



A submission to the Productivity Commission's public inquiry into gambling by the Australian Hotels Association (SA Branch).

This submission while specific to the South Australian gaming environment complements and should be considered in conjunction with the Australian Hotels Association (National) submission.

Submitted by Ian Horne

General Manager/CEO

Australian Hotels Association (South Australian Branch)

4th Floor, AHA | SA House

60 Hindmarsh Square, Adelaide SA 5000

Postal Address

PO Box 3092, Rundle Mall SA 5000

Phone (08) 8232 4525

Facsimile (08) 8232 4979

www.ahasa.asn.au

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Introduction

The Australian Hotels Association (SA) welcomes this inquiry and the opportunity it provides to highlight the many harm minimisation strategies embraced by the Industry in South Australia.

Background – who we are

The Australian Hotels Association – South Australian Branch (AHA-SA) is one of the oldest employer based associations in South Australia, having operated continuously since 1873 and is the South Australian Branch of the national Australian Hotels Association. The Association's role is to represent and promote the interests of hotels throughout the state. The AHA-SA members account for more than 85% of the hotel industry in SA. They range from small country pubs to five-star hotels and resorts.

AHA-SA members are generally the operators of the business undertaking allowed by the Hotel/Special Circumstance liquor licence as per the Liquor Licensing Act 1997. They include sole traders and partnerships, incorporated associations, trusts, limited and proprietary limited companies. The ownership of these structures are subsequently made up of individuals, extended and multi-generational families, partnerships, national corporations, investment companies (domestic, national and international), superannuation funds, superannuants, shareholders, venture capitalists and community-based 'not-for profit' ownership structures.

Economic Profile - *Figures obtained from McGregor Tan Marketing Survey of SA Hotels

- Employment of up to 24,000 in South Australia *
- Jobs created since introduction of gaming: 4400 *
- Capital and commercial value: \$4.1 billion*
- Annual support to charities, sport/community groups: \$9 million plus.*
- Annual live band performances: 21,000 *
- Expenditure on hotel redevelopments since introduction of gaming: \$563 million

Each year, retail sales exceed \$1.7 billion with the public buying:

- nearly 28 million meals *
- more than 80 million litres of beer *
- more than 12 million litres of wine (1.2 billion standard glasses)*
- more than 3.5 million cups of coffee *
- more than 6 million litres of soft drink*

Each year, hotels pay:

- Gaming tax: \$295.04 million to the State Government plus an additional \$68.96 million in GST in 2007/08.
- Payroll: \$396 million*
- Payroll tax: \$32 million*

- Electricity/gas: \$29.3 million*
- Local government rates: \$10 million*
- Water rates: \$5.8 million*

Culture of Responsibility

The AHA-SA has demonstrated a strong commitment to encouraging and fostering a 'culture of responsibility' since the introduction of gaming machines in July 1994. Early initiatives included consumer education and awareness through the AHA-SA **Smart Play** consumer publication in 1996 (*at that time Professor Mark Dickerson, then the Executive Director of the Australian Institute of Gambling Research, suggested that the "initiative has the potential to set the standard for the industry in all States" - Advertiser 05/11/1995*), to the establishment of the Industry's voluntary Code of Practice launched in 1998 with the endorsement of the regulator, (OLGC) and the welfare sector and that subsequently formed the basis of current mandatory codes. The Industry also facilitated the establishment of the Gamblers Rehabilitation Fund (GRF) in 1994 as the then exclusive (as in only) contributor of funding. That first voluntary contribution to the GRF totalled \$1million in 1994 and was the sole source of funds for the 'Break Even' counselling network (now called Gambling Help Services) for many years. The most recent South Australian based initiatives are detail from page 10 of this submission. The Industry's leadership in the area of harm minimisation strategies is widely acknowledged by State Government, regulators and the welfare sector.

The South Australian Gaming Industry

Gaming commenced in Hotels and Licensed clubs on 25th July 1994. While the South Australian Gaming Industry shares the private ownership characteristics of other Australian gaming states and territories (including Victoria from 2012), it has evolved in several distinctive ways and has a number of unique characteristics. They are;

Eligibility & Ownership

- All Hotels and Clubs are eligible to apply for a Gaming Machine Licence
- Maximum machines numbers set at a maximum of 40 per venue (Hotel or Club)
- Venue ownership model i.e. venue must buy/own machine

SA Machine Characteristics

- \$1 Coin operated only (\$1, 20c, 10c, 5c, 2c, 1c games) N.B. no note/bill acceptors in Hotels, Clubs or Casino in South Australia
- Maximum bet \$10 per game (Multi-line, multi-bet)
- Maximum prize \$10,000 (Hotels/Clubs)
- No linked Jackpots (Hotels/Clubs)

Central Monitoring

- A Central Monitoring System in place from commencement of gaming on 25th July 1994.

- The independent Gaming Corporation Ltd (IGC) was established by the hotel and club industry in SA to provide a secure, centralised computer monitoring facility for the management of gaming machines in hotels and clubs.
- The IGC Ltd was granted 1st right to apply for a sole monitor licence in the Gaming Legislation passed by Parliament in May 1992 and the IGC Ltd was subsequently licensed as **sole** SA central gaming monitor on 7th December 1993.
- IGC is a company limited by guarantee, has 2 members, the AHA-SA & Clubs SA (the Licensed Clubs Association of SA) and its Governing Board is made up of 2 AHA-SA, 2 Clubs SA and 3 independent directors
- The IGC Ltd has continuously funded the States Gamblers Rehabilitation Fund (GRF) up to \$1.5m p.a. since its inception in 1994, this remains a voluntary contribution. IGC Ltd's total contribution to the GRF since 1994 is \$20.5 million. This annual commitment has been increased by a further **\$500,000** per annum from 2008/09 to further assist and resource 'help agencies' to work **with** Industry including Industry Early Intervention Agencies, Gaming Care and Club Safe, in supporting venues, their staff and customers in relation to problem gambling issues. This contribution to the GRF is **voluntary** and is in addition to the gaming machine taxation paid by gaming venues to the State Government. The current funding available to the GRF is \$5.945m, of which \$3.845m per annum comes from Gaming Tax hypothecation, \$2m is a voluntary contribution from the Hotel and Club sector via IGC Ltd and \$100,000 is provided by the Adelaide Casino. **No other gambling code contributes to the South Australian GRF.**
- The IGC Ltd also funds the Hotel and Club Sectors Early Intervention Agency's known as Gaming Care – Hotels (see page 11) and Club Safe to approx \$1.1 million per annum.
- In addition, the IGC Ltd supports various community, sporting and charitable causes to approximately \$600,000 p.a. on behalf of the Industry. Total contribution is \$7.2m to date.

Gaming Care (the Hotel Industry's Early Intervention Agency) - **See page 11 for full details**

- Gaming Care, the Hotels Responsible Gambling Early Intervention Agency, was established as a unique Australia first response to harm minimisation within the Hotel sector.
- Gaming Care currently employs **8 full time officers** and administrators to support the Hotel management and staff in identifying and supporting problem gamblers.

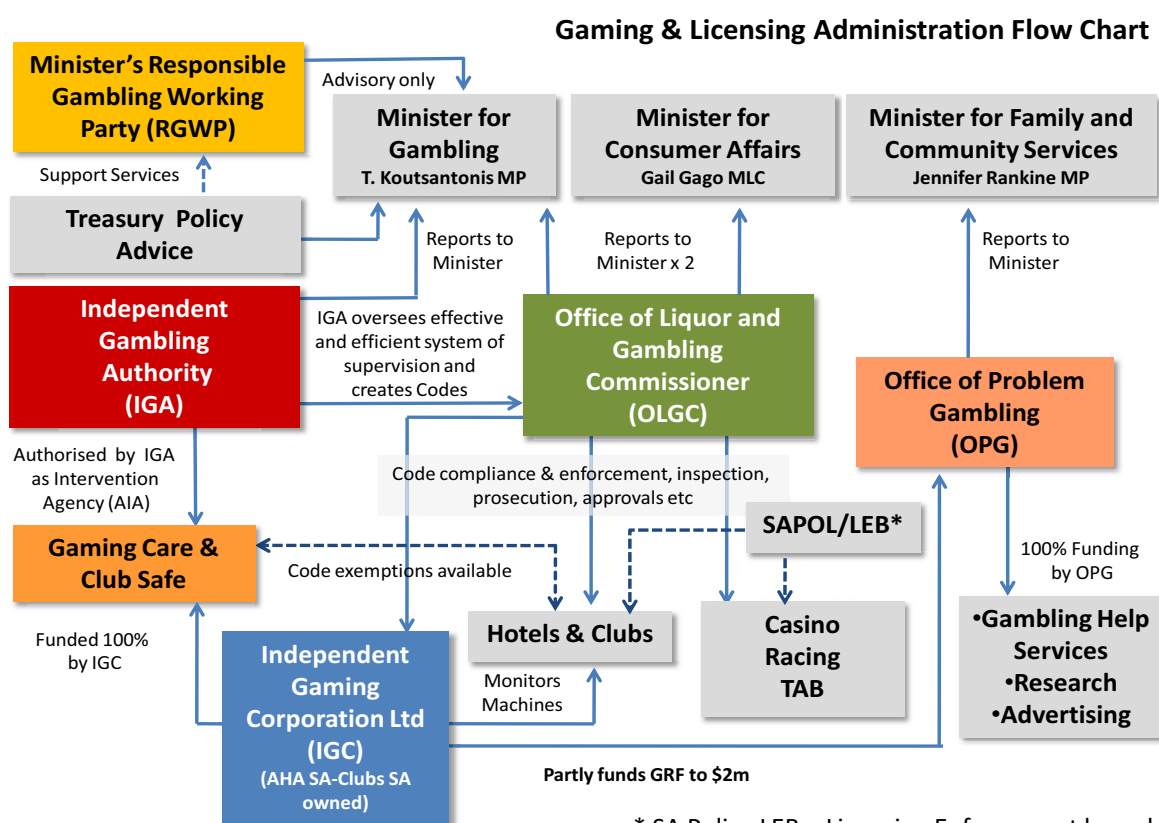
Minister's Responsible Gambling Working Party (RGWP) – see page 11 for more detail.

- Gambling Minister Paul Caica MP (to July 2008) created the Responsible Gambling Working Party (RGWP) in November 2006.

- “Minister Caica says that over the course of the next year, it’s expected the Working Party will devise strategies that assist people gambling with electronic gaming machines to ‘pre-commit’ to spending limits, including the trial of some new approaches.” – Ministerial media Release November 2006
- The RGWP has been established to develop **industry** measures that support people using electronic gaming machines to set limits on their gambling.
- Hotels (AHA-SA) and Clubs (Clubs SA), SKYCITY Adelaide Casino, counselling organisations and the union (LHMU) make up the Working Party. It is chaired by Cheryl Vardon, CEO of the Australasian Gaming Council.
- The RGWP has no regulatory role or status, it advises the Minister but the Minister is not obliged to take that advice
- The resulting key focus areas for the RGWP are:
 - **Informed decision-making** : Supporting education programs on understanding gambling products
 - **Money management**: Supporting the delivery of a range of financial information for customers
 - **Player tracking systems**: Undertaking a cashier-assisted and venue card trial

Industry Regulation and Administration

- The following table depicts the administrative and licensing flow of the South Australian Gambling/Gaming Industry



Gaming Machine Statistics in South Australia

Gaming Venues and Gaming Entitlements have decreased from a peak of 597 venues and 14,855 live machines at November 2004 (OLGC) to 12,722 live machines in 567 venues as at December 2008 reflecting the removal of nearly 2200 machines as a result of legislation amendments to the Gaming Machines Act that came into force on 1 July 2005.

Gaming Machine Licence Statistics as at 31st December 2008		
	Live Venues	Live Gaming Machine
Hotels	464	10,187
Special Circumstances	38	1,372
Licensed Club	65	1,163
Totals	567	12,722

Source: http://www.olgc.sa.gov.au/gaming/statistics/Quarterly_Gaming_Machine_Licence_Statistics_200809_Qtr_2.pdf

The formula for gaming machine removal is reproduced below as is the subsequent impacts on the gaming machine profile of SA hotels.

The Independent Gambling Authority report (*IGA - Gaming Machine Numbers Inquiry, provided to Minister for Gambling on 22 December 2003*) recommended amongst a number of things that 3,000 gaming machines be removed from the system and that there be a cap on the number of gaming machines in South Australia, fixed initially at 12,000 (down from the present 15,000); a reduction of 20%. This target however was never achievable because the

Machines per Venue	Reduction	
Less than 20	No loss	
21 to 28	Reduce to 20	
29 and above	Lose 8	

Machines per Venue	Hotels -before 1/7/05	Hotels - after 1/7/05
1 to 10	134 (27%)	133 (27.5%)
11 to 20	84 (16.9%)	104 (21.5%)
21 to 30	41 (8.3%)	30 (6.2%)
31-39	19 (3.8%)	217 (44.8%)
40	218 (44%)	0
Total venues	496	484
Average	25.7 per venue	21.7 per venue

**No loss to
Clubs or
Community
Hotels**

Source; OLGC Statistics

parliamentary process subsequently exempted Clubs and Community (not-for-profit) hotels from the reduction formula.

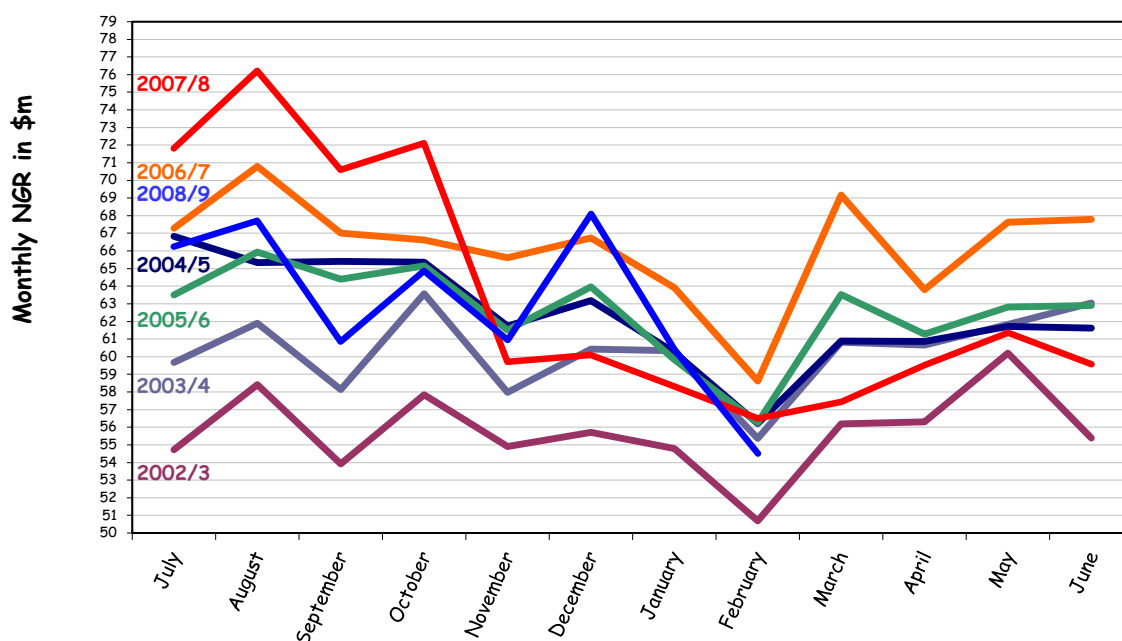
The IGA also recommended that a trading system be introduced with the principle purpose to reduce the number of venues by allowing licensees to buy machine entitlements up to the maximum number of 40, while those wishing to exit the industry would have an opportunity to unlock capital value from machines which they no longer desire to use. (*IGA Inquiry into Management of Gaming Machine Numbers*, page 3).

The parliamentary process ultimately capped the maximum value at \$50,000 (effectively a \$37,500 price as in the case of Hotels, 1 in 4 machine entitlements are forfeited and in the case of Clubs, 1 in 4 is transferred to a central club 'bank' called Club One and do not contribute to the reduction target). The IGA review of the machine reduction process (*IGA 2004 Amendments Inquiry - provided to the Minister for Gambling on 12 September 2007*) has recommended that the \$50,000 cap be removed to stimulate the market.

Impact of Machine Reduction

The impact of the reduction was borne exclusively by 'for profit' hotels with more than 20 machines and as a result saw revenue growth contained to approximately .24% for the 12 months following the reduction. However 2006/07 saw recovery and increased revenue growth that was maintained until 1st November 2007. The single biggest impact on NGR has been the complete ban on smoking from 1st November 2007. This reduced NGR by over 10%

State Monthly NGR:
2002/03 to 2008/09



Source: OLGC Statistics

across the board as a direct year on year comparison. This impact on venues was however not equally 'shared' as many regional operators incurred NGR reductions of as much as 40%. That said the impact of smoking bans impacted all venues and has been significant.

The following table reflects the graph on the previous page (p7) and identifies the 1st full year post the machine reduction (aqua/cyan) and the period since the implementation of total smoking bans (yellow).

SA NGR in \$Millions

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2002/03	54.73	58.42	53.91	57.83	54.91	55.71	54.79	50.69	56.2	56.3	60.2	55.39
2003/04	59.67	61.88	58.13	63.56	57.97	60.42	60.32	55.36	60.8	60.64	61.82	63.03
2004/05	66.81	65.32	65.4	65.35	61.72	63.17	60.23	56.21	60.87	60.85	61.71	61.61
2005/06	63.5	65.93	64.39	65.14	61.5	63.96	59.83	56.25	63.53	61.28	62.82	62.9
2006/07	67.28	70.78	67.0	66.61	65.6	66.73	63.9	58.60	69.14	63.79	67.62	67.76
2007/08	71.80	76.21	70.61	72.07	59.74	60.14	58.26	56.13	57.11	59.53	61.37	59.56
2008/09	66.24	67.73	60.85	64.86	60.94	68.10	60.4	54.5				

Smoking Ban Commenced 1st November 2007
Machine Reduction Year 1- from July 1st 2005

Source: OLGC Statistics

- **Conclusion on machine reduction as a strategy to reduce harm in South Australia**

The AHA-SA believes it is important to note that while gambling expenditure or taxation figures may generate a level of 'hysteria' and even 'moral panic' in the media and amongst other political and social commentators, they are not accurate indicators of the impact of gambling in the community. Not every dollar spent on gambling is a dollar of harm.

A large number of South Australians legitimately choose to spend some of their income on gambling without harming themselves or others.

The question we ask is should the focus of Government/s and stakeholders be on reducing gambling revenue in total because for some it is inherently and morally objectionable as a leisure activity or should the focus be on the problem gambler, allowing the majority to enjoy their chosen pastime?

The AHA-SA is inclined to the position that our focus should be exclusively on the issue of the serious problem gambler rather than simply looking for strategies to reduce gaming expenditure just because some vocal and even high profile anti-gambling advocates see all gaming as essentially dire or morally objectionable as a leisure activity.

Gaming Machine Tax Rates in South Australia

The table below details the current tax rates on Net Gaming Revenue (NGR) applied to electronic gaming machines in Hotels and Licensed Clubs in South Australia. A different lesser tax arrangement is applied to the 950 (approx.) gaming machines operated by the Adelaide Casino. The Hotel and Club tax rates were applicable from 1 July 2003 (see table below).

Annual NGR (\$) NGR = wins - loses	Hotel marginal tax rate	Clubs (and 'Not for Profit' Hotels) marginal tax rate	Club tax concession (taxpayer subsidised)
0 – \$75,000	0% +GST on NGR	0%+ GST on NGR	Same
\$75001 – \$399,000	27.50%+GST	21% + GST	+\$21,060
\$399,001 – \$945,000	37%+GST	28.50% + GST	+\$67,470
\$945,001 – \$1,500,000	40.91%+GST	30.91% + GST	+\$122,970
\$1,500,001 – \$2,500,000	47.5%+GST	37.5% + GST	+\$222,970
\$2,500,001 – \$3,500,000	57%+GST	47% + GST	+\$322,970
\$3,500,000 +	65%+GST	55% + GST	
\$4,000,000 (example)	As above	As above	+\$372,970

Source: http://www.olgc.sa.gov.au/Gaming/Gaming_Tax/BOOKLET_Gaming_Tax_04_05.pdf

- **Highest Marginal Tax Rate in Australia**

The top marginal tax rate for Hotels at 65% plus GST (i.e. 75% of NGR) is the highest in Australia. Licensed Clubs (and Hotels operated by not-for-profit entities) receive a concessional rate. However there is no obligation on these organisations that have the benefit of this rate to demonstrate (or report or document) any additional community benefit, support or contribution as a result of this tax payer subsidised concession.

- **Tax moratorium**

The **Gaming Machines Act 1992** also indicates that it is the South Australian Parliament's intention not to review these rates before 30 June 2014 representing a ten year moratorium (see extract from Gaming Machines Act 1992 below)

Part 8—Gaming tax

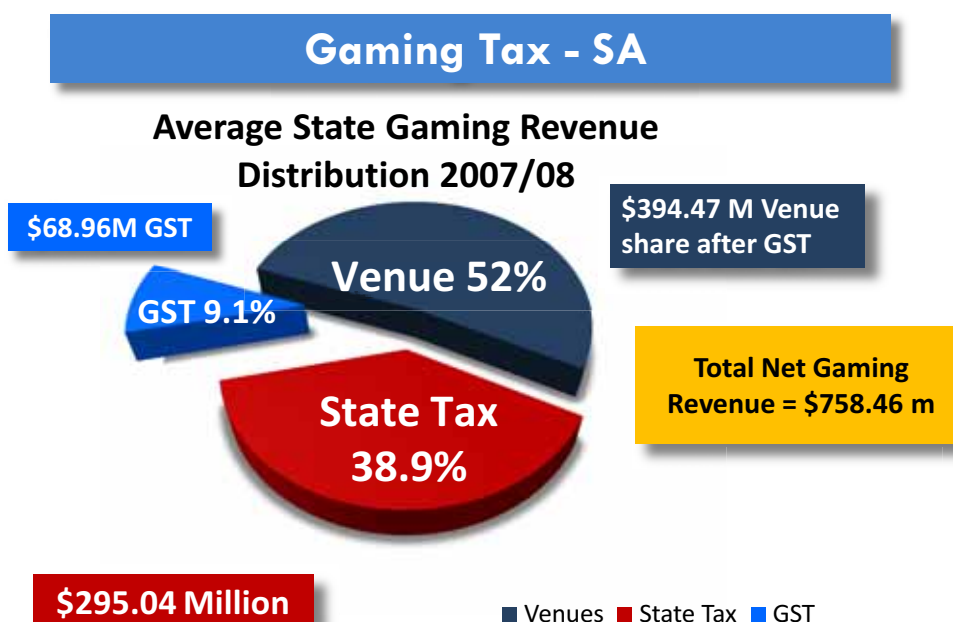
71A—Moratorium on increases in rates of gaming tax

'It is the intention of Parliament that the rates of gaming tax, as in force at the time of the enactment of this section, should not be increased before 30 June 2014.'

Average State Gaming Revenue Distribution in South Australia – 2007/08

The average distribution/share of total NGR based on the most recent complete year of trading i.e. 2007 – 08 is reproduced in the table below. Using 2007-08 in this example, the total tax paid by the hotel and club industry was \$295.04 million to the State Government **plus an additional** \$68.96 million in GST (i.e. 10% GST applied to total state-wide NGR of \$758.46 Million equals \$68.96 million). This was down from a State Tax of \$313.85 million and GST of \$72.05 million in 2006-07 as a result of the introduction of the smoking ban from 1st November 2007.

The Industry share for 2007-08 before operating costs was \$394.47 million or approximately 52% of NGR.



Source: [http://www.olgc.sa.gov.au/gaming/statistics/Quarterly_Statistics_\(statewide\)_200708.pdf](http://www.olgc.sa.gov.au/gaming/statistics/Quarterly_Statistics_(statewide)_200708.pdf)

Recent South Australian Based Industry Initiatives

- **Developing an advanced training package to support venue staff in identifying indicators of problem gambling**

The AHA-SA has engaged Paul Delfabbro, co-author of *Identifying Problem Gamblers in Gambling Venues GRA 2007* to undertake a research project for Gaming Care (and Club Safe). The project involves testing in-venue the application of the indicators identified in the GRA research report *Identifying Problem Gamblers in Gambling Venues*.

The findings of this project are to be utilised as a basis for the development of training for venue staff. Such staff development is also considered important to the Responsible Gambling Working

Party's three key focus areas as mentioned earlier and will be particularly beneficial in the various trials undertaken through the RGWP.

- **Active participants in the Responsible Gambling Working Party (RGWP)**

The success to date of the RGWP reflects the high level of trust and cooperation that exists within the South Australian gaming, government and welfare sector communities. This has resulted in the Industry stepping forward and initiating and/or endorsing and participating in a number of strategies that include trialling venue-based pre-commitment arrangements.

It must be emphasised that this is not entered into lightly as the industry's genuine fear remains that some or even many 'stakeholder' from the non-government sector see the solution to problem gambling as the elimination or harsh and serve restrictions of the industry offering that would threaten its economic viability.

The various trials and concepts being discussed, considered and worked through are being done voluntarily and are an initiative of the industry but importantly based on the following criteria.

To gain Industry interest, engagement, participation and support they must be:

Cost-effective	Efficient within the context of a sustainable industry and venue viability
Evidence-based	Relevant research is considered and incorporated where appropriate
Flexible	Flexibility of functions is important to meet the needs of a variety of customers and venues
Informed choice	Accessible information to support choice
Integrated	Integrated with existing industry responsible gambling programs i.e. Host Responsibility Coordinators, Gaming Care and Club Safe
Long-term	Longevity of any new system is highly likely
Privacy	Compliance with Commonwealth Privacy Principles
Simple	Ease of use is important so that social gamblers are not deterred or inconvenienced (particularly important for tourism)
Variety	Not just limited to one solution
Voluntary	Voluntary for the customer to take up and for the venue to provide

Source: RGWP 2nd progress report to the Minister for gambling

- **Gaming Care** (www.gamingcare.org.au for full details and documentation)

Gaming Care, the Hotels Responsible Gambling Early Intervention Agency, is one of the most significant projects ever undertaken by the hotel industry in SA to address problem gambling

and at the time of its establishment in 2005, it was the first scheme of its type in operation in Australian hotels.

Gaming Care's core business can be summarised as follows:

- Assist gaming venue owners, licensees, managers and gaming room staff in the early identification of, and support for patrons who may be at risk of or experiencing difficulties with their gambling behaviour
- Facilitate open lines of communication with gaming machine venues and gambling help services at the local level
- Assist in developing and promoting initiatives, programs and venue policies designed to address problem gambling
- Provide practical assistance to gaming licensees and managers in relation to compliance with regulatory Responsible Gambling and Advertising Codes of Practice
- Undertake audits to assist gaming venues comply with the regulatory codes of practice with a particular focus on patron intervention

In essence, Gaming Care's core business is to support the Hotel industry and individual venues, their management and staff, to identify problem gamblers and facilitate early access to gambling support services by those gamblers i.e. early intervention. See **Attachment A**

Independent Gambling Authority (IGA) Recognition of Gaming Care

- In 2006, South Australia's Independent Gambling Authority (IGA) in its "2004 Amendments Inquiry" Report – page 27, acknowledged the significant commitment made by the Industry through the Gaming Care initiative and announced publicly that;

"If it were not for the emergency of Gaming Care and Club Safe... the Authority would now be recommending further serious machine number reductions directed at achieving a 30% reduction in the number of premises with gaming..."

- Further, the IGA provided exemptions from six second stage code of practice measures (introduced from December 1st 2008) for those venues that entered into a formal working arrangement with an Approved Intervention Agency (AIA). Gaming Care has been approved by the IGA as an AIA. See extract from Codes below;

2A. Intervention initiatives

(1) During any period when the gambling provider is a party to, and is fully compliant with the terms of, an approved intervention agency agreement, the following provisions of this code (the Advertising Code) do not apply to the gambling provider—

- (a) clause 3(1B)*
- (b) clause 3(1C)*
- (c) clause 3(2)(k)*

And in the case of the Responsible Gambling Code

(a) clause 4A; and

(b) clause 5A; and

(c) clause 6A (b).

(2) For the purposes of this code, an approved intervention agency agreement is an agreement—

(a) between the gambling provider and a body approved for the purpose of this clause by the Authority (the “AIA”); and

(b) which contains the following conditions—

(i) the gambling provider provides the AIA, its employees and agents with free and unrestricted access to the gambling provider’s premises, staff and patrons at all times

(ii) the gambling provider undertakes to its staff that they will in no way be the subject of prejudice or unfavourable treatment due to making reports of problem gambling behaviour or suspected problem gambling behaviour; and

(iii) the gambling provider implements such smartcard or pre-commitment programs as are approved by the Authority and by the Minister for Gambling; and

(iv) the gambling provider consents to, and facilitates, the comprehensive annual and periodic reporting to the Authority by the agency of the agency’s activities.

Source: <http://www.iga.sa.gov.au/codesgaming.html>

- In the IGA Annual Report of 2008 (page 2), IGA Presiding Member Alan Moss when commenting on new codes of practice that included exemptions for venues, said;

“These changes, which are formalised through the codes of practice for which the Authority is responsible, are changes whose time has come.

One can imagine the likely responses to the suggestion, if it had been made in 2001 when the codes of practice provisions were enacted, that the solution to problem gambling would include a team of 10 industry-funded staff*, given unfettered access to gaming premises and venue staff and independence of operation from licensees and the industry’s peak bodies.”

**Gaming Care employ 6 Field Officers, an Executive Officer and administrator, Club safe employ 2 field officers and a Manager.*

Gaming Care is an integral part of the South Australian Industry’s response to the issue of minimising harm and as a result ensuring the sector is maintained as a socially responsible and economically viable industry – see **Attachment A** (Gaming Care Newsletter No.1 outlining organisational goals, structures, vision and expected outcomes).

Conclusion

The Gaming Care initiative together with the key initiatives being undertaken by Industry through the Responsible Gambling Working Party (RGWP) and tasks such as the AHA-SA/Paul Delfabbro research project would suggest that the level of cooperation and objective exchange that occurs in this jurisdiction is unique and as a consequence delivers excellent levels of collaboration that leads to improved outcomes.

However the key to such cooperation and collaboration from an Industry perspective is the acceptance by all stakeholders of the legitimacy of the Industry and its ultimate continuation as a socially responsible and economically viable Industry.

References

Independent Gambling Authority Reports; @ www.iga.sa.gov.au/publications.html

- *Gaming Machine Numbers Inquiry* - provided to Minister for Gambling on 22 December 2003
- *2004 Amendments Inquiry* - provided to the Minister for Gambling on 12 September 2007
- *IGA Annual Report of 2008*
- *Codes of Practice* @ www.iga.sa.gov.au/codesgaming.html

Office of the Liquor & Gambling commissioner; @ www.olgc.sa.gov.au

- *Gaming Machines Act 1992*
- *Statistics*

Attachment A



An initiative of
**AHA
 SA**
 AUSTRALIAN
 HOTELS
 ASSOCIATION
 (SA)

Gaming Care

Newsletter No. 001

July 2006

The Hotels Responsible Gambling Early Intervention Agency Ltd trading as *Gaming Care* is an initiative of the the Australian Hotels Association – South Australian Branch AHA (SA). The AHA (SA) is one of the oldest business based associations in South Australia, having operated continuously since 1873. The Association's role is to represent and promote the interests of licensed hotels throughout the state.

The AHA (SA) members account for more than 87% of the hotel industry in SA. They range from small country hotels to five-star hotels and resorts. Over 80% of the South Australian Hotel Industry also provides gaming and gambling facilities.

HOTELS RESPONSIBLE GAMBLING EARLY INTERVENTION AGENCY LTD.

Direct Line: (08) 8100 2499

Email: information@gamingcare.org.au

AUSTRALIAN HOTELS ASSOCIATION (SA)

Street Address:

Level 4, 60 Hindmarsh Square Adelaide SA 5000.

Postal Address:

PO Box 3092, Rundle Mall SA 5000

Telephone: (08) 8232 4525

Free Toll: 1800 814 525

Fax: (08) 8232 4979

Email: information@ahasa.asn.auWeb: www.ahasa.asn.au

A Culture of Responsibility - Some History

The AHA (SA) has demonstrated a strong commitment to fostering a **culture of responsibility** and therefore a **socially responsible hotel gaming machine industry** since the introduction of gaming on 25th July 1994. The Industry has displayed enormous leadership in the area of harm minimisation strategies demonstrated in many Australian first initiatives that included the publication of Australia's first consumer education package known as **SMART PLAY** in early 1996. This was produced in consultation with welfare agencies that included Salvation Army, Adelaide Central Mission and Catholic Centacare. At that time Professor Mark Dickerson, the Executive Director of the Australian Institute of Gambling Research, suggested that the "initiative has the potential to set the standard for the industry in all States" (Advertiser 05/11/1995). This followed the earlier offer in July 1994 by Industry (AHA (SA) & Clubs SA) of a voluntary contribution of \$1 million p.a. (now \$1.5 million via the Independent Gaming Corporation Ltd) to then Minister for Family and Community Services, the Hon. David Wotton MP, for the establishment of a funding mechanism for gamblers rehabilitation services.

The establishment of the Gamblers Rehabilitation Fund (GRF) was

subsequently announced by then Premier Hon. Dean Brown MP in August 1994. It is this GRF contribution that has been a principle source of funds for the 'Break Even' counselling network, this industry contribution being additional to its taxation obligations.

This philosophy and commitment to collaborative partnerships is entirely consistent with and supportive of the principles of the **National Framework on Problem Gambling 2004-2008**, the joint initiative of the Australian Government and State and Territory governments through the Ministerial Council on Gambling and co-signed by the South Australian Government.

As a result of its leadership role in the Industry and its status as a key stakeholder, the AHA (SA) is very aware of community concerns relating to the issue of problem gambling and consistent with its long term efforts to develop harm minimisation strategies and initiatives, is committed to addressing and reducing the level of problem gambling that relates to gambling services in Hotels.

To that end, the AHA (SA) has established 'Hotels Responsible Gambling Early Intervention Agency Ltd' trading as *Gaming Care*.

GamingCare

Mission Statement - *Our Long Term Ambition*

Our Goal:

The ambition of *Gaming Care* is to positively encourage and assist all Hotel gaming venues, their owners, management and staff (and therefore the collective Industry) to comply with both the 'letter' and spirit of the Codes of Practice.

The Reward:

By embracing *Gaming Care's* philosophy and utilising the agency's expertise, resources, services and networks, Hotels with gaming and gambling services will achieve and maintain economic viability while delivering their services in a socially responsible manner.

The Beneficiaries:

Such an outcome will benefit our customers, the industry, its owners, investors, financiers, shareholders, employees, their collective families, the taxpayers of this state and the broader community in South Australia.

Organisational Structure

The People

The company's board has been established with five (5) Directors. They are;

Jane Jeffreys	Business Practitioner/Consultant (Chairperson)
Con Paleologos	Clinical Psychologist/ Consultant
Ian Horne	General Manager, AHA(SA) (Company Secretary/Public Officer)
Harry Bourlotos	General Manager, Independent Gaming Corporation Ltd
Wally Woehlert	General Manager, Jones Group of Companies

Gaming Care employs an Executive Officer responsible for the day to day supervision of the agency function. *Gaming Care* Officers are employed to deliver the services outlined in its business plan. Essentially *Gaming Care* Officers are employed to support the hotel industry in implementing early intervention strategies, achieve a high level of compliance and to facilitate a collaborative and cooperative relationship between gaming venues and counselling services.

Gaming Care's structure includes a board (as detailed above) to provide overall governance and strategic direction to the agency. An Advisory/Reference Group acting as an advisory resource has representation from the welfare sector and the LHMU.

Gaming Care is working closely and cooperatively with Club SA in establishing their Club Safe early intervention strategy

Aim and Objectives

Why we exist

The aims and objectives of *Gaming Care* are detailed in its constitution and can be summarised as follows:

- Assist gaming venue owners, licensees, managers and gaming room staff in the early identification of, and support for, problem gamblers
- Encourage open lines of communication with gaming machine venues, the Australian Hotels Association (SA Branch) and gambling counselling services
- Promote, finance, facilitate, undertake and disseminate research and information relating to problem gambling
- Assist in developing and promoting programs, initiatives and policies designed to assist venues to address problem gambling
- Provide assistance to gaming licensees and managers in relation to compliance with regulatory Codes of Practice
- Undertaking audits of gaming venues on a voluntary basis to assist venues in complying with the regulatory Codes of Practice;

In essence Gaming Care's core business, its fundamental reason for being is to support the Hotel industry and individual venues, their management and staff, to identify problem gamblers and facilitate early access to gambling support services by those gamblers i.e. early intervention.



AHA (SA) SOUTH EAST REGIONAL MEETING (APR 11, 2006):
Gaming Care Officer Didier Vollerin (right) with (L-R) Maurice Saponari from Langfords Hotel Brokers and Barry and Liz Sutcliffe from the Federal Hotel-Motel in Mount Gambier.



AHA (SA) SOUTH EAST REGIONAL MEETING (APR 11, 2006):
Gaming Care Executive Officer Rhonda Turley (centre) with Peter Sugate (left) and Wendy Richardson (right) from Flanagan's Irish Pub in Mount Gambier.



AHA (SA) GAWLER & BAROSSA REGIONAL MEETING (FEB 14, 2006):
Gaming Care Officer Didier Vollerin (right) with Hans Fetzner from the Weintal Resort Barossa.



AHA (SA) METRO REGIONAL MEETING (OCT 25, 2005):
Gaming Care Executive Officer Rhonda Turley (right) with Rebecca Kennedy from the Woodcroft Tavern.

Source of Finance

Who pays for it?

Gaming Care's sole source of income at this point in time is a grant provided by the Independent Gaming Corporation Ltd. This funding is subject to the conditions of a 'Deed of Grant' entered into between the Australian Hotels Association (SA Branch), Hotels Responsible Gambling Early Intervention Agency Ltd (*Gaming Care*) and the Independent Gaming Corporation Ltd (IGC).

Although the Board of the IGC Ltd has endorsed the *Gaming Care* initiative and acknowledged the on-going nature of its operation, future funding of the agency will be considered on an annual basis and only after review of budgets and any other relevant information. As all Hotels with gaming are subscribers to IGC Ltd, the *Gaming Care* service is available to all operators irrespective of Association membership.



Future directions, targets and strategies

Where do we want to go and how are we going to get there?

STRATEGY 1:

GENERATE AWARENESS & UTILISATION OF AGENCY SERVICES

Simply put, to get out and about in venues with customers, management and staff, encouraging participation in Gaming Care programs & initiatives and in doing so providing information and assistance where possible.

STRATEGY 2:

ESTABLISH & MAINTAIN KEY RELATIONSHIPS

With Counselling Services

Talk with each other, share information & ideas, encourage collective efforts and initiative. Work with each other, not against.

With Government Agencies

As above

STRATEGY 3:

IMPLEMENT EARLY INTERVENTION INITIATIVES

- Provide assistance, advice and support to venue staff to identify and assist those patrons with potential problems
- develop a range of early intervention tools and strategies that are both practical and acceptable to venue operators
- encourage, facilitate and take an active role in the development of local initiatives to address problem gambling in communities
- where appropriate, assist hotel staff in responding to patrons who seek assistance, have requested self exclusion or have been identified as needing to be barred referred to an appropriate gambling support service provider
- as a priority, utilise the 'Patron Awareness Questionnaire' with patrons in hotels to increase the awareness of gambling counselling services and responsible gambling information.

Desired outcomes & key performance indicators -

What do we want to achieve?

Outcome 1:

Greater levels of venue compliance with regulatory requirements (Legislative, Regulatory and Codes of Practice) as a result of gaming room audits and the promotion of venue self assessment audit checklists.

Outcome 2:

Acceptance of the Agency by gambling counselling services demonstrated by ongoing positive interaction

participation in joint local initiatives, increased contact between venues and local gambling support services

Outcome 3:

Increase in number of patrons referred to gambling support services resulting from venue staff increased levels of knowledge and understanding of problem gambling and the development of relationships between venues and local gambling support services.

A Snapshot of Gaming Care Activity

After the first planning phase, work really began in earnest in January of this year by getting out and about visiting hotels and commencing to build relationships with licensees, managers and gaming managers in hotels and to provide them with information on the role of the agency and the assistance it can provide. Every hotel with gaming machines in the state had been sent an information pack late last year and invited to an industry information session.

Venue Visits

To the end of May Gaming Care Officers have had 600 contacts through visits to venues. The purpose of these have included initial visits to provide information on the role of the agency, revisits, gaming room compliance audits, assistance with policy documentation required under the codes of practice, signage/information, commencing building relationships with Break Even Service counselling agencies, conducting patron surveys at 43 venues and assisting individual venues with patron situations.

Assistance and Support

In addition close to 500 telephone calls, emails and approaches have been received requesting information or assistance. A breakdown of the type of requests received includes:

- Barring/Self Exclusion related
- Seeking clarification on general in-house promotions – it is pleasing to note that while many venues believed they were complying with the codes of practice, they still sought certainty and reassurance from Gaming Care
- Advice on Easter promotions – continued confusion around whether Easter chocolates are considered a household staple
- Requests for signage/responsible gambling information needed in gaming rooms
- Requests for generic policy documentation required to comply with codes of practice as a result of visits from Office of Liquor and Gambling Commissioner inspectors
- Request for all documentation/policies etc needed as a result of licensee transfers ie when the venue is sold
- Patron survey related issues, for example, process, responses etc
- Welfare sector related ie agencies seeking clarification on local relationships, venue initiatives and specific patron/venue issues.

Building Relationships Between Venues and Counselling Services

Building closer relationships between venues and support services is done by establishing or strengthening existing links between the parties. Building healthy relationships often takes time, effort and energy and a willingness to acknowledge and be prepared to work through some of the tensions that exist around problem gambling. To do this Gaming Care has developed a 'meet and greet' initiative to bring together venue staff and Break Even Service counsellors in an informal way to get to know each other and gain a broader understanding of both the services and the work hotels are doing to address problem gambling.

To date three metropolitan and five regional 'meet and greets' have been initiated with positive results. Our learning has been that a 'one size fits all' all approach will not work especially in regional areas where geographical distances and small staffed hotels need to be taken into consideration. Feedback from some of the counsellors who attended these sessions has been,

"I got a lot out of the experience and a more informed opinion on some of the difficulties hotels have around problem

gambling" and "now have a greater understanding of the good work and policies that hotels have in place". The majority of hotels have issued invitations for counsellors to have regular chats with them. Gaming Care will support the hotels and agencies in this process.

Regional Meetings

Gaming Care made presentations at 16 regional meetings (meetings of Hoteliers conducted by AHA (SA) around the state (from Kangaroo Island to Port Lincoln to Mount Gambier).

Other Activities

Participation in Gambling Awareness Week functions and activities – including handing out responsible gambling information at stalls in the city, metropolitan and regional areas

- Presentation at North East Anti Poverty Forum
- Presentation at Break Even Service Network Meeting
- Participation in various training sessions including the Jackpot Club Network, group owners and groups of regional hotels

Rhonda Turley
Executive Officer

