



12 April 2006

Mr Robert Chappell
Director
Independent Gambling Authority
PO Box 67
RUNDLE MALL SA 5000

Dear Mr Chappell

Review 2006 – Regulatory Functions

SA TAB Pty Ltd (SATAB) would like to make submissions to the Independent Gambling Authority's (IGA) review of the first and second stages of the Responsible Gambling Code of Practice (RGCOP).

RGCOP – First Stage Review

The RGCOP (first stage) has been in effect for almost two years. We believe we have been successful in adapting our business practices to comply with almost all aspects of the requirements of the Code. We also believe the aims of the Code have been achieved with a significant increase in the number of 'exclusions' of SATAB customers who have experienced problems, as well as a much greater awareness of problem gambling issues by our staff and agents.

SATAB does not seek any review of the Advertising Code of Practice. However, there are three matters in the RGCOP that do cause SATAB concern which we would like to raise in this review. These matters have been raised previously with the IGA.

Section 5.2 (b) Helpline Cards

SATAB wrote to the IGA on 15th November last year seeking consideration of an amendment to our requirements under this clause. A copy of that letter is enclosed and is marked Attachment 1.

In short, because of the nature of the wagering business and the reliance on the use of paper by our customers, SATAB found it was impossible to maintain supplies of helpline cards on the bench space in the public area. With this in mind, we felt that the most appropriate place for the helpline cards, as far as our business was concerned, was at the selling counter near the point of sale terminals. This is the only place a customer can place a bet in a TAB.

Accordingly, we ask the IGA to amend **Section 5.2(b)** of SATAB's Code by deleting the words 'at other places throughout the gambling areas'.

Section 8 (1) Cheques

On 8th August 2005, we wrote to the IGA seeking an exemption under **Section 8 (1)** of the Code to provide SATAB the authority to cash its own cheques.



As stated in that letter, SATAB mistakenly believed that this exemption was in place as it had been agreed between the Chair of the Gambling Task Force and SATAB when we conjointly developed the draft Codes of Practice in September 2003. At the time, the wording 'save and except for SATAB cheques' was inserted in **Section 8 (1)** of the draft Code. Unfortunately, this agreed 'exemption' did not appear in the final version.

SATAB maintains a strict policy of non-acceptance of any non-SATAB cheques by our staff and agents, apart from personal cheques received as deposits into telephone accounts. These deposit cheques are subject to normal bank clearance provisions. Deposit cheques aside, we would like to retain the ability to cash our own SATAB cheques. While all TAB retail customers bet in cash, all TAB offices operate from a float. If float funds are low, our offices are sometimes compelled to pay an insubstantial amount by cheque. This aggravates the cash paying customer, who for example, may have outlayed \$1000 in cash for a total payout of \$1500, or a win of just \$500. They cannot comprehend a cheque payment in these circumstances. Traditionally, if this occurred, our operators advise that they will cash the cheque as soon as the float permits. Depending on circumstances, this could occur as soon as one minute later or it could take all day. Alternatively, customers are advised to take the cheque to the nearest TAB where payment may be processed.

It should be understood that the value of the cheque to be cashed is limited due to a requirement for agency balances to be kept to a minimum for security purposes. As stated in our August letter, a cheque for \$20,000 could not be cashed. Depending on circumstances at the time, it is unlikely that a cheque with any significant value could be cashed.

Accordingly, we ask the IGA to approve the exemption of SATAB cheques from the prohibition described in **Section 8 (1)** of the Code.

Section 13 Application to Agents

While the previously mentioned **Sections 5.2(b)** and **8(1)** are more 'process' matters for review, we would like to use this review to also raise our concerns with **Section 13** of the Code, and in doing so, we acknowledge that it goes to the much broader issue of licensing and penalty conditions. We appreciate the reasons and the theory for the original inclusion of **Section 13**, but our practical experience since the introduction of the Code has borne out our concerns.

In November 2003, SATAB wrote to the IGA providing comment on a range of issues contained in what was then, the latest version of the Code of Practice which was dated 6th November of that year. We provided the following paragraph in response to the then draft **Section 13**:

SATAB agrees this clause should apply to its network of commissioned agencies and staffed branches as well as our telephone betting service. However, we harbour concerns with its application to our Pub and ClubTAB network. This matter was addressed in our negotiations with the 'concerned sector'. They agree that the licensee should take responsibility for all actions of their staff. They felt it was unfair that SATAB could jeopardise its licence because of actions by persons who we have never met, never trained and over whom we have little or no influence. Incidentally, the Hotels Association agreed with this view. They acknowledged they should take the responsibility for harm minimisation at the 'coalface' of betting.

Since the introduction of the Code, we have been the subject of frequent visits by inspectors from the Office of the Liquor and Gambling Commissioner (OLGC). Almost all reported breaches of compliance occur at licensed venues, and not at our dedicated TAB facilities. Often times, breaches are reported at venues where only a matter of days previous to the OLGC visit, our own managers have audited sites, paying particular attention to the requirements of compliance with the Code.

As committed as SATAB is to the Code, the third party relationship we have with PubTABs does not always ensure that they share our commitment. This makes it extremely difficult to control what happens in those venues. To be fair, a significant impediment to PubTAB operators in their attempt to comply with the Code, are their wagering customers who, for whatever reason, feel some of Responsible Gambling material simply gets in the way and so they either move or remove it. With this in mind, we request IGA consider the following amendment to **Section 13**.

'In respect of the provision of the gambling provider's gambling products by an agent, the gambling provider will ensure that the actions of its agent (to the extent those actions are within SATAB's reasonable control) will conform with this code as though the agent were the gambling provider'.

Further, we request that consideration be given to the following change in the current compliance investigative process. If breaches of the code identified by OLGC inspectors are easily rectified, then SATAB should be given an opportunity to rectify the matter within a reasonable timeframe. That is, if OLGC finds a breach, they could advise us as they currently do, provide us with a reasonable opportunity to rectify the matter, and if satisfied that SATAB has rectified the problem then that would be the end of the issue. In short, no breach and no referral to the IGA.

We look forward to your views on this matter.

Second Stage – Code of Practice

In June 2003, SATAB wrote to the IGA providing comments on a range of matters that were identified as items for consideration in the 'second stage' of the Code. Some of those original items have survived to remain part of this current review, some have been 'dropped', and new items have been included. While our views on those original items have not changed, there has been a considerable lapse of time since that correspondence and it is appropriate that we present a fresh submission to this review.

Issue 1 - Mandatory Warnings in Advertising

During 2003, there was a series of meetings between representatives from the gambling industry and the concerned sector. My recollection is that there was agreement at those meetings that there would be mandatory warnings on gambling advertising. I also recall that there was general accord that the message would be 'Gamble Responsibly'. We remain in broad agreement with this position.

We note the IGA's reference to Queensland in regard to mandatory advertising. We understand that the application of the warning message in that state is voluntary, and not mandated. Our TAB business in Queensland has recently commenced inserting the message 'Gamble Responsibly' on its advertising material. While the TAB in Queensland does not use a tagline because of space constraints on what are comparably smaller advertisements, I am advised some operators voluntarily add the tag 'don't let the game play you' on full page advertisements.

It may also be timely to inform the IGA that we now regularly play 'responsible gambling' messages on our dedicated racing radio channel, RadioTAB.

Issue 2 - On and In-Venue Signage

We note the starting point for discussion in the review paper only refers to gaming venues, but we felt it advisable to re-submit our earlier position on this issue.

All TAB Agencies, Branches, Pub and ClubTABs display either the TAB or PubTAB logo (signage) at some exterior point of the premises. Additionally, within some licensed premises, we also utilise the PubTAB logo to guide patrons to the wagering facility. It is important that these signs are not interpreted as advertising as they merely represent corporate signage.

A number of TAB Agencies maintain a sandwich board outside their premises. These are mainly used where there is poor corporate signage because it is hampered by 'line of sight' or through Council restrictions. Invariably, the boards do not contain any advertising material but are used simply as a means of identifying the presence of our business.

Our in-venue (point of sale - POS) material consists mainly of posters reflecting the contemporary theme of corporate advertising or promotional campaigns. The poster sizes are 700mm x 500mm in Agencies and Branches, and A3 in Pub and ClubTABs. We do not believe the message on these posters, both historically and into the future, would be in conflict with harm minimisation objectives. The messages and visuals are generic across the network and are often a reproduction of our newspaper advertisements.

Issue 4 - Screening of Sights and Sounds of Gambling

As a general comment 'sight and sound' form an intrinsic part of wagering. The race telecast and race broadcast are vital in this business. Unlike other forms of gambling where it may be used to induce or entice, our 'sight and sound' components actually inform and advise our customers.

This matter has implications for SATAB's Agency and Branch network. We largely utilise glass frontages at these sites in an effort to incorporate natural lighting. As an aside, we note that natural lighting is favoured in other forms of gambling as it supports harm minimisation objectives. This glass frontage has the potential to offer pedestrians 'sight' of either the Sky racing telecast or the various odds display screens. The risk of 'sound' to the outside world in the Agency and Branch network is negligible.

It is a different issue in Pub and ClubTABs. While the racing product's 'sight and sound' is popular with TAB customers it is irritating to non-wagering patrons. Historically, common sense has prevailed in licensed premises and to avoid conflict the licensee has located the wagering facility separate to other facilities, and controlled the level of sound to take into account patron satisfaction.

Issue 6 - Inducements and Loyalty Programs

While we note that the issues paper specifically refers to gaming machines only, we believe we need to clarify our position on this matter. There are several areas of our business that we need to ensure do not get 'trapped' by this proposal.

TERP

Our Telebet Express Rewards Program (TERP) has been in operation for over six years, and available to South Australian customers since cutover of the business in January 2002. It is available to all of UNITAB's account betting customers. Telebet Express is a 'computerised' phone betting service where the TAB computer hears, repeats and processes bets placed by customers over the phone. This cutting edge technology provides our business with significant savings when compared to more traditional channels of betting. We decided to pass on some of those savings to our customers and established TERP. The IGA has previously been provided with details of this program.

We do not consider TERP promotes problem gambling. There are no instant or same day rewards. TERP customers can redeem reward points on only two specified days a year. Importantly, TERP is only available to account customers and unlike retail betting which is almost impossible to monitor, all account betting transactions are recorded. If a Telebet customer expresses concern about their gambling we respond immediately by closing their account.

TERP is an important part of our overall business delivery systems and we strongly oppose any proposal that may threaten its existence.

Commissions

SATAB operates a Pub and ClubTAB network of some 300 sites. These licensed premises operate under a sliding scale of commissions depending on sales. The commission rates vary from 1.5% up to 4%. We trust that this standard sort of business practice would not somehow get caught in the review.

Promotions

In recent years, SATAB has operated 'Trifecta Giveaway' promotions. A further 'giveaway' is planned for April this year. In short, the promotion randomly selects a free Trifecta bet every second for a period of one hour leading up to a major carnival race. Promotions usually run for one hour on three consecutive Saturdays. The promotion is not geared to promote more gambling. Its aim is to move customers across from Win and Place bet types to the higher yielding Trifecta product. It improves our revenue which in turn provides better returns to the racing industry and South Australian Government. We do not believe that this, or similar promotions, are an inducement to bet more and again we trust would not get trapped by the IGA's review.

Issue 8 - Relationship with Counselling Agencies

SATAB has established a very good relationship with Mark Henley and May Shotton at Uniting Care Wesley. They are our first point of contact when we need advice with responsible gambling, harm minimisation and training issues. However, it is also our intention that this relationship be maintained at the corporate level, which would accommodate issues such as a central contact and more streamlined and efficient administration producing more effective outcomes. This is our preference as opposed to the situation where our Agents' establish a multitude of relationships. As our license is our most valuable asset we do not want to risk it because of actions (or inaction) of an individual Agent. As the 'Gambling Provider', we do not believe it is appropriate to try and maintain a whole range of counselling agencies.

In our submission of June 2003, we raised an issue in regard to 'counselling relationships'. While our decision to maintain a corporate level relationship satisfies our Agency and Branch network, it does raise an issue when it comes to the Pub and ClubTAB network. We assume that the Publican/Club Manager is an independent gaming operator and therefore will establish a one-on-one relationship with a counselling agency. That's fine for the gaming machines, but what is the process if the matter is wagering related at the licensed premise? Does the licensed operator refer the matter to 'their' counsellor or do they refer the individual to SATAB's counselling organisation?

Issue 9 - Reporting of Potential Problem Gamblers

While SATAB accepts that this matter is to be incorporated into internal reporting processes, we are prepared to accept advice from the IGA, the concerned sector and other industry participants as to the most appropriate mechanisms for identifying and reporting problem gamblers.

Issue 10 - Keno in Newsagencies, Pharmacies and Similar Environments

SATAB notes the starting point for discussion provides for the withdrawal of Keno from newsagencies, pharmacies etc. We advise that SATAB may express an interest in hosting Keno in our agency and branch network at a future date. We have around sixty such dedicated TAB facilities in the state. Obviously, it would not only be subject to approvals but also we would have to consider its commercial merits.

Issue 13 - Automated Coin Dispensing Machines, ATMs and Cheque Cashing Facilities

Although this appears to be directly aimed at gaming venues, SATAB would like to draw the IGA's attention to that part of our submission regarding a request for an amendment to **Section 8 (1) Cheques** in the review of first stage issues.

Issue 14 - Linking the Service of Alcohol and Gambling

SATAB does not intend to make further submissions on this issue. We accept and comply with **Section 6 Alcohol and Gambling** in the existing RGCOP.

SATAB does not intend to make submissions to **Issues 11 and 16**. In addition, we make no comment on the review of **'Game Approval Guidelines'** and **'Gaming Machine Licensing Guidelines'** as they do not apply to the wagering industry.

Yours sincerely



Bruce Houston
General Manager



15 November 2005

Mr Robert Chappell
Director
Independent Gambling Authority
PO Box 67
RUNDLE MALL SA 5000

Attachment 1

Dear Mr Chappell

SATAB Responsible Gambling Code of Practice

I refer to Section 5.2 (b) of SATAB's Responsible Gambling Code of Practice (the Code), which reads '*ensure that a quantity of helpline cards is available at each point of sale terminal, on or near each ATM and at other places throughout the gambling areas*'. It has become apparent that SATAB requires either an interim exemption or an amendment to part of this section to alleviate any risk by SATAB of a breach of the Code. I refer particularly to the requirement that cards are to be available at '*other places throughout the gambling areas*'.

The issue has emerged now that officers from the Office of Liquor and Gambling Commission (OLGC) have commenced compliance inspections. They have reported that while supplies of the helpline cards have been made available at the betting terminals, the cards have not been made available at other places throughout the gambling area. When the matter was first raised by the OLGC I advised that SATAB had prior agreement that we only had to place the cards near the terminals. However, when I attempted to produce evidence of this exemption I could not find written information to support our view. In hindsight, I believe it must have gone back to a verbal agreement with Mark Henley at the time we were negotiating Code conditions. Therefore, I now seek the Authority's assistance in this matter.

I would like explain our reasons for limiting the availability of the helpline cards to the selling counter adjacent to the betting terminals. Unlike other forms of gambling, our customers utilise paper in forming their betting decisions. We have trialled putting the cards out in the bench space ('*at other places throughout the gambling area*') where customers make their betting decisions and fill in their tickets. It resulted in the card containers being emptied in no time and the floor being littered with helpline cards with betting information scrawled over them. In some instances, the card containers were removed altogether by customers. The cards were treated as no more than scrap paper, and in reality, compliance to this section of the Code poses a significant financial burden to SATAB to maintain supplies, while at the same time having little or no impact on harm minimisation.

Our view is that the helpline cards located at the TAB selling counter serve everyone's best interest. It is the most prominent position for any retail wagering customer who has no alternative but to attend the counter to place a bet. You simply cannot go into a TAB and have a bet without going to the selling counter. It should be pointed out that the OLGC inspections have not reported one instance of helpline cards not being available at the selling counter. We take the matter seriously.

With this in mind, I ask that the Authority give consideration to an amendment to Section 5.2(b) of SATAB's Code by deleting the words 'at other places throughout the gambling areas'. Providing the Authority agrees, and until such time as the Code could be amended, SATAB requests an interim exemption to this particular requirement.

I would be grateful if the Authority could consider this matter, along with our earlier request of August this year for an exemption in relation to Section 8(1) of the Code.

I look forward to your advice on this matter.

Yours sincerely



Bruce Houston
General Manager