

Club One Submission to Joint Select Committee on Gambling Reform

Introduction

Club One considers that proposed pre commitment schemes so far trialled are designed to be complex, expensive, are extensions of concepts such as loyalty cards and demand unreasonable amounts of disclosure.

The trials of present proposals have seen significant drops in revenue as casual players express their frustration at the complexities and intrusions demanded by the proposed systems.

Club One acknowledges that the call for submission is to the Terms of Reference and offers a proposal of a venue managed universal Machine Activation Card (MAC).

What is Club One?

Club One is a not for profit incorporated company that holds the Special Club License granted under the Gaming Machine Act (SA).

Club One has a general brief to maintain the numbers of Gaming Machine Entitlements (GMEs) and their revenue within the Club Industry – presently Clubs have just under 9% of all GMEs.

Club One, subject to the oversight of the Office of Liquor and Gambling (OLGC) and reporting to the Parliament of South Australia, has the broad powers of being able to buy GMEs, build and operate venues and provide services to Club Gaming.

Club One operates by purchasing GMEs from failing club venues and relocating them into more sustainable venues. It uses its surpluses to support itself and to purchase more GMEs as well as support clubs, sport and recreation in South Australia by way of grants and other payments.

The position of Club One is that it supports the existing legal framework whereby recreational gambling is conducted in licensed premises accessed only by adults.

Club One supports a requirement for these venues to provide safe gambling experiences.

Given these venues are licensed and safe, Club One sees no need for a requirement to further restrict or contain such venues or their legitimate activities beyond planning concerns that involve such matters as traffic and immediate local amenity (noise etc).

Why a mandated pre commitment scheme?

Leaving aside Realpolitik, Club One understands the basic premise for the call for mandated pre commitment is the assumption that everyone who gambles using a gaming machine will gamble to excess and this has to be stopped.

The term excess might best be understood as gambling beyond the capacity to lose money.

In such a perspective, the potential to gamble to excess by everyone has to be stopped because the few who actually gamble to excess create great misery and costs for themselves and their many acquaintances, friends, dependents and society. These costs are said to be are tangible in the form of the loss of money. Costs are also alleged to exist by way of intangibles such as family break ups, mental illnesses such as depression and many expressions of dysfunctional behaviour.

A universal implementation of mandated precommitment as posed by the Productivity Commission (PC) means that it deems the excess gambling using gaming machines to be too great a cost for society to tolerate.

The response of Club One

Club One rejects the implementation of a system that assumes everyone who gambles using a gaming machine will gamble to excess. There is no evidence to support this primary premise of a schema for mandated pre commitment.

Club One rejects the implication that the capping of the gambling spend will greatly alter the incidence and extent of intangible events such as family breakdown, mental illness or any form of dysfunctional behaviour. They were around before the gaming machine and will be afterwards.

Club One also rejects the notion that gaming machines create a problem greater than any other and so require unprecedented pervasive and intrusive systems to control all players regardless of their spend.

The position of Club One

Club One acknowledges that a minority of people gambling excessively, just as people spend too much on shopping, or overplay internet games, or drink too much at parties; there is a human trait to do excess in any human activity.

The core problem with Gaming Machine excess is that under present standards one cannot know what an excess is unless one knows the income of the player.

Club One argues that to provide this information is not a reasonable price to pay to be allowed access to recreational gambling.

Club One believes that the criteria developed by the PC and referred to the Joint Committee is unreasonable as it ultimately requires excessive imposts on individuals and will create significant difficulties within the industry and for all those dependent upon it.

The proposal of Club One – Machine Activating Card (MAC)

Club One understands the critical challenge of any intervention is to credibly inform players by alerting them to their behaviour. Once informed the player can make a choice or, if catastrophic, an intervention can occur. The critical matter however is that the player takes responsibility for their actions and so (if needed) a change can commence.

Similarly, a casual or recreational punter fluttering some dollars does not need a sledge hammer to remind them of what they are doing but a prompt.

The full PC recommendations are a sledge hammer.

The MAC

The MAC operates as all precommitment cards do; once inserted the player can use the machine. The card stops the machine once the player has exhausted the amount and any credits they have won.

The process of the card is that:

1. It is venue based – each venue issues a card free to each player on entering the gaming room. They surrender the card on leaving the venue.
2. The card has a preset amount.
3. The player inserts the card and plays as they would normally.
4. Once the amount plus credits has been exhausted the machine will no longer play. The player can then have the card reset.
5. The issuing and resetting is done by an appropriately trained and authorised venue staff member. The use by that player of that card can be monitored and if necessary, an intervention can occur.

Aspects of the card

1. It is simple, renewable and efficient.
2. It is not a form of cash or credit. The amount is a trigger rather than a target. Handing the card in without it ever turning off the machine does not return anything to the player.
3. The card is free and given to all. There is no ID check, no requirement to reveal incomes or to have credit checks or any intrusions. There is no issue of identity fraud or other complications.
4. All the player has to do is insert the card into a machine or sequence of machines in a venue and if necessary renew the card.
5. The venue can monitor use. If the person starts to renew the card at a rate deemed excessive, an intervention can be arranged.
6. The use and resetting of the cards can be monitored for venue audits.
7. The venue can monitor and assist their regular patrons.
8. An excessive player can be stopped by refusing to issue a card or reset a card and a banned person cannot slip into a venue and just play.
9. Any intervention that occurs, unlike with an irrevocable pre commitment limit, allows for a player to make an informed decision to take action or for an immediate intervention (if appropriate) to occur.
10. All venues will have the same card processes so all players will be treated the same.
11. There is no need to have trials of selecting processes of setting limits, or of selecting systems to opt in or out. The card is a fact, like a switch and it is little more than that.
12. If there are other processes of voluntary pre commitment to be accessed, this can be accomplished by having parallel systems attached to the gaming machine but not so as to interfere with the MAC. It is not believed they will be needed as there is the option of further spending control by having individuals contract on a number of renewals of a card per day.

The setting of the MAC amount can be done by utilising the average spend per state in its year of introduction and then indexing it annually to account for CPI and other changes.

The MAC will mean no significant change for most players. It will create a one off costs to the venue. It is suggested that as this is an impost that this investment be supported by federal funds or some advantageous tax treatment.

Summary

While Club One does not support mandatory pre commitment it recognises that players do need to know about their playing behaviour.

Club One particularly does not support a complex self nominating system that will demand excessive intrusions into personal lives and details that will require such complications as anti identify fraud measures.

Club One proposes a variant to the precommitment systems on trial by having a single easy used activation card operated by each and every venue. (MAC)

Club One recognises that each person must make a decision about their gambling behaviour if they wish to control that behaviour. The MAC does this by making the player reset their card and by having that reuse monitored by an appropriately trained person so that interventions can occur.

Should the player take umbrage about inquiries about their resetting and leave the venue for another – they will encounter the same process and thus a continual re-enforcement of the processes of making decisions to manage behaviour.