

## PRE-COMMITMENT TRIALS

### Outcome 3.1 – Financial Management

#### KEY POINTS

- Queensland and South Australia have trialled opt-in (or voluntary) pre-commitment systems using various card based technologies.
- Queensland has undertaken three pre-commitment trials to examine player attitude to pre-commitment in 2005, 2008 and 2008-09.
- Around forty gaming venues in Queensland now have pre-commitment systems.
- The Queensland trials found that a majority of participants felt that using the card encouraged them to think more about their pokies spending.
- Aristocrat Technologies Australia have recently announced that they are working with the Queensland Government to trial a voluntary, machine-based pre-commitment system including a 'bank metre' and an alarm clock, to be trialled in Queensland in the first half of 2011.
- South Australia has also conducted three pre-commitment trials. These were two different systems that allowed players to pre-commit at the machine and one system that tracked the exchange to coins of a player.
- In the South Australian *WorldSmart* trial, expenditure by problem gamblers was found to be reduced by 56 percent. Further, average turnover reduced most for at risk gamblers.
- As of September 2010 pre-commitment technology had been rolled out to 74 gaming venues across South Australia.

- The Department committed \$260,000 over 2008-09 to 2009-10 toward the evaluation of the pre-commitment trials in South Australia.

## POSSIBLE QUESTIONS

### 1. Where has pre-commitment been trialled?

Pre-commitment systems have been implemented to varying degrees in a number of international jurisdictions, for example: Nova Scotia, Norway, Sweden, Singapore and some Australian states. In Australia, pre-commitment is available at the Melbourne Crown Casino, and in some gaming venues in Queensland, South Australia, and New South Wales.

Queensland has undertaken three trials of pre-commitment card-based cashless gaming technology to examine player attitude to pre-commitment as a control strategy. The first trial was conducted in 2005, the second in 2008 and the third in 2008-09.

South Australia has undertaken three trials of pre-commitment, which have been the initiative of the South Australian Responsible Gambling Working Party. These trials include two technology-based player tracking and pre-commitment trials (WorldSmart and Global Gaming Industries) and one non-technology-based pre-commitment trial (Change Tracker Card). The WorldSmart trial was conducted in 2008/09, the Change Tracker Card trial in 2009 and the Global Gaming Industries trial began in 2010 (with the Global Gaming Industries trial still being conducted).

The findings from the Global Gaming Industries trial which is currently underway in South Australia are due to be released in 2011.

**2. What were the findings from the pre-commitment trials and what evidence is there that pre-commitment reduces problem gambling?**

The Productivity Commission Report found that a pre-commitment scheme is a practicable and effective way to minimise harm caused by problem gambling, while still allowing other players to enjoy poker machines.

Research conducted by Gambling Research Australia found that virtually all gamblers have some monetary amount to which they attempt to self-regulate during gambling, and that regular gamblers often report exceeding their limits.

The Queensland trials found that a majority of participants felt using the card encouraged them to think more about their expenditure and the affordability aspect of their pokies spending.

In the South Australian *WorldSmart* trials there was a 32 percent reduction in spend across all pre-commitment users with problem gamblers reducing their pokies expenditure by 56 percent. Average turnover decreased most for at risk gamblers indicating that pre-commitment was targeting the right people. As of September 2010 pre-commitment technology had been rolled out to 74 gaming venues across the state.

**3. Are there plans for a mandatory pre-commitment trial as recommended by the Productivity Commission?**

The Productivity Commission recommended that a pre-commitment trial be conducted to test the design features of a full pre-commitment scheme. This recommendation is being considered.

## BACKGROUND

### *South Australia*

South Australia has undertaken three trials of pre-commitment, which have been the initiative of the South Australian Responsible Gambling Working Party. The Responsible Gambling Working Party was established in November 2006 with representatives from State and Commonwealth Government, industry and community organisations. These trials include two technology-based player tracking and pre-commitment trials (WorldSmart and Global Gaming Industries) and one non-technology based pre-commitment trial (Change Tracker Card). The WorldSmart trial was conducted in 2008/09, the Change Tracker Card trial in 2009 and the Global Gaming Industries trial began in 2010 (with the Global Gaming Industries trial still being conducted).

### *Change Tracker Card Trial*

The 'Change Tracker Card' trial was developed as an alternative to technology-based pre-commitment and implemented in 2009 across 12 small to medium sized gaming venues in South Australia. Patrons in the Change Tracker trial were provided with a card to record amounts they exchanged for coins at the cashier, helping them to track spending and set responsible gambling limits.

Findings showed that:

- active participant recruitment by staff proved a more successful strategy;
- the key driver for take up was interest in tracking money spent on gambling;
- patrons viewed the Change Tracker Card as user-friendly but not sufficiently useful in managing gaming expenditure - the majority of participants did not want to use the card following the trial.

### *Global Gaming Industries*

This trial is still underway and findings will be available in 2011. The Global Gaming Industries trial involves the use of an electronic TAG device to identify venue members. When players use the TAG to activate the pre-commitment option, they have the chance to set a daily spend limit.

Pre-commitment is set at the machine each day at the first session and expires at the end of the day. This will evolve to the player being able to set longer limits at a foyer terminal. The trial venue will provide the TAG to trial participants.

The trials will be conducted in two stages:

- Stage 1 – will offer the setting of a daily spend limit at the machine.
- Stage 2 – will offer an additional option of setting an automatic daily spend limit (i.e. limit will be automatic at machine when TAG inserted) and a global (weekly, monthly) limit at a foyer terminal.

### *WorldSmart Technology Pty Ltd*

The WorldSmart trial involved players inserting their J-card (a loyalty card used in hotels and clubs) into a card reader when they played. Pre-commitment was activated through completing a form and applied to all sessions of play. This trial commenced in 2008 and has now concluded.

Pre-commitment was set prior to entering the venue. Limits could be increased after a 24-hour cooling off period with decreases occurring immediately (no cooling off period).

The trials were conducted in three phases:

- phase 1 – Natural recruitment – player tracking and pre-commitment elements promoted in-venue and by venue staff to players in 4 venues;
- phase 2 – Accelerated and coached recruitment – program evaluator actively recruited customers from venues through letters and the offering of incentives (\$50 Coles/Myer voucher); and
- phase 3 – Random recruitment with defaults set – randomly selected group of customers (from any J-Card venue) have 'default' limits set and once these limits are reached a message will be displayed.

Key findings from the WorldSmart trial were:

- the ability to set expenditure limits was seen as the core benefit;
- across all users, there was a 32 per cent reduction in spend, with moderate risk gamblers having a 49 per cent reduction and problem gamblers 56 per cent;
- impacts were greatest for 'at-risk' (particularly moderate risk and problem gamblers) and high-turnover gamblers;
- There was a 32 per cent decrease in EGM turnover across all participating venues over the trial period (equating to a loss of \$21.60 per player in net spend), with average turnover decrease being larger for 'at-risk' gamblers – indicating that pre-commitment was targeting the right people (i.e. those most in danger of becoming or being problem gamblers).

Findings from the WorldSmart trial also indicate there was low take-up of the system (less than one per cent).

From May 2010, loyalty programs in South Australian gaming venues have been required to provide players with pre-commitment options. In September 2010, the South Australian Government announced that pre-commitment technology has now been rolled out to machines in 74 gaming venues across the state.

### **Queensland**

Queensland has undertaken three trials of pre-commitment using card-based, cashless gaming technology. The first trial was conducted in 2005, the second in 2008 and the third in 2008-09.

The Queensland Government has recently approved the use of two card-based cashless gaming systems (SIMPLAY and eBet systems) which are operated by the

two monitoring licensees, Maxgaming and Odyssey respectively. Uptake of the systems has been positive, with over 40 gaming venues operating with these pre-commitment systems and almost 10 per cent of all gaming machine players in those venues taking up the feature.

Both systems are card-based and require players to establish a player account with the monitoring operator. Venues signed up to the pre-commitment systems operate under two categories:

- partial cashless pre-commitment alongside normal cash gambling. Players signed up to the pre-commitment system have the option of cashless gambling within the pre-commitment system, or normal cash play outside the system. Players not signed up to the pre-commitment system gamble normally; or
- fully cashless pre-commitment only. Three venues operate in a fully cashless mode environment using the SIMPLAY system, thereby requiring patrons to use the pre-commitment system in order to gamble (an 'anonymous card' option exists with limitations on account balances). However, the system cannot be considered a full pre-commitment system as it does not contain default limits or require that limits be set.

The technology available in Queensland allows participants to perform the following functions:

- deposit money into their card-based/cashless gaming account, insert their player loyalty card into a gaming machine and use the money in their account to play a gaming machine;
- set a transfer limit (which is the maximum amount of money a patron can transfer from their cashless account to a gaming machine – the highest being \$100, which is the maximum limit as per Queensland card-based requirements);
- set a maximum account balance limit (which is the maximum amount of credit able to be stored on a player's cashless account);
- set a daily net expenditure limit (defined as the maximum daily net gain and loss by a player); and
- set a session time limit (the amount of time the player wishes to play on a gaming machine).

The overall finding was that pre-commitment seems to assist players, particularly higher-risk and higher-turnover players, to better monitor their gambling activity. Interviews conducted by the researcher showed that 56 per cent of the problem gambler cohort and 40 per cent from the moderate risk group reported positive impacts from using pre-commitment. Those impacts included helping to adhere to limits, greater awareness of expenditure and reduced expenditure.

**Victoria**

In 2008, the Victorian Government announced that pre-commitment mechanisms would be mandated for all 'next generation' gaming machines to enable the gambler to choose to set time and loss limits prior to commencing play. These changes would be implemented over three phases as follows:

- pre-commitment to be required on all next generation machines from 1 December 2010;
- pre-commitment required on all machines from 2013; and
- a more stringent pre-commitment regime being rolled out from 1 December 2015, with pre-commitment being mandatory for all EGMs and voluntary for players to use by 2015-16.

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