

SUBMISSION TO THE ROYAL COMMISSION INTO THE CASINO OPERATOR AND LICENCE

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INTRODUCTION

1. The regulatory framework in which Crown Melbourne Limited (**Crown**) operates, as it relates to the adverse effects of gambling, is based on the concepts of responsible gambling and problem gambling. However, the negative consequences associated with gambling are not only experienced by those who gamble or specifically by 'problem gamblers'. Harms from gambling affect individuals who gamble, individuals who do not gamble and the broader community.
2. This submission addresses the need for a change to the paradigm upon which the existing regulatory framework is based to reflect contemporary understanding of the harms associated with gambling, informed by research, rather than the narrower concepts of 'responsible gambling' and 'problem gambling'.
3. In responding to the questions posed by the Commission, this submission:
 - 3.1 references research regarding gambling products and the environment in which they are provided, as they relate to the harms associated with gambling
 - 3.2 proposes that the regulatory framework be reframed so that it is directed to minimising gambling harms as part of a public health response.

THE FOUNDATION

4. The Victorian Responsible Gambling Foundation (**Foundation**) was established in March 2012 by the *Victorian Responsible Gambling Foundation Act 2011 (Vic) (Act)*, as an independent service delivery body with the dual objectives of reducing the prevalence of problem gambling and the severity of harm related to gambling, and fostering responsible gambling in Victoria.¹
5. The Foundation was established at the same time as the Victorian Commission for Gambling and Liquor Regulation (the **Regulator**) with a separate and distinct jurisdiction from the Regulator's performance of regulatory, investigative and disciplinary functions. The Act provides that the Foundation's functions include to:
 - 5.1 undertake preventative and other activities to address determinants of problem gambling
 - 5.2 conduct and facilitate education and information programs to –
 - 5.2.1 promote responsible gambling behaviours
 - 5.2.2 increase community awareness of the risks associated with gambling
 - 5.2.3 encourage people to seek help in relation to problem gambling

¹*Victorian Responsible Gambling Foundation Act 2011*, s 5.

- 5.3 provide treatment, counselling and intervention services in relation to problem gambling
 - 5.4 provide information and advice in relation to the issue or grant of licences, permits, approvals, authorisations, registration or allocations under gambling legislation
 - 5.5 undertake research and evaluation activities related to its functions and objectives.
6. The need for independence from the Regulator was emphasised in the Second Reading Speech of the Victorian Responsible Gambling Foundation Bill:²

The creation of the foundation acknowledges concern in the community that there is a tension between the role of government as a regulator of gambling activities, a beneficiary of gambling taxation revenue and a body responsible for delivering problem gambling programs and services.

The bill addresses this tension by establishing an independent entity focused solely on the treatment, research and education activities necessary to address the complex issue of problem gambling.

...

For the first time, Victoria will enable a bipartisan approach to the design and delivery of prevention programs, advertising campaigns, treatment services and problem-gambling-related research. Day-to-day decisions about these programs will be made at arm's length from the government of the day.

The bill, which draws heavily upon the successful VicHealth model, will create a service delivery body focused on an important public health issue that the government expects will attract both bipartisan and community support for its work.

7. The importance of the work undertaken by the Foundation and its work within a public health framework were recognised in the Second Reading Speech of the Gambling Legislation Amendment Bill 2015 on 16 September 2015:³

The foundation plays a significant role in supporting Victorians affected by problem gambling and fostering greater understanding and awareness of responsible gambling in the wider community.

It works within a public health framework to build the resilience of Victorians to problem gambling. It achieves this through undertaking community education and awareness-raising activities to foster responsible gambling and promote problem gambling help services, and undertaking research to inform best practice in problem gambling treatment and prevention and responsible gambling communication.

8. The Foundation's work is informed by research undertaken, or funded, by the Foundation in relation to gambling harm and its impact on individuals, communities and affected others, together with other research on gambling.
9. The mix of gambling harm-related service delivery and research functions performed by the Foundation, as a stand-alone organisation, is unique in Australia and internationally. While there are independent organisations that conduct or fund gambling research (e.g. Gambling Addictions Research Centre in New Zealand, Experimental Gambling Research Laboratory (CQUniversity) in Australia, Alberta Gambling Research Institute Canada), they do so without directly linking that research to the delivery of services.

²Hansard, Legislative Assembly, Wednesday 12 October 2011, p. 3676.

³Hansard, Legislative Assembly, Wednesday 16 September 2015, p. 3285.

10. The Foundation's research program has, since its inception, been guided by strategic agendas developed in consultation with a range of stakeholders.⁴ The research agendas have been:
- 10.1 2012–2015: changing gambling environments, stigma, gambling-related harm, responsible gambling, treatment and recovery, and comorbidities
 - 10.2 2015–2018: changing gambling environments, preventing gambling harm, monitoring gambling in the Victorian community, monitoring treatment and recovery
 - 10.3 2018–2022: monitoring and surveillance, harm, gambling products, gambling environment, and recovery and support.
11. The Foundation's experience, research and data have reinforced the need to approach gambling harm as a community-wide public health issue. A range of harms can occur without a person satisfying any recognised criteria of either problem gambling⁵ or gambling addiction.⁶ Gambling harm may be experienced by families, social networks, communities and populations who engage with people who gamble, noting that gambling harms extend beyond financial. Accordingly, it is no longer enough to focus the research or response to gambling harm only on the prevalence of 'problem gambling' in the community.
12. The Foundation's research has identified several groups in the community that are at particular risk of gambling harm. They include people with comorbid conditions such as mental ill-health, young people (in particular men aged 18 to 24), First Nations people and people from some culturally and linguistically diverse communities.⁷
13. The language used to describe gambling-related issues has evolved since the inception of the 2012 framework for regulating 'responsible' gambling. Terms such as 'responsible gambling' and 'problem gambler' put the primary responsibility for reducing and preventing harm from gambling on the individual, rather than on the regulation and provision of gambling products that may carry an inherent risk of harm.
14. The use of this language also has the effect of stigmatising the individual experiencing gambling harm. Further, Foundation research shows that this focus on individual behaviours can be a barrier to seeking help.⁸
15. When using the term 'responsible gambling' in this submission, the Foundation is careful to recognise both the provision and consumption of gambling products.

⁴ Statement of Rosa Billi at [16].

⁵ Statement of Rosa Billi at [35.2]; Problem Gambling Severity Index (PGSI).

⁶ American Psychiatric Association (2013). *Diagnostic and statistical manual of mental disorders (DSM-5®)*. American Psychiatric Pub.

⁷ Statement of Shane Peter Lucas at [28.4.2].

⁸ Statement of Shane Peter Lucas at [24]; Hing, N., Russell, A., Nuske, E., & Gainsbury, S. (2015). *The stigma of problem gambling: Causes, characteristics and consequences*. Victoria, Australia: Victorian Responsible Gambling Foundation.

16. The Foundation addresses the Commission's questions by reference both to gambling harm and problem gambling, defined as:⁹

Gambling harm – any initial or exacerbated adverse consequence due to an engagement with gambling that leads to a decrement to the health or wellbeing of an individual, family unit, community or population

Problem gambling – gambling characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community.

GAMBLING HARM

- **What is the social impact of problem gambling [and gambling harm] in Australia?**
17. Gambling harm leads to poorer health and wellbeing not only for the person who gambles, but for families, communities, and the general population. The recognised categories of harms from gambling are:¹⁰
- 17.1 financial harm, for example reduction or loss of discretionary spending, loss of sources of additional funds – i.e. no further credit available, bankruptcy, reliance on welfare
 - 17.2 relationship damage, conflict, or breakdown, for example, tension with partner, spouse or family, social isolation, incidence or escalation of family violence
 - 17.3 psychological and emotional harm, for example, experience of distorted thoughts or erroneous beliefs, loss of self-worth and pride, ongoing guilt and shame
 - 17.4 decline in overall health, for example, manifestations of distress (increased blood pressure, loss of sleep), experience of violence due to gambling, attempted self-harm, suicidal ideation, or suicide
 - 17.5 cultural harm, for example, reduced participation in community and family activities, shame in relation to cultural expectations and roles, reduced performance at work or study, increased absenteeism due to gambling, loss of employment due to theft or fraud
 - 17.6 involvement in unlawful activity, for example, neglect of children due to preoccupation with gambling, engaging in theft.
18. The recognised categories of gambling harms are interrelated. People may experience one or more of them. Gambling harms vary in their severity and may be episodic or chronic.
19. Lower level harms can include feelings of guilt or stress. Examples of more severe harms include relationship breakdown, bankruptcy and suicide.

⁹ See also, Statement of Shane Peter Lucas at [23].

¹⁰ Statement of Rosa Billi at [29], [35.3] citing Browne, M., Langham, E., Rawat, V., Greer, N., Li, E., Rose, J., ... & Bryden, G. (2016). *Assessing gambling related harm in Victoria: A public health perspective*. Victorian Responsible Gambling Foundation.

20. Harms from gambling are not restricted to people defined¹¹ as ‘problem gamblers’. They are also experienced by other people who gamble and people who do not gamble at all.
21. The Foundation’s 2018–19 Victorian Population Gambling and Health Study¹² found that:
- 21.1 more than 36,000 Victorians (or 0.7 per cent of Victoria’s adult population) are ‘problem gamblers’
 - 21.2 ‘problem gamblers’ accounted for only 30 per cent of the total count of harms experienced by people in Victoria who gamble.
22. A 2017 study, *A typical problem gambler affects six others*, found that a typical:
- 22.1 ‘problem gambler’ negatively affects six other people
 - 22.2 ‘moderate-risk gambler’ negatively affects three other people
 - 22.3 ‘low-risk gambler’ negatively affects one other person.¹³
23. This study also:
- 23.1 found that people who live in the closest proximity and are financially and emotionally dependent on a ‘problem gambler’ are most likely to be affected by their behaviour. This predominantly includes spouses, partners and children¹⁴
 - 23.2 concluded that activities directed exclusively at preventing ‘problem gambling’ ignore the potential for reducing the majority of harms that exist within the community as a result of gambling.¹⁵
24. While it can be difficult to draw analogies between the harm from gambling and harms experienced in the community related to other products, a paper presented to the World Health Organization Forum on Alcohol, Drugs and Addictive Disorders,¹⁶ suggests that the burden of harm from gambling is of a similar magnitude to the harm attributed to alcohol misuse and dependence and major depressive disorder, and substantially higher than harm attributed to drug dependence disorder.¹⁷

¹¹ By the Problem Gambling Severity Index (P&SI).

¹² Statement of Rosa Billi at [34], citing Rockloff et al (2020). *Victorian Population Gambling and Health Study 2018-2019* at p 23.

¹³ Goodwin et al (2017). ‘*A typical problem gambler affects six others*’. *International Gambling Studies* 17(2) 276–289.

¹⁴ *Ibid* at 283.

¹⁵ Rockloff et al (2020). *Victorian Population Gambling and Health Study 2018-2019* at p 121.

¹⁶ Abbott, M. (2017). The epidemiology and impact of gambling disorder and other gambling-related harm. In *Discussion Paper for the 2017 WHO Forum on Alcohol, Drugs and Addictive Behaviours*. Geneva: WHO Headquarters, p 1.

¹⁷ Based on research undertaken in Victoria and New Zealand. This research is yet to be replicated in other countries around the world.

- **What is the social cost of problem gambling [and gambling harm]?**
25. The Productivity Commission estimated that in Australia in 2008–2009 the costs associated with ‘problem gambling’ (only) were between \$4.7 and \$8.4 billion.¹⁸
 26. A study released by the Foundation in 2017 (based on 2014–2015 data) estimated the total cost to the community of gambling in Victoria to be approximately \$7 billion.¹⁹ This research estimated the costs to the community from all gambling, not just problem gambling.
 27. The study showed that:
 - 27.1 approximately 75 per cent of the cost was borne by people who gamble, their families and their social networks²⁰
 - 27.2 ‘problem gambling’ accounted for 33.8 per cent (\$2.4 billion) of the total cost to the community of gambling in Victoria.²¹

¹⁸ Productivity Commission (2010) *Gambling Inquiry*, Report No. 50, Canberra. Costs measured by this study included financial, productivity and employment, crime and legal, personal and family and treatment.

¹⁹ Statement of Rosa Billi at [35.5], citing Browne et al (2017), *The Social Cost of Gambling to Victoria*, Victorian Responsible Gambling Foundation: North Melbourne, Australia, p 2.

²⁰ Browne et al (2017), *The Social Cost of Gambling to Victoria*, Victorian Responsible Gambling Foundation: North Melbourne, Australia, p 3.

²¹ *Ibid* p 48.

28. The component costs of gambling in Victoria in 2014–15 were broken down in the study as follows:²²

Category	Low-risk gamblers (PGSI 1–2)	Moderate-risk gamblers (PGSI 3–7)	Problem gamblers (PGSI 8+)	Total cost to Victoria (2014–15)
Financial	\$315,582,939	\$337,505,836	\$479,372,995	\$1,348,095,911
Emotional and psychological	\$815,133,289	\$477,189,959	\$300,633,433	\$1,592,956,680
Relationships and family	\$589,825,106	\$585,809,945	\$1,013,261,621	\$2,188,896,672
Crime – Victorian justice system	\$26,968,703	\$31,229,297	\$41,985,008	\$100,183,007
Productivity loss and work impacts	\$64,504,422	\$195,190,478	\$338,176,056	\$597,870,956
Cost to the Victorian Government	\$634,247,824	\$275,246,025	\$183,788,212	\$1,145,477,560
Total cost	\$2,446,262,283	\$1,902,171,540	\$2,357,217,325	\$6,973,480,788

29. In the current financial year, the allocation of the Foundation’s budget to marketing and strategic campaigns to educate the community about the risks and harms associated with gambling is \$9.12 million.²³ In contrast, the gambling industry advertising spend in Victoria in 2019 was estimated at \$70 million.²⁴ This excluded sponsorships and in-program content, as well as other forms of advertising such as direct marketing.

²² Ibid p 2.

²³ Statement of Shane Peter Lucas at [29].

²⁴ Nielsen Media Research. <https://www.bandt.com.au/revealed-australias-biggest-ad-spender-as-media-advertising-spend-soars-26-yoy/>

EXAMPLE OF LIVED EXPERIENCE OF GAMBLING HARM

30. The Foundation has provided an example of the impact on individuals from gambling at the casino operated by Crown, under cover of separate letters to the Commission. It is noted that several public submissions, including a submission by a member of the Foundation's Lived Experience Advisory Committee, specifically raise gambling harm as an issue.²⁵

BEST PRACTICE

- **What steps should a casino take to detect problem gambling [and gambling harm]?**
31. In order to detect customers at risk of gambling harm, a casino should:
- 31.1 monitor its customers:
 - 31.1.1 by reference to the full list of Thomas et al's validated observable signs (listed in the Table at Appendix A),²⁶ and
 - 31.1.2 using data analytics to inform staff observations, for example, real time monitoring of spend and time of continuous play
 - 31.2 have sufficient numbers of appropriately trained staff available on gambling floors to monitor and observe customers.
- **What are best practices for reducing problem gambling [and gambling harm] in relation to a casino?**
 - **What steps should a casino operator be required to take to prevent, detect and manage problem gambling?**
 - **To what extent are best practices being effectively implemented at Crown Melbourne?**
32. There is no settled research about 'best practice' to reduce problem gambling or gambling harm that is specific to casinos. However, research shows that regulating access to gambling products and their operational features is the most effective way of reducing harms from gambling at a population level.²⁷

²⁵ See, for example, the submission of Anna Bardsley (Submission 39).

²⁶ Thomas, A et al (2014). *Validation study of in-venue problem gambler indicators*. Gambling Research Australia. The full list is set out in the first column of Appendix A.

²⁷ Livingstone, C et al, 2019, *Identifying effective policy interventions to prevent gambling-related harm*, Victorian Responsible Gambling Foundation, Melbourne.

33. Factors associated with increased risk of gambling harm from products offered by casinos include continuous forms of gambling,²⁸ complex products,²⁹ frequency of betting,³⁰ and illusions of control.³¹ Further, the research shows that the broad range of products available at casinos is a particular risk for people at higher risk of harm from gambling.³²
34. Adoption of the measures set out in paragraph 31 together with all of the following measures would be *better* practice in casinos:
- 34.1 prevent any inducements to gamble, including via loyalty programs
 - 34.2 do not directly market to persons who have self-excluded
 - 34.3 monitor and intervene, informed by the Thomas et al validated observable signs at Appendix A and data analytics
 - 34.4 provide high quality staff training that is evidence based and independently evaluated
 - 34.5 impose mandatory universal pre-commitment systems that require customers to set a binding monetary and/or time gambling limit(s) per day prior to entry into the casino
 - 34.6 impose time limits on electronic gaming machines (EGMs) and table games to prevent continuous play
 - 34.7 set appropriate maximum bet limits for EGMs³³
 - 34.8 support independent research and evaluation of risks of harm by participating in that research and collecting, and providing access to, relevant data.
35. With respect to the Melbourne Casino, better practice would require Crown to:

²⁸ Statement of Rosa Billi at [37.1]. See also, Dickerson M. 2003, 'Exploring the limits of "Responsible Gambling": harm minimisation or consumer protection' *Gambling Research*, 15, 29-44; Williams, R. J., Hann, R., Schopflocher, D., et al. 2015. *Quinte longitudinal study of gambling and problem gambling*. Ontario Problem Gambling Research Centre; Delfabbro, P.H. 2011, *Australasian gambling review*. South Australia: Independent Gambling Authority.

²⁹ Statement of Rosa Billi at [37.2]. See also, Armstrong, T., Rockloff, M., Greer, N., & Donaldson, P. (2016). Rise of the Machines: A Critical Review on the Behavioural Effects of Automating Traditional Gambling Games. *Journal of Gambling Studies*, 1-33.

³⁰ Statement of Rosa Billi at [37.3]. See also, Billi R. et.al. 2012, *The Victorian Gambling Study Wave Three Findings* Victorian Responsible Gambling Foundation; Currie S. et.al., 2017, 'Deriving low-risk gambling limits from longitudinal data collected in two independent Canadian studies' *Addiction* 112; Currie S. et.al, 2011 'Examining the predictive validity of low-risk gambling limits with longitudinal data' *Addiction* 101; Currie S. 2008, 'In Pursuit of Empirically Based Responsible Gambling Limits', *Journal of Gambling Studies* Vol. 8, No. 2, August; Abbott M, 2017, 'Commentary on Currie et al. (2017): Low-risk gambling limits—a bridge too far?' *Addiction* 112.

³¹ Statement of Rosa Billi at [37.4]. See also, Goodie A.S. and Fortune E.E. 2013, 'Measuring Cognitive Distortions in Pathological Gambling: Review and Meta-Analyses' *Psychology of Addictive Behaviours* Online 25 February; Katie Palmer du Preez et.al. 2014, *Investigation Into The Effects Of Gambling Game Characteristics, Pids And Pop-Up Technology On Gambling And Problem Gambling Behaviour In New Zealand*, Ministry of Health

³² South Australian Centre for Economic Studies (2015), *Gambling and Casinos*, Gambling Research Australia. Adelaide, Australia: SACES.

³³ Livingstone, C et al, 2019, *Identifying effective policy interventions to prevent gambling-related harm*, Victorian Responsible Gambling Foundation, Melbourne.

- 35.1 adopt the measures set out in paragraph 34
- Crown's Responsible Gambling Code of Conduct (**Code of Conduct**) does not incorporate all of the Thomas et al validated observable signs.³⁴ The differences are set out in Appendix A.
- 35.2 align the operation of its EGMs with the regulatory restrictions placed on EGM operations in all other Victorian venues. The differences in these modes of operation are set out in Appendix B.

CROWN IDENTIFICATION, MANAGEMENT AND SUPPORT FOR PEOPLE EXPERIENCING GAMBLING HARM

36. The Foundation's understanding of Crown's policies for identifying, managing and providing support for people experiencing gambling harm is limited to the Report of the Regulator's Sixth Review of the Casino Operator and Licence (**Sixth Review**) and conclusions drawn from publicly available information. In responding to the Commission's questions about the effectiveness of those policies, the Foundation relies on relevant available research.

Specifically, identify:

- The processes by which Crown Melbourne *identifies* problem gamblers and the effectiveness of those processes

37. Interventions

- 37.1 The Foundation has been asked to express a view as to whether Crown's current policy to intervene only after 16 to 24 hours of continuous play is adequate or consistent with best practice. In responding to this question, the Foundation notes that:
- 37.1.1 the period of 16 to 24 hours of continuous play is inconsistent with the Thomas et al research that recommends no more than three hours of continuous play without a break of at least 15 minutes³⁵
- 37.1.2 Thomas et al's observable signs are intended to be utilised holistically, and not be independent stand-alone indicators. This means that even though three hours of continuous play without a proper break is a good indicator that a customer is at increased risk of harm, staff and venue operators should be trained to respond to any observable signs as and when they arise.

³⁴ Statement of Shane Peter Lucas at [96.4] to [96.8].

³⁵ Thomas, A. et al (2014). *Validation study of in-venue problem gambler indicators*. Gambling Research Australia.

- 37.2 A question also arises as to whether there is sufficient intervention by Crown with customers before they experience a significant crisis. The Sixth Review notes that there is insufficient staffing and staff can do little more than manage exclusions.³⁶ It is the Foundation's opinion that it should be incumbent on Crown to intervene when a person reaches the earlier of their pre-commitment time or money limit or exhibits any of the validated observable signs.

38. Detection of excluded persons by facial recognition

- 38.1 The Foundation understands that facial recognition technology is now used by Crown (since being recommended by the Regulator's reviews in 2013 and 2018). There is no publicly available information about its use for detecting persons who have been excluded, or who have self-excluded.
- 38.2 In the absence of an independent assessment of this technology, the Foundation is unable to determine its efficacy.

The way in which Crown Melbourne *manages* problem gamblers, and the effectiveness of that management

Time and money limit setting

- **Under *YourPlay*, Crown Melbourne operates a double voluntary system (that is, people can continue gambling after exceeding pre-set limits). Is this adequate or consistent with best practice?**
39. Crown operates two systems that enable customers to set time and money limits on their gambling. *YourPlay* is available when using EGMs and *Playsafe* for use on fully automated table games (FATGs).
40. *YourPlay* is a card-based system that allows a person to set time and/or money limits on their EGM gambling. It notifies the person gambling, via the EGM, when they are approaching and have reached their selected time or money limit. When a time or money limit is reached, and the machine is operating in unrestricted mode, the EGM will switch from unrestricted mode to Crown's restricted mode. However, it does not prevent the person from continuing to gamble when either of those limits is reached. The *YourPlay* system places no restrictions on time or money limits that can be set by the cardholder.
41. The 2019 evaluation of *YourPlay* commissioned by the Department of Justice and Community Safety found that as at January 2019, the median monetary limit set was \$50,000 a day. The most commonly chosen daily limit was \$1 million.³⁷

³⁶ The Sixth Review of the Casino Operator and Licence (June 2018), exhibited to the Statement of Shane Peter Lucas at VRGF.0001.0001.0075, states: *VCGLR acknowledges the work of the RGSC. However, it is concerned that its level of staffing means RGLOs are under-resourced and only able to address limited responsible gambling issues beyond managing the voluntary exclusion process. Crown Melbourne should review its RGSC resources to allow broader and more proactive harm minimisation initiatives for the benefit of all patrons, not just those who self-identify. Crown should also include in any key performance indicators for the RGSC measures of how many patrons experiencing harm have been assisted, and the outcomes.*

³⁷ Whetton, S. O'Neil, M. Delfabbro, P. Sproston, K. Halim, S. Dey, T. Hanley, C. Kay, L. Kosturjak, A. Tran, K. Wood, A. (2019). *Evaluation of YourPlay Final Report*. Adelaide: South Australian Centre for Economic Studies.

42. Recent research shows that 27.5 per cent of people who regularly use EGMs (those who gambled more than monthly in the past year) have a personal annual income below \$41,500; 13.2 per cent have an income below \$20,800.³⁸
43. *Playsafe* is Crown's limit setting system for its FATGs. Its functionality is similar to *YourPlay*. There is no limit setting system for non-automatic or semi-automatic table games or other forms of gambling operated by the casino.
44. Noting that continuous forms of gambling are associated with an increased risk of harm,³⁹ the ability to continue gambling once limits are reached undermines the effectiveness of pre-set monetary and time limits.⁴⁰
45. In the case of EGMs, evidence suggests that a system that requires users to set limits, and under which those limits are enforced, is likely to be an effective means of reducing the risk of harm.⁴¹
46. A better practice harm reduction program would therefore ensure that:
 - 46.1 customers are required and assisted to set realistic and affordable limits
 - 46.2 limits are set on products.
47. Research suggests that a universal pre-commitment system would both normalise the concept of setting limits and ensure that people have access to accurate records of their spending.⁴²
 - **Is Crown Melbourne's implementation of exclusion orders adequate or consistent with best practice?**
48. There is limited publicly available information in relation to Crown's exclusion policies.
49. Research on self-exclusion programs shows that to be effective, consumer information should be clear and easy to access, transparent in its operation, offer a range of time periods for exclusion, facilitate additional support to the person who is excluding, be accessible outside of the venue and supported by appropriately trained staff with sound knowledge of support and treatment options.⁴³

³⁸ Derived from Rockloff, M. et al (2020) *Victorian Population Gambling and Health Study 2018–2019*. Victorian Responsible Gambling Foundation: North Melbourne, Australia.

³⁹ Dickerson (2003), 'Exploring the limits of "Responsible Gambling": harm minimisation or consumer protection' *Gambling Research*, 15, 29-44; Williams, R. J., Hann, R., Schopflocher, D., et al. 2015. *Quinte longitudinal study of gambling and problem gambling*. Ontario Problem Gambling Research Centre; Delfabbro, P.H. 2011, *Australasian gambling review*. South Australia: Independent Gambling Authority.

⁴⁰ Rintoul & Thomas (2017) *Pre-commitment systems for electronic gambling machines: Preventing harm and improving consumer protection* (AGRC Discussion Paper No. 9).

⁴¹ Ibid.

⁴² Rintoul & Thomas (2017) *Pre-commitment systems for electronic gambling machines: Preventing harm and improving consumer protection* (AGRC Discussion Paper No. 9). Livingstone et al. (2019), *Identifying Effective Policy Interventions to Prevent Gambling-Related Harm*, Victoria: Victorian Responsible Gambling Foundation; Rintoul & Thomas (2017) *Pre-commitment systems for electronic gambling machines: Preventing harm and improving consumer protection* (AGRC Discussion Paper No. 9).

⁴³ Thomas, A et al (2016) - Review of electronic gaming machine pre-commitment features: Self-exclusion. Melbourne: Australian Institute of Family Studies; Gainsbury, Sally M (2014) *Review of Self-exclusion from Gambling Venues as an Intervention for Problem Gambling*, *Journal of Gambling Studies* 30(2), p 229–251.

50. In addition, programs should be independently evaluated to measure effectiveness and ensure no unintended harmful consequences.⁴⁴
51. It is noted that Crown has implemented a third-party exclusion program since the Sixth Review, however the Foundation is not able to assess the effectiveness of this program as there is no publicly available information in relation to the program's adoption or its efficacy.

The support provided by Crown Melbourne to problem gamblers, and the effectiveness of that support:

- **Crown Melbourne's Responsible Gaming Centre (RGC) has, historically, not been adequately staffed. On the most recent figures, only 134 persons a week contact the RGC in a casino operating 24 hours a day with 21 million visitors annually. Is there any view on the adequacy of the RGC staffing?**
52. The Sixth Review contains some data on the operation of the RGC. It states that:
- 52.1 in 2016, 134 persons per week made contact with or were referred to the RGC (which is less than one person an hour or 0.03 per cent of customers a year)
 - 52.2 staff are mostly focused on managing voluntary exclusions
 - 52.3 only five to six per cent of all activities undertaken by the RGC were referrals to Gambler's Help
 - 52.4 the RGC is understaffed and can do little more than manage exclusions.
53. The Foundation has limited knowledge regarding the operation of the RGC. Therefore, it is not able to express a view as to whether the RGC is adequately staffed. In order to express a view, the Foundation would need to see data in relation to a range of matters including the number of staff on the gambling floors at Crown trained to observe and intervene with customers, and the interplay of this data with the RGC's practices and staffing levels.
54. However, noting the importance of intervention in harm minimisation:
- 54.1 all gambling venues should have sufficient numbers of staff trained in the validated observable signs available at all times and in all gambling areas, and who intervene as necessary
 - 54.2 a system that relies on referrals from staff on the gambling floors to a different member of staff is unlikely to be as effective as direct, real-time intervention by trained staff members on the gambling floors.

⁴⁴ Ibid

- **Any other measures implemented by Crown Melbourne to address responsible gambling and problem gamblers, and their effectiveness?**

Hours of operation

55. Crown does not close its gambling operations other than for certain hours on specified public holidays. Nor does it impose any mandatory restrictions on the number of hours a customer can gamble continuously.
56. In comparison, clubs and hotels with EGMs are required by the *Gambling Regulation Act 2003*⁴⁵ to close their gambling rooms for at least four hours a day, ensuring customers have an enforced break from gambling.
57. The Foundation considers that a daily period of closure, to enforce a break from continuous gambling, would assist to reduce gambling harm.
58. In the absence of a daily period of closure, the Foundation considers that mandatory restrictions on the amount of time a person could gamble continuously would assist to reduce gambling harm.⁴⁶

REGULATORY FRAMEWORK

- **Is Crown Melbourne's Responsible Gambling Code of Conduct appropriate or consistent with best practice?**

59. While potentially helpful, of themselves, codes of conduct have limited ability to ensure best practice for minimising harm from gambling.
60. Any code of conduct needs to be easily enforceable with the ability for penalties to be applied to breaches.

- **Does the current Victorian regulatory framework, including the casino licence, impose sufficient obligations on Crown to prevent, detect and manage problem gambling? If not, what obligations would you recommend?**

61. As noted previously, the current regulatory framework relating to the negative effects of gambling is based on the concepts of responsible gambling and problem gambling. This framework should be amended to reflect the contemporary understanding of harms associated with gambling, and should:

- 61.1 incorporate definitions of 'gambling harm' and 'problem gambling' based on research
- 61.2 place responsibility on Crown to reduce gambling harm
- 61.3 be capable of adapting to new research as it evolves, to improve public health outcomes for those at risk of harm
- 61.4 make codes of conduct easily enforceable with the ability for penalties to be applied to breaches

⁴⁵ Division 2 of Part 3.

⁴⁶ Nova Scotia Gaming Corporation 2005. VLT Time Change: Findings Report Livingstone, C. H., Woolley, R., & Borrell, J. (2006). The changing electronic gaming machine (EGM) industry and technology. Prepared by Australian Institute for Primary Care on behalf of the Victorian Gambling Research Panel.

- 61.5 require Crown to collect and make available data in relation to gambling activity at the Melbourne Casino
- 61.6 ensure that the Foundation's expertise is taken into account in regulation of Crown's obligations with respect to minimising gambling harm.
- **Should there be an express regulatory requirement (for example, as a casino licence condition) that the casino operator take all reasonable steps to prevent problem gambling?**
62. For the reasons set out in this submission, all providers of gambling services and products, which carry an inherent risk of harm, should be required to meet specified minimum standards to prevent gambling harm.

SUMMARY

63. The Foundation's responses to the questions posed by the Commission are summarised as follows:
- 63.1 The social impact of gambling harm in Victoria is poorer health and wellbeing, not only for the person who gambles, but for families, communities, and the general population.
- 63.2 The total cost to the community of gambling in Victoria, based on 2014–2015 data, was conservatively estimated to be \$7 billion. Of this, approximately 75 per cent was borne by people who gamble, their families and their social networks.
- 63.3 There is no settled research about best practice to reduce gambling harm that is specific to casinos. However, research demonstrates that regulating access to gambling products and their operational features is an effective way of reducing gambling harms at a population level.
- 63.4 Adoption of all of the measures set out in paragraph 34 would be *better* practice for minimising harm from gambling in casinos.
- 63.5 With respect to the Melbourne Casino, better practice would require Crown to:
- 63.5.1 adopt the measures set out in paragraph 34
- 63.5.2 align the operation of its EGMs with the regulatory restrictions placed on other Victorian venues.
- 63.6 To be effective, policies in relation to self-exclusion programs should be easy to access, transparent in their operation and accessible outside of the venue, and facilitate additional support to the person who is excluding.
- 63.7 While potentially helpful, of themselves, codes of conduct have limited ability to ensure best practice for minimising harm from gambling.

- 63.8 The current regulatory framework relating to the negative effects of gambling should be amended to:
- 63.8.1 reflect the contemporary understanding of the harms associated with gambling
 - 63.8.2 address the matters set out in paragraph 61.

APPENDIX A: COMPARISON OF GAMBLING BEHAVIOUR CHECKLIST

Gambling behaviour checklist for EGM staff in Victoria* / Thomas et al's validated observable signs

Loss of Control

- Tries obsessively to win on one machine
- Gambles right through normal mealtimes
- Finds it difficult to stop gambling at closing time
- Starts gambling when the venue is opening or only stops when venue is closing

Money Seeking

- Gets cash out on 2 or more occasions through EFTPOS
- Puts large wins back into the machine and keeps playing
- Has run out of all money when he/she leaves venue
- Leaves venue to find money to continue gambling
- Asks to change large notes at venue before gambling
- Rummages around in purse or wallet for additional money
- Witnessed or heard that a customer was trying to borrow money from other people at venue or asking for credit from venue

Intensity and Duration

- Spends \$300 or more in a session
- Often gambles for long periods (3+ hours) without a proper break
- Bets \$3 or more per spin most of the time
- Plays very fast
- Gambles on 2 or more machines at once
- Gambles intensely without reacting to what's going on around him/her
- Gambles most days
- Rushes from 1 machine to another
- Significant increase in spending pattern

Irrational and Superstitious Behaviour

- Complains to staff about losing, or blames venue or machines for losing
- Rituals or superstitious behaviours such as rubbing belly of machine or screen, talking to machine, spitting on machine, use of luck charms

Emotional Responses

- Shows signs of distress after gambling (looks sad/depressed, crying, holding head in hands, nervous/edgy, shaking, sweating)
- Gets angry while gambling (kicking, hitting machines, swearing, grunting or groaning, playing roughly/aggressively)

Social Behaviour

- Stays on to gamble when friends leave venue
- Is rude or impolite to venue staff
- Becomes angry or stands over others if someone takes their favourite machine/spot
- Avoids contact or conversation with others
- Generally poor hygiene, or, significant decline in personal grooming or appearance over several days (body odours, dirty or unchanged clothes, messy greasy hair)
- Conceals presence at venue (doesn't answer mobile phone, takes or makes calls outside venue, asks staff not to let others know they are there, people contact or visit venue looking for person)

* Source: Thomas, A. et al (2014). *Validation study of in-venue problem gambler indicators*. Gambling Research Australia.

Crown Responsible Gambling Code of Conduct observable signs of problem gambling[^]

- Self-disclosure of a problem with gaming or request to voluntarily exclude
- Gets angry while gaming or shows signs of distress during or after gaming
- Often gambles for long periods without a break
- Witnessed or heard that a customer was trying to borrow money for gaming
- Significant decline in personal grooming or appearance
- Observed conflict over gaming between family members or friends
- Unrealistic remarks about gaming
- Children left unattended whilst parent/guardian gambles
- Complains to staff about losing or blames the casino or gaming product for losing
- Secretive or embarrassed about being at the casino or stays on to gamble when friends leave the venue
- Gambles without reacting to what is going on around him/her and avoids contact or conversations with others
- Frequent visits to the ATM
- Requests for assistance from family and/or friends concerned about an individual's gaming behaviour.

[^] Source: Crown Responsible Gambling Code of Conduct, which states, *These signs are adapted from Thomas, A. et al 2014, "Validation study on in-venue gambler indicators", Gambling Research Australia*

APPENDIX B: COMPARISON OF EGM MODES OF OPERATION

EGM features	Clubs & hotels	Crown (restricted mode)	Crown (unrestricted mode)
Spin rate	Cannot be shorter than 2.14 seconds	Cannot be shorter than 2.14 seconds	No restriction
Bank note acceptor	Cannot accept bank notes greater than \$50	Cannot accept bank notes greater than \$50	No restriction
Load-up limit	Limit of \$1000	Limit of \$9949	No restriction
Pay-out limit	Winnings higher than \$2000 must be paid by cheque	Winnings higher than \$2000 must be paid by cheque	No restriction
AutoPlay	Prohibited	Prohibited	Allowed
Maximum bet per spin	\$5	\$10	No restriction

Submission to the Royal Commission into the Casino Operator and Licence

31 May 2021