

Submission to the Joint Select Committee on Gambling Reform

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Inquiry into the prevention and treatment of problem gambling

Note this submission is to be read in conjunction with recent submission 91 by AMC Convergent IT to the Joint Select Committee on Gambling Reform inquiry in relation to pre-commitment.

It is claimed problem gambling is a disease, a compulsive addictive disorder. If this is the case there should be a means to:

- 1) Identify or diagnose the disease in an individual or population;
- 2) Treat the disease in an individual;
- 3) Preventative measures to avoid other individuals being afflicted with the diseases or if the disease cannot be prevented measures to control the disease in those afflicted or whom are susceptible.

Estimates, by the Productivity Commission in 1997/1998, in Australia currently place the number of adult Australians afflicted with being problem gamblers at some 300,000 persons and of these approximately 140,000 are severe problem gamblers. However, this does not take into account the other 5 to 10 people who are adversely affected in a wide number of ways by an individual who is a problem gambler; the partners, the children, the employers and employees and community. The socio-economic cost of problem gambling in Australia has been estimated by the Productivity Commission previously at in excess of \$4 billion per annum. From a purely epidemiological perspective if there was a disease which annually adversely directly affected severely 140,000 and indirectly an estimated 750,000 people or more and cost in excess of \$4 billion measures to prevent or control that disease would be warranted on many levels despite the inconvenience to any special interest groups. So why hasn't a comprehensive strategy that works been devised for dealing with Problem Gambling? If one was cynical words like vested interest, from both a political and industry point of view, would spring to mind. Governments have become too dependent, to balance their budgets, on the revenues from gambling, and in particular EGM gambling activities.

Industry cites loss of jobs and calamitous loss of revenues would ensue from measures proposed to date to provide at least some harm minimization to EGM gambling. There has been no economic modelling performed by an independent party as to the effects on the industry following the implementation of comprehensive problem gambler identification and the ensuing commercial reforms to advertising and marketing restriction relaxation which could follow to increase the spend and market share of the venues in the presence of the safety net. The reality is there may be, as is not uncommon, an increase in revenue over time rather than a loss.

There are many analogies to economic effect concerns of the problem gambling scenario in our society; drink driving, driving licences, passports, professional registration bodies, football clubs, flying on aeroplanes and so on to name a few in which to be able to enjoy the privileges of the activity you must be registered and have a means of identification. ***Why is the proposal to require gamblers to hold a “means of playing” any different or more intrusive? Concrete steps to make the activity safe are essential otherwise the activity should be banned.*** From a public safety point of view alone it should be done along with other measures to provide protective measures to those that participate. In most of the other cases the user pays for their passport or licence or registration and professional indemnity or insurance. Why should gambling participants be any different? Let them pay for the safety measures in order to pay! Let’s follow the argument with the same logic as is applied by gambling industry to the gambling problem. Drunk drivers and speeding drivers are an economic stimulus to the panel beating industry, legal fraternity, medical profession and so in a perverse way they should be encouraged. Plainly, this is a ridiculous contention but so is not doing effective measures to control or prevent problem gambling in our communities and in particular making EGM playing a safe past time. Similar criticism can be levelled at State and Federal governments for their dependency on the resulting revenue and lack of positive intervention to make the activity safe.

Measures to effectively detect persons who either are, or have the propensity to become, problem or at risk gamblers are available.

What might the ***utopian solution*** of a safe electronic gambling environment be, it would consist of and facilitate:

- 1) A means of identification of each player with or without biometrics such as fingerprint or facial recognition or iris scans or other means as part of the “device” – a means of playing.
- 2) A mandatory requirement for each player to have a nationally recognised means of playing.
- 3) A 100 point check is required to obtain a means of playing including photo ID. Prevents under-age players, particularly if coupled with biometrics requiring the player to be identified by the means of playing before it would activate. If the player is to be anonymous relevant identification information to verify the player is the owner of the means of playing can be encrypted on it. This allows in venue verification of the player and means of playing in use at the time. The technology exists and is not expensive.

- 4) Machines or online systems require a player's means of playing to be continually in contact with them so only machine at a time can be played. If you have no means of playing you cannot play. If your means of playing is not in continual contact with the machine you cannot play. Even with a means of playing the Cloud host can *inhibit* play under circumstances determined by the policy makers or the Courts.
- 5) The means of playing have pre-commitment limits relating to session spends & time, inter-sessional time breaks, daily spend & time, weekly spend & time, monthly spend & time, yearly spend & time and special exclusions such as pay days or any other criteria considered necessary, flexibility is the key to Cloud solutions.
- 6) All EGMs and other forms of gambling such as Internet have display capabilities for targeted messages to be displayed; not necessarily the winning odds but rather monitoring the pre-commitment parameters set by the player and messages suggesting breaks and perhaps doing something else for a while. These have been shown in research to have a greater effectiveness on players taking breaks when a pre-commitment limit is approached. Targeted messages text could include informing the player of their losses, however, there may be a risk this message may trigger "out of control" behaviour to attempt to recoup those losses. The targeted messages need further research to determine those which are the most effective.
- 7) All EGMs would be nationally networked over a wide area network (WAN) using the Internet connected to servers maintaining the playing activity database and behaviour of each player associated with their means of playing. This means controls on *self or mandated exclusions* are 100% effective. Self exclusion currently relies upon venue staff for enforcement; the staff are busy doing other operational tasks and may not want to face potential confrontation and a *self excluded* person may simply go to another venue in which they are not excluded in the current process. The national networked structure enables players to enjoy the other facilities of the venues and contributing to the venue revenue, they simply cannot gamble.
- 8) Each activity by the player on a machine is recorded on a centralised database and analysed using model technology comparing this player's behaviour against the general gambling population's playing behaviour to identify, objectively, those players who are either "problem gamblers" or are "at risk" of becoming problem gamblers using a range of criteria that can be easily changed and updated based upon experience. These models and algorithms use the shown to be effective criteria associated with trends over time of duration and frequency of gambling activities, number and frequency of bets, size of stakes, chasing of losses and lack of adaptation in gambling behaviour (TUV, 2009). These indicators could enable operators (venue or third party) to record gambling behaviour at relatively little

expense and to monitor it at the same time, which would provide operators with the means for the early detection of customers with problematic gambling behaviour. Players identified with problematic gambling behaviour are referred to as *triggered*. The behaviour information is held in databases in an anonymous way without linking names or addresses to the behaviour during the modelling or analytical processes. In one implementation once triggered, depending on policy, a counsellor may be given the player's name and details to contact. If the information is held totally anonymously addressing help to triggered individuals becomes a little more technologically creative. It is important to appreciate the technology exists to do this.

- 9) Triggered players have assistance, whether it be targeted messages, counselling services or other means directed to them. Where the behaviour information is not held anonymously the assistance can be directed either at or away from the venue. If the behaviour information is held anonymously the assistance needs to be rendered at the venue by appropriately trained staff being directed to the EGM a triggered player is using by an *alert* raised by the central Cloud based system. This method allows a small group of suitably trained resources to be used to approach triggered players and avoids potential confrontations between triggered players and venue staff.
- 10) Qualified resources approach the triggered player and use whatever tools are necessary to confirm or refute the trigger. The model is further refined and learns from this process; false triggering is noted. The player can be offered counselling of a behavioural and/or financial kind. Should the player decline assistance and have been confirmed as a player with a problem a third party (the operator of the system or the Regulator) can if they wish *exclude* the player from further playing through the system. Such exclusions are national and cover all EGMs in the network.
- 11) The Cloud host national network recording real time of player gambling activities uses modelling but also manages the pre-commitment limits of each of the players. Players can set and change their pre-commitment limits over the Internet. The player's performance in adhering to their pre-commitment limits can be monitored and become a factor in the objective problem and at risk gambler identification model.
- 12) As part of their gambling behaviour control strategy players may indicate that when they reach a pre-commitment limit they wish to be stopped from playing any further, this can be enforced.

- 13) A player may indicate that should they be identified as an “at risk” or “problem gambler” they wish to be prevented from playing further - this can be enforced immediately at all venues.
- 14) Counsellors can use the national Cloud host system as a tool in the therapy of a triggered player.
- 15) The success of treatment strategies is monitored through the national Cloud host system.
- 16) The national Cloud host system networking all the EGMs throughout the country can be used for monitoring of venues, determining applicable State revenue and fees from venue operators, managing EGMs licences and fees including any certification requirements. This integrates multiple functionality across different government and regulatory bodies on the same platform thereby bringing about greater efficiencies.
- 17) The data collected on the gambling behaviour of players is a resource for further research into the prevention and treatment of problem gambling. The large volume of data empowers the models used to identify “at risk” and “problem gamblers” to be refined and self learn becoming even more accurate and effective in their task.
- 18) A Cloud based hosted solution connecting the EGMs nationally via the Internet is flexible, capable of adapting readily to future requirements and changing technologies. A distributed architecture is likely to be necessary and there may be some infrastructure challenges. The emerging NBN may provide a high speed reliable network backbone.

Attached to the end of this submission a block diagram and a control flow broadly demonstrating the interactions with the objective based problem player identification tool are included.

The utopian solution is a safety net allowing recreational players to play with little interference or inconvenience in the knowledge a system is assisting them to not become a problem gambler and provides a real time safety net. It has obvious advantages of empowering them to know through player activity and history statements exactly what they have gambled over a long period of time.

To problem gamblers it is an identification tool devoid of the problems of self-denial and the requirement for people to be in dire straits before seeking help. These players are identified referred to counsellors and provided with assistance and an effective means of exclusion from an activity which is unsafe for them at that point in time.

To “at risk” players it is an identification tool which can prevent them from entering the destructive financial, socio economic and relationship effects known to be associated with problem players.

The utopian solution is a concrete socially responsible tool providing safety to its members from an activity which, whilst enjoyable, is under some circumstances capable of leading to an individual’s financial ruination, the destruction of relationships, in extreme cases death and criminal activity with a huge cost to society as a whole.

How does the utopia assist the venues? Most importantly it lets the venues become normal non predatory businesses which can expect no more tightly controlled regulatory restrictions than other businesses to the promotion of what they do and sell. With the utopia solution venues and indeed the industry should be allowed to market and promote itself just like every-one else running loyalty schemes and advertising campaigns designed to get the public through the door into their premises.

The removal of problem gamblers will happen over a period of time, not overnight or it can be implemented in such a way as to manage this, with removal of the restrictions on advertising and with the ability to promote their activities the venues and industry can seek to get a greater percentage of its revenue from the truly recreational player. Financial modelling performed by AMC has shown that over a relatively short period of time the majority of the problem gamblers can be out of the revenue stream of venues with an increase in overall revenue, not the calamitous reduction in revenue predicted by members in the industry.

What of the specifics in the investigation?

- (a) Measures to prevent problem gambling, including:
 - i. Use and display of responsible gambling messages,
 - ii. Use, access and effectiveness of other information on risky or problem gambling including campaigns,
 - iii. Ease of access to assistance for problem gambling;

Responsible gambling messages which state the odds against winning and the like AMC does not see as being as effective as those which seek to gently urge players to take a break after a period of time playing. Messages which state “You have lost” AMC believes may very well have the opposite effect to that intended and result in the player chasing losses rather than stopping.

Problem players do not admit they have a problem until it is generally too late and the situation is dire. The self denial of means they are unlikely to make use of or access information on risky or problem gambling nor heed campaigns. The recreational player will listen but then they are not at risk. From an approach the activity should be safe or made so it is difficult to see how i) and ii) can be effective with the core target group. Yes they will keep the honest honest, but this group never was going to become the issue of the campaigns or messages so these

measures could represent a large dollar spend for little potential reward in terms of problem players assistance.

In terms of ease of access to counselling the problem gambler is not going to admit they have a problem unless perhaps confronted with it by someone else. They themselves are not likely to initiate the contact. AMC fails to see how ease of access to assistance for problem gambling without it being an active process, such as spelt out in the utopia scenario, being the initiation of the contact between problem player and counsellor.

- (b) Measures which can encourage risky gambling behaviour, including:
 - i. Marketing strategies,
 - ii. Use of inducements/incentives to gamble;

A problem gambler is not defined by their insatiable attempts to earn a choice from the presentation box or a free meal. They play to win money lots of it in their heads. Consequently, a problem gambler will play and seek out any opportunity to play whether venues have marketed an appealing aspect to playing or not or whether the usual inducements associated with loyalty schemes are available or not. In the final analysis these things are irrelevant to them. In the utopia discussed before the safety-net for the players in which they can be sure of identification of at risk and problem behaviour at an early stage means the businesses can and should be treated as normal businesses. A normal business is allowed to advertise and market itself and runs its marketing or loyalty schemes without restriction.

The utopia seeks to make the players activity safe rather than provide disincentive to participate, particularly when such disincentive is directed at the vast majority who are not afflicted and inhibits businesses activities to replace revenue taken out of their business through removing the income from identified problem gamblers.

Even excluded problem and at risk players can still enjoy the venue environment, without playing EGM, in the utopia scenario. Venues should be allowed to market their other activities as well.

- (c) Early intervention strategies and training of staff;

Utopia as outlined in this document is AMC's preferred early intervention strategy – early detection by monitoring and modelling of the gambling activities of players and triggering those that meet certain criteria for active counselling follow up.

Interventions by staff whilst in theory an admirable idea still have issues associated with potential confrontation, staff resources and operation conflicts (in that what are they meant to be doing). Training of staff in observational and visible behavioural traits of problem players is assistive in a limited way. Identified by one staff member in a venue without the utopia solution in place the person simply goes to another venue and continues their destructive behaviour. In the utopian world the staff member if concerned would make an entry on the Cloud application of the

person playing on machine such and such in this venue was exhibiting questionable problem gambler behaviour. The Cloud application would then identify the player on that terminal (in the anonymous scenario the player's means of playing is identified only) and the player's history and modelling is performed to check their status and if indicated an active counsellor despatched to the terminal to check.

(d) Methods currently used to treat problem gamblers and

A literature review indicates people with gambling problems tend to regard formal treatment as last resorts when all other possibilities have been exhausted. Understanding barriers to help-seeking behaviours for gambling problems is essential in outreaching services to individuals with gambling problems and their family members. Major findings in qualitative interviews indicate that the perceived prevalence of problem gambling in pretty well any jurisdiction is low, even though it is generally accepted that the low prevalence may be due to the current challenges in detecting problem gamblers in the community. Methodologies and systems, such as those outlined in the utopian scenario, can dramatically alter this landscape providing objective means of identifying people with gambling problems particularly with online and EGM playing. The additional infrastructure cost to identify problems gamblers compared to that required to implement a networked national player pre-commitment scheme is negligible. The public safety aspect for this community group involving themselves in this activity should be met by the participants – self funded insurance.

Most problem gamblers do not recognise their gambling behaviours as problematic. Even after self recognition, they often try to resolve the problem themselves or within the family rather than seeking professional help. Some problem gamblers do overcome their problems without professional or specialist assistance, especially those without other mental health conditions such as anxiety, PTSD, phobias (Toneatto et al., 2008). Some interesting statistics from a literature review paper entitled "Understanding the Prevalence and Treatment Seeking Behaviours among Individuals with Gambling Problems, Tioga County NY by Sunha Choi and Heidi Bowne of the Department of Social Work Binghamton University shed some well known light on the issues:

- About 10% of problem or pathological gamblers in California reported they had ever sought professional help for a gambling problem or had been to Gamblers Anonymous meetings (Volberg, Nysse-Carris, & Gerstein, 2006).
- Only 3% of pathological gamblers in Oregon sought professional treatment in a given year (Evans & Delfabbro, 2005).
- Of 123 problem gamblers, 26 (21%) individuals had thought about seeking help, and of those only 9 gamblers (7.3% of the whole sample) actually sought professional help (South Australian Department of Human Services, 2000).
- About 10% of problem gamblers seek formal help for their gambling problems in New Zealand (Devlin, 2007).
- While only 2% of at-risk gamblers and 10% of problem gamblers in Ontario, Canada have ever accessed gambling treatment, 29% of pathological

gamblers reported lifetime episodes of treatment for gambling concerns including Gamblers Anonymous (Suurvali, Hodgins, Toneatto, & Cunningham, 2008).

- Even amongst those who acknowledged they had a gambling problem, only about 15% reported seeking professional help for themselves (Clarke et al., 2007).

Whilst AMC is not qualified to comment on the effectiveness of specific treatment regimes for problem or at-risk gamblers it is qualified to comment that a major limitation to the effectiveness of any treatment regime is getting the treatment to the individuals who need it. There is a major issue in any current approach to the treatment of problem gamblers and that is increasing the accessibility to and uptake of treatment for individuals with gambling problems. The AMC utopian model scenario would dramatically increase the number of people to whom professional or other gambling help services would be introduced to thereby increasing the effectiveness of programs to assist problem and at-risk gamblers.

(e) Data Collection and evaluation issues;

The identification of at-risk and problem gamblers is reliant upon data collected on their participation in the pursuit. The more information collected the more reliable the modelling becomes. The comparison with other players activity ensures the models remain relevant to changing community behaviour, balanced and stay in step with society's view on the pursuit. Exactly who (their name) the data is about is not necessary to know for the model to objectively determine a player is potentially a problem or at-risk player and trigger them for follow-up and indeed direct the assistive services to them. There are many ways in which technology can get the help to the problem gambler without needing to associate the information collected on their behaviour with the name. By keeping the anonymity of the data recorded and the personal identity the risk of the information being used for improper purposes is non-existent.

The data which should be collected is the means of playing identification, date, the start time, the activity end time, the inter-sessional breaks, spend, spins, credits won, credits lost, net gain or loss, lines played, pre-commitment limit(s) reached, pre-commitment limit(s) overridden, if this is allowed.

Analysis of this data occurs real time and an individual who is *triggered* by the model can have assistive services approach them whilst at the venue, obviously in a non-confrontational manner and fully aware of not to cause a scene or embarrassment for the triggered player at the venue. The result of the assistive services approach can be annotated to the means of playing identity and the effectiveness of treatment (not the case history) can be updated. The utopian tool can be used as part of the therapy providing a gradual reintroduction to the activity under the guidance of the therapist. Alternatively, the triggered individual can self exclude effectively and nationally at all venues in a single step. Furthermore if considered appropriate a regulatory body can exclude a means of playing from participating in gambling in any venue nationally in a single step.

The analysis and/or modelling of information on the playing history of a gambler and identifying them as either an at-risk or problem gambler or neither has been patented in Australia and other countries by AMC.

The intended *mandatory* pre-commitment strategy, if implemented, is a good initial step and provides the essential infrastructure for the likes of the scenario outlined in the *utopian solution* to become a reality. Identification of at-risk and problem gamblers objectively is possible now requiring little additional infrastructure to that necessary for the proposed pre-commitment strategy. The additional infrastructure is some computer servers and databases most of which would be required for the pre-commitment implementation and on-going management.

The data raw collected and associated with the means of playing simply allows the data relevant to a particular player to be identified, it does not enable identification of the real person (their name). This increases the value of the collected data as a tool for researchers into the harm minimisation from gambling activities and enables factual objective assessments to be made on various strategies which may be trialled.

(f) Gambling Policy research and evaluation;

On going research into what is effective in managing problem gambling is an essential activity. More emphasis needs to be placed upon research into the application of technology to the field. This is particularly relevant to the younger generations and their wide adoption of mobile devices and social networking. To our knowledge there is little funding of technology based solution investigations into the management of problem and at-risk gamblers.

(g) Other related matters.

As an organisation AMC Convergent IT (AMC) has participated in a considerable number of formal and informal inquiries into the harm minimisation and problem gambling. Each time little seems to change. There are recommendations that emerge concerning further education and funding for the gambler help and other styles of counselling and education and research. All of these have a role, and an important one, but not to the exclusion of pursuing technological assistance to address the issues. The *pre-commitment* approach proposed by the Federal Labour government would see the hardware upon which to build technology platforms in Electronic Gaming Machines for the first time becoming nationally available. This equipment availability would, for the first time, provide a platform for the development of a nationally available safety net and the capability to implement universal harm minimisation strategies based upon direct intervention (by technology and counselling services) and capable of rapid adaptation to changing circumstances. AMC has demonstrated in laboratory environments its patented process involving modelling of a gamblers activities can indeed identify both problem and at-risk gamblers and actively intervene using a range of techniques

including targeted messaging, directed counselling, playing prevention and self-exclusion.

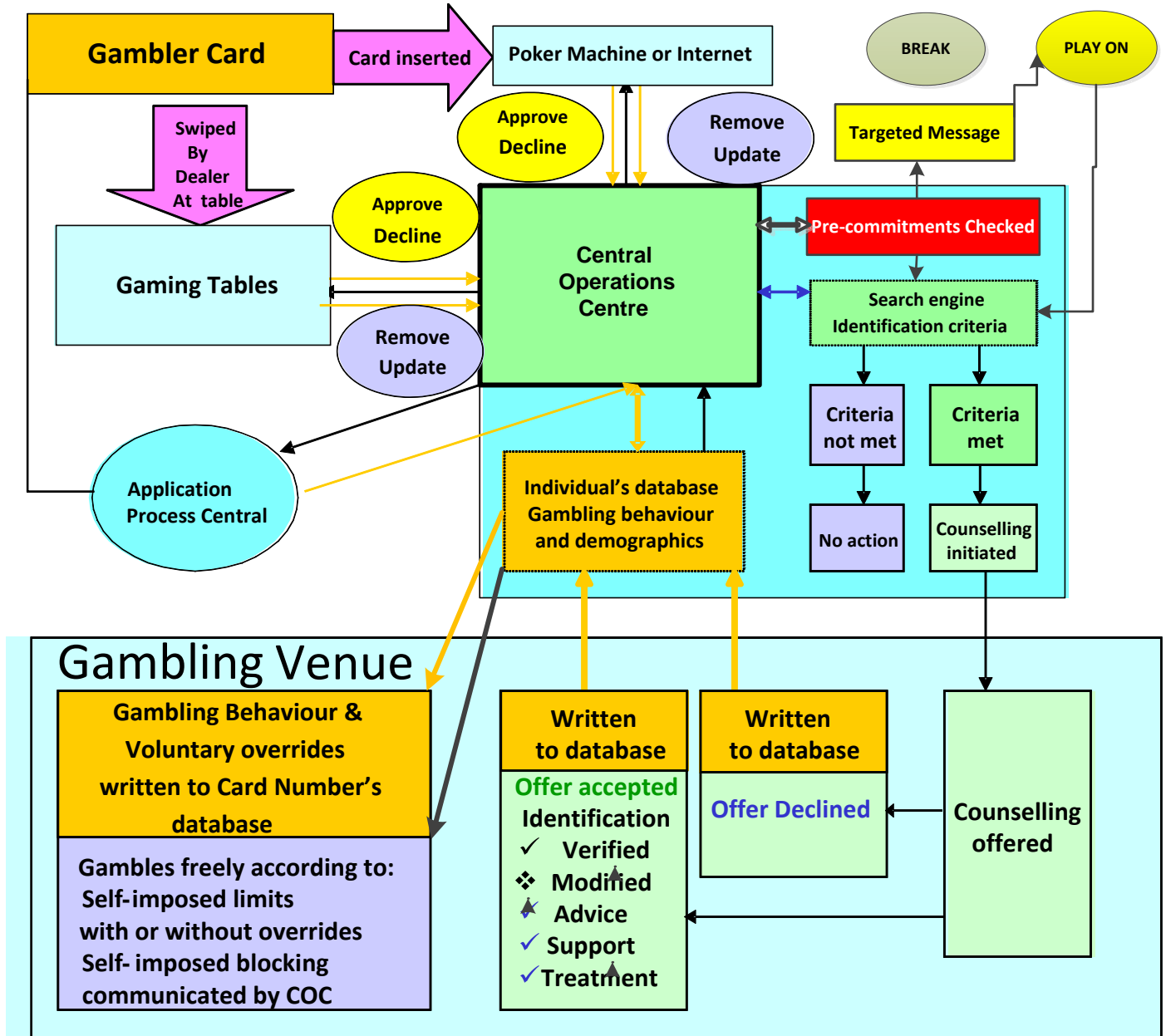
There are two (2) diagrams attached to this submission.

Thank you for your kind attention and AMC Convergent IT wishes the best to all Members of the Joint Select Committee on Gambling Reform in their deliberations on this important public safety issue.

Signed for and on behalf of AMC Convergent IT by:

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ONE UTOPIAN SOLUTION – AMC Convergent IT



Universal safety with objective identification of problem & at-risk gamblers with pre-commitment. Combining active direction of counselling resources to the triggered players for initial contact whether the player's true identity or just their "means of playing" is known to the systems.

Pre-commitment puts in place most of the necessary technology platform to achieve this true safety mechanism for the public.

ONE UPTOPIAN SOLUTION - Control Flow

