



Independent Gambling Authority

A.B.N. 13 916 836 475

IGA REF: AUTH 10/0097

3 May 2012

Ms Lyn Beverley
Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
CANBERRA ACT 2600

Level 4
45 Grenfell Street
Adelaide South Australia

Post Office Box 67
Rundle Mall
South Australia 5000

Telephone: + 61 8 8226 7233

Fax: + 61 8 8226 7247

Email: iga@iga.sa.gov.au
www.iga.sa.gov.au

Dear Ms Beverley

Inquiry into the prevention and treatment of problem gambling

I refer to your letter dated 13 February 2012, and apologise for the delay in responding.

Please regard this letter as a submission on behalf of the Independent Gambling Authority to this present inquiry.

Institutional framework

In South Australia, responsibility for government activity in respect of the prevention and treatment of problem gambling, and the matters more particularly set out in the terms of reference, traverses a number of ministries and government agencies.

The Minister for Business Services and Consumers administers the statutes under which gambling is licensed, regulated or prohibited, with the exception of gambling activity undertaken by the Lotteries Commission of South Australia. The regulatory bodies (the Independent Gambling Authority and the Liquor and Gambling Commissioner) are accountable to Parliament through the Minister for Business Services and Consumers.

The Minister for Finance administers the legislation under which the Lotteries Commission of South Australia conducts public lotteries under statutory mandate.

The Minister for Communities and Social Inclusion is responsible for the disbursement of the Gamblers Rehabilitation Fund—a fund established under the *Gaming Machines Act 1992*.

The Department of Treasury and Finance, through its Regulatory Policy Unit, provides gambling policy advice to the Minister for Business Services and Consumers. It also provides the secretariat for a Ministerial Responsible Gambling Working Party which among other things has sponsored collaborative work on in-venue signage.

The Department for Communities and Social Inclusion, through its Office for Problem Gambling, manages the contracting of gamblers' help services, and undertakes public education and information activity.

The Liquor and Gambling Commissioner, as the licensing authority for hotels and clubs, has regulatory responsibility for some areas of in-venue signage, in addition to general licensing, enforcement and compliance functions. The Commissioner's powers are exercised through the Consumer and Business Services Division of the South Australian Attorney General's Department.

The Independent Gambling Authority has statutory responsibility, among other things, to develop and promote strategies for reducing the incidence of problem gambling and for preventing or minimising the harm caused by gambling. In addition to this general function, the Authority has specific "rule making" responsibilities in respect of the advertising and responsible gambling codes of practice which commercial gambling operators must follow.

Funding for gambler rehabilitation

I attach a diagram, most recently published in the Authority's 2010–11 Annual Report, which seeks to explain the funding arrangements for problem gambler rehabilitation and related services in South Australia.

Scope

Other than the above, this letter seeks to speak with authority only in respect of the matters for which the Independent Gambling Authority is responsible.

Regulatory instruments relevant to the terms of reference

So far as the inquiry's terms of reference and their relationship to the Authority are concerned, the principal instruments are the advertising and responsible gambling codes of practice, section 15B of the *Independent Gambling Authority Act 1995*, section 10B of the *Gaming Machines Act 1992* and the whole of the *Problem Gambling Family Protection Orders Act 2004*.

In South Australia, by operation of the *Lottery and Gaming Act 1936*, all gambling is unlawful unless specifically licensed or authorised or covered by some form of exemption. The Lottery and Gaming Act itself makes provision for the licensing or authorisation of charitable lotteries and trade promotion lotteries.

Specific purpose statutes (which I call the "Gambling Acts") authorise the conduct of a casino, the operation of electronic gaming machines in certain premises licensed for the supply of liquor, the conduct of betting activities by local licensees and authorised interstate betting operators and the conduct of state lotteries by an incorporated agency of the state (the Lotteries Commission).

Each of the Gambling Acts makes provision for the licensee or operator to comply with an advertising code of practice and a responsible gambling code of practice.

Although the mode of deployment of the codes varies from Gambling Act to Gambling Act, the outcome is the same—the gambling provider must comply with the codes.

The Authority is responsible for the content of the codes and has sought to make them uniform—at least as to their core provisions—across all the forms of commercial gambling to which codes of practice apply.

Specific responses to the terms of reference

I turn now to some of the specifics in the terms of reference.

Term of Reference (a)(i)—The advertising codes of practice require all advertising of commercial gambling products to include a mandatory warning message. The mandatory warning message rotates 6 monthly in a 3 year cycle. The expression “Gamble Responsibly” is a core component of each of the six messages in the suite, and also serves as the “condensed message”.

I attach a listing of the six mandatory warning messages and their operative dates.

The advertising codes of practice allow the condensed message to be used where it is impracticable or unreasonable to use the longer message.

Gambling operators are required to use the same suite of mandatory warning messages on in-venue signage, and where websites are part of the gambling offering, at the point of sale screen.

Term of Reference (a)(iii)—The responsible gambling codes of practice require gambling providers to publicise the telephone helpline funded from the Gamblers Rehabilitation Fund.

They do this through measures such as requiring helpline cards to be made available in gaming rooms, in the casino, at the terrestrial point of sale for lottery and wagering products, and at the point of sale screen for online products.

Term of Reference (b)(i)—Clause 3 of each of the advertising codes of practice contains a list of prohibitions on what can be included in the advertising of gambling products. These prohibitions effectively circumscribe some marketing strategies used in the past.

Term of Reference (b)(ii)—Clause 6A of the Gaming Machines Responsible Gambling Code of Practice prohibits licensees from offering any inducement to gamble other than participation in an acceptable loyalty program.

The code of practice defines an acceptable loyalty program by reference to principles, and also allows programs to receive one off approval from the Authority. The principles constrain loyalty programs to structured rule based

programs where the rewards that are offered are in proportion to the amount of gambling activity.

Key purposes of the implementation of clause 6A have been the elimination of practices such as the offering of discounted meals in gaming rooms, the provision of extra change in the form of dollar coins for meals purchased in licensed premises and the “shopper docket” practice of allowing shoppers to redeem the cash register receipts for coins in gaming rooms.

The wagering codes of practice prohibit the advertising and provision of inducements to open a betting account.

All of the responsible gambling codes of practice prohibit the offering of alcohol to encourage extended gambling activity.

Term of Reference (c)—Clause 10 of each of the responsible gambling codes of practice sets out requirements for training of the staff involved in supply of the gambling product.

In addition, the Gaming Machines Responsible Gambling Code of Practice affords regulatory concessions for licensees having a “responsible gambling agreement”—that is an agreement in certain terms with a “Recognised Industry Body”.

The recognition of industry bodies (a licensing process administered by the Authority under section 10B of the Gaming Machines Act) has been undertaken to encourage active early intervention in gaming machine venues.

The process has given rise to the establishment of industry agencies with a particular brief to assist licensees in identifying and dealing with problem gamblers. The two bodies recognised in South Australia are Gaming Care (a body sponsored by the hotel industry) and Club Safe (a body sponsored by licensed clubs).

The Authority receives regular reporting from Gaming Care and Club Safe detailing in quantitative and case study terms the activities of the bodies and the licensees with which they have their responsible gambling agreements.

Term of Reference (d)(iii)—The casino licensee, gaming machine licensees and the holder of the major betting operations licence (SA TAB Pty Ltd) have specific statutory authority under the Gambling Acts to bar people for the protection of their own or others’ welfare.

In addition, under section 15B of the Independent Gambling Authority Act, the Authority may bar a person from the casino or one or more licensed gaming areas, if the person requests that barring in writing. The administrative processes for section 15B include a structured face-to-face interview, and the taking of the person’s photograph.

In each of these cases it becomes an offence for the barred person to engage in the activity from which he or she is excluded.

In addition, the Authority is able to include barring orders in Problem Gambling Family Protection Orders.

In 2009, the Authority completed an inquiry into barring arrangements in South Australia (commissioned at the request of the then Minister). That report is available online at
http://www.iga.sa.gov.au/pdf/iga/Report_BarringInquiry.pdf.

I trust that the Joint Select Committee will find this information of some use. I would be more than happy to answer any questions the Joint Select Committee has.

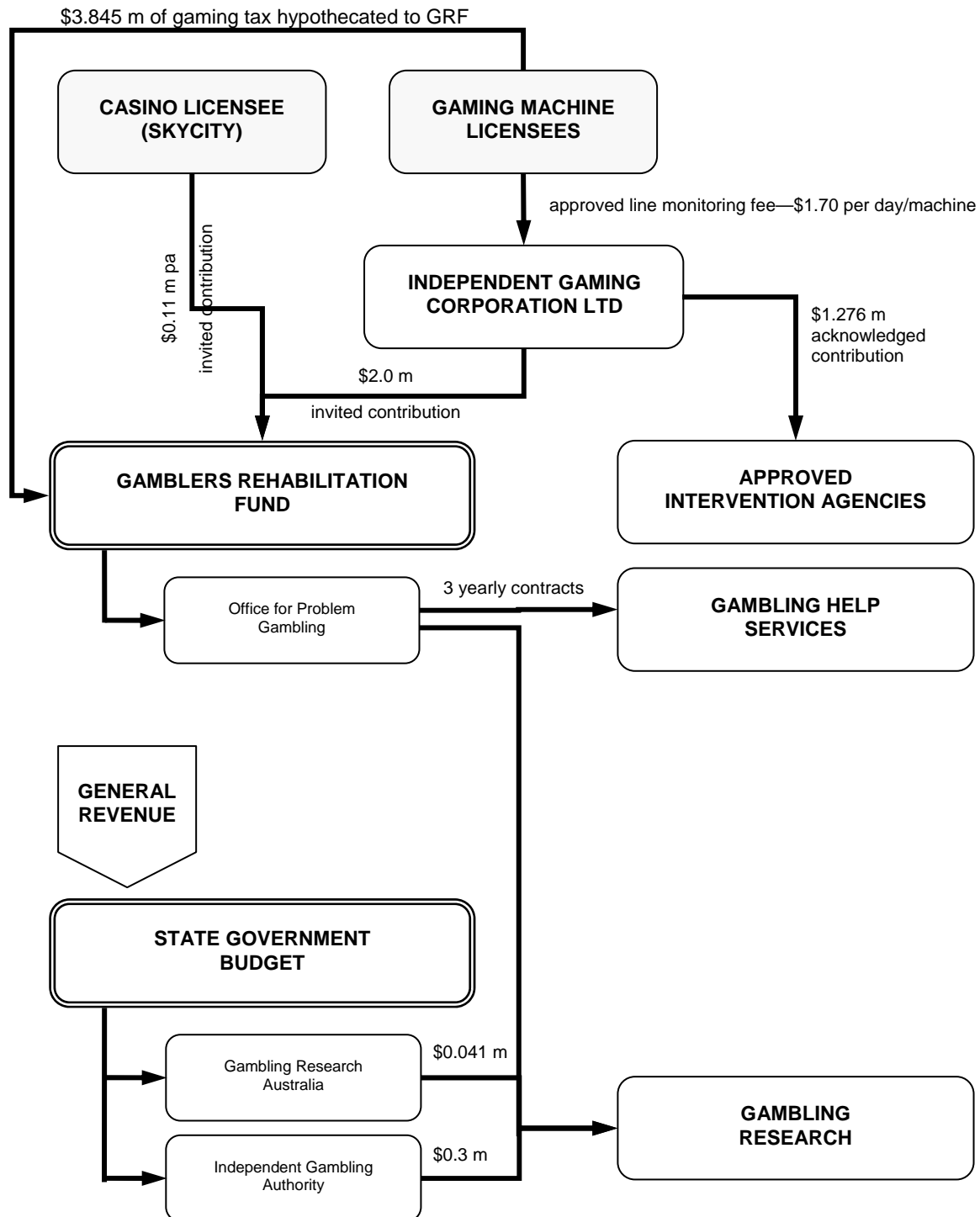
Yours sincerely

[Signed]

Robert Chappell
Director

Funding for responsible gambling and harm minimisation in South Australia

Appendix D to the 2010–11 Annual Report of the Independent Gambling Authority



Notes

1. Independent Gaming Corporation Limited holds the gaming machine monitoring licence. The line monitoring fee is a fee regulated by the Minister for Business Services and Consumers.
2. *Approved Intervention Agencies* are now known as *Recognised Industry Bodies*. They are *Gaming Care* and *Club Safe*.

Rotation of the expanded warning message

required to be included in gambling advertising, and in in-venue signage, etc, for gambling operators licensed or authorised in South Australia

<i>Expanded warning message</i>	<i>Next relevant period</i>
Don't chase your losses. Walk away. Gamble responsibly.	1 January 2012–30 June 2012
Don't let the game play you. Stay in control. Gamble responsibly.	1 July 2012–31 December 2012
Stay in control. Leave before you lose it. Gamble responsibly.	1 January 2013–30 June 2013
You know the score. Stay in control. Gamble responsibly.	1 July 2013–31 December 2013
Know when to stop. Don't go over the top. Gamble responsibly.	1 January 2014–30 June 2014
Think of the people who need your support. Gamble responsibly.	1 July 2014–31 December 2014