



Image credit: Adobe Stock

Universal registration is key to preventing gambling harm

By Angela Rintoul
Churchill Fellow 2018

Key terms: *gambling, harm reduction, wagering, pre-commitment, EGMs, online gambling*

Inquiries into multiple casinos across Australia¹ have raised serious concerns about unlawful and predatory operator practices, accentuated by the inherent dangers of the products they sell. Yet the harms associated with gambling are not unique to casinos, they can be seen across community poker machine venues and wagering operators. At least 1.33 million Australian adults who gamble experience adverse effects.² Many unused interventions can prevent harm regardless of where the gambling takes place. Key among these is a system whereby people who gamble establish a unique account, enabling use of harm reduction tools, including binding limits on losses. By their nature, such systems do not affect those who gamble at no-risk levels.

'I'd kill to be able to set limits ... It [would] really make me walk away.' - Male (40 years) and study participant who has survived multiple gambling related suicide attempts.³

Gambling is highly accessible and heavily promoted in Australia. While rates of participation are falling,⁴ gambling expenditure has remained high, meaning a smaller proportion of people who gamble contribute higher average gambling losses, and experience harm. Australians are known as the largest per capita gambling 'losers' in the world; in 2019, we lost \$25 billion on all forms of gambling⁵ or \$1,277 on average per adult.⁶ Harm is concentrated in areas of social stress and disadvantage.⁷

Among those who gamble, some experience enjoyment and little if any harm, particularly on lower risk products like lotteries. However, the greatest share of gambling harm in the aggregate accrues to 'low risk' and 'moderate risk' gamblers.⁸ Electronic gambling machines (EGMs) and online wagering are higher-risk products where the regulation of gambling has not kept pace with advances in technology and marketing strategies.

The Victorian Government receives around 8% of its taxation revenue (\$2 billion in 2018-19) from gambling.⁹ However, the social costs of gambling in Victoria alone are estimated to be \$7 billion a year.¹⁰ Relationship breakdown, emotional, psychological and physical ill-health, crime, loss of productivity, and financial distress are all consequences of harmful gambling. These harms are not distributed equally across the population. Furthermore, it is estimated that for every person who gambles at problematic levels at least six others are directly affected.¹¹ Thus costs significantly outweigh the revenue captured by state governments through gambling taxes.¹² The profits obtained from gambling have created a powerful industry lobby, with capacity to fund significant campaigns to resist effective regulatory reforms.^{13,14}

'Perhaps the most damning discovery by the Commission is the manner in which Crown Melbourne deals with the many vulnerable people who have a gambling problem. The cost to the community of problem gambling is enormous. It is not only the gambler who suffers. It also affects many other people, and institutions.' – *The Report of the Victorian Royal Commission into the Casino Operator and Licence 2021 (Crown Royal Commission).*¹⁵

At its extreme, gambling harms manifest as suicide and suicidality.¹⁶ A recent Swedish study reported a 15 fold increase in risk of suicide mortality for those with a gambling disorder compared with the general population.¹⁷ The first Australian study to review gambling-related suicides this century has identified 184 gambling-related suicides in Victoria between 2009-2016,¹⁸ or 4% of all suicides in that state. However, even this substantial number is likely an underestimate given systems for identifying, investigating and reporting gambling-related suicide are underdeveloped.

A public health approach to preventing and reducing gambling harm is urged by academics and many responsible for gambling policy and regulation.¹⁹ Such an approach would adopt population-wide interventions and warning messages about the harms associated with these products. Instead, to date there has been a reliance upon individual consumer level 'responsible gambling' strategies such as flawed self-exclusion programs and operator self-regulation strategies.²⁰⁻²² Industry has adopted ineffective slogans such 'gamble responsibly' (Australia) or 'when the fun stops, stop' (Britain).²³ These may do more harm than good, constituting a 'dark nudge' by linking gambling with fun.²⁴⁻²⁶

Shifting to a comprehensive public health approach would assist in reducing stigma

for those who experience gambling harm.²⁷ Rather than stigmatising the behaviour of individuals harmed, a multilayered public health approach would equip people who gamble with technology to limit time and money spent gambling, and provide warnings about harmful potential consequences of gambling. The use of machine, session and operator provided data should inform modifications to harmful characteristics of gambling products.

Policy context

The Australian public has a strong appetite for gambling reform.^{28,29} Four recent inquiries into Australian casinos have recommended reviews of gambling legislation, and specific interventions, to improve regulation and prevent harm.³⁰⁻³³ Public health protection measures introduced in response to COVID-19 disrupted the gambling behaviour of many Australians following the closure of EGM venues across the country. However, upon reopening, use of these products remains high. Growth in online gambling was reported during the pandemic, further demonstrating the need for greater regulation of these products.

The Productivity Commission's most recent inquiry recommended a reduction in the maximum bet limit on EGMs and a mandatory pre-commitment system in relation to EGMs.³⁴ However, despite attempts by Andrew Wilkie MP and others to enact these between 2010 and 2013, calls for their implementation have thus far been overall unsuccessful. A well-funded campaign by industry groups³⁵ resulted in the *National Gambling Reform Act 2012* being renamed the *Gambling Measures Act 2012* via the *Social Services and Other Legislation Amendment Act 2014*. Few measures remained from the original reform-focussed legislation. This experience highlights the ways in which political donations laws in Australia undermine the capacity of lawmakers to act,^{36,37} creating a major barrier to effective reform.

Community sentiment has driven some AFL clubs (Melbourne, Western Bulldogs, North Melbourne, Geelong, Greater Western Sydney Giants) to distance themselves from EGM operations by divesting their poker machine licenses. Large supermarket chains have also eliminated or reduced their exposure to gambling revenue for similar reasons.³⁸ However, the promotion of wagering advertising during sports remains controversial, particularly as it relates to exposure of children to adult products.

In 2018, in response to a review of illegal offshore wagering,³⁹ the Commonwealth Government in partnership with the states and territories, announced the introduction of 10 measures to improve consumer protection for online wagering.^{40, 41} While an improvement on the status quo, the measures could readily be strengthened through the introduction of a centralised, universal (or mandatory) pre-commitment system across terrestrial and online wagering providers and platforms.

Although a pre-commitment system for EGMs is a recommendation of the Crown Royal Commission, similar measures to improve the safety of EGMs in hotels and clubs – the most widespread and harmful form of gambling in Australia – are currently lacking. A royal commission into gambling regulation in Australia that explores predatory practices, operator duty of care, and product design would further strengthen the case for reform. Giving voice to those who have been harmed by gambling may also provide a platform for people to contribute to the improvement of regulation in this country. Notably, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Financial Services Royal Commission) was particularly influential in highlighting unethical and illegal practices in this sector and in achieving progress in financial regulation and reform.

International lessons

During 2019, a Churchill Fellowship provided me with the opportunity to visit a number of countries to investigate the ways in which other jurisdictions had responded to gambling harm.⁴² Those that had introduced successful reforms had focused on product rather than individual level measures, and were conscious of minimising any interference by vested interests when setting policy.⁴³ To achieve reforms, there was strong public support, either through research showing large numbers of people harmed, and/or media coverage that showed the experiences of those who had been harmed by gambling. In Britain, the advocacy of the lived experience organisation Gambling with Lives had been effective in raising public awareness of gambling-related suicide, and achieved bipartisan support for reform by working with the media, politicians from all persuasions and the British regulator.

Norway provides a notable case study for major, effective reforms (see [case study](#)). Finland introduced universal loss limits for high intensity online gambling in 2018. Research undertaken with over 18,000 Veikkaus⁴⁴ customers found that introducing a limit setting system for high intensity online gambling products⁴⁵ was effective in reducing losses across all risk categories. Forty-three

Case Study: Norway's policy response measures to tackle problem gambling.

In 2003 the Norwegian government responded to public and professional concern about harm linked to 19,000 slot machines operated by 100 private operators across the country.⁴⁶ A national prevalence survey had reported that 49,000 Norwegians were experiencing high levels of harm from gambling – in a country of five million people, this was considered unacceptable.

They created a national gambling monopoly, Norsk Tipping. In 2007, a national recall of slot machines was announced, and all electronic gambling machines (EMGs) run by 100 private operators were recalled. Slot machines were banned until 2009, after which, fewer interactive video lottery terminals (Multix) were reintroduced by the government's Norsk Tipping. Machines were loaded with a range of harm reduction features, including universal registration. People who gamble are required to set personal loss limits through their registered account and can track losses against a regulated maximum universal limit designed to prevent 'catastrophic' losses.



Pictured left: a pre-2007 Norwegian slot machine; a poster, distributed by the Norwegian Gaming Authority, middle: promoting the 2007 recall of slot machines; right: the Norwegian Multix machine requires user to verify their account registration before accessing games.

percent of people classified as ‘problem gamblers’, and 42% of moderate risk gamblers reported that the limits helped them to control their gambling (Figure 2). Furthermore, 75% of respondents reported that when their limit was reached they stopped gambling until it reset. The remainder either reset their loss limit (23%), moved to other unlimited games (6%) gambled on international sites (6%), or moved to unidentified accounts (3%).⁴⁷ Those who circumvented this system were in the minority. Thus, the majority of users successfully adapted to the introduction of a limit setting system.

This research demonstrates the value of providing account level data to regulators and researchers, to assist in identifying points of preventive intervention and to refine measures introduced to prevent harm. Operators should also be required to provide such data as a condition of licensing.

Principal policy options

Voluntary or optional pre-commitment systems are non-binding so a gambler can choose to participate or not, and can also continue to gamble beyond a nominated limit by simply removing their card. Optional pre-commitment systems are inherently flawed and evaluations of these have repeatedly shown less than 1% usage.⁴⁸ Optional systems have also been found to be stigmatising; they are perceived to only be useful for people experiencing harm. YourPlay was introduced in Victoria in 2015, providing a fleet of ‘pre-commitment ready’ EGMs across the state. The Victorian

scheme was unsurprisingly also evaluated as unsuccessful, with registered cards used in only 0.01% of turnover in hotels and clubs.⁴⁹ Nonetheless, YourPlay (like similar systems operated at casinos and some clubs and hotels throughout Australia) could readily be converted to an effective universal system. If deployed effectively, universal systems could be a powerful harm prevention tool for those not yet experiencing gambling problems.

Effective reforms will inevitably reduce gambling revenue, however, this money is not ‘lost’ from the economy, for instance, savings will arise through reductions to social costs. Furthermore, the goal of preventive reforms is to stop harm from developing, meaning that some reductions in revenue may accrue over time.

Reforms should be led by the Australian Government, as was the case with the online gambling consumer protection framework referred to above. If states are able to introduce common reforms (as occurred with that framework) there is less likelihood of regulatory competition. If states are unwilling to regulate, the Australian Government has the jurisdiction to regulate a common framework (with powers under the *Corporations Act 2001*), even if states continue to regulate gambling operations.

Policy recommendations below have been adopted in part by the Crown Royal Commission and in some cases by the Productivity Commission and many international researchers. Reforms will require some lead in time in some jurisdictions.



Figure 2. Finland Veikkaus research demonstrates the value of setting loss limits.⁴⁷ Many users across the spectrum of risk experienced benefit from loss limits. Those experiencing the most harm (those with a problem gambling severity index [PGSI score of 8+] and moderate risk of harm [PSGI of 3-7]) derived the most benefits from limit setting.

However, most Australian jurisdictions (and all casinos) require all EGMs to be connected to a centralised monitoring system. These allow for 'loyalty' and in some cases pre-commitment systems to be operated with modest investments. All online wagering and lottery systems can be adjusted to allow introduction of pre-commitment systems; they are already account based and rely on identity verification. A phase-in period of 18 months to two years may be reasonable depending on the circumstances of industry and regulators. This has occurred in some jurisdictions where reforms such as reduced maximum bets have been required.

Stakeholder consultation

Relevant stakeholders include community and lived experience groups who have been harmed by gambling, organisations that provide treatment and support to those experiencing harm, academic researchers, and industry. Advice from all groups should be weighed against their potential for conflicts of interest. Declarations should be sought prior to consultation to identify whether they receive funding from the gambling industry or its affiliates. The most useful role for the gambling industry would be to identify the technical and practical feasibility of policies. Given their incentives to avoid regulations that reduce revenue and history of resistance to reform,⁵⁰⁻⁵² industry groups and their affiliates should not play an active role in policy design.

Policy recommendations

- Through legislative amendments to the *Commonwealth Electoral Act 1918*, prohibit political donations from gambling industry actors (and other designated classes of donors), and their affiliates, to remove disincentives for policy makers to enact meaningful reforms.
- Establish a federal anti-corruption commission to ensure that untoward influence on policy makers by gambling industry actors can be detected and deterred.
- Establish a royal commission into gambling regulation in Australia to enquire into the nature and extent of operator duty of care and practices, provide a platform for those affected by gambling, and to document the ways in which product design influences harm. This royal commission would further examine important issues of regulation, harm prevention, and enforcement raised by the multiple inquiries and royal commissions into Crown Resorts Ltd and their subsidiaries, The Star, and NSW clubs and hotels.

- Transition to a centralised, universal, account registration system across Australia for wagering and EGMs. The Commonwealth has constitutional power to enact such a system nationally via the *Interactive Gambling Act 2001* (or other legislation as appropriate) - noting that such a system relies on communication between EGMs and centralised monitoring systems - and a general power under the *Corporations Act 2001*. This would provide the architecture for the deployment of a range of harm reduction measures, particularly a pre-commitment system with binding loss limits. In states such as Victoria where the infrastructure is already available this could be achieved in the next one to two years.
- As with the consumer protection framework for online wagering, coordinate state legislation to prohibit predatory promotions and practices, including inducements to gamble. This could be achieved through a progressive reduction in gambling advertising, including during sport and on social media. This may involve financial support, modelled for instance on the QUIT campaign tobacco advertising buyout.

Acknowledgements

I would like to thank Dr Ralph Lattimore (Productivity Commission), Professor Peter Adams (University of Auckland), and A/Professor Charles Livingstone (Monash University) who provided thoughtful critique, expertise, and advice as peer reviewers of this article. Any errors or omissions are my own.

Angela is a public health policy specialist with expertise in health inequities and harm reduction. Her research takes a population-based approach and has explored the relationship between place, social circumstances, and gambling harm and involved reviews of interventions to prevent gambling harm.

References and endnotes

1. Inquiries into Crown Casino in Victoria, Western Australia (WA) and New South Wales (NSW) took place in 2020-2021. An inquiry into practices of The Star in NSW is underway.
2. Australian Institute of Health and Welfare (AIHW), *Gambling in Australia*, Australian Institute of Health and Welfare: Canberra, 2021.
3. Participant from my ongoing study, 'The context causes and consequences of gambling-related suicide' see <https://www.anzctr.org.au/Trial/Registration/TrialReview.aspx?id=383083&isReview=true>
4. Using data from 2018, an estimated 34% of adult Australians spent money on gambling in a typical month (AIHW, 2021). A 2019 NSW population survey reported that 53% of adults gambled on at least one product in the past year, the most common being lotteries (37%) and electronic gambling machines [EGMs] (16%) (see Browne et al, 2019).

POLICY FUTURES *A Reform Agenda*

5. Queensland Government Statistician's Office, *Australian Gambling Statistics 1992-93 to 2017-18: 35th edition*. Brisbane: Queensland Treasury, 2019. <https://www.qgso.qld.gov.au/issues/2646/australian-gambling-statistics-35th-edn-1992-93-2017-18.pdf>
6. The Economist Online. 'The world's biggest gamblers'. Accessed 10 February 2017, <http://www.economist.com/blogs/graphicdetail/2017/02/daily-chart-4>.
7. Rintoul, A, Livingstone, C, Mellor, P and Jolley, D. 'Modelling vulnerability to gambling related harm: how disadvantage predicts gambling losses.' *Addiction Research & Theory*, 1, 4 (2013), 329-38.
8. Browne, M, Langham, E, Rawat, V, Greer, N, Li, E, Rose, J, Rockloff, M, Donaldson, P, Thorne, H, Goodwin, B, Bryden, G and Best, T. *Assessing gambling-related harm in Victoria: a public health perspective*. Melbourne: Victorian Responsible Gambling Foundation, 2016.
9. Australian Bureau of Statistics (ABS). 'Taxation Revenue, Australia 2021.' Accessed 28 February 2022, <http://www.abs.gov.au>.
10. Browne, M, Greer, N, Armstrong, T, Doran, C, Kinchin, I, Langham, E and Rockloff, M. *The social cost of gambling to Victoria*. Melbourne: Victorian Responsible Gambling Foundation, 2017.
11. Goodwin, B, Browne, M, Rockloff, M, and Rose, J. 'A typical problem gambler affects six others.' *International Gambling Studies*, 17, 2 (2017), 276-289.
12. ABS, 'Taxation Revenue, Australia 2021.'
13. Adams, P, and Livingstone, C. 'Addiction surplus: The add-on margin that makes addictive consumptions difficult to contain.' *International Journal of Drug Policy*, 26, 1 (2015), 107-111.
14. Wardle, H, Reith, G, Dobbie, F, Rintoul, A, and Shiffman, J. 'Regulatory resistance? Narratives and uses of evidence around 'black market' provision of gambling during the British gambling act review.' *International Journal of Environmental Research and Public Health*, 18, 21 (2021), 11566.
15. Finkelstein, R. Royal Commission into the Casino Operator and Licence, *The Report - Volume 1*. Melbourne: Victorian Government Printer, 2021, Ch1, 3.
16. Livingstone, C, and Rintoul, A. 'Gambling-related suicidality: stigma, shame, and neglect.' *The Lancet Public Health*, 6, 1 (2021), e4-e5.
17. Karlsson, A, and Håkansson, A. 'Gambling disorder, increased mortality, suicidality, and associated comorbidity: A longitudinal nationwide register study.' *Journal of Behavioral Addictions*, 7, 4 (2018), 1091-1099.
18. Rintoul, A., et al. 'Gambling related suicide in Victoria 2009-2016. Draft in preparation, 2022.
19. Wardle, H, Reith, G, Langham, E and Rogers, R. 'Gambling and public health: we need policy action to prevent harm.' *BMJ*, 365, (2019).
20. Livingstone, C, and Rintoul, A. 'Moving on from responsible gambling: a new discourse is needed to prevent and minimise harm from gambling.' *Public Health*, 184, (2020), 107-112.
21. Francis, L, and Livingstone, C. 'Discourses of responsible gambling and gambling harm: observations from Victoria, Australia.' *Addiction Research and Theory*, 29, 3 (2021), 212-222.
22. Rintoul, A, Deblaquiere, J, and Thomas, A. 'Responsible gambling codes of conduct: lack of harm minimisation intervention in the context of venue self-regulation.' *Addiction Research and Theory*, 25, 6, (2017), 451-461.
23. Rintoul, A. 'Can slogans prevent gambling harm?' *Lancet Public Health*, 7, 5, (2022) e394-e395.
24. Petticrew, M, Maani, N, Pettigrew, L, Rutter, H, and Van Schalkwyk, M. 'Dark nudges and sludge in big alcohol: behavioral economics, cognitive biases, and alcohol industry corporate social responsibility.' *The Milbank Quarterly*, 98, 4 (2020), 1290-1328.
25. Newall, P. 'Dark nudges in gambling.' *Addiction Research and Theory*, 27, 2 (2019), 65-67.
26. Newall, P, Weiss-Cohen, L, Singmann, H, Walasek, L, and Ludvig, E. 'Impact of the 'when the fun stops, stop' gambling message on online gambling behaviour: a randomised, online experimental study.' *The Lancet Public Health*, 7, 5 (2022), e437-e446.
27. Miller, H, Thomas, S, Smith, K, and Robinson, P. 'Surveillance, responsibility and control: an analysis of government and industry discourses about 'problem' and 'responsible' gambling.' *Addiction Research & Theory*, 24, 2 (2016), 163-176.
28. Thomas, S, L, Randle, M, Bestman, A, Pitt, H, Bowe, S, Cowlshaw, S, and Daube, M. 'Public attitudes towards gambling product harm and harm reduction strategies: an online study of 16-88-year-olds in Victoria, Australia.' *Harm Reduction Journal*, 14, 1 (2017), 1-11.
29. McAllister, I. 'Public opinion towards gambling and gambling regulation in Australia.' *International Gambling Studies*, 14, 1 (2014), 146-160.
30. Bergin, P. *Report of the Inquiry under section 143 of the Casino Control Act 1992 (NSW)*. Parliament of New South Wales, 2021.
31. NSW Government. *Review of The Star Pty Ltd, Report, Volume 1*. <https://www.nsw.gov.au/sites/default/files/2022-09/Review%20of%20The%20Star%20Pty%20Ltd%2C%20Report%2C%20Volume%201.pdf>
32. Finkelstein, *The Report - Volume 1*.
33. Government of Western Australia. Perth Casino Royal Commission, *Interim Report on the Regulatory Framework*. Perth, 2021.
34. Productivity Commission. *Gambling*, Report no. 50. Canberra, 2010.
35. Panichi, J. 'The lobby group that got much more bang for its buck.' *Inside Story*. 1 July 2013. <http://inside.org.au/the-lobby-group-that-got-much-more-bang-for-its-buck>
36. Panichi, *The lobby group that got much more bang*
37. Johnson, M, and Livingstone, C. 'Measuring influence: An analysis of Australian gambling industry political donations and policy decisions.' *Addiction Research & Theory*, 29, 3 (2021), 196-204.
38. Evans, S. 'Woolworths says no handbrake on pub buys from pokies backlash.' *Australian Financial Review*. 18 Jun 2021, <https://www.afr.com/companies/retail/woolworths-says-no-handbrake-on-pub-buys-from-pokies-backlash-20210617-p581xr>
39. O'Farrell, B. *Review of illegal offshore wagering*. Australian Department of Social Services, 2015.
40. Commonwealth Government. *National Consumer Protection Framework for Online Wagering - National Policy Statement*. Canberra: Department of Social Services, updated 2022. <https://www.dss.gov.au/communities-and-vulnerable-people-programs-services-gambling/national-consumer-protection-framework-for-online-wagering>.
41. These measures related to: 1) prohibition of lines of credit, 2) payday lenders, 3) reduced time to verify customer, 4) restrictions on inducements (opening account), 5) account closure, 6) voluntary opt-out pre-commitment scheme, 7) provision of activity statements, 8) consistent gambling messaging, 9) staff training, and 10) a national self-exclusion register.
42. Rintoul, A. *Modernising harm prevention for gambling in Australia: International lessons for public health policy and improved regulation of gambling*. Churchill Fellowship Report: The Winston Churchill Memorial Trust, 2019. <https://www.churchilltrust.com.au/project/to-investigate-international-lessons-for-public-health-policy-and-improved-regulation-of-gambling/>
43. Cassidy, R. 'Fair game? Producing and publishing gambling research.' *International Gambling Studies*, 14, 3 (2014), 345-353.
44. Veikkaus is the Finnish government monopoly gambling operator.
45. Limit setting was introduced for so called 'red' high intensity games include wagering, casino table games and slot machines.
46. Engebø, J, Torsheim, T, and Pallesen, S. 'Regulatory Measures' Effect on Gambling Participation: Experiences From Norway.' *Frontiers in Psychiatry*, 12 (2021).
47. Rinkenen, H. 'The Effects of Mandatory and Global Gaming Restrictions in Digital Gaming.' Veikkaus, 2019.
48. Rintoul, A, and Thomas, A. *Pre-commitment systems for electronic gambling machines. Preventing harm and improving consumer protection*. Melbourne: Australian Gambling Research Centre, Australian Institute of Family Studies, 2017.
49. South Australian Centre for Economic Studies (SACES). *Evaluation of YourPlay - Final report*. South Australia: South Australian Centre for Economic Studies, 2019.
50. Petticrew, M, Katikireddi, S, Knai, C, Cassidy, R, Hessari, N, Thomas, J, and Weishaar, H. 'Nothing can be done until everything is done': the use of complexity arguments by food, beverage, alcohol and gambling industries.' *Journal of Epidemiology and Community Health*, 71, 11 (2017), 1078-1083.
51. Livingstone, C. 'A case for clean conferences in gambling research.' *Drug and Alcohol Review*, 37, 5 (2018), 683-686.
52. Cassidy, R, Loussouarn, C, and Pisac, A. *Fair Game: Producing gambling research - The Goldsmiths Report*. London: Goldsmiths University of London, 2013.