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Turning Point

TREATMENT · RESEARCH · EDUCATION

SUBMISSION: ROYAL COMMISSION INTO THE CASINO OPERATOR AND LICENCE

Turning Point & Monash Addiction Research Centre

May 2021

Submission to the Royal Commission into the Casino Operator and Licence

About Turning Point and the Monash Addiction Research Centre

Turning Point is a national addiction treatment centre, dedicated to providing high quality, evidence-based treatment to people adversely affected by alcohol, drugs and gambling, integrated with world-leading research and education. Turning Point is auspiced by Eastern Health and is formally affiliated with Monash University.

Turning Point reduces the harms caused by alcohol, drugs and gambling and promotes recovery through integrated activity that:

1. Increases access to support and evidence-based practice through the use of innovative technologies.
2. Delivers high quality evidence-based practice.
3. Supports health care professionals nationally and internationally to provide high quality evidence-based practice.
4. Delivers workforce and community education programs to a broad range of populations.
5. Undertakes policy and practice relevant research and provides key national population level data.
6. Provides policy advice to state and federal governments as well as expert comment.

The Monash Addiction Research Centre (MARC) brings together world-leading expertise from across Monash University and the sector to provide solutions to the challenges of addiction. MARC draws on the multidisciplinary strengths and capabilities of researchers across the University to develop and test novel, scalable prevention and treatment approaches. MARC's mission is to provide national solutions to addiction. Its expertise leverages experts in basic and social science, clinical and epidemiological research, to develop new knowledge to shape government policy and evidence-based approaches.

We welcome the opportunity to contribute to the Royal Commission into the Casino Operator and Licence. Through the terms of reference, recommendations have been sought on whether Crown Melbourne is suitable to continue to hold the casino licence under the Casino Control Act 1991.

Any scrutiny of the suitability of Crown Melbourne to continue to hold a casino licence needs to also consider its obligation to provide gambling in a responsible manner, and how gambling disorder and associated harms are dealt with more broadly within Victoria.

This submission provides the following recommendations:

1) ***Cap the number of machines in areas of socio-economic disadvantage***
2) ***Invest in prevention programs for groups with heightened vulnerability to gambling problems and harm, particularly those with mental health problems***
3) ***Authorise coroner access to banking and gambling records in suspected cases of suicide***
4) ***Launch a multifaceted stigma reduction campaign that normalises help-seeking and actively promotes Gambler's Help Services, with the aim of effectively reducing delays in help-seeking***
5) ***Provide comprehensive proactive telephone and online gambling helplines that address common barriers to help-seeking, such as geographic location, access outside normal business hours, privacy and stigma***
6) ***Develop a quality and outcomes framework and optimal care pathways for gambling disorders***
7) ***Offer undergraduate and postgraduate courses that build the capacity of the health workforce to treat gambling disorders***
8) ***Up-skill GPs and mental health clinicians so they can better identify and manage gambling disorders, and promote integrated working practices with Gambler's Help services***
9) ***Develop a tertiary gambling treatment system that can support Victorians who present with greater gambling severity and complexity, or who do not respond to current service offerings***
10) ***Invest in health system research and the evaluation of novel treatment interventions and approaches***

11) ***Avoid use of the stigmatising term 'responsible gambling' in policy and public health responses***
12) ***Re-frame gambling harm prevention by promoting operator duty of care, consumer protection, regulatory integrity, and public accountability***
13) ***Address structural factors contributing to gambling disorders through evidence-based policies and increased regulatory oversight***
14) ***Expand 'opt-out' self-exclusion programs to provide a universal and enforced Victorian system across operators***
15) ***Introduce regulated cashless cards to help stem money laundering in gambling venues***

Gambling expenditure and gambling-related harms in Victoria

Australia has the highest per capita gambling spend of any country, with Australian adults losing an average of $1292 a year on gambling in 2017-2018 (average loss per adult in Victoria was $1163[1]). Total gambling losses have increased nationally and in Victoria since 2016–2017. Electronic gambling machines (EGMs) are by far the biggest cause of gambling harm, accounting for 75% or more of reported harms overall[2]. As only about 16% of adult Victorians use EGMs[3], the per-capita expenditure of actual users is likely far higher than the estimated average of $539 per year (i.e., around $3,368).

Crown makes a significant contribution to gambling harm in Victoria, with more than 2600 electronic gambling machines (EGMs) making approximately $185,000 each per annum. However, any investigation into gambling regulation needs to look beyond casinos to suburban pubs and clubs, where approximately $2.7 billion is lost on EGMs (compared to $1.7 billion lost at casinos)[1].

Casinos, pubs and clubs also play a key role in concealing the origins of funds procured through illegal activities (i.e., money laundering). In 2010, it was estimated that $2 billion was laundered through EGMs alone in Australia, which is an issue of serious concern given the links between money laundering, organised crime, and the financing of terrorism[4].

Fines (as opposed to sanctions) have been the Victorian Commission for Gambling and Liquor Regulation's (VCGLR) preferred means of dealing with breaches of licence conditions at Crown, however these have been inadequate in reducing harms. Serious issues relating to VCGLR's oversight of Crown were identified in an audit by the Victorian Auditor-General in 2017[5], including insufficient attention to key areas of risk in the casino's operations, such as money laundering. Since then, Crown has received record fines, including $300,000 for gambling machine tampering in 2018[6], and $1,000,000 (the maximum available under the Casino Control Act) in April 2021 for failing to comply with its regulatory obligations regarding junket operators[7].

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[1] Australian Gambling Statistics 36th edition, Queensland Government Statistician's Office (2021)
[2] Delfabbro P. August 2008, p67 http://www.problemgambling.gov.au/facts/
[3] Billi R, Stone CA, Marden P & Yeung K (2014). *The Victorian Gambling Study: A longitudinal study of gambling and health in Victoria, 2008–2012*. Victorian Responsible Gambling Foundation
[4] Buchanan J. (2018). Money laundering through gambling devices. *Society and Business Review*
[5] Victorian Auditor General's Office (VAGO): Regulating Gambling and Liquor (2017)
[6] https://www.theguardian.com/australia-news/2018/apr/27/crown-casino-fined-300000-in-victoria-for-poker-machine-tampering
[7] https://www.abc.net.au/news/2021-04-27/crown-casino-in-melbourne-fined-1-million-over-junket-operations/100098942

Addressing gambling harms among high-risk groups

The harms associated with gambling in Victoria are of a similar order of magnitude to those of major depressive and alcohol use disorders, extending beyond financial losses to include emotional and psychological stresses, as well as adverse effects on work, education, and relationships[8]. The social costs of gambling have been estimated to be nearly $7 billion per year alone: for every person who experiences a gambling disorder, six others are affected[9]. In 2018, 4.9% of the Victorian adult population reported experiencing harms within the past 12 months due to someone else's gambling (an increase from 2.8% in 2014)[10].

While fewer Victorians are gambling now compared with a decade ago, the rate of gambling disorder has remained consistent (at 0.7% of the Victorian population, or 36,123 people, in 2017-2018), indicating that harms are becoming more concentrated[11]. Gambling loss is predicted by socioeconomic disadvantage, with the average annual loss on EGMs in the most disadvantaged areas of Melbourne almost three times higher than that in the least disadvantaged ($849 compared to $298), due largely to the high levels of EGM density in disadvantaged areas[12]. This appears to be worsening following the 2020 COVID-19 lockdowns: in February 2021, the City of Brimbank (one of Victoria's most disadvantaged local council areas) reported a record $500,000 in EGM losses in a single day following increased losses throughout December and January[13].

However, it is important to note that low-risk and moderate-risk gambling is responsible for 70% of gambling-related harm in Victoria. The most at-risk groups are young people (particularly males aged 18-24), Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse (CALD) communities, people who are socially and culturally isolated, including those living in regional and rural areas, and people with mental health problems[14]. The combination of heightened vulnerability, socioeconomic disadvantage, and high gambling exposure are thought to play a substantial role in the development of gambling disorders[15].

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[8] Browne M et al (2016). *Assessing gambling-related harm in Victoria: A public health perspective*. Victorian Responsible Gambling Foundation
[9] Goodwin et al (2017). A typical problem gambler affects six others. *International Gambling Studies*, *17*(2), 276-289
[10] Victorian Population Gambling and Health Study, Victorian Responsible Gambling Foundation, 2019
[11] Gambling in Victoria, Victorian Responsible Gambling Foundation, 2019
[12] Rintoul AC, Livingstone C, Mellor AP & Jolley D (2013). Modelling vulnerability to gambling related harm: How disadvantage predicts gambling losses. *Addiction Research & Theory*, *21*(4), 329-338
[13] https://www.abc.net.au/news/2021-05-03/brimbank-council-records-highest-pokies-loss-ever-in-victoria/13326742
[14] Victorian Auditor General's Office (VAGO): Reducing the harms caused by gambling (2021)
[15] Abbott MW (2017). Beyond Reno: a critical commentary on Hancock and Smith. *International Journal of Mental Health and Addiction*, *15*(6), 1177-1186

Gambling has been strongly associated with mental health problems, and high-risk gambling behaviours in particular with an increased risk of suicide. While release of coronial statistics in Victoria in 2013 highlighted the links between gambling disorders and suicide, with gambling disorders linked to 130 suicides in the preceding 12 years[16], this is likely to be an underestimate due to issues with data access and the secrecy associated with gambling problems. Indeed, there is a paucity of Australian data available[17], with few studies examining the role and impact of gambling in suicides despite substantial state and national commitments to reducing suicide deaths. Coronial investigations are also hindered by limited access to an individual's gambling and financial records, which is problematic given the shame and secrecy that often accompanies high-risk gambling.

Recommendations:

1. *Cap the number of machines in areas of socio-economic disadvantage.*
2. *Invest in prevention programs for groups with heightened vulnerability to gambling problems and harm, particularly those with mental health problems.*
3. *Authorise coroner access to banking and gambling records in suspected cases of suicide.*

Provide accessible treatment and support for people seeking help for gambling problems

Only 22% of people who experience gambling problems seek help[18], with research suggesting that the shame and stigma associated with gambling is greater than that associated with mental illness, including drug and alcohol problems. The recent spike in demand for gambling help following the 2020 COVID-19 lockdowns[19] highlights the need to ensure timely and accessible treatment is available. This means promoting and providing accessible and effective gambling treatment and support whenever and wherever Victorians reside.

Yet, there are many barriers to accessing treatment for gambling[20], with pride, shame, and denial among the most common barriers reported[21]. Gambling problems are highly stigmatised within our community, with affected individuals expressing a lack of confidence in available treatment options. Attitudinal barriers to seeking treatment have also been identified and include beliefs that the

[16] Gambling-related suicides - Coroners Prevention Unit (2013)
[17] Livingstone C & Rintoul A (2021). Gambling-related suicidality: stigma, shame, and neglect. *The Lancet Public Health*, *6*(1), e4-e5
[18] Hare S (2015). *Study of gambling and health in Victoria*. Victorian Responsible Gambling Foundation
[19] https://www.abc.net.au/news/2021-05-02/pokie-losses-soar-as-gamblers-catch-up-after-covid-restrictions/100103116
[20] Rodda S et al (2013). Web-Based Counseling for Problem Gambling: Exploring Motivations and Recommendations. *J Med Internet Res* 15(5), e99
[21] Pulford J, Bellringer M, Abbott M, Clarke D, Hodgins D & Williams J (2009). Barriers to help-seeking for a gambling problem: The experiences of gamblers who have sought specialist assistance and the perceptions of those who have not. *Journal of Gambling Studies*, *25*(1), 33-48

problem will get better on its own, and that a gambler should be able to handle the problem by themselves[22]. Structural barriers to seeking professional treatment also play a significant role in terms of service accessibility, with face-to-face counselling the predominant mode of treatment in Victoria. Geographical barriers include factors such as scarcity of services, particularly in regional/rural areas, difficulty in accessing services during business hours, and concerns about anonymity and stigma that can arise when seeking help, particularly in small communities. A lack of time is another common barrier making it difficult to attend sessions scheduled at regular times in fixed locations. Given the multitude of barriers, designing interventions and programs that are flexible and accessible 24/7 is imperative.

The online and telephone gambling helplines, Gambler's Help and Gambling Help Online, respond to more than 65% of people who are seeking help for the first time, with the majority of contacts occurring outside of business hours. Gamblers seeking support from helpline services differ in the readiness for treatment[23], highlighting the need for targeted and extended interventions that help build self-efficacy, confidence, motivation and hope, as well as respond to gambling-related crises. Research suggests that interventions offered within helpline settings are effective[24], with most smoking cessation helplines typically offered as 'proactive quitlines' as they provide some form of immediate 'reactive' assistance, followed by a more comprehensive in-depth counselling program, often entailing multiple scheduled outbound follow-up sessions. Utilising this model within a gambling context is ideal for engaging gamblers with extended support and delivering accessible treatment that address existing barriers to care.

Gambling problems commonly co-occur with other mental health conditions, with high rates of comorbid substance use, mood and anxiety disorders, and personality disorders consistently reported among those seeking treatment for gambling disorders[25]. However, as highlighted in the recent Royal Commission into Victoria's Mental Health System, treatment is typically siloed and fragmented, with limited knowledge, skills and capacity across the Victorian mental health, gambling, and alcohol and drug treatment systems to support gamblers with severe and complex

[22] Lubman DI, Rodda S, Hing N, Cheetham A, Cartmill T, Nuske E, Hodgins D & Cunningham J (2015). *Gambler Self-Help Strategies: A Comprehensive Assessment of Self-Help Strategies and Actions*. Gambling Research Australia

[23] Rodda S et al (2015). Subtyping based on readiness and confidence: the identification of help-seeking profiles for gamblers accessing web-based counselling. *Addiction* 110; 494-501

[24] Matkin W, Ordóñez-Mena JM & Hartmann-Boyce J (2019). Telephone counselling for smoking cessation. *Cochrane Database of Systematic Reviews* (5)

[25] Dowling NA, Cowlishaw S, Jackson AC, Merkouris SS, Francis KL, Christensen DR (2015). Prevalence of psychiatric co-morbidity in treatment-seeking problem gamblers: A systematic review and meta-analysis. *Aust N Z J Psychiatry 49*, 519–539

comorbidities[26,27]. The absence of optimal care pathways and a quality and outcomes framework for gamblers presenting to treatment means that there is limited data on the effectiveness of the current treatment system, as well as no capacity to escalate care to more intensive models of treatment when needed[26,28]. There has also been limited investment in health systems research and development of contemporary medical, psychological, peer- and family-based interventions, including effective responses and pathways to identify and support gamblers within casinos and other venues. Opportunities to provide credentialled undergraduate and postgraduate gambling training and placements for medical, nursing and allied health are also lacking, potentiating the limited capacity and competency of the health workforce in identifying and managing gambling disorders.

Recommendations

4. *Launch a multifaceted stigma reduction campaign that normalises help-seeking and actively promotes Gambler's Help Services, with the aim of effectively reducing delays in help-seeking.*
5. *Provide comprehensive proactive telephone and online gambling helplines that address common barriers to help-seeking, such as geographic location, access outside normal business hours, privacy and stigma.*
6. *Develop a quality and outcomes framework and optimal care pathways for gambling disorders.*
7. *Offer undergraduate and postgraduate courses that build the capacity of the health workforce to treat gambling disorders.*
8. *Up-skill GPs and mental health clinicians so they can better identify and manage gambling disorders, and promote integrated working practices with Gambler's Help services where indicated.*
9. *Develop a tertiary gambling treatment system that can support Victorians who present with greater gambling severity and complexity, or who do not respond to current service offerings.*
10. *Invest in health system research and the evaluation of novel treatment interventions and approaches.*

[26] Lubman DI, Manning V, Dowling N, Rodda S, Lee S, Garde E, Merkouris S & Volberg R (2017). *Problem gambling in people seeking treatment for mental illness*. Victorian Responsible Gambling Foundation, Melbourne.
[27] Manning, V., Dowling, N., Rodda, S., Cheetham, A., & Lubman, D. (2020). An examination of clinician responses to problem gambling in community mental health services. *Journal of Clinical Medicine*, 9(7), 2075
[28] Victorian Auditor General's Office (VAGO): Reducing the harms caused by gambling (2021)

Address the limitations of 'responsible gambling' in public health and policy responses

Over the past two decades, evidence has accumulated to demonstrate that gambling and drug use disorders rewire neural circuitry in similar ways. In both cases, changes to the structure and function of brain regions responsible for processing rewards arise only after regular exposure, and lead to the loss of behavioural control that is characteristic of addiction[29].

Gamblers who play EGMs are at particular risk of harm due to intentional design features that leverage the processes underlying reward-related behaviour (e.g., losses disguised as wins, random reinforcement schedules, and exaggerated audio/visual displays). By exaggerating the experience of reward and encouraging extended and repeat play, these features maximise profit yet are likely to increase the risk of transition to problematic gambling and greater psychosocial harms[30].

These advancements in the understanding of gambling disorder are poorly reflected in regulatory responses aimed at reducing harm due to gambling. A key objective of the Gambling Regulation Act (2003) is the promotion of 'responsible gambling,' which has been a cornerstone of gambling policy since the 1990s. While the term 'responsible gambling' refers to both responsible consumption of gambling by the consumer as well as responsible *provision* of gambling by governments and industry to ensure gamblers can participate in gambling safely[31], for many years it has been used in ways that emphasise the responsibility of the consumer. As a result, accountability for gambling-related harm has shifted away from the industry, and towards a minority of individuals who are pejoratively portrayed as flawed and unable (or unwilling) to control their gambling behaviour.

Shifting responsibility away from the industry and towards the consumer minimises gambling itself as a primary cause of harm, increasing the shame and stigma felt by people with experience of gambling problems[32], while simultaneously failing to address the considerable harm that results from the activities of low and moderate-risk gamblers[32]. There are also regular breaches of responsible gambling principles governing legalised gambling in Australia[33], and little evidence they are effective in reducing gambling-related harm[34]. These issues highlight the need to address structural issues of power in preventing gambling-related harm, and the importance of taking a

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[29] Clark L, Boileau I & Zack M (2019). Neuroimaging of reward mechanisms in Gambling disorder: an integrative review. *Molecular Psychiatry*, *24*(5), 674-693

[30] Yücel M et al (2018). Hooked on gambling: a problem of human or machine design? *The Lancet Psychiatry*, *5*(1), 20-21

[31] *Responsible Gambling: Past, Present, and Future*. Victorian Responsible Gambling Foundation (2016)

[32] Miller EH & Thomas SL (2018). The problem with 'responsible gambling': impact of government and industry discourses on feelings of felt and enacted stigma in people who experience problems with gambling. *Addiction Research & Theory*, *26*(2), 85-94

[33] Rintoul et al (2017). Responsible gambling codes of conduct: lack of harm minimisation intervention in the context of venue self-regulation. *Addiction Research & Theory*, *25*(6), 451-461

[34] Livingstone et al (2014). What is the evidence for harm minimisation measures in gambling venues? *Evidence Base: A Journal of Evidence Reviews in Key Policy Areas*, (2), 1-24

public health approach that focusses on industry accountability and consumer protection in addition to individual responsibility[35].

Recommendations:

11. *Avoid use of the stigmatising term 'responsible gambling' in policy and public health responses.*
12. *Re-frame gambling harm prevention by promoting operator duty of care, consumer protection, regulatory integrity, and public accountability.*

Respond to gambling-related harms via evidence-based regulation and policy changes

There is extensive public health research demonstrating that government and industry can minimise or prevent harm from inherently dangerous products. However, in other areas (including tobacco control, alcohol policy, and motor vehicle injury reduction), this is achieved through well-resourced regulations and enforcement. For example, the WHO Framework Convention on Tobacco[36] sets universal standards stating the dangers of tobacco and includes rules that govern production, sale, distribution, advertisement, and taxation. Addressing the harms caused by gambling requires a similarly strong policy response that goes beyond education and promotion of 'responsible gambling' and addresses the current deficiencies in regulatory oversight of the gambling industry[37].

This includes limiting the impact of structural characteristics of gambling products on gambling-related harm, particularly in relation to EGMs. A 2019 report by the Victorian Responsible Gambling Foundation (VRGF) found that product modification or reformulation has been an effective policy response in other industries (for example, by reducing the standard size of drinks), and identified substantial opportunities for the modification of gambling products to reduce harm. For EGMs, these include modifications of characteristics that contribute to exaggerated perceptions of reward, such as the elimination of sounds accompanying a loss disguised as a win, reduction in the maximum bet limit, abolition of jackpots, game 'features' and 'bonus rounds', in addition to provision of adequate information that more accurately represents game characteristics and costs of play[37].

Other recommendations included universal utilisation of pre-commitment systems to assist users to make and enforce limits to gambling, including introduction of an effective and binding self-

[35] Hancock L & Smith G (2017). Replacing the Reno model with a robust public health approach to "responsible gambling": *International Journal of Mental Health and Addiction*, *15*(6), 1209-1220
[36] World Health Organization. (2013). *WHO Framework Convention on Tobacco Control: Guidelines for Implementation of Article 5. 3, Articles 8 To 14*. World Health Organization
[37] Livingstone et al (2019). *Identifying effective policy interventions to prevent gambling-related harm.* Victorian Responsible Gambling Foundation, Melbourne.

exclusion regime. While voluntary self-exclusion from gambling venues can reduce gambling disorder and associated harms, these programs are under-utilised, limited in the extent to which they can be enforced, and do not prevent people from gambling at other venues[38]. Universal self-exclusion is likely to have a significant impact on harm prevention and minimisation effects[39].

Efforts to reduce gambling-related harm through changes to gambling products, industry practices, or regulation require a strong evidence base. A 2021 audit found that while the VRGF had invested in and evaluated approximately 70 projects to reduce gambling-related harm since 2014, there was a lack of an outcome-based framework to develop programs and measure results, and inconsistent use of evidence to improve program design and service delivery[40]. In order to improve the capacity of regulation to produce less harmful products, regulators and researchers require better access to technical and other data[42], while self-exclusion programs should be monitored and audited to ensure programs are effective and conducted in compliance with the required processes[41].

Recommendations:

13. *Address structural factors contributing to gambling disorders through evidence-based policies and increased regulatory oversight.*
14. *Expand 'opt-out' self-exclusion programs to provide a universal and enforced system across operators.*

Strategies to address money laundering

Money laundering is detected in casinos through on-site surveillance and financial intelligence gathered by AUSTRAC, however within the context of an expanding and highly competitive international market for junket and premium players, additional strategies are needed[41]. Regulated, cashless cards that are linked to a gambler's identity and require money to be pre-loaded would help stem money laundering in gambling venues, in addition to offering additional ways to manage gambling disorders within the community (i.e., via links to existing state exclusion registries)[42].

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[38] Gainsbury SM (2014). Review of self-exclusion from gambling venues as an intervention for problem gambling. *Journal of Gambling Studies*, *30*(2), 229-251

[39] Livingstone et al (2019). *Identifying effective policy interventions to prevent gambling-related harm*. Victorian Responsible Gambling Foundation, Melbourne.

[40] Victorian Auditor General's Office (VAGO): Reducing the harms caused by gambling (2021)

[41] FATF (2012-2020). International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation, Paris, France.

[42] https://www.smh.com.au/national/nsw/what-are-gambling-cards-and-how-would-they-stop-money-laundering-in-the-pokies-capital-of-australia-20210209-p570s8.html

Recommendations:

15. *Introduce regulated cashless cards to help stem money laundering in gambling venues.*

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