

Evaluating Implementation of a Voluntary Responsible Gambling Code in Queensland, Australia

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This study investigated levels of implementation and perceptions of adequacy of the voluntary Queensland Responsible Gambling Code of Practice with thirty managers and staff in selected casinos, hotels and licensed clubs in three regions in Queensland. This particular paper examines those factors that act as facilitators of, and impediments to, implementation of the Code and reflects on how organization size has influenced implementation of the Code. Using a mix of quantitative and qualitative methods, venues with small gaming installations had a lower implementation rate (56%) of the Code's practices than venues with large gaming installations (85%). Facilitators included: adequate staff training and education; industry association membership; understanding of the philosophy of the Code; appropriate support materials; legislative overlap; prior experience with responsible gambling; regular audits; and links to community support networks. In contrast, impediments included: high staff turnover; managerial apathy; remote location; and being a busy small business manager.

Keywords: Responsible gambling; Code of practice; Small business.

Introduction

In Australia, state governments play a central role in responsible conduct of gambling because they largely control the context in which legalized gambling is operated, managed and marketed. The state government introduced the Responsible Gambling Code of Practice in June 2002 ([Queensland Treasury, 2002b](#)). The Code is a voluntary one developed for Queensland gambling providers and it is seen as a commitment to best practice in the provision of responsible gambling.

Background

Gambling has become as a fundamental part of the Australian culture since European settlement in the

late 18th century ([Caldwell, 1972](#)). However, it was only during the last few decades of the 20th century that gambling emerged as a major industry, spurred by liberalized government policies and expansionist industry practices ([Productivity Commission, 1999](#)). Many forms of gambling have been legalized and/or expanded, including: on and off track wagering, lotteries, gaming machines, casino games, keno, sports betting and minor gaming. For instance, gambling expenditure since 1997-1998 has risen by over 15 per cent to \$15 billion in 2002-2003, the largest proportion (59%) being spent on gaming machines ([Tasmanian Gaming Commission \[TGC\], 2004](#)). This expansion of gambling has provided benefits for a range of stakeholders, including recreational opportunities for individuals, taxation revenues for governments, profits for industry and investors, and economic development for some communities. However, it has also resulted in a range of negative impacts and costs. In Australia, the most prominent and controversial of these is problem gambling.

Problem gambling has been explained as "the situation when a person's gambling activity gives rise to

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harm to the individual player, and/or to his or her family, and may extend into the community” (Australian Institute for Gambling Research [AIGR], 1997, p. 2). For an individual, the costs associated with problem gambling can include a variety of personal, family, social, legal and financial problems. However, the impacts of problem gambling are also seen to reach beyond the individual, such that problem gambling is more often viewed as a public health issue (Korn & Shaffer, 1999). This public health perspective recognizes costs such as those associated with problem gambling treatment programs, impaired work performance, family breakdown, gambling-related crime, and the opportunity costs of the time and money spent gambling. These opportunity costs may include time not spent in family interaction, at social events or other leisure pursuits (Walker, 1998), and money not directed to household items, family needs or household savings (Livingstone, 1999). Approximately 2.1 per cent of adult Australians have either “severe” or “moderate” problems with gambling, however the proportion of regular gamblers having problems controlling their gambling is about 15 per cent (Banks, 2002). Each case of problem gambling typically impacts on another five people (Productivity Commission, 1999).

An early definition of responsible gambling by Dickerson (1998) includes any gambling operator practices that aim to reduce harm to gamblers. A more recent definition by Blaszczynski, Ladouceur, and Shaffer (2004) includes any policy and practice that prevents or reduces harm associated with gambling and includes consumer protection, awareness and education interventions as well as access to treatment. Specifically, the Queensland Responsible Gambling Strategy (Queensland Treasury, 2002a, 2002b) defines *responsible gambling* as gambling that takes place in a regulated environment where the likelihood for harm is minimal and where people can make informed decisions about their gambling activity.

In a socially-responsive effort, gambling industry sectors and gambling providers, with assistance from many stakeholders, have introduced responsible gambling codes of practice. Social responsiveness is a term used to describe the processes organizations use to “identify, prioritize and develop appropriate responses to their social obligations” (Hing, 2003, p. 36). Codes or practice are frequently used to improve organizational behaviour and encourage best practice standards. They generally include policies and practices on; provision of adequate information, compliance, accountability, privacy, advertising controls, dispute resolution, limiting access, risks of problem gambling, self-exclusion, transaction processing, payouts and corporate citizenship (Mathe, 2004; Productivity Commission, 1999). The introduction of these prac-

tices in responsible gambling programs in Australia recognizes that, as gambling is a legalized activity with known risks, a duty of care accrues to legislators and providers to minimize harm to the public (Michaleas, 2000).

Principles commonly associated with responsible provision of gambling include: harm minimization, informed consent and social responsibility and responsiveness. With problem gambling treated as a social and public health issue, a responsibility rests with gambling providers and regulators to introduce structural changes for improved harm minimization in gambling. Harm minimization aims to reduce the risk and severity of adverse consequences associated with using a product, without necessarily reducing the level of that use (Plant, Single, & Stockwell, 1997). The aim is to implement preventative measures that reduce the chances of adverse outcomes (Plant et al., 1997). Most responsible gambling programs and codes of practice in Australia focus on harm minimization or harm reduction.

Informed consent, Dickerson (1998) argues, ensures that consumers understand the relevant processes involved in the chosen form of gambling. This means gamblers have sufficient information to make genuine choices from other options and do not make decisions to gamble under conditions of strong emotion or personal crisis.

Responsible gambling is gambling provided in a socially responsible way, one which is responsive to community concerns and expectations. Hing (2003) has noted that responsible provision of gambling involves providing gambling in a manner that meets a community’s economic, legal, ethical and humanitarian expectations at a given point in time. Codes of Practice attempt to capture these principles in their charter.

The Queensland Responsible Gambling Strategy (Queensland Treasury, 2002a, p. 1) defines responsible gambling as:

...occur[ring] in a regulated environment where the potential for harm associated with gambling is minimised and people make informed decisions about their participation in gambling. Responsible gambling occurs as a result of the collective actions and shared ownership by individuals, communities, the gambling industry and Government to achieve outcomes that are socially responsible and responsive to community concerns. (Queensland Treasury, 2002a, p. 1)

Queensland legislation relating to gambling operations before 2002 imposed some responsible gambling practices relating to minors, staff gambling, credit betting and exclusion provisions for casinos, clubs and hotels. A \$5 maximum bet on gaming machines and a \$20 upper limit on note acceptors were imposed. The legislation also permitted a licensee to exclude people

from playing gaming machines for one month where a licensee believed there were reasonable grounds that the peace and happiness of a person's family were endangered due to excessive playing. Legislative amendments were also made to better control the supply of machine gambling. Gaming machine numbers were limited to 280 per registered club and 40 per hotel. Applications for new or additional machines required accompanying community impact statements and statements of responsible gambling initiatives. Requirements that gaming advertising be factual, not be indecent, offensive, false, misleading or deceptive, were also introduced.

The Queensland Responsible Gambling Strategy (Queensland Treasury, 2002a) identified a range of initiatives for minimising harmful effects of gambling. Six priority action areas were identified as:

1. Enhancing responsible gambling policies and programs through research;
2. Increasing community knowledge and awareness of the impacts of gambling;
3. Reducing risk factors for problem gambling through early intervention;
4. Developing a state-wide system of problem gambling treatment and support services;
5. Ensuring gambling environments are safer and more supportive for consumers; and
6. Promoting partnerships to address state-wide and local gambling issues and concerns.

Taking the fifth priority area above, ensuring gambling environments are safer and more supportive for consumers the Queensland Responsible Gambling Advisory Committee (RGAC) developed the Responsible Gambling Code of Practice (Queensland Treasury, 2002b). This Committee is a partnership between the community, the gaming industry and the government that aims to monitor and assess the impact of problem gambling in Queensland (Hing, Dickerson, & Mackellar, 2001). In developing the Responsible Gambling Code of Practice, the Committee undertook extensive community and industry consultation. It commits gambling providers to a range of practices in six broad areas:

1. Provision of information (Each gambling provider is to provide sufficient information to ensure that customers can make informed decisions about their gambling).
2. Interactions with customers and community (Community and customer liaison contact are established, staff are trained in responsible gambling provision).
3. Exclusion provisions (Gambling providers to provide self-exclusion procedures and appropriate counselling contacts for those who request it).
4. Physical environments (Gambling premises, fixtures and fittings are set out and managed in such a way as

to encourage customers to gamble responsibly).

5. Financial transactions (Gambling operators are to manage cash and credit transactions in a responsible, legal manner).
6. Advertising (Gambling providers are to develop and implement strategies to ensure advertising and promotions are delivered in a responsible manner with consideration given to the impact on people adversely affected by gambling).

This research project was conducted to investigate the level of implementation of the Code's practices in selected casinos, hotels and licensed clubs in three regions within Queensland and to examine the perceptions of managers and employees about the Code's adequacy. This paper reports on research into those factors that facilitate or hinder implementation of the Code and examines how organization size has influenced implementation of the Code.

Defining Small Business Organizations

In Australia, as in other countries, there is a high degree of uncertainty, confusion and imprecision concerning the definition of a small business organization. There appears to be no universally accepted definition of a small business (Forsaith, Fuller, Pattinson, Sutcliffe, & Callachor, 1995). For example, Cross (1983) and Ganguly (1985) found there were forty different definitions of small business in the OECD. In establishing a definition of small business, researchers use qualitative and quantitative measures. The qualitative measures of a small business include firms that:

- are independent of outside control and not a subsidiary of a larger company;
- have a personalized management structure; and
- are typically owner-operated and have a small market share (Australian Bureau of Industry Economics, 1992; Beddall Report, 1990).

Quantitative criteria to define a small business can include measures such as: the number of employees, the level of productive assets, turnover or contribution to Gross Domestic Product (Atkins & Lowe, 1997). A definition provided by the Australian Bureau of Statistics (ABS, 2001) classifies a non-manufacturing enterprise having less than 20 employees and a manufacturing enterprise employing less than 100 employees as a small business. Using this classification, around 95% of Australian businesses are small businesses (ABS, 2001).

Instead of using generic quantitative and qualitative definitions that apply over an industry or sector, some researchers (e.g., Curran, Blackburn, & Woods, 1991) have relied upon a particular industry or sector provid-

ing their own definition of small business. This acknowledges that what constitutes a small business will be very much contextual and will depend on the economic sector, market size and the like (Burrows & Curran, 1989). Clearly, there are a variety of ways and many variables that could be used to define a small business organization. Given the context for this study, hospitality sector organizations with gaming facilities, the Burrows and Curran (1989) definition of sector and size seems to be most appropriate. Since the introduction of gaming into Queensland hotels and clubs in 1991-1992 total gaming expenditure has grown from \$540 million to \$2,207 million in 2002-2003. In that time, the percentage of growth in gaming machine expenditure in Queensland has grown from \$27 million (5% of total) in 1991-1992 to \$1,277 million (57% of total) in 2002-2003 (TGC, 2004). Gaming machines have the highest expenditure and are the most popular form of gaming in Queensland. Hotels have the lowest legal maximum cap, 40 per venue, for gaming machines. From consultation with the industry and lengthy observation in venues, the researchers found that 10 gaming machines were about the minimum number found to be economically viable for venues. The average between the maximum (40) and minimum (10) is 25. Thus 25 gaming machines, the mid-point between the maximum and minimum, was chosen as the number to divide venues into small and large. Venues with 25 gaming machines or less were classified as "small," while venues with more than 25 gaming machines were classified as "large." Ancillary gaming services such as keno and TAB facilities could be available in both large and small venues.

Characteristics of Small Business Organizations and Their Management

Small business organizations play a valuable role in the Australian economy. According to English (2003), small businesses are an outlet for enterprising people; act as specialists suppliers; they add to the variety of products and services available in the market place; they check monopoly profits; are a source of innovation in products and services; breed new industries and new sources of employment; challenge established market leaders; and serve a social purpose by creating new career opportunities and upward social mobility by preserving a set of values not seen so much in large impersonal firms.

The small business organization is characterized by direct communications and personal relationships between employer and employee, work groups, setting working rules that suit the individual and more varied work roles (Bacon, Ackers, Storey, & Coates, 1996; Bolton, 1971; Ingham, 1970). Multiple roles are usually performed by one person. Personal relationships

supposedly result in more effective communication taking place in small businesses. This feature of small business is said to result in a higher level of job satisfaction (Barrett & Buttigieg, 1999). However, small business organizations also have some inherent problems. English (2003) maintains that as small business organizations cannot compete with highly concentrated industries they make up much of the service sector. Small business organizations tend to be labour intensive because they lack the financial resources to invest in high technology (David, 1995; Kotey, 1999). As a consequence their production of goods and services is heavily dependent on their labour force and a high proportion of their operating costs are associated with wages, salaries and other labour on-costs (Financial Management Research Centre, 1992). This feature of the small business sector makes human resource management an important function in determining the success or otherwise of individual organizations.

Small business organizations are characterized "by multiple job tasks, limited career paths, low levels of training and credentialism and high levels of turnover; this suggests in turn a reduced trade union presence, low award coverage, informal bargaining and dispute resolution mechanisms and considerable managerial discretion" (Burgess, 1992, p. 134). Whereas Kitay and Sutcliffe (1989), Isaac et al. (1993) and Buultjens (1996) found employers were aware of award provisions relating to wages for their workers, others (McGraw & Palmer, 1990; Sappey, 1985) found employers were unaware of their obligations in regard to award wages and conditions. Many employers found employment awards to be lengthy and legalistic. They also found it difficult to keep up to date with variations to wage awards.

Research in Great Britain seems to confirm non-compliance by small business organizations to government regulation with regard to some legislation, particularly employment legislation (Ford, 1982; Rainnie, 1989). The major reason given was a lack of knowledge. However managers resent their loss of rights and prerogatives and often deliberately infringe (Ford, 1982).

Buultjens (1996) found, in a study of registered clubs in New South Wales, that employment relations in small clubs were similar to those in small business organizations generally. Small clubs, like other small businesses, were more likely to have informal methods of communication within the workplace and despite more informality in employment relations, were more likely to use award provisions than enterprise bargaining to determine wages for their managers and employees. These similarities occurred despite substantial differences in the management of small clubs and their private sector counterparts.

Table 1
Venue size and conformity with the QLD Responsible Gambling Code of Practice

QLD Responsible Gambling Code of Practice: Major Practice Areas	Average % for venues with small gaming installations ($n = 14$)	Average % for venues with large gaming installations ($n = 16$)	Average % for all venues ($n = 30$)
1. <i>Provision of information</i> (10 elements in the Code)	42%	76%	60%
2. <i>Interactions with customers & community</i> (8 elements in the Code)	36%	83%	61%
3. <i>Exclusion provisions</i> (4 elements in the Code)	38%	85%	63%
4. <i>Physical environments</i> (8 elements in the Code)	80%	79%	80%
5. <i>Financial transactions</i> (6 elements in the Code)	77%	91%	84%
6. <i>Advertising</i> (12 elements in the Code)	100%	100%	100%
Total (all 48 elements in the Code)	56%	85%	74%

The introduction of the voluntary QLD responsible gambling code of practice indicates a growing awareness by government, industry associations and community groups of the need to be socially responsible in providing competitive gaming activities. However, little is known about the facilitators and barriers that help or hinder the implementation of this code of practice. In Queensland there are 766 hotels, 585 clubs and 4 casinos providing the opportunity to gamble. Of these clubs, about 63% have small gaming installations. Of these hotels, about 50% have small gaming installations (Walker, 1998) while all four casinos have large gaming installations. Small business organizations dominate the sector in terms of numbers of gaming venues. However, the influence of small business management of gaming venues is not well documented.

Research Aim

The aim of this study was to investigate those factors that act as facilitators of, and barriers to, the implementation of the QLD Responsible Gambling Code of Practice. Further, this study sought to investigate how organization size has influenced the implementation of the Code particularly in hospitality organizations with small gaming facilities.

Method

Three statistical divisions were chosen in Queensland as a purposive sample to provide a cross-section of prominent regions from the outback, far-north Queensland and south-east Queensland. The central outback was represented by Longreach, far-north

Queensland was represented by Townsville and south-east Queensland was represented by the Gold Coast. Six hotels, six licensed clubs and one casino were chosen in each location to ensure an adequate cross-section of gambling industry views. However Longreach had no casino and only five venues with gambling facilities, so all of these were included.

To ensure an appropriate cross-section of venues for comparison of different region and size, judgement sampling was used. Judgement sampling is used when a sample is taken based on certain judgements about the overall population and the feasibility of including some of them in the research (Atkinson & Flint, 2001; Shaffer, Hall, & Bilt, 1997). The underlying assumption is that the investigator will select units that are characteristic of the population (Legge, 2003). The critical selection issue is objectivity. In order to reduce subjectivity and increase objectivity in sampling, an objective benchmark (number of gaming machines) was set for choosing venues. As explained previously, venues with less than 25 gaming machines were classified as small, while those with over 25 machines were classified as large. Keno and TAB facilities were available in most of the selected venues. Thus, in each of the three regions, of the six hotels and clubs selected, three had large gaming facilities and three had small gaming facilities. The casinos all had large gaming facilities. All five venues in Longreach had small gaming facilities. The final sample comprised thirty venues, fourteen with small gaming installations and sixteen with large gaming installations.

The researchers conducted site visits to examine the extent to which the thirty venues had instituted the Code of Practice requirements and interviewed venue

managers and staff, in a semi-structured way, about the Code and to gain an impression of their perceptions of the potential effectiveness of, and facilitators and barriers to, the Code. This process involves gathering large amounts of in-depth information about a small number of organizations, rather than a limited amount of information about a large number of organizations (Zikmund, 2000). A tick-box questionnaire was developed from the Code to record whether or not each venue had implemented each of the elements of the Code. For the numerical data and Likert scale responses, descriptive statistics were used to explain the numerical differences and percentages between venues implementing or not implementing various parts of the Code. For the interview or qualitative data, open coding was used by breaking down, examining and comparing data to find emerging themes. The analysis then pulled together emerging themes into meaningful core categories of results (Zikmund, 2000).

Results

Venue Size and Implementing the Requirements of the Queensland Responsible Gambling Code of Practice

Differences in adhering to, and implementing the requirements of, the Code between venues with larger gaming installations and smaller gaming installations were very obvious. Table 1 shows clearly that venues with small gaming installations had implemented fewer elements of the Code's six major practices (56%) than venues with larger gaming installations (85%). The overall difference between venues with small and large gaming installations is due to critical differences, in descending order of importance, in four of the six major practice areas: interaction with customers and the community (36%); exclusion provisions (38%); the provision of information (42%); and financial transactions (77%). Differences in the other two practice areas were negligible.

Adherence to the Code by venues with small gaming installations in the areas of interaction with customers and the community (36%) was particularly poor. This interaction includes establishing community and customer liaison contacts and having staff trained in responsible gambling provision. Few of the venues with small gaming installations had any relationship with a gambling related support service or community networks. In Townsville, the manager of a venue with a small gaming installation said, "I think they're there, but people have to make the decision to go." Another manager said, "I know that services are there, but not how many there are or how many people use them. I would say something personally to big

gaming machine punters." Large venues appeared better equipped to provide customers and the community with information on where to get help with gambling problems.

Exclusion provisions include gambling venues providing self-exclusion procedures and appropriate counselling contacts for those in need. Low adherence to the Code by venues with small gaming installations (38%) was surprising given that many managers of smaller venues said that they knew most of their customers personally. A major barrier to supporting self-excluded customers was reported to be a lack of mutual exclusion. In Longreach, where all venues had small gaming installations, all those interviewed were willing to implement self-exclusion procedures. However they suggested that self-exclusion would not be very successful because a self-excluded person "could walk down the road" to another venue. All managers and staff interviewed expressed genuine concern for problem gamblers and their families. Yet managers and staff at larger venues reported that they provided more customer assistance and relevant information about exclusion than the smaller venues.

Providing sufficient information to ensure that customers can make informed decisions about their gambling is an important part of the Code. The majority of venues with larger gaming installations (76%) provided appropriate information and support materials recommended by the Code, compared to 42% of venues with small gaming installations. Information, such as signs and wallet cards supplied by the QOGR or its agents, was seen by some managers and staff as important reminders for people who were at risk with their gambling. In south-east Queensland, seven of the fourteen venues visited provided gamblers with practically all the information suggested in the Code. In terms of venue size, six of these seven venues had large gaming installations.

Responsible financial transaction practices means that gambling operators establish and manage cash and credit transactions in a reliable, legal manner. Venues with small gaming installations had a high compliance rate (77%) with the Code, but venues with large gaming installations had an even higher rate (91%). High compliance was evident where elements of the Code coincided with meeting legislative requirements for gambling venues. An important role played by hotels and clubs in remote regions (generally with small gaming installations) is as de facto banks, given the gradual reduction in banking services in smaller Australian towns. Workers in these areas may come into town with a monthly pay check and rely on these venues to cash these outside banking hours. A history of cashing third party cheques may be very difficult to stop, given the isolation of many local residents, the long distances that they travel and the infrequency of such trips.

Clearly, in four of the six major practice areas: interaction with customers and the community; exclusion provisions; the provision of information; and financial transactions, managers and staff of venues with small gaming installations are less sure about meeting the requirements of and implementing the Code's practices than managers and staff of venues with large gaming installations.

Facilitators for the Implementation of the Queensland Responsible Gambling Code of Practice

Seven key facilitators were found to heighten acceptance of the Code, thus assisting in its effective implementation.

First, a very important facilitator was seen to be staff training, education and development in the provision of responsible gambling. Well-informed, professionally trained staff that understood the Code and could apply requirements of the accompanying Resource Manual were seen as assets in these gaming venues. Based on size of gaming facilities, fourteen (87%) of the sixteen venues with larger gaming installations had provided responsible gambling training for relevant staff, while only five (36%) of the fourteen venues with smaller gaming installations had provided the same.

A second facilitator encouraging implementation of the Code was being a member of an industry association. Members had received the Code from their hotel or club association, and were mostly knowledgeable and aware of the Code and its contents. They usually knew about, or had undertaken, staff training with the association, and used the Resource Manual proformas when necessary. Attendance at association conferences and seminars meant they had ongoing opportunities for continuous improvement and professional development in their management of responsible gambling issues. Association and member commitment were significant factors in facilitating the implementation of the Code. No key differences based on venue size were found for association membership.

A third facilitator for assisting high conformity with the Code was a sound understanding of the philosophy behind the Code. The Code makes explicit that gambling providers are expected to provide a safe and supportive gambling environment to minimize the potential for harm associated with gambling and to allow consumers to make informed decisions about their gambling. The Code does not expect gambling providers to be able to identify problem gamblers or to act as counsellors. An accurate understanding of this concept led committed managers and staff to realize that their role in implementing the Code was less complex than they may have first thought. Equally, venue managers and staff who misunderstood the philosophy under-

pinning the Code were deterred by the misguided prospect of having to "baby-sit" or counsel patrons. Generally managers of larger venues with specific gaming staff had a better understanding than those of small venues. The two casinos each had a dedicated person managing their responsible gambling programs and training. General understanding of the Code in the casinos was high.

A fourth facilitator in compliance with the Code was legislation. There was very high compliance with elements of the Code that overlap legal obligations for gambling providers. This was evident in the practices of excluding minors from gambling areas, excluding minors from gambling, not serving intoxicated persons and payment of winnings over \$250 by cheque or electronic transfer for clubs and hotels. While venues can apply to have their payments of winnings by cash limit raised, venues with smaller gaming installations usually had lower limits for payment of winnings in cash than venues with larger gaming installations.

Experience in the provision of responsible gambling was a fifth factor assisting implementation of the Code. In some venues, managers and staff had previously worked in gambling venues in New South Wales and so had experience with responsible conduct of gambling. They had often been well-trained in this area, understood their role in responsible gambling, knew how to operationalize responsible gambling practices, and realized the possible negative consequences for non-compliance with a voluntary code. The import of professional experience was an advantage for these venues. No important differences based on venue size were found for prior experience.

Audits of venues were a sixth factor encouraging implementation of the Code. Audits reminded venues of their duties and encouraged them to reintroduce any responsible gambling practices that had been neglected. Audits also provided some performance measures to target. Publicising the results of audits encourages some of the committed venues, by showing that their efforts are recognized by industry, government and support services. Equally, audits should encourage non-compliant venues to improve their responsible gambling practices. No grounds were found to link venue size to audit compliance.

Finally, in some venues, especially in Townsville, links to community support services were important facilitators towards implementing the Code. A group of committed managers and staff had developed a solid relationship with a support service and, through open communication, were working on the exclusion aspect of the Code. This involvement built a sense of confidence and trust between the parties. Their cooperation was a model that could be emulated in other communities. This group of five venues included two clubs, two

hotels and the casino, all with large gaming installations.

Barriers to the Implementation of the Queensland Responsible Gambling Code of Practice

Six key barriers were found to hinder conformity with the Queensland Responsible Gambling Code of Practice, thus preventing its effective implementation.

The first barrier related to staff turnover in gaming venues. Many venues managers reported that high staff turnover was a factor in not having staff trained in responsible gambling. This is a feature of the hospitality industry generally, but had poor consequences for the implementation of the Code. Compounding this turnover problem was the fact that staff training in hospitality and in particular for gaming was not readily available in remote and regional locations.

A second barrier to implementing the Code was managerial apathy. Some managers did not regard the Code as relevant to their venue. Some considered that, as they had only a small gaming installation, not a large critical mass of gaming machines, the Code did not apply to them. They felt that parts of the Code such as advertising, was not relevant as their venue does little advertising. Also, many of them know their customers well and felt that they would know if one was having gambling-related problems. These managers would intervene personally, with some considering that procedures in the Code were too strict or formal for their venue. Some managers with small gaming installations were not particularly interested in the Code as gaming is seen as a small part of their business.

In remote areas, a third barrier was location. As it is more likely to find small businesses in remote areas, managers and staff felt they were ignored in important decision-making. They felt that city-centric managers made decisions for the large population centres without due consideration for consequences in remote locations. There was some cynicism about decisions made in the capital, Brisbane. As well, the lack of counselling agencies to advocate change was an important barrier connected to remote locations. Counselling services for problem gambling assistance in remote areas are physically few and far between. This means that building long-term relationships between venues and support services is not an easy task.

A fourth barrier was the busy nature of work for owner-managers in venues with small gaming installations. These owner-managers ran their businesses, generally small businesses, with few staff and limited resources. Thus, some knew about the Code and Resource Manual, but claimed they had not had time to read it, let alone implement its practices.

Another barrier was that some managers felt that the competitive advantage of their venue would be compromised if they implemented certain elements of the Code and their competitors did not. This fifth barrier indicates a perception amongst some providers that implementing the Code would have adverse consequences for their trade, and reflects the potential conflict between commercial and socially responsible objectives.

Finally, a sixth barrier to implementing the Code was that some managers said that they had not received it or the Resource Manual. It appears that their copies were sent to the owner of the venue or the chain of venues, not the actual manager or licensee of the premises. In outback Longreach, only half the venue managers said that they had received a copy of the Code and the Resource Manual. In Townsville, individual venues that were part of a hotel group had not received the Code. In south-east Queensland, one venue that had been closed temporarily due to managerial problems, high staff turnover and financial difficulties had no copy of the Code or the Resource Manual.

Discussion

A number of distinctive features of small business organizations can help explain these facilitators and barriers to implementing the QLD Responsible Gambling Code of Practice, thus affecting its potential effectiveness.

Small business organizations are often undercapitalized and experience shortages of working capital and credit. They rely on short-term loans and credit to establish themselves (David, 1995; English, 2003). Managers of venues with small gaming installations were less active in providing staff training and skills development in responsible gambling; had lower limits of paying winnings by cash; had few community contacts or support networks to assist with problem gamblers and exclusion; did not see gaming as a major business activity; did not advertise much; and were very busy people with limited funds. The focus of this list is limited resources. Rainnie (1989) suggests that small business managers take strategic resource decisions to pay low wages, although the trade-off is a high level of labour turnover. A lack of resources restricts sound financial management, constrains the development of staff and marketing and limits opportunities for developing community networks for these small business managers.

Based on the work of David (1995) and Kotey (1999), it is clear that the immediate and more demanding tasks of managing small businesses takes precedence over strategic decision-making and long-term planning. The multiple demands of small business and lack of awareness of the contents of the voluntary

Code of Practice shown by managers of venues with smaller gaming installations meant that the Code and accompanying Resource Manual received little attention. In one location, two venue owner-managers who had received the materials were not aware of their contents. One reported that the Code and Resource Manual were “somewhere in the office.” The other said that, while he remembered seeing it arrive, “people don’t read those things.” In fact, the secretary at this venue is supposed to read all relevant material and keep the manager informed. Both McGraw and Palmer (1990) and Sappey (1985) maintain that a lack of knowledge and problems in keeping up to date, are two major reasons why small businesses do not always comply with legislation. Unless managers of small venues perceive a definite need for the Code of Practice it probably will not be operationalized.

Small business organization structure is generally flat (Mintzberg & McHugh, 1995) with the manager in charge of everyone and everything. Small business owner-managers are seen as being individualistic and independent. They also value managerial prerogative and flexibility (Bechhofer & Elliott, 1985). A poor understanding of the relevance of the Code by competitors, fuelled ideas of increased competitive threats. One person commented that “an impediment is a lack of adherence by other venues to the policy, as we think the responsible gambling policy is fine. The barrier is a lack of others abiding by the responsible gambling code of practice.” In their discussion on small business marketing decisions, Carson and Gilmore (1997) maintain that when these decisions do not follow rational approaches, that is based on individual feelings and opinions rather than facts, decisions that are simplistic, spontaneous and unstructured can result. Small business managers tend to respond to competitive threats based on their own needs and views. Decision-making in small business is very centralized and rests with the owner or manager.

Closely aligned to this competitive threat was the idea that the Code did not really apply to venues with small gaming installations, only large ones. Size of an organization is a key factor in the formality of its management. Some managers of venues with small gaming installations commented that “Gaming machines are not considered a profit making facility but are used to attract people.” Another said, “Gaming machines are a “necessary evil” that allow the club to keep the lifesaving efforts going. Meals are the club’s main revenue stream.” A further observation was that “gaming machines are not a major part of the business.” These managers saw themselves as enterprising, having established a hospitality niche in their town, of which gaming was just a small part of their total business offering. According to English (2003) small business managers who practice innovation and provide niche market ser-

vices are valuable for the economy. However many researchers and reports (e.g., AIGR, 1997; Dickerson, 1998; Michaleas, 2000; Productivity Commission, 1999) note that gambling is a legal activity with known risks. Hing (2003) states that gambling activity should be provided in such a way as to meet community legal, ethical and humanitarian as well as economic expectations. Small business managers while seen as independent, competitive and creative need to give consideration to the risks involved in the provision of gambling activities and to meet community expectations regarding social responsibility.

Conclusion

This paper has reported on those factors that act as facilitators of, and barriers to, implementation of the voluntary Queensland Responsible Gambling Code of Practice Code and reflects on how organization size has influenced implementation of the Code particularly in venues with smaller gaming facilities. Results indicate that size of the venue (based on size of gaming installation) was a pivotal factor in implementing parts of the Code. Venues with small gaming installations generally had a lower implementation rate (56%) of the Code’s practices than venues with large gaming installations (85%).

These findings have implications for a number of stakeholders including the state government, the industry and managers of venues with small gaming installations.

For the government, special consideration of the characteristics of small businesses may take into account the specific nature of small business and how it is managed so that policies, strategies and practices developed for businesses in general, be refined or adapted for their circumstances. For the industry associations, reflection on the needs of their members who are small business managers may indicate the need for more appropriate information, education and extra support to facilitate higher rates on implementation of the Code. For managers of small businesses who provide gaming activities, there is a responsibility for them to develop a sound understanding of the philosophy behind the Code in order to adequately implement the Code. One neglected but useful source of assistance, local community networks and support services, is available to help them.

While further research is needed to establish whether venues with small gaming installations in other locations are experiencing similar implementation barriers, the results from this research identify particular challenges for small business organizations seeking to provide gambling services in a socially responsible manner.

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