

Submission to: Royal Commission into the Casino Operator and Licence, Melbourne

From: Prof. Linda Hancock

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**This submission concerns the Crown Casino Melbourne Red Carpet Program and its links
to Crown Rewards [formerly the Crown Signature Club] and the vulnerability of senior
citizens to gambling problems.**

May 28 2021

Dear Madam/Sir

Please find below the first of my submissions to the inquiry with the remainder due by May
31 2021.

Prof. Linda Hancock

Submission to: Royal Commission into the Casino Operator and Licence, Melbourne

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This submission concerns the Crown Casino Melbourne Red Carpet Program and its links to Crown Rewards [formerly the Crown Signature Club] and the vulnerability of senior citizens to gambling problems.

I undertook research on the Red Carpet program when undertaking observations at Crown Casino for the research for my book *Regulatory Failure: The Case of Crown Casino* [2011, Australasian Scholarly Publishing, Melbourne]. I observed busloads of senior citizens coming through the entry into the Crown Casino Melbourne main gambling floor area who were being welcomed by Crown representatives and on a day out on trips organised by community groups. The Red Carpet Program had become popular among community groups. There were clusters of senior citizens upon entry, being guided to sign up to the Red Carpet Club and Crown's loyalty Signature Club [now Crown Rewards].

The Red Carpet Program Guest Group Services brochure promotes it as:

An unforgettable and extraordinary world that is Crown.
 Within its unique combination of luxury and warm service, exciting elegance and non-stop spectacle, Crown offers you an experience that will linger in your mind forever. Whether you want to be dazzled by the fire displays on Crown's riverside or pampered in the luxurious Crown Spa, this is truly a place to meet your every need and match your every mood.
 The thrill of the gaming floor, the glamour of the nightlife, the sumptuous dining options, the remarkable shopping, the stylish accommodation and the friendly service come together at Crown to create the world's most exciting entertainment experience.

Crown promotion states:

Groups who book any of the tailored Red Carpet Program packages will receive the following rewards for each participant of the group:

- A meal offer
- A special rewards voucher wallet, containing discounts across selected outlets within the complex.

Plus, your group may also receive a special rebate, to go towards fundraising or the cost of your bus.

* Conditions apply

Program packages include rebates for clubs, based on the numbers of participants

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- A meal offer
- A special rewards voucher wallet, containing discounts across selected outlets within the complex.

Plus, your group may also receive a special rebate, to go towards fundraising or the cost of your bus.

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Program

PACKAGES

KITCHEN WORKSHOP BUFFET	WEEKEND \$17.50 DINING OFFER
Monday – Friday lunch \$5 per participant	Saturday lunch and Sunday lunch & dinner \$10 per participant
Monday – Thursday dinner \$10 per participant	

REBATES	BUS ARRIVAL	OWN TRANSPORT
40 or more participants	\$150	\$100
30-39 participants	\$100	\$50
20-29 participants	\$50	–

* Conditions apply

The Inquiry could ask Crown representatives if these conditions still prevail, as Crown could not find this information currently on their website¹ but verified that the program is active and suggested the information may have been removed temporarily due to the Covid lock down in Victoria.

Crown's 'Red Carpet Program' is promoted to social clubs as an outing for groups of 10 or more, which can constitute a low-cost outing and earn clubs a rebate. This is attractive to cash-strapped community clubs seeking outings for senior citizens, as Crown's rebate on one outing can help fund another later activity. The bus arrival rebate requires a minimum of 20 participants and can earn rebates of up to \$150 to the club for a group of 40 or more.

- Bus participants pay \$12–\$14 to participate, and upon signing up to Crown Signature Club they receive a \$5 parking voucher (for another visit), a meals subsidy voucher and a "\$5 co-contribution for \$10" gambling voucher.

- Crown stipulates a minimum stay under the program of four or six hours. 'A four-hour minimum stay applies to qualify for rebates under the Program. A six-hour minimum stay is required when the Program is combined with other non-Crown venue events'². This was the case in 2010/11, so whether this is still the current practice could be verified by Crown.

¹ Author personal communication with Crown by telephone 27/5/2021.

² See sections 21 and 22 under Rebates: <http://www.crowncasino.com.au/red-carpet-packages>

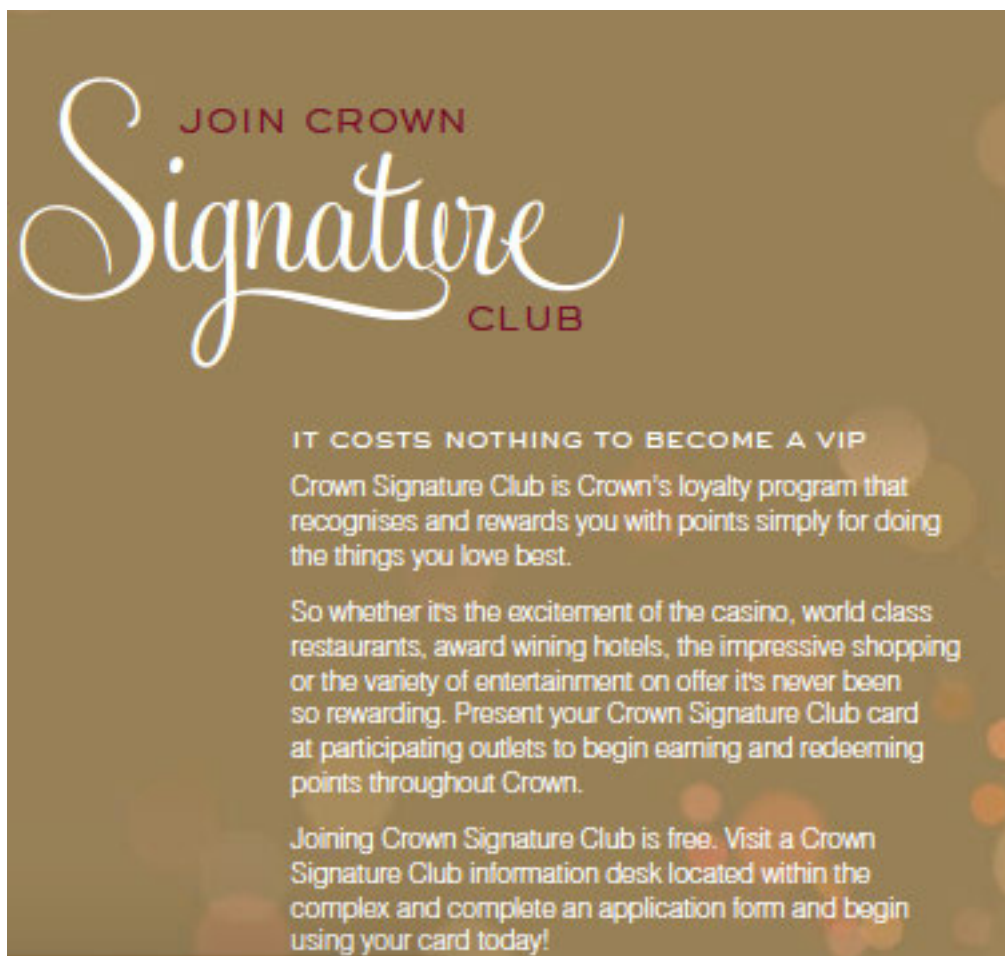
A Melbourne northern metropolitan health service became concerned about the vulnerability of their clients after reports of unanticipated spending by the mainly senior, pensioner, CALD, bus trip participants. A 2010 pilot survey of 204 participants on six Crown bus packages from northern suburbs social clubs found evidence of “at-risk” gambling behaviours. They reported the following³:

- 42.9% spent more than they had planned (participants spent up to \$500 on gambling during the visit, averaging over \$50 per person across the six trips);
- 23.7% planned to return to the casino to win back money (one of the erroneous beliefs associated with gambling);
- All groups spent more than they expected or planned to spend and the total spent on gambling over the six trips involving 204 participants was \$10,098;
- Upon arrival, participants were signed up to the Crown Signature Club and Crown staff typically filled in the form to sign participants up to ongoing marketing;
- It was observed that vouchers were not available to those not signing up to the Signature Club and free drinks were given only to the people sitting playing the poker machines

The Signature Club [now Crown Rewards] is also promoted in the Red Carpet Program.

‘Red carpet’ voucher folder includes: Perfume Connection 10-15% discount, Vodafone 20% discount, Coffee / muffin offers at cafes, Krispy Kreme second item free, Orient express 30% off food, KFC offer’ Rennie, S. (2010) Incentives Offered to Participants of the Casino Bus Trip Program and Risk of Problem Gambling, unpublished. Melbourne: North East Primary Care Partnership

³ Rennie, S. (2010) Incentives Offered to Participants of the Casino Bus Trip Program and Risk of Problem Gambling, unpublished. Melbourne: North East Primary Care Partnership; and Rennie, S. & Casino Bus Trips Project Steering Committee (2010) Observations from the Casino Bus Trip Program, unpublished. Melbourne: North East Primary Care Partnership.

A promotional graphic for the Crown Signature Club. The background is a dark brown color with a subtle pattern of light-colored bokeh lights. At the top left, the text "JOIN CROWN" is written in a small, dark red, sans-serif font. Below it, the word "Signature" is written in a large, elegant, white cursive script. To the right of "Signature", the word "CLUB" is written in a smaller, dark red, sans-serif font. In the center of the graphic, there are three paragraphs of white text. The first paragraph is a headline: "IT COSTS NOTHING TO BECOME A VIP". The second paragraph is a descriptive sentence: "Crown Signature Club is Crown's loyalty program that recognises and rewards you with points simply for doing the things you love best." The third paragraph is a longer sentence: "So whether it's the excitement of the casino, world class restaurants, award winning hotels, the impressive shopping or the variety of entertainment on offer it's never been so rewarding. Present your Crown Signature Club card at participating outlets to begin earning and redeeming points throughout Crown." The fourth paragraph is a final sentence: "Joining Crown Signature Club is free. Visit a Crown Signature Club information desk located within the complex and complete an application form and begin using your card today!"

JOIN CROWN

Signature

CLUB

IT COSTS NOTHING TO BECOME A VIP

Crown Signature Club is Crown's loyalty program that recognises and rewards you with points simply for doing the things you love best.

So whether it's the excitement of the casino, world class restaurants, award winning hotels, the impressive shopping or the variety of entertainment on offer it's never been so rewarding. Present your Crown Signature Club card at participating outlets to begin earning and redeeming points throughout Crown.

Joining Crown Signature Club is free. Visit a Crown Signature Club information desk located within the complex and complete an application form and begin using your card today!

Current Crown Rewards member tiers and benefits

At: <https://www.crownmelbourne.com.au/getmedia/fdb06fc7-f488-4e9c-b713-ef1a9e87e582/Crown-Melbourne-Crown-Rewards-Five-Levels-Of-Benefits.pdf.aspx>

28/5/2021

Benefits have five tiers with benefits according to level, as shown in the following table. More particularly, Crown Rewards and customers' use of the loyalty card to record play, enables Crown Rewards electronic loyalty tracking to track patterns of play, wins and losses and enable customised tracking of the impact on play of incentives such as free hotel rooms, free alcohol and other services outlined in more detail in my second submission.

Benefits	Member	Silver	Gold	Platinum	Black
Free multi-level parking ¹⁰	✓	✓	✓	✓	
Free basement parking ¹¹			✓	✓	
Free valet parking (The Mahogany Room valet entrance) ¹²			Discounted off-peak	✓	
Birthday offer - sparkling wine and chocolates ¹³	✓	✓	✓	✓	
Special offers and promotions	✓	✓	✓	✓	
Crown Rewards partnership offers ¹⁴	✓	✓	✓	✓	
Member pricing and offers at selected restaurants ¹⁵	✓	✓	✓	✓	
Spa discount ¹⁶		10%	15%	20%	
Hotel discount ¹⁷		10%	15%	20%	
Hotel privileges - hotel welcome gift		✓	✓	✓	
Hotel privileges - free high speed Wi-Fi			✓	✓	
Hotel privileges - express registration				✓	
Platinum Reward ¹⁸				✓	
Exclusive invitations to special events				✓	
Free Premium Wi-Fi on casino floor ¹⁹	✓	✓	✓	✓	
Complimentary beverages from the dispensers on casino floor ²⁰	2 per Day ^a	2 per Day	3 per Day	4 per Day	
Access to member hotline -1300 8 CROWN	✓	✓	✓	✓	
Access to VIP services line				✓	
Dedicated host				✓	
Riverside Room access		✓	✓	✓	
Complimentary non-alcoholic beverages		✓	✓	✓	
Teak Room access			✓	✓	
Complimentary selected beverages			✓	✓	
The Mahogany Room access				✓	
Complimentary beverages				✓	
The Mahogany Room salon access				By invitation	

Our most exclusive benefits - by invitation only

■ Parking
 ■ Special Member Offers
 ■ Services
 ■ Room Access

¹⁰Member Tier must earn 25 Casino points or spend \$50 at a Crown hotel, restaurant or other participating outlets to receive free 24 hour multi-level parking on same visit. ¹¹Silver Tier must earn at least one point to receive free 24 hour multi-level parking on same visit. ¹²Member tier must earn one point in a Day to receive two complimentary drinks.

Crown Casino's Red Carpet Program targets senior citizens and sporting clubs. Senior citizens are an identified vulnerable group in relation to gambling venues.

The vulnerability of older adults to gambling disorder [problems] is well identified in the Australian and international literature. This is well-summarised in an international systematic review identifying 51 relevant existing papers written in English or French, undertaken by *Guillou Landreat et al. 2019*⁴ by searching the academic databases PubMed and PsycINFO, to identify relevant peer reviewed research published internationally from January 1990 to February 2018.

As identified by this international review, an Australian study [Trachaimongkol et al 2010⁵] identified 3 clusters of gambling risk factors for senior citizens: *individual* (distressing situations—refusal to seek help or impose barriers to gambling); *socio-environmental* -

⁴ Guillou Landreat M, Cholet J, Grall Bronnec M, Lalande S and Le Reste JY Determinants of Gambling Disorders in Elderly People—A Systematic Review. *Front. Psychiatry* (2019) 10:837. doi: 10.3389/fpsy.2019.00837

⁵ Trachaimongkol, L C, Jackson, A. and Tomnay, J. (2010) Pathways to problem gambling in seniors, *Gerontol Soc Work*, 2010 Aug;53(6):531-46.

unsupportive environment, cognitive distortions and incentives or misleading advertisements) and *behavioral regulation factors* (disinhibition, impaired decision making and risk taking. Another Australian study [Tira et al. 2014⁶] identified three pathways: grief pathway with unresolved losses, habit pathway with habituation and dormant pathway with pre-existing behavioral excess or impulsivity. They also found that unresolved losses and mismanagement of life stresses resulted as the most significant predictors of late-life Problem Gambling. Another Australian study [Botterill et al. 2016⁷] identified loneliness as a predictor of Problem Gambling in older adults.

Summarising the international review's findings:

- Women aged 60+ were identified as a particular risk group;
- *social determinants* identified were 'losses , isolation, lower and fixed income , retirement';
- *motives for gambling* included 'entertainment, enjoyment, combat boredom, fight against negative emotional states, fills a void, social connections, substitution for social support improving cognitive skills' and
- *gambling characteristics* included '(E)xpansion of legal market, availability, accessibility, targeted, intrusive marketing strategies and type of gambling: casino, continuous and limitless games (for PG)'.

In relation to Crown's marketing to senior citizen community groups, a relevant question is whether such marketing is inconsistent with regulatory and operator claims to minimizing gambling harm or preventing it, and whether vulnerable groups such as senior citizens and CALD groups are targeted.

CALD groups were also identified as a vulnerable sub-group by the research on Northern Melbourne suburban senior citizen groups' uptake of the Red Carpet Program⁸. The research found these groups included senior citizens, widows and those from a non-English speaking background.

CALD communities are seen as potentially at risk because of their experience of resettlement/migration, higher unemployment and limited access to suitable recreational opportunities. NSW research argued Crown's attractiveness to those with 'little connection with Australian sport and pub culture' ⁹(cited by Cultural and Indigenous Research Centre, 2008, p.26-27). These examples point to the potential for regulators to examine the impact of various marketing and promotional campaigns on groups linked to vulnerability to gambling-related harms and the conditions imposed by gambling

⁶ Tira C, Jackson AC, Tomnay JE. Pathways to late-life problematic gambling in seniors: a grounded theory approach. *Gerontologist* (2014) 54(6):1035–48. 10.1093/geront/gnt107

⁷ Botterill E, Gill PR, McLaren S, Gomez R. Marital Status and Problem Gambling Among Australian Older Adults: The Mediating Role of Loneliness. *J Gambl Stud* (2016) 32(3):1027–38.

⁸ Rennie et al., 2010

⁹ Research cited by Cultural and Indigenous Research Centre (2008) Needs Analysis of Problem Gambling

Counselling Services for NSW CALD Communities, Sydney: NSW Office of Liquor, Gaming and Racing. [p. 26-27]

operators. One such example is Crown expecting community bus trip participants in the Red Carpet Program to spend a minimum of four to six hours within Crown, or risk forfeiture of their club's rebate.

Interestingly, other jurisdictions such as Singapore have banned free shuttle services to their two casinos after it was found that the two casino operators, Las Vegas Sands and Genting Singapore, had been providing free buses from residential districts. The Casino Regulatory Authority (under the Home Affairs Ministry), ordered an immediate stop to this and banned the practice "with immediate effect"¹⁰. Community Development, Youth and Sports Minister Vivian Balakrishnan commented: "This signal is to reinforce the point that they are not supposed to go after the low-hanging fruit which the local market represents, but instead to focus their effort on winning additional tourists from abroad," "CRA has reminded the IR (integrated resort) operators that they must comply strictly with our rules against casino advertising to locals. CRA will tighten these rules as necessary in the light of experience."

Hence, other jurisdictions' regulatory approaches recognize the international shift to harm prevention under a public health approach¹¹.

Conclusion

The main concern in relation to the current Victorian Royal Commission Inquiry is that international and Australian research identifies senior citizens [and CALD in particular] as vulnerable risk groups in relation to gambling-related harms and for their particular vulnerability to casino gambling and continuous forms of gambling ie electronic gambling machines. Is it therefore acceptable in relation to net community benefit expected under a Victorian casino's social licence to operate that such groups are targeted for exposure to risk in a community outreach program by a casino. This is within the context of increasing international recognition of public health prevention of harms as a responsibility of both regulators and operators, rather than expecting vulnerable individuals to protect themselves when exposed for example, to targeted marketing strategies by industry.

¹⁰ Reuters 15 September 2015, Singapore may punish casinos for free buses for locals. At: <https://www.reuters.com/article/idINIndia-51507020100915>. Community Development, Youth and Sports Minister Vivian Balakrishnan commented: "This signal is to reinforce the point that they are not supposed to go after the low-hanging fruit which the local market represents, but instead to focus their effort on winning additional tourists from abroad,"

¹¹ For example, Goyder E, Blank L, Baxter S, van Schalkwyk MC Tackling gambling related harms as a public health issue, *Lancet Public Health*. 2020 Jan;5(1)e14-e15.; Wardle H, Reith G, Langham E, Rogers RD. Gambling and public health: we need policy action to prevent harm. *BMJ*. 2019 May 8;365:l1807.