

GamblingCompliance

Australian Casinos: Responsible Gambling Initiatives 1999-2008

Australasian Casino Association with Executive Analysis by GamblingCompliance
Research Team

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GamblingCompliance is an impartial provider of legal and market analysis for the global gaming industry, consisting of a renowned team of lawyers and journalists with experience across multiple jurisdictions.

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Executive Analysis

GamblingCompliance have been commissioned to produce an executive analysis of the attached responsible gambling/harm minimisation report prepared by the Australasian Casino Association and comment on the initiatives implemented with reference to findings of the 1999 Productivity Commission (PC) inquiry.

The harm minimisation and responsible gambling framework that Australian casinos operate in, is world leading in its scope, consistency and implementation. This has been illustrated on a number of occasions by TABCORP being rated as the global leader in the promotion of responsible gambling by the Dow Jones Sustainability Index. Further in 2008 the Victorian Commission for Gambling Regulation (VCGR) found that Crown Melbourne is recognised as a world leader in the promotion of responsible gambling when considering the renewal of the casino licence in Victoria.

The initiatives outlined in this report show that while the Australian casinos have implemented many initiatives in response to findings contained in the last PC report, some initiatives actually pre-date the PC report, indicating that Australian casinos have a long history of commitment to responsible gambling policies. Moreover, the initiatives contained in this report which post date the PC report of 1999 can be divided into two general categories:

1. Those that have been introduced independent of regulatory or legislative initiatives, and
2. Those that have been introduced as a result of legislative or regulatory changes.

Key Findings

- **Positive Response to Productivity Commission Findings in 1999.** Casinos have seriously considered and responded positively to the PC's findings.
- **Compliance with State and Territory Responsible Gaming Legislative Initiatives.** Casinos have complied with all state and territory government initiatives in the wake of the PC's 1999 findings.
- **Pre-Emptive Action in the Absence of Government Initiative.** In some instances casinos have taken measures before government initiatives have been implemented, for example Crown has Play Safe in operation which allows Crown Club Members to set time and spend limits for their gaming machine activity.
- **Commitment to Responsible Gambling.** There is a demonstrated ongoing commitment to responsible gambling by Australian casinos. Since 1999 there has been no expansion in the number of casinos, yet there has been a rapid expansion in the responsible gambling initiatives implemented since that time.
- **Staff Training To Ensure Gaming Is Conducted Responsibly.** There is a continued commitment to staff training to ensure that all measures are taken to prevent and treat problem gambling.

How the Industry Has Responded

The Australian casinos have worked closely with their respective state and territory governments to ensure that the concerns raised in the PC's 1999 report have been addressed. In many instances casinos have gone further, and through extensive staff training and self regulatory measures a responsible gaming culture has been maintained and furthered.

Information about the "price" and nature of gambling products (especially gaming machines)

Information is made available in all casinos about the potential social costs of gambling, in particular relating to gaming machines. In addition, information on the odds and return to the player on casino games including gaming machines is available and on display in all the casinos.

A pertinent example of the information provided is the awareness campaign in Victoria which spells out that 'In the end the machine always wins'. Examples such as this are available in every casino in every jurisdiction.

Another example of this commitment to provision of information is TABCORP's engagement of KPMG to provide an annual independent audit to ensure adequate provision of information relating to gambling products and compliance with legislation.

Further, in Western Australia Burswood Entertainment Complex has introduced Electronic Gaming Information Terminals that display information about the chances of winning on various casino games and also responsible gambling.

The Australian casinos are not alone in this approach. The Gaming Technology Association (GTA) has circulated information to gaming machine venues relating to the functionality of gaming machines explaining 'why players cannot expect to win over the long term'. The GTA also provide factsheets regarding gaming machines stating 'the chance of NO PRIZE on an individual line is around 9 in 10'.

Information about the Risks of Problem Gambling

Responsible gambling information and awareness programs including players' guides exist across all 13 of Australia's casinos. This includes information for customers concerning the chances of winning and information regarding responsible gambling in gaming areas, at ATMs and in other areas of a casino.

In Western Australia the Responsible Service of Gambling (RSG) website was launched with detailed information and assistance dealing with problem gambling. The casino also operates under a Responsible Gambling Code of Practice which provides for the display of signage and brochures in major public traffic areas.

Problem gambling information has been delivered taking into account the multi-cultural nature of casino clientele. For example, TABCORP has problem gambling information in its

code of conduct in 9 different languages. Similarly, in South Australia the Responsible Gambling Code of Practice requires that information in relation to responsible gaming be made available in 6 different languages.

The world's first on-site responsible gaming support centre was initiated by an Australian casino. In 2002 Crown launched the Crown Responsible Gaming Support Centre, a world first initiative. A similar service was subsequently adopted in the Canadian province of Manitoba.

Many jurisdictions require warnings regarding the risks of problem gambling on gaming machines. Some jurisdictions have legislative measures while others do this on a voluntary basis.

In South Australia the Responsible Gambling Code of Practice requires that a warning message be displayed on the cabinet with a helpline sticker. It is also compulsory to have warnings on machines in NSW, while Queensland's appendix to the Gaming Machine National Standard requires player information displays to be accessible on the screen.

The Burswood Entertainment Complex displays help-line information on machines on a voluntary basis.

Controls on Advertising and Increased Awareness Campaigns

Most state and territory governments have provisions restricting the promotion of gambling and all of the casinos have adopted self regulatory measures to complement these legislative measures.

Examples of legislative measures, are illustrated by the approach taken by NSW and Victoria, where Australia's two largest casinos are located. In NSW, It is condition of a casino licence that the casino operator must not publish any advertisement relating to gaming machines. In Victoria any gaming machine advertising outside the boundaries of the casino is prohibited.

In South Australia Sky City Adelaide has an advertising code of practice which was mandated by legislation¹. A similar responsible marketing and advertising policy applies in Sky City's Darwin casino.

The measures to control advertising are not just directed at venues, but also apply to the manufacture of machines. For example it is noted under the NSW appendix to the Gaming Machine National Standard that the manufacturer must ensure that the equipment is designed such that the machine display is not used by a venue for unauthorised advertising or promotional purposes.

To complement legislative measures all casinos have self-regulatory measures in relation to advertising. Often these are contained within the overall responsible gambling code for a casino. For example, under the Responsible Gambling Code of Practice for Burswood Entertainment Complex there are comprehensive provisions under section 9.1 which relate to responsible advertising.

TABCORP's responsible gambling code of practice which applies at all of its casinos and has been adopted as an approved code by the VCGR. It is available in 9 different languages and has extensive provisions in relation to advertising².

In addition to controls on advertising, since 1999 all State Governments have expanded exponentially awareness campaigns regarding the risks of problem gambling with advertising on prime time TV, print media, trains, buses and billboards. There have been a number of campaigns which have portrayed the message “in the end the machine will win”³. This has contributed to a growing awareness concerning the risks of Problem Gambling.

Availability of ATMs and Credit

All casinos have ATMs placed in secure and safe areas, outside the licensed gaming footprint of the casino. In all jurisdictions the location of ATMs has met the requirement of approval by the relevant consent authority. ATM locations have been utilised in all casinos to further responsible gambling awareness messages and treatment programs.

In some jurisdictions, a limit is imposed upon the amount that may be withdrawn in a single transaction. Victoria, for example, has implemented legislation that provides that no ATM will be allowed within 50m of any entrance to the gaming floor of the casino unless it can limit the amount a customer can withdraw to a total of \$400 cash within a 24 hour period.

While some jurisdictions have express legislative measures, Western Australia’s code of ethics and gaming practice provides that ATMs must be located outside the casino gaming area. In July 2008 the Gaming and Wagering Commission implemented a policy regarding the positioning of ATMs within Burswood Entertainment Complex. ATMs must not be in the area to which the casino gaming licence refers to; or within 40m of any entrance to the gaming floor unless the ATM restricts a person to a cash withdrawal of \$400 daily on any debit or credit card.

In all states and territories extending credit is prohibited in casinos for non international VIP customers.

Lack Of Pre-Commitment Options Including Self Exclusion Arrangements

All casinos have self- exclusion programs. In some states it is mandatory for casinos to have these programs in place, in others it is an initiative of the casino, or began as an initiative of a casino in the absence of legislative requirements.

Self-exclusion programs allow patrons to exclude, or ban themselves from entering the gaming area of a casino. Some casinos such as Burswood Entertainment Complex also have third party exclusion programs in place whereby family members or other third parties can apply to have a person excluded. Similarly, in Tasmania and South Australia third party exclusion are also possible. In Victoria exclusion schemes need to be approved by the regulator. Generally, exclusion review procedures are in place, information packs are available and importantly staff training is an integrated aspect of casinos’ self exclusion programs.

Many casinos have had self exclusion procedures and policies in place which both pre-date the 1999 PC report and in some cases, statutory requirements. For example, Star City’s self exclusion program has been in operation since the casino opened in September 1995. In contrast “self exclusion” was first mentioned in legislation/regulations after the PC 1999 report: the Registered Clubs Amendment (Responsible Gambling) Regulation 2000, the Casino Control Regulation of 2001 and Gaming Machine Act of 2001 were among the first such NSW statutory instruments to contain the term.

Pre-commitment is a term used to describe responsible gambling initiatives which allow players to set spending limits away from a gambling environment. Australian casinos have led the way in pre-commitment initiatives. Crown Melbourne was the first casino in the world to address and trial pre-commitment. Crown Melbourne's Play Safe was introduced in 2003 and the program allows members to set, in advance of play, individual time and spend limits relating to their gaming machine activity. There is a current legislative timetable for a Victoria wide use of pre-commitment technology, with first stage implementation by the end of 2013, and a more stringent regime by 2015-16.

SKYCITY Adelaide has also implemented a pre-commitment initiative with respect to self-excluded patrons. If a patron wishes to have their self-exclusion lifted, they will need to pre-commit to a spend and visitation limit, along with meeting other requirements which includes counselling.

Currently a number of states are considering pre-commitment initiatives. GamblingCompliance understands individual casinos are engaged on this issue with their respective state and territory governments.

New technologies have been said to be important in developing pre-commitment responsible gambling strategies further. However, the role existing technologies and practices can play in furthering pre-commitment choices by patrons should not be overlooked. Some jurisdictions and casinos have already implemented initiatives since the 1999 PC report, which are in themselves important facets in a pre-commitment and spending-limit mindset, by requiring players to make a choice as to their spending capacity. Some of these have included:

- Restricted limits on withdrawals from ATMs
- Paying certain winnings by cheques
- Systems have been trialled that allow customers to set monetary and time limits on their gambling
- Approved ticket in ticket out technology in NSW. The ticket in ticket out (TITO) systems in NSW can foster pre-commitment choices by requiring players to make a choice as to spend-limits on gaming before engaged in the gaming activity.

A Commitment to Responsible Gaming

Australian casinos are required to conform to responsible gambling measures – either mandated by their respective regulatory authorities, voluntarily through state industry codes or company codes, or through property specific policies. Many casinos self report on their activities thus reducing the burden on regulators and law enforcement agencies and consequently providing greater confidence in their activities. This varies from jurisdiction to jurisdiction.

TABCORP casinos in NSW and Queensland follow the TABCORP Responsible Gambling Code of Practice. TABCORP's casinos in Queensland are also required to adhere to the Queensland Responsible Gambling Code. SKYCITY Adelaide adheres to both a mandated Responsible Gambling Code of Practice and an Advertising Code of Practice. Similarly in

Tasmania Wrest Point and Country Club Tasmania casinos follow a strict company developed Marketing Code of Ethics. In 2005 Burswood released its own Responsible Gambling Code of Practice. This year Crown will introduce its own “Responsible Gambling Code of Conduct”.

This commitment to responsible gambling measures has not been without recognition with Australia’s two largest casino operators commended for their measures. TABCORP has been rated by the Dow Jones Sustainability Index as the global leader in the promotion of responsible gambling. In 2008 the independent review and report by the Victorian Commission for Gambling Regulation to the Victorian Minister on the suitability of the Casino Operator to continue to hold the Melbourne Casino Licence, as required by the Casino Control Act 1991 (Vic), found that Crown Melbourne is recognised as a world leader in the promotion of responsible gambling.

Since 1999 additional specialist responsible gambling staff have been employed in a number of Australian casinos to deal specifically with any responsible gambling issues that may arise. Examples are as follows:

- Burswood has a Community Relations Manager who heads up a Responsible Service of Gambling Team which includes a qualified psychologist.
- Casino Canberra has employed Gambling Contact Officers who are available at all times during opening hours.
- Lasseters Hotel Casino has trained Gambling Liaison Officers.
- SKYCITY casinos in Darwin and Adelaide have Host Responsibility Managers.
- Reef Casino in Cairns has a Responsible Gambling Manager and Responsible Gambling Liaison Officers.
- Crown Entertainment Complex in Melbourne has established an onsite Responsible Gambling Support Centre. Crown’s centre also has a chaplaincy service on call.
- TABCORP casinos in NSW and Queensland employ Responsible Gambling Managers and Liaison Officers.

Responsible gambling measures taken by the casinos do not just relate to preventative measures. Indeed there is a strong emphasis on commitment to treatment of problem gambling. The casinos have forged strong partnerships with counselling services and organisations such as Lifeline, the Salvation Army, Amity, GABA, Relationships Australia, Anglicare, Break Even, Wesley Gambling Counselling Services and various gambling helpline providers. These counselling services are promoted throughout the respective casinos.

The Role Of Self Regulation Since 1999

One of the findings of the PC’s 1999 report stated that with respect to responsible gambling policies:

“self-regulatory approaches are unlikely to be as effective as explicit regulatory requirements. In most cases, regulation can be designed to enhance, rather than restrict consumer choice, by allowing better information and control”.

The practical experience of the last ten years has illustrated how self regulation can complement regulatory requirements. In some instances regulatory requirements have taken longer to implement and come online than industry generated initiatives; and it has been these self-regulatory responses that have played a key role in bridging a 'regulatory lag' in responsible gambling policy and its further development.

For example, some self-exclusion initiatives were in place prior to self exclusion mandated by legislation. The recent announcement by the Victorian government of its pre-commitment initiative, once in effect, will be 10 years after Crown Melbourne's pre-commitment initiative began.

Australia's casinos differ in size and capacity. The over 200 initiatives which have been introduced since 1999 reflect this diversity in local conditions and illustrate that a one size fits all approach is not necessarily applicable with regard to the implementation of responsible gambling measures. Local conditions including self regulatory codes of conduct, staff training and responsible gambling initiatives in place, as well as the degree of regulatory oversight imposed by state and territory governments need to be considered when looking at what is appropriate for a casino and its community.

VICTORIA - Crown Entertainment Complex

Pre 1999

Prior to 1999, Crown already had in place various Responsible Gaming programs including:

Responsible Service of Gaming Training (RSG Training)

Crown developed and conducted Responsible Service of Gaming Training well in advance of any legislative requirements. Participation in RSG training included gaming and security staff.

Crown Assistance Program

The Crown Assistance Program ("CAP") was established at the time of the opening of the temporary Casino in June 1994. The Program was replaced by the functions of the Crown Responsible Gaming Support Centre in March 2002.

CAP was a confidential, professional counselling service available to patrons who may have had problems associated with their gambling behaviour; the first session was free. The service was available 24 hours a day, 7 days a week. Brochures were on display at all entry points to the gaming floor.

Self Exclusion Program

The Crown Self Exclusion Program has operated since the opening of the Casino in June 1994. Self-exclusion is where a person makes a voluntary application to exclude themselves from entering the gaming floor. The period for exclusion is generally indefinite although applications may be made for revocation. Crown developed the procedures in regard to both self-exclusions and revocation.

2000 – 2001

RSG Labels on Gambling Products and ATMs

Initiatives in this area introduced by Crown included:

- RSG labels on Table Games lollypop signage displaying RSG messages and Gambler's Help telephone number;
- RSG labels on gaming machines apprising customers of what assistance is available should gambling be a problem for them. Labels included the Crown Responsible Gaming Support Centre and Gambler's Help contact phone numbers; and

- RSG labels on all ATMs apprising customers of what assistance is available should gambling be a problem for them. Labels included the Crown Responsible Gaming Support Centre and Gambler's Help contact phone numbers.

Advertising Regulations

Crown has complied with all advertising requirements since their introduction in April 2001. Initial regulations required print and broadcast advertisements to carry the following messages on a rotational basis:

- "Excessive gambling may cause financial problems for some people",
- "Excessive gambling may cause personal problems for some people",
- "Excessive gambling may cause family problems for some people", and
- "Gambling can become addictive for some people".

This requirement was superseded on 1 July 2004 when relevant provisions of the Gambling Regulation Act 2003 ("GRA") came into force (see Player Information section).

The Gaming Machine Control (Advertising) Regulations 2001 were introduced (revoked in 2004 and replaced with the Gaming Machine Advertising provisions of the GRA) prohibiting any advertising that:

- Offers some types of inducements to commence playing a gaming machine;
- Depicts minors playing, or encourages minors to play, gaming machines; and
- Contains information that is factually incorrect; misleading or deceptive; or conveys a false impression of playing gaming machines.

Clocks Regulations

Effective 30 June 2001 all gaming machines were required to display the time of day so that players could be aware of the time of day and the passage of time.

Some time before this requirement Crown had introduced clocks at strategic locations throughout the gaming floor, for example, at all cashier facilities.

National Standards for Electronic Gaming Machines

The Victorian Casino and Gaming Authority ("VCGA", "Authority") successfully implemented two responsible gaming initiatives, which were incorporated into the National Standards for Gaming Machines document. These were:

- The requirement for new games to display credit balance in both a dollar amount and credit amount.
- The reduction in the number of spins required for a game on a gaming machine to achieve its return to player

2001-2002

Crown Responsible Gaming Support Centre

On 13 March 2002 Crown formally launched the Crown Responsible Gaming Support Centre ("Centre", "RGSC"), a world first initiative. The Centre is staffed by Responsible Gaming Liaison Officers who are available 24 hours a day, 7 days a week, a Chaplain and two registered psychologists. Centre staff facilitate self exclusions and provide referrals to Government funded problem gambling support and/or other welfare services as required. Informational brochures relating to the Centre are available at the Centre, at all entry points to the gaming floor and at locations throughout the gaming floor.

Self – Exclusion Kit

Self - Exclusions have been available to patrons since Crown's inception. The Casino Control Act 1991 included a provision that a person may make application to be self-excluded.

In addition to the above stated legislative requirements and in conjunction with the launch of the RGSC, Crown reviewed and updated the Self-Exclusion kit that is made available to all patrons who self exclude. To this end, Crown has implemented a process specifically for effecting a self exclusion which includes the person being provided with a Self – Exclusion Kit ("Kit"). Each Kit contains printed material (some of which is available in Languages other than English) in regards to the various support services that are available to patrons both within, and external to, the Crown complex.

Self – Exclusion Revocation Committee

As a general rule Self – Exclusions are issued for an indefinite period. In May 2002, Crown established the Self - Exclusion Revocation Committee which is responsible for reviewing and approving or otherwise applications for revocations of self – exclusions. Applicants for revocations must demonstrate and provide supporting information that they have addressed their problem gambling behaviour with a health care provider or equivalent.

Lighting Regulations

Lighting regulations were introduced on 2 January 2002 requiring lighting levels at gaming machines to be set at a prescribed lux level. This prescribed lux level was introduced to foster an environment that allowed patrons to maintain alert functionality. It included the requirement that windows on the gaming floor were not to be removed or obscured.

2002-2003

The Authority at the time completed the Third Triennial Review of the Melbourne Casino Operator Licence. Findings reported to the Minister for Gaming June 2003 noted "Crown's participation in Responsible Gambling working parties and the initiatives it has introduced to its operations are an indication of its commitment to responsible gambling policies."

Printed Player Information

From 1 December 2002, the Casino was required to display the following printed player information, each containing information determined by the Minister for Gaming:

- Posters - One poster for every 15 gaming machines displayed in a manner so as to be clearly visible to gaming machine players sitting or standing in front of a gaming machine
- Talkers - One talker affixed to each gaming machine so as to be clearly visible from the front of the gaming machine
- Brochures - Brochures must be available at each cashier area and the total number of brochures available must be at least equal to the total number of gaming machines at Crown.

New Electronic Gaming Machine Design Requirements:

'Restricted' gaming machines: All new gaming machines and games approved on and from 1 January 2003 by the VCGA were required to include design restrictions which:

- ban note acceptors on machines from accepting \$100 notes
- ensure spin rates do not exceed 2.14 seconds
- ban autoplay facilities; and
- set a maximum bet limit of \$10.

'Restricted' gaming machines were also required to have any winnings or accumulated credits exceeding \$2,000 paid only by cheque.

Games approved by the Authority prior to 1 January 2003 had to comply with the above provisions by 1 January 2008.

Gaming machines located in an area of the Casino specified by the Authority - "Specified Areas" – are exempt from these restrictions, subject to the conditions for unrestricted gaming machines.

'Unrestricted' Gaming Machines

Gaming machines can operate without restrictions provided that:

- The patron has a valid Loyalty Program Card with pre-commitment limits enabled on the card including a Daily Spend and Daily Duration limit; and
- The machines are in a Specified Area.

Player Information

From 1 January 2003, the following electronic gaming machine requirements became effective:

Each gaming machine must display, at the election of a player, the following electronic game information for each game:

- the return to players of that game;
- the average number of individual games played per any win, based on one line being played per game; and
- the chances or odds of achieving the top 5 and bottom 5 (in value) individual winning combinations, and the maximum and minimum bet options available.

Additionally, each gaming machine must display, at the election of a player, the following electronic player information in relation to each game (note that all amounts must be expressed in dollars and cents):

- the amount the player has put into the gaming machine during a session;
- the amount wagered by the player on the gaming machine during a session;
- the session win or loss;
- the amount collected from the gaming machine by the player during a session;
- credits available;
- the time the player began the session;
- the current time of day; and
- the length of the session.

All gaming machines that form part of a linked jackpot arrangement must be able to generate and display jackpot information including but not limited to a statement that the machine is part of a linked jackpot arrangement, the total return to the player of the game and the return to the player of the game contributed by the linked jackpot arrangement.

The requirement for generating and displaying electronic game and player information applies for any game approved by the Authority after 1 January 2003 and for any other approved game on and after 1 January 2008.

Use of ATMs and EFTPOS Facilities

New measures for the use of Automatic Teller Machines (ATMs) and EFTPOS facilities came into operation on 1 January 2003. At the Casino, within 50 metres of any entrance, a \$200 limit per transaction per card and an inability to access cash advances from credit accounts was introduced.

The new requirements (post January 2010) state that all ATMs within the 50 metre rule (of any entry point to the casino) must be restricted to \$400 daily (24 hour period) withdrawal limits. Subject to any further legislative changes, if the banks do not roll out

technology to support the new restrictions of withdrawal limits, all ATMs within 50 metres of the entry point will need to be removed.

Payment of Winnings and Accumulated Credits above \$2,000

From 1 January 2003, requirements that winnings on gaming machines above \$2,000 must be paid by cheque were introduced. The casino operator gained an exemption from this provision for gaming machines located in a specified area. Other provisions introduced at this time include a requirement that all winnings must be paid by cheque if requested by a patron and that a winnings cheque cannot be exchanged for cash or gaming tokens at the Casino.

Player Activity Statements

Player Activity Statements (PAS) were introduced at Crown on 1 March 2003.

The PAS provides gaming machine players with a summary of their gaming machine activity and must be made available to gaming machine players at least once per annum.

A PAS can be viewed on a Voucher Issuance Kiosk (VIK), can be collected from any Crown Club or a member can elect to have it mailed to them.

Failure to view/collect a PAS statement in any 12-month period results in the suspension of membership.

Pre-commitment

Crown's pre-commitment program (Play Safe) was introduced on 1 June 2003.

The program allows members to set, in advance of play, individual time and spend limits relating to their gaming machine activity.

The Play Safe Program is conducted through Crown's Loyalty Scheme (Crown Club) whereby members who play gaming machines can set the following limits:

- A daily limit on time spent playing gaming machines.
- A daily limit on spend when playing gaming machines.
- An annual limit on spend when playing gaming machines (this can only be set if a daily spend limit has been set).

Members make their own decision based on their own circumstances when setting limits. Crown does not advise members on the level of their time and spend limits.

If any set Play Safe limit is exceeded, an audible warning sounds and a message appears on the Point Display of the gaming machine indicating that a limit has been exceeded. Once this occurs for daily limits, Crown Club Pokie points can no longer be accrued until 6am the following day.

A member can request a change to or removal of any or all limits at any time. To change or remove any limits, the member must visit any Crown Club or the Crown Responsible Gaming Support Centre. Decreases or removal of any limit/s will take effect immediately. Increases to any limit/s will not apply until 24 hours after the member has made the change/s. If any limit is increased, the member is required to confirm this increase at any Crown Club or a terminal. Failure to confirm the increase within the member's next 3 visits to Crown will result in the previous limit being reinstated.

The availability of Play Safe is advertised in the regular Crown Club Newsletter publication and Play Safe brochures are on display at Crown Clubs, the centre and at entry points to the gaming floor.

Loyalty Scheme Provisions

Crown's loyalty scheme is prohibited from allowing a person to participate in the loyalty scheme unless the person is provided with a written statement of prescribed information and the opportunity to set time and spend limits; is prohibited from allowing the participant to continue to play games under the scheme after his or her time and spend limits are met and is prohibited from knowingly allowing an excluded or self excluded person from participating in a scheme at a casino.

Crown must provide player activity statements to participants within 7 days of request, otherwise at least once a year.

Loyalty scheme participants suspended from the program (including excluded and self excluded patrons) do not receive advertising material.

Gaming Machine Advertising

Crown continues to comply with relevant provisions of the GRA that require Crown not to publish or cause to be published any gaming machine advertisement outside the boundaries of the Casino other than to participants of the Loyalty Scheme who have elected to receive information or any other person who requests gaming machine advertising.

Ministerial Directions

The following Ministerial Directions were made:

- that the total number of gaming machines, in all areas specified by notice under section 62AB(4), 62AC(2) or 81AAB(2) of the Casino Control Act 1991 must not exceed 1,000; and
- that, under section 12(1)(g) (of the Gaming Machine Control Act 1991), the condition that the Authority must specify in a notice under section 12(1)(f) is that a gaming machine located in an area specified by a notice under section 12(1)(f) may only operate in a mode where spin rate, bet limit, autoplay and note acceptors are unrestricted if that gaming machine may only be played in that mode by means of a card,

Personal Identification Number (PIN) or similar technology which requires the player to nominate limits on time and net loss before play can commence.

2003 – 2004

Responsible Gambling Ministerial Advisory Council and Working Parties

Established in late 2004, the Responsible Gambling Ministerial Advisory Council (“RGMAC”) advises the Victorian Government, through the Minister for Gaming, on issues relating to responsible gambling and minimising the negative impacts of gambling on Victorians.

The RGMAC, consisting of representatives drawn mainly from industry and community groups, has established a number of working groups to progress work on particular objectives and initiatives.

Crown (as operator and licence holder of the casino) and its parent Crown Limited each have one representative on RGMAC and each participates in working groups.

2004 – 2005

Responsible Gambling Training for Licensed Special Employees

The Gambling Regulation Act 2003 required licensed employees working in gaming venues to complete an approved training course within the first six months after commencing employment and an approved refresher course at least once every three years following completion of the approved training course.

On-line training was introduced at Crown on 20 October 2003; however Crown commenced internal RSG training for gaming employees in July 1997, well in advance of any legal requirements.

Crown provides advanced Responsible Service of Gaming training, conducted in the Responsible Gaming Support Centre, to various gaming staff.

Gaming Machine related signs

Restrictions on the display of gaming machine related signs (external to gaming floor) were introduced 1 July 2005 to be compliant by 1 July 2006.

The term “gaming machine related sign” is defined in section 3.5.35(5) of the GRA to mean:

“any sign (whether consisting of words, symbols, pictures or any other thing) –

(a) that draws attention to, or can reasonably be taken to draw attention to, the availability of gaming machines for gaming; or

(b) that uses a term or expression frequently associated with gaming machines –

but does not include any sign that is excluded from the operation of this section by the regulations.”

Responsible Gambling Awareness Week

The 2005 Responsible Gambling Awareness Week, a state-wide initiative involving government, industry and community groups to raise awareness of responsible gambling and responsible gambling practices, was actively supported by Crown in May 2005. This is an annual event that Crown has actively supported each and every year including, most recently, in 2008.

Gaming Machine Advertising

Effective from 1 January 2005, no advertising, whether written or verbal, could be communicated to customers outside the gaming floor unless the customer specifically requests the information.

2005 – 2006

Gaming Machine related signs

Restrictions on the display of gaming machine related signs (external to gaming floor) compliant by 1 July 2006.

Verbal encouragement of breaks

Crown has offered a complimentary beverage service to gaming machine players since the Casino opened. Beverage trolleys commenced operation in January 1999 and from 1 March 2006 at Crown’s initiative, gaming machine customers have been verbally encouraged to take a “refreshment break” by Beverage Program Assistants, thereby providing breaks in play.

2006 – 2007

Chaplaincy Support via the Crown Responsible Gaming Support Centre

As another world first, Crown introduced the Chaplaincy Support Service in April 2007 which provides support to those people who from time to time may feel they would be helped by some form of spiritual support. Chaplaincy support is available through the Responsible Gaming Support Centre and is another responsible gaming initiative Crown has made available to patrons who may experience difficulties with their gambling behaviours. This initiative attracted media attention and enquiries from other properties seeking to introduce a similar service.

Responsible Gaming logo

Crown Melbourne introduced the Responsible Gaming logo on gaming related collateral.

2007 – 2008

New Electronic Gaming Machine Design Requirements

On 1 January 2008 all gaming machines were compliant with Legislation which came into operation from 1 January 2003 which required that all new gaming machines and games approved by the Victorian Casino and Gaming Authority after that date must include design restrictions which:

- ban note acceptors on machines from accepting \$100 notes;
- ensure spin rates do not exceed 2.14 seconds;
- ban autoplay facilities; and
- set a maximum bet limit of \$10.

These conditions apply except in special circumstances as prescribed in a Ministerial Direction

Gambling Resumption Information Program

The Gambling Resumption Information Program (“GRIP”) was developed and introduced by Crown in May 2007. Patrons who have applied and been successful in revoking their Self – Exclusion from Crown are invited to attend the Responsible Gaming Support Centre for a general discussion in relation to their resumption of gambling at the Casino. The discussion includes mention of the various programs that are and remain available at Crown and through Government Support Services that can assist the customer in their strategies when resuming gambling at the Casino.

Responsible Service of Alcohol/Responsible Service of Gaming

From December 1, 2008, new legislation became effective which prevents any person in a state of intoxication from gambling anywhere within the Casino. This is in addition to existing laws which prevent any person in a state of intoxication from being served further alcoholic beverages. Crown treats the Responsible Serving of Alcohol and Gaming very seriously and will actively comply with these legal requirements.

Foreshadowed for 2009

Introduction of a Responsible Gambling Code of Conduct

In June 2009, Crown will introduce its “Responsible Gambling Code of Conduct”. The Code of Conduct will demonstrate Crown’s commitment to the delivery of gaming in a responsible manner, its objective will be to ensure that it remains a world leader in responsible gambling practices and complies with the requirement of the Casino Control Act (Vic) 1991 to have such a code which will be enforced by the Casino’s Regulator.

Responsible Gambling Awareness Week

In May 2009, Crown will once again participate in Responsible Gambling Awareness Week activities, a state-wide initiative involving government, industry and community groups to raise awareness of responsible gambling and responsible gambling practices.

NEW SOUTH WALES - Star City Casino, Sydney

Pre 1999

Prior to 1999 Star City (formerly known as Sydney Harbour Casino) had in place a number of responsible gambling initiatives including:

Specialised Staff

A full time Responsible Gambling Manager position was created to oversee policy and implementation of Responsible Gambling strategy.

Counselling Services

- In 1995 an external problem gambling expert was engaged to provide counselling for customers;
- In 1995 an external problem gambling service was engaged to provide 24 / 7 crisis intervention for customers;
- In 1998 Wesley Gambling Counselling Services (WGCS) was engaged to provide counselling for customers, crisis intervention and develop and deliver Responsible Gambling specific training.
- The Star City Helpline, providing 24 hour telephone and gambling counselling information, operated from 1995 to 1999 when the G-line (NSW) service was established.

Staff Training

Star City developed, in conjunction the Wesley Gambling Counselling Service, a customised Responsible Gambling classroom- based training which was delivered to staff. All staff participated in this training as part of the casino induction program. The RG course contained the following modules:

- Star City's commitment to Responsible Gambling;
- Gambling in NSW;
- Laws for Responsible Gambling;
- Problem Gambling;
- Applying Responsible Gambling; and
- Benefits of Responsible Gambling.

Multilingual resources

Information was provided in 13 community languages (brochures) for customers re the gambling help services available, and the self exclusion program throughout the casino gaming areas.

Self exclusion program

The Star City Self exclusion program has operated since the casino opened in September 1995. The program provides customers the option of self excluding from the gambling areas within the casino if they feel they are experiencing difficulties with their gambling. All self exclusions are issued for a minimum period of twelve months, and will not be considered for revocation within the initial twelve month period. In addition, all revocation requests for self exclusions must be accompanied by a gambling assessment conducted by a qualified gambling counsellor and a letter of support for the revocation from a family member.

Exclusion Review Committee

Star City established an Exclusion Review Committee which is responsible for reviewing all requests for revocation of exclusion orders, including self exclusion and non voluntary exclusions. All persons seeking revocation of self exclusion orders are required to submit a gambling assessment and a letter of support for the revocation from a family member. The committee meets on a monthly basis and has representation from Security, Surveillance, Table Games, Electronic Gaming, and is chaired by the Responsible Gambling Manager.

Responsible Gambling Signage / collateral

Star City displayed throughout the gaming areas responsible gambling signage providing customers with the G-line (NSW) telephone counselling and referral service contact details. This signage was displayed at table games, electronic gaming machines, ATM's, and on light boxes throughout the casino complex.

2000 – 2001

Staff training

The development of a customised Responsible Gambling (RG) on-line and classroom based training program in conjunction with Wesley Gambling Counselling Service and Accenture.

Responsible Gambling Code

In October 2001, Star City's parent company, Tabcorp developed its own Responsible Gambling Code of Practice following extensive consultation with industry, community, government and regulatory stakeholders. The Code committed Tabcorp to providing information to customers about responsible gambling, providing information about our products including the chances of winning, providing information about problem gambling support services, staff training in responsible gambling, and stakeholder engagement.

Development of Self exclusion information pack

Star City developed an information pack which is provided to all customers who self exclude. The information pack provides each customer with contact details for gambling counselling services located throughout the Sydney metropolitan area, and the contact details for other support services including financial and legal gambling specialists.

2002 – 2003

Staff training

The roll out and delivery of the customised Responsible Gambling online training and classroom component to all staff involved with customers.

2003 – 2004

Staff training & Specialised Staff

The development and delivery of Responsible Gambling refresher training. The purpose of this training is to provide staff with updated information regarding responsible gambling, including any legislative changes that have occurred since their last training. Staff are required to complete the Responsible Gambling refresher training every two years.

Independent Compliance Reviews & Measurement

Since 2003 Tabcorp Casinos have engaged KPMG to conduct an annual independent review of compliance with the Tabcorp Responsible Gambling Code across the company's relevant operations including those at Star City. The findings of the initial review formed the development of a revised Responsible Gambling Code of Practice, which was launched in January 2006. The revised Code was more comprehensive and had a greater emphasis on commitment to customer care rather than compliance, committing the organisation to:

- Providing information regarding gambling products to enable a customer to make an informed choice about their gambling activity;
- Complying with all relevant laws and regulations;
- Training employees in responsible gambling;
- Encouraging customers not to chase losses, continue to play longer than they wanted or play for excessive periods of time;
- Assessing new products for their likely impact on the potential for customers to develop gambling problems;
- Engaging with government and community stakeholders, including problem gambling support services regarding responsible gambling and problem gambling issues; and

- Advertising and promoting our products, in line with the standards set out in the Advertiser Code of Ethics as adopted by the Australian Association of National Advertisers
- Star City has adopted a responsible gambling compliance framework which is in accordance with Australian Standard AS3806.
- Star City engages independent experts to conduct regular measurement of the effectiveness of responsible gambling training and the related awareness/understanding from employees of responsible gambling policies and practices.

2004 – 2005

Awards

Tabcorp is committed to ensuring its products are enjoyed by its customers and delivered responsibly. In recognition of its efforts, Tabcorp has been recognised as global leader in the promotion of responsible gambling by the Dow Jones Sustainability Index in both 2004 and 2005.

Awareness

The first Star City Responsible Gambling Awareness Week for staff was held. The purpose of the week was to provide staff with additional information about responsible gambling initiatives available at the casino. More than 1500 staff participated in this activity.

Evaluation and review

- In late 2004 Tabcorp engaged international consulting services firm KPMG to assist with a review and redevelopment of the existing Tabcorp Responsible Gambling Code.
- Star City engaged KPMG to conduct a review of the effectiveness of Responsible Gambling training. The recommendations resulting from the review were implemented to enhance the delivery of training.
- Review and relaunch of Tabcorp Responsible Gambling Code. The Code was written in plain English for staff and customers, and was available in 13 community languages.
- The content of the Responsible Gambling training was revised to ensure the currency of the information provided to staff.
- Development of Responsible Gambling manual – this manual provides a step-by-step guide for compliance with revised Responsible Gambling Code.

Training

- Star City recognised the need for additional training in responsible gambling. As a result the casino developed, in conjunction with Wesley Gambling Counselling Service, a specialised training program to be delivered to senior staff in key operational areas. The training program is known as RGLM training (Responsible Gambling Liaison Managers).

- The initial intake resulted in 20 senior operational staff, representing Table Games, Electronic Gaming, VIP Services and Security participating in the 2 day RGLM training course. The content of the course included modules in advanced communication skills, conflict resolution, suicide prevention and awareness and problem gambling.

Information for Patrons

Star City provides a range of written and where appropriate electronic information to help inform customers and the wider community of the nature of its products, including information on the operation of games and the likely chances of winning/losing.

2005 – 2006

Training and awareness

- 2nd annual Responsible Gambling Awareness week.
- RGLM training delivered to an additional 18 senior operational staff.

Research

During 2005 Tabcorp has worked closely with the Australian Gaming Council in order to better understand the principles behind informed choice as it relates to gambling. This work has culminated in the development of a paper aimed at clarifying the issue of personal responsibility and the role of industry in providing relevant and full information necessary for informed decision-making. The paper, titled “Informed Choice and Gambling: Principles for Consumer Protection” has been researched and authored by three leading expert academic researchers from Australia, the United States of America and Canada.

Funding and Partnerships with Counselling Providers

- Tabcorp funding of a fulltime counsellor at Odyssey House, in the City of Sydney (New South Wales) to provide a residential treatment program for problem gamblers.
- Star City engaged Wesley Gambling Counselling Services to provide crisis counselling to patrons and assistance with operation of the casinos’ exclusion program.

Updated Responsible Gambling Code

As a result of an extensive review conducted by KPMG, Star City launched an improved Code in January 2006. The Code is available in seven key languages other than English.

2006 – 2007

Training and awareness

- 3rd annual Responsible Gambling Awareness week.
- RGLM training and refresher training conducted.

- Star City supports problem gambling counselling services by displaying material about their services in its casinos, outlets and venues, and through regular liaison with representatives of the support service providers.

Security Staff specialist training

A customised training course was developed and delivered by Wesley Gambling Counselling Service to Security Managers and Supervisors to provide additional information about the self exclusion process, and to provide these staff with additional skills to assist customers during the self exclusion.

2007 -2008

Training and awareness

- 4th Responsible Gambling Awareness week.
- The development and production of Responsible Gambling training video which is part of the online and classroom based RG training and refresher programs.
- RGLM training conducted - to date 62 senior operational staff completed RGLM training.
- Engagement of Betcare to provide Responsible Gambling services, including crisis intervention, Responsible Gambling training, gambling assessments and counselling for patrons and their families.

Dow Jones Sustainability Index

According to the respected Dow Jones Sustainability Index (DJSI) for 2008/09, Tabcorp Holdings Limited was again recognised as the global leader in the gambling industry and a world leader in Responsible Gambling. The company achieved an overall score of 77 per cent in the DJSI, up five per cent on last year, to be the best in the world gambling sector for the second year in a row. Tabcorp was also recognised as a world leader in Responsible Gambling, gaining a 100 per cent score for the promotion of Responsible Gambling.

Foreshadowed Initiatives - 2009

- Refresher training program for RGLM's.
- Continuing of training program for new RGLM's.
- The Office of Liquor, Gaming & Racing (OLGR) and Star City will launch an RG Awareness week activity in May 2009. A "break out" room will be trialled near the hotel entry where patrons can go for a cup of coffee and advice on gambling, whilst they take a break from the gaming floor. The launch will showcase Star City as a leader in the field of responsible gambling.
- Development and adoption of Star City Responsible Gambling Code of Practice, as Tabcorp Responsible Gambling Code will cease to exist.

WESTERN AUSTRALIA - Burswood Entertainment Complex, Perth

1999 – 2004

Prior to the adoption of Burswood Casino's current Responsible Gambling Code of Practice (and the practices contained therein), which represents the outcome of an exhaustive review and adoption of Industry best practice, Burswood operated in accordance with a Code of Ethics and Gaming Practice.

Code of Ethics and Gambling Practice

This Code of Ethics and Gaming Practice encouraged responsible gaming practices and promoted responsible gambling behaviour, and reflected the following practices (this list is not exhaustive):

- The operation of a self exclusion program administered by the Security department;
- The display of signage and brochures in major public traffic areas – this included information on accredited counselling services, multi-lingual information and access to a toll free 24-hour telephone counselling hotline, G-Line;
- Free access to player information on rules etc for patrons;
- Participation on, and provision of funding to, an industry representative body known as the Gambling Support Services Advisory Committee which in turn supported free consultation and counselling services via BreakEven WA and G-Line;
- The location of ATMs outside the licensed Casino gaming area;
- Limiting EFTPOS facilities to withdrawals from savings and cheque accounts only;
- Prohibiting employees from gaming; and
- Compliance with the Media Council's Advertising Code of Ethics.

2004

Review and evaluation

- Review of the organisation's Code of Ethics and Gaming Practice was undertaken, with the objective of updating and implementing a revised and improved Responsible Gambling Code of Practice.
- A review by BetSafe and its principal Paul Symond formed the basis of a new Responsible Gambling Code of Practice. The outcome of the review can be summarised by the following finding:

“Burswood has a long history of responsible conduct in relation to the provision of gambling products.”

2005

Code of Practice and Training Manual

- Responsible Gambling Code of Practice and accompanying Operations Manual was developed which sets out the detailed Policies and Procedures underpinning the commitments in the Code, was adopted.
- A Responsible Gambling Management Committee was established to oversee Burswood’s Responsible Service of Gambling Program. The Committee comprises the Chief Executive Officer and other key executives, and key operational managers.

2006

Trained Staff

- The Responsible Service of Gambling Code of Practice was published. The Code is distributed to all staff as part of their orientation. The Responsible Service of Gambling Code of Practice was published. The Code is distributed to all staff as part of their orientation.
- The Responsible Service of Gambling Online Training Centre was opened. This is a 24/7 training centre in which staff complete the mandated RSG online training course. The course covers, among other things (This list of topics is not exhaustive):
 - An explanation of Problem Gambling
 - Burswood’s Commitment to RSG
 - Staff Responsibilities with respect to RSG
 - The Gambling Industry and reasons why people gamble
 - Legislative and Regulatory Framework
 - VIP Gaming
 - Minors and Unattended Children
 - Unacceptable Behaviour
 - Removal of Customers from the Casino
 - Liaison with Law Enforcement Agencies
 - Customer Feedback
 - Responsible Service of Alcohol

The Gambling Code of Practice

- The Code covers:
 - Mission Statement
 - Responsible Gambling
 - Problem Gambling
 - Provision of Information
 - Burswood's Mission Statement
 - Customer Information
 - Gaming Information
 - Problem Gambling Counselling Services
 - Responsible Gambling Information
 - Interaction with Customers and Community
 - Customer Service Staff
 - Customer Complaints
 - Problem Gambling Support Counselling
 - Persons Under 18 Years
 - Staff Training and Skills Development
 - Staff Gambling Prohibition
 - Privacy
 - Exclusion
 - Self-Exclusion
 - Involuntary Exclusion
 - Counselling for Exclusion Customers
 - Removal from Mailing Lists
 - Re-entry following Self-Exclusion or Involuntary Exclusion

Physical Environment

- Breaks in Play
- Responsible Service of Alcohol
- Clocks
- Lighting

Financial Transactions

- ATMs
- EFTPOS
- Credit
- Cheque Cashing Restrictions
- Cooling-Off
- Staff Interaction with Customers
- TAB Agency

Advertising and Promotions

- Advertising and Promotions Code of Practice
- Promotion of Responsible Gambling
- Complmentaries Policy

Cultural and Geographic Diversity

- Sensitivity
- Information in Community Languages
- Other Community Groups

Accountability and Review

- Responsible Gambling Management Committee
- Internal Compliance Audits

Research

- Terms Used in the Code of Practice

- The Gaming & Wagering Commission of Western Australia has endorsed the Code.

- It should be noted there are no legislative or regulatory requirements for Burswood to adopt a Code of Practice or implement Responsible Service of Gambling measures. However, Burswood views the Responsible Service of Gambling as an integral part of the way it conducts its business, and has an extensive Responsible Service of Gambling (RSG) framework to promote RSG, and educate staff and patrons on RSG. Burswood also has a range of RSG programs in place to identify and respond to problem gambling behaviours.

Information Terminals

Electronic Gaming Information Terminals (GITs) were introduced into the Casino to provide information about rules and chances of winning at the various casino games. The content of the GITs is approved by the Gaming & Wagering Commission of Western Australia. Essentially, the GITs cover (This list of topics is not exhaustive):

- o *Casino Information*
 - Game Play Rules
 - CCTV Coverage
 - Age and other Entry Requirements
 - Resolution of Complaints
- o *Electronic Gaming & Keno*
- o *Table Games*
- o *Responsible Gambling*
 - Code of Practice
 - Signs of Problem Gambling
 - Knowing the Odds of Winning

- Self-Exclusion
- Information for Family and Friends
- o *Self-Exclusion Programme*
- o *Responsible Service of Alcohol*
- o *VIP Gaming*
- o *Club Burswood*
- o *Government Inspectors*

Self-help Guide

A new Gambling Help WA Book titled, “Moving Beyond Gambling – A Self-Help Guide” was launched – this book is included in the material provided to patrons who self-exclude from the Casino.

Community Relations Manager

The Community Relations Manager (CRM), who heads the Responsible Service of Gambling team, was appointed. The CRM reports to the Responsible Gambling Management Committee and has a social services background.

Three Year Strategic Plan

A three year strategic plan for the Responsible Service of Gambling was adopted – this plan formed the basis for the evaluation and implementation of new initiatives over the next 3 years.

Awareness

A new RSG logo was adopted for inclusion on all RSG material, and all gaming related advertising and promotion or collateral.

Security Staff

Expressions of Interest were sought from Security Officers to conduct self-exclusion interviews. Security Officers play an important role in self-exclusion and it was determined that it is desirable to identify those officers with the requisite skills and motivation to participate in this process, which recognises the sensitive nature of the task.

Training - Indicator Awareness Program

A face-to-face training program on the observation and reporting of patron behaviours indicative of problem gambling was adopted – this Problem Gambling Indicator Awareness program is delivered to staff involved in gaming and gaming related services.

Third Party Exclusion Program

A program to assess applications from Third Parties who are concerned about a family member's or other person's gambling behaviour was adopted. A robust process is in place and a person may be involuntarily excluded from the Casino if significant concerns are substantiated.

Self Exclusion

- Initiatives to improve the identification of patrons who frequent the Casino in breach of their Self-Exclusion Agreement were adopted.
- A review of the Self Exclusion Agreement and process of revoking an Agreement was undertaken – a Self Exclusion Agreement has a minimum term of 12 months, and does not expire automatically but requires patrons who are a party to a Self Exclusion Agreement to undergo counselling before Burswood will consider a revocation of the Agreement. Burswood requires evidence of meaningful counselling, and interviews a patron before determining whether or not to grant a revocation. A follow up process is conducted at 6 and 12 weeks after revocation.
- Burswood Casino also provides referral request application forms to patrons seeking assistance.

2007

Awareness

A new suite of RSG posters was adopted to raise the awareness of the Responsible Service of Gambling and the organisation's RSG programs. Help details are displayed at machine bank ends, on toilet doors, on all machines, on wallet cards and on all ATMs.

Specialised Staff

The Responsible Gambling Advisor (RGA) was appointed to join the RSG team. The RGA is a qualified psychologist.

2008

Website

A new comprehensive RSG website was launched: www.gamblersresponsibly.com.au

The site was designed to provide members of the community with detailed information and assistance in dealing with problem gambling. Some topics covered include:

- What is responsible gambling
- What is problem gambling
- Warning signs of problem gambling

- Strategies to control your gambling
- Information for family and friends
- What to expect from counselling
- Options for accessing help
- Self Exclusion

The site includes an interactive self assessment questionnaire as well as an option to download information about our programs and Code of Practice.

Online Training Program

A review of the Online Learning training program was completed. The new program is interactive and provides more guidance to staff about noticing and reporting patron behaviours that may be indicative of a problem. The new program is expected to be launched in early 2009.

RSG Information and Resource Centre

A Responsible Gambling Information Centre was opened in January 2009. The Centre is dedicated to raising awareness of problem gambling and providing gambling related assistance, referral information and advice. The Centre is prominently located at a main entry to the Casino and patrons are not required to make an appointment if they wish to speak to someone about gambling related issues.

Responsible Gambling Awareness Week

Responsible Gambling Awareness Week presents an opportunity for Burswood to raise awareness of responsible gambling and for a number of years Burswood has operated a free coffee service to patrons for several hours each day during the week. This service is staffed by the RSG team and senior managers. Counsellors from Gambling Help WA also attend each coffee session and speak directly to patrons.

An annual forum has also been conducted for a number of years. Management and frontline staff attend this annual forum where information is shared and collaboration undertaken between Gambling Help WA and Burswood.

ATM Locations

The ATM Police recently formulated and approved by the Gaming & Wagering Commission of WA stipulates that ATMs must be 40 metres from the entrance to the gaming floor or there must be a restriction of \$400 daily cash withdrawals.

AUSTRALIAN CAPITAL TERRITORY - Casino Canberra

Pre 1999

Prior to 1999 the Legislative and Regulatory Initiatives were as follows:

Exclusion programs

- Casino Canberra provides access to a self-exclusion program, allowing people to 'ban' themselves from the gaming floor if they wish.
- Casino Canberra also has a policy whereby staff must exclude patrons who "appear not to understand the implications of gambling".

Internal Environment

- ATM's must be located outside the casino's licensed gaming floor.
- No credit facilities are available on the gaming floor.
- Casino Canberra has no electronic gaming machines.

Casino Canberra introduced:

Specialised staff & Involvement

- Specialised staff (Gambling Contact Officers) are trained to conduct close observation and monitoring for problem gambling in the casino. Training is a PowerPoint/workbook presentation which has been approved by the regulators.
- Casino Canberra also participates in the industry voluntary code of practice.
- Responsible gambling information is provided to staff on induction.

Awareness

Responsible gambling messages are displayed throughout Casino Canberra in the way of signage displays. Statistics, which outlined the likelihood of winning the major jackpots and messages promoting responsible gambling, are also prevalent.

Internal Environment

Clocks are displayed throughout the casino to ensure patrons are aware of how long they have been in the casino, this assists many patrons who set time limits for themselves to ensure they gamble responsibly.

2001 – 2002

Casino Canberra introduced:

Gambling Code of Practice

Active participation and leadership in the development of the Responsible Gambling Code of Practice.

Technology & staff awareness

A comprehensive computer database of photos is maintained for all excluded patrons. The database is readily accessible by all casino staff to ensure that if an excluded patron tries to enter the gaming floor staff can act quickly in identifying them.

2002 - 2003

Legislative and Regulatory Initiatives were introduced including:

Code of Practice

- Gambling and Racing Control (Code of Practice) 2002 introduced.
- The casino cannot pay out more than \$20k winnings in cash in one day. Additional winnings may be paid by cheque or by direct credit to an account.

Casino Canberra introduced:

Awareness of counselling services

- Casino Canberra promotes counselling services in an effort to offer assistance to those who may have a gambling problem. For example Lifeline counselling signage is prominent on all access and cubicle doors in the casino toilets and next to ATMs.
- Casino Canberra staff are trained in the documentation, investigation and action of individuals showing signs of problem gambling.

2003 - 2004

Casino Canberra introduced:

Specialised staff training

Casino Canberra provides training for every staff member in responsible gambling. Responsible service of alcohol training is included as part of Responsible Gambling training.

Access to information

- Further signage with information about assistance for problem gambling is placed throughout casino and at ATMs to ensure that patrons are informed about where they can seek advice on responsible gambling matters.
- Brochures with problem gambling information on display throughout casino in English and Chinese. Signage is on table games, in toilets, on table surfaces (non-gaming),

references are made on every advertisement, at public telephones and references are made in all media advertising (print, TV, radio).

2005 – 2006

Casino Canberra introduced:

Partnerships

Casino Canberra is working with local counselling service providers. For example, a Casino Canberra representative sits on Lifeline Marketing Committee.

2006 – 2007

Legislative and Regulatory Initiatives

Casino Control Act 2006 introduced

Casino Canberra introduced:

Specialised staff at all times

- Gambling Contact Officers available at all times during operating hours. Officers are trained specifically to deal with any problem gambling incidents.
- Patrons that feel they need assistance can arrange to have a confidential interview with a Gambling Contact Officer. Gambling Contact Officers can provide patrons with a handout pack of brochures and contact details for professional assistance and self exclusion options.

Procedures for self-exclusion

- Comprehensive procedure document prepared to assist staff and patrons who wish to self exclude from the casino.
- Gambling Contact Officers are specially trained to assist patrons in the self exclusion process.

2007 - 2008

Casino Canberra introduced:

Awareness

- Casino Canberra seeks to promote responsible gambling awareness by actively participating in Gambling & Racing Commission Responsible Gambling Awareness Week.
- Signage and brochures created for responsible gambling week remains on display.

Automatic Teller Machines (ATMs)

- ATMs are located outside the entry to the foyer, not on the gaming floor.

* Casino Canberra has no electronic gaming machines

NORTHERN TERRITORY -Lasseters Hotel Casino

Pre 1999

Prior to 1999 the following initiatives were introduced:

Self Exclusion Program

Self exclusion provisions put in place for patrons who choose to exclude themselves from the gaming floor.

Specialised Staff

- Trained Gambling Liaison Officers available in case of any responsible gambling incidents (Security Personnel)
- Lasseters Hotel Casino works with counselling service provider, Anglicare NT. Anglicare NT conduct 'Responsible Gambling Awareness Program' training for all staff at the casino.
- Staff have been trained to offer information such as brochures and cards where appropriate. All written information is made easily accessible to patrons and is kept in clear view.

Environment and Location of ATMs

- Natural lighting on sections of gaming floor;
- Prohibition of minors from the casino;
- ATM & EFTPOS facilities located away from gaming floor as per Northern Territory Government requirements; and
- Venue and car park surveillance introduced.

2001 – 2002

Community Liaison

Appropriate link made with local gambling related support services, such as Anglicare NT and Amity Community Services.

Information

- Responsible gambling and gambling support services information displayed on gaming floor.

- Collaboration with Amity Community Services on production of brochure “Gaming Machines – A Player’s Guide”.
- Information is available in a variety of languages including; English, Italian, Greek, Thai and Vietnamese.

2002 – 2003

Awareness

Responsible Gambling Awareness training commenced for all gaming and security employees facilitated by Anglicare.

Partnerships

In 2003, Lasseters partnered with 16 other industry, government and community bodies to form a Working Party responsible for developing a Code of Practice for the Northern Territory gambling providers. The Code contains practices to be implemented to achieve industry ‘best practice’ in the delivery of gambling services.

2003 – 2004

Gambling Code of Practice

- NT Responsible Gambling Code of Practice (voluntary compliance) launched in April 2003. Lasseters Hotel Casino represented in the Responsible Gambling Advisory Committee in development of code.
- 95% voluntary compliance of code recommendations which includes the following regulations:
 - Provision of Information
 - Interaction with Customers and Community
 - Training and Skills Development
 - Exclusion of Problem Gamblers
 - Physical Environment
 - Minors
 - Financial Transactions
 - Advertising and Promotions
 - Privacy Policy

Environment

Clocks on all electronic gaming machines are introduced, a voluntary initiative.

2005 – 2006

Partnerships and monitoring

- Quarterly meetings – AHA, community service groups, NT industry representatives.
- Return to player and player tracking information – approximately 8% of machines.

2006 – 2007

Code of Practice

Mandatory compliance of Northern Territory Responsible Gambling Code of Practice – Lasseters Hotel Casino - 100% compliant.

Partnership and Awareness

Active involvement in NT Gambling Awareness Week in collaboration with Amity Community Services, local industry and Northern Territory Government.

2007 – 2008

Specialised Staff Training

- Introduction and facilitation of in-house Responsible Gambling Awareness training. Nationally recognised qualification certified by Charles Darwin University required within three (3) months of employee commencement.
- Trained identified Gambling Liaison Officers.

Partnership and Awareness

Active involvement in NT Gambling Awareness Week in collaboration with Amity Community Services, local industry and Northern Territory Government.

Financial Transactions

- Cheques are encouraged for winnings over \$5,000 (or less if the restricted cash flow is low).
- Signage is displayed near ATMs, providing specific information to service providers such as Anglicare Gambling Counselling as well as other financial counselling options.
- EFTPOS can only be used for retail transactions such as at restaurants and in bars.

- ATMs are located off the main casino gaming floor, near the entrance to the restaurant.

Foreshadowed Initiatives - 2009

- Change of layout – display gambling helpline.
- Northern Territory government proposed return to player disclosure.

NORTHERN TERRITORY - SKYCITY Darwin

Pre 1999

Self Barring Program First Introduced

Self Barring provisions became available for persons wishing to self exclude.

Links with Community Service Providers

Appropriate Links established with local gambling related support service providers, Amity Community Services.

ATMs - Restrictions of Credit Accounts

- ATMs located away from Gaming Footprint and out of sight from the Gaming Floor
- Restriction of Credit Accounts; on site ATMs will not allow Customers to access credit accounts.

Provision of Information

- Prominent “Advice to Players” signage displayed on Blackjack tables; advice included recommended method of play such as splitting aces and eights and not splitting 10 count cards – as per NT Government requirements.
- Gambling Help information displayed and available in Gaming areas.

Responsible Service of Alcohol

Introduction of Responsible Service of Alcohol training. Key staff involved in the areas of Security, Food and Beverage, Gaming and Customer Service are given the skills and knowledge to provide a safe, enjoyable and responsible environment for customers.

Staff Gambling Ban

Licensed Gaming staff prohibited from gambling on the property.

2000 – 2004

Provision of Information

- Information about the potential risks of Gambling and local gambling related support services available in gaming areas in a variety of languages.
- Counselling/Help information became more readily available; displayed more prominently throughout the property.

Community Liaison

Links with local gambling related support services are extended and strengthened with a view to assisting with early intervention and prevention strategies.

Participation & Partnerships

Darwin Property was represented on the Responsible Gambling Advisory Committee; participated in the development of the NT Code of Practice for Responsible Gambling.

2004 – 2005

Participation & Partnerships

- SKYCITY Darwin continued participation in the NT Responsible Gambling Advisory Committee.
- Voluntary compliance with the NT Code of Responsible Gambling

Responsible Marketing & Advertising policy

SKYCITY Darwin is a responsible gaming operator. Our advertisements and promotions are delivered in an honest and responsible manner with consideration being given to the potential impact on people adversely affected by gambling. We comply with the national Advertising Standards Authority and its regulatory authority guidelines for responsible marketing and advertising of its facilities, which include:

- Promotions that are conducted responsibly and are not designed to induce patrons to either drink or gamble to excess
- Advertising that is not false, deceptive or misleading and complies with the Australian Association of National Advertisers Code of Ethics and the SKYCITY Darwin Responsible Advertising Code of Practice
- Advertising that does not target persons that might be considered at risk of developing gambling problems.

Staff Gambling Ban

SKYCITY Darwin staff are not permitted to game at any SKYCITY site.

Referrals to Treatment Providers

Customers who seek to self-exclude or express a concern that they have a gambling problem are provided with contact information for appropriate treatment providers and are actively encouraged to make contact with them for help and support.

Passage of Time

Clocks are displayed in Gaming areas and the current time is displayed on all EGMs to ensure that patrons are aware of the passage of time whilst gambling at the casino.

Information for Problem Gamblers

- Gambling Helpline numbers are displayed throughout property; printed onto the table layouts of all table games and displayed on adhesive labels attached prominently to all EGMs and ATMs.
- Information brochures available about the potential risks associated with gambling and where to get help.
- Easily understood information brochures on the odds or win rates of major prizes available at the Loyalty Club Counter and gaming areas.

Educational Campaigns

"Go easy ... Gambling with more than just money?" educational campaign - An information campaign for customers including posters, wallet cards and brochures, detailing the signs of problem gambling and where to seek help, advertising materials are prominently displayed throughout the complex, brochures are widely available and accessible.

Standards of Behaviour

- SKYCITY Policy established; Should a person be detected intoxicated, abusing or threatening staff or other customers, causing conflict with other customers or staff, or otherwise behaving in a manner which affects the peace or comfort of other patrons, then SKYCITY Darwin staff will take appropriate steps to stop the behaviour, including, in appropriate circumstances, having the customer escorted from the premises.
- Any customers detected loan sharking or begging will be required to leave SKYCITY Darwin. In some instances, SKYCITY Darwin may also exclude the customer from the premises.

2005 – 2006

Host Responsibility Program & Information for staff

SKYCITY Host Responsibility Program is established and prominent and permanent notice boards displaying information about Responsible Gambling are established in Staff dining areas.

Community Liaison

- Membership of National Association for Gambling Studies (NAGS). The SKYCITY Darwin Host Responsibility Manager is appointed NT representative in 2006.
- Member of the Australian Casinos Association – Responsible Gambling Taskforce

2006 – 2007

SKYCITY develops the following:

Mission

SKYCITY Darwin's Responsible Gambling Mission Statement is prominently displayed at all entrances to encourage the growing organisational culture and promote responsible gambling within SKYCITY Darwin.

Modified, User-friendly Self-Exclusion Program

- New and simplified Self Exclusion policy introduced.
- SKYCITY Darwin offers this self-exclusion option to customers who believe they may have a gambling problem. Under this option, customers volunteer to exclude themselves from entering SKYCITY Darwin.
- Self Exclusion agreements can be arranged for a 3 month period (the minimum) or longer timeframes up to and including unending periods can be arranged.

Gambling Information

- Provision of information on win rates of major prizes is available on gaming floor to enable customers to make more informed decisions about their gambling.
- Host Responsibility Section added to the SKYCITY Darwin website. A prominent Link to the Host Responsibility Section is displayed on each page of the SKYCITY Darwin Website. Section contains the following pages, information, links, and documents:
 - Help is at Hand
 - Self-Exclusion
 - What We Do About Problem Gambling
 - Responsible Service of Alcohol
 - Unattended Children
 - Responsible Marketing & Advertising policy
 - Standards of behaviour

- Host Responsibility management
- Links and contact information for Amity Community Services and Anglicare
- Self Exclusion Notice forms available for download
- NT Code of Responsible Gambling available for download.

Specialised Staff & Host Responsibility Management

- Host Responsibility Manager appointed.
- To manage these policies and ensure continual review and enhancement of harm minimisation initiatives, a Host Responsibility Department was established within the SKYCITY Entertainment Group, led by a Senior Group Manager.
- Based at the company's head office in New Zealand, this department has responsibility for managing and implementing problem gambling and alcohol management initiatives at all SKYCITY gaming and entertainment sites.

Education and Training

- All SKYCITY Darwin staff, irrespective of their areas of operation, receives training in Host Responsibility.
- A Compulsory Host Responsibility training module is included in the property's Orientation/Induction program. The module is an interactive classroom style
- Host Responsibility Manager attends the National Association for Gambling Studies annual conference.

Community Liaison

Host Responsibility Manager establishes links and regular and semi-regular visits with various local groups/organisations:

- Amity Community Services
- Somerville Community Services
- Anglicare
- Community Benefit Fund
- Member of National Association for Gambling Studies – attendance at annual conference
- Member of the Australian Casinos Association – Responsible Gambling Taskforce

Gambling Awareness Week

- SKYCITY participated in and hosted all Gambling Awareness Week (GAW) Organising Committee meetings. SKYCITY played a major role in organising activities and provided assistance and support through resources with the development and provision of art work for posters, coasters, advertising, balloons, invitations, etc. .
- GAW was strongly supported at SKYCITY Darwin with the prominent display of Posters, coasters and information in both back of house and front of house areas.

2007 -2008

Financial Transactions

- ATMs are located off the main casino gaming floor, in a dedicated ATM room. The ATM room is located off the gaming footprint adjacent to a side entrance (as opposed to the main entrance). This entrance is situated next to an undercover section of the driveway that has a two minute drop off zone. Persons often utilise this two minute parking zone for the sole purpose of utilising the ATM facilities; it is considered as a safe, well lit and secure area.
- EFTPOS is available at non-gaming outlets within the complex; however cash withdrawals are not permitted.

Information for players

- SKYCITY introduced Responsible Gambling messages on Keno Tickets .
- Responsible Gambling statements such as, “Gambling is a form of entertainment not a strategy for financial success” and “Please gamble responsibly” included on gaming and loyalty club collateral.

Gambling Awareness Week

Continued support and involvement in GAW included the development of Responsible Gambling messages, assistance with the engagement of the NT Responsible Gambling Ambassador, Michael Long , continued provision of Artwork, display of posters, and utilisation of coasters displaying Responsible Gambling messages throughout the property during the week. The NT GAW 2008/2009 Theme, “The secret to winning is knowing when to stop” was embraced by all at SKYCITY Darwin, it was displayed throughout the property along with the gambling helpline number on all EGM Led displays All executives and many senior staff attended the GAW launch.

Responsible Service of Alcohol

In house accredited training capability for the provision of Responsible Service of Alcohol training. All staff involved in the areas of Security, Food and Beverage, Gaming and Customer Service are given the skills and knowledge to provide a safe, enjoyable and responsible environment for customers.

Hosting

SKYCITY Darwin continues to host the Gambling Awareness Week organising committee meetings.

Education and Training

- SKYCITY Darwin assists Amity Community Services with the development of, “What’s your Game Plan” a Territory wide venue training program to assist venue staff to recognise(level 1) and respond to (level 2) Problem Gambling. SKYCITY Darwin roles out, “What’s your Game Plan (level 1 & 2) training to senior front line gaming area staff and senior security staff. Training provided by Amity Community Services.
- Host Responsibility Manager in conjunction with Amity Community Services presents a joint paper about cross industry collaboration at the National Association for Gambling Studies annual conference.

Staff Awareness; Incentives and Rewards

Staff that notice and report self excluded customers on property in breach of their agreement are acknowledged with a letter of appreciation and rewarded with a (much sought after)coffee voucher.

Foreshadowed Initiatives – 2008-2009

Information for players

- Responsible gambling statements, Gambling Helpline number and self exclusion programme advertised on loyalty club application forms and associated information.
- “Please Gamble Responsibly” printed prominently on all new loyalty program membership cards

QUEENSLAND - Reef Hotel Casino

2002-2003

Queensland Responsible Gambling Code of Practice

Launched in May 2002

Commitment to Qld Responsible Gambling Code of Practice – Reef Hotel Casino has been assessed by QOGR as being 100% committed to the Code through ongoing assessment since our first review in May 2003.

Since 2002 the Reef Hotel Casino has implemented the Queensland Responsible Gambling Code as follows:

Provision of Information

- Making an informed decision brochures
- Don't wait till you hit rock bottom cards
- Gaming guides (rules of the game and odds of winning)
- Information display boards
- Exclusions Brochures

This information is located in various places within the casino precinct (e.g. bathrooms, ATMs, near the cage, in hotel rooms, in the casino gaming areas and high traffic public areas)

Queensland Responsible Gambling Resource Manual was written in 2002.

Partnerships

Counselling service provider, 'Gambling Help Line' is promoted throughout the casino for patrons who feel they may need assistance in controlling their gambling. The Gambling Help Line is an independently run service that offers private and confidential support for problem gamblers and others who may be affected by problem gamblers. The phone service is free and is available 24 hours a day.

Community Liaison

The Responsible Gambling Manager for Reef Hotel Casino has meetings with

- Gambling Help Services (Lifeline Cairns).
- Member of Australian Casino Association – Responsible Gambling Taskforce.

Responsible Gambling Incident Register

An electronic register database has been developed for the purpose of recording all Responsible Gambling Incidents that occur in the casino.

Physical Environment

As a part of the Customer Awareness Program, Reef Hotel Casino have a commitment to provide a safe, secure and responsible environment in which members of the community are able to enjoy themselves.

- Signage delineating licensed areas where minors are prohibited has been erected.
- Policies, procedures and training have been implemented to identify minors and stop them from entering licensed gambling areas.

- Responsible Service of Alcohol training is delivered on an ongoing basis to all staff serving drinks, security and senior gaming employees are also trained.
- Guidelines for the protection of unattended children have been developed and offenders are either given a Written Warning or Excluded for participating in these acts.
- All employees who hold a casino license are prohibited from accepting gratuities.
- All employees are prohibited from gambling in the workplace (exclusive to casinos).
- Passage of time – The Reef Hotel Casino has taken measures to ensure customers are aware of the passage of time whilst they are gambling. Intensive, repetitive and extended play is not encouraged.

Financial Transactions

- All ATMs are located outside of the licensed gambling area and all of them carry, responsible gaming brochures as well as 'Where to get help Barbecue cards'.
- EFTPOS is available for retail purchases only.

Advertising and Promotions

All advertising is tested to ensure compliance with all practices under the Queensland Responsible Gambling Code of Practice.

2004 – 2005

Exclusion Provisions

Customers may consider exclusion from the casino as a valuable deterrent. Reef Hotel Casino offers an exclusion program for customers wishing to ban themselves from entering a gambling area. The 2005 Exclusions Legislation was implemented as follows:

- Responsible Gambling Liaison Officers are trained to assist with exclusions processes
- Implementation of manual checking systems to ensure the removal of all excluded persons from the data base to make sure persons are removed from mailing lists
- Memberships are suspended with associated benefits no longer available to the excluded person.
- Persons entering the gambling area of Reef Hotel Casino, once a self exclusion agreement has been signed are considered to be committing an offence by law and are subject to prosecution and penalties, including fines of up to \$3,000.

2006 – 2007

Queensland Responsible Gambling Code of Practice

Queensland Responsible Gambling Resource Manual was updated.

Responsible Gambling Liaison Officers (RGLOs) were appointed and trained in 2007

There are currently nine RGLOs trained and at least one of them is on duty at all times. They have been trained to ensure they have the knowledge and skills to provide assistance and information to customers and/or other staff in the area of problem gambling and related matters.

Responsible Gambling Training

3-4 hour training delivered to all Casino staff. (Refresher training now conducted each 3 years at a minimum).

2008

Research

We have provided assistance to Southern Cross University in the form of participants in a pilot and later a full research project on a Study of gambling by gaming venue staff funded by QOGR. We provided a number of employees for the main study who completed a 30 minute interview in paid time.

Complaint Resolution Processes

Reef Hotel Casino has in place a comprehensive complaints resolution process for gambling and responsible gambling related matters. All complaints are referred through this process for resolution by the appropriate level of management.

Responsible Service of Alcohol

As part of the Reef Hotel Casino's commitment to responsible gambling, persons who are unduly intoxicated are not permitted to gamble. Relevant staff are trained in the responsible service of alcohol.

Contributed to the following development and reviews

- Responsible Gambling Code of Practice Implementation Review
- Responsible Gambling Code of Practice Cultural Shift Review
- Responsible Gambling Code of Practice Sustainability Review
- Queensland Responsible Gambling guidelines for Player Loyalty Programs 2008

QUEENSLAND - Conrad Jupiters, Conrad Treasury & Jupiters Townsville Casinos

Pre 1999

Partnerships

In 1994 Conrad Jupiters Casino began meeting with the Break Even Service (operated under the auspice of Relationships Australia Queensland) and the Department of Families, Youth and Community Care (now the Department of Communities) about potential impacts of gambling on the community and industry.

These informal discussions coupled with recommendations from research into the social and economic impacts of gaming machines, paved the way to formally establish the Problem Gambling Advisory Committee in August 1996. The Committee's name was changed to the Responsible Gambling Advisory Committee (RGAC) in 1998 to reflect its proactive approach to harm minimisation and its recognition that gambling is a leisure activity for many people although harmful effects may be experienced by a small proportion of the population.

The RGAC is a partnership between community, industry and government. Its membership includes gambling support providers, industry groups, community groups and Government bodies.

Since 2000 the RGAC has reported to the Treasurer of Queensland. The RGAC provides advice to the Queensland Government on minimising any negative impacts of gambling on Queenslanders and developing a responsible gambling environment.

The RGAC is recognised as the cornerstone of the Queensland Government's approach to responsible gambling as well as being a primary source of advice on emerging social concerns associated with gambling in Queensland.

The SEQ Casinos (Conrad Jupiters & Conrad Treasury) have held the role of either Chair or Deputy Chair of the RGAC since its inception. We have always provided at least one representative to all RGAC Working Parties from 1996 until current. In 1999 the RGAC implemented the Gambling Help Line Project.

Patron Assistance Program

On 26th October, 1995 a Patron Assistance Program was launched at Conrad Jupiters and Conrad Treasury Casinos. This program involved a series of promotional items in the form of posters, brochures and business cards being made available to patrons in the bathroom areas of the Casinos. The introduction of this initiative created a distinct increase in referrals to Break Even from the Gambling Industry which was directly attributed to the success of this project. Break Even told the Productivity Commission 1999 that they believed the high number of self referrals were partially attributable to the Casino project coupled with the acceptance of Break Even by the local community, Community Agencies and good support from the local media (press, radio and television).

Hosting

Conrad Jupiters hosted the National Association for Gambling Studies Conference in November.

1999

Responsible Gambling Advisory Committee (RGAC)

Formerly Problem Gambling Advisory Committee commenced August 1996. The SEQ Casinos have held the role of either Chair or Deputy Chair of the RGAC since its inception.

We have always provided at least one representative to all RGAC Working Parties over the years.

Responsible Service of Alcohol

Conrad Jupiters, Conrad Treasury and Jupiters Townsville casinos do not serve alcoholic beverages to gaming tables or gaming machines in their main public gambling areas. Should a customer who is gambling in these areas wish to consume an alcoholic drink in these areas, they must leave the table or machine they are playing at and go to the bar to purchase a drink. This practice supports the idea of breaks in play to discourage extended, intensive and repetitive play. Non-alcoholic beverages, including tea and coffee are available to customers.

Persons who are unduly intoxicated are not permitted to continue to gamble. Responsible Service of Alcohol training is provided to Food and Beverage, Safety and Security, Pit Managers and Gaming Shift Managers who are trained to follow RSA procedures. All employees are trained to report anyone who is nearing intoxication. Unduly intoxicated players are asked to leave the gambling areas.

2000 – 2001

Policy Direction

The SEQ Casinos contributed to the Review of Gaming and Green Paper that led to the development of the Policy Direction for Gambling in Queensland in 2000.

Tabcorp Responsible Gambling Code of Practice

Tabcorp's Responsible Gambling Code of Practice was launched in late 2001 and has been sustainably revised to shape the Code today. Tabcorp's Responsible Gambling Code of Practice works in conjunction with the Queensland Code of Practice. The Tabcorp Responsible Code of Practice was created as a part of Tabcorp's aspiration to lead the way in providing responsible gambling entertainment. This means striving for the highest levels of customer care, and assisting customers to make informed decisions about their participation in gambling.

National Advisory Body on Gambling

In 2001 the National Advisory Body on Gambling was established to provide advice to the Federal Minister for Family and Community Services on gambling policy, with a strong focus on problem gambling. The General Manager of Conrad Jupiters represented the Casino Industry on this body.

2002 - 2003

Specialised Staff

In January 2002 the SEQ Casinos employed a Responsible Gambling Liaison Manager to implement the Queensland Responsible Gambling Code within their business prior to the official launch of the Code in May 2002.

Queensland Responsible Gambling Code of Practice

The Queensland Responsible Gambling Code of Practice was launched in May 2002. All Tabcorp Casinos are committed to all of the responsible gambling practices in the code.

Commitment to Qld Responsible Gambling Code of Practice – All casinos in Queensland have been assessed by QOGR as being 100% committed to the Code through ongoing assessment since our first review in May 2003.

Currently, Hotels = 82% commitment and Clubs = 74% commitment.

Queensland Responsible Gambling Resource Manual was written in 2002.

Since 2002, Tabcorp Qld Casinos have implemented the Queensland Responsible Gambling Code as follows:

Provision of Information

- Making an informed decision brochures (exclusive to Tabcorp casinos)
- Don't wait till you hit rock bottom cards
- Wanna bet? Posters (6 styles)
- Unattended Children brochures (exclusive to Tabcorp casinos)
- Gaming guides (rules of the game and odds of winning) (exclusive to casinos)
- Information display boards
- Exclusions Brochures
- The odds of winning for each game in the house

This information is located in various places within the casino precinct (e.g. bathrooms, ATMs, near the cage, in hotel rooms, in the casino gaming areas and high traffic public

areas. Problem Gambling messages are also placed on signs throughout in roving light boxes and on the casino's websites.)

Community Liaison

The Responsible Gambling Manager for Qld has regular meetings and forums with members of local groups:

- Gambling Help Services on the Gold Coast, in Brisbane and Townsville viz. Relationships Australia Qld and Centacare Townsville.
- Gold Coast Responsible Gambling Network – hosted by Conrad Jupiters on three occasions – currently the Responsible Gambling Manager for Tabcorp Qld casinos holds the Chair of the Network.
- Brisbane Responsible Gambling Network.
- Chair of Australian Casinos Association – Responsible Gambling Taskforce.
- Member and former President of the National Association for Gambling Studies.
- Former member of the National Advisory Body on Gambling.

Responsible Gambling Incident Register

An electronic register database has been developed for the purpose of recording all Responsible Gambling Incidents that occur in the business. The register is accessible to the entire Responsible Gambling team (exclusive to Tabcorp casinos).

Physical Environment

- Signage delineating licensed areas where minors are prohibited has been erected.
- Policies, procedures and training have been implemented to identify minors and stop them from entering licensed gambling areas.
- Alcoholic beverages are not served to tables or EGMs in the main gaming floor areas.
- Responsible Service of Alcohol training has been delivered to all staff serving drinks, security and senior gaming employees are also trained.
- No More It's the Law cards have been printed and are used in the business (exclusive to Tabcorp casinos).
- Guidelines for the protection of unattended children have been developed and offenders are either given a Written Warning or Excluded for participating in these acts. (exclusive to Tabcorp casinos).
- All employees who hold a casino license are prohibited from accepting gratuities (exclusive to casinos).

- All employees are prohibited from gambling in the workplace (exclusive to casinos).
- All EGMs have a current time display.
- Conrad Treasury – 1st Venue in Qld to launch the 'I' button and PID machines.
- Passage of Time – Measures have been taken to ensure that customers are aware of the passage of time whilst they are gambling. Clocks have been installed in the gaming areas of the casinos. The time is also displayed on many of the new LCD screens which are located throughout the casinos. Recently, gaming machines were fitted with scrolling real-time messages that provides accurate information on the current time.
- With the completion of renovations at all Queensland Tabcorp properties, windows and balconies have been introduced which lead off the gaming floors. This allows natural light to enter the casino, assisting customers with their understanding of the passage of time.
- Reserve functions are now available on machines which allow the machine to be reserved for up to 7 minutes.

Financial Transactions

- All ATMs are located outside of the licensed gambling area.
- All casinos have ATMs fitted with Braille pads and facilities for the hearing impaired.
- All ATMs have receipts with the printed logo and phone number of the Gambling Helpline on the reverse side.
- Gambling helpline posters, cards and Responsible Gambling brochures are displayed near ATMs.
- EFTPOS is not available in the gaming areas or TAB outlets. EFTPOS is only available for retail purchases in shops, bars and restaurants.
- Gambling winnings above \$10,000 in the main floor and \$50,000 in the private gaming areas are paid by cheque and are not cashed by the casinos within 24 hours of the win.

Advertising and Promotions

- Tabcorp has its own responsible gambling message that is used on all gaming collateral – 'Bet with your head, not over it'.
- All advertising is tested by our 'Law of the Jungle' compliance program to ensure compliance with all practices under the Queensland Responsible Gambling Code of Practice. Gaming collateral is reviewed by our in house Legal Team (exclusive to Tabcorp casinos).

2004 – 2005

Tabcorp Responsible Gambling Code of Practice

Applies to all of Tabcorp casinos and where there is any conflict or inconsistency between the Tabcorp Code and Qld Code the highest standard applies.

Exclusion Provisions

The 2005 Exclusions Legislation was implemented as follows: (all exclusive to Tabcorp casinos)

- Developed and delivered an Exclusions Training program
- Developed and circulated an Exclusions Procedures Manual
- A state wide electronic Register for Excluded Persons database has been specifically designed and implemented and is shared between the 3 Qld casinos.
- Developed standard exclusion forms with information on Gambling Help Services hard coded in the documents.
- Developed exclusions forms in languages other than English viz. Cantonese, Mandarin and Vietnamese
- Responsible Gambling Liaison Officers trained to assist with exclusions processes
- Implementation of manual checking systems to ensure the removal of all excluded persons from the Casino Management system to make sure persons are removed from mailing lists
- Developing an interface between the Casino Management System and the Register for Excluded Persons

KPMG Audits(exclusive to Tabcorp Casinos)

Tabcorp engaged KPMG to complete an analysis of its Queensland Casinos Responsible Gambling ("RG") Survey to measure the effectiveness of Responsible Gambling training and initiatives at its casino operations at the Gold Coast, Brisbane and Townsville in September 2005 and again in November 2006.

Contributed to the following development and reviews

- Responsible Gambling Training Framework for Industry 2004
- Exclusions Model with Pathways and Protocols 2004
- Queensland Responsible Gambling Code of Practice Industry Training Kit 2005
- Queensland Responsible Gambling Advertising and Promotions Guideline 2005

Hosting

Conrad Jupiters hosted the National Association for Gambling Studies Conference in November 2004.

2006 – 2007

Queensland Responsible Gambling Code of Practice

Queensland Responsible Gambling Resource Manual was updated.

Responsible Gambling Liaison Officers (RGLOs)

Were appointed and trained at each of Tabcorp's QLD Casinos in 2007.

- 15 at Conrad Jupiters
- 13 at Conrad Treasury
- 11 at Jupiters Townsville

At least one RGLO is on duty 24 x 7 at each property. This team has received a specially designed two day training course tailored to our casino environments to ensure our RGLOs have the knowledge and skills to provide assistance and information to customers and/or other staff in the area of problem gambling and related matters.

Responsible Gambling Training(exclusive to Tabcorp casinos)

Tabcorp casinos in Queensland train every employee in Responsible Gambling. i.e. from the most senior executives, the gaming staff to the people who wash the dishes back of house.

In addition, annual Responsible Gambling Refresher Training is run for the entire team. New employees receive training during their orientation in their first month of employment. The exclusive slogan for Responsible Gambling Training is 'Respond with Respect and Refer'.

QHA Awards for Excellence in the area of Responsible Service of Gaming were won by:

- 2006 Conrad Jupiters
- 2007 Conrad Treasury

Dow Jones Sustainability Index

In 2007, Tabcorp once again met the criteria for inclusion in the Dow Jones Sustainability Index and was scored overall leader in the Australian gambling sector. Importantly, in the promotion of responsible gambling, Tabcorp scored 100% which is the highest score in the sector.

Measuring the effectiveness of Responsible Gambling Initiatives

KPMG were engaged in 2006 to measure the effectiveness of the Responsible Gambling initiatives put in place at Conrad Treasury, Conrad Jupiters and Jupiters Townsville. 300 employees were asked to complete a questionnaire to assess their knowledge and personal opinions of the current Responsible Gambling training program. Highlights of the KPMG Survey results were 87% of respondents stated that they would know how to respond to an approach for help from a problem gambler. This demonstrates an ongoing maintenance of cultural shift for staff awareness as the training program had only been in existence for a little over four years at the time of the Survey.

There was strong awareness of the self-exclusion program, 90%. 89% said they felt their training had been very effective or somewhat effective in assisting awareness in Responsible Gambling and 89% also said they felt either very comfortable or somewhat comfortable talking to their supervisor about Responsible Gambling issues.

Awards

Conrad Jupiters received the QHA Award for Excellence in 2006 – Responsible Serving – Gaming.

Conrad Treasury Brisbane became the first venue in Queensland to install new gaming machines that enable players to monitor their time on a machine as well as make more informed decisions regarding their gambling spend. Launched at the casino in November 2006, the new player information screens provide a range of data, including details on the odds of winning the maximum prize, how much the player will spend each game if they make a particular choice and an average of how much will be spent per minute and per hour.

2008

KPMG Audits(exclusive to Tabcorp casinos)

KPMG were engaged by Tabcorp to complete an assessment on the compliance with the Tabcorp Responsible Gambling Code in January 2007 and again in March 2008. This assessment also reviewed the commitment to the Queensland Responsible Gambling Code. KPMG's findings state that the Tabcorp Casinos Division show a strong Responsible Gambling compliance culture and commitment to compliance within the venue. Staff are well trained and undertake refresher training. Everyone interviewed knew their job well and what was expected of them in terms of dealing with patrons from a Responsible Gambling perspective.

Awareness

Internal Responsible Gambling Awareness Week has been rolled out to employees annually for the past two years and ran again in May 2008. Exclusive collateral to link to the QOGR Responsible Gambling Awareness Campaigns using the hot chili designs was printed (exclusive to Tabcorp casinos).

Compliance

A compliance program named Cura is used by Tabcorp for the purpose of measuring our commitment to various legislative requirements. For Responsible Gambling we test 17 specific areas of compliance with the Queensland Responsible Gambling Code of Practice (exclusive to Tabcorp casinos). The system sends monthly, electronic reminders to the manager for completion of the task requesting written confirmation that the tasks are completed.

Staff are also committed to compliance. Managers in each department are primarily responsible for showing leadership in ensuring that we comply with both the spirit and the letter of the law in their areas. Whilst the Queensland Code of Practice is self-regulatory, Tabcorp is committed to all practices within the code.

Research

We have provided assistance to Southern Cross University in the form of participants in a pilot and later a full research project on a Study of gambling by gaming venue staff funded by QOGR. We provided a total of 280 employees for the main study who completed a 30 minute interview in paid time.

Contributed to the following development and reviews

- Responsible Gambling Code of Practice Implementation Review
- Responsible Gambling Code of Practice Cultural Shift Review
- Responsible Gambling Code of Practice Sustainability Review
- Queensland Responsible Gambling guidelines for Player Loyalty Programs 2008
- Evaluation of the Queensland Responsible Gambling Strategy (QRGS)

Foreshadowed Initiatives

During the month of November 2008 a detailed Internal Audit was conducted to measure adherence to the spirit of the Queensland Responsible Gambling Code of Practice. The Queensland Code is a self-regulatory model.

Development and production of a Tabcorp Casinos Division Responsible Gambling Awareness training DVD is currently in the process of completion – this should be available for release early in 2009.

Currently an integration system is under development between the Register of Excluded Persons and the Casino Management System to ensure that people who are excluded are removed from mailing lists.

SOUTH AUSTRALIA - SKYCITY Adelaide

Pre 1999

The SA Casino Act 1997

The SA Casino Act 1997 contains a range of measures designed to ensure the casino operator acts with probity and integrity. All staff must be approved and staff are not permitted to gamble. Children are excluded from the casino. People may be barred from the casino for their own welfare.

SKYCITY Adelaide has an Approved Licensing Agreement (ALA) with the SA Government. The ALA:

- Requires all games, gaming systems and gaming equipment to be approved
- Requires the Casino to deny gambling services to intoxicated persons
- Limits the number of machines and table games

2000 – 2001

Amendments to the SA Casino Act were made in 2001

These include:

- Requiring the Commissioner, when approving new machines, to take into account any gaming machine guidelines issued by the Independent Gambling Authority;
- Requiring the Commissioner to refuse applications for new EGMs if he is of the belief that approval of the game would lead to an exacerbation of problem gambling;
- Increasing the minimum return to player of machines from 85% to 87.5%;
- Requiring the casino to comply with Advertising Codes of Practice published by the Independent Gambling Authority;
- Requiring the casino to comply with Responsible Gambling Codes of Practice published by the Independent Gambling Authority;
- Prohibiting gambling on credit;
- Limiting ATM transactions to \$200 per transaction; and
- Preventing EGMs from being operated other than by insertion of a coin (ie prohibiting bank note acceptors and cashless gaming).

SKYCITY introduced a 'Corporate Host Responsibility Program'

This Program set out SKYCITY policies and procedures for promoting responsible gambling (including alcohol management), minors, standards of dress and behaviour. The Program

was aimed at ensuring that SKYCITY was at the forefront of harm minimisation initiatives among South Australian gaming licensees; a place we have occupied ever since.

Responsible Service of Alcohol

- SKYCITY's Responsible Service of Alcohol policy includes a compulsory training program for all staff. Staff members involved in Host Responsibility, Security, Food and Beverage, Gaming and Customer Service are given the skills and knowledge to provide a safe, enjoyable and responsible environment for customers.
- SKYCITY Adelaide has also installed three breathalyser units and produces tent cards outlining guidelines for consuming alcohol responsibly. These are widely available in gaming and food and beverage areas.

Standards of Behaviour

- Should a person be detected intoxicated, abusing or threatening staff or other customers, causing conflict with other customers or staff, or otherwise behaving in a manner which affects the peace or comfort of other patrons, then SKYCITY Adelaide staff will take appropriate steps to stop the behaviour including, in appropriate circumstances, having the customer escorted from the premises.
- Any customers detected loan-sharking or begging will be required to leave SKYCITY Adelaide. In some instances, SKYCITY Adelaide may also bar the customer from the premises.

Staff Gambling Ban

SKYCITY Adelaide staff are not permitted to game at any SKYCITY site.

2003 – 2004

The Independent Gambling Authority issued its first Responsible Gambling Code of Practice

The Code required SKYCITY Adelaide to:

- Display responsible gambling materials (such as posters, pamphlets, wallet cards, and stickers) in several languages;
- Display a helpline sticker on each gaming machine;
- Display a helpline sticker on each ATM;
- Display clocks prominently throughout the public areas of the licensed premises;
- Train all staff in problem gambling issues, including recognition, identification and appropriate referral of problem gamblers;
- Have a system for voluntarily excluding problem gamblers;
- Take active steps to prevent parents leaving their children unsupervised; and

- Ensure that alcohol is not supplied to reward continued play.

Advertising

The Independent Gambling Authority issued its first Advertising Codes of Practice, requiring SKYCITY Adelaide to ensure advertising:

- Is socially responsible;
- Does not mislead or deceive the customer;
- Is not directed at minors;
- Does not portray minors engaging in gambling activities;
- Is not explicitly or exclusively directed at vulnerable or disadvantaged groups (including recovering problem gamblers);
- Does not promote gambling as a means of relieving financial or personal difficulties;
- Does not promote gambling as a means of enhancing social standing or employment, social or sexual prospects;
- Does not state or imply that gambling is a means to pay for household staples, education, rent, or to meet mortgage commitments;
- Does not make claims related to winning, or prizes that can be won, that are not based on fact, are unable to be proven, or are exaggerated;
- Does not state or imply that a player's skill can influence the outcome of a game where this is not the case;
- Does not associate gaming with excessive alcohol consumption;
- Does not exaggerate the connection between the gambling activity and the use to which the profits may be put; and
- Must include the odds of winning if a prize is mentioned.

Staff on Patrol

In December 2004, SKYCITY Adelaide introduced its 'Host Responsibility Coordinator' program, where at least one of a team of staff patrol the casino looking for people displaying signs of problem gambling. The team are trained to identify the signs, intervene appropriately and, if the person wishes, refer the person to appropriate counselling.

2005 – 2006

Staff Training

- SKYCITY Adelaide delivered Problem Gambling refresher training for all staff (as per Codes requirement).
- At SKYCITY, it is compulsory for all staff to receive training on host responsibility - from senior management to dealers, cleaners, waiters and admin staff. Training ranges from an introductory level for back-of-house staff to specialist advanced training for senior front-of-house staff, security and management.
- Training modules are developed very carefully to take a variety of issues into account, such as cultural, gender and social differences, ethnicity, age and those requiring special attention.
- Time was spent consulting with leading problem gambling treatment providers such as Break Even Services to ensure their expertise and knowledge were incorporated in the training modules.
- Four levels of staff training were created and staff are required to undertake refresher training every two years. Staff are kept informed of the latest in responsible gambling practices through information in newsletters, magazines and on noticeboards in back of house areas.

Self - Exclusion Program

SKYCITY Adelaide recognise that a small percentage of people are at risk of developing gambling problems and whether the customer identifies a problem themselves, or a third party (i.e. family member), identifies a problem, SKYCITY has a program in place to help. SKYCITY voluntarily introduced a minimum 12-month exclusion period for people choosing to self-bar from the casino. We encourage customers to seek help and support during this period. Those that make a request to lift their exclusion are required to agree to several steps before an application can be approved: Must attend counselling, after which a letter confirming attendance is required, agree to enter into the Case Management program (3 months minimum) and set re-entry criteria for spend and visitation (pre-commitment), which can also be set in conjunction with their nominated counsellor.

Financial Transactions

ATM machines are located outside of the casino gaming area in an ATM room. EFTPOS is used in the restaurants, cashiers outlets, at promotional desks and at bars.

2006 – 2007

Partnerships with Counselling Services

The Host Responsibility Coordinators (HRCs) formalised links with Gambling Help Services. Requirements to build and maintain relationships with counselling agencies are built into the key performance indicators of the HRCs duties. The HRCs are also required to conduct formal liaisons with other departments within SKYCITY Adelaide.

Referrals to treatment providers

All customers who elect the self-exclusion option or approach SKYCITY Adelaide about gambling problems are encouraged to contact appropriate treatment providers for help and support, and SKYCITY can make these appointments on behalf of the customer, if they wish. We've also designed a document that, once signed by the applicant, is faxed (emailed) to a nominated service provider to make contact with the customer to discuss their situation and/or make an appointment.

Host Responsibility Coordinators

The HRC's introduced a customer 'Case Management' program where customers most at risk are assigned to one of the HRCs (with other HRCs playing a supporting role) and the customer is actively managed. All those retuning from exclusion (Self-exclusion, TAB or IGA) are automatically placed on the program.

This important function of the team is crucial in effectively managing the many customers coming to and those that experience harm. To drive each case and ensure informed regular contact is made with each customer, mapping their progress, thereby allowing the HRC's to make an informed judgement as to whether the customer remains in the "Customer of Concern" category, referred to support services, or barred as a result of welfare concerns.

If the customer gives permission, the customers detailed are discussed with a gambling counselling agency and the counsellor is then directly involved in the case management of the customer of concern.

SKYCITY Adelaide also promotes eight other counselling service providers, including: UnitingCare Wesley Adelaide, Salvation Army Oasis Centres, Relationships Australia SA, UnitingCare Wesley Bowden, and Vietnamese Community in Australia, Overseas Chinese Association, the Cambodian Australian Association and Statewide Gambling Therapy Services.

Awareness

A new suite of posters, brochures and related material was designed to continue to raise awareness of Responsible Gambling, and SKYCITYs Host Responsibility Program. Information within the brochure was reviewed by a local physiologist and gambling help services to ensure it was relevant and correct. All material is displayed throughout the site including all gaming areas, restaurants, toilets and bars.

2007 -2008

Advertising Code of Practice

New Responsible Gambling and Advertising Codes of Practice will come into force on 1 December 2008. These will require SKYCITY Adelaide to have additional warning message

on machines and to change warning messages of posters every six months (simultaneously with pubs and clubs).

Awareness

The 1800 phone number for the Problem Gambling Helpline is now printed on the back of all receipts from ATMs at SKYCITY Adelaide. Information is also displayed on EFTPOS machines, on gaming tables, in toilets, in light boxes, at customer information areas and at cashiers.

SKYCITY Adelaide also promotes seven other counselling service providers, including: UnitingCare Wesley Adelaide, Salvation Army Oasis Centres, Relationships Australia SA, UnitingCare Wesley Bowden, Vietnamese Community in Australia, Overseas Chinese Association and the Cambodian Australian Association.

Responsible Gambling Awareness Week

Responsible Gambling Awareness Week: SKYCITY and the Host Responsibility Team have, and continue to provide support to local Gambling Help Services. This is a state-wide program to raise awareness of gambling issues in the community and the help and support available. The Host Responsibility Manager is a member of the Gamblers Rehabilitation Fund Communications and Community Education Reference Group held Office of Problem Gambling.

Foreshadowed Initiatives

Case Management System

Foreshadowed changes include SKYCITY expanding the Host Responsibility Case Management system to develop individual 'Customer Care Plans'

Signage

The SA Government is about to conduct a review of signage in licensed gaming venues.

TASMANIA - Wrest Point and Country Club Tasmania

TASMANIA - Wrest Point and Country Club Tasmania

Pre 1999

Formation of the Gambling Industry Group (GIG)

The Gambling Industry Group (GIG) was established in 1995 as the peak industry representative body to address the issues of responsible advertising, patron care and codes of conduct.

Senior representatives from all codes of the industry and relevant government departments meet on a bimonthly basis to develop cooperative strategies and codes of practice to enhance the efforts in responsible advertising and patron care.

Since inception, the Managing Director of The Federal Group, Mr. Greg D. Farrell has been the Chairman of the GIG. At present, membership comprises:

- | | |
|--|----------------------|
| • The Federal Group | Mr. Greg D. Farrell |
| • Mr. John Mortensen | |
| • TOTE | Mr. Mick Edwards |
| • Tattersalls | Mr. Tim Sloan |
| • Admirals Casinos | Mr. Michael Hackman |
| • Betfair | Mr. Peter Church |
| • Intralot Australia | Mr. Peter Baoustanos |
| • Australian Hotels Association (Tas Division) | Mr. Steven Old |
| • Registered Clubs of Tasmania | Mrs. Lyn Hedges |

Representatives of the Tasmanian Gaming Commission and Health Department attend as observers and provide advisory services.

- | | |
|-------------------------------|-------------------|
| • Tasmanian Gaming Commission | Ms. Wendy Sawford |
| • Health Department | Mr. Gavin Miller |

Since establishment, the GIG has been directly responsible for the implementation of many of the responsible gaming initiatives. The GIG continually monitors the impact of gambling in Tasmania and, where required, responds appropriately.

Training

Responsible Service of Gaming Training Program (1998 Version) is implemented.

Awareness

Brochures and player information are displayed at the cash desks, in hotel rooms and at KENO terminals. Details of counselling service providers are also on display on all EGMs, in toilets, are referenced on every advertising sign and in all media advertisements in print, on TV or radio.

2002 - 2003

Formation of Gambling Consultative Group

The Tasmanian Gambling Consultative Group (TGCG) was formed in April 2002 to encourage its representative membership to work together to address current issues relating to the impact of gambling in Tasmania. This organisation meets on a quarterly basis.

Membership of the TGCG is comprised of one appointee from each of the following organisations:

Gambling Codes:

- The Federal Group
- Tattersalls
- TOTE
- Betfair

Industry Peak Bodies:

- Registered Clubs of Tasmania
- The Australian Hotels Association (Tasmanian Division)

Government Funded Gambling Service Providers:

- Relationships Australia
- Anglicare Tasmania
- Gambling Helpline Tasmania

Government bodies responsible for Gambling Policy:

- Department of Treasury & Finance, Liquor & Gaming branch
- Department of Treasury & Finance, Intergovernmental and Financial Policy branch
- Department of Health and Human Services, Gambling Support Program
- Tasmanian Gaming Commission (ex-officio)

Peak Community Organisations with Involvement in Gambling issues:

- Tasmanian Council of Social Services (TasCOSS)
- Interchurch Gambling Task Force

The role of the TGCG is to:

- Improve knowledge of current directions and trends in policy and industry developments.
- Monitor and examine industry developments in gambling matters at a local, state, national and international level.
- Work towards a common understanding on matters relevant to the Tasmanian community on gambling, in order to promote the adoption of best practice by all stakeholders.
- Encourage and promote partnerships with the member organisations and their subsidiaries to develop effective communication systems on gambling matters
- Facilitate relations and cooperation between the government, the community sector and the business sector on gambling matters.
- As appropriate, act as a consultative body on matters with gambling impact.

Communication with Patrons

Federal Hotels developed an RSG Handbook and staff quiz, as well as developing Management Responsibilities Guidelines. This was to ensure that the language used in interactions with patrons was more user-friendly.

State-wide machine cap

As part of a new agreement with the Tasmanian Government, the Federal Group negotiated a state-wide cap of 3,680 machines. This effectively capped both casinos at their current trading levels.

2003 – 2004

Development and Implementation of Gambling Code of Practice and Advertising Code of Conduct

In 2004, the GIG developed and implemented The Gambling Code of Practice and The Advertising Code of Ethics.

Both industry codes outline the way in which the Tasmanian casinos undertake to conduct all aspects of gaming and promotion of that activity.

- Areas covered in the Code of Practice include:
- Compliance with all legislative requirements
- Payment of prizes, winnings and promotions
- Signage
- Customer comfort and services
- Hours of operation
- Patron care
- Provision of Responsible Gaming literature
- Self-exclusion
- Responsible service of gaming courses
- Service of alcohol
- Gambling on credit
- Compliance with the Code of Advertising Ethics
- Access to cash
- Community Support Levy
- Resolving complaints or concerns

The Code of Advertising Ethics applies to the communication activities of both Casinos, including advertising and promotion in all traditional media, in-venue point of sale, leaflets, displays and any other materials designed to inform the public.

Both industry codes are regularly reviewed and updated where required. The Gambling Code of Practice is prominently displayed throughout both casinos.

Payment of Winnings and Accumulated Credits above \$2,000

It is the practice of both casinos that any prizes or winnings of \$2,000 or more will be paid by cheque with at least \$500 in cash, unless the original wager is higher than \$2,000 (at the discretion of management).

Federal Hotels developed RSG Leaders Guide for Supervisors

This program was initiated by Wrest Point and ensured that entry-point managers were upgraded in their knowledge of RSG and how to administer the legislative requirements as managers. This program is regularly undertaken by managers and ensures a greater understanding of Responsible Service of Gaming policy at the management team level.

2004 – 2005

Federal Hotels developed a link between RSA to RSG for both Wrest Point and Country Club Tasmania

Patrons considered to be under the influence of alcohol were not permitted to conduct gaming. This was in line with escalating responsibility of RSA meant more patrons were prohibited from gaming as a dual focus with alcohol.

Updated handbook in regards to RSG

Further regular updates ensured that the language and approach of our staff remained in line with current trends and research findings.

RSG program updated

Both Casinos were very active in developing the self-exclusion and third party exclusion process in concert with the AHA. This led to better record keeping, improved communication and therefore improved identification of excluded patrons.

2006 – 2007

Introduction of new RSG training policy, Tasmanian Gaming Commission initiative

Both casinos embraced the changes and ensured that all training programs supported the new RSG developments.

Foreshadowed Initiatives

Financial Transactions

ATMs are located off the main casino gaming floor. New regulations will require ATMs to be located 20 meters from the entrance to gaming areas. No signage will be permitted and ATMs will need to be out of the line of sight of customers in the gaming areas.

Participation and support of Gambling Awareness Week

This was an initiative introduced by the Tasmanian Gaming Commission and supported by both casinos. This week-long awareness program includes display and distribution of collateral featuring messages educating on problem gambling.

On behalf of the industry, Federal Hotels distribute the material to all gaming venues. In addition, Federal Hotels makes training room facilities available to staff from the Department of Health and Human Services (DHHS) for staff training information sessions. Federal Hotels also assist the DHHS with the design and production of material and a company representative regularly attends quarterly meetings with the Department.

¹ under section 41A of the Casino Act 1997

² Under section 4.5

³ For example in publications by South Australia's Independent Gambling Authority and on display in Sky City Adelaide. Also the publication on the VCGR website

GamblingCompliance

Gaming Markets in Focus: Canada, USA and South Africa

GamblingCompliance Research Team

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Gamblingcompliance is an impartial provider of legal and market analysis for the global gaming industry, consisting of a renowned team of lawyers and journalists with experience across multiple jurisdictions.

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Executive Summary

Gambling Compliance Ltd has been engaged by the Australasian Casino Association to provide a report examining the regulatory frameworks for gaming in Canada, the United States and South Africa as part of its submission to the Productivity Commission's inquiry into Australia's gambling industries. Whilst all share similarities with Australia, there are many differences in the ways these jurisdictions deal with gaming regulation and player protection.

Main Points

The main points to be considered when comparing these jurisdictions to Australia are as follows:

- **Amongst mature jurisdictions, Australia leads the way.** The implementation of harm minimisation measures in, and regulation of, Australian casinos exceeds casinos in operation in Canada, the US, and South Africa.
- **Different regulations in convenience locations.** Much of the player protection literature focuses on the potential harm of placing machines in convenience locations. In Canada the US, and South Africa, regulators have tried to mitigate this harm by adapting machine features and technical standards to reduce problem gambling behaviour.
- **More emphasis on harm minimisation in convenience locations** Harm minimisation measures in Canada and South Africa focus predominantly on gaming machines located in convenience locations.
- **More consistent approach in Australia.** Harm minimisation approaches across Australian states are broadly consistent. This contrasts with Canada where the application of harm minimisation varies greatly from province to province.
- **Canada a public sector market.** Canadian casinos and other EGM locations are predominantly operated and regulated by the public sector while Australian, US and South African operations have high private sector involvement with state regulation.

Canada

Canada is often perceived as being at the forefront of the player-protection-based approach to gaming regulation. The most notable feature of harm minimisation strategies in Canada is that they tend to target video lottery terminals (VLTs) rather than slot machines in casinos.

There are two distinct types of EGM in Canada. They are:

1. Low-stake, video-screen terminals located predominantly in pubs and restaurants called VLTs; and
2. Slot machines located in casinos and racinos.

Of the 91,000 EGMs in Canada, approximately 40 percent are VLTs. The remainder are slot machines.

Much of the player protection literature in Canada focuses on the potential harm of placing machines in convenience locations. Regulators have tried to mitigate this harm by adapting machine features and technical standards to reduce problem gambling behaviour.

Most Canadian provinces impose a maximum bet and win restriction on VLTs, but these limits do not apply to gaming machines in destination venues such as casinos. In some provinces, VLTs also have some additional machine-based features designed to enhance player protection.

Canadian harm minimisation initiatives rarely focus on venue features. There are few restrictions on ATMs in venues or note acceptors on gaming machines. Clocks or natural lighting are not required across all provinces and there are fewer restrictions on cheque cashing or credit extension policies in venues.

United States

In the US regulatory approaches to problem gambling tend to focus on the treatment of problem gamblers rather than preventative player protection measures. This approach emphasises individual choice and responsibility and restricts the notion of 'protecting' an adult patron to regulations preventing misleading or unfair gaming products or promotions. The state does impose more restrictive measures to prevent minors from participating in gaming.

Unlike Australia, the US has few player protection measures that involve the adaptation of venue features or gaming machine technical standards. There are no built-in player protection measures in gaming machines in the US.

State regulators tend to focus restrictive measures on preventing or limiting community access to gaming machines by limiting the type of facility or the geographical area where machines are operated. Player protection is, therefore, implemented through the control of operator licensing.

The problem gambling regulatory framework focuses on assisting patrons to access counselling services or to implement a self-exclusion ban. Gaming operators are required to display information at venues on problem gambling, including the 1800 number for the state counselling service. Measures implemented by commercial casinos in the US are generally less comprehensive than those used in Canada or Australia and rely on the proactive actions of those who recognise that they may have a problem with gambling.

The US has VLTs which are operated by state-run gaming companies and controlled by state lottery commissions and are operated outside of casinos and subject to a different regulatory system.

South Africa

In South Africa the regulatory approaches to problem gambling tend to focus on self exclusion schemes, protection of minors, credit restrictions and advertising controls. All of these measures are adopted by casinos which account for the vast majority (84.3 percent) of the gaming market.

South Africa has only recently legislated to allow EGMs in licensed venues outside of casinos. These are known as Limited Payout Machines (LPMs) and are generally located in licensed bars or clubs. South Africa takes a different harm minimisation approach to its limited payout machines (LPMs) than to gaming machines in casinos.

EGMs in casinos are generally based on Gaming Laboratories International (GLI) standards or technical specifications established for the US states of Nevada and New Jersey, none of which contain in-built player protection measures.

In contrast, LPMs are equipped with maximum bet and prize limits, similar to the approach taken for video lottery terminals (VLTs) in Canada. LPMs are also subject to caps, which set maximum numbers of machines per province and venue.

Additional player protection measures are imposed on LPM venues, which do not apply to casinos. ATMs are allowed in casino complexes although not on the gaming floor. By contrast, LPM operators are prohibited from cashing cheques and no ATMs are allowed in venues or to visible from them.

Unlike Australia, Canada and the US, regulatory oversight of gambling in South Africa is shared between national and provincial bodies. Under this regulatory structure, harm minimisation efforts are generally co-ordinated at the national level through the National Gambling Board.

Chapter 1: Canada

Background

Factoring in provincial lotteries, casinos and horse racing, the gaming industry in Canada creates annual revenues of C\$15bn (A\$18bn). Video lottery terminals account for nearly a quarter of this total revenue.

Until it was legalised, gaming regulation in Canada fell under the jurisdiction of the federal government as an illegal activity prohibited by the Criminal Code of Canada. The Canadian constitution divides the powers of government between the provinces and the federal government. The federal parliament has the power to make law related to the "criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters".¹

It was through this authority that parliament created and can amend the Criminal Code. An amendment to the code by the federal government in 1969 effectively created provincial jurisdiction over organised gaming.

Every province in Canada has legalised gambling, mostly by creating large-scale lottery operations. But some have also expanded the authority bestowed by the Criminal Code to include a substantial casino presence, authorising the installation of thousands of video lottery terminals (VLTs) in bars and restaurants. These provinces are Alberta, British Columbia, Quebec, Ontario and Nova Scotia.

Federal Regulation

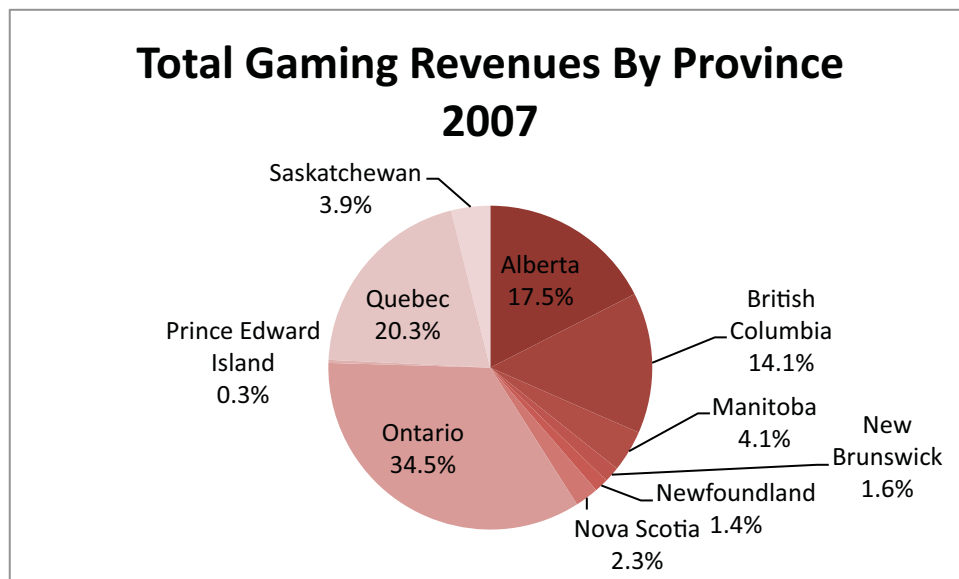
The federal government is not involved in gaming regulation and supervision in Canada, but the Federal Ministry of Health provides limited funding and resources to problem gambling initiatives. This was a decision taken in the 1980s by the federal government in order to allow provinces to expand lottery activities and spend large amounts of money on infrastructure without fear of future competition from the federal government.

The federal government is involved in the prevention of money laundering. New money laundering rules were implemented by the Canadian government after global money laundering watchdog, the Financial Action Task Force (FATF) evaluated Canada's anti-money laundering regime under the Proceeds of Crime and Terrorist Financing Act. The act's amendments give more instructions on how casinos should enforce their money laundering policies and what IT systems are required to be in compliance with the act.

Online gambling is illegal under the Criminal Code of Canada, except for intra-provincial online lottery ticket sales.

Provincial Regulation

As can be seen by the chart below the largest provinces in relation to gaming revenues are Ontario, Quebec, Alberta and British Columbia. Interestingly Nova Scotia, the province which is often seen as a Canadian leader in harm minimisation strategy only constitutes 2.3 percent of the overall market.



Source: Statistics Canada 2008 Perspectives

Alberta

The first permanent casino in Alberta opened in Calgary in 1980. Cash Casino is still open today, but now competes with 18 other casinos in the province. Alberta follows a model of charitable gaming where only registered non-profit organisations can be issued a casino license. Of the C\$150m (A\$185m) in house wins in 2005-2006, only C\$51m was returned to these charities after casino operators and other intermediaries such as advisors and trustees took their share of the proceeds.

Gambling activities in Alberta are mainly governed by the Criminal Code of Canada, the Gaming and Liquor Act² and the Gaming and Liquor Regulation.³

One of the world's foremost centres for the study of problem gambling is the Alberta Gaming Research Institute (AGRI),⁴ which has funded over 50 major research projects since 2000. Its primary mission is to promote gambling-related research in Alberta with researchers based in the province's three universities.

One of the main policy initiatives of the Alberta government regarding problem gambling was to open responsible gambling information centres (RGICs) in a number of casinos in the province. These centres have on-site consultants who advise visitors about the potential harms associated with excessive gambling and point them to the right resources if they choose to seek help. Other actions by the government include the requirement to move ATMs at least 15 feet away from VLTs and the installation of pop-up messages on these machines to remind players every 30 minutes of how long they have been playing. A cap on the number of VLTs was introduced in 1994 and has been strictly enforced.

The government initiated a gaming policy licensing review in 2001.⁵ This has resulted in a 17% reduction in the number of gaming locations and prompted the replacement of all 6,000 VLTs in 2004 with new devices.

British Columbia

Permanent land-based casinos were legalised in British Columbia in 1987. Some 10 years later, the state owned British Columbia Lottery Corporation (BCLC) was tasked to manage and oversee casinos whose daily operations are undertaken by private companies. Before BCLC assumed responsibility for casinos, they were operated as charity enterprises.

Casino gambling operations in BC are limited to 17 commercial venues. These venues are divided into two different types. The three so-called 'destination' casinos are resort-style venues in remote locations, while the other 14 'community' casinos are located in urban areas. Some 10 percent of the community casinos' profits are given to the local authority, while the provincial government and the private operator share the rest. One-sixth of the net profits from a destination casino is given to the local jurisdiction in which it is located.

British Columbia casinos had combined revenues of C\$1.3bn (A\$1.6bn) for the fiscal year 2008. Community casinos had revenues of C\$1.22bn (A\$1.5bn), while the other C\$104m (A\$128m) came from destination casinos.⁶

The Gaming Policy and Enforcement Branch (GPEB), a segment of the BC Ministry of Public Safety and Solicitor General, regulates and supervises all gambling activity in BC. It has divided its functions into five categories relating to registration, audit and compliance, investigations, public interest standards and administrative sanctions.

All operators require a registration licence, which may be granted after investigations and credit checks are made. The registration division is also responsible for administering electronic gaming and implementing equipment certification.

The BC government has a strict gaming enforcement policy and inspectors are sent regularly to ensure compliance with problem gambling measures. As a result of random inspections in 2007, two-thirds of the British Columbia casinos inspected were found in violation of rules designed to reduce gambling addiction. The main violation was a clear lack of signs and brochures advertising gambling addiction programmes and the government's gambling helpline. These are requirements of the 2002 Gaming Control Act and part of the provincial government's responsibility.⁷

The enforcement branch has also intervened in some casinos in order to address problems in the enforcement of self-exclusion programs.⁸ The Holiday Inn Casino was guilty of sending self-exclusion forms directly to BC Lottery Corp before circulating them to its own security staff, which meant that it took at least one week for a gambler to successfully self-exclude from the property.

Manitoba

Since the first casino opened in the province's capital Winnipeg in 1989, Manitoba has seen the development of another five casino facilities spread throughout the province. Four of the six casinos operate seasonally.

The Manitoba Lottery Corporation (MLC) is a state-owned organisation in charge of operating all gambling activity in the province. It is bound by provincial legislation to set aside the majority of its net income for social and cultural initiatives. MLC made a net profit of C\$296m (A\$365m) in between 2007 and 2008, of which nearly C\$50m (A\$62m) was derived from its two casino facilities in Winnipeg.⁹

All gaming and gambling activity is licensed, regulated and supervised by the Manitoba Gaming Control Commission (MGCC). The Gaming Control Act 1997 outlines the MGCC's responsibilities and requirements. On April 15, 2005, the Gaming Control Amendment Act came into force and has been consolidated as the new Gaming Control Act. In accordance with the 2005 amendment to the act, a new registration procedure was introduced which required the registration of MLC, the Aseneshkak Casino, the South Beach Casino, video lottery terminal operators and all gaming product suppliers. All casinos in the First Nations' territories are registered with MGCC.

The MGCC has the juridical authority to issue orders in relation to supplier, patron and technical compliance disputes.

Manitoba is one of three Canadian provinces where facial-recognition software is used in order to identify and apprehend self-excluded gamblers in its casinos.

New Brunswick

New Brunswick is one of only two Canadian provinces without licensed casino gambling, although in November 2007 the government announced plans to introduce a casino by 2010. The provincial government intends to install the province's first casino in order to revive its flagging tourist industry. The province issued a request for proposals for a single casino which the government hopes will be in operation by 2010. The news means that Newfoundland will shortly become the only Canadian province without casino gambling.

The gambling facility will be built exclusively with private money, but the government expects to take a 50 percent cut of profits, estimated to be C\$25m in the first year, which will be redirected to health-care and education programmes. The casino will be equipped with between 400 and 800 slot machines and, under recently announced government plans, will face less competition from video lottery terminals located elsewhere in the province. The Elsipogtog First Nation announced in 2007 that it was considering building a casino without provincial approval in order to provide funding for the province's 15 Indian tribes.

New Brunswick does not have casinos so problem gambling in that jurisdiction is mostly limited to gamblers who have developed an addiction to video lottery terminals (VLTs).

The province was the first Canadian jurisdiction to legalise VLTs in 1989 and then later held a province-wide referendum in 2001 on a proposed ban of VLT gambling, following public concerns over problem gambling. Results show that 53 per cent of people voted in favour of keeping the VLTs, while 47 per cent were opposed. The winning side needs a majority vote.

The government plans to half the number of places currently permitted to house VLTs. Overall, 650 of the province's existing 2,650 VLTs will be phased out, including all of those currently installed in restaurants. Legion halls will however be permitted to keep their existing machines.

Finance Minister Victor Boudreau said in November 2007 that the decision to reduce the number of machines was the first step in a comprehensive new gaming policy that would also require employees of businesses with VLTs to undergo mandatory training to help them spot potential problem gamblers. The provincial government also announced that it would double to C\$1.5m (A\$1.8m) the amount of funding that goes towards treating gambling addiction and public awareness programs.

Newfoundland

Newfoundland is one of two Canadian provinces without a casino and unlike New Brunswick there are no plans to open one. However, video lottery terminals (VLTs) were introduced into Newfoundland in 1991 and their installation was limited solely to licensed age-controlled establishments (bars). This differs from other Atlantic provinces which permitted the installation of VLTs in other public venues such as stores and restaurants.

The 1996 provincial election provoked a debate on gambling that didn't result in a referendum like in other provinces, but as a result, new VLT regulations were passed limiting the number of machines to five per licensed site. A promise was to give 1 percent of VLT revenues to problem gambling bodies was also signed into an agreement in 1996.

Despite the machine number restriction, some owners with multiple licenses and big venues have managed to keep more than five licenses by putting up dividing walls or installing the machines on different floors, a situation which has also occurred in Quebec. The total number of machine in the province was then brought to about 2,700 in 600 locations. The numbers have remained stable ever since. It should be note that given the province population of 500,000, this gives a per capita ration of one VLT for 193 inhabitants, which is high compared to the Canadian average of one VLT per 300.

Nova Scotia

The Nova Scotia Gaming Control Commission (NSGCC) was established in April 1995 as a result of the introduction of the Gaming Control Act.¹⁰ Now known as the Alcohol and Gaming Division (AGD), the AGD has two mandates under the Gaming Control Act. The first is to conduct the licensing and regulate the gambling industry in Nova Scotia. Its second task is to monitor the effects of gambling in Nova Scotia through studies and market observation.

Nova Scotia's two casinos in Halifax and Sydney are called Casino Nova Scotia or CNS. CNS Halifax opened its doors in June 1995. At first, the casino was based in a temporary location in the Sheraton Hotel Halifax.

In April 2000, a new facility, built at a cost of over C\$100m (A\$123m), was opened in the Halifax harbour. Originally operated by Las Vegas-based Caesars Entertainment, the casino was a full-service gaming facility with 750 slot machines and 40 table games, along with three restaurants, a bar and conference facilities. CNS Sydney is also a full-service gaming facility, with 387 slot machines, 11 table games, a restaurant and a bar, but no accommodation.

Caesars Entertainment sold its interest in the two Nova Scotia casinos (held through a subsidiary called Metropolitan Entertainment Group) in 2005. Great Canadian Gaming, a corporation based in British Columbia and listed on the Toronto exchange, bought the two venues for approximately US\$70m.

The sale of the properties allowed Nova Scotia Gaming Corporation to renegotiate the operating agreement with GCGC to bring it in line with the new gaming policy adopted by the government at the time. The new agreement resulted in the government getting a bigger share of casino revenues.

The casinos had combined gaming revenues of C\$94m (A\$115m) in fiscal 2008 – C\$73m (A\$90m) in Halifax and C\$21 (A\$26m) in Sydney¹¹.

VLT opposition in the province is the strongest in the country with sites such as gameovervlt.com containing petitions signed by thousands of Nova Scotians demanding the withdrawal of all VLTs from the province. The Nova Scotia government also agreed in 2007 to sweeping recommendations from the province's ombudsman over the identification of problem gamblers in casinos. The ombudsman's report found casino staff rarely removed people who appeared addicted to gambling, as is required by law.¹²

The provincial labour department's alcohol and gaming division (AGD), which regulates the casinos in Sydney and Halifax, said immediately after publication of the report that it would implement the recommendations.

The ombudsman's recommendations call on the province to ensure casinos have proper policies in place, including a regularly updated "comprehensive training program" to help staff identify apparent problem gamblers.

According to the ombudsman, there were just eight cases of people being excluded from the province's two casinos after staff raised concerns about their behaviour between December 2000 and February 2007. Another 181 cases were mostly related to self exclusion. The report found the system placed far too much reliance of self exclusion.

"In our view, there needs to be more emphasis placed on the requirement of identifying individuals who appear to be addicted to gambling," the report concludes.

The Nova Scotia government adopted a number of measures, some of them pre-dating the publication of the ombudsman's report, aimed at reducing problem gambling. VLT hours of operation were reduced by eliminating the midnight-to-close timeframe. In addition, the games

were slowed by 30 percent and the 'stop button' feature was disabled on all VLTs in Nova Scotia, while 1,000 VLTs are being removed from retail locations across the province.

In 2005 and 2006, another measure, known as the responsible gaming device (RGD) went into testing in Nova Scotia. The device attaches to VLTs and requires the insertion of a player's card in order to play. Over 50 VLT machines were tested to see if the device has an impact on player responsibility. The RGD allows players to track their VLT play through the ability to access information about the amount of money spent and time played, and also lets them set limits and exclude themselves from play.

Ontario

In 1993, the government of Ontario enacted the Ontario Casino Corporation Act, which was adopted after much debate and strong opposition to the project. Legislators took almost a year to draft and redraft what would become the casino operating policy for the province.

The regulator, known as the Alcohol and Gaming Commission of Ontario (AGCO) was established by the government in 1998 under the Alcohol and Gaming Regulation and Public Protection Act of 1996. This act transferred responsibility for the Liquor Licence Act and the Gaming Control Act to AGCO.

AGCO reports to the Ministry of Government Services and is responsible for enforcing the Gaming Control Act, 1992 (GCA)¹³ and Charity Lottery Licensing Order-in-Council 2688/93.¹⁴ The GCA contains requirements for the registration of individuals and businesses supplying goods and services to casinos, charity casinos and slot machine facilities at racetracks. In the early 1990s, the government identified the city of Windsor, close to the US city of Detroit, as the host for the province's first pilot commercial casino. The temporary venue was housed on the site of the former art gallery of Windsor. After the gallery was refitted to house the temporary Casino Windsor, the venture proved an immediate success and the authorities decided to build a large casino and hotel on the site – Caesars Windsor Hotel & Casino.

Two more casinos opened in 1996. The first was the Casino Rama in central Ontario. Located on Chippewa Indians' reservation land, it is owned by the community, but operated by the Ontario Lottery and Gaming Corporation (OLG), in a joint venture with US-based Penn National Gaming. Casino Rama was the first permanent Indian casino in Canada. Casino Niagara opened later in 1996 on the site of a former amusement park close to the Niagara Falls, which is a popular tourist attraction with over 10m visitors each year.

In June 1998, the OLG began operating charity casinos in Sault Ste. Marie, Thunder Bay, Point Edward and Brantford. The charity casino concept was established in order to fund a welfare fund, the Trillium Foundation, as well as return some of the proceeds directly to the local communities where they are established. Fallsview Casino Resort opened at Niagara Falls in 2004. This C\$1bn (A\$1.2bn) resort was built on the site of an old electric station building of the Ontario Power Company, at the foot of Horseshoe Falls.

In fiscal 2008, Ontario's four resort casinos had revenues of C\$1.4bn (A\$1.7bn), received a daily average of 51,244 visitors and had a total of 407 tables and 9,960 Las Vegas-style slot machines.¹⁵ The province's 23 racinos and large slot halls had combined revenues of C\$2.1bn (A\$2.6bn), handled 63,946 visitors daily and offered 13,039 slot machines and VLTs and 139 gaming tables.¹⁶

Prince Edward Island

Prince Edward Island is Canada's smallest province in size and population. In 2006, Prince Edward Island was home to 379 video lottery terminal (VLTs) outside casinos at 81 separate locations, and 225 machines at the Charlottetown Driving Park and Entertainment Centre. The total number of machines (604) combined with the province's population of 130,000 meant that the province had a ratio of one machine per 215 inhabitants. This is behind Newfoundland with one machine per 155 inhabitants.

As part of an official gambling policy announced by the provincial government in October 2008, it said it would reduce the number of VLT outlets on Prince Edward Island by 50 percent. The number of permitted VLT outlets in the province is set to be reduced to only 43 by 2010.

A strategic report by the government states that despite its problem gambling rate being in line with problem gambling prevalence rates elsewhere in Canada, the province had to mitigate any problem gambling risks associated with VLTs given the high per capita presence of machines.¹⁷ In a move to enhance the province's responsible gambling strategy, the government will introduce legislation in 2009 to raise the minimum age to buy lottery products from 18 to 19. It has also pledged to establish a 24-hour gambling addiction helpline and a full-time gambling addiction advisory council, which are measures adopted in all other Canadian provinces.

Quebec

Gambling in Quebec is practiced under the supervision of the Regie des Alcools, des Courses et des Jeux (RACJ), while gaming activities are operated by state corporation Loto-Quebec. The RACJ is an amalgamation of previous liquor, gaming and racing boards. While its official mandate is "governing and supervising all activities related to gambling in *Québec*", its role is now mostly limited to machine testing and issuance of small-take charity bingo permits. It is also tasked with issuing permits to operate video lottery terminals (VLTs) in bars although there is a temporary ban on these permits.

Loto-Quebec differs from most other national lottery operators in that it does not only run draws, but also controls the operation of three casinos, supervises VLTs, bingos and sports betting. With over 7,000 employees, it is one of the largest gaming corporations in the world. Loto-Quebec posted revenues of C\$3.8bn (A\$4.7bn) in 2007, with profits at C\$2.3bn (A\$2.8bn). Its 100 percent shareholder is the government of *Quebec*, under the administration of the president of the treasury board.

There are two main legislative instruments in the field of gambling in *Quebec*. The first one is the Act Respecting Lotteries, Publicity Contests and Amusement Machines.¹⁸ Large portions of this have been repealed, but it still contains the powers and functions of the Regie des Alcools des Courses et des Jeux (RACJ). The RACJ is the regulatory board for liquor, racing and gaming. The other main law, the Act Respecting the Société des Loteries,¹⁹ regulates Loto-Quebec, the state's monopoly gaming operator.

The Casino de Montreal is Canada's largest and most profitable. It has an area of 526,000 square feet, with 3,200 slot machines and 115 gaming tables. Despite its impressive size and revenues, the Quebec government has hinted at relocating the casino and build a more sizable one as a replacement. The current casino is housed in a building originally used as the French and Quebec pavilions in the 1967 Montreal Expo (World's Fair).

The Casino du Lac-Leamy (previously known as Casino de Hull) is located in the city of Gatineau, near Ottawa. With 64 gaming tables and 1,870 slot machines, it is Quebec's second-largest casino. In 2007, revenues were C\$201m (C\$247m) - down 3.9 percent on the previous year.

The Casino de Charlevoix is a part of a European-style resort 100 miles east of Quebec City. With 20 gaming tables and 800 slot machines, it is Quebec's smallest casino. Its annual revenues are nearly C\$50m (A\$62m) and it attracts 1m visitors per year. It is suggested that the casino is too far from Quebec City to fully realise potential revenues and that a new casino should be built within the Quebec City limits. With 9m visitors a year, Quebec City is the biggest tourist destination in Canada and talk of a downtown casino has been ongoing since one opened in Montreal.

For the fiscal year ending March 31' 2008, Quebec's three casinos had combined revenues of C\$790m (A\$970m), up 4.2 percent on the previous year.²⁰ The Montreal Casino increased its

revenues by 5.2 percent to C\$532.6m (A\$653.6m), and the Lake Leamy casino saw a 3.4 percent rise to C\$208.8m (A\$256.2m). The Charlevoix casino saw a 1.8 percent decrease in revenues to C\$49m.

Quebec has the problem gambling research institute, the Centre Quebecois d'Excellence pour la Prevention et le Traitement du Jeu (CQEPTJ) based at the Université Laval. The CQEPTJ has a number of contracts with state operator Loto-Quebec and the Quebec Health Ministry for conducting prevalence studies and implementing problem gambling prevention measures.

Loto-Quebec's Mise Sur Toi ('bet on yourself') foundation has an extensive presence everywhere that Loto-Quebec products are on offer. The foundation regularly commissions TV and print advertisements to raise awareness about the resources available to problem gamblers.

Saskatchewan

The province of Saskatchewan has less than a million residents and an active gaming and gambling industry with eight casinos and a unique racino facility. The Saskatchewan Gaming Corporation (SGC) was established under the Saskatchewan Gaming Corporation Act²¹ with the intention of creating a partnership between the Federation of Saskatchewan Indian Nations (FSIN) and provincial authorities.

The SGC runs two casino properties: Casino Regina and Casino Moose Jaw. These two casinos operate under the regulatory authority and supervision of the Saskatchewan Liquor and Gaming Authority (SLGA). In fiscal 2008, combined revenues for the two SGC casinos were C\$128.7m (A\$158m)²², of which C\$104.1m (A\$128m) were from slot machines and C\$10.4m (A\$12.8m) from table games.

The average daily attendance for Casino Regina was 6,639 and Casino Moose Jaw averaged 1,588 per day. There is no casino in the province largest city, Saskatoon, after residents rejected the idea by a margin of 73 percent in 1994.

The SLGA is the responsible regulator and supervisor for all gaming and gambling activity in Saskatchewan. The authority has branches relating to horse racing, casino and electronic gaming, video lottery terminals (VLTs) and charitable gaming event. It owns and manages all VLTs or networked video slot machines) and owns and manages the slot machines at six casinos operated by the Saskatchewan Indian Gaming Authority (SIGA).

SIGA was created in 1995 with the intention to create revenue sources and provide employment for the province's aboriginal population by opening casinos in other parts of the province where the SGC had no casino presence. For example, SIGA has opened a large casino on a reserve just outside of Saskatoon, benefiting from the lack of casinos in the city.

Responsible gambling measures in Saskatchewan include:

1. The provincial health ministry has mandated the Canadian Mental Health Association (CMHA) in Saskatchewan, through its problem gambling community program to deliver the public education and community development components of the province's problem gambling program.
2. the Saskatchewan Gaming and Liquor Authority funds the operation of a 24-hour helpline for problem gamblers and enforces government policy, which requires staff training on problem gambling awareness.
3. Saskatchewan Gaming Corporation funds and manages a responsible gaming information centre located on the gaming floor of Casino Regina.

Video Lottery Terminals

In Canada, video lottery terminals (VLTs) are described as non-progressive gaming machines found in age-restricted venues such as bars and fraternal halls. VLTs account for nearly a quarter of the total gaming revenues in Canada.

There are around 38,000 VLT devices²³ in the country, accounting for over 40 percent of all gaming machines (91,000) in Canada according to the latest 'World Count of Gaming Machines'.²⁴ The other machines in Canada are casino and racino slot machines. There are 22,000 in Ontario and over 6,000 in British Columbia. All provinces now require that VLT venues are establishments with liquor licences.

According to a 2006 study by the Canadian Gaming Association, VLT gaming has returned almost C\$20bn (A\$25bn) to provincial governments since it began in the early 1990s.²⁵ Prior to that, VLTs and slot machines had been introduced to bars and restaurants by organised crime organisations such as the Sicilian Mafia and the Hells Angels biker gang who were operating thousands of terminals in the country.

By legalising the machines and putting them under the umbrella of the provincial regulator, the provincial governments stamped out the illegal trade within a few years. Bar owners were given amnesty if they relinquished illegal devices and replaced them with government-issued units. Gamblers quickly switched to the new machines, as they were more modern and had a better payout rate set by the government.

Video lottery terminals in Canada are operated by state-owned lottery corporations. In some cases these corporations have formed regional entities in order to reduce costs by pooling personnel and purchasing power. For example, Nova Scotia, Newfoundland, New Brunswick and Prince Edward Island formed the Atlantic Lottery Corporation (ALC). The ALC has a mandate to operate both ticket and video lottery programs in the province, as the company acts as an agent of the provincial government. The ALC started its operation to follow up on the 1976 federal Olympic Lottery's success. Its first game was called A-1. It cost C\$5 (A\$6) to participate in a fortnightly draw for a top prize of C\$50,000 (A\$62,000). The game was an immediate success and continued for four years.

The ALC maintains a different VLT payout rate in each of the four provinces in which it offers machine gaming. For example, all machines in Prince Edward Island are set to return 93 percent, while in New Brunswick and Nova Scotia some machines give a greater payout of 95 percent. Alberta's 6,000 VLTs are operated by the Alberta Gaming and Liquor Commission, which is also the province's casino regulatory authority.

In Manitoba, VLTs are operated by the Manitoba Lottery Corporation and regulated by the Manitoba Gaming Control Commission. The two are separate entities following a 1995 Lottery Policy Review Working Group report, recommending that regulatory and operational responsibilities be held by two independent organisations to avoid any perception of conflict.

Saskatchewan has two distinct gaming entities, but the Crown Corporation (the Saskatchewan Gaming Corporation) does not own or operate VLTs. That role is played by the regulator, the Saskatchewan Gaming and Liquor Authority (SGLA). This approach is also followed in Quebec, where the machines are owned and operated by Loto-Quebec, but the permits for VLT venues are issued by the regulator Regie des Alcools, des Courses et de Jeux (RACJ).

A comprehensive, 58-page study of VLT gaming in Canada performed by HLT Advisory was published by the Canadian Gaming Association in 2006²⁶. The report's key findings were that VLT gaming in Canada is well regulated and operated by provincial governments. The study also demonstrates that Canadian VLT regulations are strict and provide a high degree of public accountability.

VLTs in Canada are linked to the state lottery operator's network in order to monitor activity or remotely switch the machines on and off, according to bar opening hours. Responsible gaming

features and stake/payout limits are stronger in VLTs than in casino slot machines, which can have high stakes, progressive jackpots and only a helpline sticker as a responsible gambling feature.

The eight provinces in Canada that operate VLT programs have all adopted specific regulations for their operation. These are the provinces of New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Manitoba, Alberta, Saskatchewan, and Quebec. Ontario and British Columbia do not permit VLT gaming, but do support rapid expansion of other slot machine at racetrack facilities. There was talk of VLT legalisation in Ontario in 2000 but public opposition in the form of petitions forced the government to back down.²⁷

Since their implementation the 1990s the number of VLTs and their impact on communities has been subject to much public debate, resulting in policy actions in a number of provinces in order to reduce the presence of machines. In Nova Scotia, the government plans to halve the number of places currently permitted to house VLTs. Overall, 650 of the province's existing 2,650 VLTs will be phased out by 2010, including all of those currently installed in restaurants. Legion halls will, however, be permitted to keep their existing machines.

Harm Minimisation Trends in Canada

The harm minimisation strategies in Canada differ significantly across provinces. Provinces such as Alberta, Nova Scotia and Quebec are leading jurisdictions in terms of problem gambling research and have adapted new technology designed to reduce harmful gambling behaviour. Almost all provinces have adapted their machines to issue prizes by ticket rather than by dispensing coins. Casino slot machines tend to use a TITO system (ticket in, ticket out).

The most notable feature of the harm minimisation strategy in Canada is that player protection features focus largely on VLTs located outside of casinos. Much of the player protection literature in Canada has focused on adapting machine features to mitigate the potential harm of allowing greater accessibility to VLTs by placing them in local venues. This approach, which has been implemented in South Africa, is markedly different to the approach adopted in most Australian jurisdictions where national technical standards apply across all types of machines.

Most Canadian provinces impose a maximum bet and maximum win restriction on VLTs, generally a restricting bet to C\$2.50 and wins to either C\$500 or C\$1000. These limits do not apply to machines located in casinos. VLTs are also subject to additional machine-based features designed to enhance player protection in some provinces. The leading jurisdictions in this area are Nova Scotia, Quebec and Alberta which have all adapted their VLT machines to force interruptions in play after particular time periods elapse. Nova Scotia and Quebec have also slowed down the pace of their VLTs.

The focus of harm minimisation in Canada has tended to be modification of VLT features, with jurisdictions altering the technical standards to try to counter problem gambling behaviour. In contrast, Canadian harm minimisation initiatives rarely focus on the modification of venue features. There are few restrictions on ATMs in venues or note acceptors on machines. Clocks or natural lighting are not uniformly required across all provinces. There are also fewer restrictions on cheque cashing or credit extension policies of venues than Australia.

Problem Gambling

In order to cope with the social costs of implementing tens of thousands of video lottery terminals (VLTs) in the country, Canadian provinces had to establish programs and services to prevent and treat problem gambling. The Canadian Gaming Association mentions that in 2006, Canadian

provinces collectively spent C\$75m (A\$92m) on problem and responsible gambling programs²⁸. Of this, C\$63m (A\$78m) was spent on treatment and C\$12m (A\$15m) on problem gambling prevention.

This considerable amount of funding has led to the establishment of a number of research centres, which all have their own prevention and treatment initiatives, and finance major scientific studies. The latest nationwide prevalence study²⁹ for Canada shows a problem gambling prevalence rate of 0.5 percent, while 1.5 percent were moderate risk gamblers and a further 2.8 percent were at low risk. The study had a very large sample size of 25,000 participants.

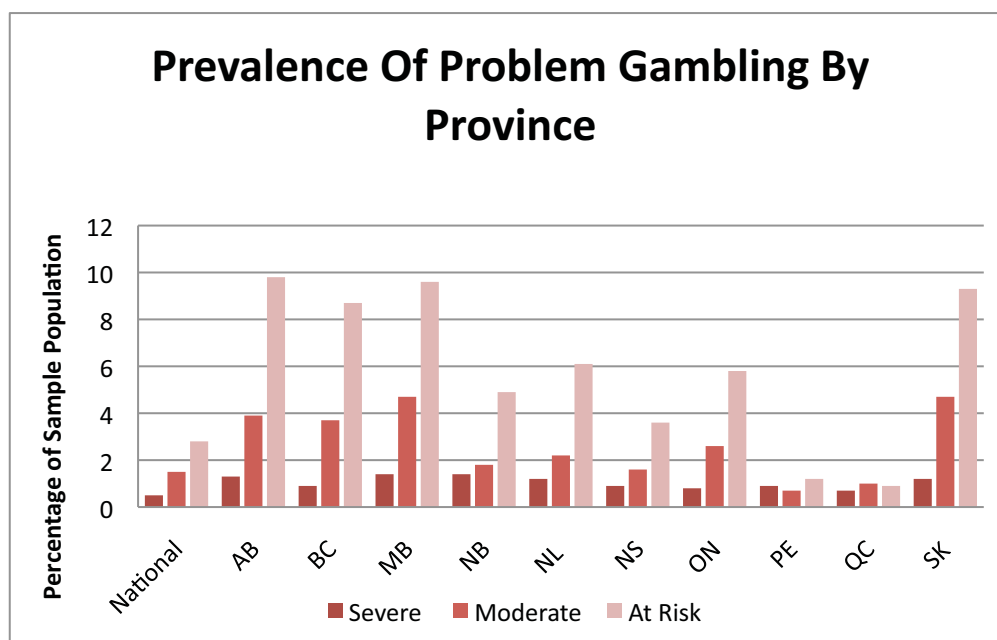
A previous nationwide prevalence study³⁰ published in 2000 showed similar results. Using the test known as the Canadian Problem Gambling Index, the authors found that 2.4 percent of Canadians were moderate problem gamblers and 0.9 percent had severe gambling problems.

Applying a different test to the data, the South Oaks Gambling Screen (SOGS) revealed that the percentage of at-risk gamblers stood at 1.3 percent, while another 1.3 percent could be classified as probable pathological gamblers. It should be noted that the 2000 study had a much smaller population sample size of 3,120 subjects.

Federal Involvement

The federal government has remained largely uninvolved in problem gambling issues, leaving provinces to address the issue and pay for the preventive and treatment measures out of their considerable gaming revenues. There have been calls for the Federal Ministry of Health to become involved in the issue of gambling in the same way that it has aggressively pursued alcohol, drugs, pharmaceuticals and tobacco awareness campaigns since the early 1990s.

It was one of the final recommendations of the Canada West Foundation's 'Gambling in Canada Project'³¹ that the country implement immediate national cross-linkage mechanisms to favour collaboration between public health systems and chief medical officers of health.



Source: GamblingCompliance

Chapter 2: United States

Background

The US is the biggest gambling market in the world and arguably the most significant, worth more than US\$90bn in revenues annually according to the American Gaming Association. Subject to a high number of restrictions and prohibitions, the US gambling market is regulated by a multi-tier structure, with gambling operations complying with federal, state and, where applicable, tribal laws.

Societal standards and laws related to gambling in the US have tended to switch back and forth from prohibition to regulation. Despite having generally strict oversight and regulation of gambling activities there is relatively little focus on harm minimisation measures with greater emphasis on treatment of problem gambling.

Federal Regulation

Each of the 50 US states have the power and authority to legalise any form of gambling they see fit. According to the 10th Amendment of the United States Constitution, powers not specifically delegated to the federal government by the Constitution are left to the states. For this reason, legalised gambling is subject to the laws of individual states.

However, some aspects of gambling activities are regulated from a federal perspective. The first important issue is cross-border and interstate gambling. The Constitution authorises Congress to regulate commerce among the states. From 1961, Congress passed several laws aimed at eradicating illegal gambling activities across state lines. These include the following:

- The Johnson Act of 1951.
- The Wire Act of 1961.
- The Transportation of Wagering Paraphernalia Act of 1961.
- The Illegal Gambling Business Act of 1970.
- Racketeer Influenced and Corrupt Organization Act of 1970.
- Interstate Wagering Amendment Act of 1994.
- The Unlawful Internet Gambling Enforcement Act of 2006.

Importantly, this federal legislation does not prohibit any specific form of gambling, although the Wire Act does refer to wagers on “any sporting event or contest”. Instead, this legislation attempt to prevent illegal gambling activities across the US.

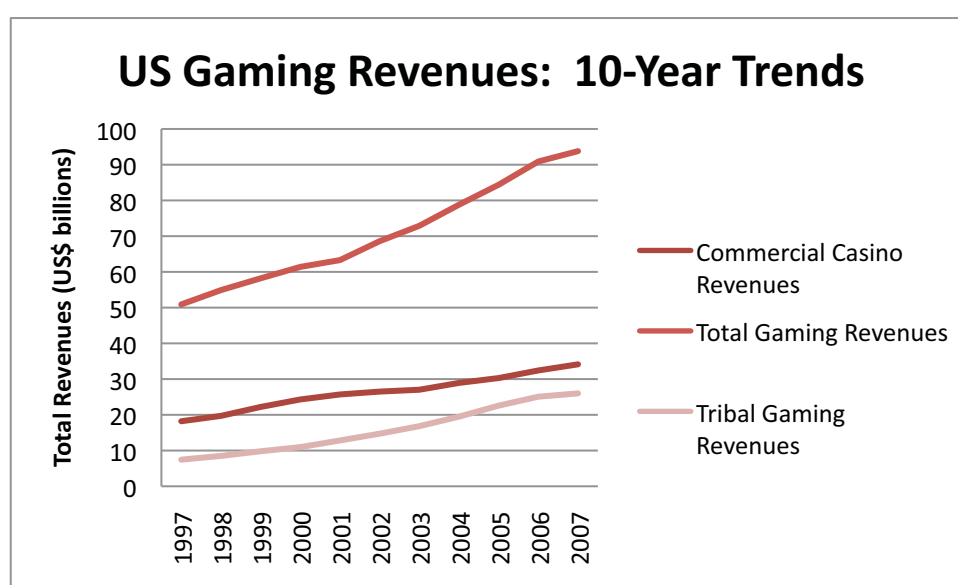
The three main areas where the federal government regulates gaming activities are as follows:

- Internet gambling under the Wire Act and the Unlawful Internet Gambling Enforcement Act (UIEGEA).
- Anti-money laundering under the Bank Secrecy Act of 1970 and the US-Patriot Act of 2001.
- Tribal gaming oversight under the Indian Gaming Regulatory Act (IGRA).

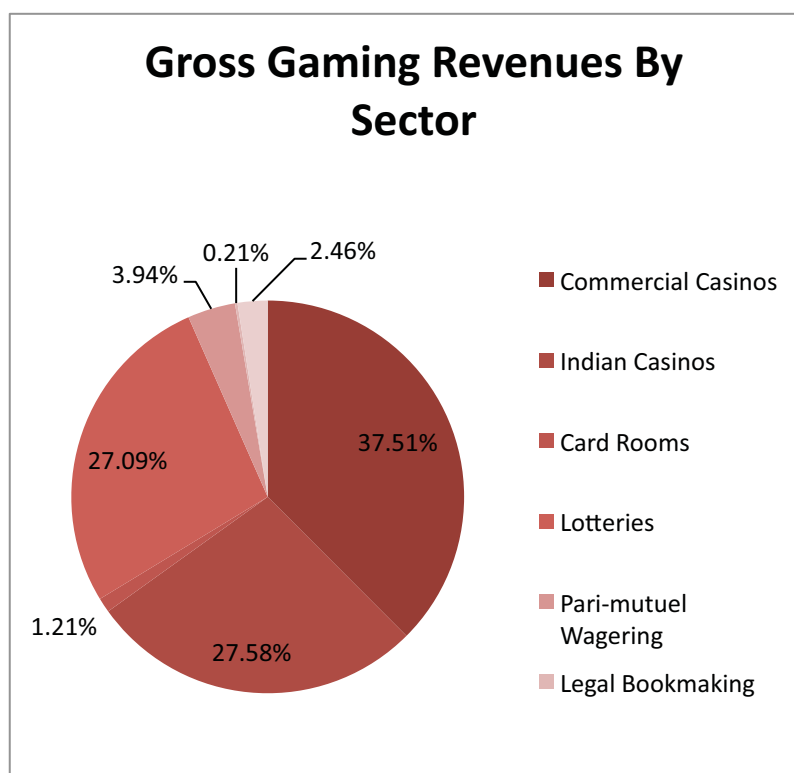
State Gaming – Predominant Sectors

With the exception of Utah and Hawaii, 48 US states have some form of legalised gaming. There are five general types of legalised gaming in the United States. These include commercial casinos, tribal gaming, lotteries, pari-mutuel wagering, and charitable gaming or bingos. The US gaming industry generated some US\$90.93bn of revenue in 2007, according to the American Gaming Association's 2007 survey.³²

The US gaming industry has seen a steady increase since 1997, as illustrated by the figures below. This includes revenues from commercial casinos, pari-mutuel wagering, lotteries, charitable gaming and tribal casinos. The gaming industry has grown by an average of US\$4.2bn every year since 1997. The biggest growth years were from 2001 to 2002 and from 2004 to 2005. The rise in revenue is attributed to growth in the racino market, Indian gaming and the increase in the number of video lottery terminals (VLTs).



Source: American Gaming Association



Source: American Gaming Association, 2006

As the above chart shows, commercial casinos, Indian gaming and state-run lotteries are the biggest gaming sectors in the US.

Legal bookmaking means betting on sporting events. The Professional and Amateur Sports Protection Act of 1994 makes it illegal to operate a sports betting, gambling or wagering scheme, except in the states of Delaware, Nevada and Oregon. Nevada, however, is the only state that allows sports betting. Legal bookmaking accounts for about 0.21 percent of the US gaming market and is not considered among the five general types of gambling found in the US.

Card rooms account for 1.21 percent of the total US gaming market. Card rooms contributed over US\$1.18bn to US gaming revenues, according to the American Gaming Association's '2008 State of States Survey'.³³ Not including states that have commercial casinos with poker rooms, currently there are five states with card rooms – California, Florida, Michigan, Montana and Washington. Collectively, there were 707 state-operated card rooms in 2007. Since card rooms are offered in a very limited number of states, they are not considered among the five general types of gaming in the US.

The following table shows the types of games offered in all 50 US states.

State	Commercial Casinos	Tribal Gaming	Riverboats	Horse Racing	Lottery	Bingo
Alabama		✕		✕		✕
Alaska		✕				✕
Arizona		✕		✕	✕	✕
Arkansas				✕		✕
California		✕		✕	✕	✕
Colorado	✕	✕		✕	✕	✕
Connecticut		✕		✕	✕	✕
Delaware	Racino (R)			✕	✕	✕
Florida	R	✕		✕	✕	✕
Georgia					✕	✕
Hawaii						
Idaho		✕		✕	✕	✕
Illinois	✕		✕	✕	✕	✕
Indiana	✕		✕	✕	✕	✕
Iowa	✕ R		✕	✕	✕	✕
Kansas		✕		✕	✕	✕
Kentucky				✕	✕	
Louisiana	✕ R		✕			
Maine	R			✕	✕	✕
Maryland				✕	✕	✕
Massachusetts				✕	✕	✕
Michigan	✕	✕		✕	✕	✕
Minnesota		✕		✕	✕	✕
Mississippi	✕	✕	✕			✕
Missouri		✕	✕	✕	✕	
Montana		✕		✕	✕	✕
Nebraska		✕		✕	✕	✕
Nevada				✕	✕	✕
New Hampshire	✕			✕	✕	✕
New Jersey	✕			✕	✕	✕
New Mexico	R	✕		✕	✕	✕
New York	R	✕		✕	✕	✕
North Carolina		✕			✕	✕
North Dakota		✕		✕	✕	✕
Ohio				✕	✕	✕
Oklahoma	R	✕		✕	✕	✕
Oregon		✕		✕	✕	✕
Pennsylvania	✕ R			✕	✕	✕
Rhode Island	R			✕	✕	✕
South Carolina					✕	✕
South Dakota	✕	✕		✕	✕	✕
Tennessee				✕	✕	✕
Texas		✕		✕	✕	✕
Utah						
Vermont				✕	✕	✕
Virginia				✕	✕	✕
Washington		✕		✕	✕	✕
Washington DC					✕	✕
West Virginia	R			✕	✕	✕
Wisconsin		✕		✕	✕	✕
Wyoming		✕		✕	✕	✕

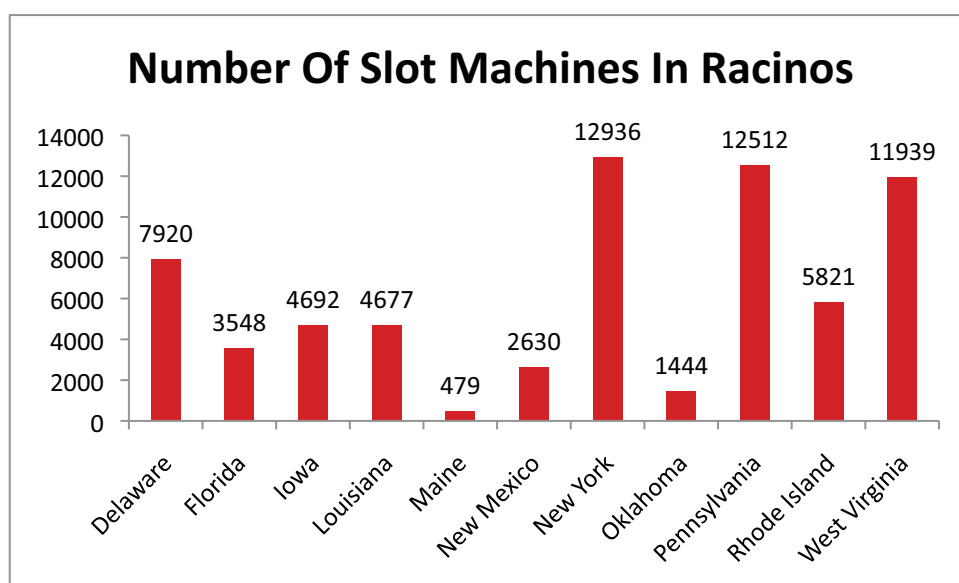
Source: *GamblingCompliance*

Commercial Casinos

The commercial casino industry is an important part of the mainstream entertainment industry and economy in the United States. The industry is one of the most regulated, closely monitored and heavily taxed industries in the US. In 2007, US commercial casinos employed approximately 360,818 people, paid wages of US\$3.8bn, contributed US\$5.79bn in direct gambling taxes and earned US\$34.13bn in gross gaming revenues.³⁴

Commercial casino gaming takes a variety of forms, the most recognisable of which is Las Vegas-style casinos. Other commercial gambling venues include land-based casinos, riverboats and racetrack casinos, otherwise known as racinos. There are 11 US states with racinos licensed to operate casino-style slot machines. Some of these 11 states also have land-based or riverboat casinos.

Racinos represent the next wave of gaming for slot machine manufacturers in the US. At the end of 2005, these 11 states generated approximately US\$3.1bn in revenues across 29 racetrack casinos, according to Goldman Sachs. As illustrated below, these 11 states have a total of 68,598 slot machines.³⁵



Source: *Goldman Sachs*

Six states permit the operation of riverboat casinos – Illinois, Indiana, Iowa, Louisiana, Mississippi and Missouri. Eight states permit the operation of land-based casinos – Indiana, Iowa, Louisiana, Michigan, Nevada, New Jersey, South Dakota and Pennsylvania. Three states, meanwhile, operate both riverboat and land-based casinos – Indiana, Iowa and Louisiana.

State	Date Gambling Legalised	Number Of Casinos	Total Slot Machines	Total Tables	Gross Gaming Revenues (2007)
Nevada	1931	336	174,931	6,704	US\$12.739bn
New Jersey	1976	11	36,620	1,658	US\$4.921bn
Louisiana	1991	25	15,224	536	US\$2.942bn
Michigan	1996	3	7,821	240	US\$1.335bn
Indiana	1993	11	18,600	681	US\$2.664bn
Illinois	1990	9	9,948	217	US\$1.984bn
Missouri	1993	13	17,900	534	US\$1.6bn
Mississippi	1990	31	34,698	1,090	US\$2.891bn
Iowa	1989	21	17,078	471	US\$1.32bn
Pennsylvania	2004	11	16,712	n/a	US\$994m
Colorado	1990	47	16,198	220	US\$799m
South Dakota	1989	46	3,682	110	US\$94

Source: Ernst & Young, '2008 Global Gaming Bulletin'

Tribal Gaming

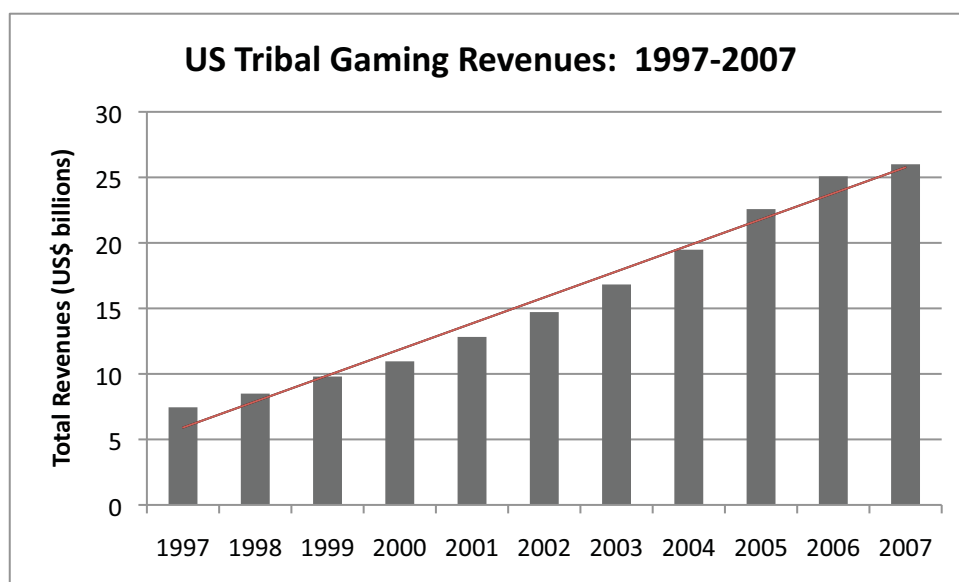
There are 28 US states that permit tribal gaming. These operations are owned and, in some cases, operated by sovereign tribes. Often tribes contract established commercial casino companies to operate their gaming facilities. Tribal gaming includes class II gaming (bingos, some card games and others) and class III gaming (Vegas-style casino games). Indian gaming became a major part of the US gaming market following the passage of the Indian Gaming Regulatory Act (IGRA) in 1987.

Since then tribal casinos have steadily gained ground on the commercial casino market. Net revenues from tribal casinos continue to grow and generated US\$26bn in 2007. In 2006, tribal gaming made up approximately 27.6 percent of the total US gaming market.³⁶

State	Number Of Gaming Tribes	Number Of Casinos
Alabama	1	3
Alaska	3	3
Arizona	15	25
California	55	60
Colorado	2	2
Connecticut	2	2
Florida	2	8

State	Number Of Gaming Tribes	Number Of Casinos
Idaho	4	7
Kansas	4	6
Louisiana	3	3
Michigan	9	19
Minnesota	11	34
Mississippi	1	2
Missouri	1	1
Montana	7	22
Nebraska	3	4
New Mexico	13	21
Nevada	1	2
New York	3	8
North Carolina	1	2
North Dakota	4	6
Oklahoma	27	101
Oregon	9	10
South Dakota	8	11
Texas	1	1
Washington	22	33
Wisconsin	11	24
Wyoming	1	1

Source: Ernst & Young, '2008 Global Gaming Bulletin'



Source: National Indian Gaming Commission

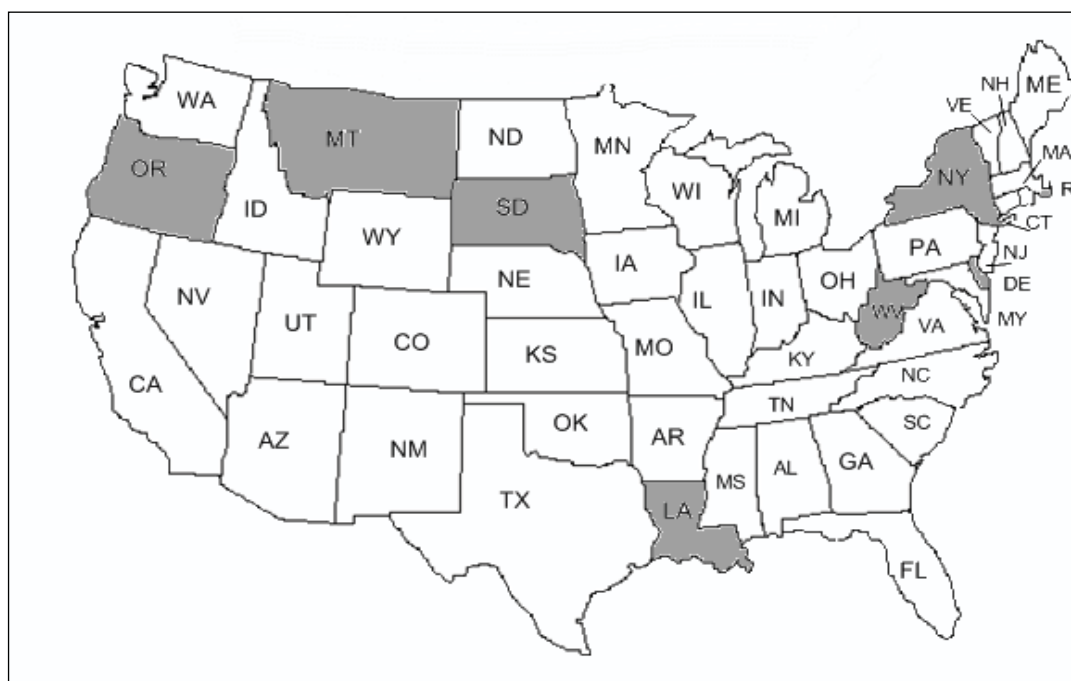
Lotteries

Lotteries make up 27.1 percent of the US gaming market.³⁷ This ranks it third overall in terms of market share, narrowly behind tribal gaming. However, more people participate in lotteries than any other type of gaming, with 48 percent of American adults playing lotteries in 2007.³⁸ Today, 42 states offer lottery games, with their existence subject to the laws of each state. There is no national

lottery. Although each state administers its own lottery, sometimes neighbouring states unify to create a single lottery. For example, Oregon, Iowa, Kansas, Rhode Island, West Virginia, Missouri, and the District of Columbia created a single lottery known as 'Powerball'.

With advances in technology, most states have introduced either keno or VLTs - which are slot machines in all but name. Eight states currently authorise VLTs – South Dakota, Oregon, Rhode Island, New York, West Virginia, Louisiana, Montana and Delaware – according to the North American Association of State and Provincial Lotteries. This does not include racetracks that are permitted to operate VLTs. There are 49,000 VLTs operating in the US, according to a 2008 Goldman Sachs estimate.

States With Video Lottery Terminals



Source: *GamblingCompliance*

VLTs are special types of video or spinning-reel game devices designed to fit a very specific state-run gaming market. Video lottery companies are generally state-run gaming enterprises controlled by a state lottery commission. There are often hundreds of gaming locations throughout the state with only a few actual machines at each location. In order to house or operate VLTs, a venue must be a state-licensed agent.

VLTs are similar to slot machines. The only major difference is that unlike the free-standing machines in most casinos, VLTs are connected to a centralised computer system that monitors and controls all gaming on the devices. The VLTs often communicate with the central monitoring system using a proprietary protocol, owned by the individual central system provider.

Due to the unique security complications found when only a few machines are placed in remote locations, the VLTs often contain a specialised set of security features not found in casino slot machines. Unlike the protocol found in slot machines, the VLT system of protocols are used to actively provide security and software integrity checks on the device. In addition, the VLT systems can remotely turn the machines on and off. This was a way to regulate venues situated miles away from regulators. For example, if a venue was not authorised to operate VLTs on a certain day or during certain hours, regulators could remotely disable the games.

The technical standards of VLTs have moved more in line with Nevada and New Jersey requirements. In some VLT operations today, the gaming devices are identical to games run in more traditional casino properties.

Pari-Mutuel Wagering and Charitable Gaming

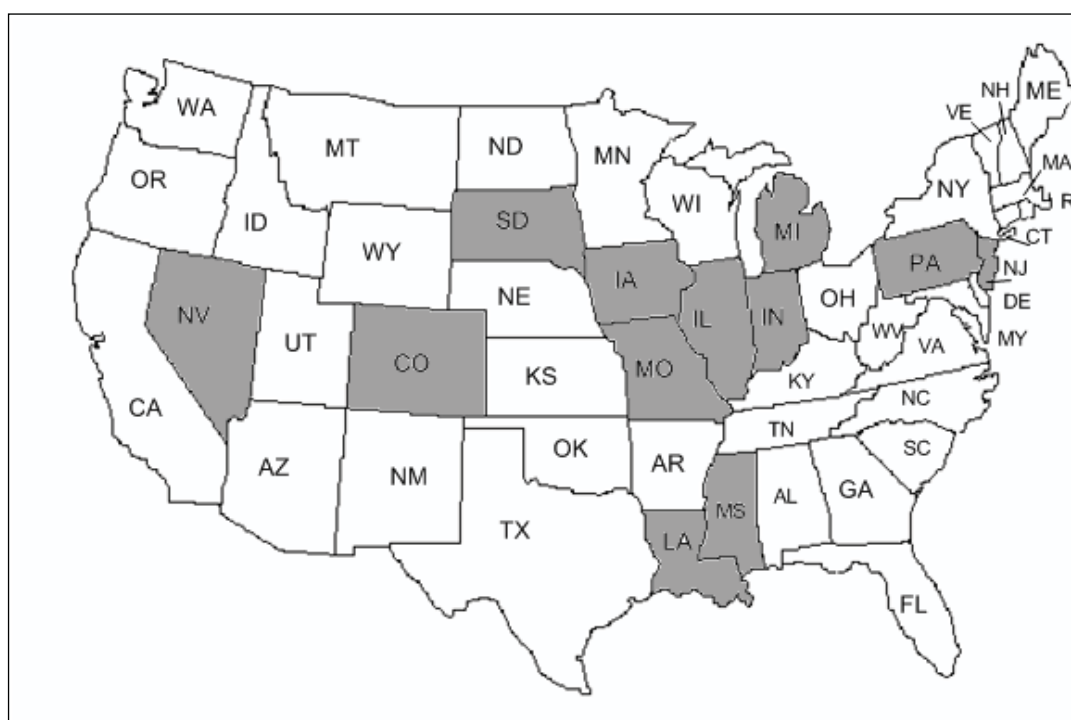
Pari-mutuel wagering is a very small market compared to the other sectors, 43 US states have legalised pari-mutuel wagering. It made up 3.94 percent of the US gaming market in 2006, according to a survey by the American Gaming Association.³⁹

Charitable gaming, run for the benefit of non profit organisations, is the least regulated area of legal gambling in America and 48 states have legalised charitable gaming. This industry generated approximately US\$2.24bn in 2006, according to the latest revenue figures.⁴⁰ Charitable gaming and bingo make up 2.46 percent of the US gaming market.⁴¹

Commercial Casino Jurisdictions

Commercial casinos dominate the United States gaming industry, with a 37.5 percent market share.

US States With Commercial Casinos



Source: GamblingCompliance

Casinos are the most regulated gaming activity in the US. The strict regulation of US casinos is largely due to the fact that state governments, which play the primary role in regulating the industry, depend on casino earnings for a substantial portion of their tax revenues. Gaming taxes vary by state, ranging from 6.75 percent of gross gaming revenue for the largest casinos in Nevada to 55 percent of gross gaming revenues for casinos in Pennsylvania.

Casinos are regulated at the state level, with state-regulating agencies enforcing the states' gambling legislations. A state's gambling legislation will generally specify the number of facilities to be licensed, licensing requirements for operators, manufacturers, equipment and services suppliers, and casino employees. The legislation will also specify how many slot machines are permitted in a gaming facility, as well as how many casinos can be located within a geographic area. Since casinos

are regulated by the states in which they operate, there are no nationally standardised regulatory guidelines.

Most states require casinos to adopt and adhere to a set of state-designated procedures, typically called 'minimum internal control standards' (MICS). These MICS focus on several aspects of the industry, including the conduct of games, the movement and handling of cash and equivalents, and the accounting and record trail of all transactions.

Slot machines or casino-style slot machines are the most popular games among casino patrons. The types of machines seen in the US casino market today range from traditional slot machines to more technologically advanced video and downloadable gaming products. However, most machines on a typical casino floor are traditional slot machines, where a player plays a spinning-reel-type game. Slot machine payouts are based on predetermined patterns of symbols visible on the front of machines when the reels stop. These machines are generally the most popular method of gambling in casinos and make up most of an average casino's income.

There are 544,343 slot machines operating within the 12 states that allow commercial casinos.⁴² The technical standards for these machines are largely the same across all casinos in the US.

One of the distinguishing features between slot machines (or class III machines) and class II bingo machines in tribal casinos is that slot machines are spinning reel or are video devices with individual internal random number generators. By comparison class II machines must be linked by a central system so players play against each other as in a traditional bingo game. Slot machine players can play against the house, and not just against other players.

Casino machines can accept coins or tokens if they are equipped with a hopper payout device. However, it is more common today for these devices to accept paper currency and tickets that are converted to credits. When a player cashes out they get a paper ticket which can be inserted into another device or redeemed for cash at a cashier booth. While some slot machines are completely free-standing, most are connected to a central system for tracking meter and event data, as well as player tracking and bonus information. The communication protocol used to pass this information on to the central system varies by jurisdiction.

US-style casino slot machines are very similar to poker machines in Australia, except that Australian machines use a different protocol for communicating with the central monitoring systems. In the US, while many states, tribal authorities and lotteries offer casino-style games, there are only three basic sets of technical standards for these devices. These standards are often referred to by the state name or company designation. Approximately 98 percent of slot machines in the US commercial casinos or Indian casinos are certified under one of three standards – Nevada, New Jersey, or GLI 11. Indian class III games generally follow GLI -11 standards. These standards each contain detailed manufacturing and programming information.

They cover areas such as player safety, fairness, accounting and game integrity, yet they are silent in relation to harm minimisation measures. While they are highly technical in nature, each is designed to provide basic game fairness and honesty to the player and to protect the casino operator and their patrons from unsafe or unfair gaming machines.

The distinguishing factors between the three standards is that Nevada and GLI tend to state what the regulators want, whereas New Jersey tends to tell manufacturers how they must design their products. States generally prefer the Nevada and GLI approach to the New Jersey method of mandating technologies which must be used.

The reason 98 percent of slot machines in US casinos are certified under either Nevada or New Jersey standards is because these states are the two major markets for commercial casino gaming in the US. They are the most developed and the most highly regulated. Most state gaming regulators

follow these two markets in terms of the licensing requirements for casino operators and the technical and testing standards for slot machine manufacturers.

Nevada

The city of Las Vegas is the biggest casino market in the US, with US\$9.96bn in gross gaming revenues in 2007.⁴³ Nevada's biggest casino market is the Las Vegas strip, which operates over 49,000 slot machines and grossed US\$6.8bn in revenues in 2007. The state's other casino markets include downtown Las Vegas, Laughlin, the Boulder strip and Reno. There are over 174,931 slot machines in Nevada⁴⁴.

Some of the world's largest commercial casino developers operate in Nevada, particularly in Las Vegas. There are more than 270 commercial casinos with gross gaming revenues of at least US\$1m in the state of Nevada, according to the American Gaming Association's 2008 report.⁴⁵

Casinos are regulated by the Gaming Control Act, which was passed in 1951 and created the Nevada Gaming Commission. The commission's function is to establish and administer the state's gaming regulations. The Nevada Gaming Commission and its enforcement arm, the Nevada Gaming Control Board, developed rigorous screening and investigation processes.

Under the Act there is an acknowledgement that gaming is "vitally important" to the economy of the state and the general welfare of its inhabitants.⁴⁶ The growth and success of Nevada gaming is expressed as dependent upon:

- Public confidence and trust that gaming will not unduly impact the quality of life enjoyed by residents.
- The rights of the creditors of licensees being protected.
- Gaming being conducted honestly, competitively and free from criminal and corruptive elements.

The Act states that, "public confidence and trust can only be maintained by strict regulation" of all aspects of gaming. In addition, it states that all gaming establishments must remain open to the public and this access must not be restricted in any manner except as provided by the Nevada Legislature.

It is unlawful to offer slot machines without having all federal, state, county and municipal gaming licences.⁴⁷ In addition, a licence is required by anyone who receives money as a result of operating slot machines.

In Nevada, there are four tiers of licensing that capture almost everyone involved in the gaming industry.

- gaming employees
- certain gaming employees and others associated with the gaming industry who, because of their positions, must register and undergo a more extensive review.
- restricted location licenses for locations with 15 or fewer slot machines
- non-restricted gaming licenses, which are reserved for those persons with key positions in the gaming industry, such as ownership or top management.

The Nevada Gaming Control Board is authorised to set the qualifications for licences and findings of suitability. The board may conduct background checks and investigations. Under the act, the board issues a gaming licence to the following:

- People of good character, honesty and integrity.

- People whose prior activities do not pose a threat to the public interest in Nevada or the regulation of gaming.
- People who do not enhance the dangers of unsuitable, unfair or illegal practices, methods and activities.

Slot machine models need to be authorised to operate in Nevada. To successfully have a gaming device approved, it is imperative that the minimum standards prescribed by Regulation 14 (section 14.040) are met.

New Jersey

New Jersey is the second-largest casino market in the US behind Las Vegas. The state's casino market is strictly regulated with a complicated licensing structure. There are 11 casinos in New Jersey, all located in Atlantic City. There are 36,620 slot machines in the state's 11 casinos, according to Ernst & Young's '2008 Global Gaming Bulletin'. Atlantic City's 11 casinos made some US\$4.92bn in revenues, with US\$12.74bn in gross gaming revenues in 2007.

The public policy supporting New Jersey's casino industry is set out in the Casino Control Act, which was enacted in 1977. In passing the act, the New Jersey Legislature acknowledged that a state in the east of the US could benefit from legalised gambling in terms of becoming a tourist attraction. It was also aware of the benefits legalised gambling could bring in terms of rehabilitating the city's plighted neighbourhoods.

Casino gaming in New Jersey is conducted in accordance with the New Jersey Casino Control Act, the New Jersey Regulations and the New Jersey Gaming Law. There is a two-tier system regulating casinos, with two agencies overseeing state-gaming activities.

These are:

- The Casino Control Commission (CCC) - quasi judicial administrative body
- the Division of Gaming Enforcement (DGE) - investigation and enforcement body

New Jersey's gaming legislation sets out very specific casino licensing standards. Along with Nevada, New Jersey has the most rigorous licensing standards.

Generally speaking a licence is required for all individuals and entities who are directly involved in gaming-related goods and services. In addition, registration is required for those entities and individuals involved in the provision of non-gaming related goods and services. Licences and registration are distinct. There are a number of different categories of licence in New Jersey including:

- Casino licence.
- Statement of compliance.
- Interim casino authorisation.
- Casino key employees.
- Casino employees.
- Casino service industry.

There is also a requirement for registration by:

- Casino service employees.
- Casino labour organisations.

- Vendors.
- Entities.
- Individuals.
- Private corporations.
- Publicly traded corporations.
- Other forms of business organisations.
- Institutional investors.

The New Jersey Casino Control Act sets out the requirements for casino slot machines.⁴⁸ Casino operators are not authorised to operate slot machines in the state's casinos unless:

- They are identical in all aspects to prototypes that have been reviewed and tested by the technical services bureau of the DGE and approved for use by the commission.
- They have been inspected by the commission or the DGE prior to initial use or reuse following any adjustments or movements in casinos.
- All necessary casino service industry (CSI) licences or waivers are obtained or filed and all necessary transactional waivers are issued.

Louisiana

In 1991, Louisiana became the fourth US state to legalise riverboat gambling. Since then, state authorities have also approved one land-based casino in New Orleans. The state's commercial casino market is made up of racetrack casinos, riverboat casinos and a land-based casino.⁴⁹ The majority of casinos in Louisiana are found on riverboats. With 25 licensed casinos operating a total of 15,224 slot machines, Louisiana generated US\$2.94bn in gross gaming revenues in 2007.⁵⁰ This ranks the state third in the US commercial casino markets.

Louisiana's riverboat casinos are required to pay a 21.5 percent combined state and local government gaming tax on gross gaming revenues. More than US\$454m in tax revenues were collected by state and local government in 2007, according to the Louisiana Gaming Control Board.

The driving public policy behind the legalisation of casino gaming in Louisiana was economic development of the region. This policy was formalised in the gaming law under parts 201-286 of Section 27 of the Louisiana Revised Statutes, also known as the Louisiana Economic Development and Gaming Corporation Law. This is the legal instrument that authorised a land-based casino to be built in New Orleans in 1999.

Gambling in Louisiana is regulated under the Louisiana Gaming Control Law. The gaming law established the Louisiana Gaming Control Board, and empowered it to set the licensing requirements for slot machine operations in casinos. There are 15 riverboats authorised to operate under the gaming law, but only 13 are functional. Four racetracks offer slot machine gambling within the state. These racetracks generated over US\$365m in 2007 and paid the state US\$55m in fees.⁵¹

Unlike many of the 12 casino states, gaming is specifically addressed in the Louisiana constitution. Article 12 of the state's constitution contains a requirement that the voters of each parish (municipality) must be consulted in order for the state to expand or modify gaming activities. This is generally done through a state-wide referendum.

Casinos are regulated through the licensing procedures set out by the gaming law and administered by the gaming commission. Louisiana gaming law also restricts the operation of riverboats. For example, riverboat casino are only authorised to operate on a restricted number of designated waterways.⁵²

According to the gaming law, the commission must issue gaming licences to casino operators, employees, manufacturers and suppliers. The gaming law also sets out the technical and testing requirements for slot machines.

Mississippi

Traditionally, riverboat casinos dominated Mississippi's casino market. But, following Hurricane Katrina in 2005, the state changed its laws regarding casino operation. The new law allows casino operators to develop casinos inland, rather than on barges and riverboats. But casinos are still restricted from being built within city limits and must remain within 800 feet (240m) of the water.

In terms of the number of slot machines, Mississippi ranks just below Nevada and New Jersey. There are approximately 29 state-regulated commercial casinos with 34,698 slot machines in the state of Mississippi. According to the Mississippi State Tax Commission (MSTC), casino gross gaming revenues for 2008 stood at US\$2.72bn, with the casinos paying out approximately US\$345m in state and local taxes.⁵³

Mississippi's gaming tax structure is similar to Nevada's. It is a graduated tax structure and includes the following:

- Four percent of all gross gaming revenues below US\$50,000 per month.
- Six percent of all gross gaming revenues between US\$50,000 and US\$134,000 per month.
- Eight percent of all gross gaming revenues which exceed US\$134,000 per month.

Furthermore, each of the gaming counties and the cities charge an additional licence fee equal to 3.2 percent of gross gaming revenues.

Gambling was legalised as a source of economic development for the state, but the state's legislature recognised the need for public confidence in industry regulation. This logic was formalised in the Mississippi Code of 1972 and the Mississippi Gaming Commission Regulations.

The supervision, control and regulation of gaming is conducted by the Mississippi Gaming Commission. Mississippi follows the regulatory structure of Nevada in that its gaming commission has 12 divisions with the responsibility of licensing and regulating slot machines and casinos.

Importantly, the Mississippi gaming code bans the use of any electronic gambling devices, including slot machines. The code also does not permit property rights in slot machines, but in keeping with the state's public policy for legalising casinos, an exception was made for slot machines in casinos.

There is a licensing requirement for gaming operators, slot machine manufacturers and distributors and all casino employees. In addition, every entity that does business with a casino operator must obtain registration from the commission. The commission must approve any proposed site for casino development.

Indiana

There are 11 casinos housing approximately 18,600 slot machines within Indiana. Indiana generated US\$2.60bn in gross gaming revenues in 2008, according to the Indiana Gaming Commission's 2008 annual report.⁵⁴ This ranks it fifth among the 12 US casino markets. The majority of the state's casinos are located in three cities – Lawrenceburg, Rising Sun and Belterra.⁵⁵ The state's commercial casino market is comprised of two racetrack casinos, one inland or standalone casino and 10 riverboat casinos.⁵⁶

Gaming in Indiana is heavily restricted, according to the state's legislature. The gaming codes were enacted in order to benefit the people of Indiana by promoting tourism and assisting economic development. Furthermore, the legislature believes the public's confidence and trust will be maintained only through:

- Comprehensive law enforcement and supervision of casinos.
- The strict regulation of facilities, persons, associations, and gambling operations under the codes.

The Riverboat Gambling and Gaming Statutes of the Indiana Code legalised slot machines in casinos, racetracks and riverboats. The codes were enacted by the state's legislature in 1993. It created the Indiana Gaming Commission, which is responsible for the regulation of slot machines within the state. The commission is authorised to issue licences to operators, manufacturers, suppliers and employees of gaming facilities. According to the Indiana Gaming Commission's 2008 Annual Report, a total of 9,472 licences have been issued to casino operators. This includes 11 facilities that are riverboat casinos, racetrack casinos and land-based casinos.

The commission can't issue more than 10 owners' licences at one time and those licences can only be used as follows:

- Two licences for a riverboat that operates from the largest city located in authorised counties.
- One licence for a riverboat that operates from the second-largest city located in authorised counties.
- One licence for a riverboat that operates from the third-largest city located in authorised.
- One licence for a small city located in authorised counties.

In addition, the commission may not issue licences in cities with certain populations and only five riverboat licences can be issued to pre-selected counties within the state.

Under the licensing requirements of the gaming codes, casino operators, manufacturers, suppliers and employees must be licensed before engaging in any gaming activity within the state.

Illinois

Illinois was the second state in the US to legalise riverboat casinos, following the enactment of the Riverboat Gambling Act in 1990. The act also established the Illinois Gaming Board as the state's main regulatory entity. The board attempts to ensure the integrity of riverboat gambling through the regulatory oversight of casino operations, including the licensing of riverboat gambling operations. With a staff of 142, the board conducts audits, legal, enforcement, investigative, operational and financial analysis activities.

In 2007, Illinois' casinos generated US\$1.98bn in gross terminal revenues from the operation of 9,948 slot machines.⁵⁷

The public policy behind the legalisation of casinos in Illinois was to benefit the people of Illinois by assisting economic development, promoting tourism and increasing the amount of revenues available to the state to assist and support education.

While authorisation of riverboat gambling is intended to enhance investment, development and tourism in Illinois, the state legislature recognised that it will do so successfully only if public confidence and trust in the credibility and integrity of the gambling operations and the regulatory process is maintained. For this reason, regulatory provisions of the gaming act were designed to strictly regulate the facilities, persons, associations and practices related to gambling operations.

The state's riverboat regulator is authorised to issue 10 riverboat licences and by the end of 2008, all 10 licences had been issued.

According to the riverboat licensing requirements, the board's staff conducts criminal background investigations and, in some cases, financial investigations in an effort to ensure that applicants have no felony convictions or criminal history. Investigations can also include an extensive review of personal and financial background information.

Missouri

Missouri ranks seventh in terms of US casino market share, with total revenues of US\$1.6bn in 2008.⁵⁸ Riverboat casinos in Missouri were legalised in 1993 and their regulation falls under two pieces of legislation. These are the Missouri Code of Regulations and the Missouri Revised Statutes.

Like the state of Mississippi, Missouri's casino market is dominated by riverboat casinos. The state's gambling industry holds 12 licences at 11 casino properties, all of which are riverboat casinos. However, it operates half the number of slot machines as Mississippi with 17,900 slot machines. The state collected approximately US\$417m in taxes from Missouri's licensed riverboat casinos in 2007, according to the Missouri Gaming Commission.

The Missouri Gaming Commission was established in 1993 to regulate riverboats by the Missouri legislature. The commission's role is to ensure that criminal elements do not infiltrate licensed gaming operations and that games are conducted fairly and with full disclosure, according to the state's gaming rules.

The licensing requirements and conditions for riverboat gambling are set out in the Missouri Revised Statutes.⁵⁹ All people engaged in the operation of riverboat gambling must obtain licences from the commission. To better regulate the state's riverboats, the code sets out different types of licences for operation of slot machines. Class A licences are generally issued to riverboat operators, while class B licences are issued to key riverboat employees and associated businesses. Level I and level II occupational licences are issued to regular riverboat employees.

Michigan

Michigan voters approved limited casino-based gaming in 1991 with Proposal E as amended by the Michigan Gaming Control and Revenue Act. Commercial casino-based gaming is limited to the city of Detroit and only three commercial casinos are allowed to operate there.

In 2007, Detroit's three casinos operating 7,821 slot machines generated US\$1.34bn revenues. From this, the state of Michigan and the city of Detroit received a combined total of US\$126m in taxes.⁶⁰

The public policy supporting legalised casino gambling in Michigan was formalised in the gaming act. According to the Michigan Legislature, the act is intended to provide the distribution of revenues for public education, public safety and economic development. Casino gambling has a substantial impact on Michigan's economy.

The Michigan Gaming Control and Revenue Act gives the Michigan Gaming Control Board (a state agency within the Michigan Department of Treasury) exclusive authority to license, regulate, and control the three authorised Detroit casinos.

The act also authorises the gaming board to make administrative rules to implement, administer and enforce the gaming act. This includes the licensing, regulation and control of casinos, gaming equipment manufacturers and distributors, casino employees, and others who participate in gaming.

Furthermore, the gaming act establishes licensing standards and procedures for the issue of casino licences, casino supplier licences, and casino employee licences.

The gaming act established a two-tiered regulatory system of casinos. The city of Detroit is given the task of selecting casino developers, but is only permitted to select three developers. After the selection process, the selected developers must then obtain licences from the state to operate casinos.

People and entities doing business with casinos are required to obtain licences from the gaming control board.⁶¹ These include the following:

- Casino operators, which must have a development agreement with the city of Detroit as well as an investment plan.
- Suppliers, including suppliers of both gaming and non-gaming related goods and services.
- Vendors, although the act contains a licensing exemption for vendors supplying non-gaming related goods worth less than US\$200,000.
- Employees, although there are three levels of occupational licence depending on the nature of the employees' work in the casino.

The gaming board conducts extensive background investigations of all licence applicants. In addition to the background investigations, licence applicants are subject to public investigative hearings. The applicants and the gaming board are the only parties to the hearing.

Iowa

Iowa's commercial casino industry is comprised of licensed commercial riverboats and racetrack casinos. There are currently 17 licensed commercial casinos operating approximately 17,078 slot machines.

The Iowa Racing and Gaming Commission's '2008 Gaming Revenue Report' states the gross casino gaming revenues totalled approximately US\$1.42bn in 2008, up slightly from US\$1.33bn in the 2007 fiscal year. The vast majority of this revenue (US\$1.28bn) came from slot machines.

The state collected US\$173m in taxes from the state's riverboat casinos, according to the Iowa Racing and Gaming Commission's 2007 annual report.

The public policy behind the legalisation or creation of Iowa's casino industry was to support the economic development of Iowa's business and to fund state-sponsored programs.

The legalisation of casino gambling in Iowa is a little different to most of the 12 commercial casino states. Although the state's legislature signed a 1989 bill authorising the operation of casinos, voters from each of the state's counties must first pass a referendum allowing gambling. This means casinos are legally permitted to operate throughout the state of Iowa, but a county referendum must be adopted before gambling is permitted in that county.

The Iowa Racing and Gaming Commission is responsible for administering the laws and regulations regarding riverboat and racetrack casinos within the state. The commission is established by Iowa Code section 99D and is mandated by section 99D and section 99F to have full supervisory jurisdiction over all gambling operations. This includes issuing gaming licences, adopting operating standards for all casinos, investigating any gaming establishments to ensure compliance with Iowa gambling laws and to set payout rates for gaming machines and casino games.

The manufacture and distribution of slot machines within Iowa is overseen by the commission, which must inspect and approve all machines before they can be put into operation. Manufacturers and distributors must hold specific licences to produce slot machines. The specifications that slot machines must meet are laid down in the administrative rules promulgated by the commission.

Pennsylvania

US commercial casino industry growth was spurred by the expansion of commercial gaming in a few select states, including Pennsylvania, according to the American Gaming Association's '2008 State of the States' report. Pennsylvania's casino market is one of only 11 states that permit the operation of slot machines at racetracks, also known as racinos.

Pennsylvania has six licensed racinos operating more than 14,000 slot machines. In addition to the six licensed racinos, five land-based casinos are licensed to operate slot machines. The state's slot machine gaming revenues exceeded US\$1.14bn in 2007, according to the Pennsylvania Gaming Control Board's annual report for that year. This includes revenues from all 11 licensed slot machine operators with approximately 16,712 slot machines.

In total, 55 percent of revenues generated from slot machines will go to the government in the form of taxes. These taxes are initially deposited in the State Gaming Fund and then distributed to various state-sponsored programs.

More than US\$629m in tax revenues were collected in 2008, according to the Pennsylvania Gaming Control Board. The state had collected over US\$2bn in tax revenues by December 31, 2008 since legalising slot machines in Pennsylvania in November 14, 2006.

Casinos were legalised in Pennsylvania in 2004, driven by the state's desire to lure its own residents back to their home state to gamble. Increasing numbers of Pennsylvania residents were crossing the border and spending billions of dollars gambling in neighbouring states. Also driving gambling expansion was the state officials' desire to rehabilitate their horse racing and equine industry.

In 2004, Pennsylvania passed the Race Horse Development and Gaming Act, which is commonly known as the gaming act. The legislation created the Pennsylvania Gaming Control Board (PGCB) which was given the mandate to develop the state's casino and slot machine industry. It is the licensing and regulatory agency responsible for overseeing slot machine and casino gambling in the state.

Pennsylvania is one of a few states that have a cap on how many slot machines licensed venues are authorised to operate. Each licensed facility is only permitted to operate 3,000 slot machines and must make available for play a minimum of 1,500 slot machines. However, a facility can receive a licence to operate up to 2,000 additional slot machines, although it must first operate under the original licence for six months.

According to the state's gaming legislation, the PGCB can license 61,000 slot machines across 14 licensed facilities.

To limit the number of slot machines and types of gaming venues in the state, the gaming legislation classified slot machines licences into three categories. Category one licences are generally issued to racetracks to operate slot machines. No category one licensed facility may be located within 20 miles of another facility. Category two licences are issued to standalone casinos to operate slot machines. No category two licensee can have more than one category two licence in the same city. Category three licences are issued to resort-style venues for the operation of slot machines. A category three licence can only be issued to an established resort hotel with at least 275 guest rooms, and year-round recreational guest amenities.

All gaming licence applicants are subject to background and financial investigations, as well as fingerprint checks.

Colorado

In 1991, Colorado voters amended the state's constitution to allow casinos to operate in three cities – Black Hawk, Central City and Cripple Creek. Today, there are 40 casinos operating 16,444 slot machines.

The public policy supporting the legalisation of casinos in Colorado was set out in the Colorado Limited Gaming Act of 1991.

Colorado ranks 11th in terms of US casino market share, despite having the second-largest number of casinos in the country. Colorado's casinos generated US\$773m gross revenues in 2008, according to the Colorado Limited Gaming Commission's website. Since the legalisation of limited casino gaming in 1991, Colorado casinos have brought in US\$9.21bn in revenues and provided the state with over US\$1.25bn in tax revenues.⁶²

More than US\$108m in tax revenues were collected by the commission in 2008.

According to the Colorado legislature:

"The success of limited gaming is dependent upon public confidence and trust that licensed limited gaming is conducted honestly and competitively, that the rights of the creditors of licensees are protected, and that gaming is free from criminal and corruptive elements".

The legislature recognised that this can only be maintained by strict regulation and licensing. For this reason, the Limited Gaming Act created the Colorado Limited Gaming Control Commission. The commission is responsible for establishing and implementing all gaming rules and regulation.

Restricting gaming to three cities within the state enables the commission to better regulate the state's casino operations and adhere to the state's public policy on gaming. In addition to the constitutional restriction, the gaming commission is required to license all slot machine manufacturers and distributors, key employees and retailers of gaming equipments.⁶³ In addition, applicants must show that they are of good moral character and must submit to background investigations and fingerprint checks.

South Dakota

In 1989, South Dakota was the fourth state to legalise commercial casinos and has the third-most commercial casinos of any state with 36. The public policy supporting the state's casino industry is set out in the South Dakota Codified Laws (SDCL). The general policy was to build public confidence and trust in the gaming industry.

According to the South Dakota Commission on Gaming's 2008 Annual Report, the gross revenue casino gaming revenue for the 2008 fiscal year was US\$100.28m. Revenue has more than doubled since the implementation of casinos in 1998 when the annual revenue was US\$44m.⁶⁴ In 2008, South Dakota's casinos generated US\$14.93m in taxation revenues for the state.

The South Dakota Commission on Gaming's 2008 annual report says that there were 3,786 slot machines operating within the state during the 2008 fiscal year, ranging from 1c machines to US\$25 machines. Slot machines generated approximately US\$92.5m in revenues during the 2008 fiscal year.⁶⁵

South Dakota's casinos are geographically concentrated and the majority are relatively small in operation. All 36 commercial casinos operate within the city of Deadwood, the only area in which they are legal in South Dakota. Of these only six have more than 100 slot machines on their premises.⁶⁶

The South Dakota Commission on Gaming was established under chapter 42-07B of the South Dakota Codified Laws (SDCL) to regulate the limited slot machines allowed within the city of Deadwood. Slot machines are only permitted within Deadwood. The licensing and regulation of the casinos which offer these games falls to the commission. The commission is given the power to establish rules, issue and suspend gaming licences and inspect gaming premises at any time.

Although gaming is generally prohibited in South Dakota limited slot machines, and card tables are permitted within Deadwood by a procedure that allows the citizens of Deadwood to authorise limited gaming by a 60 percent majority vote.

The South Dakota Commission on Gaming is responsible for issuing slot machine licences. The minimum requirements for a licensee are to be over 21 and a person of good moral standing. The burden is on the applicant to prove they have the necessary qualifications to hold a licence and applicants must submit to any background investigations the commission deems necessary. The state's gaming legislation only permits 30 slot machines per licence.

Harm Minimisation Trends in the United States

In contrast to the problem gambling discourse in Canada and Australia there is relatively little focus on harm minimisation within the United States. Regulatory responses to the issue of problem gambling tend to focus on treatment rather than preventative player protection measures. As such the measures implemented by commercial casinos are generally less comprehensive than those in jurisdictions such as Canada or Australia.

Regulation focuses on assisting patrons to access counselling services or to implement a self-exclusion ban. As such existing measures rely on the proactive actions of those who demonstrate the symptoms of problem gambling. The legislation in most states requires gaming operators to display information on problem gambling, including the 1800 number for the state counselling service.

Where additional player protection measures are implemented by a state regulatory authority they tend to focus on preventing or restricting community access to gaming machines by limiting the type of facility or the geographical area in which the machines may be operated. The player protection regulation therefore occurs through control of the licensing of the machine operators. Most US states restrict gaming machines to limited sites such as casinos, racetracks or tribal lands.

Unlike other jurisdictions, the US has few player protection measures which involve the adaptation of venue features or gaming machine technical standards.

Where restrictive measures do exist they are generally focused on preventing minors from gambling. Commercial casinos are prohibited from allowing minors to play gaming machines or to enter the gaming floor. Casinos are also prevented from producing any deliberately misleading material about a game or a player's chance of winning a particular prize.

As for tribal gaming, there are no legislative player protection measures under the relevant federal statute, the Indian Gaming Regulatory Act. Certain states or tribes may however institute harm minimisation measures through their tribal compacts or internal control measures.

Problem Gambling

The National Council on Problem Gambling (NCPG) is a non-profit corporation that provides national support for those struggling with gambling addiction.

Founded in 1972, the NCPG mission statement is, "to increase public awareness of pathological gambling, ensure the widespread availability of treatment for problem gamblers and their families, and to encourage research and programs for prevention and education."⁶⁷ The NCPG maintains a neutral approach to legalized gambling and is neither for nor against it.

There are three NCPG member classes: state affiliates, corporate affiliates and individual affiliates. There are currently 35 state affiliate members.

The NCPG is responsible for the following:

- Operating a national helpline.
- Administering the National Certified Gambling Counsellor program.
- Distributing literature on problem gambling treatment, research and recovery.
- Educating state, local and tribal governments on problem gambling issues.

The NCPG has also set the following future goals:

- Lobby for federal funds to address problem gambling and obtain funds from Congress for federal agencies to develop programs to assist state agencies.
- Increase the number of certified gambling counsellors – the goal is 4,000 nationwide.
- Develop relationships with educational institutes for education, treatment, prevention, research and policy aims.

The NCPG estimates that there are between 6m and 9m adult Americans with gambling problems. This figure is around 3-4 percent of the US population. Furthermore, in 2005, it estimated the “social costs” of problem gambling, such as bankruptcy, divorce, job loss and criminal justice costs at US\$6.7bn.⁶⁸ Between January 1, 2006 and March 15, 2006 the NCPG helpline was dialled more than 30,000 times.⁶⁹

The NCPG is funded by member contributions and supporter donations.

Generally in the US, the prevailing approach to treating and addressing problem gambling is a ‘public health’ approach.⁷⁰ The American Gaming Association (AGA) advocates this approach, which emphasises educating the public about problem gambling and ensuring the availability of resources on treatment options.⁷¹ The AGA also advocates the establishment of self-exclusion policies and regulations.

The underlying policies behind this approach focus on the importance of allocating resources in a manner that treats those actually afflicted by this condition. While there is some disparity in the exact percentage of the population that is afflicted with a problem gambling condition, the AGA estimates it is roughly 1 percent of the US adult population. As a result, it advocates treatment options that are reflective and proportional to the afflicted population.

While this approach aims to cater directly to afflicted gamblers, it is also designed to minimise the implications of problem gambling measures on casinos. Generally, the AGA does not favour initiatives that call for the implementation of restrictive technological measures at casinos.

These policies have prevailed and are the ones that most US states have implemented with regards to treating problem gambling and legislative developments.

Almost all states with some form of legal gaming activity have a body dedicated to controlling and studying problem gambling within the state.

Chapter 3: South Africa

Background

South Africa had total gambling revenues of 15.6bn rand (A\$2.4bn) in 2008, with casinos accounting for the vast majority of the market – about 84.3 percent.

While South Africa has a long history of gambling, these activities only started to be regulated at the beginning of 1970s. Under the apartheid regime, the policy was that while gambling was banned in the country, gaming operations were allowed within 10 “independent homeland states” in South Africa. The bantustans or homelands were territories set aside for black inhabitants as part of South Africa’s apartheid policy.

By the mid-1980s three large casino operators were working in the homelands. A few years later – before the abolition of apartheid – Sun International owned all 18 bantustan casinos, possessing a full monopoly over gambling in South Africa.

The end of apartheid and the promulgation of the 1996 National Gaming Act brought about a radical restructuring of the South African gaming environment. The rapid rise in the number of illegal video lottery terminals (VLTs) in the early 1990s and Sun’s successful operations in the Bantustans prompted the government to take legislative action.

The 1996 National Gambling Act legalised gaming in South Africa and tried to establish a competitive gambling market, with more than 40 private casinos. An ownership limit of 16 casinos was put in place in order to prevent Sun from using its market dominance to maintain its monopoly under the new regime.

The newly appointed government used the casino licence bidding process to raise a large amount of initial revenues. According to the act, half of the state’s revenues from gambling should be put into a general treasury fund, while the other half was earmarked for distribution to charitable organisations.

However, there were some drawbacks. Gambling grew during this period in a disorganised manner and many operators abused the liberal provincial regulation and the lack of enforcement by local authorities. Within a few years, the South African market was inundated with gaming products of all kind, without much in the way of revenues returned to both levels of government.

Pressure began to build for the national government to put forward a new national policy to address the excesses permitted under the 1996 act. This brought forward the enactment of the 2004 National Gambling Act, which established the current framework of South Africa’s gambling industry⁷².

Legislative Framework

The South African constitution sets out that the regulatory oversight of gambling is shared between national and provincial bodies. These are the National Gambling Board (NGB) and the following nine provincial gambling boards:

- Eastern Cape Gambling Board.
- Free State Gambling Board.
- Gauteng Gambling Board.
- Kwa-Zulu Natal Gambling Board.
- Limpopo Gambling Board.
- Mpumalanga Gambling Board.
- North-West Gambling Board.
- Western Cape Gambling Board.
- Northern Cape Gambling Board.

Generally, the NGB is responsible for advising on gambling policy, overseeing the provincial gambling authorities, researching the make-up of the gambling industry, and ensuring national standards and norms are established in accordance with the 2004 National Gambling Act. It also assists provincial authorities in combating illegal gambling.

As part of its responsibilities, the NGB is charged with establishing and maintaining the following registers:

- The national register of excluded persons.
- The national central electronic monitoring system.
- The national register of gambling machines.
- A central registry of information.
- The national registry of probity.⁷³

Provincial authorities play a complementary role, involving licensing, collecting taxes and ensuring that those involved in the gambling industry comply with the provisions of relevant gambling legislation.

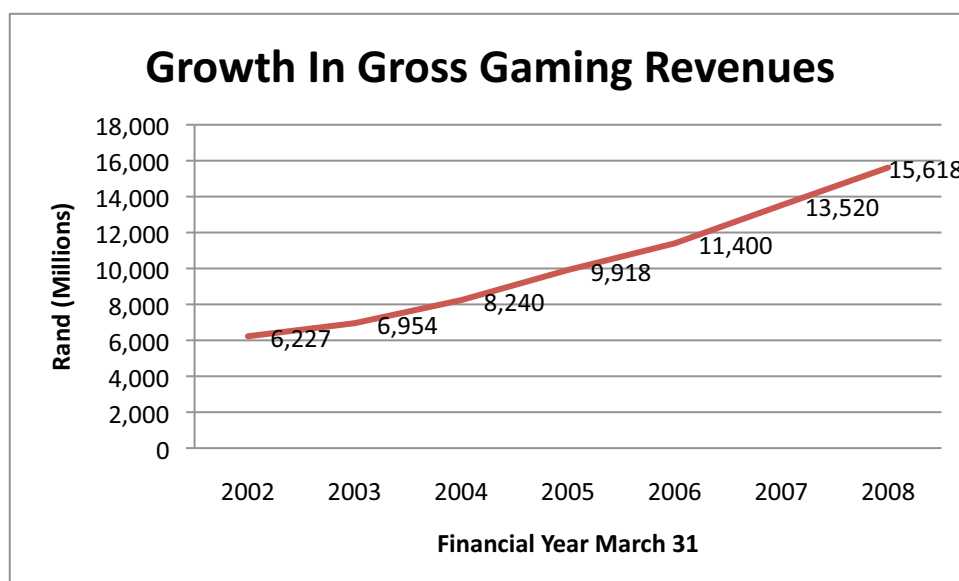
The primary federal gaming law is the 2004 National Gambling Act . Each provincial gaming board has the authority to license and regulate gambling within its jurisdiction and each province has enacted its own gambling act. But, in doing so, the provinces need to follow the guidelines advocated by the NGB and the 2004 act.

Each of the provinces has their own respective gaming law and there is a general sense of consistency across the nine provincial acts as far as principles and procedures are concerned. Each act provides for the establishment of a provincial gambling board with specified powers, functions and procedures. These include procedures regarding the licence applications, the conduct of business under licences and the applicable tax regime.

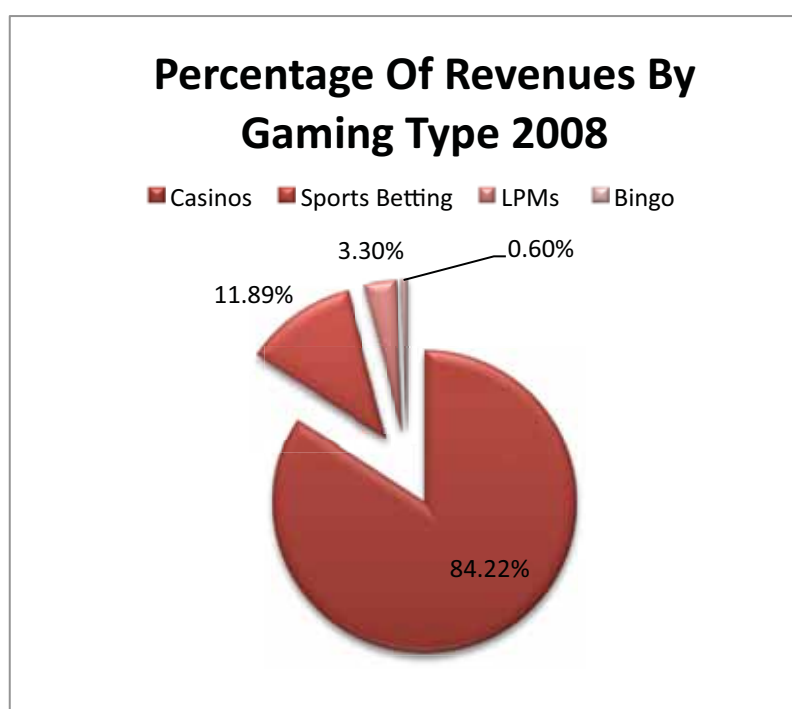
Another aspect of federal legislation are the various laws aimed at combating money laundering. The main piece of criminal legislation as applied to the gaming sector is the Financial Intelligence Centre Act 38 of 2001 (FICA), which creates a centralised administrative framework for money laundering controls.

Statistics

Casinos are the principal legal gaming activity in South Africa, accounting for about 84.3 percent of the market.⁷⁴ Other authorised gaming activities include gambling machines (slot machines in casinos), limited payout machines, amusement machines, lottery, bingo, racetracks and sport betting. Interactive gaming has recently been regulated and it is expected that new interactive licences will be granted in 2009.



Source: National Gaming Board



Source: National Gaming Board

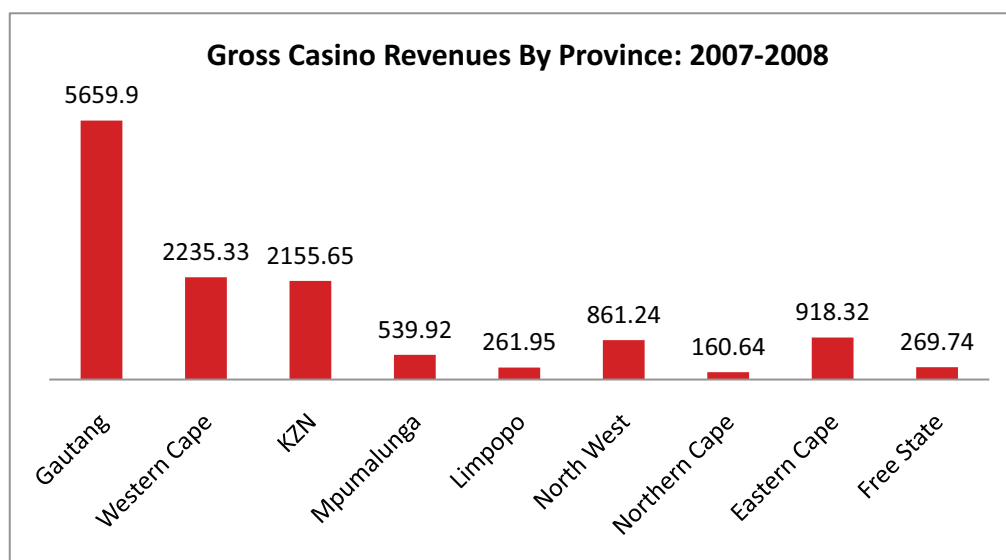
Casinos

South Africa's casinos take the largest share of the gambling market, accounting for about 84.3 percent of the market. Casinos vary from the continent's largest casino, GrandWest in Cape Town, with 68 tables and 2,245 slot machines, to small venues such as Goldfields in Welkom, which only has six tables and 226 slot machines.⁷⁵

South Africa can currently have a maximum of 40 casinos, according to the Department of Trade and Industry. The provincial distribution of the 40 casino licences is listed in the notice as follows:

- Eastern Cape: five – currently there are three casinos.
- Free State: four – currently there are four casinos.

- Gauteng: seven – currently there are six casinos.
- KwaZulu-Natal: five – currently there are five casinos.
- Mpumalanga: four – currently there are three casinos.
- Limpopo: three – currently there are two casinos.
- Northern Cape: three – currently there is one casino.
- North West: four – currently there are four casinos.
- Western Cape: five – currently there are five casinos.⁷⁶



Source: National Gaming Board

Sun International has the greatest South African casino market share with 43 percent, according to the group's 2007 annual report.⁷⁷ Sun has 13 casinos in South Africa, with others in Zambia, Namibia, Lesotho and Botswana. Twenty other casinos offering table games and slots have opened in South Africa since 1994.

The Peermont Global Group is South Africa's second-largest operator, with seven casinos in South Africa and three on the border region in Botswana.

Casinos are regulated by the 2004 National Gambling Act and the relevant provincial legislation. Section 1 of the act defines a casino as:

"...premises where gambling games are played, or are available to be played, but does not include premises in which—

- (a) Only bingo and no other gambling game is played or available to be played;*
- (b) Only limited pay-out machines are available to be played;*
- (c) Limited pay-out machines are available to be played and bingo, but no other gambling game is played or available to be played; or*
- (d) Only social gambling is conducted in terms of a temporary licence or provincial law;"*

The act only applies to casinos with licences. Unlicensed casinos or card rooms are found in many cities, but their operations are not subject to the act and its regulations, other than section 7

prohibiting unlicensed gambling. A prohibition on owning or operating unlicensed premises is also found in section 10.

Only people with a valid national or provincial licence can work within the gambling industry, as outlined in section 28 of the act. The licence requirements are established by the NGB and the respective provincial authorities.

The applicable licensing norm and standards are established in chapter 3, part D of the act. Part E of the same chapter says that authorities must take economic and social development issues in to consideration when evaluating licence applications or the transfer of licences. Among other issues, authorities should consider the following:

- The applicant's commitment to black economic empowerment and combating addictive and compulsive gambling.
- The potential socio-economic impact of the proposed licence on the community.
- If a new licence or licence transfer will affect gambling competition.

In addition, section 57 states that when considering applications for licences or transfers of licences that a provincial licensing authority can request:

- (a) *Additional information from the applicant;*
- (b) *Written authorisation from the applicant permitting the licensing authority to procure information directly from third parties and authorising such third parties to provide that information; or*
- (c) *A report from:*
 - (i) *Any other regulatory authority;*
 - (ii) *The Financial Intelligence Centre;*
 - (iii) *The National Director of Public Prosecutions; or*
 - (iv) *The South African Police Service.*

Such a report can include the particulars of any criminal convictions an applicant might have. This is as long as those particulars are relevant when it comes to determining whether that person should be disqualified from holding an interest in a licence, licensee, licensed premises or the business to which a licence relates.

Public Policy

The public policy supporting South Africa's casino industry was set up by the Howard Report in 1993 and the Weinhard Report in 1995. These reports say that gambling should be regulated in a way that will make a substantial contribution to social and economic development. They acknowledge the fact that gambling has both positive and negative effects on the economy and society, and make cost-benefit analyses of the legalisation of this industry.

In this sense, the reports conclude that if the industry is correctly structured, the benefits of legalisation will compensate any negative effects. Benefits include job creation, the development of other industries, employee training and increase in tax revenues. The downside includes problem gambling and crime. The reports suggest that a free market system of constant competition among casino corporations is the best way to maximise the industry's economic benefits.⁷⁸

This logic was formalised in the 1996 National Gambling Act and the subsequent 2004 National Gambling Act, which established the following policies:

- A competitive bidding process for casino licenses. There is a limit of four casino licences (approximately one per 1m South Africans). Depending on the province population, each province can grant between four and six licences. The limit was established to make each

licence more valuable in the market and not to protect protecting the population against gambling hazards.

- To ensure against monopolies, no one company can operate more than 16 casinos in total or more than two in any one province. This was designed to restrict Sun International from using its original monopolistic position to dominate the new industry.
- The industry should be heavily taxed. Approximately half of state revenues from gambling should go into a general fund, while the other half are earmarked for distribution to non-profit organisations. The overall political economy of this system is that of a movement of money from consumers to the gambling corporations to the state.⁷⁹

Another important policy that impacts the South African casino industry is the black economic empowerment (BEE) policy, which is targeted to reduce the inequality levels that exist in South African society, particularly with regards to African, Indian and people from mixed ethnic backgrounds. BEE is driven by specific legislation and regulation. An integral part of BEE is a sector-wide generic scorecard, which measures companies' empowerment progress in four areas:

- Direct empowerment through ownership and control of enterprises and assets.
- Management at senior level.
- Human resource development and employment equity.
- Indirect empowerment through preferential procurement, enterprise development and corporate social investment.

BEE policies have an important impact on the gambling industry and compliance with BEE is an important aspect to evaluate when analysing applications for gaming licences.⁸⁰ The NGB states that BEE is a critical factor for the gambling industry to consider and the promulgation of BEE codes of practice means regulators need to ensure that all operators comply with the minimum requirements of the code, as well as the licensing requirements.⁸¹

Slot Machines And Video Lotteries

Legislation in South Africa does not make any distinction between slot machines and other gaming terminals. The basic differentiation made in South Africa regards machines defined as 'gambling machines', 'limited payout machines', and 'entertainment machines'.

Gambling Machines

Section 1 of the 2004 National Gambling Act defines a 'gambling machine' as:

"...any mechanical, electrical, video, electronic, electro-mechanical or other device, contrivance, machine or software, other than an amusement machine, that (a) is available to be played or operated upon payment of a consideration; and (b) may, as a result of playing or operating it, entitle the player or operator to a pay-out, or deliver a pay-out to the player or operator."

There are about 19,900 gambling machines in casinos in South Africa, according to the Casino Association of South Africa. This does not count limited payout machines (LPMs) and differs slightly from the Australian Gaming Machine Manufacturers' Association's estimation of 21,206 in its 'World Count of Gaming Machines 2008'.⁸²

The South African Bureau of Standards (SABS) is responsible for the administration of compulsory specifications, the evaluation of test reports received from licensed gaming test laboratories and the certification of gambling equipment.

From an historical perspective, South Africa regulation in relation to slot machines and its technical standards adjusted to the status quo existing before the legalisation of gambling at a national level

in 1996. In a recent interview, Todd Elsasser, a specialist in slot machine compliance, told GamblingCompliance:

“At the moment of the drafting of South Africa’s technical standards, Sun International already operated an important number of machines in the country. In that sense, regulators tailored the national standard to meet the standards applicable to the existing machines. 99 percent of these machines were originally used equipment acquired from the US and Europe. In that sense, all the machines are compatible with Nevada/New Jersey standards – that is, they are spinning reel slot machine that use SAS protocols.”

South Africa’s technical standards are based on Gaming Laboratories International (GLI) standards. In that sense, machines that comply with the technical specifications established for the US states of Nevada and New Jersey are normally accepted in South Africa.

Limited Payout Machines

Limited payout machines (LPMs) are defined as gambling machines with a restricted price in section 1 of the 2004 National Gambling Act. LPMs are designed to be used outside casinos in venues such as pubs and restaurants where the principal activity is not gambling.

The introduction of LPMs can be seen as a way of pushing forward the black economic empowerment policy in South Africa. In order to provide opportunities to disadvantaged groups and deal with the still-growing, latent demand for gambling, in 2000, the regulators recognised the need to introduce a small-scale gambling category where micro, small and medium-sized enterprises, along with disadvantaged groups can participate competitively in the gambling industry.

However, the regulators also decided to establish certain limitations and requirements regarding such machines in order to relieve the negative impacts related to increasing the gambling options on offer. Measures to regulate the sector are designed to ensure that:

- The demand for gambling is absorbed, without over-stimulating the latent demand.
- Gambling at licensed site premises remains a secondary activity to the main form of entertainment or business provided at the site.
- Minors are prohibited from participating in gambling activities.
- The number of LPMs per site and per province, and the bet size and maximum prize is limited.
- Gambling taxes and levies are paid.⁸³

LPMs are regulated by the Regulations on Limited Payout Machines, which were adopted in 2000 and amended in 2007. The regulations limit the number of LPMs in South Africa to 50,000. The geographic caps on LPMS are as follows:

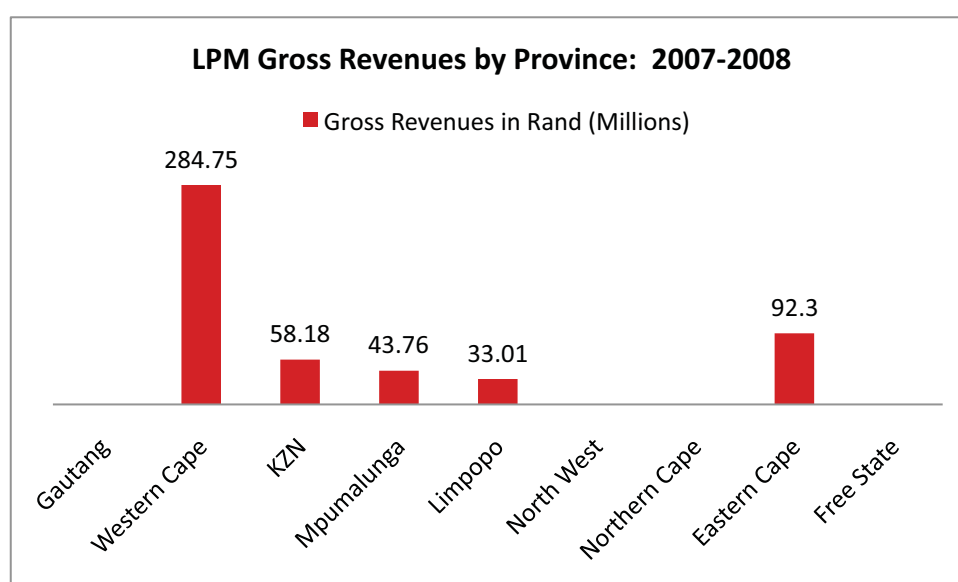
- Eastern Cape: 6,000.
- Free State: 4,000.
- Gauteng: 10,000.
- Kwa Zulu-Natal: 9,000.
- Mpumalanga: 4,000.
- Northern Cape: 2,000.
- Northern Province: 3,000.
- North West: 3,000.
- Western Cape: 9,000.

Other harm minimisation measures were taken to control the excessive exploitation of slot machines including:

- The maximum number of machines per site is five. However, if a provincial gaming board applies to the National Gaming Board (NGB) it has discretion to increase this number up to 40.
- The maximum aggregate stake is capped at 5 rand (A\$0.77), with no double up available.
- The maximum aggregate payout prize is 500 rand (A\$77).
- Progressive jackpots are prohibited.

LPMs must comply with the Single Station Gaming Machine Standard 1718 and a central electronic monitoring system (CEMS) must control the LPMs. The CEMS is designed to detect significant events such as big payouts, but may also be useful in monitoring machine proceeds for taxation. In addition, it can also be used to detect patterns of problem gambling. The CEMS can remotely verify some aspects to do with the technical and operational compliance of gambling machines

The NGB's 2007 annual report mentions that five provinces have rolled out LPMs – Mpumalanga, Western Cape, Eastern Cape and Kwa-Zulu Natal and Limpopo.



Source: National Gaming Board

Zonke Monitoring Systems, the company in charge of managing the CEMS says:

“Recreation is the over-riding consideration when playing on LPMs. This “soft slot” model is therefore designed to deter the problem gambler. The person who plays an LPM is a pub client with time on his hands or loose change in his pocket; recreation is the overriding consideration, not financial gain.”⁸⁴

Harm Minimisation Trends in South Africa

In contrast to the other jurisdictions discussed, harm minimisation strategies in South Africa are generally implemented at a national level. Some provincial regulatory bodies have adopted additional standards (generally relating to advertising restrictions) but for the most part provincial legislation adopts the national standard. This is also true of casino regulation which is relatively uniform across South Africa.

In contrast to the more established jurisdictions of Australia, Canada and the US, South Africa has only recently legislated to allow gaming machines in licensed venues outside of casinos. These Limited Payout Machines (LPMs) are generally located in licensed bars or clubs. Like Canada, South Africa takes a different harm minimisation approach to LPMs than to EGMs in casinos.

Notably LPMs are equipped with maximum bet and prize limits, similar to the approach taken in Canada. LPMs are also subject to caps, which set maximum numbers of machines per province and venue. The policy rationale behind the introduction of LPMs means there are additional restrictions on who can operate LPMs (at least 60 percent of operators must be from a previously disadvantaged group) and where LPMs may be located (must not be in direct proximity of schools or places of worship).

Player protection measures are imposed much more stringently on LPM venues and not on casinos. Casinos are able to extend credit to clients for gaming provided they meet appropriate internal control standards. Similarly ATMs are allowed in a casino complex, although not on the gaming floor. By contrast LPM operators are prohibited from extending credit or cashing cheques and no ATMs may be located in or even visible from the venue.

Problem Gambling

The most important institution in charge of monitoring compulsive gambling problems in South Africa is the National Responsible Gambling Programme (NRGP). The NRGP is a resource that integrates research and monitoring, public education and awareness, training, treatment and counselling in issues regarding responsible gaming in South Africa. It was specifically devised to address the challenges posed by South Africa's developing gambling environment after the promulgation of the 1996 National Gambling Act.

The NRGP reports to the South Africa Responsible Gambling Trust (SARGT), a public-private sector partnership accountable to the South Africa Advisory Council on Responsible Gambling (SAACREG). SAACREG was created by the National Gambling Board (NPG) in 2001 as a national forum and policy advisory body, comprised of representatives of industry, government and civil society.

The principal goal of SARGT is to fund, manage and direct the activities and operations of the national gambling programme in South Africa. Specific objectives of the trust are to:

- Oversee, supervise and be accountable for the management of the activities and operation of the NRGP.
- Fund, promote, coordinate and manage the responsible gambling programme in South Africa.
- Report to the SAACREG in relation to the activities and progress of the trust.

The NRGP is funded (through SARGT) by the private sector, which includes the casino, racing, bingo and limited payout machine industries. In addition, the NRGP receives public grants for special projects.

Prevalence Studies

The National Centre for the Study of Gambling (NCSG) is responsible for preparing prevalence studies in South Africa. Since its creation, the NCSG has performed three national studies in South Africa principally using the South Oaks Gambling Screen (SOGS) and the Gambling Anonymous 20 Questions (GA 20).

The first test was carried forward in 2001 using a sample of 5,800 respondents. In this case, 221 persons were identified as problem gamblers using GA 20 and 279 when SOGS was used. This sample showed that between 1.1 percent and 1.4 percent of the total South African population and between 5.29 percent and 6.67 percent of regular gamblers in the country could have compulsive

gambling problems. This suggested that preventative and treatment services should target some 500,000 people in South Africa.⁸⁵

The second test was implemented in 2003 and the sample comprised 5,816 people. In this second survey the NCSG administered only GA 20. This detected 270 problem gamblers or 4.8 percent of regular gamblers.⁸⁶

In 2006 the survey was conducted across 3,003 people (1,003 in KwaZulu-Natal and 1,000 each in Gauteng and the Western Cape). The people interviewed had access to urban casinos and the National Lottery.

Using a test based on SOGS and GA 20, the researchers found that 144 (4.8 percent) of respondents could be classified as problem gamblers. This suggests that 570,000 people in South Africa should be targeted for preventative actions.⁸⁷

Self-Exclusion

South Africa's gambling legislation contains different dispositions set to control and prevent problem gambling. In addition, the National Responsible Gambling Programme has set different programs to educate the public about problem gaming issues and treat and provide counselling to problem gamblers.

Anyone who wishes to be prevented from engaging in any gambling activity may register on the excluded persons' registry, which is national in scope, as outlined in section 14 of the 2004 Gambling Act. People can also apply to court for an order requiring their registration as an excluded person.

Gambling operators must not permit an excluded person into their venues or allow them to operate a gambling machine or engage in gambling activities. Operators should also make the prescribed forms used for registering in the excluded persons' directory available to clients.

Protection Of Minors

Minors are not allowed to enter gambling venues or sites where LPMs are in operation, according to section 12 of the 2004 Gambling Act. They should also not operate gambling machines, gambling devices or engage in gambling activities. Compliance with this prohibition is the responsibility of gambling operators.

In this sense, gambling operators must take reasonable measures to accurately determine whether or not a person is a minor.

Credit Restrictions

As a general rule, licensed operators are forbidden to extend credit to a person for the purpose of gambling (see section 13 of the 2004 Gambling Act).

However, section 4 of the National Gambling Regulations, allows holders of casino licences, bookmaker licences or totalisator licences to extend credit to patrons only after obtaining sufficient information regarding identity, credit history and financial capabilities in terms of the credit being requested. In this case, the operator is allowed to extend credit only in respect to a gambling activity authorised by its licence.

The possibility of extending credit to gamblers is not applicable for operators of limited payout machines.

Advertising Regulations

South Africa contains different dispositions regarding advertising or promotion of gambling activity. Section 15 of the 2004 National Gambling Act establishes that a person must not advertise or promote:

- Any gambling activity in a false, misleading or unlawful manner.
- A gambling activity (other than an amusement game) in a manner intended to target or attract minors.

Furthermore, a warning against the dangers of addictive and compulsive gambling has to be affixed to gambling machines with the name, toll-free number and slogan of the National Responsible Gambling Programme. Advertisements regarding gambling activities must contain the same information, regardless of the media (TV, radio, internet, telephone, text messages) the ads use.

In addition to this, the NGB and the NRGP generally organise advertisement campaigns to promote responsible gaming in South Africa. In 2007, these entities funded a campaign looking to raise awareness of compulsive gambling issues. This campaign was aimed at lower income earners and was built around role models promoting a responsible gambling message.⁸⁸

Licence holders must display information regarding local recognised counselling, treatment or education services addressing the problems of compulsive and addictive gambling.

Cash-Dispensing Machines

Cash-dispensing machines should not be installed or operate within five metres of any point of unobstructed public access to gambling venues or venues that operates limited payout machines (LPMs) (see section 7 (1) of the National Gambling Regulations). No cash-dispensing machine should be visible to patrons of gaming venues or venues that operates LPMs.

In addition, no signs directing people to cash-dispensing machines should be placed anywhere in gambling venues.

Gambling Debts

In general, gambling debts are enforceable by law in South Africa. However, debts incurred in the course of gambling activities by minors or excluded people are not enforceable.

Slot Machine Measures

South Africa allows the operation of three types of slot machines:

- Gambling machines.
- Limited payout machines (LPMs).
- Entertainment machines.

The only direct measure implemented to prevent compulsive gaming on gambling machines in casinos is the obligation to include warnings against the dangers of addictive and compulsive gambling on each machine.

More serious measures are in place for LPMs. The regulatory framework for LPMs is in accordance with the model that is applied to centrally controlled machines, such as video lottery terminals in the US. With these machines, authorities normally regulate the maximum bet and maximum reward that can be offered. They try and maintain these at levels that maximise the entertainment value through high returns to players and minimise obsessive compulsive behaviour through the use of low-level prizes.

Another feature of centrally controlled machines is the low number of machines per venue. This prevents a gaming environment that is managed solely for the purpose of gaming and is not an enhancement of the present facility. Most importantly, centrally controlled machines, even in distant and remote locations can be monitored for accountability, security and the integrity of their computer software by government-controlled computer installations. This permits an environment catering to mainstream gaming machines and government-regulated gambling.⁸⁹

In keeping with this, LPMs are controlled by a central electronic monitoring system (CEMS). A private company, Zonke Monitoring Systems, is in charge of the administration of the CEMS.

In addition to this, the number of LPMs is capped at a national and provincial level. Control measures implemented include the following:

- The maximum number of machines per site is capped (five machines per venue that can be increased to 40 in certain cases).
- The maximum aggregate stake is capped at 5 rand (A\$0.77), with no double up available.
- The maximum aggregate payout prize is 500 rand (A\$77).
- Progressive jackpots are prohibited.

Aware of the potential detrimental socio-economic impact a proliferation of LPMs could have, South Africa's regulators have established that the introduction of these machines should be made gradually and in defined and delineated phases. Provinces have to prepare socio-economic impact assessments regarding the impact of these machines in their territories.

The National Gambling Board's 2007 annual report mentions that five provinces have rolled out LPMs – Mpumalanga, Western Cape, Eastern Cape, Kwa-Zulu Natal and Limpopo.

Comparative Tables

Canada: EGM Features

	Alberta ⁹⁰	British Columbia ⁹¹	Manitoba ⁹²	New Brunswick ⁹³	Newfoundland ⁹⁴	Nova Scotia ⁹⁵	Ontario ⁹⁶	Prince Edward Island ⁹⁷	Quebec ⁹⁸	Saskatchewan ⁹⁹
Note Acceptors	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions
Maximum Bet Restrictions	VLTs: C\$2.50 Slots: C\$4.50	No restrictions	VLT: C\$2.50	VLT: C\$2.50	C\$2.50	VLTs: C\$2.50	C\$2.50	No restrictions	VLT C\$2.50 per play; C\$60 per session	No restrictions
Maximum Prize Restrictions	VLT: C\$1000	No restrictions	VLT: C\$1000	VLT: C\$500	VLT: C\$500	VLT: \$1000	No restrictions	No restrictions	VLT C\$1000	No restrictions
Forced Interruption Of Play	VLTs: pop-up screen at set intervals; forced cash out when 5000 credits (\$1250) obtained	No restrictions	No restrictions	No restrictions	No restrictions	Pop-up reminders of time players (at 60, 90 and 120 minutes). Forced cash-out at 150 minutes	No restrictions	No restrictions	VLTs: Player must set time frame prior to commencing play, game will shut when set time elapses. Machine will 'cash-out' at C\$500	No restrictions
Pre-commitment	No	No	Club cards in casinos allow players to access gaming history	No	No	Yes, project being implemented	No	No	No	No
Auto-play Prohibited	No	No	No	No	No	No	No	No	No	No
Gaming Machine Spin Rates	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	VLTs slowed by 30%	No restrictions	No restrictions	VLTs: Pace of spin slowed down	No restrictions
Player Ability To Stop Spinning Reel Disabled	No	No	No	No	No	VLTs: Yes	No	No	VLTs: game symbols cannot be stopped by touching the screen	No

Canada: Gaming Venue Features

	Alberta ¹⁰⁰	British Columbia ¹⁰¹	Manitoba ¹⁰²	New Brunswick ¹⁰³	Newfoundland ¹⁰⁴	Nova Scotia ¹⁰⁵	Ontario ¹⁰⁶	Prince Edward Island ¹⁰⁷	Quebec ¹⁰⁸	Saskatchewan ¹⁰⁹
ATM Access	Must be at least 15 feet from VLT	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	Banned within the vicinity of VLTs and on casino gaming floor	Banned on casino gaming floor
Winnings Payment Procedures	VLTs: prize by ticket redeemed at counter Casino: payout in coins at machine, larger prizes by cheque. Trialling TITO	Slot machines at casinos - TITO *	VLTs: prize by ticket redeemed at counter	VLTs: prize by ticket redeemed at counter	VLTs: prize by ticket redeemed for cash at bar counter	TITO at both VLTs and casinos	Slot machines at casinos: TITO	VLTs: prize by ticket redeemed at counter	VLTs: prize by ticket redeemed at bar counter up to C\$500. Prizes higher than C\$500 must be collected from Loto-Quebec	VLTs: prize by ticket redeemed at counter
Cheque Cashing Procedures	No restrictions	No restrictions	No restrictions	VLT operators: cashing of cheques for gaming prohibited	No restrictions	VLTs operators: cashing of cheques for gaming prohibited	No restrictions	Gaming venues cannot cash cheques	VLT operators: cashing of cheques for gaming prohibited	Casino must not accept third party cheques
Cash/Credit Advances Limits	Extending credit banned	Extending credit banned	No restrictions	VLT providers must not grant credit	Extending credit banned	VLT providers must not grant credit	Casinos can extend credit after conducting background credit check	Extending	Extension of credit prohibited. No tolerance of loans by third parties on the premises.	Extension of credit at casino prohibited.
Problem Gambling Information Displayed	Yes	Yes	Yes. Casinos have Responsible Play Information Centres (RPICs) on the gaming floor.	Yes	Yes	Yes	Yes	Yes, signage and displays on VLTs not in use.	Yes. Casinos have interactive player information terminals	Yes
Odds Of Winning Displayed	Not required	Not required	Not required	Not required	Not required	Not required	Not required	Not required	Not required	Not required
Clocks And Natural Lighting	24 clock must be displayed on VLTs	Clocks must be placed in gaming facilities in readily accessible areas	Clock displayed on VLTs	Not required	Not required	Permanent onscreen clocks on VLTs	Not required	Not required	Clock must be permanently visible on-screen	Not required

* TITO stands for Ticket In, Ticket Out machines, which issue prizes in the form of a redeemable ticket rather than cash. Can be considered a player protection measure as it prevents players immediately feeding winnings back into EGM. Forces break to redeem prize at the bar.

Canada: Community Access Features

	Alberta ¹¹⁰	British Columbia ¹¹¹	Manitoba ¹¹²	New Brunswick ¹¹³	Newfoundland ¹¹⁴	Nova Scotia ¹¹⁵	Ontario ¹¹⁶	Prince Edward Island ¹¹⁷	Quebec ¹¹⁸	Saskatchewan ¹¹⁹
Cap On Number Of EGMs Per Province	Capped at 6000 VLTs (hotels/clubs)	Only permitted in casinos/ racetracks.	Capped at 4482 VLTs (hotels/clubs)	Capping at 300 VLT sites (approximately 2000 machines)	No	2,326 (reduced from 3,234 in 1998)	Only permitted in casinos/racinos	Yes	Yes. Recently removed 2500 VLTs from bars.	Capped at 4000 VLTs
Cap On Number of EGMs Per Venue	10 VLTs generally; up to 1500 machines may be placed in special VGER venues allowed up to 25 VLTs		30 VLTs per venue	Maximum of 10 VLTs per licensed site; 20 sites may be licensed for 25 VLTs	5 VLTs per licensed site	5 VLTs per licensed site		5 VLTs per licensed site.		12 VLTs per venue
Minors Banned In Gaming Areas	Yes	Yes	Yes	Yes	Yes	Yes	Yes. Accompanied minors allowed at racetracks	Yes	Yes. Accompanied minors are allowed at racetracks	Yes
Restricted Opening Hours	Between 10am and 3am	No restriction	No restriction	VLT gaming only allowed between 10 am – 2.30 am	No restriction	All VLTs must be shut down at midnight	No restriction	No electronic gaming allowed midnight-11am	Restricted in two districts to noon-midnight	No restriction
Advertising Restrictions	VLT retailers must have written permission from the regulator to advertise	Yes	Yes	Yes	Yes. No advertising without prior approval.	Yes	Yes	Yes	Yes	Yes
EGM Venue Restrictions	No restriction	No restriction	A municipality may resolve to prohibit VLTs by plebiscite.	No restriction	No restriction	No restriction	No restriction	No restriction	Ongoing withdrawal of 900 VLT sites, concentrated on areas of socio-economic disadvantage	No restriction
Self Exclusion	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

USA: EGM Features

	NV ¹²⁰	NJ ¹²¹	LA ¹²²	MI ¹²³	IN ¹²⁴	IL ¹²⁵	IW ¹²⁶	MO ¹²⁷	MS ¹²⁸	PA ¹²⁹	CO ¹³⁰	SD ¹³¹
Cap On Statewide Number of EGMs	No	No	No	No	No	No	No	No	No	No	No	No
Cap On Number of EGMs Per Venue	No	No	VLTs: Bars/restaurants capped at 3; Truck-stops at 50. No limit on racetracks/casinos.	No	No limit for riverboat casinos; 2000 slot machines per racetrack	No. of slots on riverboat casino limited to 1200. Bill to raise limit to 2000 failed.	No	No	No	No	No	30 machines per license
Opening Hours Restrictions	No restrictions	No restrictions	No restriction	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	Casinos open 8am-2am (voters have approved 24 hour opening as of July 2009)	No restrictions
Minors Banned From Gaming Area	Minors may not loiter in the gaming area	Minors may not loiter in the gaming area	Yes	Yes	Yes	Yes	Yes	Yes	Unaccompanied minors not permitted	Yes	Yes	Yes
Advertising Restrictions	Yes	Yes	Yes. VLTs cannot be advertised outside the venue	Yes.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Restriction on type of venue where EGMs permitted	Allowed in casinos	Allowed in casinos	Slots allowed in casinos, racetracks. VLTs allowed in bars	Allowed in casinos	Allowed in riverboat casinos and racetracks	Allowed in casinos	Allowed in riverboat casinos and racetracks	Allowed in riverboat or floating casinos	Allowed on riverboat and land-based casinos	Only in racetracks and casinos	Allowed at casinos in towns of Black Hawk, Central City and Cripple	Allowed at casinos in the city of Deadwood
Self-Exclusion Program	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* All United States jurisdictions require that any player who wins more than \$1199 must fill out a tax declaration form and show identification at the bar when claiming their prize. This represents a forced break in play when a large amount of money is won but is not considered a EGM feature such as a pop-up screen or automatic cashing out feature.

USA: Gaming Venue Features

	NV ¹³²	NJ ¹³³	LA ¹³⁴	MI ¹³⁵	IN ¹³⁶	IL ¹³⁷	IW ¹³⁸	MO ¹³⁹	MS ¹⁴⁰	PA ¹⁴¹	CO ¹⁴²	SD ¹⁴³
ATM Access	No restrictions.*.	No restrictions	No restrictions	Banned within 50 feet of an EGM.	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	Board can make rules about the placement of ATMs	ATM device may not be attached to an EGM.	No restrictions
Winnings Payment Procedures	No restrictions	No restrictions	VLT machines use TITO system*	No restrictions	All EGMs use TITO system*	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	VLT machines use TITO system*
Cheque Cashing Procedures	Players may restrict their own ability to cash cheques	Casinos can not cash third party or post-dated cheques	Venues must not cash payroll or government family assistance cheque.	Casinos can only cash personal, cashier's or traveller's cheques	Casinos may only cash personal, cashier's or traveller's cheques	Casinos may only cash personal, cashier's, or traveller's cheques	No restrictions	No restrictions	No restrictions	Venues must not cash payroll or government benefit cheque.	Cheques must not be accepted except at cashier's cage.	Cheques must not be accepted except at cashier's cage.
Cash/Credit Advance Limit	Cashless wagering* by credit card prohibited. Players can self-limit access to credit.	No	VLT operators may not extend credit. Casinos may extend credit	No	No	No	No credit card advances or payment for chips by credit card	No	No	Gaming vouchers cannot exceed \$10,000 and must expire within 5 years.	Extending credit banned	Extending credit banned
Problem Gambling Information Displayed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Information on odds of winning displayed	No	Yes	VLTs: Yes	No	No	No	No	No	No	No	No	No requirement
Clocks and natural lighting	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions

* TITO stands for Ticket In, Ticket Out machines, which issue prizes in the form of a redeemable ticket rather than cash. Can be considered a player protection measure as it prevents players immediately feeding winnings back into EGM. Forces break to redeem prize at the bar.

USA: Community Access Features

	NV ¹⁴⁴	NJ ¹⁴⁵	LA ¹⁴⁶	MI ¹⁴⁷	IN ¹⁴⁸	IL ¹⁴⁹	IW ¹⁵⁰	MO ¹⁵¹	MS ¹⁵²	PA ¹⁵³	CO ¹⁵⁴	SD ¹⁵⁵
Cap On Statewide Number of EGMs	No	No	No	No	No	No	No	No	No	No	No	No
Cap On Number of EGMs Per Venue	No	No	VLTs: Bars/restaurants capped at 3; Truck-stops at 50. No limit on racetracks/casinos	No	No limit for riverboat casinos; 2000 slot machines per racetrack	No. of slots on riverboat casino limited to 1200. Bill to raise limit to 2000 failed	No	No	No	No	No	30 machines per license
Opening Hours Restrictions	No restrictions	No restrictions	No restriction	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions	Casinos open 8am-2am (voters have approved 24 hour opening as of July 2009)	No restrictions
Minors Banned From Gaming Area	Minors may not loiter in the gaming area	Minors may not loiter in the gaming area	Yes	Yes	Yes	Yes	Yes	Yes	Unaccompanied minors not permitted	Yes	Yes	Yes
Advertising Restrictions	Yes	Yes	Yes. VLTs cannot be advertised outside the venue	Yes.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Restriction on type of venue where EGMs permitted	Allowed in casinos	Allowed in casinos	Slots allowed in casinos, racetracks. VLTs allowed in bars	Allowed in casinos	Allowed in riverboat casinos and racetracks	Allowed in casinos	Allowed in riverboat casinos and racetracks	Allowed in riverboat or floating casinos	Allowed on riverboat and land-based casinos	Only in racetracks and casinos	Allowed at casinos in towns of Black Hawk, Central City and Cripple Creek	Allowed at casinos in the city of Deadwood
Self-Exclusion Program	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

South Africa EGM Features

EGMs in Casinos			EGMs in Pubs/Taverns ¹⁵⁶	
Restrictions On Note Acceptors On EGMs	No restriction		No restriction	
Maximum Bet Restrictions	No limit		LPMs: 5 Rand	
Maximum Win Restrictions	No limit		LPM maximum payout: 500R. Progressive jackpots banned on LPMs	
Forced Break In Play	No		No	
Spin Rates	No restrictions		No restrictions	
Autoplay Feature Prohibited	Autoplay permitted		Autoplay permitted	
Player 's Ability To Control When Game Stops Disabled	No		No	

South Africa Gaming Venue Features

Casino EGMs ¹⁵⁷			LPM in bars/hotels/clubs ¹⁵⁸
ATM Acces	Banned on or within 5 metres of the entrance to the gaming floor. No directions/signage to ATM may be placed on the gaming floor. Casinos may issue special electronic gaming cards which players can place funds on and withdraw from for gaming.		Cannot have an ATM in the venue. No ATM may be visible from the premises. Direction signage to ATMs banned within the venue.
Procedures For Payment Of Winnings	No restrictions		No prizes/benefits may be awarded accept in the form of game credits or cash.
Cashing Of Cheques	No restriction		LPM operators may not cash cheques (considered a prohibited extension of credit)
Cash/Credit Advances	Casinos may extend credit (with appropriate credit checks)		LPM operators may not extend credit
Problem Gambling Information Displayed	Warning on the dangers of compulsive gambling must be affixed to the front of every machine, accompanied by posters and pamphlets in the venue		Every gaming operator must post a notice warning of the dangers of compulsive gambling.
Information On Odds Of Winning Displayed	Not required		Not required
Clocks And Natural Lighting	Not required		Not required

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GamblingCompliance

Asia Awakens: The Growth Of Casino Tourism

GamblingCompliance Research Team

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GamblingCompliance is an impartial provider of legal and market analysis for the global gaming industry, consisting of a renowned team of lawyers and journalists with experience across multiple jurisdictions.

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Executive Summary

Gambling Compliance Ltd has been engaged by the Australasian Casino Association to provide a report into the state of the casino industry in South East Asia as part of its submission to the Productivity Commission's inquiry into Australia's gambling industries.

The report examines the most significant developments in casino gaming in the Asia Pacific since 1999, outlines the state of the market in the region today, and highlights significant future developments which will shape the industry in the region in the years ahead.

The growth of the casino industry in South East Asia will provide substantial competition across the region for the international high value player.

Main Points

The main points to emerge from this report are:

1. **Casino Development as a Tourism Agenda in Asia.** An important theme to emerge has been the integration of a casino development strategy into many Asian countries' tourism agendas. The integrated casino resort is "a very large entertainment development based around a casino..." the casino being a small component but acting as the primary economic engine "which drives returns and facilitates investment in other facilities and amenities".
2. **Significant Growth in Asian Casino Industry Since 1999.** The casino industry in Asia has grown significantly across the Asia Pacific region since 1999. The growth of the casino market in Asia over the past 10 years and its continued expansion will have an impact on established casino markets in the region, including Australia. Malaysia and Macau have led the way with the development of integrated casino resorts.
3. **Significant Growth in Asian Tourism since 1999.** These developments have come during a period when both Asian economies and the Asian tourism market have grown significantly since 1999, with further growth in both expected into the future. China especially is poised to grow as a source of outbound tourism over the coming years.
4. **Policy Shift in Singapore.** Having previously turned down proposals to open casinos on Sentosa Island in 1985 and 2002, the Singapore Government shifted its policy in 2005 citing a declining regional market share in tourism as the primary reason for the change. In an attempt to capture the increase in outbound tourism primarily from China and India, Singapore adopted the concept of the Integrated resort to reinvigorate the city state as a tourist destination.
5. **Government Supported Tourism Initiatives in Macau.** Tourism in Macau has been growing exponentially reaching 30m visitors by the end of 2008, and infrastructure projects such as the Hong Kong-Zhuhai-Macau Bridge and the Macau Light Transit System are proposed to further facilitate tourism in the province.
6. **More Competitive Casino Market in Asia.** This growth will lead to a more competitive market in South East Asia. Some of the major developments are as follows:

- a. Singapore will soon be unveiling two large integrated resorts on Marina Bay and Sentosa Island with a combined value of approximately US\$9bn.
 - b. Macau has a number of multibillion dollar developments on the Cotai strip scheduled to open in the coming years.
 - c. South Korea has a US\$3.6bn integrated resort being developed on Jeju island.
 - d. Philippines, has a US\$15.0bn integrated resort project being developed in Manila Ba.
 - e. Vietnam, has a number of integrated resort projects planned in Ho Tram, Danang and Phu Quoc. Each of these involve investment in excess of US\$4.5bn.
 - f. Cambodia has a number of multimillion dollar projects planned including a US\$2.0bn project on Koh Rong island and a US\$0.5bn integrated resort at Angkor Wat.
7. **Australian Casinos Compete in Asian Market.** As casino projects open in Asia over the medium to long term, the competitive regional environment in which Australian casinos operate in will become even more pronounced than today. The competition for international casino gaming tourists will increase. Jurisdictions such as Cambodia, Singapore, and the Philippines have and will fiercely compete for a slice of the international player / VIP market through attracting junket operators to their respective jurisdictions.

The non-VIP international tourist segment will also be affected as a result of the consequences of regional competition across Asia. Statistics show that Asian tourists spend the most and are the most likely to visit a casino during their stay. As more Asian countries introduce integrated casino resorts, attracting the same or a higher level of Asian visitors to Australian casinos and the tourism dollars spent in them, will likely become a more difficult task.

8. **Gambling Industry No Longer Recession Resistant.** The current global financial crisis has proved that the traditionally recession-resistant gambling industry is no longer immune. During the current financial crisis strategic planning and regulatory stability will help ensure the economic contribution of the Australian casino industry will be sustained and meet the challenges brought about by increased regional competition.

Overview of Casino Competition in Asia

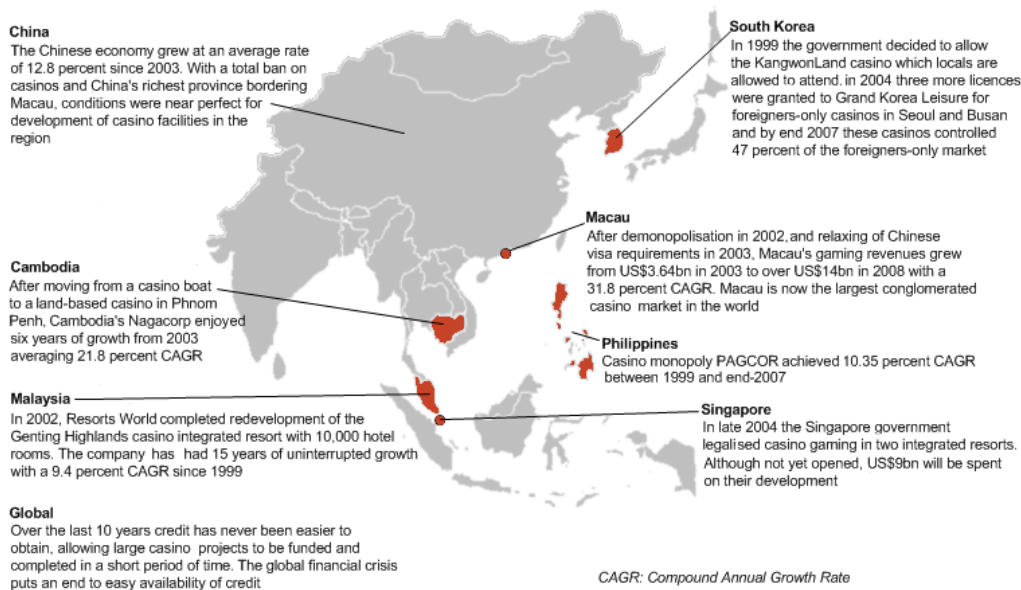
Prior to the turn of the 21st century, jurisdictions including Malaysia, South Korea, the Philippines and Macau offered casino gambling to foreigners. Macau has a gaming history dating back to the 19th century and was a monopoly-based jurisdiction with Stanley Ho's company Sociedade de Turismo e Diversões de Macau (STDM) holding the sole concession for casino gaming from 1962 through to 2002. The first casino opened in South Korea in 1967 and, after this, the market was dominated for many years by the Paradise Group. Malaysia, widely perceived to be the benchmark for the concept of the integrated resort in Asia, opened its Genting Highlands casino in 1971. The Philippines created a regulatory framework for casinos under President Marcos in 1976 despite having a grey casino market since the 1930s.

Around the time of the last Productivity Commission gaming industries report in 1999, Asia's largest casino market, Macau, experienced a decline in gaming revenues by 18 percent, finishing the year at US\$2bn. This was on the back of the Asian economic crisis and the uncertainty shrouding its return to China from Portuguese rule. The STDM monopoly licence was due to expire in 2001 and, except for South Korea, all countries in the region with casinos recorded a decline in tourism receipts. From a tourism perspective, Malaysia was the worst hit by the financial crisis, with a decline in tourism receipts of 40 percent in 1997.¹

Whilst Asia was always earmarked as a potential area for casino growth, few could predict the rapidity of the growth that would be experienced over the next 10 years:

- Macau became the largest casino market in the world, growing from US\$2bn 1999 to US\$14bn by end-2008.
- The sole casino operator in Malaysia, Resorts World, grew revenues from A\$1bn to in excess of A\$2bn by 2007.²
- Philippines casino monopoly, Philippine Amusement and Gaming Corporation (PAGCOR) grew revenues from A\$400m to nearly \$A1bn by 2007.³
- South Korean casino revenues rose from US\$256m⁴ in 1994 to US\$1.15bn by 2007.
- A floating casino on the banks of the Tonle Sap River in Phnom Penh became a land-based casino that generated in excess of \$US200m and has grown at a rate of 22 percent per year since 2003.

Growth and Developments in Asia since 1999



A New Age - Malaysia and Macau

Despite a casino gambling presence existing in Asia for many years, the new century saw a significant shift in approach. At the forefront of this shift were Malaysia and perhaps more importantly Macau.

In Malaysia, the concept of the 'integrated resort'⁵ emerged in the early 1990s, when Resorts World, facing increasing opposition from an increasingly conservative Muslim population decided to diversify its resort beyond gaming activities, adding three new hotels, as well as theme parks and other amenities to Genting Highlands site. The intention was to open up the resort to the tourist and family entertainment market, a concept arguably developed by Jay Sarno in the 1960s in Las Vegas, with the themed family casino resorts of Caesars Palace, followed by Circus Circus⁶. This theme was continued early in the new century with Resorts World further developing the attractions at Genting Highlands resort. This strategy ensured Resorts World had 15 years of uninterrupted profits.

Up until 2002, Macau had a gaming monopoly headed by STDM. After 2002, a limited number of concessions and sub-concessions were granted to foreign casino giants such as Las Vegas Sands, Wynn and MGM. They saw the opportunity to access the largely untapped Chinese market, where casino gambling was and still is illegal. There was a period of rapid development in the following years thanks to readily available credit, a relaxation in the visa restrictions for Chinese tourists and a rise in disposable income in the neighbouring province of Guangdong – China's richest province. The next seven years saw gaming revenues grow at a yearly average of 30 percent. Macau now has the highest revenues of any global conglomerated gaming market, including Las Vegas.

The emergence of a competitive gambling market and the sums which the concessionaires have been contractually obliged to invest has resulted in the emergence of a new wave of integrated resort construction in Macau. These integrated resorts have similarities with the resort pioneered by Genting in Malaysia, with meetings, incentives conventions and exhibitions (MICE) facilities, restaurants and entertainment venues, sitting alongside gambling facilities. However, the sheer size and number of these resorts have eclipsed those in most other parts of the world.

Las Vegas Sands became the first Western company to open a casino in Macau, back in 2004. The company recouped its US\$240m Sands Macau construction budget within a year of the opening.

Macau has experienced an unprecedented level of economic success since the end of its gambling monopoly. It has created an environment where casino-driven tourist investment projects attract industry leaders, while tourist, hotel guest numbers and revenues have grown with the opening of new integrated resorts. Macau's location, next to a rising and booming Chinese economy, credit availability and relaxed visitor requirements, have all played their part in creating this success.

This success has not gone unnoticed by its neighbours. Macau is the jurisdiction which most other Asian countries are seeking to emulate. The concept of casino-driven tourist investment projects are now on many countries' policy agendas

Singapore

Asian governments were once vehemently anti-casino, but a shift in the regional consensus means Macau-style projects are now a key policy objective and tourism tool for most emerging Asian jurisdictions.

Perhaps the most notable jurisdiction that illustrates this shift is Singapore. Traditionally conservative, in April 2005 it made the decision to attempt to emulate the success of Macau, albeit through a more stringent regulatory structure. Casino gaming was illegal in Singapore at the time of the last Productivity Commission gambling industries report in 1999, with the government rejecting proposals to open a casino on Sentosa Island in 1985 and 2002.

However, in late-2004, the Singapore government changed its policy stance in a move inspired by the incredible growth of Macau, the continued success of Genting Highlands and the phenomenal rise of tourism in Asia. In a speech delivered on April 18, 2005, Prime Minister Lee Hsien noted the circumstances which led to Singapore introducing integrated resorts.⁷

"We are losing ground in tourism. Tourism in Asia is growing phenomenally, especially the traffic from China and India. Singapore's tourist numbers are up too, but we see warning signs of problems ahead. We are losing our attractiveness as a tourist destination."

Regarding integrated resorts, Singapore's prime minister observed that while the media focus was on "whether or not the government will approve casinos", this missed the point.

"This has given the wrong impression that the IR [integrated resort] project is only about building casinos here. We think of a gaming room with slot machines and game tables, perhaps with a hotel and some basic facilities. We think of Macau as it used to be, with a sleazy reputation and triad gangs ruling the streets, or Las Vegas in the movies, with organised crime and money laundering. But that is not what we are looking for. IRs are quite different. In fact, they should be called leisure, entertainment and business zones."

Whilst it was a desire to emulate the success of its Asian peers, Singapore looked outside of Asia for guidance on casino regulation. After extensive research into multi-casino jurisdictions such as Nevada and New Jersey and single casino jurisdictions such as New South Wales and Victoria, the Casino Control Act was passed, which will see two multi-billion-dollar integrated resorts providing casino gaming come into operation in 2010.

The desire to make the Singapore casinos objects of economic tourism is illustrated by the evaluation process for the concessions in which there were four main criteria in the cession-making process. The project's tourism appeal and economic contribution was the most heavily weighted factor, accounting for 40 per cent of the decision in granting concessions.

The first concession was granted to Las Vegas Sands for the Marina Bay site in May 2006. Projections at the time estimated that the resort would start operating by the first quarter of 2010 and would cost US\$5bn.

The design consists of three large shells containing conference halls and other business venues, three large hotel towers linked by a sweeping sky garden across their top floors, and a museum which juts out onto the bay. The Deputy Prime Minister Prof S Jayakumar said:

“Sands submitted the best overall proposal that meets our economic tourism objective. In particular, the proposal will significantly strengthen Singapore’s position as a leading MICE destination and the proposal also possesses unique design elements that will provide a memorable image for Marina Bay.”⁸

The second concession was granted to Malaysian consortium Genting International, which at the time held a 75 percent stake in the project, and Star Cruises, which owned the remaining stake. The 49-hectare integrated resort’s land cost S\$600m (A\$600m, and S\$1.6bn (A\$1.6bn) was spent on a Universal Studios theme park called Universal Studios Singapore. Overall cost projections are S\$6.6bn (A\$6.6bn) and the project is expected to complete in early 2010. When giving his reasons for granting the concession, the deputy prime minister said:

“Genting International & Star Cruises submitted the most compelling proposal overall that best meets our economic and tourism objectives. In particular, the proposal reflects our vision for the Sentosa IR as a large-scale, family resort with its host of world-class family leisure attractions and other strong offerings. We believe that the attractions will position Sentosa as a premier island resort for families and draw significant numbers of both new and repeat visitors to Singapore.”

It is estimated that each casino will have at least 2,000 slot machines and a set of technical standards and rules for licensing of machine testing facilities were recently published.

Other countries

The Philippines is a little behind Singapore, but has its own plans. Bagong Nayong Pilipino Entertainment City is an ambitious US\$15bn integrated casino project, which is planned for Manila. Thus far, Malaysian giant Genting, through its subsidiary Star Cruises and Aruze Corp, have partnered with local entities to invest in the project which is due to complete within five years.

Jeju Free International City Development Centre is developing a US\$3.6bn project on Jeju Island, a semi-autonomous Korean holiday destination. This is being bankrolled by Malaysian sports toto giant, Berjaya Land. The island, which already has eight casinos, is a popular destination for Japanese, Chinese and Korean tourists and has no visa restrictions.

Vietnam, has also committed to a number of integrated resort projects. These include a US\$5bn project in Danang funded by Oaktree Capital, a US\$4.2bn venture on the Ho Tram strip between Asian Coast Development and MGM Grand; and a US\$4.5bn project on the island Phu Quoc.

The land-based NagaWorld casino in Phnom Penh and a number of casinos bordering Vietnam and Thailand have existed in Cambodia since 2003. But there are clear intentions to develop the industry further for junket operations and high-rolling VIPs. Recently, Intercity Group received an official investment certificate for a US\$470m project near the world-heritage-listed Angkor Wat site. The project will include three hotels and a water park, alongside a 1,000-slot machine casino. It is expected to be officially unveiled at a ceremony attended by Cambodia’s Prime Minister Hun Sen in Siem Reap in March 2009.

Expansion Post-Macau

With the new century seeing a high level of regional casino development, it is widely expected that more jurisdictions will consider resort-style casino development for the first time to drive tourism revenues.

Perhaps the most significant of these jurisdictions is Taiwan, which recently passed a draft amendment on January 12, 2009 legalising gambling on the country's outlying islands, provided that a local referendum approves the development. AMZ Holdings has a large parcel of land on Penghu Island where a referendum is set to take place in April or May 2009. AMZ is currently in discussions with a number of large international gaming companies seeking partnerships to develop the project.

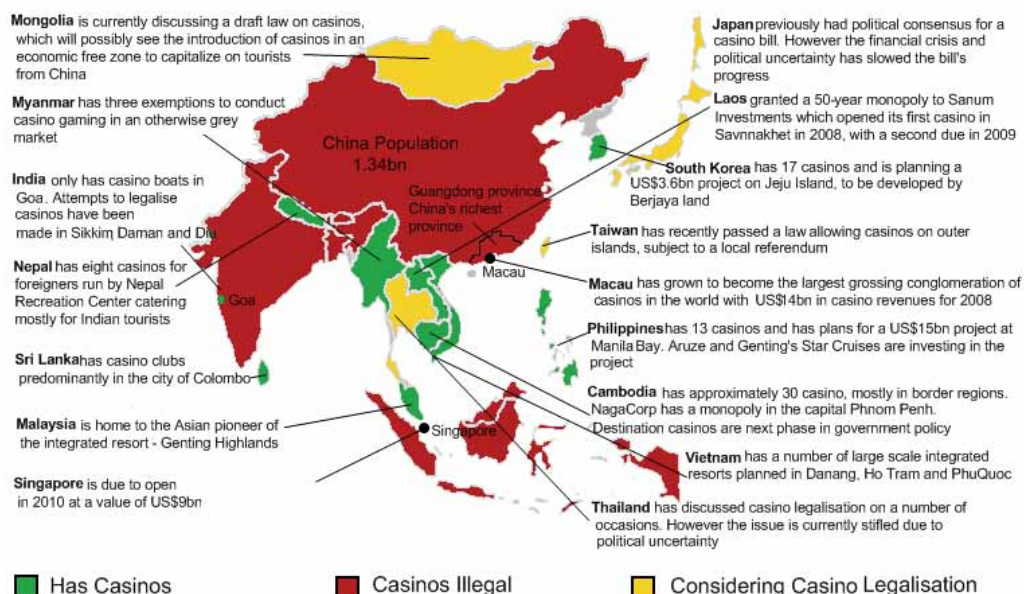
In Thailand, the former Prime Minister Samak Sundaravej reportedly said he planned to build five casinos, which would be open to both foreign tourists and Thai nationals. He said casinos would be located in the tourist hubs of Phuket, Pattaya, Khon Kaen, Hat Yai and Chiang Mai. Political uncertainty has slowed this push for liberalisation. However the issue may soon re-emerge on the political agenda, leading some observers to suggest it is only a matter of time before casino gaming is initiated.

Despite a history of political volatility, until recently there was consensus between the majority parties for the development of casinos in Japan. However, political uncertainty and the global financial crisis have stifled this consensus. Despite the hurdles, sources close to the government suggest one casino in each of the 10 regions is a possibility.⁹

Even the Muslim nation of Indonesia has entertained the idea of the Malaysian group, Landmark developing casinos on Bintan Island for foreign tourists. However, as yet, the development has not gained approval from the Indonesian parliament.

The diagram below shows the recent developments and future prospects of casino gaming in Asia, a market that is expected to grow to in excess of US\$34.4bn by 2012.¹⁰ Importantly, it shows the increase in tourism-based casino projects and integrated resorts following the lead of Macau and Malaysia.

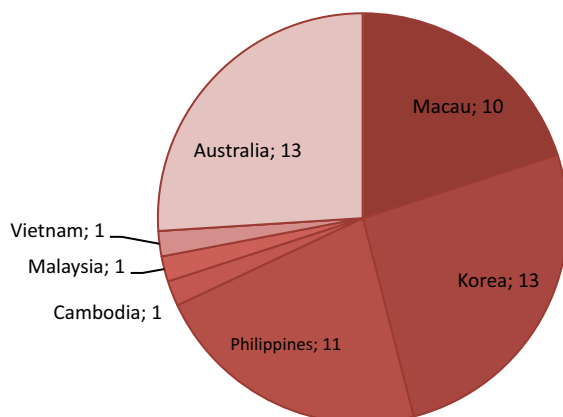
Asian Casino Gaming Landscape in 2009



Impact On the Australian Casino industry

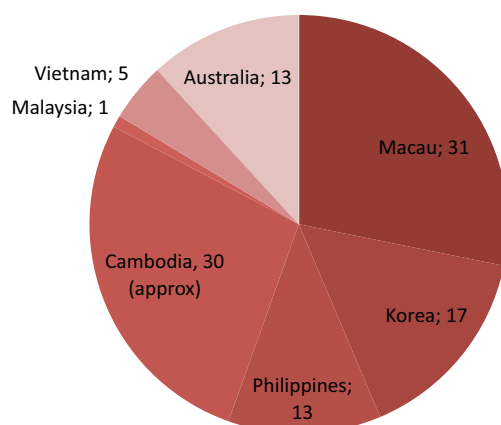
The growth of the casino market in Asia over the past 10 years and its continued expansion will have an impact on established casino markets in the region, including Australia. What was once a region having only a few casino gambling jurisdictions is transforming. As the two charts below illustrate, the number of casinos in the Asian countries covered in this report have more than doubled since the last Productivity Commission gambling industries report.

Casino Numbers 1999



Total casinos in these jurisdictions: 50

Casino Numbers 2009



Total casinos in these jurisdictions: 110 (approx)

Source: GamblingCompliance

The outcome of the casino expansion outlined in this overview will be increased competition. As more jurisdictions introduce policies aimed at creating casino destination resorts to attract international tourists, there will be an increase in competition for these international tourists to visit integrated casino resorts in the countries of the region. There will also be an increase in competition to attract internationally sourced / VIP players to come to the region's casinos.

The competitive impact on Australia's casino industry posed by casino expansion in Asia is borne out in the two charts above. Australian casinos have a shrinking share of casino numbers.

Although the charts do not relate to market share in the region, the charts are useful in illustrating both the increase in casino gambling opportunities across Asia since 1999 and the increased competitive environment Australian casinos are now operating in.

Furthermore, as casino projects open in Asia over the medium to long term, introducing even more casino gambling opportunities in the Asian region, the competitive regional environment in which Australian casinos operate in will become even more pronounced than today.

The international sourced player / VIP player segment of Australia's casino industry is the most significant segment affected by increased competition as casino liberalisation and expansion take ground across Asia. International players are quite small in terms of numbers and as more casino gambling opportunities emerge the competition amongst casinos to source them will likely increase. Jurisdictions such as Cambodia, Singapore, and the Philippines have and will fiercely compete for a slice of the international player / VIP market through attracting junket operators to their respective jurisdictions.

The non-VIP international tourist segment of Australian casinos will also be affected as a result of the consequences of regional competition across Asia. According to a 2008 report by the Australasian Gaming Council¹¹:

- Asian countries hold the top nine places in terms of average expenditure on gambling per trip to Australia by a particular nationality;
- Asian countries hold the top six places in terms of international tourists by nationality who visited casinos during their trip to Australia.

As more Asian countries introduce integrated casino resorts, attracting the same or a higher level of Asian visitors to Australian casinos and the tourism dollars spent in them, will likely become a more difficult task. For example, a tourist from Singapore on holiday in Australia may forgo a visit to an Australian casino once the multi-billion dollar integrated resorts open in Singapore, on account of their being new found casino gambling opportunities back home in Singapore, with state-of-the-art services and facilities.

There is also an emerging extra-regional competition for potential *patrons* from the Asian region, which will provide increased competition for Australia's casino industry. This emerging competition is illustrated by Nevada, which has entered into agreements with a number of China's provinces, to enable Nevada to positively position itself in the Chinese outbound tourism market. Moreover, in December 2007, the US Commerce Department signed a memorandum of understanding with the Chinese government that, among other things, allows the promotion in *China* of travel to the United States. Promoting specific US cities where gambling is legal (Las Vegas, Atlantic City) is allowed under this agreement¹².

The current global financial crisis has proved that the traditionally recession-resistant gambling industry is no longer immune. During the current financial crisis, strategic knowledge, planning and regulatory stability will help ensure the economic contribution of the Australian casino industry will be sustained and meet the challenges brought about by increased regional competition.

This report is an overview of a more extensive report prepared for the Australasian Casino Association.

¹ SK Kang and C Hsu, *Asia Pacific Rim Casino Industry Outlook in the 21st Century*, (July 2000)

² Hwang DBS Vickers Research, 3 September 2008, (Accessed February 14, 2009) <<https://invest.hdb.com.my/Archive-Research/2008/200809%20SEP/20080903%20Research.pdf>>

³ PAGCOR website (Accessed February 12, 2009) <<http://www.PAGCOR.ph/index.php>>

⁴ SK Kang and C Hsu, *Asia Pacific Rim Casino Industry Outlook in the 21st Century*, (July 2000)

⁵ A MacDonald and B Eadington, 'The Case for Integrated Resorts', *Inside Asia Gaming*, November 12, 2008. "An Integrated Resort is really a euphemism for a very large scale entertainment development based around a casino. The casino component, while physically small, must still act as the primary economic engine which drives overall returns and facilitates investment in other facilities and amenities. Thus the casino element must be of such magnitude and importance that it can generate over half of the development's annual cash flow."

⁶ A MacDonald and B Eadington, 'The Case for Integrated Resorts', *Inside Asia Gaming*, November 12, 2008.

⁷ L Hsien, 'Statement By The Prime Minister Lee Hsien Loong On Integrated Resort' (April 18, 2005), www.app.mti.gov.sg, (Accessed February 12, 2009)

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⁸ Singapore Tourism Board, 'Government Awards Integrated Resort at Marina Bay Project to Las Vegas Sands Corporation' (May 26, 2006), <http://www.stb.gov.sg>, (Accessed February 18, 2009)

<<http://app.stb.gov.sg/asp/new/new03a.asp?id=5163>>

⁹ T Mihara, 'Contemplated Casino Structure in Japan: Key Legal Structures & Issues' (2007)

¹⁰ Price Waterhouse Coopers, 'Global Entertainment and Media Outlook: 2008-2012' (2008) page 626

¹¹ Australasian Gaming Council, 'Fact Sheet: Tourism' (November 2008), www.austgamingcouncil.org.au, (Accessed March 10, 2009) <www.austgamingcouncil.org.au/images/pdf/Fact_Sheets/agc_fs15tourism.pdf>

¹² GamblingCompliance, 'China – A Regulatory Overview' (February 5, 2009), www.gamblingcompliance.com, (Accessed March 10, 2009) <<http://www.gamblingcompliance.com/regprofiles/219>>