

CONFIDENTIAL

**Victorian Responsible Gambling Foundation confidential submission to the Sixth
Review of the Casino Operator and Licence**

20 October 2017

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Introduction

The Victorian Responsible Gambling Foundation (the Foundation) welcomes the opportunity to make a submission to the sixth review of the Casino operator and licence. The Foundation's submission addresses the terms of reference in accord with its missions and purposes, namely the prevention and reduction of harm from gambling.

Thus the submission is directed mainly to the term of reference relating to responsible gambling, self-exclusion and exclusions and best practice harm minimisation. Consideration of these also leads to observations relating to some of the other terms of reference, namely junkets, premium player and VIP business, security and surveillance and gambling with stolen funds/money laundering and proceeds of crime.

Research commissioned by the Foundation has established that harm from gambling occurs across a spectrum of gambler behaviours, with 85 per cent of harms coming from gambling coming from those in risk categories other than problem gambling.¹ This knowledge informs the issues raised in our submission as worthy of review and the recommendations and suggestions we make in relation to a review of the casino's operation on harm prevention and reduction.

Broadly speaking, best practice harm minimisation includes not just measures directed at preventing or stopping problem gambling behaviour but measures assisting all patrons at risk of harm to be informed and stay in control of their gambling.² Our submission therefore recommends the Review's concern with harm minimisation have a wide remit, with a particular focus on the extent and success of the delivery of responsible gambling by the casino and consideration of any products or practices that may be undermining it.

The structure of the submission is to:

1. Make important and relevant observations around principles that should identify and form responsible gambling and harm minimisation practices
2. Note Crown Melbourne's (the casino's) responsible gambling measures and raise questions relevant to assessing them
3. Note the workings of the casino in terms of products and their presentation and promotion, and questions that arise in relation to responsible gambling and harm minimisation
4. Raise questions around the regulatory structure in which Crown Melbourne works and its relationship with the creation and maintenance of a harm minimising environment.

The primary intention of our submission is to provide the Review with a number of issues that the Foundation thinks pertinent for inquiry and evaluation of the casino, these, rather than specific recommendations, are the focus of the submission.

¹ Browne M. et.al. 2015, *Assessing Gambling Related Harm in Victoria*, Victorian Responsible Gambling Foundation, Melbourne.

² Technically speaking this broader vision still only encompasses harm reduction, minimisation would also address issues of supply and demand in relation to gambling products

We are very aware that the digital revolution is continuing to drive change in the casino's products and processes. This is creating a changing and difficult to anticipate horizon in relation to risk of harm and regulation. Therefore, in terms of the Review's final recommendations, we think that matters relating to reporting, transparency, independent evaluation, compliance and incentives for compliance will be most useful for supporting an improved and adaptive regulated casino operation into the future.

About the Foundation

The Foundation is a statutory authority established in 2012 with the bipartisan support of the Victorian Parliament. The Foundation was established with three clear objectives:

- (a) reducing the prevalence of problem gambling
- (b) reducing the severity of harm related to gambling
- (c) fostering responsible gambling.

Operating within a public health framework, the Foundation strives to meet its mandate by acting across four key areas:

- 1) increasing community awareness about the risks of gambling and the help available, through public campaigns and community education
- 2) providing information and advice to the community on the Victorian gambling environment to promote discussion and participation in decisions about gambling
- 3) conducting research to better understand the impact and address the negative consequences of gambling in our communities.
- 4) providing effective and accessible Gambler's Help counselling services

The foundation is firmly focused on identifying, understanding and ameliorating the impact of gambling harm in Victoria. The Foundation's significant relationships with the Victorian Commission for Gambling and Liquor Regulation, the Minister for Consumer Affairs, Gaming and Liquor Regulation, and the Department of Justice and Regulation, form an important part of achieving these goals.

Responsible gambling and harm minimisation

As noted in the introduction, the Foundation's work on gambling harm has identified that risk and harm occur across a broader spectrum of gamblers than those identified by screening as problem gamblers. Those identified by the Problem Gambling Severity Index (RGSI) as low and moderate risk gamblers account between them for 85 per cent of harm from gambling in Victoria.³ Overall, the number of gamblers identified in Victoria as experiencing some level of harm is around 500,000 adults.⁴

³ Browne (2016) *ibid*

⁴ Based on the figures of prevalence of risk groups in *Victorian Study of Gambling and Health in Victoria 2015*

These harms include financial stress, relationship damage or even breakdown, psychological distress, detriments to overall health and issues with work or study and even involvement in criminal behaviour. They can range from severe to more moderate harms, with smaller segments of the population experiencing the more severe harms but much larger parts of the population, in the hundreds of thousands, experiencing lesser degrees of harm but in such numbers that they have a total effect that significantly detracts from general wellbeing in the state.⁵

The primary specialisation of the casino is the provision of wide variety of gambling, wider than that can be found anywhere elsewhere in the state. Most of its products are those which have high associations of use by gamblers in the at risk categories. That is to say, the ratio of at-risk gamblers on these products is far higher than would be expected in the general gambling population.⁶ These products include its table games such as roulette, blackjack and craps, as well as its electronic gaming machines (EGMs). All of the latter have higher bet limits than EGMs elsewhere in the state. In addition 1,000 of them are permitted to have unlimited bets and easier load ups, unrestricted payouts, autoplay and faster spin rates (faster betting).⁷

In terms of who is using the casino, around 5 per cent of the Victorian population reported gambling on casino table games at least once in the past year. However, for those screened as problem gamblers the percentage was 22 per cent, and among those screened as moderate risk the figure was 29 per cent.⁸ The casino was reported as one of their top locations for gambling by 44 per cent of problem gamblers, 45 per cent of moderate risk gamblers and 29 per cent of low risk gamblers.⁹ All of these groups are identified as experiencing harm from gambling.

This high ratio of those experiencing harm who are gambling on Crown products is not surprising in light of research evidence about these products.¹⁰ However, it does underline the importance of investigating and examining factors in the operating of the casino that may impact on the support for responsible gambling or the levels of harm being generated.

Responsible gambling – the new paradigm

Previous conceptualisations of responsible gambling have contrasted those at the severe end of harm, those identified as problem gamblers, with all other gamblers, sometimes posited as recreational gamblers and almost implied by default, responsible gamblers. The adjective recreational captures the idea that gambling for this group is an entertainment, a legitimate and harmless form of activity. The logical response to this paradigm has been the proposition that problem gamblers are the group that need to be identified and assisted to stop their gambling. Moreover, if 'responsible gambling' measures are successful this group will either be curtailed or prevented from developing their problems.

⁵ Browne et.al. 2016 *Assessing Gambling Related Harm in Victoria* 2016

⁶ SACES, 2015, *Responsible Gambling and Casinos*, 2015, pp.69-70

⁷ *Victorian Government Gazette* 26 November 2015

⁸ *Study of Gambling and Health in Victoria* 2015. Note that this figure included that those bet on these games online but over 85 per cent of both groups reported betting at a casino.

⁹ Ibid

¹⁰ For example the *Victorian Gambling Longitudinal Study* found those who played table games at the casino were 14.5 times more likely to involved in high risk behaviour than those who did not. For EGMs the ratio was 11.5 times. Billi R. et.al. 2012, *The Victorian Gambling Study Wave Three Findings* Victorian Responsible Gambling Foundation Table 23

The new paradigm that emerges from the harm study identifies both a much larger group incurring harm, as well as a wider range of prevention and harm minimisation responses. Those at the severe end still need strong responses, primarily encouragement to seek help and cease gambling. However, for many others, especially those at the lower ends, assistance to control and moderate their gambling may be more appropriate.

In the new paradigm, responsible gambling means gambling without harm, rather than simply not gambling in the manner of someone with a severe gambling problem. Effective responsible gambling measures and good service of responsible gambling will consist of assisting control, providing clear consumer information and active prevention and early intervention measures that protect casino patrons and steer them away from harm. The other side of this is that products, promotions and environments that may undermine control, encourage misperceptions or confuse gamblers, or overwhelm them, need to be modified or removed if best practice in the service of gambling is to be achieved.

What factors in gambling have higher associations with risk of harm?

As a general guide the following factors are all associated in the gambling literature with risk of harm

Continuous forms of gambling¹¹

Usually defined as gambling products where there is a short time period between the placing of the bet and its resolution and where the chance to bet again appears shortly after. With a spin cycle of 2.1 seconds, EGMs are a classic example of such a gambling product but many casino table games also resolve in minutes and much more can be staked on them each time.

Complexity of gambling¹²

Products that are hard to understand and that require choices in response to complex options can undermine control and informed decision making. The complexity can also contribute to psychological immersion that keeps the gambler going in state where their judgement is impaired. Complex choices teamed with tight time constraints can be expected to exacerbate impaired cognition.

Frequency of betting

This can refer to betting in a session but also how often one bets across time generally. Research literature suggests that risk of being in a problem gambling category rises steeply for EGM players once they reach once a week, for those who wager, three or more times a month.¹³

¹¹ 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.

¹² Two aspects have been identified in relation to this, stimulation to chasing losses and cognitive impairment. See Parke J. et.al. 2016, *Key issues in product based harm minimisation: examining theory, evidence and policy issues in Great Britain* Responsible Gambling Trust December and Armstrong T. et.al. 2016, 'Rise of the machines: a critical review on the behavioural effects of automating traditional gambling games' *Journal of Gambling Studies* online 4 October

High stakes

By definition, participating regularly in gambling where stakes can be high poses risk. Multiple studies note the predilection for those with gambling problems to chase losses and escalate the size of their bets when doing so.¹⁴ Logic suggests that the possibility to place high stakes also poses risks for those usually in control of their gambling because momentary loss of that control can have a large effect. An allegory can be made with someone who does not usually have a drinking problem but where a particular combination of circumstance and opportunity leads to high intoxication and harmful consequences.

Illusions of control

The classic gambler's fallacy applies to games of chance where the gambler convinces themselves they can influence the outcome or that a win is now "due". Even where some skill is attributable to a gambling product, research shows that many are likely to overestimate both the degree to which skill is involved and their own skill level.¹⁵

Some or all of these factors have some association or incorporation with the gambling the casino offers. Most gamblers will not lose control on most of the products. However, the Foundation draws the attention of the Review to these factors and suggests they can be used when assessing how important the configuration and promotion of products may be to supporting, or not, harm minimisation and responsible gambling at the casino. If a product or its promotion support or encourage, rather than disparage, such illusions they will be working against support of responsible gambling.

The working of the Casino – matters for consideration, responsible gambling delivery

As a starting point, the Foundation recommends that the Review asks whether the casino is providing an environment and service that supports informed decisions, maintaining control and prompts informed reflection? Moreover, is it providing an environment that does not overly overwhelm or immerse gamblers in a way that causes them to lose track of what they are doing or not understand the risk or odds of their gambles?

This approach would generate two aspects:

¹³ Billi R. et.al. 2012, *The Victorian Gambling Study Wave Three Findings* Victorian Responsible Gambling Foundation. See also 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

¹⁴ Parke J. et.al. 2016, *Key issues in product based harm minimisation: examining theory, evidence and policy issues in Great Britain* Responsible Gambling Trust December;

¹⁵ Parke J. et.al. 2016, op.cit.; 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. For broad discussion see 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

1. An examination of the processes of active measures to prevent or minimise harm from gambling; and
2. An examination of processes or products that might be potentially, or actually, undermining or even generating harm.

In terms of risk of harm we recommend the precautionary principle apply.

In the following section we identify specific matters that we think deserve the attention of the Review through one or both of these lenses. We start first with specific responsible gambling measures.

Self-exclusion

Self-exclusion is an important tool for those at the extreme end of the gambling harm spectrum. It entails recognition by the gambler of a significant issue and a resolution to do something about it. Therefore, the pathways into self-exclusion and its policing are both important. We suggest the following questions in relation to self-exclusion at the casino.

In relation to the processes of taking up self-exclusion:

- How does Crown Melbourne promote self-exclusion in the casino?
- How could it better promote it? Does it have plans to do so?
- How does Crown promote self-exclusion to its loyalty card members? Does it use loyalty card data to aid identification of those who may be experiencing severe harm? Does it have any plans or interest in working out a response for those so-identified?
- Does Crown promote self-exclusion to its VIP (high ranking loyalty) members and how does it do so?
- What is the take-up rate of self-exclusion by loyalty card members across the tiers? What is the situation with resumption of gambling by high ranking loyalty card members who have self-excluded? What is the process?
- If all this information around self-exclusion is not being captured we would suggest it should be, for the purposes of the Review's evaluation of the self-exclusion program and Crown's delivery of responsible gambling.
- How does a patron self-exclude themselves from the casino? What is the process?
- Is there more than one type of self-exclusion available? We understand casino is trialling a modified "take a break" program that offers a time limited self-exclusion. There are arguments for why this would work but its relationship with offers of self-exclusion need to be clarified. In particular, any process where take a break is offered as an alternative to someone seeking self-exclusion need to be examined and justified. We suggest the process of examination be done independently of the casino rather than in-house.

In relation to the workings of self-exclusion

- How does Crown Melbourne identify excluded patrons in the casino? What level of use is made of surveillance cameras? Are their rules or protocols around staff assigned to entrances, including numbers of staff required?
- Does the casino vary its processes regarding detection and enforcement of self-exclusion during peak periods? How?
- How effective are its identification measures and how are they assessed? What data relating to proportion of excluded persons breaching, including when and how often, is captured? And if captured to whom is it reported?
- After the last review of the casino, Crown was to instigate an investigation into the use of facial recognition technology to support the self-exclusion program. What was the outcome of this? If completed, how rigorous was the study? Has recent technology significantly superseded the technology studied?
- What is the process when an excluded patron is identified in the casino?
- How effective is this process in assisting the patron and how is this measured?
- What role do VCGLR staff play in relation to the casino self-exclusion program? What proportion of excluded patrons are identified by VCGLR staff in comparison to Crown Melbourne staff?
- Is the casino's liability for allowing or condoning breaches of the self-exclusion program sufficient to provide an incentive for its effectiveness?

Pre-commitment

The casino offers optional pre-commitment limits on EGMs to all its loyalty card members and only those with the ability to access pre-commitment can use its unrestricted high bet EGMs. Pre-commitment along with activity tracking (also offered on the cards) can be tool for gamblers to use in avoiding or reducing harm. . This pre-commitment feature is the state-wide YourPlay system which was introduced in December 2015. This system built upon existing Crown pre-commitment and tracking features available to customers.

- How many EGM patrons has Crown signed up to YourPlay? As a percentage of Signature card/loyalty members?
- How does Crown promote YourPlay in the casino?
- How does Crown promote YourPlay to its loyalty card members?
- How does Crown promote YourPlay to its high value VIP members?
- How many Fully Automated Table Game patrons has Crown signed up to Play Safe Limits?¹⁶
- How does Crown promote Play Safe Limits in the casino?
- How does Crown promote Play Safe Limits to its loyalty card members?

¹⁶ Crown Melbourne's Play Safe limits for EGMs were superseded for EGMs by the YourPlay system. They remain a system for fully automated table games.

- How does Crown promote Play Safe Limits to its VIP members?

Staff training and identification of persons at risk

The ability of staff to identify and respond to signs that patrons are experiencing, or in danger of experiencing, harm from gambling is a crucial aspect of the casino's provision of responsible gambling. We would suggest the following questions be put to management and staff in this area

- What training is provided to staff on responsible gambling?
- How are staff trained to identify and intervene with patrons exhibiting distress?
- What is the process to assist a patron seeking help with their gambling?
- Is there a calculated capacity of staff to be attentive to patrons on the floor, whom they are not directly interacting with? Are there rules or procedures in place regarding this?
- What is the extent of the use of CCTV surveillance to identify patrons exhibiting signs of distress and is this captured in reporting?
- When the casino was permitted to expand its range of automated table games after 2009, with their obvious potential to reduce staff numbers, what measures, if any, were put in place to provide observance of those now gambling on these unattended games?
- What is the process to assist a patron identified as exhibiting distress from their gambling? Is it recorded and how? Is it reported and to whom?
- How is the effectiveness of assistance process measured or evaluated?

Actions related to observable signs used by Crown Melbourne employees

The following observable signs are listed observations that may indicate potential problems with gambling that are used by Crown. Crown's position is that usually more than one is required to be displayed to indicate a potential problem with gambling. The 13 observable signs that Crown employees are trained to recognise are:

- (a) Self-disclosure by an individual of a problem with gaming or a request to self-exclude;
- (b) Requests for assistance from family and/or friends concerned about an individual's gaming behaviours;
- (c) Children left unattended while their parent/guardian gambles;
- (d) An individual becoming angry while gaming or showing signs of distress during or after gaming;
- (e) An individual who gambles for long periods without a break;
- (f) Signs (for example, witnessing or hearing) that an individual was trying to borrow money for gaming;
- (g) Complaints by an individual to staff about losing or blaming the casino or gaming product for losing;
- (h) Unrealistic remarks by an individual about gaming;
- (i) Observed conflict over gaming between family members or friends;

- (j) Significant decline in an individual's personal grooming or appearance;
- (k) Secretive or embarrassed behaviour about being at the casino or staying on to gamble when friends leave the venue;
- (l) Gambling without the individual reacting to what is going on around him/her and avoiding contact or conversations with others; and
- (m) Frequent visits to the ATM.

Questions arising:

- How does Crown maintain a record of observable signs displayed by patrons that may indicate potential problems with gambling?
- Is an incident register maintained to record details of each incident indicating distress or an intervention?
- Is an incident register reviewed on a regular basis to identify patterns or trends in behaviour by these patrons?
- Is a record maintained of identified patrons who choose to:
 - use the Crown Responsible Gaming Support Centre?
 - use Crown's counselling services?
 - use Crown's chaplaincy support services?
 - self-exclude from the casino?
 - be referred to external support services, including but not limited to, Gambler's Help?
 - use the interpreter services provided by Crown?
- If recorded, is this record provided regularly to the Commission? Are these records publically available?
- How does Crown monitor a patron that has left children unattended? How is this defined and what surveillance measures are used?
- How does Crown monitor a patron making frequent visits to the ATM? What surveillance measures are used?
- How does Crown monitor a patron who gambles for long periods without a break? What surveillance measures are used?
- Many of the observable signs are subjective, are staff given practice guidelines in relation to them? What are they?

Code of Conduct

- How does Crown train its staff on the requirements of its Responsible Gambling Code of Conduct?
- How does Crown evaluate the effectiveness of its Responsible Gambling Code of Conduct?
- How does Crown review (and if required update) its Responsible Gambling Code of Conduct?

The Responsible Gambling Centre

- What are the primary activities of the Centre?
- What is the ratio of time spent counselling as opposed to referrals or self-exclusion? Does Crown offer ongoing counselling and support to patrons, eg multiple or regular sessions?
- How does the Centre and its staff interact with other casino staff?
- What is the extent of its use of psychologists?
- What is the extent and mix of the call on its language services?

Responsible gambling information

- Where is responsible gaming information located in the casino?
 - Near gambling products, such as table games, automatic table games and EGMs?
 - At cashier stations and loyalty card kiosks?
 - At casino entrance?
- How is the content, appearance and placement of this material created and approved?

The Casino Environment – products, promotions and the general environment

In this section we put forward questions related to how the casino's general operations, the environment it creates, might impact on gambler's ability to make informed decisions and stay in control.

Loyalty card holders, big spenders and VIP pathways

- What is the experience offered to VIPs? Does it include any information designed to assist their control or make more informed choices about gambling behaviour and the gambling products on offer?
- Are VIPs differentiated from loyalty card holders and how?
- What are pathways to VIP status – in these is there any evaluation of people being considered for VIP status or moving up the loyalty levels from the point of view of their vulnerability to harm? If not why not?
- How clear and accessible are the rules around achieving VIP or high level status? Could a patron easily calculate/understand what sort of spending is required?
- What are the incentives and requirements in relation to gambling spend required to achieve and maintain VIP or levels of loyalty status? Could any or all of these levels be achieved or maintained without participating in gambling?

- Is the casino under obligation to concern itself with sources of funds being gambled? Does it concern itself with the sources of funds being gambled, outside of Austrac considerations? How does it do so?
- What is the relationship, status of cross promotions and incentives and so forth, with Crown Bet? Gambling on multiple products is an identified risk factor so the scale and type of such promotions is pertinent.¹⁷

Products

The last five years have seen the introduction of numerous new products and additional ways of gambling on existing products within the casino. We recommend that the Review do a stocktake that captures all of these changes and assess:

- Do these products or their variations/additions result in increased complexity of play? ? If so, how was this increased complexity clearly and easily communicated to patrons?
- Do these products or their variations/additions result provide the potential for, or result in, increased intensity of play – betting more quickly or increasing opportunities to bet within the one game or table?
- In general what information is provided to patrons regarding the odds of winning, the odds of winning versus the actual payouts and the house edge for the casino’s gambling offerings? Moreover, how is that information offered? Is it clear and visible at the games, is it included in promotions for the games? Is it listed on the website?
- What is the process undertaken for the testing and approval of new table games and gaming machines? Is the testing of a technical nature or does it include assessment of fairness to players or requirements that may be needed to be make the gaming fair?
- What is the process undertaken for the testing and approval of variations of table games and gaming machines? Is the testing of a technical nature or does it include assessment of fairness to players or requirements that may be needed to be make the gaming fair?
- In testing new table games, and new features of approved table games, what evaluation is undertaken to determine if they foster responsible gambling and minimise harm? How is this reported? To whom?
- In testing new gaming machines, and variations to approved gaming machines, what evaluation is undertaken to determine if they may impact on responsible gambling or increase the risk of harm? Does the casino introduce any information or responsible gambling tools to offset or minimise any negative possibilities?
- When introducing table games and gaming machines (new and variations), what provision is made for giving the player an understanding of:

¹⁷ Binde P. et.al. 2017, ‘Forms of gambling, gambling involvement and problem gambling: evidence from a Swedish population survey’ *International Gambling Studies* Vol.17 No.3

- the prize payout for each bet type?
- the Return to Player rate for each bet type?
- the actual odds of winning each bet type (and how it compares to prize payout)?
- how much skill is, or is not, involved in determining the outcome of each bet?
- Are trials of new games and variations to games required to be undertaken and evaluated before full approval is given?

Jackpots

Jackpots, and particularly linked jackpots, have been identified as being a significantly attractive factor for at-risk gamblers on EGMs.¹⁸

- What is the process undertaken for the testing and approval of linked jackpots?
- Is the signage and promotion of jackpots aligned with responsible gambling in the sense of providing informed choice to gamblers? In particular are the odds of winning a jackpot clearly accessible and understandable?
- We note that countdown (or count-up) displays for jackpots are not accompanied by any information that explains how they work or what the actual odds are. However, the countdown feeds into a perception that the odds are constantly reducing, which in turn implies the machines are becoming “due to payout”. If this is not actually the case, it may be that the countdown is misconstrued in way that undermines responsible gambling because it encourages a gambler’s illusion about how the product works or a misconception around the extent to which odds are changing.

Promotions

Provision of accessible and clear information about gambling products, in particular the odds, is a key support to responsible gambling and should ideally be a component of the information accompanying promotions. As a corollary, promotions and signage should never work to encourage misapprehensions among gamblers. In this context we suggest the following questions for the Review.

- In the case of signage around gambling products, does it:
 - (a) clearly provide the odds and payout relative to those odds?
 - (b) not encourage any gambler’s fallacies around lucky numbers, numbers that come up frequently or that have not come up and therefore may be due? Information or

¹⁸ Browne, M et.al. 2015, ‘EGM Jackpots and player behaviour: an in-venue shadowing study’, *Journal of Gambling Studies* online July. See also Schottler, 2010, *Factors that influence gambler adherence to pre-commitment decisions* GRA, where jackpots were identified as feature associated with gamblers over-shooting their intended spending limits and for linked jackpots, Hing N. et.al. 2010, *The Influence of Venue Characteristics on a Player’s Decision to Attend a Gambling Venue* GRA. A major overview is Rockloff, M. J., & Hing, N. 2013, ‘The impact of jackpots on EGM gambling behavior: A review’ *Journal of Gambling Studies*, 29(4)

displays that may contribute to the impression of linkages between independent events should be examined by the Review. This issue is particularly pertinent to roulette and jackpots.¹⁹

- (c) explain and provide details of house edge on any of the gambles available?
- In the case of advertising or promotional material such as might be delivered to loyalty club members or offering groups excursions or visits to the casino does it:
 - (a) clearly provide the odds and payout relative to those odds on products being promoted?
 - (b) explain and provide details of house edge on those products?
- In the case of tour promotions to the casino (eg. free bus trips for community groups) does the casino:
 - (a) provide any specific information regarding risk and responsible gambling tools?
 - (b) conduct any assessments with regard to the background of patrons and their levels of risk and vulnerability (risk being susceptibility to harmful gambling, vulnerability meaning their financial and other types of resilience)?
 - (c) ever suggest an excursion to the casino might not be advisable?

Passage of Time

- Losing track of time is an established factor in the experience of harm among at risk groups. In particular gamblers at the severe ends of the spectrum typically report not just difficulties in keeping track of money but also time spent gambling.²⁰
- The casino is required to provide clocks on EGMs but nowhere else, including not on the new automated table games.²¹
- Research suggests that if clocks are to be useful in assisting gamblers control and awareness they should be highly visible. By contrast it is noted that clocks on machines may increase rate of play and bet size.²²
- Given that the casino floor operates for 24 hours a day and has no real access to natural light, we recommend the Review consider whether the current provision of ways for patrons to keep track of time are adequate.

¹⁹ Jonsson J. et.al. 2017, 'Measuring Gambling Reinforcers, Over Consumption and Fallacies: the psychometric properties and predictive validity of the Jonsson-Abbott scale', *Frontiers in Psychology* Vol.8 October

²⁰ Schottler, 2010, *Factors that influence gambler adherence to pre-commitment decisions* GRA; Parke et.al. 2016

²¹ See *Gambling Regulations 2015* (authorised version No.007) where the only reference to time is in Division 4 on EGMs. Parke et.al. op.cit. in a discussion of clocks note that placed on EGMs they could increase rate of play and bet size.

²² Parke et.al. op.cit. 2016

- The Foundation suggests that large clocks be visible from all parts of the main gaming floor and they should also clearly indicate whether the time is AM or PM. In addition, an audible striking of the hour or similar announcements, would be a valuable addition to alert patrons otherwise immersed in gambling, of the passage of time.

Uses of surveillance

The casino operates an extensive surveillance system and there is mention of it earlier in this submission. We would suggest that the Review would find useful to audit both the extent and uses of that surveillance system. This would include:

- The extent of the surveillance in terms of technology and personnel time spent using it
- The purposes to which the surveillance is put
- The hierarchy of uses of the surveillance
- The actual practice – eg. storage protocols for CCTV and systems of reporting, how far back can investigators go? Is it sufficient from both a regulatory compliance and detection of harm point of view?
- Evaluation of its uses
- Reporting – to whom and to what extent

Governance structure

How do the incentive structures, KPIs and management protocols for staff and managers at Crown work to:

- Support, recognise or reward applications of responsible gambling policy or principles?
- Support, recognise or reward customer service?
- Support, recognise or reward increases in sales (increases in gambling, increases in expenditure by gamblers)?

Is any tension between these goals recognised and if so, how is it resolved?

Some notes on the regulatory structure

We are aware that the Review is concerned with the operation of the casino not the regulator. However, the relationship with the regulator is a key part of the casino's operation and operating environment. The Foundation suggests the Review consider the following matters regarding the regulator and the casino:

- What approvals and involvement does the casino request from the regulator regarding the casino's products, responsible gambling offerings and its promotions? Does the casino provide the regulator with opportunities to positively influence or intervene in these matters?

- What has been the extent and nature of past evaluations of the casino's products and practices? To what extent have such evaluations they been effective, independent and transparent? What changes have flowed from them?
- How does the history of banned persons reflect upon the efficacy of self-exclusion as a harm minimisation tool?
- What customer information or data that relates to risk of gambling harm is provided to the regulator or other bodies seeking to reduce harm?
- Is the regulator given access and use of player loyalty data for developing responsible gambling purposes and practices?

Promotions specifically

- Is VCGLR approval or consultation sought for VIP member promotions?
- What information does the casino provide to players to explain promotions and is the regulator consulted?
- Are trials of new promotions and inducements undertaken and evaluated and is approval sought from the regulator?
- If no to any of above, is there a reporting requirement for the casino to inform the VCGLR of the gambling promotions it has conducted?
- Is there any limit on the type and/or number of promotions that Crown Melbourne can conduct?
- Is there a process for patrons to lodge a complaint with regulator about a gambling promotion conducted by Crown Melbourne? Is this information made available at or by the casino?

Crime

The extent of criminal activity at the casino and measures in place regarding it no doubt fall within the remit of the Review. From the Foundation's perspective, crime is important in relation to its ability to compound or exacerbate harm from gambling. We identify as issues:

- the operation of loan sharks at the casino, since there are reported instances of them preying on gamblers, notably those from ethnic communities
- the use by criminals of those with gambling issues and subsequent debts to launder money at the casino by putting it through gambling activity

- the recruitment and extortion of those with gambling debts incurred at the casino to run drug houses or act as drug mules.²³

We therefore have an interest in the Review examining issues in these areas, noting what steps have been taken and might be taken to minimise their occurrence.

Additional information for the regulator

In the Fifth Casino Review, the VCGLR made a recommendation about the Crown Limited Responsible Gaming Committee. It also met with the Committee, reviewed its reports and minutes, and provided the summary below in the Review. The Casino Agreement between VCGLR and Crown requires a number of reports and documents to be provided to VCGLR either annually or shortly after a meeting is held. Examples include the agenda and papers from Crown's Audit Committee and Compliance Committee. We would recommend that Crown's Responsible Gaming Committee be added to this list of "Information required to be submitted to the Commission" so VCGLR obtains this information on a regular basis, rather than once every 5 years as part of the Review.

Final observations

A Review of the operations of the casino must be an inquiry both into how it operates and how it is regulated.

Important findings from the review will relate to the level of reporting the casino does, and to whom. It should also examine the level of transparency in that reporting, and whether the incentives for compliance by the casino are adequate.

In relation to reductions in harm and risk of harm the Foundation suggests recommendations from the Review that would have positive impacts include those that:

1. Increase transparency around Crown practices and products, including giving wider access to data for independent research
2. Result in reductions or modifications of any of Crown's promotions and practices that are identified as appealing to vulnerable patrons and patron groups
3. Improve Crown's interventions with patrons exhibiting visible signs of distress from gambling and the take-up and policing of its Self-Exclusion Program
4. Remove practices that ill inform customers by omission, for example regarding odds and house edge for games

²³ These matters were raised in the fifth review of the casino, it noted three people suspected of loan sharking since 2011 and noted how this could lead gamblers down pathways associated with organised crime and drug trafficking. See also, Mark Buttler, 'Loan sharks recruit Crown casino losers to set up drug crops' *Herald Sun* March 10, 2015; Chris Vedelago, Cameron Houston, 'Casino crime figures paint disturbing picture' *Sunday Age* May 17, 2015; Chris Vedelago, 'Crown Casino haven for drug traffickers, "a blot on the community"' *Sunday Age* February 7, 2016

5. Remove promotions, signage and other factors that could promote common illusions of control by gamblers
6. Improve the gaming floor environment in relation to assisting patrons control and informed reflection
7. Embed as routine independent evaluations of new products and promotions at Crown

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