

Supporting Customer Commitment

Implementation of pre-commitment

Fifth Progress Report to
the Minister for Business Services and Consumers
by the Responsible Gambling Working Party

June 2012



An Initiative of
**Government of
South Australia**

Minister's foreword

The Responsible Gambling Working Party's *Fifth Progress Report* is an important report.

The Report is the Working Party's recommendations about the minimum functions that a pre-commitment system should provide in South Australia and the timeline for implementation.

The Working Party was assigned Terms of Reference to provide its advice about implementing pre-commitment in South Australia. This has been a difficult task given the moves towards national reform in this area.

We know that a majority of gaming machine customers set a budget prior to playing gaming machines and a majority fail to keep to their budget once they start playing. The question of how to assist customers to keep to their budget has been the basis of the work undertaken by the Working Party since its establishment in late 2006.

The Working Party has informed itself by evaluating three player tracking and pre-commitment trials, and through investigating various money management and informed decision making strategies.

Accordingly, the Working Party is arguably the most informed group in Australia about pre-commitment.

Pre-commitment in South Australia is just one aspect of a wider reform program that the South Australian Government intends to implement. Understanding how to proceed with providing gaming machine customers with voluntary access to pre-commitment, and the additional strategies needed in venues to support budget setting and monitoring, could not have been achieved without the work of the Working Party.

I sincerely thank the members of the Working Party for their dedication to the task.



**DEPUTY PREMIER
MINISTER FOR BUSINESS SERVICES AND CONSUMERS**

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Glossary

ACM	Automatic Coin Machine
AHA SA	Australian Hotels Association of South Australia
AIA	Approved Intervention Agency
ATM	Automated Teller Machine
COAG	Council of Australian Governments
CMS	Central Monitoring System
DECS	Department of Education and Children's Services
DFC	Department of Families and Communities
DTF	Department of Treasury and Finance
EGM	Electronic Gaming Machine
FaCHSIA	Department of Families, Housing, Community Services and Indigenous Affairs
GGI	Global Gaming Industries Pty Ltd
GRA	Gambling Research Australia
GRF	Gamblers Rehabilitation Fund
IGA	Independent Gambling Authority
IGC	Independent Gaming Corporation
OPG	Office for Problem Gambling
PC	Productivity Commission
Playsmart	Worldsmart's pre-commitment product
RGE	Responsible Gambling Education Strategy [a DECS Program]
RGWP	Responsible Gambling Working Party
Worldsmart	Worldsmart Technology Pty Ltd

1. INTRODUCTION AND CONTEXT

1.1 Background

The RGWP was established in 2006 to report to the Minister for Gambling (now Minister for Business Services and Consumers) on strategies that can be implemented to support customers to make commitments about their level of gambling on electronic gaming machines (EGMs). A copy of the RGWP's Terms of Reference, as updated in April 2010, is provided in Appendix 1.

The establishment of the RGWP followed a number of key events, which included:

- The Independent Gambling Authority's (IGA) 2005 inquiry into smart card technology. The IGA recommended the introduction of a mandatory smartcard system that enables: tracking of a person's EGM play, setting of limits, and exclusion from play. The South Australian Government at the time considered it premature to introduce such a scheme, citing a need to know more about significant issues raised by the inquiry, which were: technology, costs and benefits, privacy, and cashless gaming.
- Gambling Research Australia (GRA) released its first pre-commitment report – Analysis of Gambling Pre-Commitment Behaviour (McDonnell Phillips, 2006). The report identified that virtually all gamblers typically have some money amount to which they attempt to self regulate during gambling (only 16% of gaming machine players never set a maximum budget for their gambling) but most, 71%, exceeded their budget in the past 12 months.

In the *First Progress Report* (2007:11), the RGWP stated:

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.

Access to pre-commitment can assist a gaming machine customer (herein also referred to as 'customer') to adhere to a budget they set. However, to make an informed choice about their level of play, the customer also needs to understand the gaming machine product and be financially literate.

Informed by stakeholder discussions undertaken in 2007 the RGWP has worked within three interdependent key focus areas:

- Informed decision-making;
- Money management; and
- Player tracking and pre-commitment systems.

A significant area of work since mid 2008 has been the conduct and/or evaluation of trials of player tracking and pre-commitment tools. The intent of the trials has been to understand customer's behaviour and the benefits when using such tools, as well as factors impacting a customer's choice to use the tool and use it effectively. The trials also aimed to understand the role of venues.

The RGWP has now completed evaluations of three trials of voluntary pre-commitment tools. It has also implemented further trials that build on the learnings from the three that have been completed. The findings of these new trials will be reported in the RGWP's next progress report. These new trials are:

- Use of the ChangeTracker Card in a counselling setting; and
- The issuing of receipts to customers in smaller venues when they exchange cash for coin.

The outcomes of two trials of voluntary pre-commitment tools were reported in the *Fourth Progress Report*:

- the Worldsmart' (Playsmart) pre-commitment trial; and
- the manual ChangeTracker Card trial.

This *Fifth Progress Report* includes the outcomes of the Global Gaming Industries Maxetag trial, which concluded on 31 August 2011.

The outcomes of the South Australian trials have been a significant informant for the national policy discussion, with the RGWP's secretariat being a major contributor to the development of pre-commitment papers prepared for State and Territory Ministers consideration.

In addition to informing the national debate about pre-commitment, the trial outcomes have formed the basis for the South Australian Government's announcement on 27 May 2011 that it is prepared to consider implementation of pre-commitment by 1 July 2014, with mandatory availability in venues and voluntary customer registration, and small venues exempt until 2018.

The RGWP has now been tasked with developing advice for the Minister for Business Services and Consumers (Minister) about the implementation and specification of pre-commitment in South Australia. A copy of the *Terms of Reference – Pre-commitment Implementation*, assigned on 1 July 2011 by the then Minister for Gambling, is provided in Appendix 2a.

The RGWP is tasked with providing its advice in accordance with the following:

- Pre-commitment provided on all electronic gaming machines in all venues with 15 or more gaming machines by 1 July 2014.
- Exemptions until 2018 for venues with less than 15 gaming machines.
- Voluntary player registration for pre-commitment.
- Players without limits set, to be sent budget reminder messages at the machine.
- Consequences the player will receive when exceeding a limit.
- Built in pre-commitment functionality for next generation gaming machines, capable of lock-out and on-screen messaging.
- A transition process that addresses issues identified by key stakeholders.

- Cultural appropriateness for a range of communities.

On 1 February 2012, the Minister assigned two additional Terms of Reference, aimed at the RGWP providing advice about the consistency of the first terms of reference, and the RGWP's pre-commitment implementation and specification advice, with the Commonwealth Government reforms announced on 21 January 2012 (ie. preceding the Commonwealth's release of draft legislation). A copy of the *Additional Terms of Reference* is provided in Appendix 2b.

When assigning the additional Terms of Reference the Minister noted that the RGWP was nearing completion of this *Fifth Progress Report*. The Minister requested that the RGWP not revise the work already done, but rather include additional advice addressing the additional terms of reference. The RGWP has prepared this report in accordance with that request.

This *Fifth Progress Report* addresses the pre-commitment Terms of Reference and is the RGWP's advice to the Minister.

The lessons learnt by the RGWP from the trial evaluations underpin the RGWP's advice about pre-commitment in South Australia.

1.2 Essential Minimum Criteria

In its *Fourth Progress Report* the RGWP identified a goal of providing customers with access to a player tracking and pre-commitment system in any venue in South Australia (2010:49), and Essential Minimum Criteria for advancing player tracking and pre-commitment tools in South Australia (2010:8). The criteria, provided below, were informed by the RGWP's evaluation of the first two South Australian trials.

Cost-effective	Efficient within the context of a sustainable industry and venue viability
Evidence-based	Relevant research of responsible gambling outcomes is considered and incorporated where appropriate, particularly on-going evaluation supported by a systems data collection and management process
Flexible	Flexibility of functions is important to meet the needs of a variety of customers and venues, to encourage future innovation in system design and operation, and to support responsible gambling outcomes.
Informed choice	Accessible and user friendly information to support informed decision-making and promotion of pre-commitment as a tool for all gamblers
Integrated	Integrated with existing industry responsible gambling programs i.e. Host Responsibility Coordinators, Gaming Care and Club Safe
Privacy	Compliance with Commonwealth Privacy Principles
User Friendly	Ease of use of system and system materials for all gamblers, so that recreational gamblers are not deterred or inconvenienced, and responsible gambling outcomes are supported
Variety	Not just limited to one solution; a variety of systems to encourage accessibility and innovation
Voluntary	Voluntary for the customer and available at all venues

The *Fourth Progress Report* also contained a discussion about each criterion and identified areas the RGWP agreed required ongoing discussion. Those areas, and the basis of further discussion as described in the *Fourth Progress Report*, are (2010:49):

- Small venues – The RGWP is mindful of a need to find a balance between system provision in small venues and large venues; this

has been the basis for the RGWP undertaking evaluations or trials involving a variety of approaches.

- Single or multi system approach and system interoperability – While the RGWP has a mixture of views about the desirability of a single system (competition could encourage innovation), the RGWP agrees that in a multiple system situation, system interoperability would be desirable. This would, however, need to be carefully considered and developed so that information follows a customer and appears seamless to the customer, while not disclosing system provider information across commercial boundaries.
- Voluntary for customers – The RGWP continues to discuss what voluntary means in the context of pre-commitment tools. In the *Fourth Progress Report* it was agreed that the specification of the default operation of pre-commitment tools is likely to be a significant determinant of their success.

Small venues and multi system or single system provision continued to be two areas of debate amongst the RGWP in their development of a response to the Minister's pre-commitment Terms of Reference. The outcome of that debate is reflected in this *Fifth Progress Report*.

With regard to a system that is voluntary for customers, the RGWP notes that the pre-commitment Terms of Reference specify that a pre-commitment system implemented in South Australia will be voluntary for customers. The RGWP's advice to the Minister about pre-commitment in South Australia is within that context.

1.3 Fourth Progress Report – Forward Actions

In the *Fourth Progress Report* the RGWP identified a range of actions it would undertake during 2010 and until the time of this *Fifth Progress Report*. A copy of those actions is provided in Appendix 3. Achievements against those actions will be discussed throughout this report.

1.4 Report structure – before, during and after play

In the *First Progress Report* the RGWP discussed a range of options for supporting customer commitments regarding their EGM play within a framing of before, during and after play. The discussion in this *Fifth Progress Report* about the specification of pre-commitment will be presented under those same three headings:

- Before Play – For 'before play' the RGWP identified in its *First Progress Report* that it would focus on informed decision-making and improving financial literacy to assist customers to make "choices that are appropriate to and within one's preferences, circumstances and financial and social limits" (2007:11). Consistent with this, 'before play' in relation to pre-commitment is about providing sufficient information and support for customers to choose to engage with pre-commitment and then to do so in a personally meaningful way. Section 3 of this progress report discusses the specification of pre-commitment "Before Play".
- During Play – 'During and after' play were identified in the *First Progress Report* as "mechanisms...that assist customers to

voluntarily set limits on their EGM play, track their progress in relation to their limits and to receive feedback” (2007:14). Again, pre-commitment ‘during’ play is about tracking against the customers specified limits so as to keep them informed of how they are progressing and provide a mechanism for the customer to cease playing beyond their limit. Section 4 of this progress report discusses the specification of pre-commitment “During Play”.

- After Play – ‘After’ play is about continuing to inform and support the customer in relation to their pre-commitment decision. Section 5 of this progress report discusses the specification of pre-commitment “After Play”.

The RGWP’s minimum specification for pre-commitment is preceded in section 2 by a conceptual discussion about pre-commitment and an identification of the purpose of pre-commitment.

The implementation of pre-commitment in South Australia and relevant contextual factors are discussed in section 6.

Section 7 addresses the Minister’s additional Terms of Reference.

2. CONCEPTUALISING PRE-COMMITMENT

Advice about implementation and specification of pre-commitment in South Australia is necessarily underpinned by an agreed understanding of the purpose of pre-commitment:

- What is the underlying issue that pre-commitment can address?
- What is a pre-commitment system intended to achieve?
- How can success be measured?

2.1 Underlying issue – time inconsistent preferences

Most gamblers gamble with enjoyment and without harm. There are however, some individuals who over consume, and associated with this over consumption is harm.

In this regard, the Productivity Commission observes that:

“...features of gaming machines mean that genuinely informed choice are often not present” (2010:10.1). “Consumers have many choices apparently available to them when gambling....when, how long, how much, where....playing styles, such as the level of risk they wish to take...choices about lines or credits played...and so on. Like any other consumer service, the market accommodates, reinforces and creates these choices...however, the conditions needed for...informed and rational choices are incomplete, so that the outcomes can be problematic...” (PC, 2010:10.2-10.3).

Traditional economic models assume that human choices are rational and are based on perfect information. Behavioural economics, a crossover between psychology and economics, seeks to unpack the assumption of rationality. A key concept in this area is time inconsistent preferences; this is where the preferences of an individual at one point in time are inconsistent with what the same individual prefers at another point in time.

Virtually all
EGM
customers
have a
budget but
most exceed
it.

As noted earlier, the 2006 GRA pre-commitment study showed that virtually all gaming machine customers identify an amount of money they want to spend but most exceed their budget.

This demonstrates the strength of time inconsistent preferences and the relative weakness of strategies adopted by customers, such as (PC, 2010:10.5):

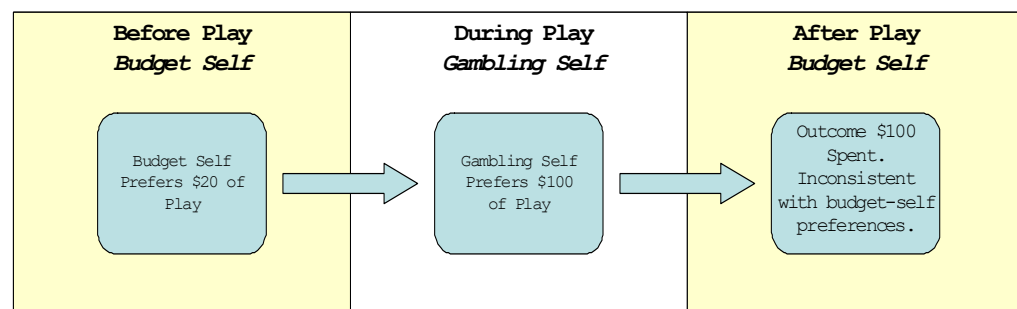
- will power;
- making self feel guilty;
- planning another diverting activity;
- playing on low denomination machines;
- avoiding using ATMs;
- putting credit/debit cards in the freezer;
- using a change tracker; or
- using a gambling diary.

In the following discussion, the terms *budget self* and *gambling self* will respectively refer to the customer's budget decision making:

- before gaming machine play (*budget self*); and
- during gaming machine play (*gambling self*).

With reference to Figure 1, under the concept of time inconsistent preferences, the *budget self* allocates an appropriate level of gambling expenditure as part of their regular budgeting, for example \$20. This is typically done away from the gaming venue and before play on gaming machines. However, during play the *gambling self* becomes present, preferring, say, \$100 of game play. After play, the *budget self* finds that \$100 was spent, which is inconsistent with the *budget self* preference of \$20.

Figure 1: Impact of time inconsistent preferences in gambling



2.2 Describing pre-commitment – the objective

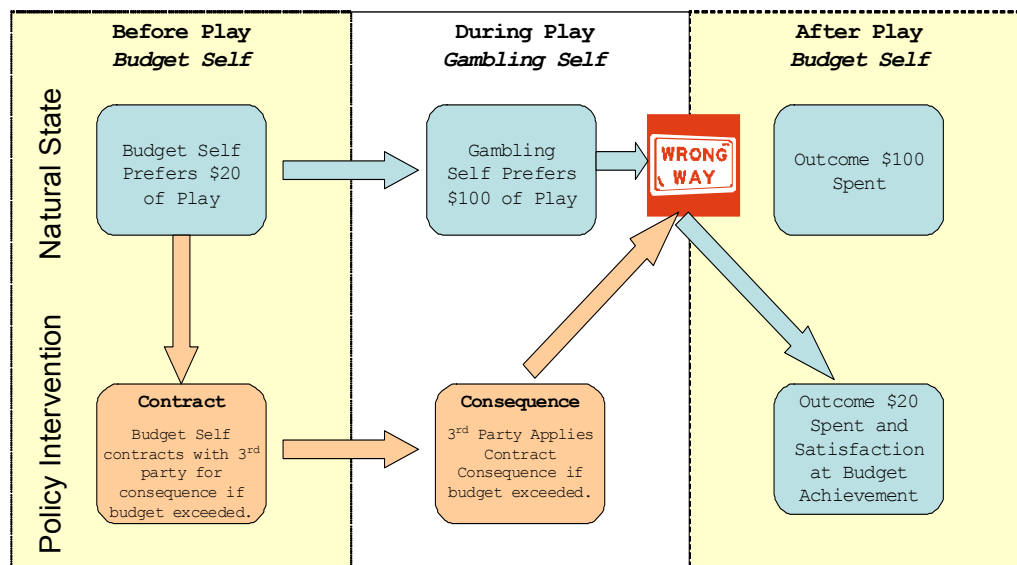
Consistent with the scenario in Figure 1 and with the findings of the 2006 GRA report, the objective of implementing a pre-commitment system is to assist customers to make consistent gambling preferences over time. In other words:

to increase the number of gaming machine customers that adhere to the budget they set before play.

Figure 2 describes a pre-commitment system. The *budget self* is able to set the terms of their future gambling with a third party through a “contract”. While those terms of gambling could include a number of options, such as time limits and breaks in play, it would typically be a budget (\$20 in Figure 2).

The objective of pre-commitment is to increase the number of EGM customers that adhere

Figure 2: Description of pre-commitment system



Contract refers to the process of a customer (*budget self*) registering on a pre-commitment system and setting the limits at which they want the system to deliver a consequence if they exceed those limits.

Consequences can range from:

- the more subtle (e.g. reminder messages and audible beeps);
- to third party interaction (e.g. staff attendance at the machine);
- to a reduction in gaming machine features; or
- to being locked out of machine play for a specified period.

During play the pre-commitment system would track the activity of the customer and apply the system consequence(s) which form part of the contract between the *budget self* and the third party. The consequence(s) should remind the *gambling self* of their contracted amount and that going beyond it is the “wrong way”.

If successful, the application of consequences will divert the behaviour of the *gambling self* during play so that the outcome after play is consistent with the contracted wishes of the *budget self*.

Figure 2 shows a successful intervention where the outcome of \$20 spend is consistent with the *budget self*. It also shows the alternate outcome (natural state) where the consequence was not sufficient to divert behaviour, resulting in \$100 spend, which is inconsistent with the *budget self*.

A pre-commitment system does not mean that customers will set safe gambling limits.

A pre-commitment system does not mean that customers will set safe gambling limits. A safe gambling limit is specific to the individual's circumstances. It requires the customer to be financially literate (money management) and to understand how gaming machines work (informed decision making).

Figure 2 provides a simple description of how pre-commitment works. It suggests a linear process of contract, consequence, and outcome. However, the reality is that this process does not occur once. For example, a regular

Customer interaction with pre-commitment is not linear. Customers learn and adapt.

weekly customer can be considered to have 52 “gambling rounds” in a year. It is therefore possible for the outcomes and consequences to influence and change the customer’s pre-commitment contract over time – customers learn and adapt in response to their experience.

The consequences of exceeding a limit need to be sufficiently salient to reinforce the customer’s *budget self* but not deter meaningful system use. For example, in a scenario where the consequence for reaching a limit is to be locked out of play for a specified period, this consequence could have a negative emotional impact on the customer and may result in adaption of the customer’s behaviour to avoid suffering the emotional impact again.

The adaptive behaviour could be that the customer may seek to alter the limit at the time the limit has been exceeded. At this point in time the *gambling-self* will be dominant and the limit set would be the *gambling-self’s* limit, which could be no limit or a nonsense limit which is well above the customer’s usual budget.

While introducing the concept of a cooling-off period may help, if the negative emotional impact of being locked out encourages strong avoidance behaviour, it is unlikely to be effective.

The strength of these effects is unknown in the absence of an evaluation of a pre-commitment system with lock out. However, the RGWP’s experience in one of the South Australian trials, where a consequence of loss of loyalty points was initiated, suggests that customers will undertake avoidance strategies so that they do not receive consequences they do not like. This is discussed further in Section 4.5 of this progress report.

2.3 Measuring success

While a reduction in overall gambling activity might be considered an indicator of a successful pre-commitment system, where customers gaming spend is consistent with their *budget self*, it could also be an indicator of a poor pre-commitment system that results in recreational and occasional gaming machine customers not gambling.

Success can be broken down into two aspects:

- the number of customers that take up limit setting; and
- the effectiveness of those limits – the outcome of gambling is consistent with the limits set by the *budget self*.

Measuring success requires a combination of quantitative and qualitative assessment techniques.

Over time, success with a pre-commitment system would be indicated by:

- an increase in the number of gaming machine customers that have contracted a meaningful limit (as opposed to \$0 or an unattainable limit);
- an increasing level of understanding of pre-commitment;
- a customer setting limits consistent with the *budget self*; and
- a customer’s gaming activity converging on the level implied by their contracted limits.

3. BEFORE PLAY

In the context of pre-commitment, “Before Play” encompasses:

- informed decision making strategies;
- money management strategies focussed on financial literacy for personal budget setting, particularly with regard to understanding the cost of gaming machine play and determining a personally meaningful limit;
- the registration process for pre-commitment; and
- the parameters of limit setting offered to the customer, which includes the types of limits that are offered and periods to which the limits apply.

Following is a discussion of each of these areas of “Before Play”.

Each section will conclude with the RGWP’s identification of a minimum requirement for the specification and implementation of pre-commitment.

3.1 Informed decision making

The RGWP has consistently seen informed decision making, money management skills and pre-commitment as a package.

Pre-commitment can best assist those customers that can make informed decisions about gambling.

While access to pre-commitment will assist customers who are amenable to budget setting to adhere to a budget they set, the customer needs to understand the gaming machine product and be financially literate to make an informed choice about the level of their play. They also need to be presented with a system that:

- involves simple access and ease of use and understanding;
- is seen as personally relevant and having value; and
- provides confidence that customer privacy is protected.

Pre-commitment is for all gaming machine customers.

Since the *First Progress Report* the RGWP has consistently identified that mechanisms to support customer commitment can assist all gamblers, not just those experiencing negative impacts from their gambling.

This has been reinforced by the lessons learnt from the trials, which showed that a range of customers with varying risk status voluntarily used the tools with an overall benefit. It is also reinforced by the Productivity Commission in its 2010 gambling report, where the Productivity Commission identifies that the target group for pre-commitment is primarily regular gamblers (PC, 2010:10.16).

In the *Second Progress Report* the RGWP identified areas for focussing informed decision making strategies. They included: material about understanding the gambling product and translating commitment strategies into actions; attending to cultural and financial literacy diversity; increasing staff and customer interactions to create an environment of customer support; and responsible gambling education in schools (2008:10-11).

Over the past five years, the RGWP has implemented and monitored strategies across all of these areas. The following discusses these in the context of advancing pre-commitment, specifically:

- community education strategies to promote pre-commitment as a tool for all gaming machine customers;
- easily accessible and user friendly in-venue material for promoting and explaining pre-commitment, which is consistent across all venues and considers cultural appropriateness;
- staff training regarding appropriate language for promoting and discussing pre-commitment, which is consistent across all venues; and
- clarity about privacy protections.

3.1.1 Communication, promotion and information

For pre-commitment, informed decision-making will require communication strategies that target the wider community and the EGM gambling population specifically. The short term aim is to assist the wider public's understanding of gaming machines and pre-commitment, and to promote pre-commitment as a tool for all customers. The long term aim is to normalise pre-commitment as an everyday part of EGM play.

A key aspect of the RGWP's evaluation of the three South Australian pre-commitment trials has been to develop an understanding about customer's amenity to and understanding of pre-commitment, and also about what works in relation to engaging customers with pre-commitment. The trials have shown that barriers to adoption are (Schottler Consulting, 2010):

- customer perceptions that pre-commitment must be a product only for problem gamblers;
- customer perceptions that limits are about Government controlling expenditure;
- staff using long-winded promotions; and
- having customers fill out or read too much content in promotional materials.

Clear, consistent and simple information is essential to encourage pre-commitment registration.

Simple, clear and succinct in-venue information generally about pre-commitment and specifically about the available system will assist both customers and venue staff. It will also be fundamental to encouraging customer take-up of pre-commitment, as well as a customer's ability to use pre-commitment to their best advantage (ie. personally meaningful and realistic limit setting).

Communication about pre-commitment will need careful consideration of the language used.

Information, promotion and staff training should have a baseline of consistency across all venues, to the extent possible with a single or multiple system offering. This will assist both customers who move across venues and staff who work across venues. It will also facilitate clarity and normalisation.

A customer's amenability to using a pre-commitment system can be impacted by their perception that pre-commitment is a tool for problem gamblers or about

addressing problem gambling. Customers disassociate from this label regardless of their gambling risk status.

Commonly used words in the gambling sector (for example: responsible gambling) and more recently, the language of pre-commitment itself (for example: limits, control, monitor, track, and even pre-commitment), have become associated with problem gambling. Communication about pre-commitment will need careful consideration of the language used in promotional material, registration forms, and in staff's engagement with customers.

During the current reporting period, the RGWP established an In-venue Media Advisory Group, which will report to the RGWP in 2012. The group is chaired jointly by the:

- General Manager, Gaming Care; and
- Executive Director, Club Safe.

Group members are managerial level staff from:

- Gambling Help Services;
- Adelaide Casino;
- Independent Gambling Authority;
- Office for Problem Gambling;
- Department of Consumer and Business Services; and
- Department of Treasury and Finance.

The advisory group is tasked with providing advice to the RGWP about particular communication strategies to assist informed decision making in relation to EGM play. In particular, the group is tasked with providing advice about materials to inform customer decision-making and understanding about pre-commitment.

The outcomes of the In-venue Media Advisory Group will be reported in the RGWP's next progress report.

3.1.2 Attending to diversity

Attendance to cultural and literacy diversity was raised by participants in the RGWP's 2007 regional discussions and discussed by the RGWP in its *Second Progress Report* (2008:12-13).

Gambling is an activity that has varying roles within different communities – communicating pre-commitment needs to consider cultural and literacy diversity.

For the RGWP, cultural diversity recognises that a variety of human societies or cultures with different value systems exist in a multicultural society such as South Australia, with gambling being an example of an activity that has varying roles within different communities. Those roles need to be understood and taken into consideration when developing a strategy and material for communicating pre-commitment.

During 2011, the RGWP considered reports released by Gambling Research Australia (GRA) that examined gambling in culturally and linguistically diverse and indigenous communities. These reports reinforced the need to carefully consider an approach for engaging diverse cultures with pre-commitment.

During the reporting period, the RGWP began discussions with gambling help agencies that work with differing cultural groups, so as to understand what may need to be considered for those communities when implementing customer commitment strategies. The RGWP has learnt, for example, that advancing pre-commitment tools amongst various cultural groups will require direct engagement with those communities.

The Responsible Gambling Code of Practice requires gambling providers to make available specified responsible gambling material in five specific languages other than English – Arabic, Chinese, Greek, Italian, and Vietnamese – as well as other languages relevant to the venue's customer profile.

The required material in the five languages and English is produced by the Office for Problem Gambling (OPG) and made available to venues. When there is a need for the material to be provided in other languages, the OPG co-ordinates translation and production to meet the specific need.

Pre-commitment information available in venues should be provided in common language groups. Consistency with the codes of practice makes sense. However, the RGWP is aware that this is not a small task and one that requires careful consideration and accurate translation of meaning. This may best be addressed by a process of consultation to identify how to present and translate pre-commitment to a range of communities.

Consultation
may be
required
about
presenting
and
translating
pre-
commitment
for various
communities
and literacy
levels.

Consultation is consistent with the RGWP's discussion in its *Second Progress Report* (2008:13). The RGWP identified a need to consider culturally adapting education or marketing strategies within areas that have a high prevalence of a particular cultural group and that such a strategy would need to be undertaken in collaboration with local community leaders.

The RGWP is also conscious of diversity in literacy standards. In the *Second Progress Report* the RGWP observed that "the use of simple diagrams, cartoons or line drawings would accommodate people with lower literacy skills, while also appealing to a broader audience, as many people choose not to read the vast amounts of paraphernalia available to them" (2008:13).

3.1.3 Customer support – Industry responsible gambling initiatives

Of particular interest to the RGWP has been the work of the industry responsible gambling initiatives – Gaming Care (AHA SA), Club Safe (Clubs SA), and the Host Responsibility Coordinators program (Adelaide Casino). Considerable change has occurred in industry over the past five years with regard to identification and management of customers who are exhibiting suspected problem gambling behaviours.

Significantly, staff are no longer relying on customers to self identify with gambling issues and are now the primary instigator of interactions with customers. Venues are also now engaged with their relevant Gambling Help Service both through developing a direct relationship and through training provided by industry's responsible gambling initiatives.

Gaming Care, Club Safe, and the Host Responsibility Coordinators program, in their work with venues and/or customers, have developed strategies to better equip staff in-venue to engage with customers. These strategies, while not uniform to all three programs, have included:

- production of a DVD showing scenarios for staff interactions with customers;
- testing in venues the application of criteria identified through a GRA study as being indicators for identifying suspected problem gamblers in-venue, the results of which have informed development of an advanced training course for venue staff; and
- participation in a study about how venue staff respond to and assist customers with gambling problems, including any gaps in staff skills, knowledge and training, the results of which have been used to further develop staff training programs.

While South Australia's mandated codes of practice have facilitated the shift in venues support of customers, a significant contributor to the change has been industry's voluntary establishment of the responsible gambling initiatives. Further, with the support of the RGWP, industry has voluntarily implemented South Australia's pre-commitment trials.

Venue staff's increased skill and confidence at engaging with their customers is critical to the introduction of pre-commitment across South Australia.

Venue staff engagement with customers about pre-commitment is pivotal to take-up.

As evidenced in all three South Australian trials, staff engagement with customers about pre-commitment is pivotal to take-up. In all three trials, take-up peaked when staff promoted the function directly to customers, and in the Worldsmart trial customer spend decreased following staff interaction after a limit was exceeded.

Venue staff will need training in the promotion of pre-commitment broadly and more directly with individual customers, using language that does not inadvertently deter take-up. This will include staff's ability to respond to questions of privacy protection.

While industry providers of pre-commitment tools will have a role in information provision and promotion, Gaming Care, Club Safe, and the Host Responsibility Coordinators will be key to assisting this process. All three are represented on the In-venue Media Advisory Group, which, as noted in section 3.1.1, has been tasked with providing advice to the RGWP about materials to inform customer decision-making and understanding about pre-commitment.

3.1.4 Customer privacy

In the *First Progress Report* (2007:6) the RGWP identified that compliance with Commonwealth Privacy Principles was one of ten essential minimum criteria that would guide the development of customer commitment strategies. It was seen as a minimum requirement for achieving collaboration and agreement across stakeholders for the implementation of any initiatives. It has remained a constant criterion for all of the RGWP's work.

Customer privacy is essential for gaining venue support and customer take-up.

Following the completion of the first two player tracking and pre-commitment trials, the RGWP reviewed the essential minimum criteria as applied to the trials. The RGWP further acknowledged that compliance with Commonwealth Privacy Principles is a requirement for the advancement of player tracking and pre-commitment in South Australia and a key to gaining venue support and customer take-up.

Privacy is a sensitive area. It needs to be well managed so as not to be a barrier to take-up and effective system use. The trials showed that if customers perceive or experience system processes that draw attention to them in the venue, they will either not register or they will undertake avoidance strategies. Specifically:

- customers can be deterred from registering for pre-commitment if it is marketed in an attention seeking way (eg. bright promotional bag used in ChangeTracker Card trial) and if they feel that their registration is perceived by other customers as indicating that they have a gambling problem;
- the process by which a customer is notified that they have exceeded a limit needs to be sufficiently salient but without drawing the attention of other customers; and
- customers need and seek assistance with determining meaningful limits but are not supportive of making information available in venues to assist this process, saying it could be considered an intrusion of privacy (Schottler Consulting, 2010:151).

These privacy points are discussed further throughout this progress report.

3.1.5 Minimum requirement – informed decision making before play

Customer engagement with pre-commitment will be influenced by:

- perceptions of its personal relevance;
- ease of registration and use; and
- confidence that privacy is protected.

Pre-commitment needs to be promoted on two levels:

- broadly to the community as a tool for all gaming machine customers, so as to normalise pre-commitment as part of the gambling experience; and
- specifically to gaming machine customers.

Language use will need careful consideration, as well as strategies to communicate pre-commitment to diverse communities. Consistent language and promotion across venues will assist both customers and venue staff.

Based on the RGWP's trials experience and informed by gambling research, the RGWP has identified the following minimum requirement for informed decision making before play in relation to the implementation of pre-commitment in South Australia.

3.1 Informed decision making	
Function and description	Minimum Requirement
Community Education <i>Pre-commitment choice needs to be available to all gaming machine customers, accompanied by community education and the promotion of its being a tool for all customers.</i>	<ul style="list-style-type: none"> Promotion of pre-commitment as a tool for all gaming machine customers. Consideration of cultural appropriateness for a range of communities. Community education campaign using appropriate language, aimed at the wider community. Community sector worker training about pre-commitment and beneficial language.
In-venue materials and promotion <i>Increasing customers' understanding of pre-commitment and gaming machines, and that pre-commitment is a tool for all customers.</i>	<ul style="list-style-type: none"> User friendly and easily accessible information containing pre-commitment language that is consistent across venues. Identification of privacy protections. Venue staff training in appropriate language for promoting/discussing pre-commitment with customers, which language is consistent across venues. Culturally appropriate materials relevant to venues demographic.

3.2 Money Management

In the *First Progress Report*, the RGWP identified that it was interested in finding ways to assist customers to assess the affordability of their expenditure on gambling as a component of their discretionary finances (2007:12).

This will be a key aspect of implementing pre-commitment. Customers will need to make decisions about the expenditure limit they want to set. This will require some basic financial literacy skills and an understanding of the cost of playing an EGM. It will also require customer recognition that gambling is an entertainment product that they budget for along with their other recreational and entertainment activities.

The following discusses the RGWP's experiences of the trials with regard to meaningful limit setting and initiatives to assist customers to consider gambling in the context of regular budgeting.

3.2.1 Determining a meaningful limit – assisting customers

A significant issue to address when introducing pre-commitment is customers determining a personally meaningful limit.

Venue staff often assist customers to set limits.

The South Australian Worldsmart trial showed that customers relied on advice from a third party, primarily staff, about what types of limits and limit amounts to set, and about 20% or more permitted a third party (for example, staff or a spouse) to choose their limit (Schottler Consulting, 2010:9). The trial also raised a question about whether customers are setting limits based on their typical

expenditure or a safety net limit – 62% reported selecting limits higher than what they usually spend (2010:14).

Staff should be supported with appropriate training.

Venue staff will need training about how to respond to a customer who seeks assistance with determining their personal limit. Both staff and customers will be assisted by simple, clear and succinct pre-commitment information that is consistent across all venues. Consistency of staff training and in-venue material will minimise confusion in customers and decrease uncertainty for venue staff, particularly in a sector where both staff and customers move around.

The South Australian trials showed that guidance about limit selection was a sensitive area encompassing privacy concerns. Focus group participants for the evaluation of the Worldsmart trial “even saw offering [information about affordable limits] as an intrusion of a person’s privacy and certainly not an activity that Governments or venues should be involved in” (Schottler Consulting, 2010:151).

However, the privacy concern raised by customers in the focus groups needs to be balanced with the behaviour displayed by customers in the trials, where they “relied heavily on staff advice for what types of limits and limit amounts they should set” (Schottler Consulting, 2010:156).

This suggests a need to develop in-venue information in consultation with customers, including market testing.

In-venue information should cover:

- the cost of EGM play;
- gambling as a component of entertainment spending, which the customer needs to include in their regular budgeting; and
- choosing a personally meaningful limit – typical expenditure versus safety net – so that on registration the limits set are consistent with the *budget self*.

This is supported by feedback from focus group participants in the Worldsmart trial who, despite their privacy concerns, offered suggestions for assisting customers to choose meaningful limits:

The only concepts mentioned...related to the potential to either give player’s tips to ensure affordable expenditure (eg. pay bills first), give people information on what they can do with their money or alternatively, provide players with a handy reference card, which shows how weekly gambling along with other types of expenditure, can add-up over a year (Schottler Consulting, 2010:151).

Financial and gambling counsellors may assist customers to set limits, and so, should be provided with appropriate training.

A number of community sector agencies engage with gaming machine customers. The RGWP is mindful of the work of accredited financial counsellors, particularly those who work in coordination with gambling help services. Training of staff in these agencies about the language for discussing pre-commitment and customers determining a personally meaningful limit will also benefit both customers and venues.

Accredited financial counsellors remain an area of interest for the RGWP.

3.2.2 Money management seminars in venues

In 2009 the RGWP had discussions with a group of budgeting and accredited financial counsellors experienced in the gambling field. The group identified a range of strategies that their experience suggested might assist gamblers manage their gambling budget. These are reported in the *Fourth Progress Report*.

Following those discussions, the RGWP investigated the feasibility of implementing a number of strategies suggested by the group. Some of the strategies aligned with initiatives already underway at the time. For example:

- spending diaries were similar to the ChangeTacker Card trial;
- a requirement to cash out winnings over a certain amount before play can continue, fell within the work being undertaken by the Ministerial Council on Gambling working group on EGM environments; and
- signage in venues and promotion of financial literacy and responsible gambling in smoking areas was within the considerations of the RGWP's signage advisory group.

During the current reporting period, the RGWP began implementation of a strategy developed during the 2009 discussion, which involves the promotion or conduct in gaming venues of locally offered money management workshops, specifically Money Minded.

Money Minded is provided in South Australia through an ANZ funded project officer based at Anglicare. A primary aspect of the program is the conduct of consumer education workshops across a range of financial related topics. Tailored to suit the audience, the program also has the flexibility to add in new workshops on topics that are identified by workshop participants. In this regard, Money Minded is consistent with the National Financial Literacy Strategy, in that it aims to reach wide and varied audiences by structuring the program to suit the intended audience.

Financial literacy is a fundamental skill for all people.

The RGWP's intent with Money Minded is to conduct or promote the program in venues for the wider local community rather than targeting it to the venue's gambling customers. As with pre-commitment, the RGWP sees financial literacy as a fundamental skill for all people and that gambling is part of a person's entertainment budget. Further, the RGWP's lessons from the pre-commitment trials support a focus on the wider community – customers could disassociate from Money Minded having personal relevance if it is presented or promoted in the context of gambling.

To begin the process of advancing support for Money Minded at venue level, Gaming Care and Club Safe staff undertook train the trainer in late 2011. The next step will be for staff from both agencies to engage with venues to gain their support for promoting or providing Money Minded on site. Progress with this initiative will be reported in the RGWP's next progress report.

3.2.3 Schools and financial literacy

The National Financial Literacy Strategy places a priority on schools developing financial literacy which, being a fundamental life skill, the RGWP strongly supports.

Gambling should form a component of regular budgeting.

Until 2010 the South Australian Department of Education and Children's Services (DECS) implemented a Responsible Gambling Education (RGE) Strategy. Education about gambling was positioned with health and well being initiatives (making sound health decisions in the context of everyday life) and financial literacy (ability to manage money). This is in line with the RGWP's position that gambling should form a component of regular budgeting.

While a project officer is no longer dedicated to assisting schools, the teaching resources created during the RGE strategy remain available to teachers on-line. Beginning in 2012, the new Australian Curriculum will see financial literacy introduced into R-7 and then year 8, as a strand of the mathematics curriculum.

3.2.4 Minimum requirement – money management

A key aspect of successful pre-commitment is customers being able to determine a personally meaningful budget, including what they can afford to spend on gambling as a component of their discretionary finances.

The trials show that customers struggle to identify meaningful limits and look to staff for assistance. The trials also showed that discussion about money related matters is highly sensitive and will require careful development both in terms of staff training and in-venue materials.

It will be crucial to have consistent information available in venues for both staff and customers to access. Venue staff and staff from external agencies that have contact with gamblers will also need consistent training in how to assist customers determine a personal limit.

Based on the RGWP's trials experience and informed by gambling research, the RGWP has identified the following minimum requirement regarding money management for the implementation of pre-commitment in South Australia.

3.2 Money Management	
Function and Description	Minimum Requirement
Personal budget setting <i>Assisting customers to identify a personally meaningful limit.</i>	<ul style="list-style-type: none"> User friendly and easily accessible information, using language that is consistent across venues, about: <ul style="list-style-type: none"> The cost of EGM play. Gambling as a component of entertainment spending, which the customer needs to include in their regular budgeting. On site information about choosing a personal limit (typical expenditure versus safety net), using language that is consistent across venues. Venue staff training about how to respond to customers' questions about what limit they should set, with the content of the training to be consistent across venues, including appropriate language.

3.2 Money Management	
Function and Description	Minimum Requirement
	<ul style="list-style-type: none"> Community sector worker training about limit setting – typical expenditure versus safety net – with the content of the training to be consistent across agencies, including appropriate language.

3.3 Registration

The RGWP notes that the pre-commitment Terms of Reference require the RGWP to provide its advice about the implementation and specification of pre-commitment in accordance with the provision of pre-commitment on all EGMs (staged across venues dependent on EGM numbers) and voluntary customer registration. The following discussion is in the context of the term of reference regarding voluntary registration.

The goal of voluntary customer registration is consistent with the RGWP's *First Progress Report* released in 2007. In that report the RGWP noted that (2007:5):

The South Australian Government is seeking to create a more supportive environment for EGM players, particularly an environment that enables gamblers to set and keep voluntary commitments regarding their time and expenditure on EGMs.

The Productivity Commission in its 2010 gambling report identifies that many of its recommendations for amended regulation aim to provide consumers with a greater capacity for exercising self-responsibility; pre-commitment is identified as one of the areas where the Productivity Commission's intention is to leave consumer sovereignty intact (PC, 2010:20).

The registration process is the first contact a customer has with pre-commitment. How it is presented plays a key role in a customer's ongoing engagement with pre-commitment.

The following discusses a process for:

- registration; and
- ensuring, as best as possible, that a customer understands the parameters of their registration, such as the system consequences and how to make changes to the limits that they have set.

3.3.1 The registration process

A quick and easily understood registration process is essential.

Evidence from the South Australian trials shows that the registration process needs to be simple, quick, and easily understood. A pre-commitment system with easy to use registration and appropriate marketing is likely to be adopted by customers who are amenable to limit setting.

The Global Gaming Industries (GGI) trial showed that while refinements can be made to systems to improve ease of function, if access to and operation of the system is initially complicated or confusing, the initial impetus for customers to engage with the feature can be lost.

In the GGI trial, budget setting was offered as an additional feature of the Maxetag loyalty system. In phase 1, the registration process required

customers to first notice and read in-venue promotional material outlining the steps to set a budget. The budget feature was not obvious. As a result, during the ten months of phase one of the trial, no customers set a budget. However, it is also feasible that customers were consciously choosing to not use the feature.

For phase 2, a new “yes/no” strategy was implemented, which involved all Maxetag customers when tagging on being asked: “Do you want to set a budget?” “Yes” and “No” buttons were now clearly provided on the console. During this phase more active promotional strategies were also implemented such as a promotional voiceover explaining how to set a budget, with some staff engagement. The yes/no initiative resulted in several customers investigating the budget feature and some setting a budget for the first time in the trial.

However, of the instances of the “yes” button being pressed at least once, 93% did not proceed to actual budget setting (Delfabbro, 2012:36). This could be due to customers investigating the system and choosing not to use it or, as shown by the task analysis (Delfabbro, 2012:52), it could also be that the system did not provide sufficient time for a budget to be set.

The task analysis took two approaches:

- minimal instruction requiring customers to read in-venue posters explaining how to use the system (replicating phase 1 of the trial); and
- fuller instructions (replicating phase 2 of the trial).

For the first approach (relying solely on poster information) “it was immediately evident that...none of the participants were entirely sure what to do” (Delfabbro, 2012:53).

On providing the fuller instructions it became evident that the system was not immediately clear and did not allow enough time, with the system timing out and defaulting to play before a budget could be set (Delfabbro, 2012:54). For example, to set a budget of \$25, the \$20 and \$5 buttons needed to be pressed, with this being one step of the whole budget setting process.

Over time, an increase occurred in the instances of “no” being immediately selected when the customer tagged on, peaking in April 2011 when the new promotional voiceover was implemented, but remaining higher than when the yes/no function was first initiated (Delfabbro, 2012:38). While the instances of a customer pressing “no” at least once each month were higher than “yes” from the start of the yes/no function (4-21 times higher depending on the month and venue), more customers were consciously deciding not to set a budget as their awareness of the function increased.

This increasing “no” cohort could also include those customers who attempted to use the system but were unsuccessful due to timing out and, as a consequence, were deterred from further engagement.

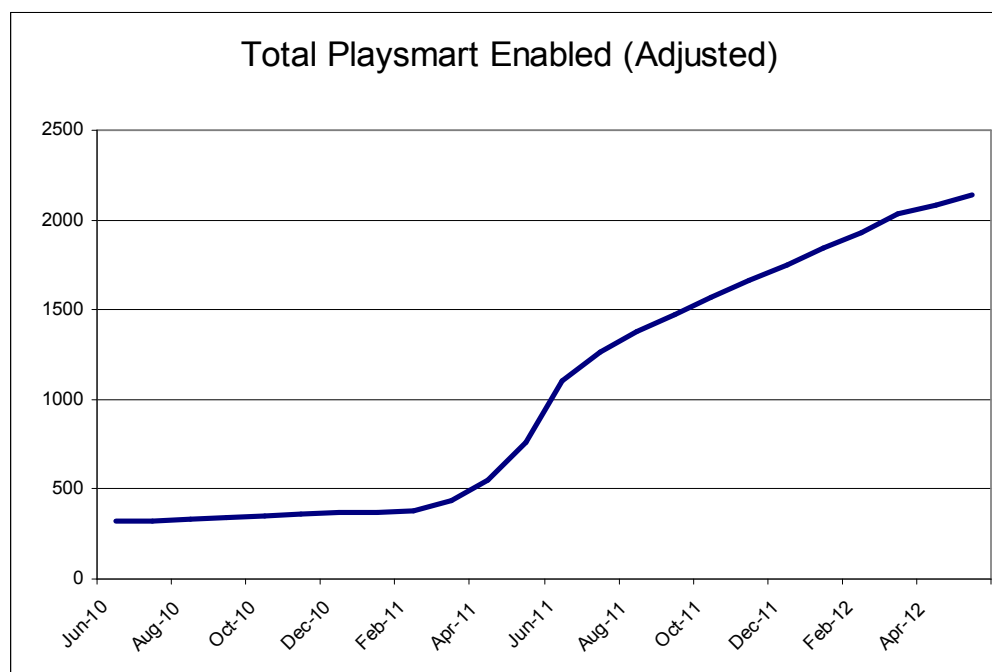
In the Worldsmart trial, while take-up was much greater than that in the GGI trial, customers who participated in usability testing reported that the registration process was confusing and too long. It involved reading eight brochure size pages of descriptive information, which included the registration form with multiple limit setting options.

Worldsmart trial participants also rated the ability to set limits in advance of play as one of the top three most useful features of the pre-commitment product, along with setting a spend limit and personalising the budget exceed message (Schottler Consulting, 2010:8).

Since the completion of the Worldsmart trial at the end of October 2009, based on the trial findings, the registration process and form for Playsmart (the market name of the pre-commitment product) has been decreased to a single sided, brochure size application form with less limit options (refer to Section 3.4.1 of this progress report for further information). This simplified registration was launched at the start of October 2010.

In April 2011 a further simplification of the Playsmart registration process was initiated – all customers who are newly registering for the J-Card loyalty scheme are now asked by staff if they want to set a budget, with the limit setting done by staff immediately. This initiative has seen a significant increase in customers registering for pre-commitment, more than at any preceding time, including during the trial period. Take up of Playsmart is shown in Figure 3.

Figure 3: Take-up of Playsmart June 2010-May 2012



* From June 2008 to October 2009 inclusive (ie. 2 months preceding the trial start date and the 17 months of the trial) 268 customers enrolled in Playsmart in the six trial venues. In the 20 months from November 2009 to March 2011 another 116 customers enrolled, with some months experiencing no enrolments. From October 2010, accompanied by a media campaign, Playsmart enrolment was able to occur in any of the 76 J-card venues, and so, the enrolment figure of 116 represents very low take-up. From March 2011 Worldsmart began to focus on implementing strategies to increase take up.

The primary cohort registering for Playsmart has been new loyalty system (J-Card) customers, with low take-up from existing J-Card holders. Registration by existing card holders has consistently followed direct promotion by staff, indicating the importance of venue staff in promoting take-up. This occurred during phase 2 of the trial (active staff recruitment and offering of an incentive to customers to participate in the trial evaluation), and more recently in June 2011 after a management meeting with J-Card venue managers at which Playsmart and the importance of take-up was discussed.

Phase 2 of the trial resulted in take-up numbers over four months equal to that achieved in 12 months during phase 1 (natural take-up), while the month of June 2011 saw a three fold increase in take-up by existing J-Card holders compared to the preceding month and five fold compared to the following month.

The Worldsmart trial involved registration and limit setting away from the machine through completion of a registration form. The Global Gaming Industries trial involved budget setting on a daily basis at the machine, with stage two including a prompt question that appeared when the customer used their loyalty system tag.

Limit setting
away from
the gambling
experience is
preferable.

At its simplest, without taking into consideration a range of trial differences, varied promotional approaches and implementation impacts, registration away from the machine, when the customer is their *budget self*, has been more successful in achieving take-up and retention of limits.

This is consistent with the 2006 GRA pre-commitment report (McDonnell Phillips, 2006:12), which found that gamblers who set limits closer to actually gambling were significantly more likely to exceed their spend limit.

A customer's confidence in privacy protection is also a key consideration when registering for pre-commitment (as noted in Section 3.1.4, some customers can be deterred from registration if they feel they are perceived as having a gambling problem, either from other customers or staff).

This suggests a need for multiple registration options to cater for various customers' preferences and to facilitate easy access, but a process that includes staff accessibility. Options are:

- on site completion of a written application form (eg. registration for Playsmart);
- an interview with venue staff (eg. new registration option introduced for Playsmart in April 2011); and
- an automated kiosk in the venue (proposed by Global Gaming Industries).

3.3.2 Informed consent

The earlier conceptual discussion in this progress report (section 2.2) describes a pre-commitment system as enabling the *budget self* to set the terms of their future gambling with a third party through a "contract".

Rather than a legal meaning, the word "contract" in this progress report is used to convey a conceptual idea consistent with consumer protection principles enshrined in Australian Consumer Law¹.

While not legally binding, the customer's registration for pre-commitment is an agreement with the provider to receive a service. The service provided is assistance with adhering to a level of play to which the customer has committed, and in particular, the application of consequences if they exceed that commitment.

¹ Schedule 2 of the Competition and Consumer Act 2010

Given that the customer formally registers for the service and agrees to certain conditions (ie. 'contracts' the terms of their play), the RGWP supports the adoption of some basic consumer law principles associated with contracts, specifically:

- the product or service supplier has disclosure obligations (for example: full product details, termination rights, and conditions of contract variation); and
- the consumer has a period of time ("cooling off period") in which, without penalty, they can change their mind about their decision – this is discussed further in section 3.4.3.

As discussed in section 3.2.1, the findings of the Worldsmart trial showed that some customers relied on advice from a third party about what types of limits and limit amounts to set. This may have contributed to some customers reporting that they could not recall the limits they had set.

Further, some focus group members involved in the evaluation stated that the registration form was completed by staff (to complete the process more quickly) and so, even though they had chosen to register, they did not fully understand all of the system features and functioning (the registration form has since been revised to a very simplistic 3 step process, which facilitates customer completion).

Others claimed that they were not aware that they would cease to accrue loyalty points if they exceeded a limit. Some of these customers suggested that this knowledge might make them reconsider their ongoing registration.

The RGWP is concerned about ensuring as best as possible that a customer is informed about the pre-commitment functionality that their registration will activate.

Achieving informed consent was a key area of discussion for the RGWP, ranging from the extent to which consent is truly informed, to requiring explicit informed consent². With regard to explicit informed consent, the RGWP notes that this is the standard applied to retail contracts where there is a fee for service (for example: electricity, phone, etc) and the contract is legally enforceable.

Registration for pre-commitment is both voluntary and absent of fees. Further, customers are not prevented from continuing to play once they reach their limit and so, the 'contract' is without enforceable consequences.

The RGWP is also mindful of the sensitivities of gaming machine customers in relation to a perceived association between pre-commitment and problem gambling, and customers being concerned about their level of play being judged. One of the barriers to adoption identified by venue staff in the Worldsmart trial was "patron perceptions that pre-commitment must be a product only for problem gamblers (and patrons assuming that staff must think they have a problem)" (Schottler Consulting, 2010:19). Some customers also raised a concern about being judged by staff if staff could view their activity statements (2010:84).

² Explicit informed consent means that, having been informed of the "contract" conditions, the customer is required to consent to the conditions either verbally or in a written format (including electronically) signed by the customer.

Overall, the RGWP is of the view that a process of explicit informed consent is too strong a requirement for a voluntary process that is not legally enforceable, where the consequences do not prevent the customer from continued product access, and where gambling falls within the realm of entertainment or recreational spend. It risks exposing customer sensitivities about being judged or questioned.

Rather than an explicit consent process, the RGWP supports a registration process that aims to support customer understanding by ensuring that the customer:

Registration needs to be clear so that customers understand the pre-commitment options they have chosen and the system consequences.

- identifies their own limits;
- receives product information; and
- is specifically advised about the consequences that will be applied when a limit is exceeded, and the process for varying limits 'before' and 'during' play.

This will need to be a key element of pre-commitment training for venue staff (refer to section 6.5). Staff will need training in a process and communication approach for checking with the customer, during the registration process, the limits that they have chosen and that they have understood the product information.

3.3.3 Minimum requirement – registration

The trials and recent take-up strategies trialled by Worldsmart show that customers will take up pre-commitment if registration is easy to access and the process is simple, quick and easily understood.

It is also important to provide customers with a clear understanding about the system consequences that are applied on exceeding a limit and the process of limit variation.

Limit setting and retention appears to be more successful if limits are set when away from the gaming machine, when the customer is their *budget self*.

Based on the RGWP's trials experience, the RGWP has identified the following minimum requirement regarding registration for pre-commitment in South Australia.

3.3 Registration for pre-commitment	
Function and description	Minimum Requirement
Registration <i>The ability for a customer to register and set pre-commitment limits at the gaming venue.</i>	<ul style="list-style-type: none"> • Simple and easy process, for example via: <ul style="list-style-type: none"> ○ A simple form; ○ An interview with venue staff; and/or ○ An automated kiosk. • Customers to be provided with information about system consequences and the process of limit variations.

3.3 Registration for pre-commitment	
Function and description	Minimum Requirement
	<ul style="list-style-type: none"> Customers to confirm acceptance of the terms and conditions.

3.4 Limit specification

During registration, the customer will need to make a number of decisions:

- What limits they want;
- Over what time period the limits are to apply; and
- The wording of a reminder message that will be sent to them if they exceed their limit (section 4.5 discusses the range of consequences that can be applied for exceeding a limit, the most basic of which is a message sent to the customer).

Like any new experience there is also potential for a customer to change their mind about what they have decided (ie. vary their limits before play). Such changes of mind form part of the limit specification process.

The following discusses an approach for each of these customer decision making areas.

3.4.1 Limit types and limit periods

A small number of limit options keeps pre-commitment simple.

The South Australian trials show that limit options need to be minimal in number.

In the Global Gaming Industries trial, customers had the single option of setting a budget for their day of play, while the Worldsmart trial offered multiple limit options as follows:

- expenditure and time limits set over a daily, weekly, fortnightly, or monthly cycle with the ability to have a primary cycle (eg. \$50 per day and/or 2 hours per day) and a secondary cycle (eg. \$300 per month and/or 10 hours per week);
- break in play, including setting no play periods; and
- running balance showing on the card reader.

Expenditure is the most used limit feature.

In the Worldsmart trial, the primary limit option preferred by a majority of customers was an expenditure limit (set ten times more than a time limit). In addition, a majority of customers set a single time period over which a limit applied, with daily being the primary preference, followed by weekly.

Advanced limits may appeal to some customers.

While a majority of customers in the Worldsmart trial preferred spend limits applied to a single time period, some customers accessed time limits and other limit options, such as no play periods and breaks-in-play. A small number of customers also preferred to have a secondary limit. For example, a customer may set both a daily expenditure limit of \$100 and a monthly limit of \$500. If they play to their daily limit for five days in one week, they will also have the benefit in that month of notification in relation to their secondary limit.

The Worldsmart trial outcomes of an overall reduction in spend and time played suggest that some customers may benefit from having access to these additional limit options as a secondary reinforcement of their gambling commitment.

Since the completion of the Worldsmart trial, based on the trial findings, limit options have been reduced to a spend limit over a chosen cycle and setting break in play intervals. Customers also have an option of personalising the message they will receive on exceeding their limit. This, coupled with the more recent registration strategies (refer to Section 3.3.1) has brought simplicity and quickness to registration and limit setting, resulting in increased take-up.

3.4.2 Limit reminder message

Section 4.5 of this progress report discusses consequences that can be applied for exceeding a limit, with one option being a message received at the machine.

In the Global Gaming Industries (GGI) trial the message was set by GGI and took the form of an exceed budget update ("Exceeded Budget by \$...").

In the Worldsmart trial, Worldsmart set a message ("Max Spend") that notified the customer they had exceeded their budget (reminder messages were also sent at 50% and 75% of the customer's progress towards their limit). However, when registering, customers also had an option of personalising the budget exceed message. Over one third set their own message and the ability to do so was rated by surveyed trial respondents as the second most useful feature of Playsmart (the first being the ability to set a spend limit) (Schottler Consulting, 2010:53).

Personalised
messages
are popular.

3.4.3 Limit variation before play

As identified in section 3.3.2, the RGWP supports the adoption of some basic consumer law principles associated with contracts, with two specific areas identified: product disclosure obligations and a "cooling off period".

As discussed in section 3.2.1, the findings of the Worldsmart trial showed that some customers relied on advice from a third party about what types of limits and limit amounts to set. It is the nature of being human that some people continue to think about the decisions they have made after they are made. It is possible that some customers, particularly where they have relied upon a third party's advice, could re-evaluate their choices and decide that the budget they set was not realistic.

Customers
should be
able to
change limits
without delay
at any point
between
registration
and first use
of gaming
machines.

For pre-commitment customers who have registered but not yet played (ie. 'before play' when they are their *budget self*) it is reasonable to allow for the customer to change their mind about their decision without penalty or delay. The process for limit variations requested 'before play' should be less stringent than the process that applies 'during play' when the customer is their *gambling self* (refer to section 4.3 for the limit variation process once the customer has played).

3.4.4 Minimum requirement – limit specification

Based on the lessons from the South Australian trials, limit setting needs to be quick and simple. Customers should be provided with quick access to the most used limit options as indicated by the trials but not prevent customers from accessing other features that the trials have shown to benefit some customers.

Further, consumer law allows for consumers to change their mind within a defined period about proceeding with contracts and agreements. Registering for pre-commitment is conceptually a contractual process.

A pre-commitment system is about supporting a customer's decision making when they are their *budget self*. Decisions made by a customer about their limits, after registering but before they play a gaming machine, are made while the customer is their *budget self*. These decisions should be supported without limitations.

The following summarises the RGWP's minimum requirement for pre-commitment limit options offered to gaming machine customers in South Australia and the basis on which they can vary their limits before they play for the first time after registration.

3.4 Limit Specification	
Function and description	Minimum Requirement
Limit Types <i>The limits that are offered to all customers seeking to set a limit.</i>	<ul style="list-style-type: none"> • Expenditure limit Optional features: <ul style="list-style-type: none"> • Time limit • Break-in-play • No-play period
Limit Periods <i>The period over which the limit relates that is offered to all customers seeking to set a limit.</i>	<ul style="list-style-type: none"> • Daily • Weekly Optional features: <ul style="list-style-type: none"> • Fortnightly • Monthly • Annual
Limit reminder message <i>Consequences will apply to registered customers who exceed a pre-commitment limit. One consequence will be a message displayed at the machine.</i>	<ul style="list-style-type: none"> • A gaming machine customer should be able to set a customised limit reminder message to be displayed at the gaming machine when they reach a limit. • A prescribed message will be displayed for a customer who has not set a customised message.
Limit variation before play <i>Limitations that apply to all requests for changes to pre-commitment limits after registration but before a customer first plays an EGM after registering.</i> <i>(Refer to section 4.3 for limit variation during play)</i>	<ul style="list-style-type: none"> • Limit variations after registration, but before a customer first plays an EGM after registering, should be applied as soon as they are requested.

4. DURING PLAY

The RGWP's *First Progress Report* identified that during play refers to initiatives or mechanisms that can be implemented within a gaming venue that assist customers to voluntarily set limits on their gaming machine play, track their progress in relation to their limits, and receive feedback (2007:10).

This will involve consideration of:

- in-venue materials and promotion to assist informed decision making;
- the extent to which a customer's limits apply from machine to machine and venue to venue;
- a customer's ability to vary their limits while gambling;
- application of default limits to customers not registering for pre-commitment;
- messaging in relation to limits set; and
- the consequences a customer will receive when exceeding a limit.

Following is a discussion of these areas. Each section concludes with the RGWP's identification of a minimum requirement for the specification and implementation of pre-commitment.

4.1 Informed decision making during play

The minimum requirement specified for in-venue materials and promotion to assist informed decision making "During Play" is largely identical to that specified for "Before Play". To avoid repetition, please refer to the discussion and minimum specification in section 3.1 of this progress report.

However, a point of distinction is respecting customer privacy during play. This primarily applies to the process by which a customer is notified that they have exceeded a limit – the process needs to be sufficiently salient without drawing the attention of other customers. This is discussed further in Section 4.5.

4.1.1 Minimum requirement – informed decision making during play

Based on the RGWP's trials experience the RGWP has identified the following minimum requirement for informed decision making during play in relation to the implementation of pre-commitment in South Australia.

4.1 Informed decision making	
Function and description	Minimum Requirement
In-venue materials and promotion <i>Increasing customers' understanding of pre-commitment and gaming machines, and that pre-commitment is a tool for all customers.</i>	<ul style="list-style-type: none"> • User friendly and easily accessible information containing pre-commitment language that is consistent across venues. • Venue staff training in appropriate language for promoting/discussing pre-commitment with customers, which language is consistent

4.1 Informed decision making	
Function and description	Minimum Requirement
	<p>across venues.</p> <ul style="list-style-type: none"> • Culturally appropriate materials relevant to a venues' demographic. • Identification of privacy protections.

4.2 Limit coverage

In the Worldsmart trial, a customer's limits applied across all machines in all venues that had the J-Card loyalty system (currently 78 venues), meaning that their limits followed them across those venues.

In the Global Gaming Industries trial, the budget setting option applied across all machines in the venue but not between venues. Further, if a customer had not set a budget at the start of play, each time they moved to a different machine in the venue, they were asked again if they wanted to set a budget.

A customer's limits should apply across all of their gaming machine play.

The trials have shown that customers move between venues and across machines. This indicates that in addition to the availability of player tracking and pre-commitment in all venues, the greatest value to a customer would come from their personally chosen limit(s) applying to all of their gaming machine play – all machines across all venues that the customer visits. (Also refer to discussion in section 6.3.2 regarding the capacity of small venues to support pre-commitment).

4.2.1 Minimum requirement – limit coverage

Based on the RGWP's trials experience of customers moving between machines and venues, the RGWP has identified the following minimum requirement for limit coverage in relation to the implementation of pre-commitment in South Australia.

4.2 Limit coverage	
Function and description	Minimum Requirement
<p>Wide Area Operation</p> <p><i>System providers must allow the customer to set a limit that applies across all venues.</i></p>	<ul style="list-style-type: none"> • The pre-commitment limits should apply across all gaming machines and all venues in South Australia. • Protection of system providers' and venues' confidential data in a multi system environment.

4.3 Limit variation during play

With reference to the conceptual discussion in Section 2.1, decisions made when the customer is their *gambling self* may not align with the preferences of the *budget self*. For this reason, a pre-commitment system would be at its most beneficial when it supports decisions made by the *budget self*.³

The South Australian trials involved different approaches to limit variation.

In the Global Gaming Industries trial, the budget was set by the customer daily at the machine and remained set until 6am the following morning, thus enabling the customer to set a different budget each daily session. Customers who had not set a limit at the start of play could set it at any time during play. In effect, a limit variation could be made each day a customer played.

Of the 19 customers who set a budget in the GGI trial, ten did so on more than one occasion (Delfabbro, 2012:43). Of these ten (Delfabbro, 2012:50-51):

- six were relatively consistent with their budget levels each time they played, either setting the same limit, close to the same limit, or one of two amounts;
- three initially set a high budget (when compared to what they set next time they played) followed by a significantly lower budget; and
- one was inconsistent, initially halving their first budget and then ultimately doubling it.

While the data is limited, it does show that most of the customers who set limits more than once varied their budget on a day to day basis – two set the same budget each time (Delfabbro, 2012:50-51).

The time lapse between budget variations (mostly a fortnight or month), the consistency of budget setting by most of the 19 customers across days of play, and the marked decrease in the budget set by two customers, could indicate that customers were setting budgets in accordance with their day to day affordability and that the system was assisting them to recognise their affordable budget.

Interestingly, one customer decreased their budget after not exceeding it the first time they played. Then, each time they played after that, they exceeded their budget every time setting a higher budget for the next session of play, with the last budget being double the very first they had ever set. This may reflect the discussion in section 2.2 of this progress report about a customer's experience of pre-commitment not being linear. However, the single example and no long term data, prevents any real insight.

In the Worldsmart trial limit choices remained set until the customer requested a variation, with 75% of customers not changing the initial spend limit that they had set. The remaining 25% made changes to their primary spend limit in a number of ways, with some doing so more than once, including full removal of the limit (Schottler Consulting, 2010:118). The spend limit changes made by

³ Section 3.4.3 discusses a process that enables a customer to change their mind about the limit levels that they have set once they have registered but not yet played – when they are their *budget self*. This section discusses the process for a limit variation that would apply when the customer has played a gaming machine after registration, a decision that could be made when the customer is their *gambling self*.

these 25% of customers are shown in Table 1. The changes demonstrate the struggle some customers experience regarding adhering to the commitments they make about their gambling.

Table1: Changes customers made to their primary spend limit – Worldsmart Trial

Type of change made to spend limit	N	%
No change	198	75%
Decreased once	2	1%
Increased* once	34	13%
Increased twice	3	1%
Increased and then removed	2	1%
Removed (set to zero) and never put back	6	2%
No limit set	14	5%
Set limit after not initially having one**	5	2%
Set limit after not initially having one, and then increased	1	-

* An example of an increase is \$25 per day to \$50 per day.

** Customers could enrol in Playsmart but set a zero limit – an option that forms part of the Productivity Commission's full pre-commitment recommendation (PC 2010:10.44).

A minimum 24 hour cooling off period applied when a customer sought a limit increase, while decreases were automatic.⁴

During the trial, registration and limit setting were done through the venue cashier. It can be assumed that variations were likely requested while the customer was their *gambling self*. The value in having a cooling off period is to enable the customer to consider their decision when their *budget self*. The model applied in the Worldsmart trial did not ensure consideration while in *budget self* mode.

Registering limits is best done away from the gaming experience.

The intent of a pre-commitment system is to assist customers to make consistent gambling preferences over time, adhering to the budget they set before play (when their *budget self*). Immediate activation of requests for limit decreases aligns with this aim and the decisions of the *budget self*. Immediate activation of limit increases would, however, support a decision made by the *gambling self* and thus not align with the aim.

Increases to limits made during the gambling experience should be subject to confirmation.

In relation to limit increases, the system should support the *budget self*. This could be achieved through a process of requiring a customer to confirm their requested limit increase before it can be activated. The process would need to maximise the opportunity for the *budget self* to consider their *gambling self* decisions, such as requiring a minimum of 24 hours to expire before the increase can be confirmed.

⁴ "Cooling off" during play differs to that applied before play. Each applies to a different point in time in the customers EGM relationship – *gambling self* (during play) vs *budget self* (before play) – and cooling off before play is about applying consumer law principles (refer to section 3.4.3).

While not a traditional “cooling off”, in that activation of the decision is not automatic after a defined time period, this confirmation process has the same intent, namely to enable the customer to consider their decision away from the experience.

There is always the risk that confirmation will be made when the gambler next plays EGMs (ie. “during play” when the *gambling self* is dominant) and thus still result in an outcome that is inconsistent with the *budget-self* and the aim of pre-commitment. This could be minimised by removing the obligation for the customer to return to the venue, and enabling confirmation to be made via the telephone, internet, or SMS. The confirmation process would also need to be explained clearly at the time of registration and at the time of the requested increase (refer to discussion about informed consent in section 3.3.2).

4.3.1 Minimum requirement – limit variation during play

Limit choices made by a customer as their *gambling self* may not align with the preferences of the *budget self*. The pre-commitment system should support customers’ decisions about variations to their limits that align with their *budget self*.

Consistent with the registration process, a request for a limit variation should be a simple process that is easy to access.

The following summarises the RGWP’s minimum requirement for the implementation of pre-commitment in South Australia in relation to the process for customers varying their limits during play.

4.3 Limit variation during play	
Function and description	Minimum Requirement
Mechanisms for varying limits <i>The ability for a customer to change their limit once they have played an EGM after registering for pre-commitment.</i>	<ul style="list-style-type: none"> • Simple and easy process. • On site (for example via simple form / interview with venue staff / automated kiosk). • Off site by remote means (for example, internet).
Cooling Off <i>Limitations that apply to all requests for changes to pre-commitment limits once a customer has played an EGM after registering for pre-commitment.</i>	<ul style="list-style-type: none"> • If a limit is decreased then it applies as soon as practicable. • If a limit is increased then the customer must confirm the limit variation after 24 hours to enable activation. • Subsequent requests for variations rescind all others.

4.4 Default messaging

Default messaging sends messages to customers at system set limits.

In the *Fourth Progress Report* the RGWP concluded that while more research is needed over a longer term, responsible gambling messaging attached to default limits appears to work (2010:45). The RGWP further concluded that the findings suggest that pre-commitment is possibly a psychological contract and that messaging assists in adhering to that contract (2010:45).

The Worldsmart trial involved three phases. Phase 3 involved a group of randomly selected J-Card holders who were not enrolled in Playsmart receiving sequential messages as they reached each of three turnover points (\$5, \$10, and \$15), with most of the group intended to receive at least the first two messages. The messages were displayed on the card reader.

The messages, which were set by the Trial Coordination Group, were:

- Playsmart – Set a budget (\$5 turnover);
- Playsmart – Keep on budget (\$10 turnover); and
- Playsmart – Ask staff how (\$15 turnover).

The messaging was activated for 675 customers with 20 requesting it to be removed. This, together with feedback from the 78 customers who participated in the evaluation, indicates that the messaging was generally accepted by customers (Schottler Consulting, 2010:17):

- 41% recalled the messaging and 63% of those customers were able to recall the message content;
- “PlaySmart: Keep on Budget” had the highest recall (91% compared to 75% for the other two messages);
- 82% agreed messaging helped to keep them to a spend limit;
- 76% agreed that messages encouraged care with spending; and
- 51% indicated feeling encouraged to make enquiries about Playsmart.

Default messaging can be effective in assisting customers to keep to a limit.

Further, the evaluation data shows that 56% of EGM customers exposed to the messaging decreased their expenditure compared to 46% of controls, with daily spend decreasing overall by 38.2% or about \$31.01. Time spent playing also showed an overall decrease of 20.7% (Schottler Consulting, 2010:18). There were with no negative outcomes reported by those who received the messaging.

Since April 2011, all EGM customers in all 78 J-Card venues in South Australia who are not registered for Playsmart (this includes both J-Card holders and non J-Card holders) have been receiving the three messages at the three spend points of \$20, \$40 and \$60. While an evaluation of this strategy has not occurred as yet, there have been no reported negative reactions to the messaging.

In the Global Gaming Industries (GGI) trial, after several months of no take-up, a “yes/no” strategy was implemented in December 2010, which involved all Maxetag customers when tagging on being asked: “Do you want to set a

budget?” The customers would not immediately be able to start play unless they pressed “no”, pressed “yes” to set a budget, or waited for 10 seconds for the message to time out. This initiative resulted in several customers investigating the budget setting function and some setting a budget for the first time in the trial.

GGI then implemented a default phase, which involved a spend message sent after \$25 of spend to customers who had pressed “yes” in response to the budget setting question but did not set a budget. While no data was available about how this strategy affected patrons spend, there were no reported issues from customers.

While not as marked as the results of the Worldsmart trial, the outcomes of the yes/no strategy and \$25 spend default message in the GGI trial support the value of default strategies.

4.4.1 Minimum requirement – default limits

The Worldsmart trial showed that responsible gambling messaging sent to customers who did not have limits set, had no reported negative outcomes, and resulted in those customers assessing their level of EGM activity to achieve an overall reduction in spend and time played. Importantly, responsible gambling messaging is accepted by customers, as demonstrated both during the trial and since.

The GGI trial also showed that default type strategies that directly facilitate customer choice (eg. yes/no function) have a positive impact on customer engagement with pre-commitment.

The following summarises the RGWP’s minimum requirement for the implementation of pre-commitment in South Australia in relation to the setting of default limits for customers who are not registered for pre-commitment.

4.4 Default Limits	
Function and description	Minimum Requirement
Unregistered customers <i>Customers not registered for pre-commitment should receive responsible gambling messaging.</i>	<ul style="list-style-type: none"> • Messages set by the responsible Minister are generated at expenditure thresholds defined by the responsible Minister. • Messaging will not be so frequent as to be a deterrent to play, but at minimum will occur at three expenditure thresholds • Messages will be accompanied by an audible sound (eg. beep) at the machine. • Customers can not turn messaging off unless they register and contract a limit or contract no limit. • Expenditure thresholds relate to gaming session per machine.

4.5 Consequences

A
consequence
occurs when
the customer
exceeds a
limit.

The consequence for exceeding a limit needs to be sufficiently salient to assist the customer to adhere to the commitments they have made about their level of gambling when their *budget self*, but not deter either use of pre-commitment or personally meaningful limit setting.

As discussed in Section 2.1 of this progress report, pre-commitment involves a gaming machine customer (*budget self*) registering on a pre-commitment system and setting the limits at which they want the system to deliver a consequence if they exceed those limits.

During play the pre-commitment system would track the activity of the customer and apply the system consequences. The consequences should remind the *gambling self* of the preferences of the *budget-self* and be sufficient to encourage the gaming machine customer during play to change behaviour so that the outcome is consistent with the preferences of the *budget-self*.

Consequences can range from the more subtle (eg. reminder messages and audible beeps), to third party interaction (eg. staff attendance at the machine), to a reduction in gaming machine features, to being locked out of machine play for a specified period.

In the *First Progress Report*, the RGWP referred to consequences in a voluntary setting as “reporting back to the customer on their activity” (2007:18). The RGWP also identified what was feasible within the context of a customer’s voluntary commitment that might assist customers to meet their expectations and not exceed their gambling activity commitment.

Table 2 below shows the “reporting back” function for the venue card and cashier assisted (ChangeTracker Card) models as identified in the *First Progress Report* (2007:18).

The RGWP theorised in relation to the venue card model (ie. Worldsmart and Global Gaming Industries trials) that:

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 (RGWP *First Progress Report*, 2007:19).

Table 2:

***First Progress Report* - reporting back to the customer on their activity**

When will the customer receive feedback?	Cashier assisted⁵	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	Venue card
Interaction with venue staff	✓	✓
Second screen tracking (on request)	✗	✗
Message on card reader display	✗	✓
How will the customer receive the feedback?	Cashier assisted	Venue card
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	Venue card
Refusal to dispense coins	✓	✗
Machine shuts down	✗	✗
Reward options switch off automatically	✗	✓

The consequences applied in South Australia's player tracking and pre-commitment trials are consistent with the perspective of the RGWP in 2007 as described in the *First Progress Report*. The following discusses those consequences.

4.5.1 Customer messaging

Messaging can take several forms depending on the technology:

- A message displayed on the screen of the gaming machine.
- A message displayed on the screen of the card reader.
- Audible warning sounds.

⁵ 'Cashier assisted' was the term used in 2007 to refer to a manual pre-commitment and tracking model that involved staff in small venues being directly involved in cash to coin exchanges. In the *Fourth Progress Report* the RGWP noted that during the developmental of the cashier assisted trial it became clear that 'cashier-assisted' did not have meaning for many small venues, as staff tend to work across a range of duties with no dedicated cashier. As a result, the trial name reflected the name of the card developed for the trial – ChangeTracker Card.

- A message sent to the customer's mobile phone by SMS or e-mail.

South Australia's current EGM stock and Central Monitoring System cannot support messaging on the screen of the gaming machine.

Both Worldsmart and Global Gaming Industries (GGI) have identified a system capacity to send a message to the customer's mobile phone but this option was not implemented in the trials and so has not been evaluated.

Messages
are the
primary
consequence
of exceeding
a limit.

In both the Worldsmart and Global Gaming Industries trials, customer messaging when a limit was exceeded took the form of a message sent to the card or tag reader. In the Worldsmart trial the message was also accompanied by an audible beep. The beep matched that sent when a prize was won to draw the customer's attention.

In the Global Gaming Industries trial the budget exceeded message automatically generated by the system was: "Exceeded budget by \$...". If the customer continued to play using more coin, the message was updated. However, customers who participated in the task analysis found the budget message confusing, as the time delay in the system did not allow the system to provide accurate and timely updates (Delfabbro, 2012:54-55).

Personalised
messages
are popular.

In the Worldsmart trial the message sent to the card reader when the customer exceeded their limit was either a default message of "Max Spend" or a personal message set by the customer during registration. While most customers (63%) opted for the default message, 37% set their own message using personally meaningful words. Surveyed trial respondents rated the ability to personalise the message as the second most useful feature of Playsmart (Schottler Consulting, 2010:54).

Progress
messages
appear to be
effective.

Customers in the Worldsmart trial also received progress reminder messages as they progressed towards their limit, at 50% and 75% of the limit. Customers reported that they found the progress messages to be a useful check point to understand where they were relative to limits (Schottler Consulting, 2010:8 and 160). Progress messaging was also the third most recalled feature of Playsmart (45% recognition) behind setting of spend limits and limit setting generally (Schottler Consulting, 2010:53).

Overall, customers who participated in the Worldsmart trial reduced their level of spend by 31.7%, which was also associated with an overall reduction in time played (Schottler Consulting, 2010:13).

Noting the additional default phase of the Worldsmart trial, where responsible gambling messages were sent at three turnover points (refer to Section 4.4), Schottler Consulting concluded that responsible gambling messaging may work, including 50% and 75% limit progress warnings (Schottler Consulting, 2010:17-18).

4.5.2 Third party messaging

It is possible to extend the messaging consequence so that the message is delivered to a person other than the gaming machine customer. For example:

Pre-
commitment
systems can
send
messages to
a third party.

- venue staff at the cashier terminal;
- family or friend by SMS or e-mail – message to another person nominated by the gaming machine customer; and

- gambling counsellor by SMS or e-mail – as part of a therapeutic response.

Both Worldsmart and Global Gaming Industries have identified a system capacity to send a SMS message, on a limit being exceeded, to a third party nominated by the gaming machine customer. This option has not been implemented in the trials and so, has not been evaluated.

In addition to messaging sent to the customer, the Worldsmart trial included the sending of a message to the cashier's terminal notifying venue staff that a limit exceeded message had been sent to a particular customer at a specific gaming machine. This triggered a staff member to attend at the gaming machine to switch off the cashier alert and engage in a low key manner with the gaming machine customer about whether they had noticed the limit exceeded message.

Staff attendance following a limit being exceeded improves effectiveness.

While staff only attended at the machine 25% of the time, customers' play time when staff attended was less than when they did not respond (Schottler Consulting, 2010:11). Further, low risk gamblers played for a similar length of time when staff approached or otherwise, with a relatively larger effect of reduced time played for problem gamblers, although the reverse was true of moderate risk gamblers (2010:131). There were also no reported negative reactions to staff attendance following a breach of a limit.

Schottler Consulting concluded that staff attendance following a limit being exceeded may increase the effectiveness of PlaySmart (2010:18).

4.5.3 Non-accrual of loyalty points

In addition to customer messaging and staff attendance at the machine, the final consequence applied in the Worldsmart trial when a limit was exceeded, was non-accrual of loyalty points.

The form of consequence can impact take-up and limit setting.

The evaluation showed that not all customers were conscious of this. When the consequence was discussed in focus groups, some customers reported setting their limit purposely high so as to avoid losing out on points (Schottler Consulting, 2010:156) while others indicated that they would either increase their limit or remove the limit to ensure that points would continue to accrue (2010:15).

Further, as noted in section 3.3, in April 2011 Worldsmart initiated a simple registration strategy to increase Playsmart take-up; all customers who are newly registering for the J-Card loyalty scheme are being asked by staff if they want to set a budget, with the limit setting done by staff immediately on-screen. Anecdotal information from venue staff indicates that some patrons, on seeking information about the system consequences, are declining to register when learning that they will cease to accrue loyalty points when they exceed a limit.

Overall, the Worldsmart experience suggests that less subtle consequences can affect customer's engagement with pre-commitment, resulting in adaptive behaviour to avoid the consequence.

4.5.4 Strength of consequences

A range of consequences can be applied, graduating from subtle, to partial loss of system features, to being locked out from play for a set period.

Section 2 of this progress report discussed a conceptual framing for pre-commitment and identified that the consequences for exceeding a limit could also influence the limit set. It also identified that contract, consequence, and outcome is not linear and that limit choices (and variations) can be influenced by system experiences, particularly the experience of receiving the system consequence.

Subtle
consequences
can be
effective.

The South Australian trials have shown that subtle consequences can assist customers to adhere to the budget they set before play.

Table 3 shows that customers in the Worldsmart trial reduced their expenditure, with the reduction being greatest for moderate-risk and problem gamblers, while expenditure for non-problem gamblers did not materially change. Recreational gamblers were not impacted while still receiving the benefit of pre-commitment.

Table 3: Change in average gambling day⁶ spend, by risk type, compared with a control group – Worldsmart Trial*

	Non-problem gamblers (N=10)	Low risk gamblers (N=19)	Moderate risk gamblers (N=25)	Problem gamblers (N=13)
\$	-\$1.00	-\$8.93	-\$47.56	-\$34.75
%	-4.7%	-11.8%	-48.8%	-55.8%

* Some caution needs to be exercised in the interpretation of these results because of the relatively small sample sizes; they also represent the outcomes of the early adopters of pre-commitment which may not apply to the general gaming machine population. It is, however, indicative that subtle consequences like those used in the Worldsmart trial can result in changes to gaming activity.

The subtle consequences used in the Worldsmart trial resulted in a 32% reduction in spend overall.

Non-accrual of loyalty points is not considered a subtle consequence. As noted above, when learning about this consequence, customers either set a higher limit on registration or claimed they would in the future. While caution needs to be applied to the data, due to the sample size and the trials involving early adopters, the customers' response to non-accrual of loyalty points indicates that as consequences become less subtle, some customers start adapting to avoid those consequences.

Consequences
must be
noticed by the
customer
without
impacting
privacy.

Finally, in all three South Australian trials privacy rated as a key factor in system use. The process by which a customer is notified that they have exceeded a limit needs to be sufficiently salient without drawing the attention of other customers. Customers need to be confident that their privacy is protected.

4.5.5 Minimum requirement – consequences

The Worldsmart trial showed that subtle consequences assist customers who are amenable to pre-commitment to adhere to the commitment of their *budget self*, while less subtle consequences can result in adaptive behaviour to avoid the consequence.

⁶ Gambling day refers to a day where the gaming machine player used gaming machines.

The following summarises the RGWP's minimum requirement regarding the application of consequences as part of the implementation of pre-commitment in South Australia.

4.5 Consequence	
Function and description	Minimum Requirement
<p>Customised message - registered customers with limits</p> <p><i>The customer should be able to set a customised message to be applied as the consequence to exceeding a limit.</i></p>	<ul style="list-style-type: none"> A gaming machine customer must be able to set a customised message to be displayed at the gaming machine. If a customised message is not set, then a prescribed message will be displayed.
<p>Registered customers with limits</p> <p><i>Consequences that apply to registered customers who have a pre-commitment limit.</i></p>	<ul style="list-style-type: none"> Progress messages are generated at points leading up to the limit being reached (for example, when expenditure reaches 50% of limit, 75% of limit and 90% of limit). At the limit, the customised limit reminder message or a prescribed reminder message will be displayed to notify a customer that he or she has reached a contracted limit. Messages are accompanied by an audible sound (eg. beep) at the machine. A further message, reminding a customer that he or she has already reached a contracted limit, must be displayed at 110%, 120% and 150% of limit until the limit resets. When a limit is reached the pre-commitment system will notify the gaming/venue staff to undertake a subtle human intervention. Customer notification features should be discrete and should not identify to other customers that the customer has reached a limit. <p>Optional features:</p> <ul style="list-style-type: none"> The pre-commitment system can ask the gaming machine customer that has reached a limit to confirm if he or she wishes to continue playing. The pre-commitment system can send an electronic message to the customer or a third party selected by the customer.

5. AFTER PLAY

The RGWP's *First Progress Report* identified that 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 receive feedback (2007:10).

Tracking progress and receiving feedback in relation to limits can continue beyond play.

The RGWP in the *First Progress Report* discussed a need for reporting back to the customer on their activity (also refer to earlier discussion in section 4.5 of this progress report). The RGWP further identified that longer term reporting may also encourage customers to be more aware of the trends in their activity (*First Progress Report* 2007:19).

A pre-commitment system can continue to support the *budget self* decisions of a customer after play by:

- periodic limit confirmation – periodically requiring a customer to confirm their limit, as a reminder of the customer's pre-set limits;
- customer communication – enabling a customer to choose the communication method by which they will be kept informed in relation to their gaming machine play; and
- activity statements – periodic provision of activity statements to a customer by their preferred communication method and enabling a customer to easily access statements outside of the system's routine provision.

Following is a discussion about each of these areas. Each section concludes with the RGWP's identification of a minimum requirement for the specification and implementation of pre-commitment.

5.1 Periodic limit confirmation

Customers forget the limits they set.

The Worldsmart trial showed that customers forget the limits they set and tend to set higher limits than their normal expenditure.

When surveyed participants in the Worldsmart trial were asked to recall the limits they had set, 33% were able to identify the specific limit but not the time period to which it applied. Another 31% had some idea but were not sure, and 31% had no idea what their limits were (Schottler Consulting, 2010:65).

When asked about specific limit types, 17% were able to correctly identify their spend limit (with all other responses being either significantly different or an obvious guess) and no-one was able to identify their time limit (Schottler Consulting, 2010:65).

Customers tend to set higher limits than their normal expenditure.

As discussed in section 4.5 of this report, the consequences of exceeding a limit can affect a customer's engagement with pre-commitment, with some customers setting higher spend limits to avoid the loss of loyalty points. Also, as noted in section 3.2.1, the Worldsmart trial raised a question about whether customers are setting limits based on their typical expenditure or a safety net. The trial also showed that a number of customers do not know how to select a

personally meaningful limit, seeking the assistance of staff or a spouse for example.

Overall, a significant number of customers in the Worldsmart trial, 62%, reported setting higher limits than their normal spend (Schottler Consulting, 2010:14).

As customers become better informed about their EGM play as an outcome of the experience of pre-commitment, and greater acceptance of pre-commitment occurs over time due to pre-commitment becoming normalised, such customers might become open to meaningful limit setting. Pre-commitment aims to assist customers to adhere to the limits they set before play, but also to make consistent gambling preferences over time (refer to Section 2.2). Also, a customer's financial circumstances can change.

Periodic limit confirmation acts as a reminder and could assist customers to set meaningful limits.

A simple routine prompt to confirm limits could assist customers to make personally meaningful and consistent gambling preferences over time.

5.1.1 Minimum requirement – periodic limit confirmation

Periodically requiring a customer to confirm their limits acts as a subtle reminder that they wish to have boundaries around their level of play, while also enabling the customer to consider if the limits they have set remain personally relevant over time.

The following summarises the RGWP's minimum requirement regarding periodic limit confirmation as part of the implementation of pre-commitment in South Australia.

5.1 Limit Specification	
Function and Description	Minimum Requirement
Limit Confirmation <i>A registered customer must confirm his or her limit periodically to remind the customer of pre-set limits.</i>	<ul style="list-style-type: none"> A customer must be asked every six months to confirm or change his or her limit. The process for six monthly limit confirmation or change must be simple.

5.2 Customer communication

The RGWP undertakes structured discussions with stakeholders to inform development of its focus areas and work within those focus areas. This process began in 2007 with the regional and metropolitan discussions, as reported in the RGWP's *Second Progress Report*.

Those discussions, and RGWP members direct experience with gamblers, indicates a need for caution and sensitivity in how patrons receive communications in relation to their EGM play. For example, an activity statement automatically mailed to a person's residential address could inadvertently trigger a domestic incident.

As discussed in several areas of this progress report (for example: section 3.1 – informed decision making, and section 4.5.4 – strength of consequences) a customer's confidence that their privacy is protected is critical to their meaningful engagement with pre-commitment.

Further, usability testing in the Worldsmart trial showed that some older customers are uncomfortable with technology based tools, such as accessing activity statements via a website (Schottler Consulting, 2010:99).

The RGWP supports processes that enhance informed decision making, which is one of the RGWP's key focus areas for identifying strategies to support customers commitments when playing gaming machines. However, there is a balance between providing structures to facilitate informed decision making and inadvertently creating an impediment to patrons wanting to access such information and value it.

The underlying intent is to ensure patrons have access to information about their play, so as to be kept informed. This can occur through a range of communication modes, for example:

A personally chosen communication method will likely assist customer acceptance and genuine consideration of the information they receive.

- phone (direct or SMS);
- email;
- checking online with a secure password; or
- accessing information directly from the venue (in-venue access would need to involve a notification process such as a message to the customer at the machine).

Enabling a customer to choose their preferred communication method will likely assist customer acceptance and genuine consideration of the information they receive. It would also reduce the risk of unintended consequences arising in domestic settings.

Attending to cultural and literacy diversity and language preferences will enhance the personal value of pre-commitment.

Communicating by a customer's preferred communication mode is one form of enhancing ease of accessibility and acceptance of information. Communication in the customer's preferred language and attending to cultural and literacy diversity will further enhance the personal value of pre-commitment, while also facilitating informed decision making (also refer to earlier discussion in section 3.1.2).

5.2.1 Minimum requirement – customer communication

The RGWP supports requiring patrons to nominate their preferred communication method, with cultural and literacy diversity considered, so as to facilitate customer acceptance and genuine consideration of the information they receive.

The following summarises the RGWP's minimum requirement regarding customer communication as part of the implementation of pre-commitment in South Australia.

5.2 Customer Communication	
Function and Description	Minimum Requirement
Notification Method <i>Method by which the system provider can communicate with the registered customer.</i>	<ul style="list-style-type: none"> A customer must be able to select his or her preferred method of communication – mail, email, in venue. A customer should be able to select a preferred language for communication from a list of languages consistent with the Responsible Gambling Code of Practice. This selected language will be used for all communication including system messaging and activity statements.

5.3 Activity information

Activity statements provide customers with access to information about their gaming activity over a period of time.

At the simplest level they are receipts which, in their own right, are a pre-commitment tool that can assist the customer to monitor activity in relation to their budgets. (In February 2012 the RGWP began a trial involving the issuing of a receipt when cash is exchanged for gaming coin. The trial was conducted in two small gaming venues. The outcomes will be reported in the RGWP's next progress report.)

Activity statements can also be:

- session statements, where a customer's gaming machine activity is reported in relation to a session of play; and
- periodic statements, where a customer's gaming machine activity over a time period (for example, a month) is reported.

The RGWP has conducted two technology based pre-commitment trials, each providing similar and different ways of accessing activity information.

In the Worldsmart trial, players could access activity statements on request in the venue and via the Playsmart website. No customers accessed an activity statement in-venue during the period of the trial and there was no evidence that statements were accessed via the website. (Usability testing during the Worldsmart trial showed that younger people rather than older people are comfortable with accessing the Playsmart website. Notably, 88% of customers who participated in the evaluation for the Worldsmart trial were 45 years or older (Schottler Consulting, 2010:99 and 86)).

However, only 14% of surveyed Worldsmart trial participants reported that they knew they could access a statement. While the trial findings showed that customers had limited interest in accessing or receiving statements, 46% acknowledged the usefulness of activity statements, largely rating them as very useful (Schottler Consulting, 2010:9).

Findings also indicate there is some confusion about the terminology used on activity statements and the design of the statements, such that users could not

understand the information supplied (Schottler Consulting, 2010:99-100). It is important that activity statements use terminology and are presented in a way that is easily understood by customers who can then make informed decisions about their play.

Interestingly, when asked what improvements could be made to Playsmart, one customer identified that they were “concerned about staff being able to view player activity statements” thus deterring them from requesting a statement in-venue (Schottler Consulting, 2010:84). Again, when implementing pre-commitment, attending to privacy concerns will be one key to facilitating customer engagement.

In the Global Gaming Industries trial customers could access periodic activity statements on request in the venue and a session statement at a kiosk in the venue. The session statement available from the kiosk was simple and easily understood, though there was no evidence to suggest that customers sought a statement (Delfabbro, 2012:9). It reported for the session of play:

- amount spent;
- budget set;
- difference between the preceding amounts; and
- time spent playing.

Access to or provision of activity information could assist the *budget-self* to make better informed decisions. Combined with a periodic need to confirm limits set, it could also act as a useful prompt for customers to set personally meaningful limits.

Customers
should receive
activity
statements
periodically by
their preferred
communication
mode.

Customers should receive periodic statements by their preferred method of communication. However, usability testing is required to ensure that activity statements are not misunderstood or do not prompt gambling beyond the *budget-self* preferences.

5.3.1 Minimum requirement – activity information

Activity statements, combined with a periodic need to confirm limits set, could assist the *budget-self* to make better informed decisions.

The following summarises the RGWP’s minimum requirement regarding informing customers about their EGM activity as part of the implementation of pre-commitment in South Australia.

5.3 Activity Information	
Function and Description	Minimum Requirement
Periodic Statements <i>The service provider will provide all registered customers with periodic statements of customer activity.</i>	<ul style="list-style-type: none"> • Where there is activity in a preceding period, an activity statement is to be provided by the notification method every six months. • A customer must be able to access an activity statement from the venue/gaming staff, an automated kiosk in the venue, and website.

5.3 Activity Information	
Function and Description	Minimum Requirement
On-Demand Statements <i>The service provider will provide registered customers with an activity statement when requested.</i>	<ul style="list-style-type: none"> The customer must be able to obtain an activity statement from the venue/gaming staff, an automated kiosk in the venue and website, for the current session of play and previous month, unless otherwise specified by the responsible Minister.
Statement Contents <i>The information that should be included on a statement to registered customers.</i>	<ul style="list-style-type: none"> The statement must specify: <ul style="list-style-type: none"> the period of the statement; total amount spent; amounts won and lost; net amount won or lost; current limit(s); and number of times exceeded limit.

6. IMPLEMENTATION

The RGWP considers that the implementation of pre-commitment in South Australia is a complex endeavour that will involve system providers, 561 venues, and more than 13,000 electronic gaming machines operating within a social and regulatory context.

There are a number of environmental factors that influence the capacity of venues to implement pre-commitment. These are:

- regulatory and technical specifications;
- gaming machine infrastructure.
- size of venue;
- community education; and
- training.

Each of these factors is discussed in the following sections. At the conclusion the RGWP makes recommendations regarding implementation and a timetable.

Sections 3-5 of this report were near complete and section 6 was under discussion when the Minister assigned the additional Terms of Reference. The Minister, being aware of this, requested that the RGWP not revise the work already done, but include additional advice about whether the arrangements proposed in the original pre-commitment Terms of Reference, and the RGWP's advice, is consistent with the Commonwealth gambling reforms announced on 21 January 2012.

Section 7 of this progress report provides the RGWP's response to the Minister's additional pre-commitment Terms of Reference. Consistent with the Minister's request, sections 3-5 were not revised and remain aligned with the RGWP's learnings from its pre-commitment trial evaluations.

The national policy and political context for gambling reform has been volatile over the last 18 months, and this uncertainty is likely to continue through 2012. This report needs to be read in the context of this uncertainty.

6.1 Regulatory and technical specifications

Sections 3, 4 and 5 of this progress report outline the minimum pre-commitment functionality to meet the requirements of the pre-commitment Terms of Reference and which, based on the RGWP's experience since 2006 and the best available evidence accumulated by the RGWP in that time, will help achieve the objective of pre-commitment (refer section 2.2).

A clear understanding of pre-commitment functionality is a necessary pre-requisite for implementation. However, it does not ensure that pre-commitment systems are developed and offered to the gaming sector at a reasonable cost. A regulatory environment that provides investment certainty is also required.

Before pre-commitment systems are commercially developed, the RGWP considers that it will be necessary to amend the *Gaming Machines Act 1992* and *Casino Act 1997* to create a regulatory framework and to formally establish minimum pre-commitment functionality.

A formal regulatory environment and technical specifications are required to provide investment certainty to system providers.

Minimum
functionality of
pre-
commitment
should be
finalised by the
end of February
2014 with
implementation
by 31
December
2016.

The development and evaluation of pre-commitment trials in South Australia took considerably more time than was envisaged, taking about 18 to 24 months across each of the trials. This time proved to be essential to ensure that systems were effective in real gaming environments.

It is the RGWP's view that logical and practical pathways need to be developed for the implementation of pre-commitment systems following formal approval of minimum functionalities under amended Acts. The Terms of Reference require implementation by 1 July 2014. The RGWP considers that this is not possible before 2016. Minimum functionality of pre-commitment should be finalised by the end of February 2014 with implementation by 31 December 2016.

The development of minimum functionality should be undertaken with due regard to minimum functionality developed in other jurisdictions.

Further, as pre-commitment is still in its infancy, there would be significant benefit from on-going monitoring and evaluation of approved pre-commitment systems. The RGWP considers that it should have an on-going role in evaluating and making recommendations to the Minister regarding pre-commitment functionality.

6.2 Gaming Machine Infrastructure

In addressing the pre-commitment Terms of Reference, the RGWP has sought to understand the capability of South Australia's current gaming machines, communication protocol and Central Monitoring System.

6.2.1 Communication protocol and Central Monitoring System

Every hotel and club gaming machine in South Australia is connected to the Central Monitoring System (CMS). The CMS enables every South Australian hotel and club gaming machine to be monitored to ensure that machines meet the regulatory requirements with respect to their operations. The Independent Gaming Corporation holds the licence issued under the *Gaming Machines Act 1992* to operate the CMS.

The RGWP has undertaken discussions with South Australia and Queensland's CMS operators, to understand what requirements need to be considered with regard to protocols in next generation machines and pre-commitment functionality.

The current South Australian CMS does not have the capacity to meet the pre-commitment functionality proposed under national gambling reforms, although current parallel additions utilising the CMS data are currently operating in South Australian venues.

South Australia's gaming machines operate under a one way communication protocol. A two way communication protocol would allow advanced pre-commitment functionality including but not limited to:

- enabling/disabling games;
- facilitating monitoring of the information a pre-commitment system would need (e.g. turnover, amounts of money being transferred from customer account cards to the gaming machine and vice versa); and

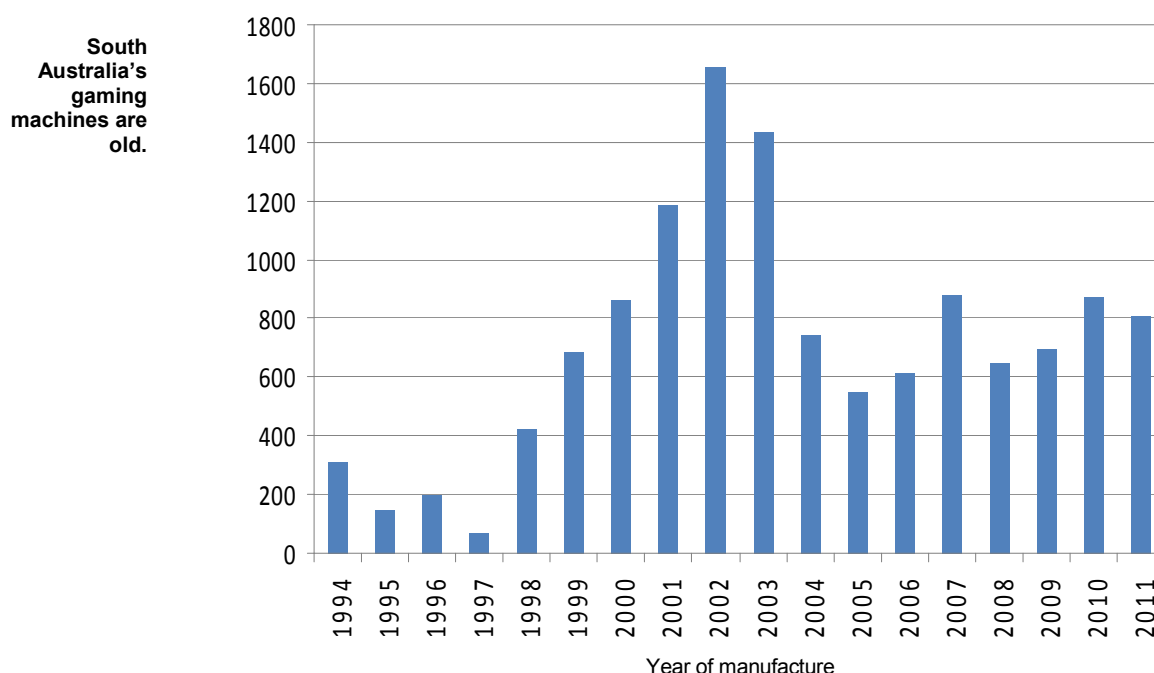
- sending messages to the EGM screen.

The Independent Gaming Corporation has commenced planning for a new CMS, with implementation likely around 2016. The RGWP notes that the implementation of advanced pre-commitment functions, like messaging on screen and lock out from play, can only occur if the CMS is upgraded.

6.2.2 Gaming machines

Figure 5 shows the age profile for the current stock of gaming machines in South Australian clubs and hotels by year of manufacture as at 31 December 2011. Over 1,600 gaming machines were manufactured in 2002.

Figure 5: Age profile of gaming machines in South Australian clubs and hotels



Not only must the CMS be upgraded to achieve advanced pre-commitment functions, gaming machines must be compatible with the new communications protocol. South Australia's gaming machine stock is relatively old. Older gaming machines are often not supported by manufacturers and many can not be upgraded for use of modern communication protocols.

Around 60% of gaming machines in club and hotel venues need to be replaced.

The RGWP has estimated that around 60% of gaming machines in club and hotel venues would need to be replaced in order to ensure the provision of advanced pre-commitment functionality. A four year transition period would enable venues to achieve functionality, except for smaller venues. The following sections discuss small venues.

6.3 Size of venue

Table 4 shows the number of small venues in South Australia based on number of gaming machines (EGMs). Nearly 33% of venues have less than 15 EGMs (the definition of a small venue in the pre-commitment Terms of Reference), covering almost 12% of EGMs in South Australia. This rises to 38% of venues covering 16% of EGMs for venues with less than 20 EGMs.

Table 4: Small venue numbers based on gaming machine numbers

EGM numbers	0-10	11-15	16-20	20-30	31-40
Total Venues (n = 559)	147	35	33	90	254
Total EGMs (n = 12,728)	1080	432	532	1984	8700

Customers should have access to a player tracking and pre-commitment system in any venue.

In the *Fourth Progress Report*, the RGWP identified a goal of providing customers with access to a player tracking and pre-commitment system in any venue in South Australia. The RGWP also indicated a need to find a balance between system provision in small venues and large venues (2010:49) because the system requirements to achieve this may be cost prohibitive for some venues.

The following sections examine:

- The work of the RGWP since 2006 in developing and evaluating small venue solutions; and
- Implementing pre-commitment in small venues.

6.3.1 Small venue pre-commitment approaches

In the *First Progress Report* (2007:14) the RGWP identified that:

- it would investigate a variety of mechanisms “whereby customers can voluntarily set limits on their EGM play, track their activity, and receive feedback in relation to their commitment”; and
- “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”.

The RGWP has examined a number of low-cost pre-commitment solutions.

Trials conducted by the RGWP in small venues have involved tools that enable customers to self monitor their play with minimal technological support and financial outlay required by the venues:

- The manual ChangeTracker Card was reported in the RGWP’s *Fourth Progress Report*.
- The issuing of a receipt when cash is exchanged for gaming coin will be reported in the RGWP’s next progress report, as the evaluation is currently being finalised.

During late 2010 and early 2011, members of the RGWP undertook visits to small venues in a regional area and metropolitan Adelaide. Areas discussed with gaming managers included: responsible gambling measures implemented by the venue, staff confidence with customer interactions, and views about pre-commitment. A number of general themes and views emerged from the discussions:

- Customers are generally known to the venue, being from the local community or members or friends of members.
- Staff have a rapport with their regulars and consider that talking to customers is the most effective responsible gambling measure.
- Customers use disposable income and see pokies as entertainment.
- EGMs play is low and provided as an amenity – funds derived from EGMs are put towards venue improvements.
- Gamblers will set high limits in response to pre-commitment.

The small venue visits indicated little EGM activity (with no activity in some venues during the duration of the visit) and a gathering of community groups for particular activities. The major impression gained from the visits is that EGMs are not a primary patron attractor or a major income generator, but rather an additional amenity offered by the venue with the benefit of generating low level funds for venue improvements.

6.3.2 Implementation of pre-commitment in small venues

The RGWP has concluded, from the two pre-commitment technology trials evaluated, that the cost per machine of implementing technology based pre-commitment and cost as a percentage of gaming machine revenue is higher for small venues. This will be an important factor influencing implementation of pre-commitment technology.

The cost impact of implementing technology based pre-commitment is higher for small venues.

From its small venue visits and other consultation, the RGWP notes that the impact of the cost of implementing pre-commitment as a proportion of gaming revenue may be particularly high in rural areas and for smaller venues generally. The RGWP further notes that during the small venue visits, venue managers reported that small numbers of gaming machines may be offered at break even or at a loss in order to provide a service to patrons. Implementation outlay and ongoing administrative costs associated with a pre-commitment system may result in the voluntary closure of these venues.

Small venues visited by the RGWP argued strongly that the nature of their venue's environment should be considered as a criterion for an exemption from implementing pre-commitment. These venues argue that they are characterised by a small gaming room, emphasis on other facilities and services, local patronage, and high levels of customer care due to knowing their customers.

Steps should be taken to reduce cost impact on small venues of implementing pre-commitment.

Some members of the RGWP do not consider that the size of a venue is an indicator of its effectiveness at addressing problem gambling; other members are adamant that it is a pivotal issue. While the RGWP generally considers that pre-commitment should be a desirable feature available to customers in all venues, the RGWP considers that steps should be taken to reduce the cost impact on small venues.

As a result, there was considerable debate within the RGWP as to the definition of small venues and the length of the extension in the timeframe for implementing pre-commitment.

The RGWP is mindful that the Minister's pre-commitment Terms of Reference set out exemptions until 2018 for venues with less than 15 gaming machines. Subsequent to this Terms of Reference, the Commonwealth Government has set out two exemption levels for small venues:

- venues with between 11 and 20 gaming machines will have an extra four years to implement the changes (ie. until the end of 2020); and
- very small venues with 10 or less gaming machines will be able to implement pre-commitment in line with the normal gaming machine replacement cycle.

Given the unresolved debate within the RGWP on this topic, and the Commonwealth Government's announcement, the RGWP has concluded that the exemption arrangements set out by the Commonwealth Government should be adopted in South Australia.

6.4 Community education

In section 3.1.1 of this progress report, the RGWP identifies that pre-commitment communication strategies will need to be targeted to two audiences:

- the wider community; and
- the EGM gambling population specifically.

Pre-commitment should not be promoted as a tool for problem gamblers.

In that section the RGWP also discusses the need to carefully consider the language used to communicate pre-commitment, so as to not deter take-up both generally and by diverse segments of the population (culture and literacy). Promotional approaches and material, product information brochures, registration forms, and staff training will all need to ensure that pre-commitment is not presented as a problem gambling tool.

Community education should have the goal of accelerating take-up of pre-commitment.

Further, consistency of message and language is fundamental to take-up and to normalising pre-commitment as part of the EGM playing experience, while also assisting venue staff and customers who move around venues.

It has been the practice of the RGWP to establish working groups, under Terms of Reference, to address cross sector issues. Membership of a working group is from relevant sectors and chairing is undertaken by agencies that have a primary role in the terms of reference.

The two working groups established to date are the In-venue Signage Advisory Group (refer to *Fourth Progress Report*) and the In-venue Media Advisory Group (refer to section 3.1.1 of this progress report). With the success of the signage group and the current progress of the media group, the RGWP supports proceeding with the same working group model for the development of a community education approach. (The In-venue Media Advisory Group has been asked to provide advice about materials to inform customer decision making and understanding about pre-commitment. However, this focus is on in-venue materials and not the broader community).

The RGWP proposes that the Office for Problem Gambling, Club Safe, Gaming Care, the Casino Host Responsibility Coordinators, United Voice, and

representatives of the gambling help sector, should work to develop a community education program for pre-commitment::

- Gaming Care, Club Safe and the Casino Host Responsibility Coordinators will have a key role in relation to pre-commitment at the venue level;
- Gambling Help services, including their financial counsellors, will have an important role in communicating pre-commitment to gambling clients; and
- the Office for Problem Gambling has responsibility for and experience in broad community education campaigns and the production of information material aimed at engaging gamblers, their families and significant others.

The RGWP remains strong in its view that pre-commitment should not be marketed as a problem gambling tool, as it is a tool for all players. However, the trials have shown the potential for great benefit to those who do have problems and who are amenable to budget setting.

6.5 Venue staff training

Venue staff play an important role in pre-commitment.

The trials have shown that venue staff play an important role in pre-commitment, communicating its value and assisting customers to determine personally relevant limits.

Venue staff will need training in how to engage with customers about pre-commitment, particularly regarding appropriate language and how to respond to a customer who seeks assistance with determining their personal limit. Training will need to be consistent across all venues to minimise confusion in customers and staff, and to create confidence in staff, particularly in a sector where both staff and customers move around.

Venue staff will also need training to understand system functionality, which may involve multi system functionality, given staff mobility across venues.

These two areas of training will need to be provided in different ways:

- under current training structures – communicating pre-commitment and assisting customers (a baseline of consistency across all venues); and
- by the system provider – system functionality (not necessarily consistent across all venues).

Staff training in pre-commitment should be mandatory and in paid hours.

The following discussion will focus on training about communicating pre-commitment and assisting customers. This training should be mandatory and, in that regard, staff should be trained in paid hours.

Mandatory gaming training is required under the Responsible Gambling Code of Practice and by a condition on all gaming machine licences. Two areas of training are required: responsible gambling and operation of machines. The training requirements apply to: approved gaming machine employees; approved gaming machine managers; and licensees, directors and committee members (with this group able to apply for an exemption if they do not actively

conduct any of the duties prescribed under the gaming machine licence, such as management or supervision of staff⁷.

In addition, 2010 amendments to the *Gaming Machines Act 1992* have added a third area of training – advanced training. This training is targeted at staff in late trading venues.

Training can be conducted by external providers or in-house. Each has different requirements (refer to the website of the Department for Consumer and Business Services – Office of the Liquor and Gambling Commissioner for the detailed requirements of all levels of training). At its simplest, an external provider must be a Registered Training Organisation (RTO) approved by the Independent Gambling Authority, and in-house programs need to be annually reviewed and audited for compliance.

Training is not a prerequisite to obtaining approval for a gaming employee under the *Gaming Machines Act 1992*. All newly approved staff must complete the required training within six months of approval. This may require consideration in regard to the RGWP's minimum specification for pre-commitment about consistency of language; ideally, staff training should precede the implementation of pre-commitment.

The RGWP should be responsible for the development of minimum requirements for pre-commitment concepts training. Further, consistent with the current mandatory training structure and to ensure consistency of content across the sector, a formal process for recognising pre-commitment training should be included in the *Gaming Machines Act 1992* and the *Casino Act 1997*.

6.6 Summary and recommendations

Pre-commitment is still in its early stages. The continuing role for the RGWP will be to evaluate and make recommendations to the Minister about the implementation process.

Innovation and development in pre-commitment may be encouraged by a competitive market place with the RGWP advising on the development of interoperability standards. These standards may take some time to develop.

Pre-commitment can be implemented on existing gaming machine infrastructure, with some advanced pre-commitment features not yet available until the Independent Gaming Corporation completes planning for and implementing of a new Central Monitoring System.

Pre-commitment will need to be supported by the *Gaming Machines Act 1992* and the *Casino Act 1997* to establish minimum pre-commitment system requirements.

The capacity of venues to implement pre-commitment is influenced by venue size. The RGWP supports the two levels of small venue exemptions proposed by the Commonwealth Government, specifically:

- venues with between 11 and 20 gaming machines will have an extra four years to implement the changes; and

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http://www.olgc.sa.gov.au/default.asp?menu=gaming&page=gaming/responsible_gambling/Gaming_Training_Requirements_021203.htm

- very small venues with 10 or less gaming machines will be able to implement pre-commitment in line with the normal gaming machine replacement cycle.

The Office for Problem Gambling, Club Safe, Gaming Care, Casino Host Responsibility Coordinators, United Voice, and representatives of the gambling help sector will work to develop a community education program for pre-commitment.

All relevant venue and gambling help staff, including accredited gambling financial counsellors, may need to undertake training in general pre-commitment concepts and be supported with specific system based training. The RGWP will advise on the development of training frameworks, which may be recognised under the *Gaming Machines Act 1992* and the *Casino Act 1997*.

Following are the RGWP's recommendations regarding the implementation of pre-commitment in South Australia:

- Major Recommendations
 - That technology is available on all gaming machines in venues by 2016 to allow gamblers to set voluntary limits on their gambling expenditure.
 - That small venues are exempt from this timetable and that the following timeline is applied:
 - very small venues with 10 or less gaming machines will be able to implement pre-commitment in line with the normal gaming machine replacement cycle; and
 - venues with between 11 and 20 gaming machines will have an extra four years to implement the changes (ie. until the end of 2020).
 - That a major program of community education and venue staff training is undertaken to both explain the purpose of limit setting and to promote responsible gambling.
- Secondary Recommendations
 - That the RGWP continues to work consultatively with all stakeholders to develop a clear implementation pathway to voluntary pre-commitment to meet the 2016 timeline.
 - That necessary work is commenced to amend relevant legislation and to develop regulations to enable pre-commitment changes to take place.
 - That the RGWP will advise relevant organisations on community training and staff training frameworks.
 - To note that the work of the Independent Gambling Corporation, in planning for a new Central Monitoring System, will impact on voluntary pre-commitment advanced functionality.

7. Additional Terms of Reference

On 1 February 2012 the Minister for Business Services and Consumers assigned the RGWP additional Terms of Reference and extended the reporting time to 31 March 2012 (refer Appendix 2b).

The additional Terms of Reference are:

9. The Responsible Gambling Working Party will assess and advise if the South Australian pre-commitment arrangements proposed in the *Pre-commitment Implementation Terms of Reference*, and the Responsible Gambling Working Party's advice to the Minister for Business Services and Consumers in accordance with the *Pre-commitment Implementation Terms of Reference*, is consistent with the Commonwealth Government reforms announced on 21 January 2012.
10. If the Responsible Gambling Working Party's assessment identifies any inconsistency, the Responsible Gambling Working Party is to advise what changes would be appropriate to make the advice consistent and the impact of those changes.

Following the Commonwealth Government's announcement on 21 January 2012, exposure drafts of the *National Gambling Reform Bill 2012* and the *National Gambling Reform (Related Matters) Bill 2012* were released on 17 February 2012. These exposure drafts are the legislation to achieve the gambling reforms announced on 21 January 2012.

The RGWP notes that the additional Terms of Reference require the RGWP to provide its advice in relation to the Commonwealth Government reforms announced on 21 January 2012, rather than the draft legislation. The following discussion is in that context.

7.1 Commonwealth Government pre-commitment policy – 21 January 2012

On 21 January 2012 the Prime Minister announced in relation to pre-commitment that it would:

- undertake a large scale trial of mandatory pre-commitment (from February 2013);
- expand pre-commitment technology to every gaming machine across the country, that could be used for mandatory pre-commitment if it is supported by a trial;
- introduce legislation in the first 2012 Parliamentary session which will require:
 - all new gaming machines manufactured from 2013 to be capable of supporting pre-commitment; and
 - by 31 December 2016 all gaming machines must be part of a state linked pre-commitment system, except eligible small venues which will have longer.

The implementation timeline for eligible small venues is defined at two levels⁸:

⁸ <http://www.problemgambling.gov.au/wp-content/uploads/2012/02/factsheet-precommitment2.pdf>

- very small venues with 10 or less EGMs will be able to implement pre-commitment in line with the normal EGM replacement cycle, to remove any up front implementation costs; and
- venues with between 11 and 20 EGMs will have an extra four years to implement the changes (ie. until the end of 2020).

The Prime Minister also announced other gambling reforms that are relevant to the RGWP's task – the introduction of electronic warnings and cost of play displays on gaming machines by 2016.

7.2 RGWP advice – consistency with Commonwealth

Table 5 compares the key points of the Commonwealth Government's 21 January 2012 announcement and the RGWP's advice to the Minister for Business Services and Consumers, as reflected in this *Fifth Progress Report*.

Overall, it shows that the RGWP's advice is largely consistent or can easily become consistent (for example: specification of small venues and very small venues), with the exception of the display of messages on gaming machines. However, clarification needs to be sought from the Commonwealth about what messaging "on" machines means, as South Australia currently has messaging sent to customers 'at' machines, displayed on a card or tag reader located with the machine.

Table 5: Consistency – RGWP advice and Commonwealth Government

<p>1. All new EGMs manufactured from 2013 to be capable of supporting pre-commitment.</p>
<p><u>Consistent.</u></p> <p>This relies on the capacity of manufacturers to provide EGMs in an environment without a national standard.</p> <p>The RGWP sees value in South Australian venues being able to access machines that are available nationally.</p> <p>However, South Australia's current Central Monitoring System with a one-way communication protocol, and an estimated 60% of gaming machines, cannot support activation of advanced pre-commitment functions such as messages on-screen or a customer's lock out from play. A two way communication protocol is under consideration.</p>
<p>2. By 31 December 2016 all EGMs must be part of a state linked pre-commitment system, except eligible small venues.</p>
<p><u>Consistent.</u></p> <p>SA currently provides pre-commitment on 20% of EGMs – 2 venues in isolation and another 78 linked.</p> <p>SA has a multi pre-commitment system environment. To achieve a state linked pre-commitment system, where a customers limits follow them across different pre-commitment systems, will require the establishment of business to business data standards. This is achievable by the end of 2016.</p>

<p>3a. Very small venues with 10 or less EGMs will be able to implement pre-commitment in line with the normal EGM replacement cycle.</p>
<p><u>Consistent.</u></p> <ul style="list-style-type: none"> • The pre-commitment Terms of Reference set out a fast timetable for venues in this category. • The RGWP, having considered the pre-commitment Terms of Reference, recommends adopting the Commonwealth Government definition and timeframe.
<p>3b. Venues with between 11 and 20 EGMs will have an extra four years to implement the changes (ie. until the end of 2020).</p>
<p><u>Consistent</u></p> <ul style="list-style-type: none"> • The pre-commitment Terms of Reference set out a fast timetable for venues in this category. • The RGWP, having considered the pre-commitment Terms of Reference, recommends adopting the Commonwealth Government definition and timeframe.
<p>4. Electronic warnings and cost of play displays on gaming machines by 2016</p>
<p><u>Consistent in that messaging is currently displayed to customers at the machine on a card/tag reader.</u></p> <p>South Australia's current Central Monitoring System (CMS) and an estimated 60% of EGMs cannot support messaging on an EGM screen. The CMS license is due for renewal in 2016. A new two way-communication protocol (which can support messaging on-screen) is anticipated but not confirmed.</p> <p>South Australia's current pre-commitment systems provide messaging, which is sent to the customer at the machine (on the card/tag reader).</p>
<p>5. Expand pre-commitment technology to every EGM across the country that could then be used for mandatory pre-commitment if it is supported by a trial.</p>
<p><u>Consistent but the Commonwealth's implementation timeline matters.</u></p>

8. References

Australian Competition and Consumer Commission –
<http://www.accc.gov.au/content/index.phtml/itemId/815366>

Delfabbro, P (2012) *Evaluation of the Maxetag Budget Setting Feature*

Independent Gambling Authority (2005) *Inquiry into Smart Card Technology Report*

McDonnell Philips Pty Ltd (2006) *Analysis of Gambler Pre-commitment Behaviour*. Report commissioned by Gambling Research Australia

Productivity Commission (2010) *Gambling, Report no. 50*, Canberra

Responsible Gambling Working Party (2007) *First Progress Report*

Responsible Gambling Working Party (2008) *Second Progress Report*

Responsible Gambling Working Party (2009) *Third Progress Report*

Responsible Gambling Working Party (2010) *Fourth Progress Report*

Appendix 1 – RGWP Terms of Reference

Responsible Gambling Working Party Terms of Reference April 2010

The Responsible Gambling Working Party will:

1. Identify strategies that can be implemented to support customers to make commitments about their level of gambling on gaming machines, which strategies will primarily focus on:
 - Informed decision-making
 - Assisting customers to understand the gambling product.
 - Ensuring that customers understand the costs of playing gaming machines.
 - Facilitating improvements to in-venue signage.
 - Money management
 - Supporting the delivery of a range of financial information for customers.
 - Player tracking and Pre-commitment systems
 - Undertaking and/or evaluating trials of various systems including, but not limited to, the setting of defaults and messaging.
 - Informing the national development of pre-commitment (primarily through provision of trials outcomes and lessons learned).
 - Assisting the development of enhanced gaming staff training in the areas of: responsible gambling, and identification and intervention with customers exhibiting problematic gambling behaviours.
2. Undertake discussions and collaborative work where appropriate, with relevant stakeholders (industry, government, community agencies and gaming machine customers) to inform strategy identification.
3. Undertake projects to inform the development of strategies that can be implemented to support customers to make commitments about their level of gambling on gaming machines.
4. Make recommendations to the Minister for Gambling regarding identified strategies.
5. Provide regular written progress reports to the Minister for Gambling for public release, which reports will be provided to the Minister on no less than an annual basis on or before 31 March.
6. Address other matters as referred by the Minister for Gambling.

Membership of the Responsible Gambling Working Party is through appointment by the Minister for Gambling. The Chair's appointment is for twelve months and remaining appointments are for two years, subject to review on or before 31 December 2012.

The Department of Treasury and Finance will provide secretariat support to the Working Party.

Appendix 2a – Pre-commitment Implementation Terms of Reference

<p style="text-align: center;">Responsible Gambling Working Party Terms of Reference – Pre-commitment implementation June 2011</p>

In accordance with clause 6 of the Responsible Gambling Working Party's Terms of Reference, the Responsible Gambling Working Party is assigned the following additional Terms of Reference – Pre-commitment Implementation.

The Responsible Gambling Working Party will, by 30 December 2011, provide advice to the Minister for Gambling regarding implementation and specification of pre-commitment in South Australia, which advice is to be in accordance with the following:

1. Pre-commitment provided on all electronic gaming machines in all venues with 15 or more gaming machines by 1 July 2014.
2. Exemptions until 2018 for venues with less than 15 gaming machines.
3. Voluntary player registration for pre-commitment.
4. Players without limits set, to be sent budget reminder messages at the machine.
5. Consequences the player will receive when exceeding a limit.
6. Built in pre-commitment functionality for next generation gaming machines, capable of lock-out and on-screen messaging.
7. A transition process that addresses issues identified by key stakeholders.
8. Cultural appropriateness for a range of communities.

Appendix 2b – Additional Pre-commitment Terms of Reference

**January 2012
Responsible Gambling Working Party
Additional Terms of Reference
to
Pre-commitment implementation Terms of Reference assigned 1 July 2011**

In accordance with clause 6 of the Responsible Gambling Working Party's Terms of Reference, the Responsible Gambling Working Party was assigned *Terms of Reference – Pre-commitment Implementation* on 1 July 2011.

By extension granted on 6 January 2012, the Responsible Gambling Working Party is to provide its advice to the Minister for Business Services and Consumers by 31 March 2012.

The RGWP is also assigned the following additional Terms of Reference:

9. The Responsible Gambling Working Party will assess and advise if the South Australian pre-commitment arrangements proposed in the *Pre-commitment Implementation Terms of Reference* and the Responsible Gambling Working Party's advice to the Minister for Business Services and Consumers in accordance with the *Pre-commitment Implementation Terms of Reference* is consistent with the Commonwealth Government reforms announced on 21 January 2012.
10. If the Responsible Gambling Working Party's assessment identifies any inconsistency, the Responsible Gambling Working Party is to advise what changes would be appropriate to make the advice consistent and the impact of those changes.

Appendix 3 – Fourth Progress Report Forward Actions

Informed decision-making	<ul style="list-style-type: none"> Continue to work with the OPG and its <i>Communications and Community Education Advisory Group</i> regarding the feasibility and creation of a video to place on the problem gambling website about demystifying an EGM (open up an EGM and explain how works).
	<ul style="list-style-type: none"> Consult with the Office for Youth about the production of the EGM video.
	<ul style="list-style-type: none"> Continue to refer strategy ideas to the OPG for consideration by the <i>Communications and Community Education Advisory Group</i>.
	<ul style="list-style-type: none"> Monitor implementation of the recommendations of the <i>In-venue Signage Advisory Group</i>.
	<ul style="list-style-type: none"> Continue/undertake structured discussions with various groups and sector representatives and keep informed about programs: DECS, Gaming Care, Club Safe, SkyCity Host Responsibility Co-ordinators, Consumer Voice.
	<ul style="list-style-type: none"> Assist the development of materials to inform customer decision-making and understanding about pre-commitment.
Money management	<ul style="list-style-type: none"> Continue dialogue with AGC regarding its financial literacy resource.
	<ul style="list-style-type: none"> Continue dialogue with DECS regarding the implementation of the 2007–2010 Responsible Gambling Education Strategy, with regard to financial literacy, and particularly the evaluation of the website tool.
	<ul style="list-style-type: none"> Continue exploring the potential for placing responsible gambling messages on ATM screens and receipts for ATMs located within gaming venues.
	<ul style="list-style-type: none"> Implement the Working Party's decisions regarding ideas put by the money management and financial literacy experts to the Working Party in June 2009, particularly: <ul style="list-style-type: none"> Financial counselling fact sheet in OPG venue kit Gaming Care, Club Safe and Adelaide Casino Host Responsibility program promoting local money management seminars/workshops.
	<ul style="list-style-type: none"> Monitor FaHCSIA financial institutions report conducted by SA Centre for Economic Studies for indications of strategies that the Working Party can assist implementing in South Australia.
	<ul style="list-style-type: none"> Investigate the potential to trial additional approaches to using the ChangeTracker Card.
	<ul style="list-style-type: none"> Develop recommendations to the Minister for Gambling regarding forward planning and implementation of player tracking and pre-commitment systems in South Australia.
	<ul style="list-style-type: none"> Continue discussions about interoperability of pre-commitment systems in South Australia.
	<ul style="list-style-type: none"> Continue discussion about the default operation and the nature of voluntary use of pre-commitment systems in South Australia.

Player tracking and pre-commitment systems	<ul style="list-style-type: none"> Release publicly the Evaluation report of the Worldsmart player tracking and pre-commitment trial.
	<ul style="list-style-type: none"> Release publicly the Evaluation report of the ChangeTracker Card trial.
	<ul style="list-style-type: none"> Implement the GGI-Maxetag player tracking and pre-commitment trial and: (1) Conduct the evaluation through management of a contracted external evaluator; and (2) Maintain the trial co-ordination group.
	<ul style="list-style-type: none"> Develop recommendations to the Minister for Gambling regarding forward planning and implementation of player tracking and pre-commitment systems in South Australia.
	<ul style="list-style-type: none"> Continue discussions about interoperability of pre-commitment systems in South Australia.
	<ul style="list-style-type: none"> Continue discussion about the default operation and the nature of voluntary use of pre-commitment systems in South Australia.
	<ul style="list-style-type: none"> Apply lessons learned from the trials to provide input into the development of a national pre-commitment policy through the Department of Treasury and Finance.
	<ul style="list-style-type: none"> Investigate the impact of the removal of Automatic Coin Machines from venues that do not implement a player tracking system (continued from <i>Second Progress Report</i>).
	<ul style="list-style-type: none"> Keep informed about the AHA SA auspiced project testing the indicators identified in the GRA research report <i>Identifying Problem Gamblers in Gambling Venues</i>, and its development into a training program for venue staff.

Appendix 4 – RGWP Pre-commitment Specification: Minimum Requirement

(1) Before Play

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
Informed decision making		
3.1	Community Education <i>Pre-commitment choice needs to be available to all gaming machine customers, accompanied by community education and the promotion of its being a tool for all customers.</i>	<ul style="list-style-type: none"> • Promotion of pre-commitment as a tool for all gaming machine customers. • Consideration of cultural appropriateness for a range of communities. • Community education campaign using appropriate language, aimed at the wider community. • Community sector worker training about pre-commitment and beneficial language.
	In-venue materials and promotion <i>Increasing customers' understanding of pre-commitment and gaming machines, and that pre-commitment is a tool for all customers.</i>	<ul style="list-style-type: none"> • User friendly and easily accessible information containing pre-commitment language that is consistent across venues. • Identification of privacy protections. • Venue staff training in appropriate language for promoting/discussing pre-commitment with customers, which language is consistent across venues. • Culturally appropriate materials relevant to venues demographic.

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
Money Management		
3.2	Personal budget setting <i>Assisting customers to identify a personally meaningful limit.</i>	<ul style="list-style-type: none"> • User friendly and easily accessible information, using language that is consistent across venues, about: <ul style="list-style-type: none"> ○ The cost of EGM play. ○ Gambling as a component of entertainment spending, which the customer needs to include in their regular budgeting. • On site information about choosing a personal limit (typical expenditure versus safety net), using language that is consistent across venues. • Venue staff training about how to respond to customers' questions about what limit they should set, with the content of the training to be consistent across venues, including appropriate language. • Community sector worker training about limit setting – typical expenditure versus safety net – with the content of the training to be consistent across agencies, including appropriate language.
Registration		
3.3	Registration <i>The ability for a customer to register and set pre-commitment limits at the gaming venue.</i>	<ul style="list-style-type: none"> • Simple and easy process, for example via: <ul style="list-style-type: none"> ○ a simple form; ○ an interview with venue staff; and/or ○ an automated kiosk. • Customers to be provided with information about system consequences and the process of limit variations. • Customers to confirm acceptance of the terms and conditions.

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – Before Play
Limit Specification		
3.4	Limit Types <i>The limits that are offered to all customers seeking to set a limit.</i>	<ul style="list-style-type: none"> • Expenditure limit Optional features: <ul style="list-style-type: none"> • Time limit • Break-in-play • No-play period
	Limit Periods <i>The period over which the limit relates that is offered to all customers seeking to set a limit.</i>	<ul style="list-style-type: none"> • Daily • Weekly Optional features: <ul style="list-style-type: none"> • Fortnightly • Monthly • Annual
	Limit reminder message <i>Consequences will apply to registered customers who exceed a pre-commitment limit. One consequence will be a message displayed at the machine.</i>	<ul style="list-style-type: none"> • A gaming machine customer should be able to set a customised limit reminder message to be displayed at the gaming machine when they reach a limit. • A prescribed message will be displayed for a customer who has not set a customised message.
	Limit variation before play <i>Limitations that apply to all requests for changes to pre-commitment limits after registration but before a customer first plays an EGM after registering.</i>	<ul style="list-style-type: none"> • Limit variations after registration, but before a customer first plays a gaming machine after registering, should be applied as soon as they are requested.

(2) During Play

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – During Play
Informed decision making		
4.1	In-venue materials and promotion <i>Increasing customers' understanding of pre-commitment and gaming machines, and that pre-commitment is a tool for all customers.</i>	<ul style="list-style-type: none"> • User friendly and easily accessible information containing pre-commitment language that is consistent across venues. • Venue staff training in appropriate language for promoting/discussing pre-commitment with customers, which language is consistent across all venues. • Culturally appropriate materials relevant to a venues' demographic. • Identification of privacy protections.
Limit Coverage		
4.2	Wide Area Operation <i>System providers must allow the customer to set a limit that applies across all venues.</i>	<ul style="list-style-type: none"> • The pre-commitment limits should apply across all gaming machines and all venues in South Australia. • Protection of system providers' and venues' confidential data in a multi system environment.
Limit Variation		
4.3	Mechanisms for varying limits <i>The ability for a customer to change their limit once they have played an EGM after registering for pre-commitment.</i>	<ul style="list-style-type: none"> • Simple and easy process. • On site (for example via simple form / interview with venue staff / automated kiosk). • Off site by remote means (for example, internet).

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – During Play
	Cooling Off <i>Limitations that apply to all requests for changes to pre-commitment limits once a customer has played an EGM after registering for pre-commitment.</i>	<ul style="list-style-type: none"> • If a limit is decreased then it applies as soon as practicable. • If a limit is increased then the customer must confirm the limit variation after 24 hours to enable activation. • Subsequent requests for variations rescind all others.
Default Limits		
4.4.	Unregistered customers <i>Customers not registered for pre-commitment should receive responsible gambling messaging.</i>	<ul style="list-style-type: none"> • Messages set by the responsible Minister are generated at expenditure thresholds defined by the responsible Minister. • Messaging will not be so frequent as to be a deterrent to play, but at minimum will occur at three expenditure thresholds. • Messages will be accompanied by an audible sound (eg. beep) at the machine. • Customers can not turn messaging off unless they register and set a limit, including no limit. • Expenditure thresholds relate to gaming session per machine.
Consequence		
4.5	Customised message - registered customers with limits <i>The customer should be able to set a customised message to be applied as the consequence to exceeding a limit.</i>	<ul style="list-style-type: none"> • A gaming machine customer must be able to set a customised message to be displayed at the gaming machine. • If a customised message is not set, then a prescribed message will be displayed.
	Registered customers with limits <i>Consequences that apply to registered</i>	<ul style="list-style-type: none"> • Progress messages are generated at points leading up to the limit being reached (for example, when expenditure reaches 50% of limit, 75% of limit and 90% of limit).

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – During Play
	<i>customers who have a pre-commitment limit.</i>	<ul style="list-style-type: none"> • At the limit, the customised limit reminder message or a prescribed reminder message will be displayed to notify a customer that he or she has reached a contracted limit. • Messages will be accompanied by an audible sound (eg. beep) at the machine. • A further message, reminding a customer that he or she has already reached a contracted limit, must be displayed at 110%, 120% and 150% of limit until the limit resets. • When a limit is reached the pre-commitment system will notify the gaming/venue staff to undertake a subtle human intervention. • Customer notification features should be discrete and should not identify to other customers that the customer has reached a limit. <p>Optional features:</p> <ul style="list-style-type: none"> • The pre-commitment system can ask the gaming machine customer that has reached a limit to confirm if he or she wishes to continue playing. • The pre-commitment system can send an electronic message to the customer or a third party selected by the customer.

(3) After Play

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – After Play
Limit Specification		
5.1	Limit Confirmation <i>A registered customer must confirm his or her limit periodically to remind the customer of pre-set limits.</i>	<ul style="list-style-type: none"> • A customer must be asked every six months to confirm or change his or her limit. • The process for six monthly limit confirmation or change must be simple.
Customer Communication		
5.2	Notification Method <i>Method by which the system provider can communicate with the registered customer.</i>	<ul style="list-style-type: none"> • A customer must be able to select his or her preferred method of communication – mail, email, in venue. • A customer should be able to select a preferred language for communication from a list of languages consistent with the Responsible Gambling Code of Practice. This selected language will be used for all communication including system messaging and activity statements.
Activity Statements		
5.3.	Periodic Statements <i>The service provider will provide all registered customers with periodic statements of activity.</i>	<ul style="list-style-type: none"> • Where there is activity in a preceding period, an activity statement is to be provided by the notification method every six months. • A customer must be able to access an activity statement from the venue/gaming staff, an automated kiosk in the venue, and website.
	On-Demand Statements	<ul style="list-style-type: none"> • The customer must be able to obtain an activity statement from the venue/gaming staff, an

Fifth Progress Report – Section Reference	Function and Description	Minimum Requirement – After Play
	<i>The service provider will provide registered customers with an activity statement when requested.</i>	automated kiosk in the venue and website, for the current session of play and previous month, unless otherwise specified by the responsible Minister.
	Statement Contents <i>The information that should be included on a statement to the registered customer.</i>	<ul style="list-style-type: none"> • The statement must specify: <ul style="list-style-type: none"> ○ the period of the statement; ○ total amount spent; ○ amounts won and lost; ○ net amount won or lost; ○ current limit(s); and ○ number of times exceeded limit.