

Submission to the Royal Commission into the Casino Operator and Licence

By Kathleen Maltzahn, Associate Professor Sarah MacLean, Adjunct Associate Professor Mary Whiteside, Emeritus Professor Helen Lee, Dr John Cox, La Trobe University.¹

Overview and summary

We welcome the opportunity to submit to this Royal Commission. In our submission, we:

- draw on qualitative research we conducted into bingo between 2018 and 2020 which included participant observation at Crown Melbourne and interviews with people who played bingo at Crown Melbourne;
- describe bingo provision at Crown Melbourne, provide an example of gambling harm to bingo players at Crown Melbourne and highlight Crown's practice of 'loss leading', whereby no-charge bingo is used to draw people into the casino;
- outline provisions in the Gambling Regulations Act 2003 governing bingo operations in Victoria, observing that it is unclear which provisions cover bingo as provided by Crown Melbourne;
- noting that bingo in Victoria is treated in regulation as a fundraising mechanism for community and charitable organisations (CCOs), question whether Crown Melbourne's provision of bingo is in keeping with the Act, in particular whether provisions requiring bingo in this context to be run without those doing so receiving financial benefit to do so, and whether the provision of bingo by a large gambling corporation such as Crown is consistent with legislative intent;
- suggest that that Crown Melbourne places bingo players at risk of gambling harm by using bingo to entice them to gamble on EGMs;
- note that community bingo-providers cannot compete with the prizes Crown offers;
- express our view that it is not in the public interest for Crown to provide bingo in Victoria.

Evidence base

This submission draws on our 2018-2020 study examining the experience and impact of bingo in three Victorian communities where bingo is relatively popular and economic and social disadvantage are common, including older people on fixed incomes in Melbourne (Maltzahn et al., forthcoming). This study was funded by the Victorian Responsible Gambling Foundation and is the first research of its kind in Victoria. We conducted 12 participant observations sessions, at Crown Melbourne and other bingo venues, and interviewed 53 bingo players and 13 expert stakeholders. (Please see appendix A for further detail about the study.)

Terminology

In this submission, where we are representing other people's work, we reflect their terminology, including the term 'problem gambler'. Where describing our own research and findings, 'gambling harm' and 'bingo harm' are our preferred terms. This is because they do not place responsibility for harm on individuals, but rather on gambling products, suppliers or regulators (Kolandai-Matchett, Langham, Bellringer, & Siitia, 2017).

¹ Please see appendix for further details

Background to bingo

Bingo has traditionally been seen as a low-risk, low-harm form of gambling. It is experienced positively by many players, offering companionship, cognitive stimulation, fun and excitement, temporary relief from stress and loneliness and the possibility of material reward. However, recent research identifies that almost one third of Australian bingo players are at some risk of gambling harm (32 per cent, compared to 42 per cent of EGM users), although it is not known what proportion of these problems relate specifically to bingo (Armstrong & Carroll, 2017). Further, around one in 10 Victorians who are problem gamblers play bingo (9.13 per cent in 2008 and 11.39 per cent in 2014) (Hare, 2015). Bingo players tend to have lower incomes than the general population (Armstrong & Carroll, 2017).

Gambling harm experienced by bingo players may be from other forms of gambling. Indeed, some venues, including Crown Melbourne, offer bingo alongside other forms of gambling, including Electronic Gambling Machines (EGMs). The number of forms of gambling people participate in, and time and money spent gambling, are greater predictors of the probability and severity of gambling harm than which particular form of gambling a person participates in (Mazar, Zorn, Becker, & Volberg, 2020).

Bingo at Crown – evidence from participant observation

Crown Melbourne provides two distinct sessions of bingo, one more regularly with smaller prizes and a less frequent 'Deluxe' version with bigger prizes. We describe here 'Deluxe Bingo' as conducted at the time of our visit in 2019.

'Deluxe bingo' was held in Crown's Palladium room, which is above Crown's main floor. Three sessions of bingo were provided (at 1, 3 and 6pm), with the session we attended attracting an estimated 1,000 people. To be eligible to play, prospective bingo players were required to become members of Crown Melbourne. Two staff members directed new players to the member sign-up area. The sign-up point was at a booth in close proximity to and in clear line of sight of EGMs and gambling tables. To become Crown members, we were required to provide a form of identification such as a driver's licence and an email address. In exchange, we received one \$5 token for EGMs and a \$5 voucher for the gaming tables. We were then ushered by staff to a gaming table, and our vouchers were exchanged for tokens that could be used at the table. Thus, new bingo players at Crown could not attend without being given an inducement to also play EGMs and at gaming tables.

Before entering the Palladium room, players could pick up free bingo books, enabling them to play two concurrent games. Inside the room, the atmosphere was celebratory, with staff, some in costume, dancing, singing, making jokes and entertaining the participants. Some participants danced with staff on the floor of the room. The staff, including the bingo caller, knew several participants by name, suggesting that they were regular attendees. Ten games were called in the session, making this a shorter session (at around 30 minutes) than offered in other bingo venues, where thirty games are typically provided for each session, in lots of ten with short breaks between sets, lasting over two hours. Participants we talked to indicated that they returned to the later sessions of bingo, meaning they spent several hours at Crown between bingo sessions. Prizes started at \$100, doubling halfway through the game. The last game had a prize of \$1,000, with \$9,000 announced if the winning bingo

number was a particular number. When the session finished, we observed the majority of players (around 70 per cent) go directly to the large room at Crown where EGMs and gaming tables were available.

Members receive promotional emails via the email addresses that are required to be provided prior to attending bingo for the first time. The initial email provided members with a membership number and a password to log onto the Crown Rewards Members Hub, as well as offering 'a special birthday offer'. Later emails promoted gambling, such as digitised poker and going into the draw to win \$35,000 if they played baccarat [see Appendix C].

Bingo at Crown – evidence from participants

While we did not specifically ask participants in our study (Maltzahn et al., forthcoming) about Crown Melbourne, several related experiences there and described effects ranging from benign to deeply harmful.

For some, visiting Crown was a pleasant and affordable experience. One couple in their seventies described attending Crown as part of a group, with an overall expenditure of \$20 each. For them, a trip to Crown to play bingo was '*really a day out. All day, you could have some entertainment and if you don't play the poker machines, it's free with a chance of winning.*' They spoke about watching a singer prior to the bingo games, describing bingo at Crown as offering company to people who were lonely. Nonetheless, they believed bingo was offered as an enticement to '*get [people] through the door*', saying that:

They give them something free, and they go in by busloads... They really want them in there to play pokies but they offer the bingo just to [get them there].

Reinforcing this, another participant explained that the breaks of over two hours between bingo sessions encouraged bingo players to try other forms of gambling. One participant in her 60s described the difficulty that proximity to EGMs created for a friend who had suffered a gambling-related family tragedy and subsequently developed what she saw as an addiction to EGMs:

...she also loved to play bingo. But we go and play bingo, after that, I say, 'come, let's go'. You know, 'I don't want to stay here', and ... when I'm there she'll listen, but once she goes to the casino to play bingo, she will stay on. And she'll tell me, 'oh dear, I lost \$600 yesterday, and I lost so much'.

Her friend's experience of gambling harm related to Crown led to sleeplessness, depression and desperation ('...[my friend is] *really desperate in the sense that...she says she sees the poker machines and just can't control it.*') She was not able to access appropriate support, in part due to lack of knowledge about support services and her misapprehension that she could not access help because her English was limited.

Several participants contrasted Crown's ability to provide big prizes with the more limited capacity of small local bingo operators, some of whom were community providers ('*Crown is rich, they can pay*'). While local providers' prize money was based on how many people paid, Crown could subsidise prizes from other funds, providing an uneven playing field.

Summary of evidence

Our evidence of bingo at Crown Melbourne indicates that:

- Bingo at Crown is a positive experience for some players.
- Crown deploys paid staff to run bingo.
- Crown uses free bingo to bring large numbers of people onto its premises.
- Crown provides an inducement to bingo players to use EGMs and gaming tables, in the form of a \$5 voucher for each.
- We witnessed most bingo players move directly to the room where EGMs and gaming tables were available between bingo sessions.
- Some bingo players experience gambling harm because of the proximity of EGMs to the bingo venue at Crown.
- Crown requires prospective bingo players to provide an email address and subsequently uses this address to promote other forms of gambling.
- Small community bingo providers cannot compete with the prizes provided by Crown.

Regulatory framework for bingo

The Gambling Regulation Act 2003, Gambling Regulations (2015) and Rules of Bingo provide the framework for the regulation of bingo in Victoria. [Section 8.1.1](#) of the Gambling Regulation Act says that bingo is regulated, supervised and controlled for the benefit of community or charitable organisations (CCOs). Bingo centres are prohibited from providing EGMs in their venues. In contrast, venues with EGMs are not prohibited from offering bingo.

The Act covers three broad contexts for providing bingo: ‘unlisted’ gambling (section 1.3AA(4)), bingo provided by CCOs or their delegated bingo centres (8.2.4) and bingo provided by ‘other groups’ (8.2.4A). Bingo provided by ‘other groups’ is referred to colloquially as ‘nursing home bingo’ amongst those familiar with gambling regulation. As Crown Melbourne is neither a CCO nor a bingo centre, bingo provided at Crown Casino should be covered by the provisions for ‘unlisted’ gambling or ‘nursing home bingo’.

‘Unlisted’ gambling is a broad category. While bingo is not named, [section 1.3AA\(4a\)](#) outlines elements that appear to cover some variants of bingo offered in Victoria, defining an ‘unlisted activity’ as including one:

- (i) that is undertaken with no intention to raise money for any purpose; and
- (ii) in which all money or other valuable consideration paid or staked is returned to the participants; and
- (iii) in which no person who is organising, managing or supervising the activity (whether or not the person participates in the activity) receives money or other valuable consideration for doing so.

‘Nursing home bingo’ is bingo provided by ‘other groups’, that is, individuals or groups who are not CCOs or bingo centres. [Section 8.2.4A](#) states that:

A person, other than a community or charitable organisation or bingo centre operator, may conduct a session of bingo if—

- (a) either—
- (i) no fee is charged, directly or indirectly, to participate in the bingo; or
 - (ii) the whole of the gross receipts from the session of bingo is distributed as prizes during that session; and
- (b) the session of bingo is—
- (i) not advertised to or open to the general public; and
 - (ii) provided for the entertainment of the players and not intended to provide a commercial benefit to the person conducting the session or to any other person.

While bingo provided by CCOs or their delegates is governed by a number of regulations, including requirements for reporting, ‘unlisted’ bingo and ‘nursing home bingo’ are essentially unregulated and no reporting is required.

We note that as sections 1.3AA(4a) and 8.2.4A include similar and arguably overlapping provisions, it is difficult to establish through observation which section/s bingo is being provided under at Crown Melbourne. Both forms of bingo are often referred to as ‘free bingo’.

Regulatory framework for bingo at Crown Melbourne

We turn now to the question of which section/s of the Gambling Regulations Act cover/s bingo as provided by Crown Melbourne. We compare below the requirements of the Act with bingo as our evidence suggests it is provided at Crown Melbourne.

Section	Requirements	Provision of bingo at Crown Melbourne	Complies?
Section 1.3AA(4a) i	Undertaken with no intention to raise money for any purpose	Bingo appears to be offered with the intention of raising money through bingo players’ EGM and gaming table use	Unclear if complies with this section of Act.
1.3AA(4a) ii	All money or other valuable consideration paid or staked is returned to the participants	No money or other valuables are paid or staked by participants	Appears to comply with this section of Act.
1.3AA(4a) iii	No person who is organising, managing or supervising the activity (whether or not the person participates in the activity) receives money or other valuable consideration for doing so	Bingo at Crown Melbourne appears to be conducted by paid staff.	Unclear if complies with this section of Act.

		Crown Casino profits from bingo players who later gamble.	
Section 8.2.4(a)i	No fee is charged, directly or indirectly, to participate in the bingo; or	No fee is charged.	Appears to comply with this section of Act.
Section 8.2.4(a)ii	The whole of the gross receipts from the session of bingo is distributed as prizes during that session; and	Not relevant as 8.2.4(a)I is met.	Not applicable.
Section 8.2.4(b)i	The session of bingo is—not advertised to or open to the general public; and	Crown Melbourne does not appear to advertise bingo online. Any member of the public appears able to play bingo at Crown Melbourne, provided they sign up as a member.	Unclear if complies with this section of Act.
Section 8.2.4(b)ii	The session of bingo is—provided for the entertainment of the players and not intended to provide a commercial benefit to the person conducting the session or to any other person.	Bingo at Crown Melbourne appears to be conducted by paid staff. Crown Casino appears to provide bingo with a view to benefitting commercially by bingo players who also gamble while at Crown.	Unclear if complies with this section of Act.

Additionally, one expert stakeholder, a former compliance inspector, asserted that so-called free bingo was less likely to be inspected by the regulator:

The inspectors are not going in and checking and because they're saying, 'it's free bingo, we don't have the powers to go in and check' (S6).

This raises questions about whether compliance inspectors are scrutinising bingo at Crown for adherence to the Act.

Is it in the public interest for Crown Melbourne to provide bingo in Victoria?

There are four ways that Crown Melbourne's provision of bingo is against the public interest and/or does not comply with the legislative intent of bingo regulation.

- 1) The provision of bingo by a large for-profit gambling corporation is not consistent with the regulatory aim of bingo benefiting charitable and community organisations. Indeed, Crown's provision of bingo is likely to materially damage CCOs, as neither CCOs and bingo centres can meaningfully compete with Crown's bingo offering of large prizes, paid entertainers and free entry.
- 2) The provision of bingo at Crown Melbourne exposes players to the risk of gambling harm. The provision of bingo at Crown Melbourne is designed to draw people into the venue with the expectation that a significant proportion of visitors will then use other forms of gambling including EGMs. As EGM use is higher risk than bingo playing, this places bingo players at greater risk of gambling harm than if they only played bingo. Strategies to encourage people to play bingo include providing entertainment by skilled entertainers, making bingo free, providing free beverages and subsidised food and providing large prizes that smaller bingo operators cannot compete with. Strategies to encourage bingo players to then use EGMs or otherwise gamble include placing visitors in close proximity to EGMs and giving them free vouchers to use EGMs. Strategies to encourage bingo players to return to Crown to gamble includes email invitations offering prizes for gambling.
- 3) Bingo at Crown is in practical terms open to the public. While Crown requires prospective bingo players to become members, this is essentially a no barrier process. This is not in keeping with the intention with Section 8.2.4(b)i, which was designed to allow small community providers such as nursing homes to provide not-for-profit bingo for entertainment, not to enable a large gambling corporation to provide bingo without regulatory limits.
- 4) It is not clear that Crown Melbourne adheres to legislative requirements for the provision of bingo, as bingo at Crown Melbourne is 1) provided to raise money for Crown through loss leading (breaching Section 1.3AA(4a) i and 8.2.4(b)ii); 2) appears to be conducted by paid staff, who may conduct bingo as part of their paid duties (breaching 1.3AA(4a) iii and Section 8.2.4(b)ii); and 3) appears to be in practice open to the public, as in practical terms, anyone may become a member (not in keeping with the spirit of Section 8.2.4(b)i).

Based on these concerns, it is our view that it is not in the public interest for Crown to provide bingo in Victoria.

Appendix A

Background to research

Our research was a qualitative study examining the experience and impact of bingo on three communities where bingo is relatively popular and economic and social disadvantage are common: Aboriginal people in Gippsland and East Gippsland, Pacific migrants in Sunraysia and older people with fixed incomes in Melbourne.

Using a case study approach, the research drew on interviews with 53 bingo players from across three communities and 13 stakeholders with professional knowledge of bingo in Victoria. Additionally, we conducted 12 participant observations at a range of different types of bingo sessions across Victoria, including Crown Casino. Mechanisms for community engagement and feedback were embedded in the research design and community members were employed in two sites to conduct interviews. Feedback from experts was sought through a one-day symposium held to share and test research findings.

Our project partners were Gippsland East Gippsland Aboriginal Cooperative (GEGAC), Sunraysia Mallee Ethnic Communities Council (SMECC) and COTA Victoria (previously called the Council on the Aged, now known by its former acronym).

The research was funded by the Victorian Responsible Gambling Foundation and is expected to be published later this year.

Ethical approval to conduct the research was obtained from the Human Research Ethics Committee of La Trobe University (HEC18074).

The project team was Associate Professor Sarah MacLean, Kathleen Maltzahn, Associate Professor Mary Whiteside, Dr John Cox, Professor Helen Lee, Annalys Thompson and Jasmine Kirirua.

Appendix B – details of submitters

Kathleen Maltzahn has recently concluded work as a Research Fellow in Social Work and Social Policy, La Trobe University, and is currently undertaking a Masters of Philosophy in School of Allied Health, Human Services and Sport, La Trobe University. Her recent research has focused on gambling, including bingo, in and with Aboriginal, Pacific and older communities in Victoria, Australia.

Sarah MacLean is an Associate Professor in Social Work and Social Policy, La Trobe University. Her research focuses on alcohol consumption, gambling and inhalant use, all of which can be done legally, but which nonetheless can be detrimental to health and wellbeing. She is interested in developing evidence to support holistic responses for people who experience problems associated with these practices.

Dr. Mary Whiteside is Adjunct Associate Professor in Social Work and Social Policy, La Trobe University. She has a lengthy history of involvement in research and development in health and community settings, including Australian Aboriginal and international contexts. The focus of her research primarily involves social and emotional well-being and community development, using qualitative and participatory research approaches.

Helen Lee is Emerita Professor of Anthropology in the Department of Social Inquiry, School of Humanities and Social Sciences, La Trobe University. Since the 1980s she has conducted research with the people of Tonga, both in their home islands in the Pacific and in the diaspora, particularly in Australia, with a focus on childhood and youth, cultural identity and migration and transnationalism. Her recent research includes an Australian Research Council Linkage Project (2015-19) on the socio-economic status of Pacific Islanders in rural Victoria.

Dr John Cox is an Honorary Associate with the School of Humanities and Social Sciences, La Trobe University. He is an anthropologist whose work addresses the intersections of financial practices, developmental aspirations and politics. He is currently Lead Research Consultant on a World Bank study of the social dimensions of climate change in the Pacific.

Appendix C

Extracts of emails from Crown Casino to bingo players

FW: [REDACTED] eTG Three Card Poker is Here.



ETG THREE CARD POKER IS HERE!

Come into Crown and be among the first to try the exciting, all-new electronic Table Game Three Card Poker. With bets starting from just \$5, Three Card Poker offers you the excitement of one of the most popular poker variants, all in the comfort and privacy of your own eTG.

Visit the main casino floor at Crown and try it now!

[FIND OUT MORE](#)

https://protect-au.mimecast.com/s/SulPCYWL4vtGONMAh8Psq-?domain=click.email.crownresorts.com.au

FW: [REDACTED], your chance to win with Golden Cash



YOU COULD SHARE IN OVER
\$35,000¹ CASH

Hi Sarah,

FOR YOUR CHANCE TO WIN:

- Play Baccarat in Maple Room between 12pm - 8.55pm every Monday, Wednesday, Friday and Sunday until **15 March 2020**.
- For every winning bet on Banker or Tie with a score of Natural 9, you will receive one (1) entry form into that Day's Draw.
- Fill out the entry form and place it into the competition barrel located in Maple Room from 3pm – 8.59pm that same Day.

Draw times: 5pm, 7pm and 9pm

https://protect-au.mimecast.com/s/-Z_oClxwA5C6qXqQt60_6o?domain=click.email.crownresorts.com.au

References

- Armstrong, A., & Carroll, M. (2017). *Gambling activity in Australia: Findings from wave 15 of the Household, Income and Labour Dynamics in Australia (HILDA) Survey (978-1-76016-158-3(PDF))*. Retrieved from <https://apo.org.au/node/120736>
- Hare, S. (2015). *Study of Gambling and Health in Victoria*. Victorian Responsible Gambling Foundation.
- Kolandai-Matchett, K., Langham, E., Bellringer, M., & Siitia, P. (2017). How gambling harms experienced by Pacific people in New Zealand amplify when they are culture-related. *Asian Journal of Gambling Issues and Public Health*, 7(1), 1-20. doi:10.1186/s40405-017-0026-3
- Maltzahn, K., Whiteside, M., Thompson, A., Kirirua, J., Cox, J., Lee, H., S. MacLean. (Forthcoming). *Lucky for Some: Bingo in Victoria*. Victorian Responsible Gambling Foundation.
- Mazar, A., Zorn, M., Becker, N., & Volberg, R. A. (2020). Gambling formats, involvement, and problem gambling: which types of gambling are more risky? *BMC Public Health*, 20, 1-10. doi:<http://dx.doi.org/10.1186/s12889-020-08822-2>