

23rd September 2011



Mr R Chappell
Independent Gambling Authority
2011 Codes of Practice Review
PO Box 67
RUNDLE MALL SA 5000

Dear Robert

Re: Codes of Practice Review 2011

In response to the Authority's notice published in The Advertiser 24 August 2011 for the Codes of Practice Review 2011, please find enclosed a joint submission from Clubs SA and Club Safe.

Clubs SA and Club Safe have responded to a majority of the issues the Authority has identified, however we have not commented on every clause in the Codes as per the Worksheet. Addressing every individual clause in the Codes requires discussion and collaboration amongst the relevant parties involved. We believe this would be best achieved by a working group rather than by individual submissions.

Yours Sincerely,

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Club and Hospitality
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Club Safe Limited

Member of Clubs
Australia



**Joint Submission to the Independent
Gambling Authority by Clubs SA & Club Safe**

2011 Codes of Practice Review

23 September 2011

In response to the Authority's notice published in The Advertiser 24 August 2011, for the Codes of Practice Review 2011, Clubs SA and Club Safe make the following joint submission.

Introduction

Whilst this review addresses a number of issues, Clubs SA and Club Safe notes that the timing of this review is principally driven by a commitment the Authority made, when mandating the approved intervention agency initiative for hotels and clubs, to review the effectiveness after the end of the then 2 year review period for the gaming machine codes of practice.

From industry's perspective the development of Club Safe and Gaming Care as approved intervention agencies has seen the industry mature in dealing with issues surrounding problematic gambling behaviour. The industry's ongoing commitment to Club Safe and Gaming Care and embracing harm minimisation measures is evident throughout this submission.

Objects of the Authority

The operation of gaming machines in South Australia was legalised in 1992 and remains a legal activity regulated by the Independent Gambling Authority ("the Authority") and the Liquor and Gambling Commissioner ("the Commissioner").

Clubs SA and Club Safe notes the Authority's statutory obligation to have regard to the objects at 11(2a) of the Independent Gambling Authority Act 1995, including the maintenance of a viable hotel and club gaming machine industry:

"(2a) In performing its functions and exercising its powers under this Act or a prescribed Act, the Authority must have regard to the following objects:

- (a) the fostering of responsibility in gambling and, in particular, the minimising of harm caused by gambling, recognising the positive and negative impacts of gambling on communities; and*
- (b) the maintenance of an economically viable and socially responsible gambling industry (including an economically viable and socially responsible club and hotel gaming machine industry) in this State."*

In the context of gaming being a legal activity and given the Authority's statutory objects, Clubs SA and Club Safe believe that a number of the proposals identified in this review should be tested against these objects.

Further, Clubs SA and Club Safe suggest that a number of the proposals in this review require evidence to support why the proposal is being promoted.

Worksheet—2011 Codes of Practice Review—Issues to address

<i>Reference</i>	<i>Description</i>	<i>Comments</i>
3.2.1	Approved Intervention Agency initiative	The use of AIA's has been an extremely effective tool to assist licensees in relation to their obligations under the codes. The industry is still maturing and developing, now is not the right time to consider the expansion of the role of AIA's.
3.2.2	Casino host responsibility	No comment.
3.2.3	Inducements to gamble	Clauses dealing with inducements to gamble could be more focused on unsafe and inappropriate promotions and not inhibit safe promotional activities.
3.2.4	Differential regulatory treatment	No comment.
3.2.5	Training	A working group should be established to review the training requirements of the Codes.
3.2.6	Mandatory warning messages	We are not aware of any widespread non-compliance with mandatory warning messages. Club Safe could investigate reported incidences of non-compliance. The inclusion of the mandatory warning messages on responsible gambling material, with the exception of the specified poster and pamphlet, is unnecessary.
3.2.7	In-venue reporting of problem gamblers	Current requirements are appropriate. The focus of record-keeping should be on <i>behaviour</i> and not on the categorisation of the patron being a <i>problem gambler</i> .
3.2.8	Perimeter control	Clubs SA and Club Safe are opposed to the concept of 'Perimeter control'.
3.2.9	Mandatory breaks in play (pop-up messaging)	Clubs SA and Club Safe do not support the Authority proceeding with the concept of mandatory breaks in play.
3.2.10	Sportsbetting advertising	No comment.
3.2.11	Consolidating the wagering codes	No comment.
3.2.12	Children's play areas	Clubs SA and Club Safe do not share the same concerns as the Authority regarding children's play areas.
3.2.13	Cheques for winnings	Clubs SA and Club Safe do not support the proposition that all payouts above a certain limit be paid out by cheque.
3.2.14	Obligations for staff welfare	All responsible gambling training courses delivered by Club Safe already include discussion on this issue.

3.2.1 Approved Intervention Agency initiative

Club Safe Limited (Club Safe) was established in 2006 by the Licensed Clubs' Association of SA Inc (trading as Clubs SA) and recommended to the Independent Gambling Authority (the Authority) as a responsible gambling early intervention initiative for all clubs operating gaming machines in South Australia.

On 18 November 2008, the Authority approved Club Safe as an *approved intervention agency* for the purposes of clause 2A of the newly revised Advertising and Responsible Gambling Codes of Practice.

Following the 2010 amendments to the Gaming Machines Act 1992, on 1 June 2011 the Authority officially recognised Club Safe as “...an industry body with which a licensee may enter into a responsible gambling agreement” pursuant to section 10B(1)(a) of the Act.

As at 30 June 2011, Club Safe has responsible gambling agreements with 65 gambling providers. This includes two hotel licences and five special circumstances licences held by clubs.

There are no clubs that are not party to a responsible gambling agreement.

Objectives

Club Safe aims to promote responsible gambling and minimise the harm associated with problem gambling by providing support and assistance to all licensed clubs that operate gaming machines in South Australia.

The objectives of Club Safe are to:-

- assist clubs and club staff identify and provide support to problem gamblers;
- assist clubs to comply with the Advertising and Responsible Gambling Codes of Practice;
- periodically audit clubs for compliance with South Australia's gaming regulations;
- provide responsible gambling training to gaming employees and gaming managers;
- develop and deliver programs and initiatives that promote responsible gambling and address problem gambling behaviour;
- provide up-to-date information to clubs and club staff regarding developments within South Australia's gaming industry;
- interact with all other industry stakeholders as required to support and promote responsible gambling initiatives in clubs.

To achieve its objectives, Club Safe will:-

- establish and maintain its status as a *recognised industry body* under South Australia's gaming machine legislation;
- establish and maintain close relationships with clubs operating gaming machines;
- enter into *responsible gambling agreements* with clubs operating gaming machines;
- establish and maintain appropriate relationships with the government, the Independent Gambling Authority, the Liquor and Gambling Commissioner, gambling help services, industry peak bodies, suppliers, researchers and any other industry stakeholder;

- maintain expert industry knowledge on gambling, gaming machines and particularly problem gambling;
- provide regular training to gaming staff on the identification of problem gambling behaviour and appropriate techniques to interact with potential problem gamblers;
- monitor the performance of clubs operating gaming machines in providing a safe and enjoyable gaming environment to patrons and in complying with the various regulatory requirements;
- report, as required, to gaming regulators on the activities of clubs operating gaming machines in relation to identifying and addressing problem gambling behaviour.

Operations

To achieve its objectives, Club Safe operates in four main areas – support for clubs, gaming staff training, stakeholder engagement and reporting.

Support for Clubs

Licensed clubs, including those with gaming machines, are first and foremost hospitality venues – they are established to provide services and facilities to groups of people who share a common interest. Whether that common interest is a local sporting team, the community of a particular region or simply the shared experience of its members (e.g. RSL clubs), a club is founded to provide an environment and facilities where people can come together and enjoy themselves.

Where a patron presents problematic gambling behaviour within a club, Club Safe is there to help. Club Safe maintains close working relationships with all gaming clubs through frequent and regular visits, correspondence and training. Club gaming staff become familiar with their Club Safe Officer and quickly understand that they can make contact at any time for advice, support, responsible gambling material or anything else that might help the club to manage a patron's gambling behaviour.

It should be noted that the number of people who at any one time are considered to be a "problem gambler" is very small.¹ The number of problem gamblers who can be identified by their behaviour in a club will be smaller again, as not all problem gamblers will overtly demonstrate problem gambling behaviour at the venue. For club gaming staff, patrons demonstrating problem gambling behaviour are not *the norm* as some would have the public believe.

Notwithstanding the infrequency of problem gambling behaviour, club gaming staff are trained to confidently identify the behaviour and interact appropriately with the patron experiencing problems. Club Safe is an important and ever-present resource to help clubs deal with infrequent incidents in an appropriate way.

Club Safe's support, with the combined experience and expertise of its three full-time staff, is a valuable adjunct to the commitment of clubs and the skills of trained club gaming staff.

Comments and feedback on the effectiveness of the support provided to clubs by Club Safe are at Appendix A to this submission.

¹ Productivity Commission into Gambling 2010, p5.23 Prevalence rate for South Australia in 2005 CPGI8+ = 0.62% and for CPGI3-7 = 1.74%

Gaming staff training

Clause 10 of the Responsible Gambling Code of Practice requires that gambling providers ensure that staff are trained appropriately, and that competency is maintained by regular refresher training or other means.

The Code establishes two levels of training on the identification of problem gambling – a basic level for approved gaming employees, and a more advanced level of training, including intervention techniques, for senior staff.

In addition to the requirements of the Codes, amendments to the Gaming Machines Act in December 2010 have established another level of training – advanced problem gambling intervention training. This training is required by gambling providers who operate between the hours of 2am and 8am. Between these hours, a gaming employee who has completed this advanced course must be located within the gaming area.

Club Safe delivers all levels of problem gambling training required. Both Club Safe Officers are qualified Certificate IV trainers.

Training courses are delivered to club gaming staff either on-site or at the training facilities at Clubs SA House, whichever is most suitable for those attending.

Club Safe provides training course material, multimedia (video, DVDs etc), exercises, assessments and guest speakers as part of its suite of training courses.

Training course material is regularly reviewed and updated to reflect changes within the industry.

Ad-hoc workshops are also delivered to club gaming staff to address any specific training needs.

Club Safe also has access to the resources of Club & Hospitality Training Services (CHTS), the training arm of Clubs SA and a Registered Training Organisation.

Stakeholder Engagement

Gambling has always been a highly regulated industry with many government and other organisations involved. For South Australia the list of industry stakeholders includes:-

- Clubs and hotels with gaming machines (562)
- Clubs SA
- AHA|SA and Gaming Care
- Independent Gambling Authority
- Liquor and Gambling Commissioner
- Consumer and Business Services (previously OLGC)
- Independent Gaming Corporation
- Office of Problem Gambling
- Gambling Help Services (several)
- Dep. of Treasury and Finance
- Adelaide Casino
- Gaming machine dealers (several)
- Service agents (3)

Changes to the industry originate from various stakeholders – some are the result of discreet government policy decisions, some are inherent in the structure of South Australia’s regulations (such as the changes that might result from this review), while still others are internally driven as agreed industry initiatives.

Club Safe endeavours to maintain its involvement in and awareness of all industry developments and keep its member clubs informed as far as possible.

Club Safe is able to keep gaming clubs aware of the developments in the gaming industry by frequent and regular personal contact with club management and staff, and by routine Club Safe bulletins and correspondence.

Similarly, Club Safe is able to contribute to industry discussions with *real-life* experiences of its member gaming clubs. The close relationships that exist between Club Safe Officers and gaming clubs allow Club Safe to make meaningful contributions on behalf of gaming clubs to the development of responsible gambling policy and initiatives.

Club Safe’s role as a conduit between gaming clubs and other industry stakeholders is an important and efficient mechanism that assists not only member clubs but many other stakeholders in the gaming industry.

Reporting

The Responsible Gambling Code of Practice requires that gaming clubs establish a system for documenting and reporting the identification of problem gambling behaviour.

8A. Internal reporting of problem gamblers

- (1) *A gambling provider must establish a reporting process in respect of the identification of suspected problem gamblers by gaming staff and the recording of those gamblers’ details.*
- (2) *The gambling provider must ensure that a gaming manager—*
 - (a) *reviews the record of suspected problem gamblers on a regular (at least fortnightly) basis; and*
 - (b) *documents, as part of the record, any steps taken to intervene in suspected problem gamblers’ gambling behaviour.*

Club Safe develops and maintains a Responsible Gambling Document to satisfy the requirements of the Codes and to assist gaming clubs with the identification and management of problem gambling behaviour.

The Responsible Gambling Document is a structured system for recording and reporting the activities of gaming clubs in relation to problem gambling behaviour. The Responsible Gambling Document includes:-

- Policies (relating to gambling and patron behaviour)
- Procedures (e.g. interaction with patrons, barrings etc.)
- Records (of patron interaction, management review, help service contact etc.)
- Forms (barring, MOUs, notifications etc.)
- Reference material (e.g. Act, Regulations, licence conditions, Codes etc.)

The structured system provided by the Responsible Gambling Document allows for:-

- recording of observations and interactions with patrons
- communication between staff about patron behaviour
- monitoring of observations and interactions by club managers
- recording of contact with Club Safe and Gambling Help Services
- repository for documents required by gaming regulations, Codes etc.

The recording system provided by the Responsible Gambling Document also forms the basis for Club Safe's reporting to the Authority. Each quarter, Club Safe reviews the contents of each Document and collates data taken from the reports within. The collated quarterly data is then analysed and presented to the Authority, in line with undertakings previously given by Club Safe.

General Observations

The implementation of the early intervention agency program is a work in progress. Aside from the establishment of the systems of documentation, the delivery of training and the reporting mechanisms, there is a more subtle but substantial change underway – a cultural shift in the attitudes, knowledge, skills, abilities and confidence of gaming operators and gaming staff.

Since its inception in 2006, Club Safe has seen, and continues to see, a gradual change in the attitudes of venues and staff to the issues around problem gambling. As club committee members are educated or replaced, as gaming staff are trained or new staff employed and as the relationship between clubs and Club Safe strengthens, there is a noticeable shift toward an acceptance and understanding of the nature of problem gambling and an appreciation for how clubs and their staff can have a positive impact on the experience of their patrons.

Without the confidence to engage with patrons about their gambling behaviour, gaming staff can be reluctant to make an initial approach. Club Safe sees the direct benefit of the delivery of training courses that teaches gaming staff how to recognise problem gambling behaviour and how to interact with potential problem gamblers in a meaningful way.

Empowered with the appropriate knowledge and skills, gaming staff become more confident to deal with problematic gambling behaviour. Club Safe's training courses include real-life experiences from gaming staff from South Australian clubs, as are the stories of recovering problem gamblers, through the Consumer Voice program of Relationships Australia (SA), and roleplaying exercises to simulate interactions with patrons. This injection of *reality* into the training courses strengthens the belief of gaming staff that they can respond appropriately to problem gambling behaviour and make a real difference in the life of someone who might be experiencing problems.

The gradual increase of confidence in gaming staff is beginning to show in the proportion of interactions that are initiated by staff, as compared to the number that are initiated by patrons. Over recent reporting periods, the number of staff-initiated interactions is consistently and increasingly outnumbering those initiated by patrons. Club Safe expects that this trend will continue over time; evidence of a more proactive and engaged club industry in relation to problematic gambling behaviour.

Overall, it should be noted that the number of problem gamblers as portrayed in the media is far from the reality for clubs - clubs are not knee-deep in problem gamblers. In many clubs, particularly smaller or regional clubs, the customer base is largely made up of regulars. Clubs attract a clientele that is more *community-like*, where everybody knows everybody else, their family and their circumstances. An environment of familiarity such that exists in many clubs does not suit the problem gambler. Problem gamblers prefer anonymity and seclusion.

In terms of the frequency of contact that Club Safe has with its clubs, the number of visits has remained fairly stable, averaging just over three visits per quarter. In each calendar year, Club Safe conducts at least two audits of every venue for compliance with the Codes of Practice and other regulatory requirements such as signage, identifications etc.

Club Safe believes that the industry's model to address problem gambling through the early intervention agencies is proving to be a great success. Gaming venues are becoming more aware of and responsive to problematic gambling behaviour as their relationship with Club Safe (and Gaming Care) develops and the abilities and confidence of their staff increases.

Expansion of the role of Recognised Industry Bodies

The Authority has invited stakeholder comment on the possible expansion of the role of the recognised industry bodies (Club Safe and Gaming Care) in the future and what could be achieved.

Clubs SA and Club Safe believe that Club Safe's current role fits well within the current structure of the industry. Club Safe operates as a form of connective tissue between the major stakeholders – gambling providers, gambling help services, policy makers and regulators.

At the present time the industry is maturing, developing its understanding of the nature of problem gambling, its role in promoting responsible gambling and obligations to address problematic gambling behaviour. Club Safe is playing a significant role in that development.

Clubs SA and Club Safe suggests that now is perhaps not the right time to make significant changes to the role of the recognised industry bodies. At some point in the near future, all gambling operators will view the responsible service of gambling as a well established, well understood and routine function of the business. Club Safe is working hard to bring the club gaming industry closer to that goal.

Once the industry's understanding has fully matured, an expansion of the role of the recognised industry bodies could be explored. Clubs SA and Club Safe would like the Authority to note that a period of regulatory stability would greatly assist.

3.2.2 Casino host responsibility

Clubs SA and Club Safe have no comment.

3.2.3 *Inducements to gamble*

Clause 6A of the Responsible Gambling Code of Practice provides:-

6A. Inducements

(1) *A gambling provider must not offer—*

- (a) *any inducement (other than participation in (sic) acceptable loyalty program) directed at encouraging patrons to gamble;*
- (b) *participation in a loyalty program (other than an acceptable loyalty program which includes a pre-commitment program approved by the Authority).*

Gambling providers who are a party to a *responsible gambling agreement* with a *recognised industry body* (Club Safe or Gaming Care) are exempt from the provisions of 6A(1)(b), allowing these gambling providers to offer inducements to gamble through the use of an acceptable loyalty program that does not include a pre-commitment function.

Currently all clubs are party to a *responsible gambling agreement* with Club Safe, and are therefore exempt from 6A(1)(b).

The Responsible Gambling Code of Practice also requires that gambling providers ensure that liquor is not supplied to reward, promote or encourage continued gambling.

Clubs SA and Club Safe note that all gambling providers are operating a legal business enterprise. It should be expected that, within a competitive market, gambling providers will seek to promote their enterprise at the expense of competitors by establishing a point of difference. This is entirely normal commercial behaviour.

With this in mind, Clubs SA and Club Safe suggest that gambling providers should be able to promote their particular gambling operation in ways that encourage customers to choose their venue over others, but without encouraging increased levels of gambling or other undesirable gambling behaviour.

Clubs SA and Club Safe believe that an unintended consequence of the current Codes is that all promotional activity in a gaming room can be seen by some as an inducement to gamble. In reality, much of it is simply intended to inject some fun and entertainment into the patrons' experience - for example a lucky machine draw, symbol combination challenge or other activities that are not related to betting or changing notes to coins.

These activities are not designed to increase a players' spend or rates of spending, but merely to enliven the players' experience with additional interaction and prize-winning opportunities. The Authority should note that the rewards offered by this category of promotional activity are almost exclusively low value – e.g. dinner vouchers, movie tickets, chocolates etc.

This category of promotional activity is largely ruled out by the Codes for venues without a loyalty system, on the grounds that they are inducements to gamble, and restricted to participant customers only in venues that do have a loyalty system.

Clubs SA and Club Safe considers that the current restrictions on inducements to gamble are somewhat heavy-handed and prohibit promotional activities that are not intended or likely to be inducements to gamble, but do unnecessarily limit operators' capacity to promote their enterprise and provide a more entertaining experience to their customers.

Clubs SA and Club Safe believe that the clauses of the Codes dealing with inducements to gamble could be more focussed on unsafe and inappropriate promotions, leaving all others available to gambling providers and for the enjoyment of customers.

By doing this, the current restriction imposed by the Codes to limit promotional activities to loyalty system participants only can be removed for those promotions that are neither unsafe or inappropriate.

Further to this, Clubs SA and Club Safe do not believe that safe promotional activities conducted in a gaming area have any real impact on problem gamblers. The testimony of recovered and recovering problem gamblers through the Consumer Voice program of Relationships Australia (SA) indicates that the desire to play gaming machines is not affected by the promotional activities going on around them.

Clubs SA and Club Safe support measures that are focussed to address the issue - problematic gambling behaviour. Measures that are intended to empower problem gamblers or at-risk gamblers to control their spending should not be formed so broadly that they have a negative impact on all players. Clubs SA and Club Safe believe that the current provisions of the Codes dealing with inducements to gamble are unnecessarily broad.

3.2.4 Differential regulatory treatment

Clubs SA and Club Safe have no comment.

3.2.5 Training

Clubs SA and Club Safe note the Authority's description of the current requirements of the Act and Codes for training of gaming staff in the area of responsible gambling.

Clubs SA and Club Safe also notes that, as a result of the recent amendments to the Act, there is now a requirement for *advanced problem gambling intervention training* for gambling providers that operate gaming machines between the hours of 2am and 8am.

This brings the list of training requirements to:-

- 1) Provide Responsible Gambling Services (SITHGAM006A) – a requirement of the Liquor & Gambling Commissioner for all approved gaming machine managers and employees;
- 2) "*training which identifies problem gambling*" – a requirement of the Responsible Gambling Code of Practice for all approved gaming machine employees;
- 3) "*advanced training on the identification of, and intervention techniques for, problem gambling*" – a requirement of the Responsible Gambling Code of Practice for "*appropriate senior staff*", and;
- 4) "*advanced problem gambling intervention training*" – a requirement of the Act for staff at venues that operate between 2am and 8am.

It may well be that the content of these courses substantially overlap and that, for the advanced courses, the content might well be identical.

The Code of Practice also requires that competency is maintained, by various means depending on whether the gambling provider is a member of a peak body.

Clubs SA and Club Safe suggest that the current structure and wording of clause 10 of the Responsible Gambling Code of Practice is cumbersome and ambiguous. Although the industry is maintaining a good level of training and that competency is maintained by Club Safe and Gaming Care, it is not clear that the requirements of clause 10 are being satisfied, simply because the requirements of clause 10 are so uncertain.

Clubs SA and Club Safe also notes that the Commissioner has provided in his discretionary licence conditions some clarification to the intention of clause 10 with regard to the staff that require “*advanced training on the identification of, and intervention techniques for, problem gambling*”.

Clubs SA and Club Safe believe that there is value in revisiting the training requirements of the Codes with a view to rationalising the number of courses (preferably to two courses – basic and advanced) and providing more clarity on the frequency of and mechanism for maintaining competency (preferably through refresher training by a *recognised industry body* or externally through a *registered training organisation*).

Clubs SA and Club Safe recommend that the Authority establishes a working group to review the requirements for training, the expected content of the training, who is best to deliver the training and a rewording of the requirements in the Code.

Having regard to the Queensland Government’s training framework cited by the Authority, Club Safe has sought and received a copy of the Queensland Responsible Gambling Training Framework for Industry. The structure outlined in the Queensland training framework resembles closely that of Club Safe’s *Advanced Problem Gambling Intervention* training material. However, if it is the intention of the Authority to produce a similar training framework around which training courses in South Australia must be structured, Clubs SA and Club Safe suggests that this be explored by a relevant working group.

3.2.6 Mandatory warning messages

The Authority indicates that it is dissatisfied with the level of compliance by hotels and clubs (and the Adelaide Casino) relating to the use of mandatory warning messages, and particularly with the take up of the expanded warning message.

Clubs SA and Club Safe are not aware of any widespread non-compliance with the requirements to include warning messages in advertising and responsible gambling material. Clubs SA nor Club Safe have been approached by the Office of the Liquor and Gambling Commissioner, or anyone else on this issue.

Club Safe receives enquiries from its members and occasionally encounters potential non-compliance during routine visits. These cases consistently involve two issues:-

- the expanded warning message is too long, or
- the life of the printed material will extend beyond the change to a new expanded warning message.

In some cases the physical size of the advertising material, be it a brochure or flyer, is such that the expanded warning message is difficult to place. In these cases, the condensed warning message is used.

In some cases, the proportion of the advertising material that is given to promoting the gaming operation is very small, and the use of the expanded warning message would be out of proportion with the actual promotional statements. For example, a 1/3 A4 flyer might be used to advertise dining, live entertainment and other events at the venue, and somewhere within that small space will be the words “40 Gaming Machines”. Some gambling providers consider that using an expanded warning message such as “*Think of the people who need your support. Gamble responsibly.*” is inconsistent with the size and nature of the promotional text, and simply use “*Gamble responsibly*”.

In other cases, printed material will outlive a change to the next expanded warning message. A gambling provider might consider that, to avoid a superseded expanded warning message remaining on the advertisement, it is better to use the condensed warning message. Other gambling providers might use the expanded warning message, but consider it unreasonable to reprint the advertisement simply to change to the next expanded warning message in the 6-monthly rotation. In these cases, the cost of reprinting advertising material is a major consideration in what constitutes *reasonable* or *practical*.

There was also some confusion created by the wording of the Advertising Code of Practice, in that some gambling providers believed the condensed warning message was preferred simply because it was stipulated first by clause 3(1A) of the Code. We note that this has now been rectified in the Code dated 1 June 2011.

Clubs SA and Club Safe suggest that there is not a general attitude within the club industry that the requirements relating to warning messages can be ignored.

If there *is* widespread non-compliance with these requirements of the Codes, Clubs SA and Club Safe suggest that the relevant industry stakeholders come together to look into the information provided by the Commissioner’s inspectors. The instances of non-compliance could be investigated by Club Safe (and Gaming Care) with a view to understanding how the gambling provider came to the decision that the expanded warning message was not *reasonable* or *practical*. This should, I believe, better inform the Authority as to why there is non-compliance in this area.

It may well be that an understanding of the gambling provider’s decision-making will highlight changes that can be expected to improve compliance and the effectiveness of the mandatory warning messages.

Clubs SA and Club Safe make a further submission regarding clause 5(1)(a) of the Responsible Gambling Code of Practice:-

5. Customer information and signage

(1) *A gambling provider must—*

(a) *prominently display responsible gambling materials (including a poster and a pamphlet) in gambling areas in a form which includes—*

(i) *the relevant expanded warning message; or*

(ii) *if it is not reasonable or practicable to include the relevant expanded warning message, the condensed warning message; and*

Club Safe recommends that the inclusion of the mandatory warning messages on responsible gambling material, with the exception of the specified poster and pamphlet, is unnecessary. Such a requirement would have “*Keep matches away from children*” printed on a fire extinguisher or “*Don’t run with scissors*” on a box of Band-Aids®. The nature and purpose of responsible gambling material is entirely self-evident.

The Authority should note that the vast majority of current responsible gambling material produced by the Office of Problem Gambling and displayed within gaming venues does not include either the expanded or condensed warning messages.

Clubs SA and Club Safe recommend that clause 5(1)(a) be reworded to remove the requirement that responsible gambling material, other than the poster and pamphlet, include the mandatory warning messages.

3.2.7 In-venue reporting of problem gamblers

Clause 8A of the Responsible Gambling Code of Practice provides:-

8A. Internal reporting of problem gamblers

- (1) *A gambling provider must establish a reporting process in respect of the identification of suspected problem gamblers by gaming staff and the recording of those gamblers’ details.*
- (2) *The gambling provider must ensure that a gaming manager—*
 - (a) *reviews the record of suspected problem gamblers on a regular (at least fortnightly) basis; and*
 - (b) *documents, as part of the record, any steps taken to intervene in suspected problem gamblers’ gambling behaviour.*

Club Safe has established for its member clubs a system of documentation for the recording of activities that relate to the identification of problem gambling behaviour. This system follows the escalating responses of the gambling provider to the identified behaviour - from observations to interactions and, in some cases, remedial actions such as barring or other measures agreed with the patron.

Club Safe suggests that the current requirements for internal reporting of problem gambling behaviour are appropriate and do not place an unreasonable burden on the gambling provider.

In its guide, the Authority makes reference to “... *at least two notable incidents where prolonged gambling activity was not recorded...*” Club Safe is not aware of the details of these two incidents, however the Authority should understand that the systems established under the current Codes are most effective for those patrons whose behaviour is observed and responded to over a period of time.

For incidents of acute problematic gambling behaviour that manifest over a much shorter period (e.g. within one trading day, one trading night/morning combination or one weekend) the system of documentation is far less likely to be useful in managing the patron’s behaviour. In these cases, only capable and trained staff and immediate escalation of the problem to management will be effective.

It should be noted however that the focus of the record-keeping should be on the *behaviour*, and not on the categorisation of the patron as being a *problem gambler*. Clubs SA and Club Safe would prefer to see the wording of clause 8A changed to emphasise the recording and review of identified *problem gambling behaviour* rather than the identification of a *problem gambler*.

The assignment of the label *problem gambler* to a patron is now almost universally counter-productive to any interaction or intervention that gaming staff might attempt in order to assist a patron. The long-running debate on problem gambling and the repeated portrayal in the media of the 'evil' gambling industries has stigmatised problem gambling, particularly on gaming machines, to the extent that the term *problem gambler* is now completely unusable when dealing with a person who is experiencing problems.

Clubs SA and Club Safe suggest that the Authority could rephrase clause 8A to focus on the observed behaviour rather than the categorisation of the patron.

3.2.8 Perimeter Control

Clubs SA and Club Safe are opposed to additional controls on access to areas where gambling activity takes place.

The concept of 'perimeter control' suggests that the gaming area is inhabited by undesirables rather than ordinary people participating in a legalised recreational activity.

As the Authority has identified, there is generally no perimeter control or checkpoint for entry to licensed gaming areas of hotels and clubs, and with good reason. Gaming machines are a legal product, adults (unless barred) should have the freedom to enter a gaming room without first passing an identity check.

To sign a register or be identified via technology prior to entering the premises is an infringement on people's privacy. It would no doubt deter people i.e. recreational gamblers from entering. Further, technology like facial recognition technology would not be economically viable in South Australia. The costs would far exceed the benefits.

As previously identified, Clubs are largely populated by regulars and are membership based organisations. Clubs are in a fortunate position to know the majority, if not all of their clientele. This fundamentally sees the need for 'perimeter control' as an unnecessary measure.

3.2.9 Mandatory breaks in play (pop-up messaging)

Clubs SA and Club Safe do not support the Authority proceeding with the concept of mandatory breaks in play.

There is very little research on the efficacy of breaks in play, pop up messages or player information display's (PID's) as responsible gambling measures. We understand the Ministry of Health in New Zealand is in the process of carrying out its first research and evaluation investigation into the 'Effect of Gambling Compliance Characteristics, PIDs and pop-up Technology on Gambling and Problem Gambling Behaviour' which is due to be released in June 2013.

We would argue that it would be irresponsible to pre-empt the findings of that research. It would also not be desirable to implement technological solutions before trialling measures and before their efficacy had been proven.

It should also be noted that the cost of introducing Player Information Displays (PIDs) in New Zealand was the downfall of a number of smaller Clubs. The Community Gambling Association in NZ reported that the expenditure required to install PID's was in excess of \$60 million. The cost of implementing mandatory breaks in play is a major concern to Clubs SA and Club Safe.

Without the appropriate evidence to support mandatory breaks in play as a successful responsible gambling measure, it is premature to consider the introduction of such a proposal.

3.2.10 Sportsbetting advertising

Clubs SA and Club Safe have no comment.

3.2.11 Consolidating the wagering codes

Clubs SA and Club Safe have no comment.

3.2.12 Children's Play areas

Clubs SA and Club Safe do not share the same concerns as the Authority regarding children's play areas.

Licensed premises are bound by legislation and codes which forbid the supply of alcohol to minors and forbid the entry of minors into areas licensed for gaming. Further, The Responsible Gambling Code of Practice now includes the requirement for a procedure addressing unattended children:-

7. Children

A gambling provider must establish and maintain a written procedure addressing the issue of young children (being children aged 10 years or less) who might, but for the procedure, be left unattended on the gambling provider's premises or in a motor vehicle parked in a car park over which the gambling provider has direct power and control.

One could argue that there is more exposure to gambling activity outside licensed premises eg. on-line gambling, free to air TV, betting via smart phones, sports betting etc. Licensed premises are controlled environments, where as there are many other exposures to gambling which are not controlled.

Licensed premises are generally family friendly environments with a range of facilities including dining rooms. Children are legally able to enter and many licensed premises welcome children so families can enjoy dining out together.

The Authority identifies that *“A concern exists that harm might arise from the exposure of children to the sights and sounds of gambling and that the facilitation of parents gambling by the provision of convenient play areas for children will ‘normalise’ the activity such that children exposed to gambling are more likely to make the transition to adult gambling”*.

If there is such a concern, where is the evidence to support this theory? Further, gambling is a ‘normal’ legal activity of which majority of the population enjoys as a form of entertainment. It is important to remember that not all gambling is problematic, only a very small percentage of the population experience harm from their gambling activity.

Clubs SA nor Club Safe know of any conclusive scientific material that establishes that a child of a gambler will become a gambler themselves or inclined to become one.

With the advent of Club Safe and Gaming Care, gaming staff are trained appropriately to interact with patrons and be aware of situations such as unattended children. We do not believe the concerns of the Authority are valid without relevant evidence suggesting otherwise.

3.2.13 Cheques for winnings

Clubs SA and Club Safe do not support the proposition that all payouts above a certain limit should be paid by cheque.

There are many valid reasons as to why a cheque might be the most appropriate form of payment to a player. It might be that a player does not want the risk that comes with carrying a large amount of cash, and this is quite understandable. It might also be that the gambling provider does not hold enough cash on the premises to pay a large amount in cash. For a lot of smaller venues this is also perfectly understandable.

The Responsible Gambling Code of Practice already provides for payment by cheque at the request of the player where the amount is \$1,000 or more.

The Code also prohibits the cashing of cheques in the gambling area.

This combination of measures, already established in the Code, empowers any player who wishes to limit their spending at the point of collection of a substantial amount, to be provided with a cheque that cannot be immediately redeemed for cash in the gaming area.

Clubs SA and Club Safe suggest that this combination of measures is appropriate to allow any player to enforce their desire to limit their gambling at this point.

However, for the majority of players - those who are able to control the amount they spend on gambling - compulsory cheques above a certain limit will simply be an unnecessary imposition on their freedom to choose how best to accept and enjoy their winnings.

In line with this, Clubs SA nor Club Safe agrees with the suggestion that *“rare events of good luck”* can only be *“squandered”*. Good luck should be enjoyed by the player in whatever way the player determines is most appropriate.

Club Safe supports measures that are focussed to address the issue - problematic gambling behaviour. Measures that are intended to empower problem gamblers or at-risk gamblers to control their spending should not be formed so broadly that they have a negative impact on all players. Clubs SA and Club Safe believe that the proposition put by the Authority to have all payments above a certain amount paid by cheque is an unnecessarily broad measure.

Clubs SA and Club Safe suggest that the Authority could consider a reduction to the existing nominal amount of \$1,000. If a reduction in the nominal amount is to be considered, we further suggest that comment is sought from the industry before determining whether firstly there is merit in reducing this nominal amount (i.e. there be a positive impact on problem gambling) and secondly, what a more appropriate amount might be.

3.2.14 Obligations for staff welfare

The Authority draws our attention to clause 10(6) of the Responsible Gambling Code of Practice, which provides:-

10. Staff and Training

...

- (6) A gambling provider must take reasonable steps to ensure that staff with a potential or actual gambling problem are identified and referred for treatment.*

Clubs SA and Club Safe are aware that club and hotel gaming staff are more likely to experience problems with gambling. All responsible gambling training courses delivered by Club Safe include a discussion on this issue and the signs that might indicate that a workmate has a gambling problem.

A difficulty arises in placing obligations on the employer of gaming staff when the gambling activity (for the playing of gaming machines) takes place at some other venue. The Gaming Machines Act 1992 specifically prohibits gaming machine managers and employees from playing gaming machines at the premises at which they are approved:-

51—Persons who may not operate gaming machines

- (1) The holder of a gaming machine licence or a person who occupies a position of authority in a trust or corporate entity that holds such a licence, or an approved gaming machine manager or approved gaming machine employee for any particular licensed premises, must not, except as is necessary for the purpose of carrying out his or her duties, operate a gaming machine on the licensed premises.*

Given that the gambling activity takes place elsewhere, many of the potential identifiers of problem gambling behaviour will be unavailable. The employer and workmates will be left with the identifiable signs that do not attach to the actual playing of the machines. These signs are discussed in the training courses delivered by Club Safe. Taking the apparent challenges into consideration we believe the industry is sufficiently addressing this issue.

Clubs SA nor Club Safe have any substantial suggestions as to how the Codes can impose obligations on the gambling provider to ensure the welfare of gaming staff.

Conclusion

The use of AIA's as an effective tool to assist licensees in relation to their obligations under the codes is evident throughout this submission. The Club industry, its patrons, staff and stakeholders have all benefited from the dedicated work of Club Safe. Valuable feedback on Club Safe direct from Clubs is attached at Appendix A.

Clubs SA and Club Safe do have concerns with a few issues raised in the 2011 Codes of Practice Review and as identified in this submission, we suggest further research and evidence is required.

Clubs SA and Club Safe thank the IGA for the opportunity to comment.

Regards



Helen Martin
General Manager
Clubs SA



Phil Harrison
Executive Officer
Club Safe

Appendix A – Feedback from Clubs

I am very grateful for the assistance we receive from Club Safe and a recent inspection confirms that our association with Club Safe ensures we remain compliant with the Gambling Regulations and Codes of Practice. Without this back up support, I am sure we would have something fall through the cracks with the myriad of other activities in running a club with gaming and a 250 seat restaurant on a small staff. The personal contact we have is invaluable, especially with the ever changing playing field regarding gambling legislation.

I would venture to say that our contact with Club safe is not only effective but vital to us in relation to our obligations under the codes.

Without the audits and updates from Club Safe this Club would not be totally compliant as we now are. The high level of compliance and knowledge of the Acts is due to our relationship with Club Safe.

Club Safe is a lifeline that we use to guide staff through the process of dealing with problem gamblers.

The availability of Club Safe support is outstanding. Contact in person and by telephone is instantaneous.

I view Club Safe as though they are an integral part the [club's] gaming resources.

I would like more in house training with 'real' play and I would be keen to assist Club Safe develop a training situation.

I cannot stress enough, the importance of Club Safe, to our Club.

If I have any queries, problems or Training, I just need to call [Club Safe Officer] and the problem will be solved.

I know that if any changes occur with Legislation, Training requirements or changes with documentation, I will be advised either personally or by email.

Club Safe certainly helps me in my role and saves me hours search through Media for any changes that would affect our Club.

Our Club Safe Officer is on call 24 hours a day, seven days a week and is always approachable and extremely helpful. [Club Safe Officer] will often 'go out of her way', to help myself and all of our Staff, with any problems that occur. If she cannot help at that point in time, she will find out and let us know, usually the next day.

Training is always available, relevant and kept interesting.

The attitude of venues has changed dramatically in from 1996 to today. A steering strength in delivering that attitudinal change has been the emergence of Club Safe limited, it has a legitimate connection to clubs in South Australia. That legitimacy rests in the competent staff of Club Safe who have worked hand in hand with venues to highlight the positive roll we can play along with counselling agencies in putting in place at venue level mechanisms and initiatives that can assist people whom may need some support.

Club Safe's work on formalising documentation and assisting in solid policies for venues has also been instrumental in establishing appropriate guidelines for venues and venue staff. They have also been able to give some consistency in the best way to tackle certain issues. I note confusion between instructions from LEB and OLGC leave venue staff bewildered, Club Safe has made sense of some of those issues.

This effective roll out of Club Safe has assisted in venue staff gaining the necessary training and skills required within the venue. This training and general attentiveness delivered by Club Safe has really created an awareness at venue level and I am confident staff are well positioned to engage with patrons whom show obvious signs that there gambling is creating Harm. Club Safe has assisted our Club with all requirements of the codes of practice.

It would appear unnecessary without due evaluation of venues and their attention to these matters that another review would be conducted. I would of thought it appropriate that IGA staff and Board members actually manoeuvre around the state to see the great work being done, consult with both agencies and venues in a more direct manner to get a full understanding of the maturity of the market and how well poised Clubs are to do their duty on the matter of harm minimization.

Should this approach be done I believe the IGA would really understand the enormous value that Club Safe represents in delivering on positive outcomes for the Industry. It would also reduce the overall bureaucratic burden of the IGA which I believe is too far removed for the industry it seeks to presumably independently assess.

As South Australians are increasingly exposed to the internet and Australians have just been declared the most to shop on line on the planet, I would suggest the greater threat for South Australians is internet gambling and sports betting that I believe will bring far more problems than the electronic gaming machine market which in my opinion is mature, revenue has plateau and is still below 2006 income, in the same time costs at venue level have increased by 22%, which really does bring into question the viability of a socially interactive industry.

In the years since the inception of Club safe, our industry continues to experience regulatory change.

The level of professional service provided to our Clubs in the form of legislative compliance, patron problem gambling support and staff training by Club Safe is of the highest level.

Their officers ensure they are contactable and their continued evaluation through venue audits allows us, as operators, to feel comfortable in the fact that we are compliant in all areas.

I have benefitted greatly from the set up and maintenance of the 'Responsible Gambling' and 'Early Intervention' folders. If we could perhaps thin them out a touch, they may be even more user friendly.