



14 August, 2006

Mr. Robert Chappell  
Director  
Independent Gambling Authority  
Level 4, 45 Grenfell Street  
ADELAIDE SA 5000

Dear Robert

**Review 2006 – Additional Material**

I write in response to your letter of 7 July, 2006.

This response is as a result of commitments given on our behalf by Ms. Frances Nelson QC at the Public Hearings held on 23 & 24 May, 2006.

**1. List of Codes of Practice provisions requiring clarification**

The following have been discussed in detail in our submission to the IGA in May 2006 and identifies code provisions requiring further clarification.

**Advertising Code of Practice**

Clause 3(2) (f)                      Specific provisions  
Clause 6(3) & 6(4)                Definitions and interpretation

**Responsible Gambling Code of Practice**

Clause 2 (a)(i) & 5(1)          Venue responsible gambling documents.

Clause 4(3)(a)                      Prohibition from playing more than one gaming machine at a time.

Clause 6(1)(c)                      Ensuring alcohol is not supplied to reward, promote or encourage continued gambling.

Clause 6(2)                          The gambling provider will ensure that a person is not served alcohol while seated or standing at a gaming machine.

Clause 10 (5).                      Staff and Training.

## **2. Smartcard Technology**

We are unsure why the IGA would seek to revisit this issue within 12 months of previous determination. That said, it is our understanding that there is no gaming jurisdiction in the world where smartcard technology is being used for the principle purpose of harm minimisation.

We are unaware of any trialing of such technology for the principle purpose of harm minimisation.

As appealing as any new concept may be, we would continue to argue that only thorough research and evaluation rather than simply trying out an individual stakeholder or campaigner's ideas or ambitions will ensure that any initiatives, concepts or strategies are likely to minimise problem gambling without having unintended negative consequences for the community or industry. This philosophy is consistent with the Ministerial Council on Gambling National Framework on Problem Gambling.

### **Smartcard and the IPART view on effectiveness of harm minimisation strategies**

Our approach is also consistent with that of IPART - the Independent Pricing and Regulatory Tribunal of New South Wales. This Tribunal found that the effectiveness of harm minimisation strategies would be improved by developing a coherent, integrated responsible gambling policy framework. This policy framework they suggest, should include a more evidence-based approach to evaluating, selecting and modifying the measures implemented under that policy.

The Tribunal also proposed that:

- ***“Measures should be repealed or introduced only where there is clear evidence or broad stakeholder consensus that the measure is respectively ineffective or effective in achieving its objectives.***
- ***Measures should be refined where it is clear that the ongoing operation of the measure can be improved or the evidence or stakeholder opinion generally supports such refinements.***
- ***Measures should be prioritised for evaluation where:***
  - ***for existing measures, there is evidence or stakeholder consensus questioning the effectiveness of the measure***
  - ***for proposed measures, there is evidence or stakeholder consensus supporting the measure.***
- ***the government should note industry and community concerns about the operation of measures where these stakeholder concerns are clear and there is not sufficient evidence to support a recommendation for responsible gambling purposes.”***

### **“Analysis of Gambler Pre-commitment Behaviour” Report**

Additionally recent research undertaken by McDonnell Phillips Pty Ltd on behalf of the Ministerial Council on Gambling (June 2006) and forming part of the 'Analysis of Gambler Pre-commitment Behaviour' report discusses pre-commitment via card based technology and established amongst its key findings that there is strong support **only** for the idea of card based gambling if presented as a **voluntary** option, this being the view of 61% of EGM players and 69% of TAB punters (63% national average). Specifically South Australian responses recorded support for a compulsory pre-

commitment card system at just 16%, voluntary at 61% while 23% saw no reason to offer it to anyone , this compared to a national average between 14 -16% (p311). However, the authors recognise the study is far from conclusive, is the start of 'the journey' and specifically acknowledges its own limitations in that it is only attitudinal and largely exploratory (p49).

#### **AHA response to previous Smartcard Inquiry Report**

In the AHA (SA) response of August 2005 to the Independent Gambling Authority Inquiry into Smartcard technology report we quoted the comments of the Minister when tabling the IGA report:

*"The technology of monitoring gaming machines coupled with any other new yet to be proven software is incredibly complex and smartcard technology as contemplated by this report does not exist anywhere else in the world".*

We would refer the Authority to that response which reflects the current position of AHA (SA) and Clubs SA.

#### **A strategy for harm minimisation vs gaming machine elimination?**

Finally, we reconfirm that the type of technology envisaged to deliver outcomes anticipated by advocates of smartcard technology would require all gaming machines in South Australia to be replaced. While this may serve the purposes of those who would seek to do great damage to our industry, it seems far removed from the ideals articulated by IPART in their proposed policy framework that includes, and we quote again:

*"Measures should be repealed or introduced only where there is clear evidence or broad stakeholder consensus that the measure is respectively ineffective or effective in achieving its objective".*

In relation to smartcard technology, there simply is no evidence, clear or otherwise and at this point in time, no broad stakeholder support.

Please do not hesitate to contact the writer should you require additional information or comment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Horne', written in a cursive style.

**IAN HORNE**  
Chief Executive Officer