

Department of Local Government, Sport and Cultural Industries

29 August 2023

Thank you for the opportunity to respond to the consultation on gambling reform in Western Australia. This submission is focused on efforts to reduce gambling harm and our 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, we have provided a brief overview in this submission. We would be happy to expand further on any of the points below in further consultation.

What do you think are the current gaps in regulating the existing, and future, gambling sector in Western Australia, or what issues do you believe the Government may not currently be aware of, that should be incorporated into a new regulatory framework?

Western Australia's gambling regulations have several unique features that differentiate it from other Australian jurisdictions. The most obvious of these is that Western Australia does not allow Electronic Gaming Machines (EGMs) outside of a single casino located in an inner suburb of Perth.

One current gap is in self-exclusion systems. Presently, customers can request to be self-excluded from WA TAB agencies through completing a Self-Exclusion deed, that will also result in the customer's online accounts with the WA-based TABtouch also being closed. However, this would not result in the customer being placed on the National Self Exclusion Register, BETSTOP. We would strongly recommend that the WA TAB investigates ways in which their self-exclusion program be better linked with the BETSTOP program, to allow for customers to self-exclude with minimal administrative burden. Most customers who experience gambling harm through in person betting at TAB agencies are also highly likely to bet online, thus it is important that self-exclusion systems can cross-communicate if customers wish for their data to be shared across systems.

What should be the key guiding principles of gambling regulation in Western Australia?

The key principle guiding gambling regulation should be to ensure gambling is provided as a sustainable and positive entertainment activity by focusing on preventing and minimising the experience of gambling harms.

We recognise the commercial aspects of gambling for industry operators and governments. Many individuals enjoy gambling and do so without experiencing harms. However, these benefits should not come at the cost of individuals who are unable to control their gambling and subsequently experience severe, long-lasting, and broad harms in addition to those experienced by their families and the broader community. We encourage player-focused regulation, which puts the consumer as the priority.

What could Western Australia learn from the regulatory regimes for gambling and wagering industries in other jurisdictions?

We strongly support the continuation of regulation to prohibit electronic gaming machines outside a single casino in Western Australia. The widespread availability of EGMs in other jurisdictions makes it very difficult for some individuals to limit their gambling. It creates a social norm around this activity as being acceptable and common, increasing participation and harms. It is very difficult to implement harm minimisation policies when EGMs are provided by many different operators and types of venues and to monitor compliance with regulations.

We encourage Western Australia to provide funding to academic researchers to conduct independent research to inform policies and practices to reduce gambling harms. This may include capacity building schemes where funding is provided for PhD scholarships, or fellowships for academic researchers to develop and conduct a multi-year program of research. It may include allowing researchers or research teams at different career levels to submit grant applications to fund projects that they have identified as important and to receive funding to conduct these independently. We encourage Western Australian regulators to work with commercial operators to enable data to be shared for research purposes as well as the recruitment of participants and trialling of interventions.

Similarly, we encourage Western Australia to provide funding for the provision of in-person and remote treatment services for people experiencing gambling harms across the State. The funding should be provided to organisations with some ability to act independently to achieve the aims of treatment provision and harm reduction. Services provided should include individual and group treatment for gambling harms, financial counselling, outreach, and work focused on specific vulnerable communities including First Nations, culturally and linguistically diverse communities, and young adults.

What are your thoughts on Western Australia's current gambling harm minimisation measures? What further measures should be considered?

We recommend the introduction of mandatory account-based gambling within venues. This would require all customers who wish to gamble to create a unique account matched to their verified identity. Subsequently all gambling must occur through account-based play. This will enable several important harm minimisation measures including preventing individuals who have self-excluded from gambling, preventing under-age gambling, enabling individuals to establish binding deposit limits, provision of accurate activity statements, customised messaging and brief interventions, and identification of risky gambling. Ideally, engagement with resources and tools to enhance and encourage lower-risk gambling should be mandated. This would include requiring customers to set a limit on how much they will spend/deposit and view activity statements (or have this information actively displayed to them at key points, including changes in their own behaviour and comparisons to self-referential and social norms). It may also include requirements to regularly engage with information to ensure consumers understand products and correct any misconceptions or irrational beliefs that may lead to gambling beyond means and the experience of harms.

We recommend all customer-facing gambling staff are trained to identify and record indicators of harm observed. A dedicated safer gambling officer should be present at all times to have conversations with regular patrons. The purpose of these conversations should be to build rapport and relationships with patrons and normalise engaging with staff. This will also enable greater ability for staff to detect changes in patterns of behaviour and increase the likelihood of a receptive conversation about safer gambling. Multiple staff are likely required to be present to have conversations with customers in large venues. These customers can record observed harm indicators in addition to harm indicators detected by account-monitoring.

We encourage regular breaks in play to be enforced for casino patrons who have gambled continuously for a period of time. There is limited research to inform the optimal time between breaks in gambling or the optimal time and activity to be conducted during a break in play to enable an informed decision as to whether to gamble again after the break. Clinically, we recommend a break be taken semi-regularly (e.g., at least every 90 minutes) as this is the maximum length of time individuals can typically focus on a single activity (ref). The break should encourage physical

movement, ideally away from gambling stimuli, to enable blood flow and a change in environment, and encourage cognitive engagement in a non-gambling activity, ideally enhancing positive affect. The purpose of a break in play is to break any gambling without concentration or consideration or gambling influenced by previous outcomes. Although research outside of gambling venues may assist in guiding the development of optimal breaks in play, in situ trials will be necessary to evaluate the impact of these.

We note that this submission does not include consultation on advertising. However, we respectfully raise concerns around the ability for operators to contact inactive customers. Individuals often prefer not to self-exclude from gambling accounts for various reasons, including that they do not wish to be viewed as 'having gambling problems' or be limited from gambling if they change their minds. Nonetheless, individuals trying to cut back or reduce their gambling may be successful in being inactive with their wagering accounts. We recommend that any gambling operator be prohibited from sending direct marketing materials or initiating any contact with customers who have not actively gambled in the past 30 days. Receiving a contact from a gambling operator when someone is trying to control their gambling is highly likely to trigger a relapse in someone struggling to control their gambling.

Relatedly, we recommend that operators are prohibited from making any offers to a subset of customers (e.g., based on their spend, or VIP status) which are not available to all customers without identity verification and affordability checks. For example, this would include prohibiting any 'special offers', including bonuses or free credits to some but not all customers. It is important that any promotions which may encourage gambling are only made after the customer's ability to afford to lose funds gambling has been verified.

What areas should the regulator focus on to reduce unwanted and illegal behaviour?

Money laundering within gambling venues has become an area of increased attention in recent years, as the extent to which criminal organisations have utilised gambling venues for such purposes has been exposed. The above recommendations regarding account-based gambling would go some way to reducing the potential for money laundering in venues.

Other potential areas of unwanted and illegal behaviour are often related to those experiencing high levels of gambling harm, particularly financial harm, turning to such behaviour as a way of alleviating their immediate financial distress. Such behaviour could include borrowing of funds by those in distress from "loan sharks" or criminal organisations, and associated acts, such as distribution of illicit drugs or sex work. We would argue that the regulator should be aware of the potential for such activity and take active steps to ensure that known members of criminal organisations are prevented from entering gambling venues. We would also argue that gambling harm minimisation activities, such as the provision of financial counselling to those affected by gambling harm, may reduce the likelihood of such behaviour.

In the context of regulating gambling in Western Australia, what are the emerging technologies and what do you see as the challenges in relation to future technological advances in the sector? How can the government adequately prepare for these challenges?

We strongly recommend that Western Australian gambling regulators investigate the potential for emerging technologies to assist in the reduction of gambling harm. Firstly, cashless gaming technologies allow for the use of various harm minimisation tools, such as limit setting, bet tracking, and more effective self-exclusion programs. Such technologies are currently under investigation in other Australian states and overseas, and we strongly recommended greater research into how they may be used in Western Australia.

Secondly, facial recognition software may also provide many similar benefits. Casinos are often characterised by a small number of entrances where facial recognition software could be effectively deployed both to aid those engaged in self-exclusion programs, and to reduce the presence of known criminal elements in gaming floors who may present risks outlined above.

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.

Dr. Christopher Hunt works for the University of Sydney Gambling Treatment and Research Clinic under GambleAware which is funded by the NSW Office of Responsible Gambling. He has completed consultancy work with the AFL Players Association.