



Response to
Pre-commitment discussion paper

Submitted by Community Clubs Association of Victoria

7 December 2011

On behalf of its members across Victoria, Community Clubs Association of Victoria (CCAV) is pleased to submit a response to the *Pre-commitment discussion paper*.

General

CCAV's interest in the pre-commitment debate stems from concerns for

- **Club members and guests** who wish to change their gambling behaviour, and will use the availability of pre-commitment systems and technology to support that change
- **Clubs in the broadest sense**, that are likely to have their hospitality businesses affected by the proposed changes, and for whom the implementation of pre-commitment poses real challenges for the way they are able to contribute to their member and community constituencies.

CCAV supports the progressive, orderly introduction of a voluntary pre-commitment regime for gaming in Victoria on the grounds that it may provide tools for increased self-control among those customers seeking to adjust or reduce their gambling behaviour and expense. It should be remembered however that the incidence of problem gambling has more than halved in Victoria over the period between the first and second APC Reports.

In recent years, CCAV has been pleased to participate in the RGMAC Pre-Commitment Working Group, through which many aspects of pre-commitment policy have been examined. We note that responses to the discussion paper will not be considered should they *“seek to revisit the Government’s determination that pre-commitment should be voluntary for players to use and must be available on all gaming machines in Victoria.”* While our response does *not* seek to revisit the policy, we take this opportunity to state our agreement with the direction taken by the Government. CCAV has stated consistently* that clubs will support the implementation of pre-commitment as a tool for members and guests to use should they need it to control or change their gaming machine play behaviour.

Our view is that pre-commitment technology must be

- Implemented at a “no system cost” to clubs
- Available to all egm players, including those at the casino
- Simple to understand and use
- Voluntary to use, and have no stigma attached to use
- Supported by effective education about the systems and their value in assisting players who so desire to make and keep decisions to change their gaming machine play behaviour. The supporting education should be available to the broadest possible range of consumers, club staff, and problem gambling support staff.

Our responses to the questions in the discussion paper are consistent with the points above; however the first of them warrants a separate explanation.

“No system cost” to clubs

It is vital for the sustainability of the not-for-profit club sector that clubs are not subjected to additional unplanned-for costs leading into the post-2012 world of gaming.

Victorian clubs participating in the ‘new’ gaming industry from 2012 face a difficult period of adjustment to the new environment. Most clubs purchased Gaming Machine Entitlements (GMEs) *via* the Pre-Auction Club Offer (PACO), and this resulted in their paying a significant premium relative to their revenues and other bidders and, in some cases, to their competitive position with other venues.

Many clubs are struggling to accumulate the cash to pay for the next instalment due in August 2012 and it is not beyond the realm of possibility that some will not survive into the new environment under the burden of payments for GMEs purchased *via* the PACO. In this environment, any additional costs arising from implementation of pre-commitment will cause clubs great financial pressure and will lead to curtailment of service to members and communities. The ‘curtailment’ may mean club closure in some particular circumstances. CCAV is working with a number of clubs in this very predicament right now.

KEY QUESTIONS

Part 1: What is pre-commitment and what will it do?

The potential pre-commitment features and processes

Q.1. to Q.5.

The proposed features and processes will, in general, need to be simple and easy for players to access and use. Players who choose to use the system to change their gambling behaviour will have access to simple processes to help implement their decisions.

The alert messaging will be discreet and in any case configurable by the user to reduce the possibility of stigma attached to use of pre-commitment.

Our members believes that the availability of many different forms of limit will be confusing for some players, and it is most likely that club members will opt for the one type of limit that suits their circumstances.

Player Activity Statements should be available at player request, but not mandatory to receive. The principal value of pre-commitment is to prevent uncontrolled continuation of a gambling session or sessions. The warning messaging and compulsory 'lockout' at reaching a limit will achieve that, and the Player Activity Statements will be of little value for most players unless they are seeking that level of control specifically.

The availability of telephone support, particularly as pre-commitment is being introduced, will be valuable to egm players and club staff. Extreme caution must be exercised, however, when considering allowing changes to limits in this way. Establishing the identity of the caller and/ or player accurately is essential to ensure privacy. Implementation of the pre-commitment features flags the need for comprehensive training for consumers, problem gambling support services and club staff.

Club staff will be the face of pre-commitment for most consumers, and they must be confident of their ability to deal with questions and issues that may arise. In particular they must be familiar with all levels of support, such as the player access device, the information kiosk, the website for online registration and queries, and the telephone support. Without effective training they may not be in a position to coach players in use of the system. They may also become the focus of player frustration and anger if they are not able to resolve issues on the spot.

CCAV offers to assist in planning and development of training for clubs to facilitate implementation of pre-commitment.

CCAV is not in a position to assess the costs of options proposed by the discussion paper; however our comments above relating to additional expenses for clubs stand. Pre-commitment should not impose additional costs for clubs.

Incentives and other factors that might influence the take-up and use of pre-commitment

Q.6. to Q.7.

In considering the design of pre-commitment, it is important to consider gaming trends, one of which is cashless gaming. Clubs' decisions to adopt this form of gaming will depend on many factors, the foremost of which will be financial. In the absence of concrete proposals allowing costs and benefits to be understood, whether or not clubs would adopt cashless or any other development is purely speculation.

The discussion paper raises the possibility of transferring money directly from bank accounts to player access devices and suggests that this may be inconsistent with limits placed on AYM withdrawals. Clearly it would be necessary to ensure consistency between protection measures such as ATM limits and any new technology.

Cashless gaming has been implemented in Victoria between 1992 and 2000 in the Tabaret gaming network. In terms of benefits for players and clubs there is a great deal of living history still available from that time. The Tabaret system provided significant operating benefits for clubs (reduction of cash holdings on the gaming floor, accurate instant reconciliation of gaming accounts, zero machine clearances etc). In terms of the pre-commitment discussion, one of the take-outs from the Tabaret network is that players were in fact able to impose limits on expenditure through how much they 'loaded' on to the card. When these funds were used, a decision on whether to play on or stop was necessary. This opened a window for cognitive control of behaviour. There is an anecdotal reservoir of stories from that time that many egm players used the enforced break in that way.

Loyalty programs

Q.8. to Q.10.

Loyalty programs offer one of the simplest means of engaging egm players with pre-commitment by providing an incentive for use of the player access device.

Our earlier comments on costs apply here, too.

Using a membership or loyalty program card to access pre-commitment offers a real opportunity to completely de-stigmatise its take-up. The availability of limits and compulsory 'lock-out' mean that linking of loyalty programs and pre-commitment will not undermine the responsible gambling objectives underpinning pre-commitment.

Other factors

Q.11. to Q.13.

Paragraph 41. implies that all players should use pre-commitment. As the system is voluntary to use, it follows that not all players will either need or wish to use it. The emphasis should be, rather, on mitigating any discouraging elements for those **players that wish to use pre-commitment**. Our comments on loyalty cards apply here.

Part 2: What are the technical options for pre-commitment?

Networked

Q.14. to Q.16.

Without a technical specification it is difficult to make comment costs for networked *cf* non-networked pre-commitment. Nevertheless our earlier comments on costs for clubs apply here.

One of the outcomes of a networked pre-commitment system is that the player access device can function as a key to the player's pre-commitment 'account'. Thus the device is not required to store large amounts of data. In fact it may be quite simple such as, as suggested above, a membership card.

Although we do not have sufficient data or information to comment on the costs of using the monitoring network *cf* using separate infrastructure to deliver a networked pre-commitment solution, CCAV believes clubs will be best-served with a system that is flexible and that can co-exist with clubs' loyalty programs.

Non-networked

Q.19. to Q.21.

Paragraphs 53. to 57. of the discussion paper seem to make these questions rhetorical. The non-networked system has shortcomings *cf* the networked system.

- Gambling session data is not 'synched' in real time
- The player access device is required to be more complex with much greater storage capacity and in all likelihood more expensive
- Loss of the device may mean loss of data, and thus could be used to subvert limits

Part 3: Who should provide pre-commitment?

Q. 22. to Q.28.

As above, paragraphs 58. to 77. of the discussion paper seem to make these questions rhetorical; however CCAV believes clubs will be best-served by an environment in which multiple providers connect to a central networked pre-commitment system. This permits clubs the greatest flexibility and choice and is the solution most likely to create an efficient market for pre-commitment services.

Please note our earlier comments regarding Player Activity Statements. CCAV believes that it is not necessary to force these on players, and it may in fact be counter-productive so to do. The pre-commitment provider should generate the Statements for players to access as desired.