THE UNIVERSITY OF SYDNEY

Victoria Thomson
Deputy Director-General
Liquor, Gaming and Fair Trading
Department of Justice and Attorney General
Queensland Government

8 September 2023

Dear Ms Thomson,

Thank you for the opportunity to provide input on the proposed amendment to the Casino Control Act 1982. I am writing in my capacity as a researcher with almost twenty years of experience working to reduce and prevent gambling harms. In general, I am supportive of all the proposed amendments. However, I note that there is a lack of empirical research to inform the most effective design and implementation of many of the changes suggested. I highly recommend that further research is conducted to inform the proposed amendments as well as evaluation following implementation to ensure that all policies and practices are achieving the intended outcomes, with no unintended adverse consequences.

Recommendation 1: Carded play

I am highly supportive of account-based gambling which could be achieved through carded play. Account-based gambling requires all customers to establish an account (typically with an operator or group of operators) and verify their identity (100-points of ID), with a limit of one account per individual. All gambling requires the account to be linked with the gambling product (i.e., through a physical card and/or app). The intention is to enable all gambling to be attributed to an identified individual.

The benefits of account-based gambling include reduced risk of money laundering and the ability to implement several harm-minimisation measures such as:

- preventing individuals who have self-excluded from gambling
- preventing under-age gambling
- enabling individuals to establish binding deposit limits
- provision of accurate activity statements (including clear summaries and wins, losses, and net outcomes, changes in their own behaviour and comparisons to self-referential and social norms)
- customised messaging and brief interventions to be delivered to customers
- identification of risky gambling using algorithms monitoring activity.

Ideally, engagement with resources and tools to enhance and encourage lower-risk gambling would be mandated and systems would be designed to nudge towards lower-risk behaviours.

Carded play for all customers will require consideration of implementation to assist customers to make it easy to create and use accounts and enhance perceived value and relevance. For customers who are digitally savvy and have mobile devices including electronic forms of identification, the burden of sign-up should be minimal. However, some customers may have greater difficulty

1

establishing an account and verifying their identity. Resources will be needed to assist all customers to create accounts.

Resources will needed to enhance positive perceptions of account-based play for both customer and venues. The benefits of account-based play should be clearly explained with proactive efforts to minimise any misconceptions and concerns. For example, qualitative research[1] by myself and Thomas Swanton, demonstrate that individuals may be concerned about:

- the privacy of their data, including malicious breaches and how it will be used by operators (or governments),
- reduced freedom of choice, and
- perception that accounts were only needed for people with gambling problems.

I recommend careful consideration and research to investigate potential customer concerns about carded play to assist in designing implementation in a manner which will likely address perceived barriers. All stakeholders should be consulted such that they understand the systems from a feasibility and use perspective and see the values. For example, positive attitudes from venue staff will likely enhance positive attitudes among customers towards a new system.

Recommendation 2: Cashless gambling

Account-based gambling, as mentioned above, can facilitate cashless gambling. I support a mandatory account-based cashless gambling system. Ideally, a single system would be implemented across all casinos in QLD.

Within their account, an individual would have a 'digital wallet', which can fund be funded in multiple ways. This might include inserting cash into a kiosk (or using a cashier), or using BPay to push money from their bank accounts to their wallet. Technology which creates a 'link' between a digital wallet for gambling and a bank account should ideally be avoided as this may enable deposits without sufficient friction to enable informed choice and result in excessive expenditure.

I am supportive of cash being limited to transactions of $1,000 or less, although recommend evaluation of this as there may be unintended consequences to this limit. I would also recommend affordability checks conducted on any customers who are making deposits of $1,000 or more to ensure that this amount is affordable for individuals and not likely to cause gambling harms or be linked to criminal behaviour.

Individuals can link their digital wallet to an EGM (or another gambling activity) through a physical card or mobile app. Once linked, an individual can select how much money to transfer to the product. Individuals should be required to enter an exact amount to transfer from their wallet without any prompts or default amount options, unless these are limited to <$20. This is important to require an informed choice and avoid 'anchoring', which is the tendency for individuals to base the amount they choose to transfer based on options provided. Research[2] has demonstrated that the requirement to manually enter an amount to gamble results in a lower amount being selected than when anchors or defaults are available. However, as this research was only one study and in the UK for online gambling, I recommend further testing to see how low anchors (e.g., $5, $10, $20), would compare to manually entering an amount in terms of typical spend and gambling-related harms.

[1] Swanton, T., Tsang, S., Collard, S., Garbarino, E., Gainsbury, S. (2023). Cashless gambling: Qualitative analysis of consumer perspectives regarding the harm minimisation potential of digital payment systems for electronic gaming machines. *Psychology of Addictive Behaviors.* DOI: 10.1037/adb0000962

[2] The Behavioural Insights Team in partnership with GambleAware (2018). Can behavioural insights be used to reduce risky play in online environments? https://www.bi.team/publications/can-behavioural-insights-be-used-to-reduce-risky-play-in-online-environments/

When individuals are finished gambling, they can return funds to their wallet by cashing out. It is important that funds are returned to the digital wallet and that no cash is provided directly from the product. We recommend the inclusion of quarantine functions such that a customer can at any time nominate an amount to be locked away, preventing the customer from using those funds for gambling for a set period of time (e.g., 24 hours). Similarly, the customer should be able to nominate that wins over a certain size be automatically quarantined.

Individuals should be encouraged to withdraw funds from their digital wallet after they have finished a session of play rather than leaving funds in their account. This is due to the tendency to view funds in a gambling digital wallet as dedicated for gambling, rather than being fungible and used for other non-gambling purposes. There may be an exception for this if the digital wallet can be used for non-gambling purchases. However, it should be easier or as easy to withdraw funds from a digital wallet as it is to make deposits. Withdrawals should be made to a bank account, ideally one with the same name as on the account, or via cash from a kiosk (being mindful of limits on cash withdrawals).

As cashless gambling is new to Australia and there is limited available research on the impact of this, I recommend robust evaluations be conducted to identify whether there are any potential unintended consequences of this change. The benefits of account-based cashless gambling are based on the engagement with harm-minimisation features (e.g., preventing gambling among those self-excluded, enabling limits, activity statements, and brief interventions as well as risk detection systems).

There are notable risks related to cashless gambling which need to be considered and monitored for. These include the well-established phenomenon of the 'cashless premium', that is, the tendency for people to spend more with electronic funds than cash. This may be related to lower salience of electronic funds (it doesn't seem as 'real') and lower awareness of spend (tapping rather than handing over physical currency. There is limited research on how consumers will engage with cashless gambling; for example, will customers deposit a large sum to avoid having to repeatedly make deposits, which may result in them having easy access to more money than typical in a venue and subsequent excessive expenditure. Evidence available from studies of online gambling suggests that digital payment may make it more difficult for some individuals to maintain control over their gambling due to money seeming less 'real' compared to cash.[3] The potential risks are discussed in a previous article by myself and Professor Alex Blaszczynski[4].

I refer to the recently published paper written by myself and Swanton[5]. This qualitative research examined regular EGM player's attitudes and preferences towards a hypothetical account-based cashless EGM payment system. We note that the research was conducted at a time near COVID-19 restrictions, which may have resulted in overly negative reactions towards mandated government controls. The harm reduction features of greatest interest to gamblers were the ability to set personalised hard (i.e., binding) limits on their spending, and to receive regular statements providing

[3] Gainsbury, S. M., Wood, R., Russell, A. M. T., Hing, N., & Blaszczynski, A. (2012). A digital revolution: Comparison of demographic profiles, attitudes and gambling behavior of Internet and non-Internet gamblers. *Computers in Human Behavior*, *28*(4), 1388–1398. https://doi.org/10.1016/j.chb.2012.02.024
Hing, N., Cherney, L., Gainsbury, S. M., Lubman, D. I., Wood, R. T., & Blaszczynski, A. (2015). Maintaining and losing control during Internet gambling: A qualitative study of gamblers' experiences. *New Media & Society*, *17*(7), 1075–1095. https://doi.org/10.1177/1461444814521140
Hing, N., Gainsbury, S. M., Blaszczynski, A., Wood, R., Lubman, D., & Russell, A. (2014). *Interactive gambling*. Gambling Research Australia. https://www.responsiblegambling.nsw.gov.au/__data/assets/pdf_file/0016/138121/Interactice-Gambling-study.pdf
[4] Gainsbury, S. M., & Blaszczynski, A. (2020). Digital gambling payment methods: Harm minimization policy considerations. *Gaming Law Review*. https://doi.org/10.1089/glr2.2020.0015
[5] Swanton, T., Tsang, S., Collard, S., Garbarino, E., Gainsbury, S. (2023). Cashless gambling: Qualitative analysis of consumer perspectives regarding the harm minimisation potential of digital payment systems for electronic gaming machines. *Psychology of Addictive Behaviors.* DOI: 10.1037/adb0000962

a meaningful summary of their gambling activity. However, many participants preferred flexibility in how they used the system and set limits. Participants had many positive attitudes towards cashless gambling and that this would be convenient due to the reduced use of cash. Nonetheless, there were numerous disadvantages perceived including that this was an over-reach, that cashless could lead to over-spend due to reduced salience and access to greater funds, and creating accounts may be difficult. The results highlight the importance of careful communication and implementation, as participants viewed a cashless system as intended for people with gambling problems, rather than having the primary aim of encouraging lower-risk gambling through limits and provision of accurate summary information.

Recommendations 3 & 4: Pre-commitment and breaks in play

When an individual initially transfers funds into their digital wallet they should be required to set a limit on the amount that they can deposit over their preferred time period (e.g., per day/week/month). This should require individuals to set the amount themselves, without prompts or default amounts to avoid bias. Consideration should be given to an upper threshold in place (i.e., a cap within which individuals must set their limit) of how much customers can deposit before affordability checks are required.

Customers may have difficulty understanding what an appropriate deposit limit should be and there is very limited transparency about gambling spend between customers. Australian lower-risk gambling guidelines[6] have been developed based on an international project, which recommend that individuals spend no more than 1% of their annual income on all forms of gambling. These guidelines could be communicated to customers when they are setting their limits with a calculator to assist them to identify what 1% of their income would be. After individuals set their limits, a projection should be provided for the amount that they would lose annually based on these limits with a confirmation required that the customer is happy to lose this amount (noting the terminology as opposed to spend).

Initial research on the use of deposit limits among online wagering customers suggest that deposit limits are not well used, even when these are mandated[7]. Further, people who do set deposit limits often increase or remove these. As such, it is recommended research is undertaken to understand how casino customers think about deposit limits and their existing attitudes towards these. This would enable implementation efforts to correct any misconceptions and highlight benefits of pre-commitment in a way which would be relevant and meaningful for casino customers.

The tendency for gambling customers to 'toggle' their limits (i.e., increase and remove these), suggest that individuals experience frustration when they reach their limits, and rather than appreciate that this is part of the intention (that is, to help people stick to pre-determined amounts to lose), individuals subsequently remove these. It is possible that simply pre-committing to a nominated amount may be beneficial for individuals who are struggling to control their gambling. However, it is likely that additional tools and resources are required to assist individuals to set and stick with appropriate limits on their own.

Breaks in play may be a useful technique to assist individuals in gambling at affordable levels. The intention of a break in play is to prevent automatic continuation of gambling without active consideration. Gambling products typically encourage continuous gambling with various product and environmental design (e.g., ability to place bets immediately after outcomes are determined,

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[6] Dowling, N. A., Greenwood, C. J., Merkouris, S. S., Youssef, G. J., Browne, M., Rockloff, M., & Myers, P. (2021). The identification of Australian low-risk gambling limits: A comparison of gambling-related harm measures. *Journal of Behavioral Addictions*, *10*(1), 21-34.
[7] 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.

sufficient products/staff that wait times are not required, limited natural lighting or events to signal the passage of time, display of previous outcomes, jackpot countdowns). A meaningful break in play would be one in which an individual is able to physically move their body (ideally away from the gaming floor) and make a considered decision as to whether they wish to continue to gamble, unimpacted by previous gambling outcomes, irrational beliefs or emotional states. For example, if casinos had non-gaming amenities and activities for customers which were encouraged, this would allow a break in play and enhance informed decision-making. The frequency and length of time require for a meaningful break in play has not been established. However, breaks are likely to be beneficial at least every two hours for at least five minutes.

There are potential unintended consequences of forced breaks in play, depending on how these are implemented. Any punitive or public approach to a player would likely create stigma and discomfort for the customer (i.e., being asked to leave). A positive, non-judgmental approach with strong social norms would be more impactful. For example, all customers being required to take a break simultaneously (would encourage social interaction which is positive for informed choice), and the ability to engage in an alternate activity (ideally something that is fun but involves a light cognitive load). One pilot study[8] recently suggested that engaging in a cognitive task (i.e., a word search or puzzle), could provide a meaningful break in play which reduced dissociation (i.e., intense focus on gambling to the detriment of other important considerations). I recommend further research to investigate the optimal frequency and length of breaks in play and outcomes of amendments to require these.

Any harm-minimisation functions such as breaks and pre-commitment should be referred to with consumer-friendly terms which highlight their intention to enhance informed choice and customer control over their own gambling. Terms related to 'help', 'problems', 'harms' or other negative connotations should be avoided as such terms may result in many customers not viewing the tools as relevant to themselves. It is essential that these functions are implemented in a manner that positions them as relevant and useful for all customers.

Recommendation 5: Collection of carded play data

I support making de-identified carded play data available to independent researchers. I recommend the data variables required be considered based on consultation with the industry and data scientists as well as any outcomes from NSW trials.

Recommendation 7: Terminology

I am highly supportive of review of terminology across all gambling policies, documents, and existing organisations and departments. I recommend individuals with lived experience of gambling be consulted for this process and a focus be placed on emphasising people-first language[9]. It is essential ongoing effort is placed on de-stigmatising the experience of gambling-related harms and encouraging help-seeking at all stages of the experience of harm, particularly early in harm development.

Recommendation 9: Supervisory levy

In addition to funding treatment and prevention efforts to reduce the impact of gambling harm in QLD, I strongly encourage funds to be used to support independent research focused on reducing the impact of gambling harm. NSW had a capacity building grant scheme which provided PhD scholarships (stipend and research funds), and Post Doctoral Research Fellowships across Australian

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[8] Kiyak, C., Cetinkaya, D., McAlaney, J., Hodge, S., & Ali, R. (2023). Interrupting dissociation of players through real-time digital tasks during online gambling. *International Journal of Human–Computer Interaction*, 1-12.
[9] Blaszczynski, A., Swanton, T. B., & Gainsbury, S. M. (2020). Avoiding use of stigmatising descriptors in gambling studies. *International Gambling Studies*, *20*(3), 369-372.

universities. These are highly useful in increasing the number and capacity of university-based research teams in Australia. Research grants would be highly useful in informing policy and evaluating outcomes.

Recommendation 10: Periodic review

I am supportive of ongoing efforts to review gambling policies with a view to refine and update policies as needed.

Kind regards,

Dr. Sally Gainsbury
Professor, School of Psychology
Director, Gambling Treatment and Research Clinic
Leader, Technology Addiction Team, Brain and Mind Centre
University of Sydney

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 Senet, European Lotteries, Asian Racing Federation, Leagues Club Australia, Australian Cricketers Association, Star Entertainment, CAMH, Behavioural Insights Team, GambleAware, GREO, Informa, and Washington State Council.