

Smart Card

Introduction

Clubs SA does not support the mandatory introduction of “Smart Card” technology. It does not oppose the voluntary use of such cards.

Existing Material

Clubs SA’s position is informed by its research and the comment of the Independent Pricing And Regulatory Tribunal of New South Wales Report (IPART) in which it is stated:

“6.4.1 ‘Pre-commitment’ mechanisms, including smart cards *Description (pgs 98 - 100)*

‘Pre-commitment’ mechanisms could allow for persons using gaming machines to set monetary or time limits for their gambling over a specified period. Once the set limit is reached, the gaming machine would not allow for any further play during the period. It could be facilitated by:

- Incorporating facilities into gaming machines to allow a player to set a monetary or time limit for a particular gaming ‘session’.
- Using smart card technology or magnetic stripe cards. Players could use pre-commitment cards or smart cards by inserting the cards into a gaming machine when playing. The monetary and time limits, and the period for accruing these limits, would be set by the player onto the cards and would apply to any gaming machine using this technology. The cards could be voluntary or mandatory.

Evidence

The Tribunal is not aware of any specific research on the effectiveness of ‘pre-commitment’ mechanisms or smart cards. It understands that a player card scheme is being explored in Nova Scotia, but is not aware of any research findings or of an expected date for release of research findings in relation to this work.”

SMART CARD RESPONSE

Clubs SA also agrees with the position of the IPART Report that:

“In summary, there is no specific evidence on the effectiveness of pre-commitment cards, and stakeholders disagreed as to whether the cards should be introduced on a mandatory basis. Given this, the Tribunal is of the view there is not a sufficient basis to recommend the mandatory use of these cards for gaming machines.

However, no stakeholders opposed the use of the cards on a voluntary basis, and the Tribunal considers that voluntary use is likely to assist recreational gamblers to manage the time and money they spend gambling, and may particularly assist at risk gamblers. The technical facilities for establishing a pre-commitment scheme already exist in many venues where electronic player loyalty card schemes have been introduced on machines.

The Tribunal also considers conducting research on the effectiveness of pre-commitment or smart cards should be a high priority, and ideally this research should be done on a national basis. Issues considered in such research should include nominating where and when precommitment is to occur, options for overturning set limits and ‘cooling off’ periods.

Recommendation

• Players should be encouraged to use pre-commitment cards on a voluntary basis where they are available. Research into pre-commitment mechanisms, including cards, should be conducted at a national level.”

Summary

In sum, if there are to be Smart Cards they should be voluntary and introduced only after their effectiveness has been nationally validated.

SMART CARD RESPONSE

IGA Topics

In specific terms Clubs SA responds to the headings offered by the IGA in its call for submissions.

1. On rules of engagement

a. Setting limits (size, time, features)

If the system is to be voluntary, Clubs SA argues that the size, time and features of setting limits should be the determination of the individual. The technology should be able to accomplish this choice.

Clubs SA accepts that where individuals have been restricted to Smart Card use by some binding third party direction, where it is possible to access the Smart Cards, the “direction” would set the limits.

b. Consequence of limits being exceeded/ reached

Again this is the individuals choice. Should the person be restricted to the Smart Card by direction, Clubs SA would see the limits and the penalty for the breach would reflect the circumstances that led to the person being so restricted.

2. On technical matters

As it has limited expertise, Clubs SA makes no comment on the technical specifications to the management of smart card proposals.

3. On Considerations

1. Implications of such technology for licensees and their employees and non gamblers

licensees

Clubs SA believes that the mandatory introduction of Smart Card technology with accompanying costs would be a severe impost on the capacity of Clubs to maintain their community contributions.

employees

Clubs SA believes that employees would have responsibilities, as they will be allocated the task of managing Smart Card use and any penalties and any monitoring. This is not a reasonable impost on an employee. If wage increments were sought (and won) to recognise this devolved responsibility, Clubs SA argues that the impost on Clubs would be significant and would undermine their capacity to trade.

non gamblers

A voluntary system would have no impact.

SMART CARD RESPONSE

2. implications for recreational gamblers

Clubs SA argues that any use of Smart Card technology would force recreational gamblers and casual gamblers into a bureaucratic process that would inhibit their participation in their past time.

Clubs SA argues that a compulsive gambler would take such steps as necessary to ensure they have card access. This would then see the impost of Smart Cards fall on the recreational gambler – to the cost of all concerned with no solution to the problem gamblers.

3. lost and fraud cards

If the Cards do not exist, then there is no issue. The creation of a mandatory system creates this policing problem.

If the Cards are voluntary, and there was no accessible credit on the cards, there would be no issue.

4. responsibility for centralized management

Clubs SA argues that if a voluntary system is introduced the Independent Gaming Corporation should manage and determine the system(s).

5. Other comments

- Clubs SA argues that the use of card-based systems (magnetic stripe, smart card or any other suitable technology) in conjunction with gaming machines should not be mandated. There are many venues that simply cannot afford the cost of such technology. Gaming machine legislation or standards/specifications can and should allow for cash and/or card and/or other methods of operation:
- Clubs SA argues that any while any voluntary based system for Smart Card's should incorporate any practical initiatives that can be used to assist problem gamblers, their main purpose should be to act as a means of improving the integrity and efficiency of gaming machine operations in Clubs for both the patron, employees and the club;
- Clubs SA stresses that while it is accepted that a voluntary card based system will introduce additional responsibility for Clubs in relation to protection of player funds, any legislation or guidelines must recognise that patrons using such cards have greater responsibilities- these mutual responsibilities need to be defined on an industry basis;

SMART CARD RESPONSE

- Clubs SA argues that ideally in a voluntary system, provision should be made for card based systems or variations of card based systems to operate on ‘anonymous account’ principles, that is, players should be able to participate in card based gaming without a requirement to provide ID. In our view, this does not impact on the ability to use such systems to assist with problem gambling.

Conclusion

Clubs SA argues that technology, and in particular Smart Card technology, should be seen as a tool rather than a solution to issues within the gambling industry. It should also be a voluntary tool.

In the simplest terms, the mandatory use of Smart Cards will make recreational and casual gambling a negative bureaucratic experience.

The critical test of a Smart Card is that it will provide a solution to problem gambling. Clubs SA argues that it cannot. To claim so is to mirror the argument that the GST would eliminate the cash economy. It does not. Rather, mandatory Smart Card use will displace the industry’s attention and limited resources away from the few that need them (the problem gambler) to the many who do not, without providing a solution.