investigation has been undertaken.

Action

Investigate the impact of the removal of ACMs from venues that do not implement a player tracking system.

4.3 Second-screen EGM

The second-screen EGM model is described within the Working Party's *First Progress Report* as follows:

'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' (p14).

The second-screen EGM will enable customers to set limits on the gaming machine via a second screen. Limits that can be set before and during play and include:

- maximum bet size (e.g. play no more than 3 lines).
- forced breaks (e.g. 15 min break after each 30 min play).
- limits will need to be set each time a customer changes machines.

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

The second 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 second screen, otherwise there are automated features to alert customers via a sound or pop-up message on-screen.

Feedback from regional discussions

Second screen EGMs were not explicitly discussed during the regional discussions, where the focus of discussions was on the cashier-assisted, ACM and venue card models.

Further investigation

Department of Treasury staff met with representatives of gaming machine manufacturers Aristocrat Technologies and IGT, to investigate second screen EGMs and their applicability to the South Australian market. It was found that second-screen EGMs (or PIDs – Player Information and Tracking Displays as they

are known in the eastern States) have been in operation in Queensland, Victoria and Tasmania for a number of years.

Recently, New Zealand has taken the additional step of combining second-screen technology with machine shut downs.

Second-screen EGMs are considered to be an information delivery option that promotes informed choice. There appears to be little evidence to suggest how well utilised they are in the eastern States. Consideration also needs to be given to the lengthy lead-in period necessary to change regulation to enable implementation (approximately 6-7 years in other jurisdictions).

Venue cards and new EGM technology will surpass the effectiveness of second-screens in the near future. Venue cards have the added ability to track customer activity across an entire venue and over time (weeks/months), giving the customer a fuller picture of their EGM activity.

Action

It is recommended that no action on second-screen EGMs take place in South Australia because this approach would be rendered redundant by other measures being proposed by the Working Party.

4.4 Venue card

The venue card model is described within the Working Party's *First Progress Report* as follows:

'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' (p14).

The venue card could enable customers to set the following limits before or upon arrival at the venue:

- spend levels (session / day / week / month / etc)
- time spent (session / day / week / month / etc)
- 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
- 3rd party (counsellor) access code for increasing limits where the individual has a standing relationship with a counsellor and prior arrangements have been made with the venue.
- cooling-off period for increased limits to take effect

- universal default settings.

The venue card model 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 venue card model could enable customers to receive feedback automatically:

- before a set threshold is reached
- as a set threshold is reached
- when there is a change in playing behaviour
- when there has been a pre-set reminder message.

Customers can choose to receive feedback via interaction with venue staff, a message on the card reader display, a sound on machine, text message direct to their mobile phone or an activity statement. When a set limit is reached or exceeded the reward options on the card will automatically switch off.

Venue staff can also be notified when a set limit is reached or exceeded via the cashier terminal. Potentially a customer could be highlighted on the display as a customer requiring additional support, acting as a trigger for staff to either interact with the customer or more closely monitor their behaviour.

Feedback from regional discussions

The venue card model was supported for implementation within medium to large venues.

It was generally seen to have a high likelihood of being an effective prevention and early intervention tool, rather than a means specifically designed to reduce problem gambling. This is because problem gamblers were generally described as being:

- in denial that they have a problem or need help to control their gambling
- resistant to approaches from venue staff
- oblivious to anything within a venue, except the machine they are playing.

A possible exception could be a problem gambler who is actively undertaking counselling. They may wish to utilise the voluntary pre-commitment system in consultation with their counsellor. In this instance, activity statements could be forwarded directly to the counsellor (with permission of the individual) to aid rehabilitation. Activity logs may also be made available to counsellors via a web-based interface.

Participants offered the following when discussing the venue card model. That:

- it be trialled first within venues that have existing loyalty programs
- privacy issues are thoroughly addressed prior to implementation
- a review of existing customer data be undertaken prior to implementation
- all components of the commitment system to be optional including activity statements

- training for staff be offered in identifying problem gamblers, how to approach people in distress, cultural awareness, availability and function of gambling help services.
- venue cards look the same as loyalty cards (so that customers are not stigmatised for their choice of using pre-commitment), with the requirement that customers can choose to eliminate the loyalty aspect.

The consequences of exceeding personal limits were viewed as an important factor in determining the success of the product. This is particularly so in a voluntary environment. Appropriate consequences of exceeding limits in a voluntary environment were deemed to be:

- the discontinuation of loyalty points accrual (if this is an activated feature of the card) once a limit is exceeded; and
- intervention by a staff member i.e. to engage with the individual, to remind them of their limits and to offer further information or support if required.

As discussed, the venue card option also raised some issues regarding:

- *Privacy*
Particularly in the use of customer data. Questions were raised about the appropriateness of venues having access to this data and whether it would be used for purposes other than customer commitment. Mechanisms for maintaining customer confidentiality need to be implemented.
- *Loyalty versus pre-commitment*
There is a perceived mixed message with the use of a loyalty system, that is employed to encourage gambling, at the same time as it may be, used as a means to limit gambling activity.
- *Activity statements as a precursor to chasing losses*
There was concern that activity statements may exacerbate gambling activity for vulnerable customers. Seeing the total amount lost over a period could potentially trigger an episode of chronic gambling whereby the gambler attempts to 'win back' their losses.
- *Cultural appropriateness of activity statements*
Participants expressed a need to offer customers a choice about how they would receive their activity statement, such as via email, via a website or via post to a nominated address (not necessarily a home address). This was due to the differing cultural reactions to gambling and the stigma attached to a loss of control with gambling.

Further investigation

While a player tracking system that is automated (i.e. via venue card technology), improves the prospect of successful identification and intervention of people requiring additional support, the Working Party is yet to work through concerns surrounding the use of player data for these purposes.

The Working Party still needs to adequately address the concerns of Schellinck and Schrans (2007)⁵ from their research on player tracking in Canada, including:

- lack of clarity as to industry responsibility in acting on the information (e.g. voluntary versus compulsory action, liability and so on).
- lack of technology, expertise or capacity to intervene (e.g. how to approach those clients identified as at-risk gamblers).
- the threat to marketing efforts through over-identification of clients especially 'high-spenders'.
- the appropriateness of using player data as a diagnostic tool.
- player confidentiality and ethics.

Action

The Working Party in this report has issued an open invitation for industry proponents to submit proposals for trials of player tracking and pre-commitment systems in South Australia. This will be the primary method for advancing the implementation of the venue card model. The Working Party's involvement will be determined by the principles set down in section 5 of this report.

⁵ Schellinck, T. and Schrans, T. (2007) *VLT Player Tracking System – Nova Scotia Gaming Corporation Responsible Gambling Research Device Project*. Focal Research, Nova Scotia: Canada.

5 CONDUCT OF TRIALS

The Working Party is committed to supporting trials by industry participants of player tracking systems, in particular the cashier-assisted card and the venue card models. Any trial supported by the Working Party will be subject to the arrangements outlined in this section.

Rules of Engagement

The purpose of the rules of engagement is to ensure the impartiality, fairness and probity in all dealing in respect to proposed trials by industry proponents.

The Working Party and its secretariat will in relation to proposed trials by industry proponents conduct themselves with integrity and in a manner, which is, and is perceived to be, in accordance with the following guidelines.

- Industry proponents are treated fairly and impartially.
- Confidential information provided by industry proponents is to be treated in a confidential manner and in particular will not be disclosed to competitors. Confidential information includes any information specifically identified by the proponents as confidential and not in the public domain.
- The Working Party and the secretariat will not attempt to seek or accept personal gain arising from the proposed trials.
- The Working Party and secretariat must exclude themselves from Working Party deliberations where their involvement would give rise to potential or perceived conflict of interest. Involvement with a peak body is not by itself considered to be a potential conflict of interest.
- The Working Party will maintain records of its deliberations and will submit to the Minister for Gambling reports of its activities.
- Media statements about the Working Party's involvement must not be made by industry proponents unless approved by the Chair of the Working Party.

Submission and Assessment of Proposals

Industry proponents may submit proposals for player tracking and pre-commitment trials to the Working Party. The Working Party will not support or become involved with a proposed trial unless it meets all of the essential minimum criteria.

Industry proponents interested submitting a proposal to the Working Party can contact the secretariat. The contact details are below:

contact officer: Kym Della-Torre
Director, Gambling Policy

e-mail: rgwp@saugov.sa.gov.au

mail: Responsible Gambling Working Party
C/- Department of Treasury and Finance (Level 8)
GPO Box 1045
Adelaide SA 5001

Industry proponents should direct all discussions and correspondence about the proposal to the contact officer.

The proposal must indicate acceptance of the Rules of Engagement, the Purpose and Approach, and must address the Essential Minimum Criteria.

The Essential Minimum Criteria were first set out in the Working Party's first progress report. The table below outlines the Essential Minimum Criteria and the Working Party's interpretation in relation to assessing trial proposals.

Cost-effective	The proposed trial must be sustainable within the context of industry and venue viability. The industry proponent must <u>fund</u> the implementation of any trial. There will be no funding for the operation of the trial available from the South Australian Government.
Evidence-based	The proposed trial must be built on the principles outlined and published by the Working Party in its Progress Reports. The industry proponent must support the trial being subject to evaluation determined by the Working Party.
Flexible	The proponent must be willing to work with the Working Party to adjust the implementation during the trial.
Informed choice	The proposed trial must enable the principle of informed choice by customers.
Integrated	The proposed trial must be integrated with existing industry responsible gambling programs and endorsed by the relevant agency.
Long-term	The proponent of the proposed trial must be willing to extend the trial to full operation, if the evaluation by the Working Party considers the trial to be successful.
Privacy	The proposed trial must comply with Commonwealth Privacy Principles.
Simple	The proposed trial must offer a simple customer interface so that social gamblers are not deterred or inconvenienced (particularly important for tourism).
Variety	All industry participants are encouraged to submit a trial proposal to the Working Party.
Voluntary	The proposed trial must be voluntary for the customer to take up. No venue will be compelled by the Working Party to participate in a trial.

Successful trial proposals will be published on the Working Party's internet site. Acceptance of a trial by the Working Party is non-exclusive. The Working Party reserves the right to be involved with other trials that are submitted at any time.

Purpose and Approach

The purpose of conducting trials is to learn about the effectiveness of player tracking and pre-commitment as a tool for venue customers to better manage their money in relation to gambling and as a tool for harm minimisation.

The Working Party will not endorse commercial products. The Working Party, however, will use the learnings from all supported industry trials to inform its advice to the Minister for Gambling.

The Working Party has adopted the following research approach to evaluation:

- the purpose of the evaluation is increase knowledge about the impacts of the operation of player tracking systems.
- the evaluation should be conducted independently from the industry proponent. Support for the evaluation may be sought from the Independent

Gambling Authority, Gambling Research Australia, and/or the Australasian Gaming Council.

- researchers engaged on behalf of the Working Party for the purpose of assisting in the evaluation of a trial must adhere to the highest professional, scientific and ethical standards.
- the evaluation of the trial will be published. In order to protect proprietary information or trade secrets, there may be reasonable restrictions placed on the publication of that data. Those restrictions must be agreed in advance.
- there will be no limitations placed on the use by the South Australian Government and the Working Party of the evaluation, and associated working papers, of the trial by the industry proponent or the researchers engaged.

6 SUMMARY

During 2007, the Working Party has concluded that the three main focus areas for supporting customer commitment on EGMs – informed decision making, money management and player tracking systems – are interdependent. The success of each focus area will be largely affected by the effectiveness of the strategies implemented across all focus areas.

For example, a customer can be supported to set a maximum spend limit through the use of a player tracking system, however, the effectiveness of this maximum spend limit will be dependent upon how the customer has calculated the **affordability** of this limit (i.e. money management skills). The success of a maximum spend limit also relates to **when** a customer sets that limit. The GRA research into gambler pre-commitment behaviour⁶ found that gamblers who set limits later in the piece (i.e. at the venue) were significantly more likely to exceed their spend limit. Therefore, future education programs that intend to support informed decision making should inform customers of the need to set limits well before arriving at the venue, to maximise their chances of success.

The application of practical research outcomes, such as the checklist to identify customers exhibiting risky or problem gambling behaviours within venues⁷, will greatly enhance the venue environment as one that supports customer commitment. Player tracking systems will enable the venue to track the activity of potential at-risk customers and offer opportunities to intervene, however, this information alone may not be a reliable indicator of at-risk players. The GRA (2007) report suggests that player tracking, combined with other visible behaviours, may assist staff in the identification of people who require greater attention and support within the venue.

⁶ GRA (2006) *Analysis of Gambler Pre-commitment Behaviour*. Prepared by McDonnell Phillips Pty Ltd for the National Gambling Research Program on behalf of the Ministerial Council on Gambling. Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria.

⁷ GRA (2007) *Identifying Problem Gamblers in Gambling Venues*. Prepared by Delfabbro, P., Osborn, A., Nevile, M. and Skelt, L. for the National Gambling Research Program on behalf of the Ministerial Council on Gambling. Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria.