

Victorian Department of Justice and Community Safety

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Thank you for the opportunity to respond to the consultation on casino controls regulation. I congratulate the Victorian Government on their commitment to gambling reforms which aim to take meaningful action to reduce gambling harms and money laundering associated with electronic gaming machines (EGMs) in casinos.

This submission is focused on efforts to reduce gambling harm and is informed by my experience in research and clinical treatment to prevent and reduce gambling harms for individuals, families, and the broader community. Given the complexity of this topic, I have provided a brief overview in this submission. I would be happy to expand further on any of the points below in further consultation.

Overall, I am supportive of the proposals outlined in the consultation document. However, there are a few areas I recommend variation.

Mandatory, binding, pre-commitment limits should have caps imposed.

I am supportive of mandatory, binding pre-commitment spend limits. Gambling harms are typically fundamentally driven by excessive expenditure beyond financial affordability. Informed choice that is, customers intentionally deciding if they want to bet, and how much they want to bet, is crucial for reducing risks in a gambling venue. However, our research suggests that in an online wagering context, relatively few customers voluntarily set limits¹ and most customers view deposit limits as not relevant for themselves². Our preliminary and as of yet unpublished research on EGM users in regards to cashless gambling, limits would have to be mandatory and binding to be effective. It is likely similar views are held among casino patrons, suggesting that if voluntary, limits may be largely unused.

A requirement to set a loss/spend limit sends a strong message that this is an appropriate action for all casino customers, which should help shift social norms towards lower risk behaviours. However, without a maximum imposed cap on the limits which can be set, there is a risk that the system is undermined as customers are likely to set unrealistically high limits, thus effectively bypassing the system. *It is recommended that reasonable limits be calculated and maximum spend limits be capped for all customers.* Customers may seek to increase their limits beyond the cap if they are able to verify their ability to afford additional losses and potentially engage with other harm reduction tools such as gambling harm assessments.

¹ Heirene, R. M., Vanichkina, D. P., & Gainsbury, S. M. (2021). Patterns and correlates of consumer protection tool use by Australian online gambling customers. *Psychology of Addictive Behaviors*, 35(8), 974. Gainsbury, S. M., Angus, D. J., Procter, L., & Blaszczynski, A. (2020). Use of consumer protection tools on internet gambling sites: Customer perceptions, motivators, and barriers to use. *Journal of Gambling Studies*, 36(1), 259-276.

²

Resources are needed to assist customers to calculate affordable loss limits.

Resources should be developed to assist customer to calculate affordable loss limits, such as tools which calculate a limit less than one percent of their annual income (as per the lower-risk gambling guidelines³). Customers could be provided feedback using visual aids to project how much they will lose on an annual basis with the limits that they have selected and what else they could afford with that money.

Consumers should be involved in the design of these tools to ensure that they use appropriate language and imagery and achieve the intended aim of assisting individuals to identify appropriate limits given their discretionary funds. Messaging should be neutral and non-judgemental, however focus on losses and spend and require customer confirmation that they can afford to lose the amount that they have nominated.

Time limits should be optional.

For many EGM customers, time on device is an important outcome. This can be unpredictable and based on in-session wins and losses. Although excessive and long sessions of play are associated with harms, this is typically related to the money lost during these sessions. If customers are winning, they would likely be highly frustrated if their session is ended due to a previously set time limit. One consequence may be customers setting unrealistically high time limits to avoid this, thus undermining the requirement to set a limit. *It is recommended that time limits be optional for customers, so that they are used in a meaningful way by those who wish to engage with these.*

Meaningful breaks in play to deposit funds must be removed from the gaming floor.

It is common for players to lose track of time and money during EGM sessions and spend more money and time than intended. Long sessions (>3 hours, noting limited research on this topic) are associated with higher rates of gambling problems. The structural design of EGMs with highly reinforcing sounds and lights, intermittent reinforcement schedule, jackpots, and lack of natural breaks in play facilitate continuous gambling. Gambling until funds are depleted is associated with higher likelihood of experiencing gambling harms. Taking a break from play to access additional funds is also associated with gambling problems.

As such, creating breaks in play are essential to enable customers to remove themselves from the stimuli and allow their cognitive and emotional reactions to the EGM to settle such that they can make an informed decision as to whether to continue to gamble. A meaningful break in play occurs when an individual can think clearly and reflect on their own responsibilities, affordable discretionary income, free from environmental influences. Ideally, this would include physical movement, social interactions, and sufficient time to allow emotions and cognitions to settle following an EGM session.

Taking a break in play to obtain funds is an opportunity to create a meaningful break in play to enhance the ability for customers to fully consider further expenditure. Space requirements in a casino differ significantly from a hotel and as noted, the EGMs in casinos have a greater propensity for harm, than those in a hotel. Having to move two metres away from an EGM will have minimal impact on harm minimisation.

³ Dowling, N. A., Youssef, G. J., Greenwood, C., Merkouris, S. S., Suomi, A., & Room, R. (2021). The development of empirically derived Australian low-risk gambling limits. *Journal of clinical medicine*, 10(2), 167.

Similar to requirements to have ATMs away from the gaming floor, *it is highly recommended that cashless gambling terminals be located away from the gaming floor at a distance which would remove the ability to see EGMs, require physical movement, allow for possible social interaction and to engage in non-gambling activities.*

The casino environment and location can permit longer breaks in play than would be reasonable in a hotel environment as it is not possible for customers to easily access alternative gambling venue. Crown should be encouraged to create additional non-gaming activities (in addition to food and beverage and high-end retail) to encourage breaks in gambling which do not require high levels of expenditure. A 15-minute delay from funds being deposited to being spent is more helpful than no delay. A long delay may result in high levels of frustration and customers may make high deposits on their first occasion to avoid this. *The optimal length of a break in play to enable informed decisions around gambling with additional funds has not been investigated and research to address this should be funded.*

It is also recommended that customers have the ability to cancel deposits within the delay period and that this process is as easy or easier than making the deposit.

Activity statements must be prominently displayed when interacting with customer accounts and contain a meaningful summary of net outcomes and suggested actions.

I support the requirement for customers to have to interact with activity statements (Option 2) and for these to be modelled on the requirements of the NCPF. However, I note that there has been minimal research on the impact of these statements for online wagering customers, so I recommend evaluation be conducted on the existing statements to inform the design of statements for casino customers.

Clinically, there are reports that customers experience the activity statements as a 'wake up call' and can be shocked to see how much they have spent. However, others do not open or engage with these and do not want to see the extent of their losses. Anecdotally, there have been reports that activity statements may encourage loss chasing, which must be considered to avoid negative unintended consequences.

The frequency of activity statements also requires consideration. There is little evidence to inform the most appropriate frequency to send statements. In addition to monthly statements, *I recommend having a regular display of the main summary details including net outcomes on every occasion a customer has a casino session.* Using carded play would facilitate this as when customers put funds into their account, they would see a display of their net outcomes for the past six months. This is similar to bank accounts and allows informed choice on each occasion an individual is depositing funds to gamble. A similar recommendation was made to the recent inquiry into online gambling harms⁴.

In addition to passive provision of data on net outcome, comparison to previous time periods, and clear visual display of wins and losses, it is recommended that additional data is provided with non-judgmental and positively worded suggestions to enhance play management. For example, activity statements could display the Australian low risk gambling guidelines mentioned above so individuals can see how they compare to these recommendations. The activity statements could highlight any significant flags, such as escalating time and money spent, and provide a frictionless link to deposit limits with a recommendation to consider revising their limit. The activity statement is a major opportunity

⁴ Submission 139 Jake Minear

https://www.aph.gov.au/Parliamentary_Business/Committees/House/Social_Policy_and_Legal_Affairs/Onlinegamblingimpacts/Report/A_Submissions

for low cost, scalable, positive interventions which could meaningfully enhance lower risk gambling among casino customers.

Carded play should collect as much information as possible to identify behavioural markers of risky gambling.

There is an increasing body of research aiming to identify behavioural markers of risky gambling, primarily for online gambling given the lack of account data available for research in land-based venues. Numerous variables have been identified as useful in identifying risky gambling, although there are many limitations to the research including the use of self-excluded customers as the reference case. Carded play represents an important opportunity to enhance the ability for casinos to identify risky gambling at various levels, that is, before serious harms are developed. This would allow interventions, which could range from automated messaging to direct contact with a responsible gambling officer.

The proposed data collected (time, dates, turnover, losses, wins) are useful. Additional variables are suggested including details of deposits and withdrawals and that personal variables be collected such as age and postcode so that subgroups of customer can be identified.

Thank you for the opportunity to respond to this consultation. I would be happy to provide further details.

Kind regards,



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Conflict of Interest Declaration

Dr. Sally Gainsbury declares that she is an invited member on the NSW Independent Panel on Gambling Reform and the Pillar Champion for Technology and Environment for the QLD Responsible Gambling Advisory Committee. She is the Chief Investigator on a Commissioned Research Project by ALH to evaluate cashless gambling payments in conjunction with NSW Liquor & Gaming's Regulatory Sandbox. She has received consulting funds from Star Entertainment to provide expert input into the development of their internal cashless gambling protocols.

Additionally, since 2020, Dr. Gainsbury has received research funding through the University of Sydney from Entain Australia, Sportsbet, NSW Office of Responsible Gambling, West HQ, Brain and Mind Centre, Cambridge Health Alliance, and International Center for Responsible Gaming. She has provided subject matter expertise and received consulting fees from Betcloud, KPMG, QBE, and Norths Collective. She has received travel costs and/or honoraria for speaking from Asian Racing Federation, Leagues Club Australia, Australian Cricketers Association, Star Entertainment, CAMH, Behavioural Insights Team, GambleAware, GREO, Informa, and Washington State Council.