Submission to the Royal Commission into the Casino Operator and Licence

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Gambling harms

Gambling harm has largely been regarded as synonymous with 'problem gambling', a condition classified by a diagnostic evaluation such as the DSM-V criteria (American Psychiatric Association [APA] 2013). It is measured at a population level by use of a screening instrument such as Problem Gambling Severity Index, the South Oaks Gambling Screen or some other. Such screens were originally intended as individual diagnostic tools, rather than population screens. Some assessment of the population prevalence of 'problem gambling', or its accompanying lower level categories such as low and moderate risk gambling has led to their use in this way. The contemporary view of gambling is as a behavioural addiction, which is how it is defined in the DSM-V (APA 2013).

These categories do not typically detail gambling's effects on individuals, families, employers, or the broader society. In 1999, the Productivity Commission attempted to assess the harms of gambling. The framework for the PC's assessment of the harms of gambling adopted multiple domains where it was thought that harm could be measured These were:

1. Personal, including stress, depression and anxiety, poor health, and suicide;
2. Financial, including financial hardship, debts, asset losses, bankruptcy, and use of loan sharks;
3. Legal, including crime and imprisonment, as well as bankruptcy and use of loan sharks;
4. Interpersonal, including intimate partner violence, relationship breakdowns, impacts on others and impacts on families, including children;
5. Community, including impacts on charities and the public purse; and
6. Work and study, including job loss, absenteeism, and poor performance (PC 1999: 7.3).

The PC used a variety of sources to measure the prevalence of these harm categories, including its own survey of Australians, and information from gamblers in treatment. Amongst those surveyed who were classified as 'problem gamblers', 52.7% reported past year depression, 4.7% contemplation of suicide, and 69.1% reported an unfulfilled wish to stop gambling. Amongst 'problem gamblers' seeking help, 13.6% reported ever having attempted suicide. Citing a US study, the PC reported that 'pathological gamblers' had an

incidence of poor physical health 2.2 times greater than 'low risk' gamblers. The PC also noted that gambling harms were transmitted between generations (p.7.36), and that impacts on work and study were significant (p. 7.38), that 44.1% of the clients of counselling agencies admitted to criminal activity to fund gambling, and so on. The PC attempted to quantify these harms (as 'costs') in five broad categories – financial, effects on productivity, crime, personal and family, and treatment. This attempt included a costing of the economic value of intangibles such as depression, emotional costs, relationship breakups, etc. The total was reported in a range from $1,800 m to $5,586 million p.a. The PC commented that

> The intangible costs associated with problem gambling have not been estimated before. Their intangibility precludes precision or a point estimate, but the Commission considers that the range of values provided here are a useful guide to their minimum magnitude. If anything, the estimates are more likely to understate than overstate the true costs. That said, they nonetheless amount to a major component of the total cost estimates — underlining the importance of taking them into account (PC 1999: 9.12).

Subsequent research has identified the significant effects of gambling problems on physical health (Morasco et al 2006), a relationship between gambling related debt and suicide (it is clear) (Yip et al 2007), the financial and other impacts of gambling on Singaporean families (Matthews and Volberg 2012), and examination of the association between high density of EGMs and intimate partner violence (Markham et al 2016).

Suicide and mortality amongst gamblers has also been subject to more detailed research in recent years, including as follows:

- The rate of suicide mortality in Swedish gamblers classified with gambling disorder has been assessed at 15.1 times the general rate, with a rate of 19.3 times the population rate for those aged 20-49 years. Suicide was the leading cause of death for the sample of 2,099 people, at 33% of all mortality. All-cause mortality for this group was also elevated by a factor of 1.8 (Karlsson and Hakensson 2018). This was a longitudinal study using good quality data from the national health system.
- Bischoff et al, in a German study of 442 gamblers classified as disordered using the DSM-IV concluded that 'gambling on EGMs (but not other types of gambling) is related to an increased risk of lifetime suicidal events' (p. 267), at an odds ratio (OR) of 2.85, independently of mood or personality disorders.
- Cowlishaw and Kessler (2016) report that 'problem gambling' in their UK sample of 7,403 was associated with over-representation in health care settings, including primary care, and were at greater risk of suicidal ideation (odds ratio 4.22), suicide attempts (OR 5.51) and financial difficulties (OR 3.96)(pp. 93-95).
- Wardle et al (2019) report that UK 'problem gamblers' report past year suicidality at a rate of 19.2%, at an OR of 5.3, or 2.9 once comorbid psychological conditions are adjusted for.
- Muggleton et al, used banking data, assessed that 'High levels of gambling are associated with a likelihood of mortality that is about one-third higher, for both men and women, younger and older' (Muggleton et al 2021, p. 321). These authors also catalogue a range of financial, lifestyle and well-being harms, as well as employment and disability, demonstrating increasingly negative consequences across these as gambling intensity increases (p. 322).

Overall, there is clear evidence of significant impacts from high risk gambling on a range of health and wellbeing categories.

Langham et al (2016) have proposed a taxonomy of harms. They also note:

> The limitations and relative lack of progress in defining or conceptualising harm is reflected in how harm is currently measured in the literature. This separates gambling from other public health issues, which utilise summary measures to quantify the impact on population health. Currie et al [4] identified three sources that the measurement of harms have been derived from: 1) diagnostic criteria of pathological or problem gambling, 2) behavioural symptoms associated with disordered gambling, and 3) the negative consequences experienced. All three of these sources might be criticised for failing to capture the breadth and complexity of harm to the person who gambles, or the experience of harm beyond the person who gambles (Langham et al 2016, p.2).

These authors also observe that diagnostic criteria are of limited usefulness in measuring harm. Accordingly, Langham et al (2016) proposed a burden of harm approach across seven domains: financial harm, relationship disruption, conflict or breakdown; emotional or psychological decrements to health; cultural harm; reduced performance at work or study; criminal activity; and life course and intergenerational harms.

Browne et al (2016) undertook a burden of disability study in Victoria. Descriptions of specific harms drawn from research with gamblers were used to develop a measure of the loss of enjoyment of life for gambling harms. The study concluded that the Health Related Quality of Life decrement for high risk gamblers was 0.44, for moderate risk gamblers,0.29, and for low risk gamblers, 0.13, equivalent to losing 44% of the full enjoyment of life for high risk gamblers, 29% for moderate risk, and 13% for low risk. A similar study by the same group in New Zealand (Browne et al 2017a) produced similar results.

These estimates value the harms of gambling at about two thirds of the equivalent values for major depressive disorder and alcohol use and dependence, and at over four time the value of type 2 diabetes, five time that of chronic obstructive pulmonary disease, 20 times that of cannabis dependence (Browne 2016, pp.136-137).

Browne et al (2017b) undertook a cost of harm exercise for the state of Victoria, which produced an estimate of $6,973 million in social costs attributable to gambling harm. Total annual expenditure on gambling in Victoria in 2014-15 was $5,800 million, and net taxation revenue to Government $1,600 million.

Goodwin et al, (2017) calculate that each high-risk gambler affects six others, each moderate risk gambler three, and each low risk gambler, one other. In Victoria, in 2018-19, about 1.4 million people were affected by gambling harm, as set out in Table A. This table uses data and estimates from a population study of Victoria published in 2020, commissioned by the Victorian Responsible Gambling Foundation (VRGF).

Table A: Victorians affected by gambling harm 2018-19

Category	N - gamblers	N - others	Total
High risk	36,123	216,738	252,861
Mod risk	118,004	354,012	472,016
Low risk	329,153	329,153	658,306
Total	483,280	899,903	1,383,183

Source: Browne et al 2020

Limits of 'responsible gambling'

The harms of gambling have typically been subsumed over a number of years by their categorisation into the paradigm of 'problem gambling'. The Victorian Gambling Regulation Act 2003, for example, lists as its first main objective at 1.1 (2)

> (a) To foster responsible gambling in order to –
> (i) Minimise harm caused by problem gambling; and
> (ii) Accommodate those who gamble without harming themselves or others;
>
> …

Notably, neither 'responsible gambling' nor 'problem gambling' are defined in this legislation, nor in Casino Control Act 1991, nor in the Gambling Regulations 2015, and not in the Ministerial Direction of September 2018 that specifies what a 'Responsible Gambling Code of Conduct' must contain. A definition of 'problem gambling' is not discoverable in that legislation and associated instruments.

In 2005, a study commissioned by the Ministerial Council on Gambling to define 'problem gambling' proposed this definition:

> Problem gambling is 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 (SACES et al 2005).

This definition, although broadly accepted, lacks specificity, any indication of assessment criteria, and is highly subjective. It also clearly indicates that it is a problem of individuals who cannot limit time or money spent gambling.

'Responsible gambling' is equally if not more difficult to accurately define. It was proposed by gambling industry actors as a response to perceived community concern about the increase in harms associated with gambling (Blaszczynski et al 2011 p.568), following the widespread liberalisation of gambling, which occurred throughout the world in the latter part of the twentieth century, and in Victoria from 1991. In 2007, my colleague Richard Woolley and I contended that:

> Responsible gambling' is a carefully structured, if elastic and goalless term, discursively transferring responsibility for industrialized (and normalized) harm production to end users (Livingstone & Woolley, 2006).

Essentially, the goalessness of 'responsible gambling' means that it is impossible to determine if it has been achieved. Presumably a successful 'responsible gambling' program would result in no harm being experienced by gamblers or others. On that basis, 'responsible gambling' must be viewed as an abject failure.

However, the goalessness serves a specific purpose for gambling operators and their apologists. It allows them to argue that a 'small proportion' of those who gamble experience harm, and the vast majority do so with no difficulty. The exact extent of harm which is acceptable is not defined, much like the concepts of 'problem gambling', the 'problem gambler', and 'responsible gambling' itself.

The Victorian Responsible Gambling Foundation (VRGF) wrote in 2016 that:

> The term 'responsible gambling' has a long history in academic and government discussions of gambling. However, there have been few systematic examinations of the way the term is used, or what it means to gamblers (VRGF 2016).

VRGF also argued that:

> Key concepts that underpin responsible gambling are:
>
> • awareness of risk – gamblers must understand both the odds of winning at their preferred gambling product, and the risk of developing gambling harm, so they can make an informed choice to participate

> • control – gamblers must maintain control over their gambling activity, and products must facilitate gamblers' self-control
> • limit-setting – gambling should occur within affordable and appropriate limits
> • entertainment – gambling should only be an entertainment activity, and should be balanced with other recreational activities (VRGF 2016).

Although it is contended that 'responsible gambling' should be a shared responsibility of gambling providers and gamblers, the above 'key concepts' require gamblers to accept primary responsibility for being aware of risk, making informed choices, maintaining control, setting and abiding by limits, and only using gambling as entertainment. The responsibility of operators is not made overly clear by such 'key concepts'. At a stretch, it appears to be the responsibility to advise gamblers of the odds of winning, and that gambling can be harmful.

Were the responsibility of gambling providers to include a duty to inquire into the means of people to spend significant amounts, or to ascertain the provenance of funds, or indeed to advise people systematically that their pattern of gambling is in accordance with that of someone experiencing gambling harm, it might be perceived as a more symmetrical set of requirements. Each of these duties is required in one or more jurisdictions, as it happens, but certainly not in Victoria.

It may be instructive that from 2018, the VRGF's 'Responsible Gambling Awareness Week' was re-branded as 'Gambling Harm Awareness Week'.

In a 2014 review paper, myself and colleagues reported that 'no data have been generated to demonstrate that responsible gambling practices in general are effective to any significant degree' (Livingstone et al 2014).

Clearly, with definitional certainty lacking, responsible gambling codes of conduct, which seek to operationalise the concept of responsible gambling, should provide clarity.

Lack of clarity in RG codes of conduct

As is required under Victorian regulation, Crown has developed a 'Responsible Gambling Code of Conduct'. This document 'represents our commitment to our customers and employees regarding harm minimisation and responsible gaming' (p.2).

However, the document also makes it clear that 'responsible gambling' is principally the responsibility of gamblers.

> Our entertainment and gaming experiences are enjoyed by the vast majority of our customers. However, we recognise that some of our customers have difficulties with gaming responsibly and this may cause them personal and financial difficulties, and potentially their family, friends and the wider community may also be impacted (Crown 2019, p.1).

Crown asserts that its responsible gaming (sic) message is simple: 'Awareness Assistance Support'. Additionally, the message 'Stay in Control' is promoted.

In concrete terms, Crown's responsible gambling approach is to provide a 'Responsible Gaming Centre' where 'responsible gaming programs, services and resources are available'. A self exclusion program is offered (a further requirement of regulation in Victoria). Third party exclusion is also offered. The YourPlay system, a voluntary self-commitment program introduced by the Government of Victoria is available, as is a Crown program that also offers voluntary limit setting for automated table games. Psychologists are available to provide counselling, as is a chaplaincy support service.

Crown also provides information about games and the odds of winning, as required by regulation, and advises that its staff interact with customers displaying a range of signs of gambling harm.

Additionally, the Crown code of conduct specifies that clocks and adequate lighting are provided, that information about counselling services is available, and that it encourages gamblers to take breaks by announcing prize draws and entertainment offerings, and so on.

None of these claims are remarkable. Indeed, they are largely those imposed by the gambling regulation system.

As it happens, the evidence base for these activities is very modest, and in some cases non-existent. In our 2014 review paper, colleagues and I examined the available evidence for many of the 'interventions' or actions associated with responsible gambling codes of conduct. This includes self-exclusion schemes, for which evidence of effectiveness is, surprisingly, very limited.

In the case of one of the centrepieces of the Crown code of conduct, the requirement to intervene in the case of a patron exhibiting certain signs of gambling harm, there is certainly evidence that the compilation of a list of such signs is feasible, and that it is possible to identify harmful gambling by applying such observations. However, there is no evidence that this occurs, and more importantly there is no evidence as to its efficacy. That is, do such interventions lead to an improvement in the circumstances of the individual, or to a reduction in harm? I am unaware of any evidence to support this intervention. Indeed, there is little if any evidence that it even occurs, and some evidence that it does not (see Rintoul et al 2017). Crown's own general manager of responsible gambling has admitted as much in evidence to this Royal Commission. Data that might be useful in determining this have, apparently, not been interrogated despite this being raised with the casino operator as early as 2014.

The idea of providing gamblers with information and education about the risks associated with gambling is widespread and there is some evidence that awareness of these risks can be increased by these actions. However '… the extent to which these interventions can alter behaviour and therefore mitigate harm is yet to be ascertained' as Blank et al. found in a recent review (2021).

Pre-commitment systems have a clear role in assisting gamblers to set limits and thus restrain themselves from gambling to excess. It is well known that, even with the best intentions, gamblers will exceed limits they have set themselves when in the midst of the activity. This is particularly true of those gamblers for whom gambling is a matter of finding themselves in 'the zone'. Thus, for a re-commitment system to be effective, it requires universality and an inability to change or abandon limits readily. Livingstone et al (2014) discusses this issue at length, including references to systems in operation in other jurisdictions. Voluntary systems have low take up rates and limited efficacy. Thus, YourPlay has a modest take-up rate (exactly how modest is unclear). A 2019 evaluation of the system found that:

> Usage of YourPlay by Victorian electronic gaming machine players is very low, particularly outside of the Melbourne Casino (where the requirement to gamble using a YourPlay Card in order to access unrestricted machines provides both the venue and players with an apparently strong incentive to facilitate use)(SACES 2019).

The final observation in that quote demonstrates a major issue with the Crown system. Crown is authorised by Ministerial Direction to operate up to 1,000 EGMs in unrestricted mode at any time. This means that they are permitted to operate EGMs with no limits on bet size or speed of operation, on the basis that a loyalty card (linked to YourPlay or a limit setting system) is inserted. It was this that led to Crown issuing 'picks', emblazoned with the Crown logo, that allowed gamblers to jam the 'play' button of an EGM (or EGMs) to operate the machine/s continuously. Although VCGLR was apparently aware of this, it did not intervene until media reports made it untenable to ignore. In any event, although VCGLR directed that the practice should be discontinued, it did not impose a penalty (VCGLR 2019).

A more egregious breach of 'responsible gambling' principles would be difficult to find, other, perhaps, than the incident involving machine tampering by Crown, which eventually led to VCGLR imposing a $300,000 fine on the operator (VCGLR 2018). By omitting certain buttons on a series of EGMs, it became impossible for gamblers to do other than minimum or maximum bets. My view is that Crown sought to ascertain whether modifying machines in this way would be an effective way of increasing revenue. Again, this became apparent via whistle blower accounts published in the media. These two examples suggest that Crown's commitment to harm minimisation is, at best, hollow.

Where a loyalty card is utilised (as is common) the data generated by use of the card is available to the casino for marketing purposes, as is the case with any loyalty card system. Rewards available under the Crown rewards system include elevation of status and access to higher and higher levels of 'privilege' – i.e., access to 'high roller' rooms, on a graduated basis. Thus, use of the pre-commitment system is offset by the message that the more one loses the more likely one is to reap rewards and an increased 'status'. A more perverse incentive would be difficult to imagine. The sixth review of the casino operator referred to evidence that loyalty program members 'generally spent more time gambling than non-program members and had a higher likelihood of being harmed from gambling', and observed that:

- approximately 18 per cent of survey respondents said that they had played gaming machines for longer than they had intended so they could get more rewards
- 16 per cent said they had spent more money than they would have otherwise so they could get more rewards
- 14 per cent said that they had visited a gaming machine venue more often than they would have otherwise so they could get more rewards
- 26 per cent either agreed or strongly agreed that having loyalty program membership resulted in their gambling more than they would otherwise, and
- loyalty program members were found to have an increased likelihood of being in the "moderate risk or problem risk" categories of the Problem Gambling Severity Index. (6th Review)

Thus, a system intended to provide some protection to gamblers is, in effect, being harnessed to another system providing incentives to gamble more and more. I have been advised by people signing up for Crown Loyalty cards that they are encouraged by Crown staff to set very high limits. SACES (2019) also refer to this in their report on YourPlay. In any event, there are no statutory limits and data are not used to analyse the extent to which gamblers are exhibiting patterns of gambling consistent with an elevated risk of harm.

This is a crucial omission. Were Crown actually concerned with alleviating the harms of gambling, the data to which they are privy for their loyalty system would be invaluable in identifying those at risk, far more reliable and consistently than observation of gamblers on

the casino floor. Indeed, I understand that Crown uses such data to identify the periods of time that people spend gambling as a trigger to intervene; or not, after 12 hours. The sixth review noted that 'play period is considered, but not other data. (6th Review). As it transpires, data on such interventions appear to not to be routinely kept. In any event, someone gambling for 12 hours continuously is almost certainly experiencing substantial harm. 'Harm detection' at Crown is an interesting proposition, in that it appears to be avoided quite strenuously.

Crown has now indicated that it will implement a cashless gambling system for all gambling in its casinos as a remedy for money-laundering activity. This system should require automatic analysis of all transactions in such a manner as to identify those at risk of gambling harm. The basis for an effective set of interventions to prevent and reduce harm are available, but the design of the system has to incorporate this as an underpinning requirement. Otherwise, yet another opportunity to seriously address gambling harm will be lost.

It is worth observing that responsible gambling codes of conduct seek, at best, to minimise harm (and do so half-heartedly, with mostly unproven and non-evidence based 'interventions'). None are preventive, in that they reduce the harmful potential of gambling harms. Preventive interventions could include

- Reduction in load up limits and maximum bets to at least the statewide limits, noting that EGMs in the casino have a load-up limit of $9,949, compared to the statewide limit of $1,000, and maximum bets of $10, compared to the statewide limit of $5. Of course, 'unrestricted machines' have unlimited bet size.
- De-coupling YourPlay from unrestricted EGM access, and from loyalty card system
- Prohibition of 'losses disguised as wins' and 'near misses' on EGMs
- Requirement for YourPlay to be utilised in connection with all cashless gambling at the casino, with clear advice as to limit-setting provided independently of Casino staff.
- Consideration of abandonment of loyalty card system and other incentives to attend the casino
- Utilisation of gambler data to identify harmful gambling activity and provide automated interventions to those at risk
- Imposition of a duty to ascertain the provenance of funds for gambling from those regularly gambling at high levels, or above reasonable limits.

It is clear that responsible gambling codes of conduct are of limited if any value in minimising harm. In fact, the actual practice of the casino's business, involving continuous operation, a large number of EGMs, the availability of up to 1,000 unrestricted EGMs, the operation of a loyalty system offering incentives to gamble, the impossibility of detecting harmful gambling on crowded gaming room floors, let alone the lack of evidence of the efficacy of doing so, the vague and goalless nature of the responsible gambling concept, the absence of any preventive interventions, and the imposition of responsibility for gambling harm on to individuals, suggests that codes of conduct are a means of protecting the casino's business rather than acknowledging that Crown has a responsibility to prevent or limit harm.

Responsible gambling and the codes of conduct that operationalise it are not intended to reduce harm, let alone gambling expenditure. Their purpose is to deflect responsibility from gambling operators on to those who are harmed. (see Livingstone & Rintoul 2020).

Lack of enforcement of RG codes of conduct

I have read the annual reports of VCGLR for the five years 2015-16 to 2019-20. Although there are reports of various types of enforcement activity, I have not discovered any example of enforcement activity against a venue (including the casino) for failure to implement or abide by the terms of a code of conduct.

Crown provides details of interventions undertaken in accordance with its code of conduct to VCGLR and to the company's Responsible Gaming Committee on a two-monthly basis. However, these data are not publicly available. Disclosure of these data would be helpful for research purposes and for evaluation of the extent to which Crown implements its code of conduct (VCGLR 2020). As the sixth review noted: 'There is no objective data reporting by Crown Melbourne on the performance of the business in respect of the responsible service of gambling.' (6th Review).

Although neither VCGLR nor Crown publish these data, the sixth review into the casino operator did publish some data in relation to the utilisation of the responsible gaming support centre. These data indicate that in 2016 (the last full year for which data were provided) 6,952 people made contact with the RGSC, or approximately 0.03% of the 21 million patrons who visit the casino annually. The review noted that this averaged fewer than one person per hour.

Further, Crown data indicated that there were on average 101 patrons per week recorded as displaying potential signs of problem gambling in 2016. Twenty episodes of counselling by RGSC staff were recorded for 2016, along with 282 episodes of chaplaincy.

The sixth review also observed that:

> … staff are most often called to act when a voluntarily excluded person has been detected in the casino, or to provide information regarding revocation of a voluntary exclusion order, and that a majority of their role is focused on managing voluntary exclusions. (6th Review)

It is noteworthy that the sixth review of the casino operator recommended that Crown 'have in operation a comprehensive real-time player data analytics tool by 1 January 2020'. That was noted in the VCGLR's 2020 Annual Report as being 'under consideration'. Consideration of practical options for real-time player data analytics for uncarded players was also recommended, with that study to be complete for reporting to VCGLR on 1 January 2020. That was also 'under consideration' as reported in VCGLR's 2020 Annual Report.

Further that review recommended an increase in staff resources to increase the number of hours available to 'responsible gambling and intervention with patrons'. That change was implemented by 1 January 2020 and resulted in the current staffing levels. The current staffing levels appear inadequate, as did previous staffing levels.

The review also recommended that Crown 'use observable signs in conjunction with … data analytics to identify patrons at risk'. It is interesting to see that the review thought it necessary to remind Crown of its obligations under the code of conduct to observe patrons. Combining the observation with data analytics is an important element of the approach but VCGLR's Annual report 2020 notes only that this remains under consideration, as noted above.

Crown was also asked to implement a revised responsible gambling strategy 'focusing on the minimisation of gambling related harm to persons attending the casino. This was due on 1 July 2019, and is recorded by VCGLR as complete. This required the following:

- early proactive intervention initiatives
- player data analytics
- proactive engagement with pre-commitment
- intervening with local players with continuous play based on shorter timeframes which are more reflective of responsible gambling
- the role of all staff in minimising harm
- the effective use and monitoring of exclusion orders
- internal reporting arrangements
- integrating responsible gambling into proposals for trialling or introduction of new products and equipment
- performance measures to assess the performance of the RGLOs,
- Responsible Gaming Support Centre (RGSC) and casino staff in relation to harm minimisation
- the roles of the Crown Resorts Responsible Gaming Committee and the Responsible Gambling Management Committee in driving harm prevention strategies based on world's best practice
- the objectives of the RGSC in relation to minimising harm to patrons
- the responsible service of gaming as a fundamental core business consideration when making strategic decisions regarding casino operations. (VCGLR 2020).

Although this strategy is regarded as complete by VCGLR it is unclear as to what has been done to implement the elements set out above. There is no mention of this revised strategy in Crown's 2019 or 2020 Annual Reports (Crown 2019, 2020), nor in the 2019 Corporate Responsibility Report (Crown 2019).

Most harmful gambling modes

Using data derived from the HILDA study and a Victorian prevalence study from 2015 (Wilkins 2017, Hare 2016), Livingstone et al (2019) identified a 'hierarchy' of the gambling forms most associated with high risk gambling status. These are set out in Table B.

Table B: Ranking of high risk gambling and gambling forms

	Part'n	High Risk	High spend
Poker*	1.0%	21.9%	n/a
Casino table*	1.5%	14.7%	3.9%
Private*	1.2%	11.5%	3.0%
Sports	3.5%	6.7%	0.8%
EGMs	8.0%	6.2%	50.6%
Racing	5.2%	5.5%	3.1%
Keno	3.2%	4.2%	0.0%
Bingo	1.5%	3.9%	0.6%
Scratch	7.5%	2.3%	0.0%
Lotto	29.5%	1.3%	9.2%

Sources: Wilkins 2017, Hare 2015. Note that Poker was included in casino table games in Hare 2015.
* indicates small sample size

'Part'n' refers to the rate of past fortnight participation in each gambling form. 'High Risk' refers to the rate of PGSI 8+ classification for those using that gambling form. 'High Spend' refers to the nomination of high risk gamblers as to the gambling form on which they spend most money.

It is clear that gambling forms readily available at the casino are associated with high risk gambling, notably table games, EGMs, and poker. However, other gambling forms offered at the casino include wagering on racing and sports.

The casino's offering is clearly at the high risk end of the spectrum and accordingly needs to have carefully considered harm prevention and minimisation interventions in place. This appears not to be the case.

Further, the availability of unlimited EGMs at the casino exacerbates the harm producing potential of EGMs to an alarming degree. There is little justification for the availability of this and no reporting as to expenditure and the numbers of gamblers using this mode. Such data would be invaluable in preventing harm, and is collected via the systems used in the casino.

The casino is also a highly accessible and constantly available gambling venue. Although local gambling venues are ubiquitous in Victoria, and are readily accessible, they do not trade 24 hours per day and do not operate unlimited EGMs or table games. Research has demonstrated that accessibility is a key driver of rates of harm (Young et al 2012, Markham et al 2016) and Crown is located in the heart of the Melbourne CBD with high public transport and private vehicle accessibility.

Large venues (as measured by number of EGMs on-site) are also associated with high levels of harm (Markham et al 2014, Young et al 2012). There is no larger venue in Australia, and certainly nothing remotely like Crown in Victoria.

The conclusion to be drawn from these observations and data is that Crown is unique in Victoria in its potential to produce harmful gambling behaviour. It has a multitude of gambling options, including 25 times more EGMs than the next largest gambling venue in Victoria, uniquely offers table games and unrestricted EGMs, runs fully and semi-automated table games that are themselves high risk, is constantly open, centrally located, and has an active and vigorous marketing and loyalty system.

It also displays less than a wholly serious approach to minimising harm, appears to have no commitment to preventing harm, and appears to have enjoyed and benefited from excellent connections with political players from both major political parties.

It is, to be blunt, a perfect gambling harm production factory.

Reform for purposes of harm prevention and minimisation

It seems clear from the above that VCGLR has had little appetite to date to actively enforce Crown's obligations to provide 'responsible gambling', to the extent that these extend to more than window dressing. This may be in the process of changing, but it cannot effectively do so without political support from all major political actors.

As the Victorian Auditor General found, (VAGO 201X) the regulator is under-resourced, has suffered from low morale, and is stretched thin in undertaking its wide range of responsibilities. It also, for whatever reason, appears to lack curiosity and the powers to exercise that. As Commissioner Bergin pointed out, regulation of casinos requires an independent authority with the powers of a standing Royal Commission. The ability to compel evidence and the production of material is crucial, and VCGLR appears to lack these. It is little wonder then, that what was uncovered by the Bergin inquiry came as a surprise to many in Victoria. VCGLR had certainly not been able to reveal such behaviour.

Reform of the regulation of the casino, and indeed other gambling venues in Victoria, requires the following elements:

1) Reform of the relevant legislation and regulation to replace the concept of 'responsible gambling' and the 'problem gambler' with the concepts of 'harm prevention and minimisation', and 'gambling harm', respectively, and with these clearly defined in legislation;
2) Refocusing the role of the Victorian Responsible Gambling Foundation as a public health agency (akin to the Victorian Health Promotion Foundation – VicHealth), and a revision to its name, with a focus on developing effective, public health derived interventions to prevent and minimise harm and a role with the regulator in the iterative revision of gambling harm prevention and minimisation codes for adoption by gambling operators, in place of the current 'codes of conduct';
3) Extension of cashless gambling systems to all EGM, wagering and casino venues, preferably linked to universal use of the YourPlay system, with the requirement that all gamblers set a limit of money and time on their gambling activity;
4) Establishment of an effective state-wide self-exclusion program, based on the cashless gambling system;
5) Establishment of a duty for gambling operators to ensure that they use data and analysis to ascertain those at risk of gambling harm, and take active steps (including suspending accounts where indicated) to prevent harm, or to minimise its effects;
6) Establishment of powers and an adequate level of resourcing for the regulator to provide it with the capacity to undertake active investigations into how harm prevention and minimisation is actually undertaken, and to ensure that where responsibilities are not undertaken, adequate enforcement action is taken, including suspension or cancellation of licences;
7) Improved transparency in collection and reporting of data relating to gambling harm minimisation, including interventions undertaken, and their consequences, together with regular evaluation of the effectiveness of these, using a data driven approach;
8) Prohibitions on gambling operators engaging former political staff until a reasonable period of time after their retirement from Parliament or active political employment (e.g., as political staff or party officers);
9) Prohibition on the use of pre-commitment data for any commercial purpose;
10) A requirement for gambling operators to ascertain the source of funds used for gambling upon detection of patterns of harmful gambling activity, with the consequence of suspension of gambling account until such evidence can be produced;

The reforms suggested above are based on available evidence, and many are in operation in different jurisdictions around the world. Australia has been slow in implementing best practice for prevention and minimisation of gambling harm. I sincerely hope that the Royal Commission may provide a basis for redressing this, initially in the case of the Melbourne casino, but ultimately across the range of gambling operators active in Victoria and elsewhere.

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