

# Paul Symond Consultancy

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13 November 2003

Gambling Harm Minimisation  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB POST OFFICE NSW 1230



Dear sir/madam,

## REVIEW INTO GAMBLING HARM MINIMISATION MEASURES

Enclosed you will find the following:

1. Submission from Paul Symond Consultancy on behalf of the BetSafe group of clubs in hard copy;
2. Floppy disk containing submission
3. BetSafe Training Guide
4. Synaval evaluation for 2000
5. Synaval evaluation for 2001

Please do not hesitate to contact me if you have further requirements.

Yours faithfully,

A handwritten signature in cursive script, appearing to read "Paul Symond".

PAUL SYMOND  
MANAGING DIRECTOR

**BETSAFE SUBMISSION TO INDEPENDENT PRICING AND  
REGULATORY TRIBUNAL REVIEW INTO GAMBLING HARM  
MINIMISATION MEASURES**

This submission provides details of the BetSafe program and a response to the specific issues listed by IPART as they are relevant to the BetSafe group of clubs.

**WHAT IS BETSAFE?**

The BetSafe program commenced in N.S.W. in 1998 and introduced many new harm minimisation measures, some of which have been adopted by government and other sections of the industry. BetSafe commenced with 11 major clubs and has since grown to 45 members. This equates to about 20% of the gaming machines in N.S.W.

The focus of BetSafe is to provide the highest quality of harm minimisation program in an integrated manner. The key elements of BetSafe are problem gambling counselling, staff training and self-exclusion. BetSafe seeks to provide the best and most comprehensive program containing these key elements and a range of lesser elements needed to make the program work together.

**BetSafe counselling**

Gambling counselling is considered to be the most effective form of treatment for problem gambling. BetSafe has been providing gambling counselling since 1998 and Paul Symond has been a gambling counsellor for some years prior to the establishment of BetSafe.

Although there is much debate about the sort of counselling that is most effective, the issue is one of the degree of effectiveness, rather than whether or not gambling counselling itself is effective.

BetSafe provides both telephone and face-to-face gambling counselling for patrons of BetSafe clubs with the following features:

- Integrated telephone and face-to-face counselling
- Personalised service

- All telephone counsellors are qualified addictions counsellors with expertise in gambling counselling
- 24/7 service
- Skilled in managing crisis situations and suicide prevention
- Close working relationship with gaming venues important to facilitate referral and recommendation
- Self-exclusions processed immediately at the gaming venue
- Counselling for patrons seeking readmittance
- Ongoing gambling counselling for as long as is required.

BetSafe clubs promote BetSafe counselling as part of the BetSafe program of responsible gambling. See the attached Synaval evaluations for information about the promotion and effectiveness of BetSafe counselling.

Telephone counselling is provided 24 hours a day, 7 days a week by our specialist gambling addiction counsellors. Face to face counselling may follow.

Crisis intervention is an important aspect of telephone counselling. All BetSafe telephone counsellors are skilled in providing appropriate responses to callers who may be proposing self-harm. There is a range of appropriate responses including arranging immediate face-to-face counselling or facilitating the attendance of a mental health crisis team. Counsellors seek to integrate different aspects of assistance, such as face-to-face counselling and self-exclusion in the crisis intervention.

Face to face counselling is provided for problem gamblers where needed upon referral from the telephone counselling service.

BetSafe counsellors know and understand the particular culture and circumstance of each member club. Many of the calls to BetSafe are initiated by club patrons at the suggestion of staff who are trained and motivated to recommend BetSafe.

BetSafe also provides counselling to club staff who are experiencing problems with gambling. There is a higher incidence of problem gambling among staff who work in

a gaming environment than the general population. The extent to which the gambling environment contributes to staff developing problem, rather than persons with a potential problem being attracted to the work is not known. However, unless addressed, problem gambling can cause serious difficulties for staff.

Most BetSafe clubs have imposed a complete ban on their own staff gambling at the club and the others have imposed restrictions on staff gambling.

As of 10<sup>th</sup> November 2003 BetSafe have counselled 3,472 BetSafe club patrons and 652 club staff.

### **BetSafe staff training**

Club staff, particularly gaming staff are the primary point of contact for most problem gamblers who are seeking assistance. Problem gamblers spend a lot of time gambling and may get to know staff quite well. They see staff as being non-judgmental and worthy of trust.

There is frequent interaction between gamblers and staff. At the point when gamblers realise they have a problem and decide to take steps to address that problem, they usually disclose the gambling problem and seek help from a staff member where they gamble. That staff member may be a gaming staff member, barperson, or security staff.

Staff have a professional approach to gambling, which is an important recreational activity of the patrons they serve. However, staff skills are only as good as the training they receive, and their actions are very much influenced by the attitudes that come down from senior club management.

The BetSafe program constitutes a group of gambling providers who are highly motivated to provide the highest level of harm minimisation. This corporate culture begins at the Board and executive levels and filters down through management to frontline staff.

BetSafe staff training courses comprise:

- Mandatory RCG course auspiced by Canterbury-Hurlstone Park RSL, which is a BetSafe member. The mandatory RCG course provides comprehensive training in legal requirements, such as signage, but very limited information about how to provide practical help to problem gamblers.
- BetSafe gambling awareness course for all club staff. This course provides a basic understanding of problem gambling and appropriate responses to patrons seeking help. It means that a problem gambler can disclose a gambling problem to a restaurant employee, barperson, doorman or security staff and be sure of an appropriate response.
- Gaming staff training courses provide comprehensive training for gaming staff in responding to problem gamblers and other harm minimisation issues.
- Duty managers training provides a higher level of training covering the processing of self-exclusion and other gaming related issues.
- Other specialist courses cover staff in management, marketing and sports people.

A BetSafe staff training guide is attached

Comprehensive staff training is essential to ensure that the integrated approach of the BetSafe program is effective. The interaction of staff with patrons is the most important factor in minimising the potential negative impacts of gambling. Staff are much more effective in helping problem gamblers after receiving BetSafe training. Staff understand their rights and responsibilities better which results in fewer staff problems and patrons who are served better.

When patron problems arise, staff are more confident, positive and helpful and make fewer mistakes. Because of the relationship initiated during training sessions, club staff often discuss what to do in a particular circumstance with BetSafe staff, before taking action.

Training sessions provide an excellent opportunity for staff to disclose information about responsible gambling issues or problems, which they might normally be reluctant to raise with superior. BetSafe can then provide advice directly to the staff concerned, or raise the issues with management in a way that preserves the privacy of the staff member concerned.

As of 10<sup>th</sup> November 2003 BetSafe has trained 8,922 staff members from BetSafe Clubs. Of these 1,704 have been trained in the mandatory RCG course.

### **BetSafe self-exclusion**

The BetSafe self-exclusion program provides an effective break from gambling for problem gamblers who are beginning to address their problem. It is our experience that problem gamblers are most willing to self-exclude at the point of crisis, say after a heavy gambling loss. Unless the problem gambler is able to **immediately** sign a self-exclusion deed, the wish to self-exclude fades and may be overtaken by a desire to return and gamble to recover past losses.

We believe that there is a very limited window of opportunity - so it is essential that self-exclusion be offered and provided immediately.

As mentioned above, BetSafe training provides staff with a practical understanding of how problem gamblers think and behave, and the benefits for the problem gamblers and the club of having an effective self-exclusion program.

So in a typical scenario, a patron who has been developing a gambling problem has an episode where she loses heavily and speaks to a staff member, disclosing her problem. The staff member refers the patron to the duty manager, who explains the self-exclusion program. The patron decides to self-exclude, signs the deed on the spot, and has her photo taken by the club. She is also referred to counselling. The patron can go home confident that she is safe from returning to gamble again the next day.

By way of additional assistance, BetSafe will facilitate self-exclusion from multiple clubs at the one time. Instead of having to go from club to club to sign deed after

deed, with a fistful of passport sized photos, the patron can nominate a number of venues where she gambles, and BetSafe will forward her request, a copy of her deed and her photo to the nominated clubs.

In some cases, a patron will disclose a serious gambling problem to staff, but refuse to sign a self-exclusion deed. In those cases the club will consider whether actual knowledge of a person's serious problem warrants the imposition of a period of involuntary exclusion. Advice is provided by the BetSafe consultancy in each case as to whether involuntary exclusion is justified.

Although the imposition of involuntary exclusion is not required by law in N.S.W., it is required in the Australian Capital Territory, where BetSafe also operates. In the A.C.T., clause 14 of the Gambling Code of Practice states that:

*“The Club must exclude a person from gambling at the Club if the Club has reasonable grounds for believing that the welfare of the person, or any of the person's dependants, is seriously at risk because of the person's gambling problem...*

*The Club must not allow a person to gamble if the gambler:*

- (a) appears not to fully understand the nature or consequences of gambling generally, or a particular gambling activity, and the potential for financial loss; or*
- (b) appears to be intoxicated or under the influence of a drug to an extent that the gambler could not reasonably be expected to exercise rational judgment while gambling.”*

This approach is consistent with community's concept of 'duty of care'.

The issue of involuntary exclusion of problem gamblers has been unnecessarily complicated by the long-running debate over whether there is an effective means of identifying problem gamblers. We refer you to a helpful survey of experts conducted by the Australian Gaming Council<sup>1</sup>. The experts unanimously agreed that there is no clear and simple method of identifying problem gamblers by their behaviour such as

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<sup>1</sup> Australian Gaming Council, Current Issues Related to Identifying the Problem Gambler in the Gambling Venue August 2002

expenditure levels or time at venue. However, we have taken the view that a clear statement by a person to the effect that they have a gambling problem can be relied upon.

Sometimes family members approach BetSafe clubs seeking assistance in the imposition of exclusion. In these cases, the clubs refer the family members to BetSafe counsellors who investigate the allegations and consider whether the relative's gambling is causing serious harm. The problem gambler is consulted and a decision may be made to impose an involuntary exclusion where the welfare of a person is seriously at risk.

In one recent case, the siblings of a problem gambler approached a BetSafe club seeking to have their sister excluded. The sister was the carer of their 89 year old mother, and had a serious gambling problem. She sometimes took the mother's pension and gambled it. The sister refused to self-exclude or seek treatment for her problem. After investigation, BetSafe advised the club that it was appropriate to exclude the problem gambling sister in the circumstances.

The current legal requirement for self-exclusion programs in N.S.W. is for a minimum 3 month exclusion which lapses automatically. This is barely adequate.

By contrast, some overseas self-exclusion programs only offer lifetime self-exclusion<sup>2</sup>. This appears to flow from the Gamblers Anonymous view that a gambling addiction is lifelong.

BetSafe provides a minimum 6 month period of disqualification, followed by a re-entry procedure to ensure that problem gamblers who want to return to gamble seriously consider what they are doing. Following expiry of the period of self-exclusion, BetSafe clubs require problem gamblers to undertake a counselling assessment and provide evidence to show that they have taken steps to manage their gambling problem before they are readmitted to the club.

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<sup>2</sup> e.g. Missouri Gaming Commission & Illinois Gaming Board self-exclusion programs



The re-entry interview procedure provides an effective barrier to a relapse into gambling problems for patrons who may not have adequately dealt with their issues during the exclusion period. It also provides an opportunity to discuss the possibility of a relapse. Some problem gamblers abandon their efforts to re-enter the club when informed about the re-entry requirements. Of those who proceed with their application, about 90% are eventually permitted to return to gambling at the club.

### **Synaval evaluation of BetSafe program**

Attached are copies of the independent evaluation of the BetSafe program by Synaval conducted in 2000 and 2001. In particular, Synaval assessed the effectiveness of the following elements of the BetSafe program:

- The uses of information, publications, signage and procedures
- BetSafe staff training
- BetSafe counselling
- BetSafe self-exclusion program.

## **COMMENTS ON LISTED HARM MINIMISATION MEASURES**

Many of the listed harm minimisation measures can be implemented well or badly. It is a matter of concern that gambling venues have no incentive to provide more than the bare minimum. While there are sanctions to force venues to comply with the minimum mandatory requirements, there is no attempt to encourage venues to aspire to best practice.

We urge IPART to consider the issue of encouraging best practice. Our BetSafe members have committed themselves to seek to achieve best practice, but many in the industry do not appear to bother because they have no reason to do so.

Best practice could be encouraged by a system of assessing the actual efforts venues take to implement responsible gambling and provide appropriate incentives such as:

- Permitting high achievers to trial new game technology, such as downloadable games or other innovations;
- Variations in jackpot prizes depending on a venues responsible gambling rating;
- Trading hours concessions;
- Cheque cashing limits.

Size of venue should be taken into account in providing an incentive program, so that incentives for best practice are achievable for small as well as large venues.

### **A. “CIRCUIT-BREAKERS”**

#### **1. Compulsory shut-down of gambling venues**

The compulsory shut-down of machines has had a significant impact on recreational gamblers who used to frequent the club during the shutdown period. This is exacerbated by the fact that clubs have a “wind-down” period before the shutdown commences and a “warm-up” period following. These recreational gamblers affected are typically shift workers such as nurses and taxi-drivers, for whom there are few alternative recreational opportunities during shut-down times.

There has also been a reduction in employment due to the shut-down.

There is no evidence of any benefit to problem gamblers who have simply changed the times when they gamble, or have gambled more intensively as the 4 a.m. shutdown time draws near.

## **2. Ban on smoking in gambling venues**

There is considerable confusion between the health issue and the problem gambling issue. The ban on smoking in gaming venues is not a gambling harm minimisation measure. There is no link that we are aware of between smoking and problem gambling other than the fact that some problem gamblers smoke.

## **3. Periodic shut-down of individual machines**

This proposal presumes that problem gamblers will stop gambling when the machine they are playing shuts down. It is our experience that problem gamblers are very determined individuals who would consider a machine shut-down to be a mere inconvenience.

We consider that this will have no effect on problem gamblers who will simply move to another machine.

The Nova Scotia Gaming Corporation trialled mandatory cash-out after 150 minutes of continuous play<sup>3</sup>. This appeared to have the result of increasing expenditure in the 5 minutes between the warning and the final cash-out. Players who were effected by the cash-out were mostly hostile to the feature.

## **4. Periodic information messages to gamblers using gaming machines**

We believe that this would be an effective way of developing responsibility and reducing the incidence of problem gambling. Rather than shut down the machine, we consider a periodic information message to be more effective. A message either on the screen, or displayed on a running visual display unit adjacent to the screen can be programmed to come on after a certain period of time enquiring whether the individual wishes to continue or finish a gaming session. A variety of messages will

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<sup>3</sup> Focal Research, Nova Scotia Lottery Responsible Gaming Features Research (Oct 02)

stimulate a response, rather than using the same message which will be ignored over time.

The use of messages leaves the decision to stop or continue with the gambler, rather than a shut-down, which takes away the decision, and encourages avoidance.

The Nova Scotia Gaming Corporation trialled video lottery terminals which had pop-up reminders at 60, 90 and 120 minutes. The effect of the 60 minute pop-up reminder was positive, being a small yet significant reduction in session length, and a decrease in expenditure among higher risk players<sup>4</sup>.

### **5. Restrictions on alcohol consumption by gamblers**

We support the prohibition on free and discounted alcohol as an inducement to gamble. There is no question that the consumption of alcohol reduces inhibitions and opens the way to gambling more than intended<sup>5</sup>. This was the situation in the past when free alcohol accompanied gambling. However, the situation is quite different today, when laws prohibit intoxication, and patrons must purchase their own alcohol.

The provision of alcohol forms part of the general provision of food and drinks of all kinds by clubs to their patrons. A ban on general alcohol consumption in gaming areas would have a detrimental effect on recreational gamblers. These people come to the club to relax, and would be prejudiced if they could not combine a drink with a bet.

It would have little benefit for problem gamblers, many of whom don't drink alcohol or drink only small amounts while gambling. Those with a serious gambling problem would consider money spent on alcohol to be wasting money that could be spent on gambling.

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<sup>4</sup> Focal Research, Nova Scotia Video Lottery Responsible Gaming Features Research (Oct 02)

<sup>5</sup> A study published in Alcoholism: Clinical and Experimental Research (Feb 03) by Sherry Stewart of Dalhousie University in Nova Scotia indicates that gamblers take greater risks and play longer when they are drinking.

The important factor in the provision of alcoholic drinks, as well as other beverages and meals, is the human element. Rather than gambling being provided in a sterile environment, the club provides ample opportunity for patrons to interact with staff and other patrons. The club is a recreational centre. Significantly, the availability of trained and motivated staff means that patrons who feel they may have a problem with gambling have someone to talk to. As discussed above, the BetSafe program relies upon well-trained staff to assist patrons experiencing difficulty with their gambling and refer them for self-exclusion and counselling.

## **6. Performance of self-exclusion schemes**

It is our experience from extensive work in this area that self-exclusion is a highly effective form of assistance for problem gamblers which does not affect recreational gamblers.

It should be noted that there is a considerable range of quality in various self-exclusion schemes. It's not only that the content of self exclusion schemes varies, but the way each is administered.

In particular, the effectiveness of a self-exclusion scheme can be greatly improved by proper intervention training.

BetSafe clubs go to considerable lengths to provide the most effective self-exclusion schemes with the following elements:

- Comprehensive on-going staff training in self-exclusion
- Brochure on self-exclusion
- Active promotion of self-exclusion among staff and patrons
- Immediate processing of self-exclusion requests
- 24/7 staff assistance with self-exclusion
- Club takes patron's photo with digital camera
- Minimum disqualification of 6 months
- Multiple self-exclusion procedure
- Effective third party exclusion procedure
- Effective monitoring and sanctions to reduce breaches of exclusion

- Tough re-entry interview procedure

See the information provided at the beginning of this document regarding BetSafe self-exclusion.

## **B. INFORMATION FOR GAMBLERS**

### **8. Requirements to display certain signage**

Through the BetSafe program we have found that signage is an effective way of conveying information to patrons. However, there is no doubt that signage is more effective when it provides information that people want in a form and location that is clear, simple and attractive.

We consider that the current N.S.W. mandatory signage has limited effectiveness due to the prescribed content and location not being appropriate to patron's needs.

#### ***Problem Gambling Notice***

BetSafe has a customised version of the Problem Gambling notice displayed on the front or top of every machine.

The Synaval 2001 evaluation found that 98% of staff and 64% of members had seen the notice. Of those people who had seen the notice, 43% rated the notice as effective in encouraging people to gamble responsibly while 42% rated the sign as not effective. Staff were more likely to rate the notice as effective (48%) than members (33%).

#### ***Counselling Services Sign***

The Synaval 2001 evaluation found that 92% of staff and 58% of members had seen this sign. Of those who had seen the sign, 47% rated it as effective, and 53% rated it as not effective. Staff were more likely to rate the sign as effective (47%) than members (34%).

#### ***Other Notices and Signs***

The Synaval 2001 evaluation had similar results for other mandatory signs. 48% considered the Dangers of Gambling Notice effective,

We have found that a creative approach to signage which emphasises patron responsible behaviour is more effective than a drastic warning. Use of an advertising agency would help in the preparation of mandatory signs. Signage needs to be changed and moved regularly otherwise ‘sign fatigue’ sets in and patrons learn to ignore the signs and their content.

Signage advising of availability of counselling services is also essential. Problem gamblers know the signs are there and can then find the information at their moment of crisis.

BetSafe clubs display additional BetSafe signage as part of the BetSafe program of responsible gambling. See the attached Synaval evaluations of the BetSafe program for information about the effectiveness of BetSafe signage.

#### **9. Display of clocks in gaming machine areas**

We support the display of clocks which cost little and are helpful to those patrons who may not be wearing a watch.

The Nova Scotia Gaming Corporation Responsible Gaming Initiative<sup>6</sup> requires video lottery terminals to be fitted with a permanent on-screen clock. It was found that the clock assisted players to keep track of time and to play within their desired limits. However, the clock had no measurable effect in reducing session length or expenditure.

#### **10. Information on brochures required in gaming venues**

Player information brochures are useful for those new to gaming and should provide simple explanation as to how machines work, and random nature of wins.

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<sup>6</sup> Focal Research, Nova Scotia Video Lottery Responsible Gaming Features Report October 2002

BetSafe clubs display additional BetSafe brochures as part of the BetSafe program of responsible gambling. See the attached Synaval evaluations of the BetSafe program for information about the effectiveness of BetSafe brochures.

BetSafe considers wallet size cards more effective for information about counselling services as more discreet and portable.

The value of brochures should be explained as part of the staff training process. Patrons needing information or counselling are more likely to take and read a brochure if it is handed to them by a staff member with an accompanying positive comment.

#### **11. Information on betting tickets, lottery and keno entry forms**

Because problem gamblers may be quite impulsive about seeking assistance, we recommend providing a telephone helpline number on tickets and forms. The venue should be able to choose whether to nominate G-line, BetSafe or any other telephone problem gambling counselling service rather than be required to only nominate G line.

#### **12. Role of community services, including gambling counselling services**

See the information provided in the earlier part of this document about BetSafe counselling.

#### **13. Contact cards for counselling services**

BetSafe considers wallet size cards to be a highly effective means of providing contact information for telephone gambling counselling services as they are discreet and portable.

BetSafe clubs display BetSafe cards as part of the BetSafe program of responsible gambling.

See the attached Synaval evaluations of the BetSafe program for information about the effectiveness of BetSafe information.



**14. Compulsory display of payout ratios and probability of winning specific prizes**

In theory, consumers benefit from the provision of information. The challenge is how to provide this information in a useful way that does not confuse.

Information about each gaming machine's percentage payout rate has been required on each gaming machine for some years in the A.C.T.<sup>7</sup> This requirement has been widely criticised for misleading consumers into thinking that the average rate of return would apply to individual gaming sessions.

We have found that information about the payout ratios and probability of winning has little effect on problem gamblers where it is simply displayed on signs. There is value in discussing these issues in counselling.

**15. General advertisements highlighting problem gambling**

Problem gambling is a community health issue and it is desirable to have a general community awareness of the risks and dangers of problem gambling.

Advertising should emphasize the need for the individual to gamble responsibly by setting a budget and sticking with it.

Problem gambling counselling services also need to be promoted to ensure awareness.

**16. Display of monetary value of credits, bets and wins**

We support the provision of information to patrons in principle, but caution that the information needs to be provided in a form that patrons actually want, and at this stage there is little apparent demand from gamblers for more information.

This was considered by the Nova Scotia Gaming Corporation study<sup>8</sup> and showed mixed results with some gamblers spending less and others spending more. It can therefore not be considered to be of assistance in reducing problem gambling.

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<sup>7</sup> Section 49 Gaming Machines Act, A.C.T.

<sup>8</sup> Focal Research, Nova Scotia Lottery Responsible Gaming Features Research (Oct 02)

**17. Information for individual players on their gambling session.**

We consider that information about each individual gambling session is not as helpful as the longer term information provided by player activity statements. This is because of the significant variations between individual gambling sessions.

Most club patrons who gamble regularly are members of player reward schemes and are entitled to obtain this information by way of player activity statements. At this stage the number of patrons requesting player activity statements is very small. One BetSafe club recently reported to us that it promoted the availability of player activity statements to its 50,000 members and is disappointed that not one member has yet requested a statement.

**C. LIQUIDITY CONTROLS**

**18. Requirement for large payouts not to be in cash**

The theory behind payment of large gaming wins by cheque rather than cash is that it prevents problem gamblers going back to the machines and gambling and losing again.

However, the current cash prize limit of \$1,000 has caused a fair bit of disappointment amongst gambling patrons who are used to dealing with cash and may not have a cheque account. This led to a proliferation of cheque cashing businesses who charged in the order of 4% to cash cheques. While legislation has been passed to try to stop these businesses<sup>9</sup>, we are aware that some of these businesses continue to operate. We have recently asked the Dept. of Gaming and Racing to investigate the activities of a cheque cashing business in the suburbs of Sydney that was advertising that it cashed jackpot cheques.

We believe that a cash prize limit of \$3,000 would be more appropriate and save a considerable amount of patron dissatisfaction and save the clubs some administration costs.

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<sup>9</sup> s.47A *Gaming Machines Act 2001*

One of our larger BetSafe Clubs has provided us with a breakup of the amounts and numbers of prize cheques issued over a typical weekly period:

<i>Cheque Range</i>	<i>Number of Cheques Issued</i>	<i>Percentage of Cheques Issued</i>
\$1,000-\$1,499	320	44%
\$1,500-\$1,999	112	15%
\$2,000-\$2,499	105	15%
\$2,500-\$2,999	55	8%
\$3,000 & above	<u>134</u>	<u>18%</u>
<i>Total</i>	726	100%

As can be seen, approximately 82% of all cheques fall in the \$1,000 to \$3,000 bracket and therefore, if the amount at which a cheque must be issued were raised to \$3,000, significant savings to a club would follow and less inconvenience to the recreational gambler would occur.

There is overwhelming anecdotal evidence (through counselling) that when problem gamblers win in excess of \$1,000, they will play down their credit balance to avoid having to take a cheque. The result is often that they lose the lot.

#### **19. Prohibition on providing credit for gambling**

The prohibition on providing credit for gambling has had a positive result for the more extreme problem gamblers who find it very difficult to stop gambling. It has made it much more difficult for these problem gamblers to gamble more than they have. We strongly support this prohibition.

Credit bans are gradually being introduced around the world. For example the US State of New York has recently legislated to ban credit for gambling.

#### **20. Requirement to locate ATMs away from gambling areas**

The requirement that ATMs be located away from gambling areas has had a positive effect on problem gamblers who are now forced to walk out of the gaming area to access further gambling funds. We support this requirement.

### **21. Restrictions on note acceptors**

Research by the University of Sydney found little benefit in removing machines that take \$50 and \$100 notes. This suggests that the removal of note acceptors is not likely to have a significant impact on problem gambling, whereas it would affect the convenience of note acceptors for all gamblers. We therefore do not support this proposal.

### **22. Lower limit on maximum bets on gaming machines**

The University of Sydney researchers found that a lowering of the maximum bet limit from \$10 to \$1 might assist 7.5% of problem gamblers. We consider that the lowering of the limit would have a significant impact on both club revenue as well as on recreational gamblers, so we do not support this proposal.

### **23. “Pre-commitment” or “smart” cards that enable financial limits to be set**

Smart cards are not used in N.S.W. because our industry is venue centred. Each venue has its own structure, systems etc. The smart card system would involve considerable cost with no benefit. A smart card has a silicon chip which stores detailed information about the player, and funds that may be to the player’s credit and enables the player to carry that information from one venue to another.

The E-bet card system is currently available at Wentworthville Leagues Club and North Sydney Leagues Club. These enable the cardholder to operate cashless gaming and can assist with management of the gaming budget.

E-bet does not use a smart card. It uses a magnetic strip similar to a standard ATM card. It is part of the standard club membership card.

The E-bet card can only be activated for cashless gaming use at the request of the member. There is a 24 hour delay from the request to the activation of the card for cashless gaming to allow a player to “cool-off” and revoke the request. This ensures that the member has the opportunity to change his or her mind.

Once activated, the member can load money into his/her account at the change box or at a gaming machine. The member can then insert the card into a gaming machine and transfer funds from their E-bet account into the machine. At the end of a gaming session the member simply transfers their funds back into their account via the card and can then move to a different machine or finish playing the machines. It is much more convenient for the member than having to cash out.

The E-bet cashless system gives the member the option of restricting expenditure to a daily limit. This is of assistance to a person who may have difficulties knowing when to stop. The member can nominate the daily limit in advance.

We consider that the use of “smart” cards to control expenditure would be impractical in N.S.W. due to the fact that all the venues are individual with independent systems. The cost of introducing a universal smart card would be enormous. It would only be of use to a tiny proportion of patrons who specifically want to conduct controlled gambling, and could be circumvented by the use of other people’s cards.

#### **24. Restrictions on daily cash limit in ATMs close to gambling venues**

We don’t consider that restricting the daily cash limit for ATMs close to gambling venues will be of assistance to problem gamblers. Problem gambling is a failure of self-control. Our counsellors could only recall one or two clients who had ever mentioned ATMs as a factor in their problem gambling.

By imposing this sort of mechanical restriction we may be exacerbating the problem, by encouraging gamblers to be irresponsible and rely on others to look after them. A determined problem gambler will not be put off by a daily cash limit, but simply go further afield to get cash. Ultimately it is the gambler’s money, and their decision whether to gamble it or not.

In the U.S. ATMs are mostly located anywhere in casinos. However the 1999 National Gambling Impact Study Commission recommended that ATMs be banned from gambling premises. However, it made this recommendation in the context of a

society that widely uses cheques, and where the assumption was that gamblers would have unlimited ability to cash cheques.

The availability of ATMs in clubs is greatly appreciated by club patrons who fear being robbed at ATMs in the street. In fact, some patrons will come to the club just to use the ATM.

The club is the only place with an ATM in some areas. Lowering the cash withdrawal limit would affect the entire community.

Rather than restrict the ATM cash limit, gamblers who want to restrict their expenditure should be able to arrange an individual daily cash withdrawal limit with the financial institution they deal with. That would enable them to restrict their withdrawals without inconveniencing everyone else.

#### **25. Reducing the maximum permissible win**

We doubt that this would have a significant impact in reducing the extent of problem gambling. Gaming machines in amusement arcades in Holland and the UK have very modest prize limits, yet they still have problem gambling. Problem gambling is about escape more than winning.

#### **26. Further possible changes to affect the rate of loss of play per hour**

Reducing the maximum possible rate of loss per hour would have little impact on problem gamblers who would simply increase hours of play or find alternative forms of gambling.

In counselling we find that most problem gamblers do not always make the maximum bet. Rather they will find a comfortable bet level and stick to it.

The group of gamblers who would be affected by a change to the loss rate are the wealthier recreational gamblers who are accustomed to gambling larger amounts. A lowering of the loss rate might encourage some of them to seek other forms of gambling such as casino table games.

In the Netherlands, gamblers on slot machines are restricted to an average loss rate of 22.69 Euro per hour<sup>10</sup>. However, we are not aware of any research as to the effect that this has on problem gambling.

**27. Forced payment of wins when certain level is reached and payment then to be only by cheque**

We consider that this would not have much impact on problem gamblers but that an amount of \$3,000 would be appropriate.

**D. RESTRICTED PROMOTION OF GAMBLING**

**28. Controls on advertising**

Advertising has a number of purposes, including the supply of information. In the past some advertising was irresponsible and targeted at problem gamblers. That sort of irresponsible advertising is the appropriate subject of a ban. However other forms of gambling have a purpose.

We support controls on advertising, but consider some gambling advertising should be permitted, particularly to members. Under the current ban clubs can't even provide information about promotions or advise members to redeem bonus points.

**29. Controls on player reward schemes**

We consider that some controls are justified, but generally player reward schemes should be permitted. Player reward schemes are highly valued by recreational gamblers.

The prohibition on providing cash prizes in promotions has caused considerable dissatisfaction amongst recreational patrons who find shopping vouchers and other prizes unsuited to their tastes.

**30. Restrictions on promotions and other inducements to gamble**

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<sup>10</sup> Netherlands Gaming Control Board 2002

We support bans on the provision of free alcohol and gambling credits as an inducement to gamble.

### **31. Controls on gaming machine artwork**

We don't think gaming machine artwork has any effect on problem gambling. We consider that research should be undertaken into the effect of gaming machine artwork on the development of problem gambling before any further controls on gaming machine artwork are imposed.

### **32. Possible elimination of double up and other similar gamble features**

We consider that research should be undertaken into the effect of double up and other similar gamble features on the development of problem gambling before any possible elimination is considered.

### **33. Availability of alcohol and other refreshments to gamblers**

Only free alcohol is considered relevant for problem gamblers. Our experience is that problem gamblers only tended to drink excessively at the machines or gaming tables when alcoholic drinks were free.

A survey by Harrah's<sup>11</sup> of its casino patrons favourite drink when playing casino games came up with the following:

Soda/Soft drink	36%
Cocktail	22%
Water	12%
Beer	10%
None	10%
Coffee or Tea	6%
Wine	3%

(Note that this relates to U.S. Casinos where free drinks including alcoholic drinks are available to gamblers in some states).

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<sup>11</sup> Harrah's Survey 2003 (from Harrah's website)



The availability of alcohol and other refreshments is highly regarded by recreational gamblers. Their removal would greatly reduce their enjoyment of a trip to the club.

**E. COMMUNITY/COUNSELLING SERVICES**

**34. Requirement for gambling operators to enter into agreement with counselling services**

We support this requirement. Our experience is that a close working relationship between gambling operator and counselling service results in a much more effective level of assistance for problem gamblers. A problem gambler is much more likely to call a counselling service if a staff member says “why don’t you ring BetSafe(or some other named service). I know they can help you”, instead of simply having a few cards lying around on a table with no active recommendation from a person they trust.

**35. Training of staff in gaming machine venues**

See our comments about BetSafe training above. We consider that good staff training is essential in order to provide effective assistance to problem gamblers.

**F. TECHNICAL MEASURES**

**36. Slower reel speeds**

The University of Sydney researchers found that this had no significant impact on problem gambling, so this is not supported.

**37. Removal of visual and sound stimuli**

We recommend that research should be undertaken into the effect of visual and sound stimuli on the development of problem gambling before any possible elimination is considered.

**38. Requirement for human intervention in large payouts**

We support this requirement. As mentioned above, we consider that the interaction of staff and customer is very important to the referral to counselling of problem gamblers at an early stage. It should apply to any amount over \$3,000.

**39. Requirement for natural light in gambling venues**

We doubt that the availability of natural light has any impact on recreational or problem gambling. A number of BetSafe clubs have natural as well as artificial light. You might wish to visit Bulldogs, Canterbury-Hurlstone Park RSL, Western Suburbs Leagues Club (Ashfield), Guildford Leagues, Wentworthville Leagues or Balmain Leagues which all have some natural light. If numbers of self-excluded patrons are an indication of problem gambling, then there is no difference between these clubs and other BetSafe clubs which do not have natural light. For clubs without natural light, the cost of building modification would be enormous.

**40. Requirement for gambling patrons to be visible to people outside the gambling venue**

We do not think this would have any effect on problem gambling. It would appear to contradict the ban on gambling advertising as by making gambling patrons visible it would also make gaming machines visible.

**41. The impact of music being played and display of lights when a win takes place**

Preliminary research recently announced by the University of Guelph suggests that there is a relationship between busy casinos noise and the level of gambling expenditure<sup>12</sup>. The University researchers found a 14% difference in gambling expenditure based on showing subjects video footage of a casino and substituting casino noise with music. This is the first such research of the kind to our knowledge and we feel that it should be investigated further as there may have been other reasons for the variation in expenditure.

**ATTACHMENTS**

- A. BetSafe training guide
- B. Synaval evaluation of BetSafe program – 2000
- C. Synaval evaluation of BetSafe program – 2001

IPART 6

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<sup>12</sup> University of Guelph press release 26 September 2003

Please note that attachments 1 (BetSafe Training Guide), 2 (Synaval Evaluation for 2000) and 3 (Synaval Evaluation for 2001) mentioned on the cover page of this submission are available in hard copy only.

Please contact Anna Burela on 02 9290 8472 or Matthew Pearce on 02 9290 8441 to arrange viewing.