
PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 56

07:59AM TUESDAY 16 NOVEMBER 2021

COMMISSIONER NJ OWEN

COMMISSIONER CF JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MR DAVID LEIGH and MS KALA CAMPBELL as Counsel Assisting the Perth Casino Royal Commission

MS FIONA SEAWARD as Counsel for the Department of Local Government, Sport and Cultural Industries

MR PAUL A WALKER as Counsel for Mr James Packer and Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd

MR KANAGA DHARMANANDA SC and MR JESSE WINTON and MS CLARA WREN as Counsel for Crown Resorts Ltd; Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management) Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank Investments Pty Ltd and Crown Melbourne Limited

MR PAUL D EVANS as Counsel for the Gaming and Wagering Commission of Western Australia

COMMISSIONER OWEN: Please be seated. Good morning, Dr Rockloff, and good afternoon, I think it is, Dr Philander.

Before we start, I will quickly go through how we envisage working today. It is a concurrent evidence session of the experts in this area of responsible Service of gaming and harm minimisation. We will have the witnesses take an oath or affirm. Then their respective counsel can lead them into the adoption of their respective reports and any issues of clarification or amendment that need to be made.

Then we will have, first, Professor Rockloff and then Dr Philander give a summary overview of their current opinions and any matters of disagreement between the experts that they see. Then their counsel can elicit further information from them. There will then be cross-examination.

At the conclusion of the cross-examination, the respective witnesses can ask one another questions and there can be an exchange between them on matters they think are pertinent. The Commissioners, of course, will ask questions at any time during the process.

Then there will be re-examination. During the process of re-examination, the witnesses will be afforded an opportunity to say anything they wish to, whether opinions might have changed because of the exchanges during the day, or where they think clarification is needed.

Then, bearing in mind the tyranny of time zones, Dr Philander, if he wishes, may leave us. Then there will be a broader, more general cross-examination of Professor Rockloff, followed by a final set of re-examination. I think that is the process.

Can I ask Professor Rockloff, do you wish to affirm or take an oath?

PROF ROCKLOFF: Affirm, please.

PROFESSOR MATTHEW ROCKLOFF, AFFIRMED

COMMISSIONER OWEN: Dr Philander, do you wish to affirm or take an oath?

DR PHILANDER: Yes, please.

DOCTOR KAHLIL PHILANDER, AFFIRMED

COMMISSIONER OWEN: Thank you. Mr Leigh.

MR LEIGH: Thank you, Commissioner.

EXAMINATION BY MR LEIGH

MR LEIGH: Professor Rockloff, you have provided to this Commission an expert report dealing with gambling related harms and harm minimisation; is that correct?

PROF ROCKLOFF: Correct.

MR LEIGH: That report was provided in answer to a request by the Solicitors Assisting the Commission?

PROF ROCKLOFF: Correct.

MR LEIGH: I will first ask you to identify that request. Can we please call up PCRC.0022.0001.0001, looking first at the front page of that report. Once you have had a chance to look at that, I will now show you some additional pages from that request. Can we go to page 6, please, which shows background information and assumptions. I won't take you through each of those, but we can jump to page 14 now, please. That sets out the questions.

PROF ROCKLOFF: Yes.

MR LEIGH: They go over the next two pages. Do you recognise this document as the brief you were provided with as part of your engagement?

PROF ROCKLOFF: Yes.

MR LEIGH: Can we please now go to page 17. There is an annexure here of documents. Were the documents in this list of annexures provided to you by the Solicitors Assisting the Commission?

PROF ROCKLOFF: Yes, they were.

MR LEIGH: Commissioners, I tender that request for a report.

COMMISSIONER OWEN: That request is admitted into evidence. It bears the identifying number PCRC.0022.0001.0001.

EXHIBIT #PCRC.0022.0001.0007 - REQUEST TO PROFESSOR MATTHEW ROCKLOFF FOR A REPORT

MR LEIGH: Moving to the next document, which is the report itself, PCRC.0100.0001.0001. Professor Rockloff, does this appear to be page 1 of the

report you provided to the Commission?

PROF ROCKLOFF: Yes, it does.

MR LEIGH: Can we please go to page 4. Is that your signature on the page?

PROF ROCKLOFF: Yes, it is.

MR LEIGH: Can we now please step through pages 5, 6 and 7 which show the index to the report. Do you recognise that as being the index for the report you provided?

PROF ROCKLOFF: I do.

MR LEIGH: Lastly, could we please go to pages 40 and 41 and have them side by side. These are the final substantive pages of the report. Do you recognise these pages as well, as being a part of your report?

PROF ROCKLOFF: I do.

MR LEIGH: Before I tender the report, I will ask you some brief questions about your qualifications. Can we please go to page 60 of this document. In the centre of the page there is a reference to your education history, which shows your PhD in Psychology at the top and then two degrees relating to economics. The one that is entitled "MS Economics", is that a Masters Degree?

PROF ROCKLOFF: It is, Masters of Science. It's termed Masters of Science in Economics.

MR LEIGH: Can you explain to the Commissioners what was your degree of study in relation to that Masters Degree in Economics?

PROF ROCKLOFF: It was primarily involved in microeconomics and it was on the plan to eventually get a PhD in Economics. During that time, I decided to stop with the Masters and then move instead, based on my interest, into a PhD in Psychology.

MR LEIGH: Thank you. That can be taken down. Have you had a chance to review your finalised report prior to giving evidence today?

PROF ROCKLOFF: I have.

MR LEIGH: Having done so, are there any matters in the report in respect of which you would like to make additions, caveats or corrections?

PROF ROCKLOFF: There are two issues where I would like to make corrections.

MR LEIGH: Can you take the Commissioners to those?

PROF ROCKLOFF: On line 696 of the report, I would like to strike the sentence that says:

> *Even the RGAP was critical of this approach and recommended more proactive measures to raise awareness, including the use of pop-up messages on EGMs.*

MR LEIGH: That is the sentence that begins at the end of line 696 and runs through 697 and halfway through 698; is that correct?

PROF ROCKLOFF: Correct. The second alteration I would like to make is on line 844, where I would like to change part of that sentence. Where it says "already being harmed and who ask for help", I would like to change that to "showing identifiable signs of problem gambling".

MR LEIGH: Just start with the words you are striking first. Which words are you striking?

PROF ROCKLOFF: Striking the words "already being harmed and who ask for help" and changing those to "showing identifiable signs of problem gambling".

MR LEIGH: Thank you. Now that those changes have been made, to the extent that the statement contains statements of facts, do you believe those statements to be true?

PROF ROCKLOFF: I do.

MR LEIGH: To the extent the report contains opinions, do you honestly and reasonably hold those opinions?

PROF ROCKLOFF: I do.

MR LEIGH: Commissioners, I tender that report.

COMMISSIONER OWEN: The report entitled Gambling Harm and Harm Minimisation in Western Australia, dated October 2021 of Matthew Rockloff, and bearing the identifier PCRC.0100.0001.0001, with the two corrections which have been described, will be admitted into evidence as an exhibit.

EXHIBIT #PCRC.0100.0001.0001 - REPORT OF PROF MATTHEW ROCKLOFF GAMBLING HARM AND HARM MINIMISATION IN WESTERN AUSTRALIA DATED OCTOBER 2021, WITH TWO CORRECTIONS

MR LEIGH: Thank you, Commissioner. Professor Rockloff, I will ask you some questions in clarification now. Can I please have pages 21 and 22 up side by side.

You can see, starting at line 469, there is a statement:

> *Discouraging visits beyond 4 days a month is consistent with a recommended low-risk gambling limit.*

Can you explain to the Commission what you mean by the concept of a low-risk gambling limit?

PROF ROCKLOFF: Yes. So I have notes that I can refer to here on that, if you will allow me? Yes, so that's referring to --- in Anna Thomas's report of 2014, they did an analysis where they showed that the majority of non-problem and low-risk gamblers gambled for three or more hours only rarely or never, whereas a majority of the problem gamblers gambled for three hours either occasionally, frequently or always. So problem gamblers were much more likely to be represented in a group of people who are gambling over three hours.

MR LEIGH: So if you go beyond the limit, there is a significant increase in people who are gambling beyond that limit who are likely to be problem gamblers; is that the point?

PROF ROCKLOFF: Yes. That doesn't mean everybody who gambles beyond three hours is a problem gambler, it just means there is a greater representation of problem gamblers in people who gamble beyond three hours.

MR LEIGH: Thank you. Can we now please go to page 29. At line 771, there is a note that:

> *..... an intervention is not triggered until a customer has been on-site for 18 hours.*

Do you see that?

PROF ROCKLOFF: Yes.

MR LEIGH: Then the next sentence says that three hours of gambling without a break is a good predictor of gambling harm.

After that point, the report goes on to say:

> *If the casino's practice in this area is indicative, it appears that customers already experiencing harm from their gambling are routinely ignored .....*

What do you mean by the reference to customers already experiencing harm?

PROF ROCKLOFF: The customers who are gambling more than three hours, a lot of them are --- there is a higher representation of people who are problem gamblers, and those problem gamblers are already experiencing harm because there is no

intervention at an earlier time less than 18 hours, then those gamblers are gambling without any intervention.

MR LEIGH: The final question I have at this stage is about page 32 of your report. Starting at line 860 towards the end of the line, going down to 862 --- page 31, I beg your pardon --- there is a comment there:

> *..... it attempts to address ..... harm that has already occurred, and only amongst customers who explicitly ask for help.*

What are you referring to when you talk about an informed choice model and it only helping those customers who specifically ask for help?

PROF ROCKLOFF: The informed choice model predates the Reno Model, although the Reno Model is an example of an informed choice model. The central premise of informed choice is that as long as you don't have a mental health condition gambling problem and if you are fully informed about how the games work, then you are making an informed choice to play the games and, by definition, then you are freely choosing to engage in a leisure activity that causes --- that creates consumer surplus for you, that makes you better off.

We know that people who --- there are a set of people who regret their gambling decisions, even people who don't have mental health issues. So some gamblers will already be harmed, even if they don't have that mental health condition.

MR LEIGH: What I am trying to zoom on in here, for the moment, are the final words of that sentence, "customers who explicitly ask for help". What is bound up in the concept of asking for help? Does it require the words "please help me", or how does it work?

PROF ROCKLOFF: Yes, in practice, it often doesn't. Obviously some people explicitly ask for help, but that is stigmatising and embarrassing for a lot of people, as you might imagine. So interventions are often of the quality, particularly in pubs and clubs, which we have some knowledge of because of some research a colleague of mine has done in New South Wales, where people are approached typically showing identifiable signs of gambling problems. Maybe they are crying at the machine or they are talking, complaining about their losses.

Then the responsible gambling person in the casino will ask that person to have a cup of coffee and take a break and potentially discuss what's going on with their upset. Unless that person chooses to engage with the person who is saying, "Hey, let's have a cup of coffee and talk about this", then they are not helped in any way. They have to explicitly choose to engage with somebody who is offering to talk to them about that problem. In that sense, they have to ask for help by engaging.

Some don't. Some will say "buzz off, leave me alone", either due to embarrassment or because they are not in that stage of readiness to change.

MR LEIGH: Thank you, Professor Rockloff.

COMMISSIONER OWEN: Mr Dharmananda.

MR DHARMANANDA: Thank you, Commissioners.

EXAMINATION BY MR DHARMANANDA

MR DHARMANANDA: Dr Philander, you have prepared a report in response to a request from the solicitors acting for the Crown Group?

DR PHILANDER: That's right.

MR DHARMANANDA: That report, if we could bring it up, is CRW.998.002.1212?

DR PHILANDER: That's correct.

MR DHARMANANDA: That is the front page of your report?

DR PHILANDER: Correct.

MR DHARMANANDA: The instructions that were given to you are at page 1233 of that report?

DR PHILANDER: That's correct.

MR DHARMANANDA: Your CV commences at page 1237?

DR PHILANDER: Correct.

MR DHARMANANDA: You have addressed the matters to which you were directed in the letter of instruction from Crown's solicitors?

DR PHILANDER: That's right.

MR DHARMANANDA: To the extent your report has matters of fact, you honestly believe those facts to be true?

DR PHILANDER: I do.

MR DHARMANANDA: To the extent your expert report has matters of opinion, you honestly hold those opinions?

DR PHILANDER: I do.

MR DHARMANANDA: Are there any matters of clarification you wish to raise with the Commissioners?

DR PHILANDER: No.

MR DHARMANANDA: Thank you. I tender that expert report, Commissioners.

COMMISSIONER OWEN: Thank you. The report entitled Independent Expert Evidence for the Perth Casino Royal Commission, November 2021 of Dr Kahlil Philander, bearing the identifier CRW.998.002.1212, is admitted into evidence as an exhibit.

EXHIBIT #CRW.998.002.1212 - REPORT OF DR KAHLIL PHILANDER INDEPENDENT EXPERT EVIDENCE FOR THE PERTH CASINO ROYAL COMMISSION, DATED NOVEMBER 2021

COMMISSIONER OWEN: Mr Dharmananda, has Dr Philander seen the document that was prepared a couple of days ago that set out the five questions? Has Dr Philander seen that?

MR DHARMANANDA: That set out the protocols?

COMMISSIONER OWEN: When we were developing the protocols, there were five issues identified.

MR DHARMANANDA: Yes.

COMMISSIONER OWEN: I wonder if Dr Philander has seen them?

MR DHARMANANDA: No, he hasn't. We weren't certain of the process.

COMMISSIONER OWEN: All right. Thank you, Mr Dharmananda.

Now it is over to you, Professor Rockloff and Dr Philander. We will start with Professor Rockloff, if you could give us a summary/overview of your current opinions and explain what you consider to be the principal issues of agreement and disagreement between you and Dr Philander.

PROF ROCKLOFF: Sure. I just want to point out that I have made some notes and with your permission, I will refer to those notes in talking about these issues, just for a reminder. I'm not reading from the notes, or hopefully I won't be, but that will help me make sure I don't leave anything out.

COMMISSIONER OWEN: Thank you, that's quite appropriate.

PROF ROCKLOFF: I think the first issue for me, the large issue, is on gambling-related harm and how that is viewed. I see a gambling-related harm as distinct and different from gambling problems. Gambling problems are symptoms of a mental health condition that is known as disordered gambling, if it is diagnosed by a psychologist or psychiatrist, but more generally we know it, if it's nondiagnosed, as problem gambling

People with gambling problems will have those indicators of mental health conditions. Some of those will be harms, but some will be other things, like returning another day to try and win back money from gambling. They are just indicators that you may have a mental health condition.

Due to the large number of betters who cannot be classified as problem gamblers because they don't have enough gambling problems to make that judgment, there is a large amount of aggregate harm, however, that is suffered by the non-problem gambler group, people who have lesser problems than might be diagnosed as having a mental health condition, just because there are so many of them.

Problem gambling is relatively rare, about 1 per cent in the adult population. It varies from time to time. It has gone up in the last 10 years. But, nevertheless, there is a much larger group of gamblers who first suffer from no problems and then there is still a somewhat smaller, but larger than problem gambler, group that suffers from some gambling harms but is not classifiable as a problem gambler.

In our conception or in my conception, the seriousness of gambling harms should be judged based on its impact on health and well-being of gamblers. That is, we can actually find out by asking people whether their health and well-being has been affected by the harms they experience from gambling.

It shouldn't be based on some arbitrary judgment about what is a serious harm. We have seen arguments that people have made in the literature, saying, "Oh, these are opportunity costs, these are not really serious". The argument that we have, based on data, is if something --- if you say you are harmed by gambling and if that gambling harm decreases your well-being, then in fact that's how we should judge whether you are harmed or not, not based on some arbitrary judgment of a professional who says this is not a serious harm.

Gambling related harm research by Browne et al --- I am the "et al", the other people who contributed to that research --- to my understanding is highly influential in the field. However, it is not well considered amongst a subset of researchers. That subset of researchers often are, either coincidentally or for other reasons, people who accept gambling money for doing their own research.

The burden of diseases methods that underpin gambling harm research are well accepted within public health, broadly, and in fact are used extensively by the World

Health Organisation and they have been for decades. So we are not running off the rails with this methodology, it is actually something that is used very extensively, including in the alcohol abuse field, but in a very large number of other disease conditions, including mental health conditions. We are some of the first people, if not the first people, who have applied that methodology to gambling. So in that sense, it is new.

This is where it gets a little bit sensitive in the sense that I don't want to characterise what Dr Philander thinks, although I am trying to point out points of difference. So please forgive me, Dr Philander, if I get it wrong, but you can tell me when I get it wrong later on. It is not to create problems, but to create better understanding.

My understanding of the difference that he may have in his opinion is that he may believe that people can't be seriously harmed by gambling unless they have a gambling problem or are on a path towards developing a gambling problem. That is, unless they are on a path to developing a mental health condition, they can't truly be harmed by gambling.

A corollary is that most or all harms occur to problem gamblers, not to people who are less than problem gamblers. The seriousness of gambling harm should be based on something other than our public health impact measures that we use, those World Health Organisation public health measures. I don't know what he believes those are but often people in the literature have talked about, essentially, professional judgment; that people who are gambling researchers should be able to judge whether a harm is serious enough to be counted as something that harms a gambler. Again, our opinion is that we should actually ask the gambler as to whether that's affecting their well-being.

Many harms from gambling, he may believe, are simply opportunity costs. We find that argument a lot. Opportunities foregone by spending money on gambling instead of something else. So those things that we count as harms that decrease your well-being are, in fact, just people rationally making a decision to spend their money on gambling when they could have spent it on something else.

Gambling-related research is not generally accepted by prominent gambling researchers, I think that was part of the submission. I don't think that's true. It is true in some circumstances that some gambling researchers don't accept our methodology, but I think it is becoming quite popular and quite influential amongst a set of gambling researchers.

The second area of difference, and I think this is somewhat minor, is the gambling related benefits. I have done some research in Tasmania that used the same quality of health metrics to see whether people --- to try to make a balance between whether people are harmed by gambling and all the people in Tasmania, based on population research, that are benefited by gambling, and try to make a balance between those two to see if there is a net harm or a net benefit to Tasmanians. So, social impact.

I think this is a new methodology. I wouldn't say that it is the be-all and end-all and the final word on gambling benefits and harms, even in Tasmania. However, I think it is a valuable contribution.

I also believe, though, that social impact assessments that are often done can complement those quality of life approaches that I have used in understanding what the net benefits are. Dr Philander mentioned those social impact assessment, sort of, techniques. I agree those are good.

One of the problems with them, however, is they tend not to provide an overall summary as to whether, for example, new gambling opportunities are good or bad, it just provides a menu of a whole bunch of different things you can consider; some good, some bad. People use motivated reasoning to come up with whatever conclusion they want from those social impact assessments. So that's the, sort of, bad point of social impact assessments. Which is not to say they are bad; I think they are actually quite good and something which should be considered.

Again, I think I should mention about that research on harms and benefits that it's really in its infancy, so further refinements and methods and cross-validation of those results are really necessary to understand them.

In contrast, I would again suppose that Dr Philander would say he doesn't believe net benefits can be measured using those quality of life metrics. He has expressed some doubt about that in a submission. He believes that social impact assessments are the way to measure costs and benefits, perhaps to the exclusion of any other methods.

Number three: regulatory and policy approaches are a point of potential difference. I mentioned that informed choice is the dominant paradigm for industry approaches to gambling problems and addressing gambling-related harm. In particular, the Reno Model, although not being the first instance of informed choice, has provided cover for industry to implement very minimal interventions, things like self-exclusion, if people ask for it, without some harder measures that might actually produce greater benefits.

That is not to say self-exclusion isn't good, it's just that it provides a backdrop in which one can say, "Without imposing on people's freedom of choice, I have done all I can do, as a gambling provider, to help people if they have a problem and, therefore, this is the limit to which I can actually effect change".

The Reno Model does include duty of care for operators and government, consistent with gamblers maintaining their freedom of choice. So that excludes some potentially very effective measures, like mandatory spending limits, that might impose on people's freedom but also might help a lot of people with gambling problems or people with gambling harm.

The duty of care, in general, although I am certainly not an expert on the Reno Model, I think is poorly specified. At least in its initial publication, it certainly

suggests that harm can only occur to people who are problem gamblers, not to people who are non-problem gamblers.

At the moment, there is little evidence that informed choice is really working to reduce gambling problems. As I said, in the last 10 years in Australia we have seen an increase in the number of people with gambling problems. So while there is this dominant model of informed choice that is how gambling problems are addressed in Australia, gambling problems are going up at the same time that approach is being used, so there is a question as to whether it is truly effective or not.

In contrast, I think Dr Philander might say the Reno Model has been helpful in reducing gambling problems, overall, the model has not provided cover for the industry in any way, and that the duty of care by operators and government is well specified within the model, and that the Reno model is a position paper, it's not testable with respect to whether it reduces gambling problems or not, just as a position paper, you can't make a judgment as to whether it is good or not just based on the movement of gambling problems.

We have five different things, if you want to know where we are at.

Number 4: potential measures to reduce gambling harm. What is an effective measure to reduce --- what are some effective measures to reduce gambling harms. I think, based on first principle reasoning, mandatory pre-commitment is likely to reduce gambling harms. That is allowing people to choose, while they are in a cool state, how much they want to --- the maximum losses they want to incur. Then, when in the hot state of actually gambling, they are compelled to hold to those commitments. If they exceed the amount of losses they said they would like to limit themselves to, there is a cut-off from gambling at that point.

Mandatory pre-commitment has been largely untried and where it has been tried, it has been consistently undermined by industry. So where people are proposed mandatory pre-commitment, wherever it is done --- if it's in Nova Scotia or if it's in Victoria --- industry has balked and it has been turned into voluntary pre-commitment, which means that at least some or most people can choose not to engage in voluntary --- in the pre-commitment at all. In that case, it just becomes not pre-commitment at all, in my view, but in fact just a budgeting tool for a few people. Generally, people don't use it when it is just a budgetary tool. That they don't need to use it.

In contrast, I would imagine Dr Philander would say that mandatory pre-commitment is unproven and should not be implemented yet, and that none of the structural changes explored in the submission we provided have strong evidence and none should be implemented due to possible unintended consequences. In many cases, I was not clear on what those unintended consequences were, but he did mention unintended consequences.

The last bit --- I hope I'm sticking to time, but we'll see --- is industry funding. There

is an issue of industry funding here that I believe in, which is that gambling researchers should not accept voluntary funding from the industry, since this poses conflicts of interest when conducting the research.

This is not to say that gambling money doesn't fund research. In fact, most of the research, if not all of the research I do, is financed by gambling money. But the key point here is that it is not voluntary. At least, to my knowledge --- I can be corrected on this but to my knowledge --- it's very complicated and murky but to my knowledge, the gambling money that I take from State institutions are provided on a non-voluntary basis.

So, the industry money is corralled and the gambling industry has no say about whether they are going to give money over to research interest and certainly they have no say in how that gambling --- how the research projects are conducted or what research projects are conducted.

Conflicts of interest cannot be resolved in any way by declaring those conflicts of interest. A common refrain amongst people who accept gambling money is, "Oh, I have declared all my conflicts of interest, so now we're fine". But I see that as no fix at all. You can't just have conflicts of interest, declare them and say "Well, anybody can take this with a grain of salt because I have declared my conflicts of interest". It doesn't resolve them in any way. It allows people to perhaps see those conflicts more clearly, but it certainly does not fix them.

Gambling researchers who have --- this is an admission that's important. Again, researchers who have accepted industry funding have made very important contributions and some of those contributions have been funded by industry. So this is not to say, hey, everybody who accepts gambling money from industry is bad or is dishonest or makes a poor researcher in that regard.

In fact, most of the people, without naming names, who we have a difference of agreement with are people who we work with on a regular basis. We do joint research with them --- not industry funded, of course, but we do joint research with and we are quite friendly with them. So this is not to suggest that in any way the gambling researchers are dishonest. In fact, I have no personal knowledge of any gambling researcher who I have considered dishonest in any way, so I make that point really clear.

Industry funding skews gambling research, in my view, towards funded projects that suggest gambling problems are limited to a small set of people with a mental health condition, to the exclusion of public health risks. There no public health type research, to my knowledge, that is funded by gambling industry money. It is all about funding research which suggests very strongly that gambling problems and gambling harm is suffered by a small set of poor people who suffer from mental health conditions and need our help.

The Reno Model reflects an informed choice approach and that approach --- I don't

think this is necessarily the intention of the approach, again, I think the intentions are good in the Reno Model in terms of the people who proposed it, but it has been very useful in limiting the types of interventions that are used and considered by industry because it allows them to say, "Hey, we can't impose on people's freedom of choice". That's the fundamental underlying principle of the model and, therefore, it creates a very limited set of interventions that people can actually propose. It has been very useful to industry by codifying that in an academic and broadly accepted format.

I also would say that gamblers sometimes regret their decisions about their gambling, even when they are fully informed. So that regret that people have --- if people, you know, freely choose to gamble and never have regrets, well, then I guess one could say they are never harmed because they have made that choice and they have had the consequences. But if they suffer from regret, I would argue that, even if they are fully informed, they can be harmed by gambling.

Lastly, in contrast, I would imagine that Dr Philander would believe that gambling researchers can accept industry money without being influenced on the topics they choose or the results they obtain. But declaring conflicts of interest at least goes some way towards resolving those conflicts by alerting the reader to those conflicts of interest. And that gamblers are best placed to make their own decisions on how much they gamble, as long as they don't have gambling problems.

That is the end of my statement, thank you.

COMMISSIONER OWEN: Thank you very much, Professor Rockloff. Dr Philander?

DR PHILANDER: Thank you very much, and allow me to make the same qualifications that Dr Rockloff made about these disagreements just being a matter of trying to provide as much evidence as we can to the Commission.

I think the overall theme, to the extent to which we might have disagreements, in large part boils down to what I think is appropriate in terms of ideas or discussions that occur in an academic setting versus those I think are appropriate to a policy setting.

Just by way of my background, I am not entirely a career academic. I spent time in an academic institution but then I also worked in a nonprofit organisation, advocating on behalf of problem gamblers and doing research in that area. Then I also spent time working for a government-owned operator that both operated aspects of the gambling industry but also set policies for private operators as well, before coming back into academia. So that just, sort of, reflects my general experience and views on a lot of these issues.

As far as more specific topics, I would say there are roughly three core areas I think deserve a little bit more detail.

The first is the degree to which I think some of these items around harm can be measured and netted out.

The second is the degree to which I think we can be confident that some of these responsible gambling interventions that were discussed can actually be viewed as something that would be helpful.

The third is, really, I think there are differences in what we think would be the most compelling model in order to be adopted from a social welfare standpoint.

On the issue of the measurement of harm, Dr Rockloff's work, I think, is a fantastic academic study, but my concern is that a lot of the methodologies that were used --- I'm relatively sceptical about the extent to which they are measuring what we would hope they measure in a public policy setting.

When we are thinking about the idea of measuring harms and then measuring net harms, Dr Rockloff again just talked about the idea of, well, let's ask gamblers whether or not they are receiving benefits or they are receiving harms, and use that as a basis of our measurement.

What I find challenging about this approach is that when you get into the actual details of one trying to contact a fair sample, a fair representation of what the population is like and then trying to get into the details of how do you actually ask these questions to truly elucidate the actual numbers we want, I'm not convinced at all that we can actually get to the idea of what we are measuring as harms.

I think a lot of the items that Dr Rockloff outlined as, you know, this is something that could potentially be of harm to an individual, are accurate. There are some disagreements I have and those are really around opportunity costs.

But in terms of the measurement of harms, with these types of studies what you have to do is ask people a question like, "Do you feel that gambling is good or bad in your life?", a question like that. To the extent they might say "It's bad", you ask a follow-up question like, "Do you think this makes your life 2 per cent worse, 5 per cent worse, 10 per cent worse?" Then the same thing if they say it's something good.

The concern I have is when somebody is responding to that question, it is something that is entirely arbitrary and capricious around what those numbers truly mean. In the case of gamblers specifically, particularly if we are talking about somebody who has cognitive distortions, they don't think properly around gambling. To presume they can accurately take these quantitative figures and give back a realistic representation of what they are truly feeling from a health standpoint, or make some sort of trade-off around, you know, "I'll have eight years with healthy gambling or 10 years without healthy gambling", these are the types of methods you would have to use in order to produce these types of numbers.

I think these are interesting exercises from an academic standpoint. I think they are interesting in terms of benchmarking, perhaps across time or perhaps across different activities or jurisdictions. But to the extent we are going to make any decisions that gambling is something that's net good or net bad on the basis of these types of methods, I don't think that makes sense from a public policy standpoint.

When we then take these methods and we start to make downstream inferences about what they are truly saying to us, like are there more harms coming from people who have gambling problems or are there more harms from a wider sample of gamblers who might have a very low risk profile but these small net harms add up, at that point I become quite sceptical about the idea that most harms don't actually come from people with gambling problems. I just don't believe that really makes sense.

So we can talk about wider context in terms of does it even make sense at all to think there are net harms to people without gambling problems? I don't think that makes sense because if we assume that people with gambling problems aren't making rational decisions around their gambling, and that's basically the clinical criteria of having a gambling problem, then the flipside of that coin is if you don't have a gambling problem, on some level you are making a rational decision.

We might say, okay, well, some people do overspend or they might regret their decision, but in the context of other recreational activities that might be the case as well. You can think of the analogy of going to a football game and spending a few hundred dollars to go to this game and you think you are going to have a good time if your team wins, but if your team loses then you won't have enjoyed yourself necessarily.

You still might have purchase regret at the end of that event because there is some sort of degree of randomness in that consumption experience, much as there is the same random outcome with a gambling experience. But to make inferences that it was necessarily a bad decision or that it was an irrational decision or something that's worth discounting from the value that gambling might bring as a recreational activity, that is something that doesn't make sense to me.

The next item I think is worth discussing is around what are the causes of harm. I think I have identified that I believe most of the harms, to the extent they are actually relevant to public policy decision-making, are those harms that occur to people with gambling problems.

When you think about what are the causes of these harms, it's not a simple idea of what causes one thing in some sort of long chain. The leading model of the causes of gambling problems is a biopsychosocial model that basically says there is genetic predispositions, there is environmental factors and then there is social factors but also these mental factors that occur within individuals. All of these things interact in order to create the condition where somebody might reach that higher level of risk.

Part of the report that Dr Rockloff wrote talked about the idea that some academics

revel in the complexity of these issues. I don't think that's necessarily fair. I think these are really complex issues and to try to reduce them to a single product or a single environmental circumstance or even a single solution might fix all of these things, I think, is not a fair representation of this system, this infrastructure that exists within humanity that's existed for thousands and thousands of years and which now exists in a modern iteration. I think to discount the level of complexity and to think that you can just change a couple of levers and all of a sudden this problem might be solved, I don't think is a reasonable way to approach it.

That's why I think the idea that is discussed in the Reno Model, one where it's not necessarily only about informed decision-making, it's about identifying who are all the stakeholders that are responsible for mitigating harms, to the extent they exist across this entire system of gambling, and then identifying for each of those stakeholders what is the role they can play in helping to solve this issue, I think that's a really nice model to embrace from a public policy standpoint.

I know Dr Rockloff is critical of the idea of the informed decision-making approach to the gambler's role within this. I'm paraphrasing there a little, to be fair. But when thinking about what's the right approach to managing the right amount of gambling consumption for individuals, I think it is helpful to think about how you might approach different decision-makers' effectiveness in identifying the right amount of gambling for each person.

Obviously, I think it is clear that an uninformed individual will not make good decisions for themselves. But I also think it's the case that people who are not that individual, particularly centralised entities that would have to make decisions in aggregate, can't make the right decision for every single person at every single moment in time.

I think about the people who I am closest to, I think about my family, I don't even know what they want for dinner tomorrow. To think that I might, for each of those individuals, identify the right amount of gambling for them or that at a wider scale, as a regulator or as a policy-maker or even as an operator, that you could make the right decision for every single person who walks in, I just don't think that's the right approach to address this issue in the most effective way.

I think the right way to approach it is to make sure we have done everything we can, from each stakeholders' perspective, that every individual is empowered to make as good a decision for themselves as they possibly could. It doesn't mean we are going to get it perfect and it doesn't mean every individual will always make a perfect decision for themselves all the time, but when we think about what's the alternative, that we have to create broad policies that affect every single individual, having a model that emphasises informed decision making for individuals, while identifying the role of every stakeholder in that process, to me, is the most compelling model we could use.

That is my general perspective on what's the most compelling model. I think I was

fairly clear in terms of specific interventions, whether that's pre-commitment, bet size caps, entry fees, maximum spends. I think these are all interesting ideas that might play a role in certain systems, but I would be very hesitant to suggest any regulatory body, any policy-maker, to broadly accept any of these.

I think we are at the point in gambling research and in responsible gambling operational designs where we have some good ideas, we have some bad ideas, but we don't really know which are which. I think embracing an approach to responsible gambling that aligns with that philosophy of empowering people to make better decisions for themselves, recognising we don't have the full tool kit we will have, say, 20 years in the future, even 10 years in the future, allowing some flexibility to test different ideas, test different interventions, but then adapt them quickly if we have to, that's the approach that makes sense to me.

When I think about what's the role that public health plays in all of this, and public health models, I identified the health impact assessment model which I think is the one that best fits into this idea. That's a little bit different than the model that Rockloff articulated.

It really is about not necessarily trying to net out is gambling a good thing or is it a bad thing, but about figuring out how does gambling improve health outcomes, how does gambling have a negative impact on health outcomes and creating greater transparency for all stakeholders and engagement for all stakeholders in that process over time.

So that, I think, captures my view. Hopefully some of the areas where I disagree with Dr Rockloff are a little bit obvious in that context, but I will pause there in the interest of time.

COMMISSIONER OWEN: Thank you, Dr Philander. Could you just expand for me, when you were talking about the informed decision model, you talked about the difference between an informed individual and an uninformed individual making the right decision or not necessarily always making the right decision.

Can you expand on that for me from the point of view of the imposition of a model, as opposed to looking at it from the perspective of the individual? If freedom of choice is regarded as a human right, for example, you can look at it that way, I would like you to, if you can, say what you think that means for the imposition of a model.

DR PHILANDER: If we want to constrain the way we are thinking about this to the imposition of a model, I guess I would frame it this way: the role of the individual as well as other stakeholders in the gambling industry, under an informed choice model, reflects the idea of making sure that the gambler is aware of all the risks they are taking when they start to gamble, they are aware of the nature of the game they are playing and they know what steps to take should they have any symptoms or any other issues. That is, they don't necessarily --- a good example of this is they don't have any false beliefs about the game they are playing. They don't think they can

actually win on a slot machine over time.

This is different than, say, a fully libertarian model, where we might presume that each individual is allowed to just go in and not be bothered at all. I think that's the sort of distinction I would draw in my mind.

In the informed model, we are looking at to what extent do stakeholders play a role in helping make sure that individuals who choose to gamble are aware of the risks and know where they can get help. I would think about this model when I was running responsible gambling programs. I would think about the role of the gambling operator in the context of we are focussed on the player who is actually playing the game, who is using the product. We want to make sure they are aware of all the right beliefs and are engaging in the right behaviours that are consistent with responsible gambling.

But that's not the full extent of what we would hope for the public health model to be. We would also hope that, say, the people in the ministry of education are focused on making sure, as people come through the education program, at some point they learn about the risks of gambling and before they even walk in our doors, they know that gambling can be a risky activity.

Likewise, we hope that people in the ministry of health know there will be people who have been gambling that develop harms and that there is the right treatment resources for people as they need them.

That's the difference, I think, between a focus on making sure there is informed decision-making versus one that's completely libertarian, where we are just letting people do whatever they wish at all times.

COMMISSIONER OWEN: Thank you. Mr Leigh, is there anything you wish to take up with Professor Rockloff at this stage?

MR LEIGH: Yes, Commissioners, if I may.

Professor Rockloff, obviously you have had the opportunity to hear now from Dr Philander. There were a few points raised in the course of that introductory session I would like to invite you to comment on.

One of the things that was spoken to by Dr Philander was the question of the methodology by which harms are assessed. He talked us through the sorts of questions that might be asked and the way that people are requested to give responses, such as "my life is 2 per cent better, 5 per cent better", and so on.

Firstly, can you indicate to the Commission whether you broadly agree with that characterisation and, if not, what you would add to give your view of that characterisation, or correct the characterisation?

PROF ROCKLOFF: Look, I think he mentioned one of the methods we use to see whether people are disadvantaged in the sense of, you know, is your life better or worse. But the other method that is, sort of, a triangulation that we also use is purely associative.

So there are measures of health and well-being that are well validated and that are used by the World Health Organisation, which basically just ask, "How great is your life?", in general. Not relating to gambling at all but just saying, "Do you feel safe in your community?", and all sorts of different questions around whether you can actually --- even things like "Can you comfortably walk a flight of stairs?", so that's a health question.

When you combine these together --- there is something called the Australian Unity Well-Being Index, for instance, which is just a measure of general health and well-being of an individual. You can actually find an association between those measures as well in people's gambling harms. The more gambling harms a person has, even a person who is not a problem gambler, clearly not a problem gambler, the more harms they have, there is a direct association between having those harms and having a poor quality of life on those more general measures.

So it is true that sometimes we directly ask people with the time trade-off method, which is something Dr Philander talked about, about how their health and well-being is, but generally --- and sometimes we ask them directly in relationship to their gambling, but sometimes not in relation to their gambling. We use associative measures as well.

All of them broadly show the same result, which is the more harms you have, the more likely that your well-being is going to suffer. I think the true difference there is a binary assumption that a lot of people in gambling research have, and people outside of gambling research have. Binary is a lot easier to think about; people either have a gambling problem, boom, or they don't and they are completely fine.

There is really no evidence for that at all. In fact, gambling problems themselves that we use to diagnose whether a person has problem gambling have this kind of distribution where a lot of people have one harm or gambling problem, and a slightly smaller number have two gambling problems and a slightly smaller number have three, and it goes on until we hit the magical number of eight gambling problems in the Problem Gambling Severity Index and then suddenly they cross that threshold and they are called a problem gambler and they are somebody who is suffering from a mental health condition.

If you look at the distribution of those harms that has this sort of exponential decay, it would be hard to understand why that number eight is, sort of, the magical number where somebody is suddenly thought to have a mental health condition and the people outside are not. That is not to cast doubt on the fact that I do believe some people have an addictive disorder that is called problem gambling. There is a point at which gambling problems are so severe that we might consider that person has a

mental health condition.

But that binary thinking of people having a mental health condition or people not having a mental health condition is just not consistent with the data. It's not even consistent with the old-fashioned data of using the PGSI, the Problem Gambling Severity Index, but it's certainly not consistent with both our associative measures of gambling harm but also our elicitation methods that Dr Philander was talking about as well.

So all of those, regardless of opinion, are things that we have shown that harm is actually happening to people who are not necessarily problem gamblers.

MR LEIGH: Thank you. This may be a question which it is not possible to answer, in which case you can tell me, but when you are considering the sorts of harms that are experienced by people who are not yet above that threshold, however it might be calculated, with whichever scale you are using, they haven't crossed over into being a problem gambler, assessing the way those harms they are still experiencing decreases or impacts on their well-being, is it possible to give us an analogy so we understand the comparable severity of what is being experienced, or is that not something which can be done?

PROF ROCKLOFF: One example of that which we have shown in our research is that, for instance, somebody who is suffering from a gambling problem or a problem gambling level of severity, will have a quality of life decrement that is pretty close to a person who would have the same quality of life decrement from having alcohol abusive disorder or what more generally would be called alcoholism.

So, being an alcoholic versus being a problem gambler, how miserable does it make your life on these quality of health life metrics? Well, about the same. Actually, we found problem gambling was just slightly less, but it is certainly within the range of error.

MR LEIGH: That is in relation to the problem gambling. I'm curious to know if it's possible to talk about something which is below that level, so not yet problem gambling but harm is experienced. Is it possible then to give a broad articulation as to the impact on well-being, or is it too varied for that to be a sensible question?

PROF ROCKLOFF: No. This is, unfortunately, a bit of a memory test for me because we have estimated exactly that in our original Victorian harms paper. The range is very low, from I think a 10 per cent decrement to health and well-being, to the best of my recollection, for low-risk gamblers with a few problems, going up to, I think, maybe 30 per cent or something like that for moderate risk. Then about I think it was 0.46 per cent.

The nice part about these metrics is that it is a decrease to the quality of your life in a way that's very easy for people to get an intuitive sense of what it means. That is, you can take it as a percentage decreasing your quality of life and what happens when

your percentage decrease reaches zero? That means you are so miserable that you might as well be dead, because your quality of life is so bad that you would just as well rather not have the life because you're not enjoying any benefits to life.

So problem gambling subtracts almost half of your well-being but, again, the lesser amounts, I can't remember the exact numbers but it is somewhere in the range of 10 per cent for low-risk gambling and 30 per cent or something like that for moderate risk gambling. Again, I would have to take that on advisement because I can't remember the exact numbers.

MR LEIGH: Thank you. That has taken us through some of the methodology that underlies the research that Browne et al and others have done. That obviously has led to debate between yourself and Dr Philander in the papers.

Dr Philander has talked through in his paper some of the responses to Browne's work from Delfabbro and King. I wonder, can you tell the Commission has there been any further dialogue or interaction between those camps? Have there been any further studies that make use of Browne's methodology and, if so, where have those studies been done and what is their result?

PROF ROCKLOFF: We have done a number of studies and one that is actually ongoing that uses those associative methods to look at the decreases in well-being as a result of suffering from gambling harm. Generally, the papers that have been critical of our research have really been opinion pieces and thought pieces that are not actually backed by data.

Our replies to those opinion pieces that call some of these harms, essentially, opportunity costs go with these techniques which look at the association between having these harms, such as having, for example, regrets about how much you spent on gambling, and how that is associated with decreases in people's well-being, even after controlling for obvious co-variants, things that might also decrease your well-being, such as being poor or living in a disadvantaged situation, or what have you.

So after you control for those factors, still harm from gambling as measured in these ways, including harms that are associated with --- that are called opportunity costs fit very well with decreases in your well-being.

In addition to that, we have an article by a student of ours, Boyle, who looked at a set of gambling harms that anybody would call harmful, that can't be considered opportunity costs. Really severe things like losing your job and this sort of thing. He had a set of what we call unimpeachable harms and then he had the set of harms that others have derided as "opportunity costs".

Basically, he found a perfect correspondence between admitting to some of these lower level harms and also being more likely to suffer from these harms that anybody would say were severe. So the idea of these lower-level harms being opportunity

costs is somewhat disproven or we think completely disproven by the fact that if you say you regret how much you spend on gambling, you're also much more likely to say that you have lost your job because of gambling; that all sorts of bad things are going to happen. It doesn't necessarily mean you are going to suffer those more severe harms.

I have a statement that probably won't help the Commission too much because it's a bit pointy-headed, but I say that harms are a unitary construct; that is, if you are harmed by one part of gambling, it's very likely you are harmed from some other part of gambling.

So whenever we look at this, all of our harms that we measure, if you are suffering from one harm, it's much more likely you will be suffering from any one of the other harms. So the argument that these are opportunity costs, from that standpoint, just doesn't hold water. It's not consistent with the data.

Again, our critics talk about, you know, the hand-waving arguments about ideology and those sorts of things, and what they feel is right or they think is their opinion, but they haven't provided data to undermine our central premise. The data, at this moment, does not exist to undermine our central premise that harm is suffered by people who are not necessarily experiencing gambling problems.

MR LEIGH: Going back to the point of data again, has the methodology adopted by Browne been used, to your knowledge, in other countries and, if so, what has that shown?

PROF ROCKLOFF: Yes, it has been used in Finland and it has shown exactly the same results. We have published results that we are co-authors on from data in Finland. I know it is being used in finding similar results, I don't know if it's published yet, in Massachusetts in the United States US. And it has been used --- our own research has been conducted in New Zealand and has found almost identical results in New Zealand, in terms of decrements to well-being based on the same methodology.

MR LEIGH: In the earlier part of your introduction you were talking about your assessment of benefits and you mentioned the study you conducted in Tasmania. That is in your report as well. It says that on the two different ways of calculating, it is either no change in net benefit or a small decrease of 2 per cent in net benefit.

Are you aware of any studies which suggest there is a material increase in net benefit as a result of gambling?

PROF ROCKLOFF: I'm certainly not aware of that, other than some early social impact assessments have suggested --- and, again, this is something that I only have vague knowledge of, but I will share it with you anyway, which is that gambling as an industry has been quite good for Las Vegas and quite bad for New Jersey. So there have been different impact assessments that have had that sort of summary

assessment.

But, again, I think those impact assessments --- which, again, I think are really good. There is Williams in particular in Alberta who has a particular methodology for doing social impact assessment on gambling that is excellent, and it's being repeated in Massachusetts.

Those impact assessments are good but they tend to provide a mixed bag. Again, the mixed bag creates this --- I think I saw this, with respect, in Dr Philander's discussion. It creates the idea that, oh, there is just a whole bunch of stuff going on and we can't be sure and, therefore, the answer is to do nothing.

I don't think that's morally defensible, myself. I don't think it is morally defensible, when people are being harmed, to say, "We won't try any of these things until we get perfect evidence 100 years from now". Meanwhile, we'll just let people continue to be harmed by the product.

It is important for me to say this. This is not to say I am anti-gambling. It sounds like I am anti-gambling, but I'm not. I'm up about a thousand dollars in Vegas, so I'm not a person who is stridently anti-gambling.

However, I think the products should be safe and they should have safety features. Much like cars have seatbelts, the products should be safer. I think there are things, based on first principles such as pre-commitment, that almost certainly will provide benefits above the risks of unintended consequences that justify their use.

I don't think it necessarily has to be a one-size-fits-all solution, as Dr Philander suggested. I think people can be --- depending on their circumstance and income and credit checks, can potentially gamble at different amounts and be subject to different restrictions, based on whether they are living locally or living abroad, for instance, or in another State and are just travelling as a vacation.

So, I don't think there needs to be a one-size-fits-all solution but I think some of these solutions should be honestly tried rather than watered down to the point of uselessness or not tried at all because they presumably don't have enough evidence to show efficacy at this point.

MR LEIGH: I have two more questions I will take you to. The first one you have already touched on briefly, when you made mention of what you understood Dr Philander to be saying about the need to wait until such time as things are sufficiently proven. I think you used the phrase "100 years", but I think Dr Philander said 10 to 20 years in the future it might be the case that there is a better evidence base.

That sort of timeframe, number one, do you accept that is a valid/likely timeframe and, number two, has this argument been used before in the past?

PROF ROCKLOFF: Yes. So I think you all may be aware there is a phrase for nuclear fusion as a new energy source and they say nuclear fusion is only 20 years away and it always will be. I think solutions to gambling problems are the same thing. It's always some time in the future, and it always will be, if we take that position of --- this is social science. This is not something where we are going to work out the perfect chemistry and find out some result that's going to be within the range of 0.001 micron of some standard of perfection.

When we put off trying these methods for want of evidence, the evidence will never arrive. If we never try pre-commitment, for instance, then we will never know whether or not it works. Where it has been tried, again it has been undermined. So all these sorts of things that you can say, "Oh, there's not enough evidence for", you can guarantee there won't be enough evidence unless you actually test for it.

Yes, to answer the other part of your question, this has been going on for decades, a delay in implementing pre-commitment. Pre-commitment, the basic idea, has been around for at least 20 years, if not longer, and hasn't been honestly tried yet. So tell me when it will be tried. Will it be another 20 years? I doubt it.

The way we are going, I don't think it will be, unless somebody decides to make a change. Somebody has to stand up and say, "We are going to actually try this". And if it honestly doesn't work, well, then we'll know. But at the moment there is no way for us to honestly know because a lot of these solutions have honestly never been tried.

MR LEIGH: That then takes me to my final point I want to raise with you, and that's in relation to some of the specific measures. You have just been talking about mandatory pre-commitment. I just want to understand when you say it has never been tried before. I had been of the understanding that the system was in place in Norway. Perhaps you can explain if it is, and if it's not a fully mandatory pre-commitment system, what's different about it there?

PROF ROCKLOFF: Look, I will have to defer on that because I'm not that aware of how it works in Norway, so I couldn't really comment.

MR LEIGH: The final question I have is again in relation to particular measures that may be things that could be tried for the purpose of harm minimisation. This is something that's picked up in your report and responded to by Dr Philander, but it hasn't been mentioned so far this morning.

It is in relation to the issue of entry fees to casinos. One of the things you propose in your report is it may be appropriate to have entry fees that are imposed after a person has had a number of visits to the casino. Can you explain to us the reasoning behind that proposal, which I don't believe was responded to by Dr Philander.

PROF ROCKLOFF: Yes, that's right. The idea here would be --- I mean, the problem with imposing fees upon entry to the casino is that it becomes --- aside from

the fact that it interferes with people's freedom of choice, which I think is an issue Dr Philander raised, which is actually a reasonable issue. I generally believe freedom of choice is probably a good thing. It might be my American background, but that's what I believe.

But certainly when you impose a fee upon entry, you start out with a built-in loss and people on their visit may try to make up that loss during that visit. I mentioned that and Dr Philander, I think, mentioned that as well in his submission.

One of the potential fixes to that though is --- we are not necessarily trying to get people not to visit the casino, that's not the point, or to not gamble. The real issue is spending too much, spending too much time or spending too much money; that is the source of harm, also the source of gambling problems.

In order to do that, you could find some limit to which it is reasonable to visit the casino. One suggestion based on some low-risk limits, for instance, that people have explored is no more than four times a month. So that would be like once every weekend that you would visit the casino. That would be a lot, frankly, for most people because it's a lot of money. It's an expensive hobby or leisure activity for most people.

Nevertheless, four is a lot. Maybe if you visit over four --- and, again, this would have to be tracked by all gambling being on some kind of identifying criteria card, either at entry or while you are actually playing. If people visit over four times a month, they can still play, that's again allowing people to have freedom of choice in their own behaviour, but they would have to pay an entry fee after, let's say, the fourth visit.

I'm not saying, hey, four is the right number, I'm just proposing that as an example of the kind of limits you can put on that will discourage people not from gambling, but from gambling beyond reasonable means for most people.

MR LEIGH: Thank you, Professor Rockloff.

COMMISSIONER OWEN: Mr Dharmananda, is there anything you wish to take up with Dr Philander at this stage?

MR DHARMANANDA: Yes, a few matters, if I may, Commissioners.

FURTHER EXAMINATION BY MR DHARMANANDA

MR DHARMANANDA: Dr Philander, you have heard Professor Rockloff make certain statements about your thinking in relation to testing for 10 or 20 years, and then it was suggested in the course of his evidence just now that it might be 100 years. What is actually your position with respect to testing particular measures in

relation to responsible service of gaming?

DR PHILANDER: I think what I was trying to articulate initially, and I apologise if I failed to do so, was that my primary concern was that a certain measure, a certain intervention, might be put in place with limited opportunity to modify it or pull it back if it is ineffective. So the amount of time that it would take to thoughtfully go through many of those interventions is probably a 10 to 20-year period, if it's designed through an iterative process where we look at specific aspects of it, roll it out, but have the opportunity to modify it, if that makes sense?

One of the challenges I often find in policy situations is that something gets changed and then it's very hard to change it back. So that's my concern. If we are truly trying to create an effective intervention, then it should be something that is explored on a staged basis and with great care, to evaluate whether it is effective and whether or not there are unintended consequences of that intervention as well.

MR DHARMANANDA: You do not espouse the informed choice model as the only tool for policy making, do you?

DR PHILANDER: Maybe to clarify what we mean by "tool" and "model" and all of these ideas, from a high-level perspective, I think it is important to understand the social context in which we explore these gambling models. We start from the place that having no gambling regulation whatsoever is probably a bad idea because that leads to an illegal market, in that having some sort of legal gambling becomes the --- makes the most sense from that point forward.

Now, on that premise where we have legal regulated gambling, what is the best solution to mitigate harms that might occur in that environment? A model that uses aspects of informed choice but also adopts ideas from public health, a type of hybrid model, where we identify different roles for different stakeholders and they all work towards a common goal, I think that's a model which might not have a specific label but is one that makes sense from a public policy perspective.

Then we start to think about tools we might use. I start to think about that as more a tactical approach to interventions. Those things might be quite varied and there are some I think there is clear evidence for, like self-exclusion programs, but there are others which are yet unexplored. They may be effective but I obviously have concerns that they might be flawed in many ways that might be irreversible if we make bad policy decisions.

MR DHARMANANDA: What is your current thinking on pre-commitment as a tool or a technique?

DR PHILANDER: I am open-minded about it. Just to provide a little bit of background, I helped evaluate the pre-commitment system that went in place in Nova Scotia, called the My-Play program. Then I helped British Columbia in Canada --- Nova Scotia is in Canada as well. I helped British Columbia to identify the

pre-commitment budgeting tool that went in place in that environment.

My perspective on it right now is that it's not obvious one way or another whether it is effective. I think, based on my experience, just looking at the technology, the user interface and user experience from a consumer standpoint of these machines, it is just so poor that I don't know what an actual good system would look like.

Part of that is because of the nature of the gaming industry and the regulatory processes that make it so hard to actually innovate as far as technology is concerned. In this case, the heavy regulation that exists around gaming equipment manufacturing is in some ways holding experimentation around responsible gambling back.

So, to answer your question more directly, it is unclear to me how effective it would be.

MR DHARMANANDA: Thank you. You would have heard the exchange just now between Counsel Assisting and Professor Rockloff in relation to the treatment of the approach to harm that Dr Rockloff advocates in the works of other academics, including Professors Delfabbro and King, that Professor Rockloff has dismissed those opinion pieces. Can you tell us what the state of literature is with respect to the views expressed by Professor Rockloff and others on harm and how others in the gambling academic study view those matters?

DR PHILANDER: I would characterise it as that a sort of new and growing subfield of gambling studies and, you know, I think that Dr Rockloff's initial paper, Browne et al, was a very interesting study from an academic perspective. I think it was seminal in many respects to this field, but I think like any new domain of science, social science, there is a lot of debate that needs to happen within academia both around the margins, but also around sort of the middle of a lot of these ideas.

So I think the way that I would characterise the field right now is I think everybody recognises that there is a lot of potential in this work, but there is still a lot of disagreement around what's the right way to approach a lot of these questions, and I think that's something that obviously Dr Rockloff has put a lot of time into, and others have too who would disagree with a lot of his perspectives.

MR DHARMANANDA: Thank you. Dr Philander, you have addressed in your report, but didn't have an occasion to speak about it in your short presentation, the question of industry funding and how that may affect studies and the perspectives of academics. Could you shortly summarise your views on that?

DR PHILANDER: Yes. So a couple of things: first, I will just say this quite clearly, for everybody that Dr Rockloff identified in his report, and kind of more broadly speaking, I don't see any evidence industry funding is creating biases or conflicts in the actual work that's been published. Certainly not with Dr Blaszozynski or Dr Nower or any of the other people who are part of the Reno Model or the RGAP.

I think the field of gambling is challenged in that, unlike other fields like drugs and alcohol, there is a lot more government funding that goes directly to national bodies of science, which then funds research, which then filters its way down to researchers. That doesn't necessarily exist in the same way for gambling addiction. I think part of it is because it's a field that's much newer than those drug and alcohol fields of addiction.

So what you see is the most influential researchers, some of which I have just named, who have created the most impactful work, funded their work with money that came from the gambling industry, not because --- and I don't think that shaped their research in any way, I think it's just a function of the system in which gambling exists, which is different from other health-related fields.

MR LEIGH: Thank you. Nothing further, Commissioner.

COMMISSIONER OWEN: Could I just check, it is about 9.35 am where we are. Professor Rockloff, I presume it's 11.35 am where you are, and 5.35pm where you are, Dr Philander?

DR PHILANDER: That's right.

COMMISSIONER OWEN: We will take a break now and come back at five minutes to 10 our time, which will be five minutes to midday, and five minutes to 6.00 pm, I think, where you are. Is that convenient? 20 minutes. All right, thank you. We'll come back at 5 to 10.

ADJOURNED **[9.33 AM]**

RESUMED **[9.55 AM]**

COMMISSIONER OWEN: Please be seated. Thank you, Dr Philander and Professor Rockloff.

Professor Rockloff, I will now invite Mr Dharmananda to explore matters with you that relate to the interchanges between you and Dr Philander.

MR DHARMANANDA: Thank you, Commissioners.

CROSS-EXAMINATION BY MR DHARMANANDA

MR DHARMANANDA: Professor Rockloff, we have your report which has been tendered to the Commission. The cover page is headed:

Gambling Harm and Harm Minimisation in Western Australia EXPERT OPINION

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You reviewed that report for the purpose of giving evidence today?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You were engaged by the PCRC by letter dated 11 October 2021, which was the subject of your identification earlier in the morning.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You reviewed that letter carefully before completing your report?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You were asked to provide an independent expert report?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Certain duties are set out at PCRC.0022.0001.0004 in paragraphs 8.3 and 8.4. Do you see that?

PROF ROCKLOFF: I do.

MR DHARMANANDA: Did you comply with those aspects in 8.3 and 8.4? You can read that together with 8.2, if you would.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Where is the statement required by 8.2 in your report?

PROF ROCKLOFF: Well, I may not have a specific statement on that. I think the closest would be, "As the lead author, Professor Rockloff confirms that he has reviewed all documents provided."

MR DHARMANANDA: You identify yourself as the lead author. There were other authors identified in the report.

PROF ROCKLOFF: Correct.

MR DHARMANANDA: 8.4(g) required you to identify the other person and the

opinions of the other person in your report. Have you done that?

PROF ROCKLOFF: I'm sorry, what other person?

MR DHARMANANDA: The other persons listed at the cover page of your report, the various other persons who are seen as contributors to this report.

PROF ROCKLOFF: I consider those persons to be joint authors of the report. We have all read the report and we all accept the opinions expressed within the report as consistent with our views.

MR DHARMANANDA: So you are able to speak on all of the matters within the report and you haven't concluded an exercise of identifying who contributed to particular parts of the report; is that right?

PROF ROCKLOFF: That is correct.

MR DHARMANANDA: Did you draft the whole thing from cover to cover, then, Professor Rockloff?

PROF ROCKLOFF: I did not.

MR DHARMANANDA: You were asked earlier about Norway and you said you had to take that on advisement because you were unable to answer it. Do you recall that?

PROF ROCKLOFF: I do.

MR DHARMANANDA: You were specifically asked about the example of Norway in your brief and you are unable to deal with it. Was that dealt with by someone else?

PROF ROCKLOFF: I'm not aware that it's in the report.

MR DHARMANANDA: It is mentioned in your brief, one of the questions.

PROF ROCKLOFF: Okay. Well, I suppose we didn't do that then.

MR DHARMANANDA: Were you the only person directly engaged by the PCRC?

PROF ROCKLOFF: Was I the only person engaged by the --- well, my understanding was that the agreement we entered into, through which we got our funding, was with the university and not myself personally.

MR DHARMANANDA: This letter of engagement is directed to you at the Experimental Gambling Research Laboratory at the Central Queensland University?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Is the amount to be paid with respect to this engagement to be paid to the university?

PROF ROCKLOFF: Correct. It has been paid to the university, to my knowledge.

MR DHARMANANDA: Therefore, every member of the Experimental Gambling Research Laboratory has contributed to this report and you are unable to tell us who wrote which parts?

PROF ROCKLOFF: Well, if you bring up particular parts, I can probably recall who authored particular parts, but it isn't specified in the report.

MR DHARMANANDA: Thank you. I want to deal with conceptualisation of gambling-related harm now. In your report you distinguish between measuring the prevalence of problem gambling, as diagnosed, using the Problem Gambling Severity Index or PGSI, and gambling-related harm more broadly, do you not?

PROF ROCKLOFF: I'm sorry, can you restate that?

MR DHARMANANDA: In your report, you distinguish between measuring the prevalence of problem gambling, as diagnosed, using the PGSI and gambling-related harm more broadly, do you not?

PROF ROCKLOFF: Yes. So gambling related harm can be measured differently than problem gambling. It's measured by the Problem Gambling Severity Index.

MR DHARMANANDA: You say that most harms produced by gambling are suffered by people who do not have a gambling problem?

PROF ROCKLOFF: That's right, the quantity of harms in total in the population.

MR DHARMANANDA: You cite three studies for this opinion and those are studies by Browne and others in 2016, Browne and others in 2017, and yourself in 2020?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: These studies were all undertaken by you or your team at CQ University?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: The extent to which harm is found to be suffered by non-problem gamblers depends, you would agree, upon the criteria and thresholds used to define harm.

PROF ROCKLOFF: Well, the criterion --- so we don't view harm as being thresholding, and that has been a consistent problem and misunderstanding of some of our critics in the industry, or in academia, rather. Problem gambling is thought of in a quantitative sense, which is that you either have a gambling problem or you don't have a gambling problem. You score 8+ on the PGSI or you don't.

In terms of being harmed, we define whether you are harmed as to whether the amount of harms you identify are associated with decrements to health and well-being. If they are associated with decrements to health and well-being, then you are being harmed, at least by degrees, and if you are not, you're not.

There is a point at which people can be harmed by gambling, but they are also benefited by gambling. That is, gambling is fun and it is an enjoyable way to spend your time. So there can be a point at which people can be harmed by gambling in small amounts, but actually their benefits exceed their harms, in which case that may be a rational point of consumption.

The point at which people are net harmed by gambling is when their harms, in terms of decrement to well-being, is larger than the benefits, that is the improvements to their well-being, in taking part in the activity.

MR DHARMANANDA: What I was directing your attention to, Professor Rockloff, was that that conception turns upon how you define harm. Do you agree with me?

PROF ROCKLOFF: I don't know what you are saying.

MR DHARMANANDA: I am trying to give you an example that if the relevant criterion for the identification of harm is defined in a particular way, then you may say that almost all gamblers will experience some harm.

PROF ROCKLOFF: If defined in what particular way?

MR DHARMANANDA: In the way your study seeks to define the potential harm.

PROF ROCKLOFF: No, no, that's not correct. In fact, we find the majority of people who use our most common metric for exploring harm, which is the Short Gambling Harm Screen, the vast majority of gamblers have no harms whatsoever, at least as identified by the Short Gambling Harm Screen. In fact, when we use the Short Gambling Harm Screen and we compare it to the Problem Gambling Severity Index, it is more likely you will score one or more points on the Problem Gambling Severity Index than you are to score one or more points on the Harm Screen.

The Problem Gambling Severity Index, which is a longstanding 20-odd-year-old screen that is a standard in terms of determining, at least in a population sense, whether you have gambling problems, is more sensitive in picking out people with gambling problems than our harms is in picking out people who have been harmed,

at least according to the Short Gambling Harm Screen. So this notion that the way we do research identifies everybody as being harmed is just is verifiably incorrect.

MR DHARMANANDA: Don't you list 72 potential harms?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: There is a version of this list or a short form of it in each of your three studies?

PROF ROCKLOFF: Yes. Well, not all three studies, sorry. In the original study, I think the 2016, we actually asked people every single harm. It was probably brutal for them, but that's what we did.

MR DHARMANANDA: Those harms in the list of 72 range in seriousness?

PROF ROCKLOFF: Yes, they do.

MR DHARMANANDA: There are severe items like bankruptcy or attempted suicide; correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Then there are items such as the reduction in your available spending money; correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Reduction in your savings?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Less spending on recreational expenses such as eating out, going to movies or other entertainment?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Having regrets about the way you felt in relation to your gambling?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: The reduction in time attending non-gambling related social events?

PROF ROCKLOFF: Sure. I don't remember that one in particular, but okay.

MR DHARMANANDA: Eating too much?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: So this conception of harm is broad?

PROF ROCKLOFF: Yes. So the conception of harm that we took, and this was a conscious choice on our part, was we went through the literature and found every single instance where people mentioned --- or at least that we could find where people mentioned harms related to gambling. We also asked gamblers themselves about how they were harmed from gambling. Then we compiled a list as large as possible of the different ways that people could be harmed.

A lot of that list had repeats in it, basically harms that were similar in some way to the way people expressed other harms, so we reduced that set to come up with 72 as broad and unique harms that we could, in identifying people with gambling problems. The idea behind that being that we didn't want to impose our views in an arbitrary way about what is harmful as related to gambling, but instead let people choose for themselves whether they think they were harmed by gambling, on all of the criteria that people in the past have said they were harmed by gambling, and then see if the association with those harms is related to decrements to well-being.

MR DHARMANANDA: You have mentioned "association" previously. You use that word advisedly, do you not, Professor Rockloff?

PROF ROCKLOFF: I don't know what you mean by advisedly.

MR DHARMANANDA: I mean that you are not suggesting a causal relationship, are you, or are you suggesting that?

PROF ROCKLOFF: Well, I think it has to be --- I mean, the inference is that it will be a causal connection but, of course, in the science that we do, it is only an associative relationship that we can find between harms and whether people have decrements to well-being. Unless --- aside from the other techniques we use, where we actually have people fill out the elicitation protocols where they actually say, "I have been" --- "Because of my gambling, my well-being is less or more as a result of my gambling". But, again, that's the part we used in Tasmania and it's probably a more minor technique that we have used. But, again, it shows similar results to our other associative techniques.

MR DHARMANANDA: Do you agree that certain items on the list, such as reduction in spending money or less spending on eating out or going out to movies, can be viewed as diversions of expenditure and could be categorised as opportunity costs?

PROF ROCKLOFF: Yes, for sure they could but, again, when we asked these questions, we asked them in the context of "as a result of your gambling". So it's not

just asked in no context. The context is, "As a result of your gambling, have the following things happened to you?" Obviously I'm not using the exact words that we used.

But what we find is when people check off those harms, that those harms again are associated --- after controlling for other things that might affect your well-being, they are associated with decrements to people's well-being.

So, yes, even though they could be opportunity costs or things that are non-serious, in practice and given the context in which people are being asked these questions, when they check them off, it turns out, at least at a population level within the samples we draw, that those people identifying those harms are having lower well-being than others.

MR DHARMANANDA: Your studies, including your 2020 study, found the proportion of gamblers reporting harm rose significantly with each PGSI risk category; correct?

PROF ROCKLOFF: Say again, sorry?

MR DHARMANANDA: The proportion of gamblers reporting harm rose significantly with each PGSI risk category?

PROF ROCKLOFF: That's correct.

MR DHARMANANDA: The most common items reported by low-risk gamblers were matters such as the reduction in spending money or savings and having regrets about gambling?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: More serious harms, like spending less on essentials or not attending to children, were rarely reported by low-risk gamblers; correct?

PROF ROCKLOFF: Well, it depends on what you mean by rarely. Individually rarely, yes; in terms of population rarely, no. So more severe harms are still reported largely --- except for, say, extreme ones like suicide ideation and that sort of thing. But by and large, most harms and even the more severe harms are as common or more common in the population of non-problem gamblers than they are of problem gamblers.

Again, individually, yes, it's less likely you are going to be nominating a severe harm if you are a non-problem gambler. However, because there are a lot more non-problem gamblers, in fact the severe harms, such as losing a job because you are gambling, is often happening to people who are non-problem gamblers, because there are just more of them.

MR DHARMANANDA: The rate is still low; you would agree with me?

PROF ROCKLOFF: Individually the rate is low, population-wise the rate is not.

MR DHARMANANDA: Let's look at your table on page 11 of your report. Problem gamblers amongst gamblers is 0.9 per cent?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Moderate risk gamblers is a small percentage still, at 3.9 per cent; do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Low risk is at 9.4 per cent?

PROF ROCKLOFF: Mmm-hmm.

MR DHARMANANDA: Non-problem gamblers is the remaining 85.9 per cent?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Those figures are even lower when you consider that as a percentage of the population as a whole, as opposed to gamblers?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Your team conducted another survey in 2019 on behalf of the New South Wales Responsible Gambling Fund?

PROF ROCKLOFF: Yes, correct.

MR DHARMANANDA: The objective of the Responsible Gambling Fund is to play a key role in advising the New South Wales government on the allocation of funds for initiatives that promote Responsible Gaming and help reduce gambling-related harm; is that correct?

PROF ROCKLOFF: I'm not aware of that, but that sounds like a mission statement that they might have.

MR DHARMANANDA: Is that fund administered by trustees who make recommendations to the minister?

PROF ROCKLOFF: I'm not aware.

MR DHARMANANDA: Do you know who the current trustees are?

PROF ROCKLOFF: I do not.

MR DHARMANANDA: Professor Paul Delfabbro is one of the trustees. Were you aware of that?

PROF ROCKLOFF: I was not.

MR DHARMANANDA: Returning to the survey you conducted in 2019 with money from the fund, that survey included questions about 21 items of gambling-related harms; correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Those 21 items were selected by a departmental steering committee from your broader list of the 72; is that correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: The steering committee did not consider it appropriate to include many of the lower level items used in your broader list; correct?

PROF ROCKLOFF: I think they --- my recollection is that they included all of the Short Gambling Harm Screen items on that list, but they wanted additional items as well. I could be wrong, maybe they excluded some of those items, but my recollection is that most or all of those items from the Short Gambling Harm Screen were included in the questionnaire. Then they wanted additional items on top of that.

MR DHARMANANDA: Shall we go to that report, please, CRW.701.010.7469. The relevant list is at 7525. Do you agree with me it doesn't have the regret item of loss, nor indeed less money to spend on other matters such as going out or going to restaurants?

PROF ROCKLOFF: Yes, it doesn't seem to be in that table. It doesn't mean that it wasn't part of our data set. I'm not sure why that is not in that table, but I agree it is not in that table.

MR DHARMANANDA: Thank you. In that survey, of all the respondents, only 2.94 per cent of people reported any gambling-related harm; correct?

PROF ROCKLOFF: Sorry, where are we?

MR DHARMANANDA: 7527.

PROF ROCKLOFF: Say again, sorry?

MR DHARMANANDA: Page 7527, operator.

PROF ROCKLOFF: Yes, that's what it says all right.

MR DHARMANANDA: And most reported harms were about feeling depressed or distressed about gambling and loss of sleep; is that correct? Does that accord with your recollection?

PROF ROCKLOFF: Look, it's consistent with my recollection but I don't --- I couldn't tell you precisely, but it seems like it would be likely.

MR DHARMANANDA: Of those who had gambled in the last 12 months, 6.34 per cent of gamblers reported harm, with only 2.47 per cent experiencing just one form of harm. That was your finding, wasn't it?

PROF ROCKLOFF: That sounds like it's probably right.

MR DHARMANANDA: The mean number of harms experienced were markedly higher among moderate risk and problem gamblers than non-problem gamblers? That's at 7528; correct?

PROF ROCKLOFF: Yes, that's correct.

MR DHARMANANDA: You mentioned some academics who have questioned your team's research in relation to harm and whether it provides strong evidence of genuine cases of harm being more numerous in lower risk populations; correct?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Professors Delfabbro and King from the University of Adelaide have published a number of journal articles on this topic; correct?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: In 2017, 2019 and 2021?

PROF ROCKLOFF: That sounds probably correct.

MR DHARMANANDA: Do you need to look at those, Professor Rockloff?

PROF ROCKLOFF: No, I don't need to look at them, I'm just saying I don't remember the exact dates of their articles.

MR DHARMANANDA: Are you aware of these publications?

PROF ROCKLOFF: I am.

MR DHARMANANDA: Were you aware of these publications at the time you finalised this report?

PROF ROCKLOFF: Of course.

MR DHARMANANDA: You do not refer to a single one of these publications in your report.

PROF ROCKLOFF: Well, it probably would have been good if I did.

MR DHARMANANDA: In your report you declare you have made all the desirable inquiries. Do you recall making that declaration?

PROF ROCKLOFF: I do.

MR DHARMANANDA: You declared that no matters of significance which you regard as relevant have been withheld from the Royal Commission. Do you recall that?

PROF ROCKLOFF: I do.

MR DHARMANANDA: But you did not inform this Commission about the work of Professor Delfabbro and Professor King and their questioning of aspects of your approach to measuring gambling harm, did you?

PROF ROCKLOFF: I suppose I didn't. It wasn't an intentional omission, but it's an omission nonetheless.

MR DHARMANANDA: Professors Delfabbro and King point to another study conducted by Professor Blaszczynski and others for the Responsible Gambling Fund in 2015. Are you aware of that study by Professor Blaszczynski?

PROF ROCKLOFF: I am not.

MR DHARMANANDA: Perhaps I can take you to the work of Professor Delfabbro and Professor King in 2019 that has some regard to the work of Professor Blaszczynski. CRW.701.010.8650, please, operator. Are you familiar with this piece, Professor Rockloff?

PROF ROCKLOFF: I am.

MR DHARMANANDA: Could we go, please, to page 8655, the last paragraph on the page, operator, and allow Professor Rockloff to read the first paragraph on the next page.

PROF ROCKLOFF: Yes, I have read it.

MR DHARMANANDA: Having read that, can you confirm, then, the respondents who were asked to rate the severity of their problems from 1 to 5?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Professors Delfabbro and King note that once weighted, there did not appear to be very much harm of any sort reported by non-problem gamblers in the study?

PROF ROCKLOFF: Yes. Look, I am aware of the gambling effects scale. Unfortunately, you have caught me at a bit of a loss of memory, but my understanding of it was the scale was developed in a manner to produce the result they hoped to show, which was to show that problem gamblers were not experiencing harm. It was constructed with the express goal of making sure that non-problem gamblers would show up as not suffering from harm.

In essence, to put a --- to underline that, I don't accept that the gambling effects scale is a good way of measuring harm. I think it's a very complicated measure that was constructed with a specific purpose to produce a result. In contrast, our harms work was not. In fact, we were surprised by the result. This was not a result that gambling harms be more prevalent in the non-gambling population. It was not constructed for that purpose; we didn't even know that was going to happen. It was just an exploration with a result.

My opinion of the gambling effects scale is that it was produced with the purpose of producing a result they wanted to get, which was to undermine the notion that there could be harms outside of problem gamblers.

MR DHARMANANDA: Let me be clear, Professor Rockloff: you begin by saying that your memory fails you, correct, but yet you are prepared to assert that Professors Delfabbro and King entered into an exercise to skew the results; is that what you are saying?

PROF ROCKLOFF: Yes. I don't think it's --- I'm not accusing them of dishonesty, I am accusing them --- I would say that the exercise was constructed in such a way that it confirmed their presupposition about what the results were going to be.

MR DHARMANANDA: You didn't refer to Professor Blaszczynski's study in your report either, did you?

PROF ROCKLOFF: I did not.

MR DHARMANANDA: Can we move then, Professor Rockloff, to the informed choice model. Your report identifies that the informed choice model is one of three overarching approaches to gambling harm minimisation?

PROF ROCKLOFF: One of three, did you say? Oh yes, yes, I know what you are saying. Yes, that's correct.

MR DHARMANANDA: Is that a part that you didn't write?

PROF ROCKLOFF: It is. That's a part that my colleague Nerilee Hing wrote.

MR DHARMANANDA: Your colleague cites for that proposition her own work at page 15, line 205. That is a reference to your colleague's work, the Responsible Conduct of Gambling study which was published in 2020?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: In that study Professor Hing posits that there are four models which are actually points on a continuum? That's correct, isn't it?

PROF ROCKLOFF: Yes, I think that would be a fair characterisation.

MR DHARMANANDA: Have you read Professor King's work?

PROF ROCKLOFF: Of course.

MR DHARMANANDA: That continuum begins with the (?) model, which effectively provides little or no protection for the consumer; correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Then there is the informed choice model, which provides measures to protect consumers which are now standard across most jurisdictions?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: The next model on the continuum is harm minimisation; correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: The harm minimisation model includes measures implemented under the informed choice model?

PROF ROCKLOFF: The which model, say again?

MR DHARMANANDA: The harm minimisation model includes measures implemented under the informed choice model; correct?

PROF ROCKLOFF: There may be some cross-talk between the two, yes.

MR DHARMANANDA: Well ---

COMMISSIONER OWEN: Sorry, Mr Dharmananda, I missed the first one. You

said the first in the continuum?

MR DHARMANANDA: Well, let's go to Professor Hing's work, CRW.701.010.8755. The relevant passage is at 8774, the first full paragraph on that page:

> *In addition to practices implemented under the informed choice model of RCG, the harm minimisation approach includes measures to prevent or ameliorate gambling harm across the spectrum of gamblers .....*

Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: The next model of consumer protection includes measures implemented under the harm minimisation model. The next model is consumer protection. That's on the same page, further down the page. Each model builds on the measures used by the previous model, does it not?

PROF ROCKLOFF: Well, it --- from my understanding, I think that each model introduces new potential interventions that are consistent with the model's composition.

MR DHARMANANDA: I am asking you, Professor Rockloff, whether you agree, based on Professor King's work, that each model builds on the measures used by the previous model?

PROF ROCKLOFF: I couldn't tell you.

MR DHARMANANDA: You couldn't tell me?

PROF ROCKLOFF: No.

MR DHARMANANDA: The models are not inconsistent, are they?

PROF ROCKLOFF: No, they are not entirely inconsistent.

MR DHARMANANDA: That is a point made by Professor Blaszczynski in a paper written in 2020, is it not?

PROF ROCKLOFF: I couldn't tell you.

MR DHARMANANDA: Are you aware of a paper entitled:

> *Considering the Public Health and Reno Models Strategic and Tactical Approaches for Dealing with Gambling-Related Harms*

It was published in 2020.

PROF ROCKLOFF: I am not.

MR DHARMANANDA: Go, please, to CRW.701.010.2747. It is published in the International Journal of Mental Health and Addiction. Are you familiar with that journal?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Would you go, please, to page 2749, the second full paragraph, please, operator. Do you see it is stated there that the Reno Model essentially represents a focused and tactical subset of a global strategic public health model? Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: That is in conformity with the views of Professor Hing that I just took you to, is it not?

PROF ROCKLOFF: I couldn't tell you.

MR DHARMANANDA: I would like to deal with another topic, Professor Rockloff, which is industry funding. Your report refers to the RGAP panel of academics engaged by Crown, does it not?

PROF ROCKLOFF: Correct, yes.

MR DHARMANANDA: Were you the author of that part of the report?

PROF ROCKLOFF: No. Professor Hing was.

MR DHARMANANDA: The members of the RGAP panel are Professors Blaszczynski, Delfabbro and Nower, correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: They are all academics who regularly publish in the area of problem gambling and responsible gambling measures, are they not?

PROF ROCKLOFF: They are.

MR DHARMANANDA: You do not question their integrity, do you?

PROF ROCKLOFF: Absolutely not.

MR DHARMANANDA: You and some of your co-authors have collaborated with

them?

PROF ROCKLOFF: Correct. I recently published with Blaszczynski, in fact.

MR DHARMANANDA: Professor Hing has also worked with Professor Delfabbro and Professor Blaszczynski?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Associate Professor Russell has worked with all three of the members of the RGAP panel?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Your report questions Professor Blaszczynski's research contributions on the basis he has received funding from the gambling industry, does it not?

PROF ROCKLOFF: I believe it does, yes.

MR DHARMANANDA: Professor Blaszczynski is an academic with the School of Psychology at the University of Sydney?

PROF ROCKLOFF: He is now an Emeritus Professor, retired.

MR DHARMANANDA: Go, please, CRW.701.010.8994. That is Professor Blaszczynski's curriculum vitae. There is a list of Professor Blaszczynski's contributions in relation to responsible gambling. Are you familiar with those works, Professor Rockloff?

PROF ROCKLOFF: Which works would those be?

MR DHARMANANDA: I am asking you whether you are familiar generally with Professor Blaszczynski's works as they are listed in his resume?

PROF ROCKLOFF: Yes, generally. I mean, he is known as one of the most prolific and longstanding contributors to gambling research worldwide.

MR DHARMANANDA: Professor Blaszczynski has received government funding for research, as well as industry funding?

PROF ROCKLOFF: He has.

MR DHARMANANDA: You are aware that he has been a clinical psychologist with over 30 years of clinical work treating problem gamblers and their families?

PROF ROCKLOFF: Yes. More than that, he is a principal member of a gambling

treatment group that I think he may have even originated at the University of Sydney.

MR DHARMANANDA: That kind of clinical work would have given him direct exposure to the harms experienced by problem gamblers and their families; do you agree with me?

PROF ROCKLOFF: Absolutely.

MR DHARMANANDA: Have you taken Professor Blaszczynski's clinical work into account when making assertions about the potential for bias on his part?

PROF ROCKLOFF: My assumption of the amount of --- in fact, I think the clinical contributions may in fact allow him to have a greater appreciation for harms that are occurring to problem gamblers because that is mostly what he sees in his clinical practice. So I would say that would be consistent with his experience.

MR DHARMANANDA: Sorry, that is not an answer to my question. I said have you taken account of Professor Blaszczynski's clinical work when making assertions about the potential for bias on his part?

PROF ROCKLOFF: I don't see that as relevant.

MR DHARMANANDA: You have said that industry funding may cloud outcomes of research?

PROF ROCKLOFF: Say again, sorry?

MR DHARMANANDA: You have asserted in your report that industry funding may cloud outcomes of research. Do you recall saying that?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You have not made any citations for that assertion?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You have not pointed to any scientific flaws in the methodology, design or findings in the research of Professor Blaszczynski or other members of the RGAP panel, have you?

PROF ROCKLOFF: I have not.

MR DHARMANANDA: Are you aware of recent studies that suggest there are no significant differences between gambling industry and non-industry funded research with respect to the research, design and outcomes of studies?

PROF ROCKLOFF: I am not aware of that.

MR DHARMANANDA: Can I take you, please, to two papers and just ask you to examine the abstract. The first is by Shaffer and others, CRW.701.010.8423. Firstly, are you familiar with this study in the Journal of Gambling Studies?

PROF ROCKLOFF: I am not.

MR DHARMANANDA: Are you familiar with the journal?

PROF ROCKLOFF: The Journal of Gambling Studies?

MR DHARMANANDA: Yes.

PROF ROCKLOFF: Yes, I have published there a few times.

MR DHARMANANDA: Would you read the abstract, please. Does that give you pause with respect to your assertions concerning industry funding and outcomes of research?

PROF ROCKLOFF: No.

MR DHARMANANDA: Some of your team have undertaken consulting work for industry operators, have they not?

PROF ROCKLOFF: One, to my awareness.

MR DHARMANANDA: I beg your pardon?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Associate Professor Russell received industry funding for an evaluation of problem gambling amongst casino employees from the Echo/Star Entertainment Group. Are you aware of that?

PROF ROCKLOFF: I am.

MR DHARMANANDA: Professor Hing received funds for consulting work to improve RG measures by Echo Entertainment and Sportsbet. Are you aware of that?

PROF ROCKLOFF: I am.

MR DHARMANANDA: She he has also received an honorarium from Singapore Pools, are you aware of that?

PROF ROCKLOFF: I am.

MR DHARMANANDA: Do those matters, in your view, cause the work of

Professor Russell and Professor Hing to be subject to the same cloud that you describe in relation to Professor Blaszczynski and others?

PROF ROCKLOFF: For the works they did at that time, for certain it does. Now, I should say that that work was performed prior to them joining Central Queensland University. Central Queensland University does not accept funding from the gambling industry. I have not imposed that on Dr Russell or Dr Hing, but they had decided of their own accord that they would no longer accept industry funding for their research.

MR DHARMANANDA: So this opportunity for bias can be purged, in your view?

PROF ROCKLOFF: This what, sorry?

MR DHARMANANDA: This opportunity for bias by the receipt of industry funding can be purged?

PROF ROCKLOFF: Absolutely.

MR DHARMANANDA: Crown established the RGAP to look at Crown's practices to determine the best practice in relation to RG; are you aware of that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: There is nothing unusual about businesses engaging external consultants to advise them, is there?

PROF ROCKLOFF: No.

MR DHARMANANDA: That is an appropriate step for a business to take if it considers that it would benefit from expert advice?

PROF ROCKLOFF: For the business, yes.

MR DHARMANANDA: You assert that the work of RGAP cannot be fairly considered as independent because some members received funding from the gambling industry. Do you recall that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: It is usual for external consultants and experts to be paid for their work; correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Would you agree with me that Crown would not be able to get leading experts to devote time and effort to advising Crown on RG programs

without paying them?

PROF ROCKLOFF: Certainly not research experts, no.

MR DHARMANANDA: Adopting your thinking, Crown would, in effect, be precluded to a diminishing pool to obtain independent advice as and when they sought advice from people that received industry funding?

PROF ROCKLOFF: A diminished pool, yes. I don't think it would be impossible to find expertise, however.

MR DHARMANANDA: They could brief you, perhaps?

PROF ROCKLOFF: They could brief me? Sorry?

MR DHARMANANDA: Would you be able to provide independent assistance?

PROF ROCKLOFF: In an unpaid capacity, I could provide some assistance, yes.

MR DHARMANANDA: In its 2020 report, the RGAP described the Terms of Reference for the review. Have you studied that?

PROF ROCKLOFF: In what report, again, sorry?

MR DHARMANANDA: The RGAP's report, the work of the committee that you criticised.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Have you looked at the terms of their reference?

PROF ROCKLOFF: I'm sure I glanced over it, but I didn't pay much attention to it, no.

MR DHARMANANDA: Can we go, please, to CRW.507.001.1078. At 1079, the Terms of Reference are identified. Do you see that the RGAP were to review Crown's current RG practices, policies and procedures, and identify existing strengths and gaps or weaknesses. Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: At 1084, you will see that is the start of the identification of a number of weaknesses. It goes over the page. Operator, would you please allow Dr Rockloff to examine page 1085. There were 17 recommendations made, Professor Rockloff. Were you aware of that?

PROF ROCKLOFF: I wasn't aware of the exact numbers but yes, I have looked at

the recommendations.

MR DHARMANANDA: The RGAP doesn't seem to be self-censoring in respect of their advice; would you agree with me?

PROF ROCKLOFF: I would agree.

MR DHARMANANDA: The PCRC asked you whether you had any comments on the approach or conclusions of the RGAP's review. Do you recall that part of your brief?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: In response, you say that a review should instead be conducted completely independently and funded by government and compel industry cooperation and be grounded in public health considerations. Do you recall that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: That is not a comment on the approach or conclusions of the review undertaken by the RGAP, is it?

PROF ROCKLOFF: It is not.

MR DHARMANANDA: It is, in effect, a recommendation that the government should conduct its own review?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You were asked whether you had any comment on the approach or conclusions of the review conducted by the RGAP. That is part of your brief?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You say that the review proceeds on the informed choice model?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: The RGAP recommended that Crown consider instituting limit-setting for EGMs in Perth, like the terms required in Victoria, and to evaluate the data around this. Were you aware of that?

PROF ROCKLOFF: I don't recall that, no.

MR DHARMANANDA: Could I refresh your memory. Page 1137, does that

refresh your memory?

PROF ROCKLOFF: Would you like me to read it?

MR DHARMANANDA: Yes, please.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Also recommendation 14, please operator, which is the next one.

PROF ROCKLOFF: Yes, I remember that in particular.

MR DHARMANANDA: Also, could I ask you to examine recommendations 15 and 16, which is on the following page, please, operator.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: I need to show you the top of this page. Could we go to that, please, operator, and blow up the first part. Thank you.

Have you read that now, Professor Rockloff?

PROF ROCKLOFF: Yes, to the best of my memory during that short time, sure.

MR DHARMANANDA: To recap, the RGAP made recommendations about limit-setting for EGMs in Perth, requiring an evaluation of data around this. They also made recommendations about the development of a predictive model to identify at-risk gamblers, based on individual customer data, such as time spent gambling, money expended and variation in bet size and the like. Did you see those recommendations just now?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Those are all measures consistent with your preferred model; correct?

PROF ROCKLOFF: Yes, to the extent of measure --- look, those are all great, but the question I would have, and again maybe you can show me elsewhere in the document that it shows this, but I don't see anything in what you have shown me that says what they are going to do with that data. It's all very well to actually know who your problem gamblers are, who are experiencing harms, but what do you actually do with that information? I don't see any of that there, which isn't consistent with how I would approach things.

MR DHARMANANDA: It was part of your brief, on the basis of the instructions given to you by the PCRC, to make comments on the approach or conclusions of the

RGAP's review, wasn't it?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: But you don't mention these conclusions or make any substantive comment with respect to these recommendations made by the RGAP in your report, do you?

PROF ROCKLOFF: No.

MR DHARMANANDA: Nothing further at this stage, Commissioners, bearing in mind the directions.

COMMISSIONER OWEN: Thank you very much, Mr Dharmananda. Thank you, Professor Rockloff.

Dr Philander, I will now invite Mr Leigh to explore matters with you that relate to the interchanges that have occurred to date.

MR LEIGH: Thank you, Commissioners.

CROSS-EXAMINATION BY MR LEIGH

MR LEIGH: Dr Philander, I will start by asking you some brief questions about your education and experience. You mention in the report you have provided to the Commission that you have a PhD in Hospitality Administration. Can you explain for the benefit of the Commissioners what areas of study are involved in that qualification?

DR PHILANDER: Yes. My major was in Gaming and then my minor was Economics.

MR LEIGH: In terms of where you obtained that qualification, at the University of Nevada, Las Vegas obviously Las Vegas is renowned as a casino and hotel destination. Is the nature of the studies directed towards the hotel and gaming industry?

DR PHILANDER: The nature of the studies at UNLV?

MR LEIGH: Yes, that you engaged in.

DR PHILANDER: There would be the general social science related courses and then there would be some gaming related courses that are related to the industry.

MR LEIGH: Is the essential point of that qualification to learn how, and then to each

others how, to operate the industry more effectively and efficiently?

DR PHILANDER: The gaming courses in some circumstances would be oriented towards that, correct.

MR LEIGH: In terms of the other components of the course, did any of them include a psychology component?

DR PHILANDER: Consumer behaviour, that type of work.

MR LEIGH: But you don't hold yourself out as an expert in psychology?

DR PHILANDER: No.

MR LEIGH: You mention in your report that you hold the position of an honorary lecturer in the Department of Psychology at the University of Sydney. What is the nature of any courses you may have taught in that position?

DR PHILANDER: I don't teach any courses

MR LEIGH: I move now to the nature of harm, and we have talked about that earlier today. You mention at pages 6 and 7 of your report --- and I won't take you to that at the moment --- some of the articles by Drs Delfabbro and King, responding to the research by Dr Browne et al. Have you been the author of any reports that engage in this area?

DR PHILANDER: No.

MR LEIGH: Have you been the co-author of any such articles?

DR PHILANDER: No.

MR LEIGH: Have you otherwise contributed to research in the debate that is currently unfolding?

DR PHILANDER: Research in terms of?

MR LEIGH: The measurement of ---

DR PHILANDER: Sorry, I just want to be clear, research in terms of manuscripts published or having discussions with academics?

MR LEIGH: Contribution to published work.

DR PHILANDER: No, not contributions to published work.

MR LEIGH: Would it be fair to say you are a relatively recent newcomer to this area

of study?

DR PHILANDER: To which area of study?

MR LEIGH: To the area of the measurement of gambling-related harms, such as is pioneered by Browne et al in 2016?

DR PHILANDER: I would have read all of this material as it was published, so it's a relatively new area. I don't know if that's a fair characterisation.

MR LEIGH: Can we please call up PUB.0018.0011.0002. This is a screenshot taken from a Twitter account which shares your name, that is Kahlil Philander, and the Twitter account is @kahilphilander. Do you have a Twitter account of that name?

DR PHILANDER: That's me.

MR LEIGH: Looking at the screenshot, can you confirm whether this is your account?

DR PHILANDER: It is.

MR LEIGH: Looking at the first Tweet at the top of the page, there is a request for recommendations for readings in relation to the measuring of gambling harms. Do you see that?

DR PHILANDER: I do.

MR LEIGH: At that stage, 23 September, is it fair to say you were not fully informed as to the current state of the literature in relation to this issue?

DR PHILANDER: I was making sure I was fully informed.

MR LEIGH: Looking at the bottom of the page, you see the date is 23 September this year. From your answer before, is it the case that as of approximately seven weeks ago, you were wanting to make sure of your understanding of this area?

DR PHILANDER: Yes.

MR LEIGH: Looking at the comment you make in the top Tweet, after the request for recommendations, you then say:

A lot of the work I've seen seems politically motivated.

What do you mean by the words "politically motivated"?

DR PHILANDER: I think by politically motivated I meant it was directed towards a specific policy outcome, as opposed to just trying to call balls and strikes of what

harms look like.

MR LEIGH: Do you consider that work generally which adopts a public health approach is work that is politically motivated?

DR PHILANDER: I don't think it would be fair to characterise a large category of research broadly like that.

MR LEIGH: Do you consider that much of the work in the public health space is politically motivated?

DR PHILANDER: I think a fair way to characterise it is some may be.

MR LEIGH: Then underneath that, you have a second Tweet where you say what you found worth reading so far. Then you mention the articles that ultimately make their way into your report. Underneath there is a comment where you say:

> *Nothing in USA? Surprising considering its importance to ideas emanating from woke culture.*

By that, do you mean that given the United States is associated with woke culture, it is to be expected that it would have generated some research dealing with the question of measuring gambling harm?

DR PHILANDER: By that I meant the ideas around woke culture more or less started in American universities, so my expectation would be, because some of that literature began in American universities, that we would see more of these types of ideas by American researchers.

MR LEIGH: The words woke culture were initially used to refer to racial awareness in America, but are now often used as a derogatory comment in relation to people who occupy the left wing. Would you agree with that?

DR PHILANDER: In academic circles, woke culture is --- the idea started with racial inequity, but it has moved towards inequity for many discriminated groups.

MR LEIGH: You are suggesting, then, that there is inequity or discrimination in relation to measuring of gambling harms; is that what you are suggesting you were saying there?

DR PHILANDER: No.

MR LEIGH: Can you explain how you used the words "WOKE culture" in relation to measuring gambling harm?

DR PHILANDER: The idea that I am trying to get across there is that there is a strong focus among United States academics around certain institutional setups that

may disproportionately affect individuals, like blacks or gays or many other discriminated groups. What I was trying to articulate there was that it might be interesting, from an academic study, to see to what extent some of those ideas, of whether there are more harms discriminated groups or not.

MR LEIGH: Could we please call up PUB.0018.0011.0004, at the bottom of the page, going down until we reach September '16. You can see the date there. This is a week before the Tweet we looked at a moment ago. The headline is above the box, "Push to ban credit cards in online gambling". Do you see that? It appears you have highlighted in blue a quote from the article in that box there:

> *In that sense, it's trying to provide some friction in people's gambling behaviour.*

That was you who highlighted that?

DR PHILANDER: Correct.

MR LEIGH: Above is your comment when you are referring to what the article says, and you ask:

> *Have they considered forcing everyone to solve a crossword puzzle before depositing?*

Do you see that?

DR PHILANDER: I do.

MR LEIGH: By that comment, you were intending to convey your strong disdain for the proposal?

DR PHILANDER: I was not.

MR LEIGH: What were you intending by that comment?

DR PHILANDER: That was a pithy comment to force people to think about what we are trying to actually accomplish with gambling interventions. So in this sense, people often think with responsible gambling interventions that by creating a consumer barrier which is sometimes called sludge, which is the opposite of nudge -- - so a nudge is the behavioural economics idea of changing circumstances in order to push people towards a behaviour; sludge is the idea of putting some sort of barrier in order to prevent somebody from going into a behaviour. People often think that might be a good idea from a responsible gambling standpoint because it might produce an outcome that reduces the amount of spending.

But what it doesn't fundamentally do is shape the way that consumers think about gambling. Obviously this is Twitter, so the context is to make pithy statements about

the points we are trying to make. But that was the idea, to point out that it's not obvious that these types of interventions are truly accomplishing what we might want to with the responsible gambling program.

MR LEIGH: If we scroll up the page a little, we see the next Tweet in the thread. Again, you refer to that thinking as "lazy first-order effect thinking".

DR PHILANDER: Mmm-hmm.

MR LEIGH: In the final lines you say that if you can't solve a hard problem, "make up an easy problem to solve instead". I suggest again that you were intending by that to convey your disdain for an approach which was a regulatory approach imposed from the top?

DR PHILANDER: If by "approach" you mean the actual intervention, that's not exactly right. My criticism is more of the process.

MR LEIGH: When you say your criticism is of the process, what is the problem with the process that you identify here?

DR PHILANDER: The process is not starting from first principles and then exploring, like, the final outcomes of what you're trying to accomplish. The first principles idea with responsible gambling, and I think I articulated this a little bit, is providing the right information and interventions that enable gamblers to have the right beliefs and behaviours that will be protective for them over the longrun.

MR LEIGH: I think the next Tweet we are about to look at perhaps calls up what you are talking about now. Can we scroll a bit higher up the page, please. You then have a discussion as to your views as to what RG is, and I assume that means responsible gaming?

DR PHILANDER: Correct.

MR LEIGH: You explain it is about informing and empowering gamblers, it not about imposing a negative externality on every customer. Would you agree that represents your strongly held view as to the appropriate way to try and deal with gambling harm?

DR PHILANDER: It's a strong opinion weakly held, I think is the right way to frame it.

MR LEIGH: When you refer in that Tweet to a negative externality, that is a standard economic term for anything that causes an indirect cost to individuals, isn't it?

DR PHILANDER: To individuals who aren't involved in the transaction.

MR LEIGH: Thank you. Does that mean, to your thinking, that the proposal in this specific case, which was about preventing people from using credit cards to bet, is something you would characterise as a negative externality?

DR PHILANDER: I think that type of policy would create a negative externality for individuals.

MR LEIGH: That would then be, to your mind, in application of standard economic theory, a bad thing?

DR PHILANDER: That aspect of it would be bad.

MR LEIGH: In the third line of this Tweet you say:

> *The solution isn't coming out of a single policy meeting study, it comes from the creating the right incentives and letting a thousand flowers bloom.*

Does that again reflect your starting point, your fundamental belief, that it is not appropriate for there to be regulation or limitation imposed out of policies, meetings or study?

DR PHILANDER: I think the right way to characterise my thinking here is that there may be --- there certainly is a role for a regulation, and I think I articulated this earlier when I said that having a regulated gambling industry is more effective than having a completely unregulated gambling industry.

What I think, having experienced life as a quasi regulator, being on the academic side and also working with non-profits, is the challenge, in particular, with responsible gambling is that a lot of the interventions have come from the top down. I think there is a lot more room for innovation that comes from the bottom up, but because a lot of the key actors' ability to create those right --- to innovate and be able to experiment is restrained, I think that sort of more captures my perspective.

MR LEIGH: Professor Rockloff states in his report that the informed choice model essentially commenced in 1996. You have just said there is a lot of innovation from the ground up. Can you give the Commissioners some examples of the innovations you say have come from the ground up, say, in the last 20 years?

DR PHILANDER: I did not say a lot of innovations have come from the ground up.

MR LEIGH: Sorry, I must have misunderstood. What did you say?

DR PHILANDER: I said that the right model that would be effective for helping to solve this problem would be one that allowed for innovation coming from the ground up. What I was articulating here in this particular Tweet is about creating the right incentives for that innovation.

MR LEIGH: Thank you. Sorry, Commissioner.

COMMISSIONER OWEN: I thought what he said was that there is room for a movement from the ground up.

MR LEIGH: Yes. So there is room and an option for movement from the ground up. Thinking about it now, can you articulate anything for the Commissioners' assistance which you would say is an example of that possibility being realised?

DR PHILANDER: Self-exclusion was something that started in Manitoba, but that was a largely regulatory piece. I think there is experimentation. Most of it is happening with online operators and that is around empowering people to be able to take time out or set specific times of day when they might not want to play. You know, somebody comes home drunk on a Friday, they might not want to be able to do that.

But the casino environment is one, and the regulatory structure is one, where I don't think there has been a lot of innovation over this time period that you articulated.

MR LEIGH: To pick up for a moment the example you gave about online operators, one of the things you would agree occurs with an online operator is that every patron has an account which allows total tracking of that patron, so as to have the possibility of imaginative restrictions, limits and controls to empower that patron; isn't that right?

DR PHILANDER: That's correct.

MR LEIGH: If you wanted to have the possibility of similar sorts of things in the casino environment, you would likewise need to have the option of that tracking and monitoring in the casino environment as well?

DR PHILANDER: I don't know that you would --- well, that depends. It's something that could be done pseudo anonymously or it could be something that is identified or tracked to a specific identification of an individual.

MR LEIGH: There is one more Tweet I want to show you, PUB.0018.0011.0001. It's the pinned Tweet at the top of this page. I'll let you read that for a moment. The essential point you are making here when you talk about a "claim to focus on consumer welfare" in the first line and in the third line, you say:

> *We spend 99% of our time talking about edge cases but average consumers would be much better off with less involvement.*

By "edge cases" are you referring there to problem gamblers?

DR PHILANDER: That's certainly a part of the edge cases.

MR LEIGH: What else do you include in the words "edge cases"?

DR PHILANDER: It could be just high volume consumers. It could be high rollers, not necessarily individuals who have been diagnosed with a gambling disorder, or wouldn't be diagnosed with a gambling disorder.

MR LEIGH: The final part of the sentence in the third line:

.... average consumers would be much better off with less involvement.

Does that again speak to your starting point, your philosophy, your ethos that it would be preferable to have less involvement or less regulation rather than more?

DR PHILANDER: I don't think I have articulated that I have an ethos of that nature, so I think that's a mischaracterisation of what I'm saying. But what I am saying is that --- the point I was trying to make here is that in these policy contexts and even in academic discussions, we do spend a large amount of time talking about very small populations of people. And I think in those discussions, which I think are important to have, we often miss the impacts that happen to much larger population bases.

MR LEIGH: Thank you. In terms of saying that you miss the impacts of the large population bases, what metric are you bringing to weigh the relative benefit to some people if there is less involvement, versus the detriment to others if there is that less involvement, and how are you forming the view that is an appropriate or positive development, as you seem to be suggesting here?

DR PHILANDER: I'm sorry, I don't understand that question.

MR LEIGH: You are saying here that consumers would be better off with less involvement. That seems to be a statement of fact, that there should be less involvement in gambling regulation. Do I read that correctly or have I read that incorrectly?

DR PHILANDER: What I am saying there is that a lot of the interventions we talk about do impact a large group --- the larger group of people, yes

MR LEIGH: My question is, in terms of saying it would be better if we didn't have those sorts of interventions, what are the metrics you are applying to work out the benefit to the larger group versus the detriment to the smaller group, so as to make a choice that it is appropriate to prioritise that larger group?

DR PHILANDER: That's a subjective judgment.

MR LEIGH: Could we please now go to your paper, CRW.998.002.1212. I take you to page 7, paragraph 3.2.3. You see in the second line a comment to the effect that you think that --- well, you refer to Delfabbro and King's work and that suggests that Browne et al's work is likely to have substantial measurement error. Do you have

that?

DR PHILANDER: I do.

MR LEIGH: Your conclusion as to substantial measurement error is not on the basis of your review of the data, it's on the basis that you find the argument by Delfabbro and King a compelling argument; is that correct?

DR PHILANDER: No. No, that's not correct at all.

MR LEIGH: Can you run us through how it is you came to the view that there is substantial measurement error in relation to the work of Browne?

DR PHILANDER: Yes. I actually did articulate this earlier. What you are ultimately trying to measure in this case is harms, right? So you are trying to create a metric of harms that accurately reflects individuals' subjective experiences, right?

So what I described, and actually Dr Rockloff also described a different methodology that he used, was that when you are asking people survey questions and you are asking people survey questions in a specific way, like as I described earlier, the outcome you are going to get does not, obviously, reflect individuals' subjective experiences about harms, particularly if we think about the way that people actually behave.

MR LEIGH: Is this a reference to revealed preference versus stated preference, when you make those comments about the way people actually behave?

DR PHILANDER: So, yes, in some ways it is. I think Delfabbro and King also talked about some other methodological issues where if you changed the way you actually measure these things in terms of the actual ordinal scale that you would use, sometimes these effects disappear entirely. I'm not sure if that's the right way or if it's not the right way. You know, this is just obviously --- what it outlines to me is that there is noise.

But what I --- sorry, could you repeat the second half of your question?

MR LEIGH: My question is directed towards the use of the concepts of revealed preference and stated preference, which I have interpreted as being in your paragraph, but you will tell me if I have misread that.

DR PHILANDER: Yes. This isn't necessarily about stated versus revealed preference. I think that's relevant here. I think there are, as Delfabbro and King outlined, other methodological issues. But certainly there are stated and revealed preference differences that are relevant to this paragraph here.

MR LEIGH: My question is, in relation to that aspect which is relevant to this paragraph here, do you consider it to be valid to use that kind of intellectual

framework, stated versus revealed preference, in relation to a question that is not about choosing between options? As I understood what Professor Rockloff explained before, he was talking about people who self-reported a degree of detriment in their life to then calculate well-being. But that is not saying a person is choosing one or the other option, which seems to be where your critique is focused. So is there an inconsistency between what Professor Rockloff is saying and the way you critique that?

DR PHILANDER: We are really getting into the nitty-gritty of methodology here. The idea of revealed preference is that we can make inferences about people's values of certain consumption experiences or certain --- it doesn't even have to be consumption experiences, just different decisions about how they live their life. If we know the way that people make specific decisions, we can infer the extent to which they value those things.

Stated preference is basically something similar to this survey tool where we are asking people to make decisions, either asking them to tell us directly, you know, did you experience harms, how were they; or giving them different choices and seeing how they deal with those hypothetical choices and then inferring from those decisions what we might estimate for those harms to be.

MR LEIGH: I will put this bluntly because perhaps I am not being clear. If you are asked a question to the effect of, "Has gambling made your life worse?", that answer is not an answer which then selects between two options so as to bring in the notion of preference?

DR PHILANDER: I think that's a fine question to ask.

MR LEIGH: What is your response to that question? Do you accept that the result of a question which asks about whether or not gambling has harmed a person or whether they find their life has been made worse, do you accept it is not appropriate to analyse that data by reference to a stated preference versus revealed preference framework?

DR PHILANDER: I don't --- I mean, that's not a relevant question to the stated versus revealed preference framework. That question is just asking, you know, a binary thing, it's not asking --- you're not trying to infer some sort of quantitative number about relative harms, from that question directly. I guess that's where I am getting confused.

MR LEIGH: Yes. Looking at the words after the underlined part of the paragraph there, you say you do not find the self-reported approach by the authors to be convincing. Based on your understanding of economic and consumer behaviour literature, you say that individuals feel and behave differently than how they respond. That is recourse to an economic framework or an intellectual framework to respond to data that was measured by Browne et al, isn't it?

DR PHILANDER: What it is is me relying on economic consumer behaviour theory, rather than empirical estimates to which I am sceptical.

MR LEIGH: I am saying that you have taken an empirical estimate, you have said that economic theory suggests that is unlikely to occur, and your conclusion has been where the attempted measurement of reality and theory don't match up, theory must be right?

DR PHILANDER: That's incorrect.

MR LEIGH: Can you talk us through how you say those two different concepts have been used by you in this paragraph?

DR PHILANDER: Yes. So what I am saying is that I find the empirical estimates that are produced here were done using a methodology which I find will produce unreliable outcomes, in terms of the actual empirical estimates. So that's one piece.

Then there's the second piece, which is that also doesn't align with theory. So it's not one versus the other, it's that I actually find two pieces of evidence to be in conflict or two pieces of evidence that just don't rationalise what Rockloff has articulated in his report.

MR LEIGH: Thank you, Dr Philander. Can we please go now to pages 9 and 10 and have them side by side. Starting at the bottom there, paragraph 3.6.1, you start by saying it may be the case that some non-problem gamblers experience gambling harm. Do you see that?

DR PHILANDER: I do.

MR LEIGH: Are you suggesting by that comment that you have yet to be persuaded that harms can be experienced by anyone other than problem gamblers?

DR PHILANDER: No, no, no, no. I think that's probably just a phrasing issue.

MR LEIGH: Okay.

DR PHILANDER: Yes.

MR LEIGH: Then you go on to say in the second part, which has been blown up, thank you, operator, that for reasons you have explained relating to economic theory, your opinion is that non-problem gamblers typically do not experience net costs. Again, this comes back to the notion that these are rational actors. They chose to undertake a particular leisure activity and the fact they chose to undertake it demonstrates that they valued it more than the next alternative. So it must be the case that they actually experienced benefits overall. Is that a reasonably simplistic way of phrasing the argument?

DR PHILANDER: It is.

MR LEIGH: The approach you have adopted here in taking that argument is focused very much on the gamblers themselves, isn't it?

DR PHILANDER: Sorry?

MR LEIGH: By that I mean any harms that may be experienced that you are considering in your analysis here, you are looking at harms that may be experienced by the gambler themselves, because you are weighing it against the gambler's choice to undertake the activity?

DR PHILANDER: Yes, yes.

MR LEIGH: It doesn't take into account harm that may be experienced to other persons related to the gambler, such as family?

DR PHILANDER: That's correct. That would be a negative externality.

MR LEIGH: If it were the case, to take an example, that a person who is not a problem gambler, not a regular gambler, gambles very heavily one afternoon, blows the pay cheque and is no longer able to pay for the family holiday, whatever degree of harm is experienced by the family is not accounted for by the way you are approaching this reasoning?

DR PHILANDER: Yes, in that hypothetical situation, that would be a cost that is not captured by the gambler themselves.

MR LEIGH: Do you think that might suggest there is difficulties in approaching the analysis you have undertaken with the rigidity of recourse to classical economic theory and having that as the only way you approach the issue?

DR PHILANDER: I don't think that's the only way I am approaching the issue. The challenge in the comments I was trying to make there is that when we are talking about gambling-related harm and a disproportionate amount of the harms coming from non-problem gamblers, what I was just trying to frame there in my critique is that the way this was framed misconstrues what I believed to be a more fair perspective on the issue. So it is not that I disagree that harms don't affect family members or significant others. That's not the case.

MR LEIGH: I will change topic now and start asking you some questions about what might be an appropriate evidentiary basis for taking regulatory measures.

COMMISSIONER OWEN: Before you do that, do you have an idea of how much longer you might be?

MR LEIGH: I would estimate 15 minutes.

COMMISSIONER OWEN: I think we might take another break. We will take another 20-minute break. That means we will be coming back at 10 minutes to the hour.

ADJOURNED [11.27 AM]

RESUMED [11.48 AM]

COMMISSIONER OWEN: Thank you, Professor Rockloff.

MR LEIGH: Dr Philander, before we broke, I was about to take you to some questions about evidentiary basis for potential interventions. We were at 3.2.3, which we have up on the screen. In the final part of the last sentence you say:

..... the empirical findings are inappropriate for policy settings.

Again, that is going back to the Browne et al paper from 2016. What do you mean by that?

DR PHILANDER: By that I mean that the conclusions that Professor Rockloff comes to in his report to the Commission around the disproportionate impact of harms coming from non-problem gamblers, as well as the net impact discussion, I don't think those empirical results should be considered as part of a policy decision, because there is too much uncertainty around those actually reflecting what we truly want them to reflect.

MR LEIGH: In that case, what sort of empirical results or empirical evidence would you say is appropriate for use in determining a policy intervention of some kind?

DR PHILANDER: I don't know. It would depend on the context of the particular policy decision.

MR LEIGH: In the context we are discussing now, being the question of perhaps introducing limitations or restrictions for the purpose of trying to achieve a reduction in gaming-related harm, what level or quality or certainty of evidence do you think is appropriate before a consideration is made to introduce one of those limitations or restrictions?

DR PHILANDER: Well, I don't think it's something that you could identify in such a precise binary way. What I do think is a better framework for thinking about that idea that you raised --- which I think is actually an important question to ask, and thank you for bringing it up. What I think is the force with which you regulate should be proportional to the extent there is evidence supporting that decision. So in

areas where we have a strong basis of evidence that something is --- it can be quite effective, like self-exclusion, I think it's reasonable to say, from a regulatory standpoint, every property should have a self-exclusion program. What's less clear is what does that self exclusion program look like? That's where I think you want to be open minded around what's the right context for creating the regulatory approach to that particular technical strategy.

MR LEIGH: Is the corollary or the extrapolation of what you have just told us that until such time as the evidence, to your mind, is clearer in relation to harms being experienced by non-problem gamblers, it would not be appropriate to have any limitation or restriction that was directed towards non-problem gamblers?

DR PHILANDER: What I'm saying is that there's lots of good ideas, there are lots of bad ideas. We don't really know which is which at this stage. Certainly there has not been a lot of research on the responsible gambling side. By responsible gambling I mean gaming operations management, as opposed to problem gambling, which is a separate but related field.

With that in mind, we just don't know what the outcomes are for a lot of strong regulatory decisions. What I think has been articulated in this report are plenty of good ideas, but what I think you need to do is approach those interventions from a thoughtful perspective where, you know, this might be something we are going to explore, that we are going to set up a research program around testing to see if this makes sense, but not necessarily something that you want to codify and provide very strict rules around the way it must be employed. I think that can be a mistake and that's a mistake that jurisdictions have made around responsible gambling interventions in the past.

MR LEIGH: If I understand you correctly, you generally indicate that none of the matters which have been referred to by Professor Rockloff are matters that you consider have yet reached the requisite level of evidentiary support for it to be appropriate that they be introduced? Is that a fair summary?

DR PHILANDER: I think I articulated my views on each of the interventions with which I took exception in the report.

MR LEIGH: Yes. Do you consider there are any interventions --- not necessarily limited to what Professor Rockloff has talked about, but any interventions --- that are directed towards limitations or restrictions aimed at non-problem gamblers that currently have a sufficient level of evidentiary support that it would be appropriate to introduce them?

DR PHILANDER: So your question is, if I understand this right, are there particular management strategies that can be employed that would reduce gambling harms, despite the fact they are not directed at people who have already reached, sort of, a clinical level of gambling problems; is that correct?

MR LEIGH: Yes.

DR PHILANDER: Yes, I think there are. I think there are a lot of strategies that do make sense from that perspective.

MR LEIGH: Could you assist the Commission by giving us a sense of what you have in mind?

DR PHILANDER: Yes. One of the strategies that we have used in British Columbia is really around adopting a model of educating consumers. One of the programs we developed was an adviser program, who would basically make strong relationships with regular customers. By doing that, it was sort of a --- not a therapeutic relationship, but it was a relationship built upon trust, and it was also a resource for staff in the venue.

By having somebody who is an onsite expert in responsible gambling and who has some knowledge about the clinical counselling world, they can be an interface for employees, but also build relationships with customers. There's a lot of subtlety in the service management strategies around that, but I think that's an approach which has shown some merit.

MR LEIGH: That educational approach, that's directed towards making sure the consumer is ultimately fully informed about their gambling risks; is that correct?

DR PHILANDER: That's part of it, certainly. I mean, one is about gambling risks, the other is about how to play the games, the third is where are the support resources if you need them. Ultimately, it's also about just building a relationship with the customer so if they ever have any questions or needs around these issues, they have somebody with whom they have created a relationship that they can approach.

MR LEIGH: Is there any aspect of that program which is regulatory or limiting, such that it prevents people from doing something they otherwise might do, or is it purely focused on the idea of educating and empowering?

DR PHILANDER: So the regulatory aspect of it is that casino service providers, who are effectively casino operators, are required to have one of these people and space for them on the casino floor or near the casino floor.

MR LEIGH: Thank you. I take you now to pages 7 and 8 side by side, please, looking at paragraph 3.2.4.

DR PHILANDER: Can I add one thing to that?

MR LEIGH: Yes.

DR PHILANDER: Would you mind? I just want to, sort of, qualify this by saying I wasn't asked to provide an overall perspective on what a good, responsible

program --- responsible gambling program would look like, so I just tried to provide an example to answer your question directly.

MR LEIGH: Yes, thank you. Looking at this paragraph, it is obviously a continuation from the paragraph we looked at a moment ago. You note there is, essentially, an ongoing debate in the literature. You say in your final sentence.

I believe this ongoing debate further underwrites the notion that none of these *empirical findings or methodologies are appropriate to be used in a policy setting at this time.*

My question is: in relation to debate in the gambling harm space, would you agree there is an awful lot of debate and that most things are contested?

DR PHILANDER: No, I don't know if that's a fair characterisation of it. I think there's a lot of agreement as well, so I wouldn't say that most things are contested. But certainly the things that make their way into academic studies, like this back and forth that exists in some of these journals, those will obviously be the contested things.

I think many of the symptoms of gambling harm, or the measures of gambling harms, I think there is agreement on that, even though there is disagreement on some of them. So I don't know if I would characterise it the exact way that you described it.

MR LEIGH: Let me try to narrow my question so as to be more precise. If we are looking at questions of potential interventions which would function by limiting or restricting the access of non-problem gamers to gambling games, in that space, would you agree there is significant debate and there are no measures which are universally agreed upon as appropriate?

DR PHILANDER: I'm not sure there's enough coverage of that to even comment about what the state of the literature is. But I think if you asked me to speculate on the sentiment held by various researchers, I would say ---

MR LEIGH: Sorry, I should jump in to say I am obviously phrasing my question badly. What I am trying to ask is you have said, in essence, there is a debate going on and that's another factor why we shouldn't lead to adopting some of these measures now.

My question is, in terms of your approach or your viewpoint, what level of debate in relation to a potential intervention do you see as disqualifying the introduction of a potential intervention?

DR PHILANDER: I think you are conflating two ideas here. This piece is in response to the actual discussion around measurement of harms. I think what you are then conflating that with is the evidence base for specific tactical responsible gambling interventions, which I think is a different question entirely.

MR LEIGH: Let's move then, clearly, to the second question about the evidence-based tactical responses. If I didn't make my question clear before, in relation to those potential tactical responses, are there any you can think of where you would say the evidence is in and it's a good idea to have one of those tactical responses?

DR PHILANDER: The self-exclusion programs.

MR LEIGH: That is one where a person themselves choose to self-exclude; is that correct?

DR PHILANDER: Yes.

MR LEIGH: I am asking in relation to a restriction or limit that is imposed on a gambler by the gambling operator, whether they want it or not, such as ---

DR PHILANDER: I see.

MR LEIGH: --- pre-commitment, charging entries into the casinos, the various sorts of things set out in Dr Rockloff's report. Do you consider there are any tactical opportunities or strategies which are properly supported by evidence?

DR PHILANDER: In this response, I was responding to very specific things that were outlined by Dr Rockloff, so let me just qualify what I say by that. I think some of these ideas are --- it's hard to tell where some of these intervention strategies end. Take, for example, restrictions on the amount spent. I think there is a growing body of evidence that suggests that providing normative feedback about what a typical person would spend, when people either start gambling or if they were to set a limit, I think the context of this is mostly online sites, I think there is some evidence that suggests that helps people moderate their behaviour towards more normative levels. That's not something which --- I think, as you are describing it, is like a top-down hardline intervention.

MR LEIGH: Thinking about some of those, as you described them, topline hard interventions, you spoke earlier --- I think you were being questioned by Mr Dharmananda and you were talking about the possibility of mandatory pre-commitment and you said, essentially, and I'm paraphrasing you, that it wasn't clear as to whether it was a good idea or a bad idea, and the evidence was scant. Is that about right?

DR PHILANDER: Yes. Just to share my own experiences in looking at these programs, the challenge I had was working with a lot of these gaming equipment manufacturers who provide all of the gaming management systems for casino operators, they are the ones who provide and control all of the software that would go into a property like this. Because of the nature of their business operations, they operate on such long cycles of development, even when you are working with them

quite closely to try to optimise a specific budgeting system, the constraints around building a play management system or a pre-commitment system in a way that effectively iterates on the consumer experience, you might think about how quickly you get updates on your iPhone about an app that needs to be updated because they have just AB tested a whole bunch of things and they have figured out a more efficient way to do it, that is just not possible with the way that gaming equipment exists today.

What I wanted to express was I don't know if these systems will be good or not. The epoch it will take in order to come to the right version of that, because there is probably some version of voluntary or mandatory pre-commitment that at least helps some people some of the time. That's probably a net benefit. But to get to that version, it's something that's going to take a lot of time, so --- sorry, go ahead.

MR LEIGH: I was just going to say in terms of the time it would take to get there, would you agree that one of the problems right now is that there is not a market for casino operators, for example, demanding that software, so there is no impetus to try to develop it?

DR PHILANDER: The biggest challenge with responsible gambling innovation, I think, is that on a global scale there is no, sort of, shadow price for responsible gambling, so there's no strong incentive set in order to innovate on this frontier.

MR LEIGH: Bringing this into concrete terms, you may be aware that another Royal Commission in Victoria has recently recommended that there be mandatory pre-commitments on their electronic gaming machines at the Crown Melbourne Casino. Were you aware of that?

DR PHILANDER: No.

MR LEIGH: Whether that recommendation gets picked up or not, we don't know. But if the government did pick up that recommendation and mandate it, with the requirement that the casino then introduce that technology, would you agree that would create a market for it and an incentive for programs to be developed and, therefore, programs would get better?

DR PHILANDER: I don't know. Maybe. The challenge with creating a market, and you can think about this in the context of responsible gambling programs, is that when you create a regulation that provides a very specific milestone --- by milestone, it's the launch of a certain software program or whatever that might be --- that is just an RFP, a request for proposal, that goes out to a specific gaming manufacturer or a small set of them, but it doesn't actually force anyone to innovate, they just have to meet those compliance terms.

What I am talking about with the shadow price is what ongoing incentive structure encourages people to continue to invest in responsible gambling. So something like --- here is an absurd example, but let's suppose that casino operators received a 10

per cent discount on the tax they had to pay for every 20 per cent reduction in problem gambling in the jurisdiction. That's an incentive structure where all the parties are aligned towards the same goal and it continues to be an innovation. That's a little bit of an absurd example, but that's the framework I am talking about when I talk about how do you create a market for responsible gambling.

MR LEIGH: Thank you, Dr Philander. I might move on to a different example, so away from the mandatory pre-commitment, and just use one of the other examples that was in Professor Rockloff's paper, which was the discussion about the EGM jackpot expiry option. You discuss that and you point out that the proposal was based on a lab study of only 130 participants and that, as a result, the quality of the data wasn't perhaps what you would consider to be sufficient. Have I summarised that fairly?

DR PHILANDER: Yes, I'd say that's broadly correct.

MR LEIGH: Would you agree there is a bit of a chicken and egg problem here, in the sense that researchers can do experiments like Professor Rockloff did, but until it is actually tried in a casino, you won't be able to find data to validate that assumption? And it is unlikely that casino operators will want to volunteer for that if they consider it might reduce their revenues?

DR PHILANDER: I do think there is a chicken and egg problem in some respects, but what I will say is there is different levels of evidence that can build towards a stronger policy perspective. I will give you a particular example, which is the artificial near miss. That is an idea --- has this been spoken about in the Commission hearings at all or would it be helpful for me to talk about what it is?

MR LEIGH: It might be useful if you could briefly articulate it.

DR PHILANDER: The idea of the artificial near miss is --- a near miss in a slot machine, let's say in a normal three-reel slot machine, where you would get two correct reels and then the third reel almost lands on that. So it would be a cherry, a cherry and then almost a cherry, so you have nearly won, and it increases the anticipation and it increases the salience of the event.

There has been evidence that has built towards the idea that artificially increasing those near misses, and in some jurisdictions --- I don't think this is the case in Australia at all --- these appear higher than they would randomly appear, given what the appearance of the consumer is from the reel.

There has been evidence to show that is related to excessive risk-taking and an increased likelihood of people developing a higher level of risk when they engage with machines that have that sort of design. The evidence base in that has been something that has built over time in lab studies, but now has eventually made its way into policy decisions.

So you can think about how --- I don't know the whole history of how it developed, but you can think about how something like that might develop, where you start with a small study like Dr Rockloff's study, which is a good study, a good academic study, something worth exploring, and then if that shows evidence, you might do it with a larger sample.

If that shows evidence, you might do it in a different jurisdiction with a different type of sample. If that shows evidence, then you might do an FMRI study where you are actually looking at the brain to see if that's something that aligns with what we know about the way that brains work when people have gambling disorders. As that evidence starts to build then we start to think, okay, maybe this is something that we should look at on the casino floor.

To that extent, if I can go back to your question, I think there should be more opportunities for researchers collaborating with operators for things that might warrant it.

MR LEIGH: On that front, in terms of the collaboration, obviously that would depend on whether an operator was willing to volunteer for such collaboration?

DR PHILANDER: Indeed.

MR LEIGH: I want to ask a very narrow set of questions in relation to this issue of industry funding that has been debated today. I do not want to speak about any particular person or any particular body in relation to industry funding, I just have some general questions for you in relation to that issue.

As a basal point, do you consider it is possible for a researcher who receives funding from gambling industry sources to be unconsciously influenced in the way they either approach the selection of research topics or the way they conduct their topic?

DR PHILANDER: Yes.

MR LEIGH: In relation to that point, you mention in your report at 9.1.2:

> *All academics face a set of conflicts of interest ..... To focus solely on industry funding is deceptive and incomplete.*

What conflicts of interest do you have in mind when you are looking outside of the gambling industry space? Are you suggesting that state or university funding may carry with it a conflict of interest?

DR PHILANDER: No. I wasn't talking specifically about grant funding. It's getting a little late here, sorry, so it's not coming out so smoothly.

All academics are incentivised and rewarded based on the impact of their work. The impact of their work is accelerated by grant funding in many cases, but it is also

impacted by the degree to which the media covers your work, the extent of which you have international collaborators. There are many different things that all roll up to the incentive structure that academics have, which ultimately determines their ability to do things like gain tenure or get raises on an annual basis. I think that was, sort of, the broader point I was trying to make.

MR LEIGH: If I understood you correctly, at one stage you mentioned that this area of research is in its relative infancy and hasn't yet progressed to the stage where there is readily available funding from governments and from regulators, and so on. Did I understand that correctly?

DR PHILANDER: Certainly --- if I speak about gambling as a field broadly, a disproportionate amount of researchers are in the United States, just because there are so many universities in the United States, so I don't want to speak specifically about the Australian circumstances because that's not something with which I am eminently familiar.

But to the extent that the US perspective reflects the global perspective of the gambling researcher field, because it is a large part of it, the funding model for gambling research and gambling addiction is certainly not nearly as developed as that for alcohol and drugs.

MR LEIGH: My question is: in your opinion, would it be preferable if that was the case? Would it be better if it was able to be the case that we funded all gambling research without recourse to industry funds?

DR PHILANDER: I think there are certain areas of research which lend themselves better to government funding and certain that lend themselves better to industry funding. When I think about some of the things that are better funded generally by government, that's the primary research, like this base knowledge about gambling that really doesn't have an end goal in mind. That's really just about understanding gambling behaviour and people. I think that's research that is always going to be really hard to get funded.

But I think there is research that should be funded by industry because it's something that is so applied and practical to industry. So if you want to study how do you actually create the best possible self-exclusion program, I think it's fine if that's funded either entirely or partially by the gambling industry because they are the ones who are going to have to be eminently involved in it in order to facilitate that research. So it makes sense, because they are going to have to play a role in some way, shape or form, that they do have skin in the game in that way.

MR LEIGH: Thank you, Dr Philander. Thank you, Commissioners.

COMMISSIONER OWEN: Thank you, Mr Leigh.

We move to the next stage of this process. We wish to give you the opportunity to

explore issues with one another, with probably minimal intervention from this room. The way I think this will work best is if you take it in turns. If one asks a question or poses a question, you debate that question, and then moving to another topic with the second person asking the question. It would help me if at the start, you would identify in very short form what the subject matter is.

Before we go into that, do you feel ready to move straight into that or would you like five minutes to get your thoughts in order as to what you think might be the most valuable things to discuss with one another, jot them down, or are you ready to move straight into this process? Dr Philander?

DR PHILANDER: I'm just burning daylight here, so I prefer to keep moving. But I don't know that I have many items to discuss in that case.

COMMISSIONER OWEN: Professor Rockloff, are you happy to proceed?

PROF ROCKLOFF: Yes, I am happy to proceed.

COMMISSIONER OWEN: Dr Philander, would you like to select the first subject, identify what it is and then the two of you can entertain a discussion about that issue.

QUESTIONS BETWEEN PROFESSOR ROCKLOFF AND DR PHILANDER

DR PHILANDER: I think we have probably discussed fairly well the extent to which our opinions overlap or don't overlap.

Dr Rockloff, if you have anything in front of mind that you want to bring up first, I will let things marinate.

PROF ROCKLOFF: I kind of feel the same. I think probably both of us feel a bit talked out at this moment. I guess, at the risk of going over the same territory we have gone over before, I think it would be interesting to hear from you what you think the evidence base is or the future is for creating these interventions. I will be more specific.

I remember in your critique you tal about my research on jackpot expiry, for instance, which I will admit is something I completely invented in the bathtub at one point, and then did a study on it that demonstrated that, basically, people gambling for real money, albeit in a simulation experiment, had lower spend as a result of having jackpots expire. They would basically use that as a cue to quit early and walk away with more money. That was the basic result.

In your critique, you said this could have unintended consequences. I think that's a lot of --- it may be emblematic of a lot of what I saw in the critique, the unintended consequences, but I thought in this particular circumstance it was salient to me. I

was thinking, well, what unintended consequences? Like, what would be bad about that?

Other than potentially having a gambler walk away and the casinos having a little bit less money that day, which definitely is a possibility and, in fact, is the point, right? It gives people an opportunity to consider whether they want to keep gambling, which they can freely choose to keep gambling if they want to, but they are not going to win a jackpot.

So what would be your imagination of what the unintended consequence would be of introducing that scheme? What could go wrong? What could go horribly wrong and make everything a giant disaster as a result of that? I am being hyperbolic but if you could think of anything that would go wrong with that scheme, I would be interested to hear it.

DR PHILANDER: Part of the challenge with --- I will give you a couple of examples, but part of the challenge with unintended consequences is they are unintended, so it's always hard to see before. But just a couple of ideas.

One is you are creating a salient framing point for the gambler around a very particular level of volume. That might distort somebody's perspective on what a normative amount of gambling is. For somebody who is going to spend less, that might focus them on that point, and some people might end up spending more in that circumstance.

The other piece is that some people might spend over that amount and, sort of --- here is where the devil is in the detail of how you implement this, because a lot of this comes in the very specific user interface experience details. But let's suppose somebody goes beyond that level and all of a sudden now they realise they are not eligible for the jackpot and now they experience distress and they get upset for what is a very marginal amount over that limit. Like I said, it might be a good idea, but I think there is some nuance to all these sorts of things and we don't know what is going to be unintended.

While you were talking, I was able to think a little bit more about the level of evidence that I think makes sense. I think part of it is --- this isn't a complete thought, but part of it is this idea of academic theories. When we talk about theory, that's different than a hypothesis. A theory is something that truly explains the nature of some natural phenomena. A typical example of this is the theory of natural selection, where we can explain a whole lot about the way that nature exists because of the way that different things will self-select into replicating and whatever survived was the thing that was most adapted to survive. So that's a great theory. It explains a lot about why the world is the way it is.

These types of theories also exist in other realms of academia where ideas start with a hypothesis. So that hypothesis may be based on qualitative evidence or some sort of intuition of the researcher. But as we start to accumulate more evidence, both

empirical evidence and better models that help explain that empirical evidence, we might truly build up into a type of theory that actually explains, in this case perhaps, consumer behaviour or gambler behaviour.

You might think that if we take all the evidence around a self-exclusion program, we could eventually roll up and explain some sort of model or theory around why self-exclusion programs work and make sense, because you have something like many a very motivated player, you have an intervention that occurs when they are going to be in a hot state on the casino floor, you have the right support programs that make sure that somebody, once they are excluded, is not getting any more marketing material or maybe they can't go to any other gambling venue alternatives in their area.

Then we can add that to the empirical evidence we have seen around these things that help explain that when somebody goes into this program, all of those models of how we think people relate to these self-exclusion programs in their environment, all of that makes sense when we actually looking at the numbers.

When we think about the body of evidence, that's perhaps a way of thinking about it. You know, this is a somewhat incomplete thought. I don't know. Dr Rockloff, if you have any ideas?

PROF ROCKLOFF: I guess my impression of that answer is consistent with my concern around the general approach, which is saying, "Well, you know, we have a good idea", maybe, let's say, jackpot expiry, but what we don't have is comprehensive theory to explain jackpot expiry. So we need to put people under an FMRI machine and see how jackpot expiry affects their brains.

By the way, in that study, we did measure whether people enjoyed that experience after they quit from their jackpot expiring, and people who went on and there was no change, so that, you know, that was incorporated into it. Nobody was terribly upset by the experience of the jackpot expiring, at least so far as they self-reported.

The fixable thing of having --- people gambling up to jackpot expiry results are fixable in the sense that you can have an indeterminant time at which the jackpots expire so that people can't anticipate when those jackpots expire. That aside, the issue of having a comprehensive theory and 20 studies on jackpot expiry, I'm just wondering when is it a point at which you stop and say "I should try this in a real environment" where again, as we have been discussing, industry will never have an incentive unless you create that incentive, and you talked about creating incentives which I think is generally good because I think the idea here behind --- that idea of the shadow price of creating an incentive for industry to "do the right thing", which is kind of sorely lacking in the system, how can you articulate when enough is enough and you should actually try this in the real world. Again, with the real world being either creating and branding an incentive for the industry, which they probably won't want to have, or forcing the industry to cooperate with researchers. When is that --- we talked about 20 years, you know, and different things around that. When do you think enough is enough and we should actually try something in the field, and

can you articulate that? I know it's hard to do in reference to any intervention, but something like that with respect to jackpot expiry, for instance, or pre-commitment --- when is it that we should try this.

I'll tell you right now I don't feel like we'll ever know anything about pre-commitment until we actually try it in the field. The theory's there in terms of the psychology of it. The question is how do we know it works unless somebody actually tries it. Do you have any reflections on that?

DR PHILANDER: Yes, so I think a good model for thinking about that is the national science foundation model, where you would have a set of individuals that understand the field and can make a judgment around a particular study that might have a sufficient evidence-base to warrant further exploration.

Now, it's not obvious to me in this circumstance that --- if the national science foundation is --- you know, it's a body of basically all academics in some way, shape or form, who fund research in response to grant proposals that they receive, and it's a fairly rigorous process where the person applying for the grant has to demonstrate that they are a researcher who is actually capable of doing the research, that they can manage that grant and that there is sufficient evidence-base to warrant whatever this next iteration that they are proposing. If that goes well, that the outcomes from seeing that study through, warrant the investment in it.

So I think that's perhaps the type of model --- I don't know if it's --- if the committee needs to be all academics. I don't know if that necessarily makes sense. But I think, if we are just thinking about frameworks that you might overlay on to a certain decision criteria, I think something like that makes sense where you have people who understand the field, understand the state of the literature and can make a judgment about a particular study and a particular principle investigator's ability to execute on that study.

PROF ROCKLOFF: And who is going to do that? Who is going to create that scheme? You mentioned before that in the United States, for instance, which I think is a terrible shame, there is no gambling research from, for instance --- or very little, from the national science bodies, and in fact, the only source or one of the very few sources of funding for research is from the gambling industry. So would you imagine that the gambling industry would put together that sort of proposal?

DR PHILANDER: Well, in some respects in the United States, there are --- the international centre for responsible gambling, which used to be the national centre for responsible gambling, has a model that looks somewhat like that. So the scientific advisory board, which is actually all academics, was largely modelled on that national science foundation idea, as far as I know. So that is a case where that's happened. It's not obvious to me what the right framework for that is in the context that we are exploring here. You just asked me a question of what type of model would make sense. I described what I thought would make sense, but I don't have a magic wand to make the world as I see fit. So I'm not sure that's a fair question to

ask me, but I think that's the type of model which would lead to the best outcomes over a long period of time.

PROF ROCKLOFF: Okay, thanks. Do you have any questions for me?

DR PHILANDER: I guess my one question for you, and I think you talked about this a little bit, I would just like you to perhaps discuss a bit the idea of the measurement of harm as you've chosen to do it in this report versus something like a health impact assessment. And by that, I mean is it not reasonable to just measure health impacts directly? Why do we need to necessarily roll them up to some summative score that we try to add together, which I don't feel necessarily adds together?

Instead of saying a bankruptcy is an 8 and domestic violence issue is a 5, and then we roll that up and it's a 13, why can't we just count those issues and consider those directly because I feel like we are adding up things that don't necessarily add up, as we still have to use some level of subjective judgment to understand the decision-making that we are making anyway.

PROF ROCKLOFF: I think --- we don't do that, by the way, we don't add up things differently. In fact, we find that harms are unitary construct in that we just add up all the harms irrespective of whether they are serious harms or not so serious harms. Unless you give the entire set of 72, which is not really realistic, you don't actually have to ask people of every single harm because low-level harms are actually indicative of the fact that people will be more likely to suffer high level harm. So we don't make judgments about which harm is more harmful, but one could do that, I suppose, in the sense, and we have shown that subjectively, you can group harms into more serious harms that people generally agree to be more serious or whatnot.

So sorry, I kind of lost my train of thought. What was your question again?

DR PHILANDER: It's just your perspective on the health impact assessment model and whether or not you think that's appropriate.

PROF ROCKLOFF: Oh yes, so particularly the Tasmanian research, that's not something I want to say, "hey, this is the correct answer, there is zero harms in Tasmania or negative 2 per cent per person in Tasmania". That's the absolute answer, as I was noting --- I think it's valuable to move in that direction of trying to understand what the summative harms are, and the reason why it's valuable is --- it is very much in its infancy --- but the reason why it's valuable is the alternative of those social impact assessment, sort of, exercises, which again I think are great. I particularly like Williams's one that's in Alberta, and that's being redone in Massachusetts, it's very comprehensive. He talks specifically about --- I can't remember which parts they are, but he talks specifically about things within there that you should not quantify --- that is, you should not put a number on, that it should be a more subjective judgment. I think that, again not remembering the details of it, he made a pretty persuasive argument that there are things in there that are not really

appropriate to quantify in terms of understanding those social impacts. So my point is not to say, hey, let's not have either or, let's just try and put one number to it, or do these complex social impact assessments.

Social impact assessments are really great from the standpoint as you understand multiple perspectives, economic perspectives, social, employment, all kinds of things that will affect the population for new gambling opportunities, for instance, when the casino comes to town, that sort of thing. It is very appropriate to do.

The downside of that is that people with those complex assessments, people walk away with whatever answer that they want to take away from it, because there's good stuff and there's bad stuff, there's no weighing of the overall impact as much as there is a bunch of good stuff, there is a bunch of bad stuff, well we have to consider this. Two people can look at the same social impact report and come up with very different conclusions as to whether this new casino, for instance, is a good idea or not. And that will often be based on motivated reasoning.

So they'll say, "I generally like the casino industry. I think it is great for jobs or industry, I notice that the social impact assessment says all of that, it says it's going to be great for industry and jobs, hey, we have a lot of people out of work", and then they'll discount the parts of the social harms and the problem gambling that's also in the report.

Then people on the other side who are really concerned about gambling problems are going to do exactly the opposite. They are going to take the stuff that says, oh, there's going to be all kinds of gambling problems in here, people are going to be robbing each other, it's going to be horrible, it says so in the social impact report. They are going to run with that and they will discount or gloss over the economic benefits.

So my argument would be why not both, why can't we have everything? Why can't we keep trying techniques where we actually look at the overall impact on whether people are getting good value for money. I think that's one of the principle things of the Tasmanian study that pointed out, and in fact, somebody --- I won't name names, mainly because I can't remember who they are, but there was somebody from the gambling industry who was kind of a data analyst who came up to me after listening to a presentation on that Tasmanian study and was arguing points about, well, maybe I was wrong here about how much I calculated here or there, and I had a conversation where I said to him, "Hey, you know, one of the principle things here is that gambling is horrible value". Value for money, it's bad. You don't get enough enjoyment for the amount that is being spent on it. He said, you know, "actually, I completely agree with that conclusion, the problem is that you're not getting enough for the consumer out of all the problems that it's creating to justify what it is". So it's not priced well, in other words.

You wouldn't know that if you didn't have this kind of work that I'm doing. That's why it's important to have those kind of metrics because you can actually track it over

time and say, hey, the value is increasing, more people are getting benefits, fewer people are getting harms and here is a number that shows that we are improving, we are creating greater consumer welfare over time. Social impact assessments are not going to do that. It's not going to be a metric that is going to allow you to come up with that kind of conclusion.

DR PHILANDER: When I was talking about health impact assessments, I think it's perhaps slightly different than what you had in mind. It's more of a collaborative iterative process. So it's not just about measurement of specific social outcomes, but it's about --- it's a collaborative process involving all of the stakeholders to help on a particular project or policy intervention. So it's a process designed around stakeholder engagement, and allowing all of those groups to identify relevant health related outcomes, be they good or bad.

Then a process around engaging the likely outcomes of each of those, with a project, but before it happens but then also following the actual impacts overall later. So in that way, it's a process that can pull in, I think, more specific harm measurement tactics, you know, as they are relevant, but it's more of a guiding model for understanding how we are going to approach from a jurisdictional perspective engaging in health-related issues in a collaborative way that involves all of the key stakeholders.

PROF ROCKLOFF: Yes. I guess I'm not familiar with that approach, in particular. I think one of the problems I have with the overall framing of it, though, is I think it presumes an incentive on the part of some parties that is not there. You know, the gambling industry is a for-profit enterprise that uses its money like any industry. This is not a moral judgment, it is just reality. The big boy reality is that they are in business to make money. The presumption that they would be interested in a serious intervention that would have the possibility and the probability, if it is actually effective, of reducing individual expenditure. Now, there is a long-term goal within the industry that might be aligned with good practice in that you can't stay in business if you cause enough harms to destroy the industry, but I don't see that they have a great incentive to create a great program that would actually reduce the revenues over time. So I guess I'm suspicious of that part of the model, saying, you know, it all sounds nice that we should be all collaborative, but the incentives have to be there in order for a collaboration to produce a good result.

DR PHILANDER: I suppose I think that's a large part of where our differences lie, in that I think perhaps you are more sceptical of certain actors' behaviour and are more in favour of specific interventions. I'm like a tighter time line. I think ---

PROF ROCKLOFF: Or any intervention would be fine, too. Not specific interventions, but anything that you might propose. I would say, yes, let's try that.

DR PHILANDER: Understood. I think my perspective is one of what's the right approach to building a system, what's the right approach to putting in a specific model that might lead to a sustained improvement of outcomes over time. And so

that would be, I think, what I'm more in favour of is how do you create the right programs, the right incentives, in order to ensure that you could walk away from all of this for 10 years and come back and a lot of progress has been made, and good progress.

I think that's sort of the framing by which I see a lot of these issues.

PROF ROCKLOFF: I understand that. I think, you know, it's easy, particularly when you deal with people who are in the industry, and particularly on the side that you are in, right, on consumer protection, and stuff like that, of knowing that these are good people, they really want to help, they want to do the right thing. You find that from a lot of people who work in the gambling industry. It's not a moral judgment that I'm certainly making, but I think we do differ in our, maybe, belief about institutional culture and whether people can overcome their own obvious self interests in terms of the profit of the organisation, the success of the organisation, to make decisions that are not in the best short-term interests of the quarterly profit of the institution that they are in.

Now, I don't know what your belief is, but my belief is that people really, even being good people, have a very, very hard time doing that, and I think you are right that I'm suspicious and maybe you're less suspicious, given your experience in those venues and speaking to those good people who are trying to do the right thing, that we just have a different opinion about how organisations work. I don't know if that's resolvable in this session.

DR PHILANDER: I don't know that my views are necessarily characterised by the people with whom I interact, but I think that I am more in favour --- I think at one point --- they were trying to characterise me as being anti-regulation, which I'm not, but I think a good approach to regulation is to put processes in place. I think that's where I think the right approach lies, is changing processes, not necessarily mandating compliance. So I will leave it there.

COMMISSIONER OWEN: I think we have got a good idea of your views on that particular issue. Are there any other questions you'd like to pose to one another?

PROF ROCKLOFF: I'm sure we could talk forever, but you probably wouldn't want that.

COMMISSIONER OWEN: We have been talking since May. You said you are talked out, so are we.

Dr Philander, is there anything else you would like to raise with Professor Rockloff?

DR PHILANDER: No, nothing else, thank you.

COMMISSIONER OWEN: All right, thank you very much. I haven't ignored other people in the room, but as I understand the process, other interested parties were

invited to ask if they wished to cross-examine and they indicated that they didn't. So I'm working on that assumption.

MS SEAWARD: Commissioner, not in this session, we did have a couple of questions for Professor Rockloff right in the end of the miscellaneous section ---

COMMISSIONER OWEN: But nothing for the concurrent session?

MS SEAWARD: No, nothing.

COMMISSIONER OWEN: Then what we'll do now --- I will give each counsel an opportunity to re-examine you and when counsel has completed the questions they want to ask, they will give you an opportunity to make any closing statements. If you want to summarise your opinions or say anything at all to us, that will be the opportunity to do so.

We will start with Mr Leigh. Sorry, there may be a couple of questions.

COMMISSIONER JENKINS: Is that the way the parties understood the protocol, that the Commissioners were to ask questions before re-examination?

MR DHARMANANDA: I understood it as giving you carte blanche to ask whenever you wanted to ask.

COMMISSIONER JENKINS: Perhaps in fairness to you and Counsel Assisting, I should ask some questions now.

QUESTIONS BY THE COMMISSION

COMMISSIONER JENKINS: My first question is to Professor Rockloff, hopefully a fairly simple one. When you talk about gambling-related harm, is that the same as talking about gambling-caused harm, or something else, or not?

PROF ROCKLOFF: Harm caused as a result of a person's gambling, correct.

COMMISSIONER JENKINS: Thank you.

Dr Philander, next, in respect of you, you spoke about your, what I would call, your hybrid informed choice model, including an element or a requirement that a patron does not have false beliefs about the risks of gambling. You spoke about gambler education to inform a gambler about the risks of gambling and also, I suppose, would that include also to dispel false beliefs about gambling, about the risks of gambling?

DR PHILANDER: Yes, that's right. I think the best way to frame that is that people are making rational decisions about when to gamble and how much to gamble.

COMMISSIONER JENKINS: My question is have there been studies which have attempted to ascertain the level of false beliefs about the risks of gambling in respect of what we would call electronic gaming machines or slot machine gambling?

DR PHILANDER: Yes, so that literature would be typically referred to as cognitive distortions. So these are irrational beliefs about gambling that may be something like you believe that there is an element of skill to a slot machine that is entirely random. Those studies have been done ---

COMMISSIONER JENKINS: What do those studies show about the extent of those false beliefs?

DR PHILANDER: I'm not sure about --- I think what you are asking is like a prevalence question, so, like, the extent to which electronic gaming machine players have those? I can't provide an answer to that, but those --- I can say that those are very important to the development of gambling problems, and they are dispelling those as an important part of gambling treatment programs.

COMMISSIONER JENKINS: Thank you. So I will go --- Professor Rockloff has indicated that he has a comment to make about that question.

PROF ROCKLOFF: Yes. So what is consistently found is that non-problem gamblers have a good number of cognitive distortions. So recreational gamblers, you know, all the way down to non-harm problem gamblers are filled with distortions about how they gamble. They misunderstand how the machines work.

I don't know if you have ever played the machine, but you can solve this very easily by playing the machine once and trying to figure out how it works, good luck. Go to the second screen that explains how it works. Good luck, because it is --- it looks --- it's seemingly complicated. It is actually not very complicated, but the complication is part of the fun. So, you know, what you do is it behaves in all kinds of crazy ways and the all kinds of crazy ways is what makes it so attractive. We often find gamblers, both regular gamblers and gamblers with problems, will say to us, "Oh, I really love this machine and I played it for months and months and then I got bored with it because I figured out how it works". Then they'll go on to another machine that has this apparent complexity that's different. Like what combination of symbols give you the best winning outcome or what produces the special feature. It's all very complex, but of course behind the scenes it's just a play table that essentially works kind of like a lottery when you push the button, and pays off based on whether the lottery is a winning lottery or a losing lottery. So it's really apparent complexity without being actual complexity.

For that reason people create all sorts of ideas about strategy and how they might --- how the machines might pay off, like there is a gamblers fallacy where you have a streak of wins and whether that's going to produce, you know, another winning outcome because of the past history of the machine. People often don't want

to walk away from a machine that hasn't paid out for a long time because they think it's due to pay out. This is not how the machines work. Every single spin is independent, so it doesn't matter if it's had a very long streak of not paying out, it can have another very long stream of not paying out. But people persistently don't understand that. I'm not saying that in a moralistic sense --- oh these games are horrible, blah, blah, blah --- I'm just saying that's part of the fun of how they work but it is also part of the fact that people don't understand, and I don't have any strong belief that you can educate people without putting them through a three-month course to teach them how to use it.

COMMISSIONER JENKINS: Can I stop you there, Professor Rockloff, because that was what I was going to go back to Dr Philander about.

Dr Philander, I understand that in your model you say that it is possible to educate people to dispel those false beliefs and to ensure that they understand the risks of gambling. In respect of EGM use in particular, I wanted to know what do you say an RSG program in a casino should include to ensure that those EGM --- what we call electronic gaming machine --- users have that education?

DR PHILANDER: That would require a long response. So I will say this much first and then ask me if you would like more detail. So the first part that I was articulating was that a lot of people have gambling problems, or, you know, actual gambling disorders they develop as a function of these cognitive distortions.

As Dr Rockloff identified, a lot of people who don't develop problems also have cognitive distortions and in some ways that's part of the experience, but dispelling those when it becomes sufficiently burdensome that they distort people's actual decision making around the likelihood of winning or losing, that becomes relevant at that sort of clinical level where people hold these strong beliefs that they are likely to win or they can control outcomes that they truly cannot control.

In the context of how you would want to create a responsible gambling program, I think there's a lot of different tactical service management strategies that are important and that sort of work together. So, I mean, if you look at what the best practices are now, it's things like signage, it's things like when a gambler expresses a false belief that employees dispel that belief and are trained to do that. It's things like the responsible gambling expert on site that I described previously, it's having available information for people who actually want to know how the games work and learn how they work, both so that people can seek out that information, but it's also pushed out to players through the right mediums, you know, be that through the machines or be that through email marketing or just available pamphlets or information at different points in the casino.

It is really like an integrated service management strategy to try to educate consumers. This isn't just a gambling specific problem. This is just consumer marketing. So all of those different types of strategies need to build up to this overall model where you are actually focusing on this outcome. But it's not obvious that I

can point to any one thing and say this is critically important.

COMMISSIONER JENKINS: Do you accept that the gambling operator has a responsibility to educate EGM users about the risks of gambling on EGMs and to dispel those false beliefs?

DR PHILANDER: So I don't know if you are asking that as sort of a legal question or if you are asking that as a business ethics question. I feel capable of answering it as the latter.

COMMISSIONER JENKINS: Please do.

DR PHILANDER: I think that's true. I think, you know, whenever you sell a product, whether it's gambling or something else, you want to make sure that the consumer actually knows what they are buying and that you are not deceptive in those practices.

COMMISSIONER JENKINS: Thank you. In respect of the gambling adviser you spoke of, has there been any study which has analysed the effectiveness of those advisors in British Columbia?

DR PHILANDER: There is --- I don't know if there's been a published study, but there is work and it's something that we track on an ongoing basis.

COMMISSIONER JENKINS: What is your understanding of the effectiveness of those gaming floor advisers?

DR PHILANDER: My understanding is that it's certainly something that is appreciated by consumers, particularly in properties where there is a large local population that attend the casino, and where the advisers can build relationships with consumers over time.

Certainly there's a lot of --- most of the testimonial evidence at critical points in time when consumers actually need help, that is the individual they sought out or the staff sought out, in order to support individuals during those distressing times.

COMMISSIONER JENKINS: Thank you.

Professor Rockloff, in respect of your strategies, you spoke in your report about the effect of multi line betting and EGMs, but you did not suggest that the abolition of multi-line betting was an appropriate strategy --- harm minimisation strategy. Was there any reason for that?

PROF ROCKLOFF: Well, I think that is a feature of choice, you know, how many lines that you bet on is part of the fun, so I think you probably reduce player enjoyment quite a bit if you only allow them to push one button, which is how much they bet. That's pretty boring. This really gets back to that issue of apparent choice.

It's not entirely apparent choice, because if you choose different levels of lines that you bet, you change --- as I explained in the report --- it changes the volatility of the machine. As you choose more lines, the volatility of your wins and losses goes down. That means that, you know, you're more likely to win more often but the wins that you have will be smaller because your bets are spread across all of the lines that you're betting on. As you choose one or fewer lines, you'll win less often but when you win, you win big. So that is a feature that people find enjoyable, and, you know, if you reduced it --- I have this sort of thing that I tell people often, and I will tell you as well, that that's a perfect way to solve the problem of people gambling too much on poker machines, and that is to smear excrement all over the machine, because then nobody will want to play it, right?

It's easy to make a machine unattractive and not fun, and people won't play it. The trick is to make a machine that is entertaining, that creates consumer surplus because it's an entertaining experience, and at the same time, has built-in safety features, that has seatbelts as we call it in the report, that prevents people from the worst forms of harm that exist.

The other point which I also make in the report is that the risk is not --- the risk that you have, including the risk of losses, is not a bug, it's a feature. It is what makes the games fun. I guess technically if you had a game that only won, that would be fun too, but it's not very realistic in terms of an economic model. In fact, even that anticipation of is this going to be a winning outcome or not is part of the enjoyment of the process. So having those multiple lines is a standard feature across these games, and something that allows people to change the nature of the machine in a way that allows them to have greater enjoyment.

COMMISSIONER JENKINS: I probably should tell you that Western Australia has only had multi-line betting fairly recently.

PROF ROCKLOFF: That's so sad.

COMMISSIONER JENKINS: The other thing that I wanted to ask you about was game speed, and whether a reduction in the speed of game is a harm minimisation issue.

PROF ROCKLOFF: Yes. Anything that causes you to spend less on the machines, that makes the machines in essence less expensive to play, will reduce people's harms because there's less extraction. So it's all about money extraction. One of the problems with poker machines is they are extraordinarily expensive, in Australia in particular. If you play a maximum intensity on a typical machine, it may or may not be machines in Western Australia, but in New South Wales, for instance, you can lose about $1,200 an hour. And that's the expected loss. You can actually lose more if you are unlucky, or you can lose less or make money, if you are lucky.

Try to think of another entertainment opportunity that has that same cost to play. So anything that reduces that, including slowing the machine's speed, will reduce

people's harms.

There is a point --- and again, this is sort of like smearing excrement on the machines --- there is a point at which the speed of play is so low, that you start taking away the fun of the experience and it no longer becomes an engaging and fun game to play, and so there is a happy medium that has to be created where you have games that are fast enough so that they are fun, but slow enough that they reduce the rate of extraction.

Again, I think as mentioned in the report, you could look at bet speed and bet size as parameters that will change the rate of extraction on the machines, but a better way to look at it is theoretical loss per hour of play, either at typical intensity, which would usually be maximum number of lines played with the minimum number of bets or maximum intensity which is the maximum number of lines played with the maximum number of bets and see what the typical loss or theoretical loss is over a fixed period of time, and optimise that criteria, because that criteria is actually how much the games cost to play. That's the thing you want to reduce.

Changing the speed is just a way of reducing that cost of play over that hour. So why not look at that actual theoretical loss which is typically not done, they do this sort of Mickey Mouse look at the speeds or look at the bet size, which will affect those ultimate outcomes but why not just optimise on the ultimate outcome.

COMMISSIONER JENKINS: Thank you.

Dr Philander, would you like to comment on those issues of speed of play and multi-line use in terms of harm minimisation, and also make any other comment.

DR PHILANDER: I just have one small comment about the speed of play, which is that it's not obvious what the outcome of speed of play changes would be from a conditioning effect and the potential implications for developing gambling problems. I say that because it's unclear what a specific time reference for --- an EGM spin would do to salience of the gambler as they are playing the game. I will just draw a quick analogy. So one is if you had an instant game where there is no reels and it just instantly revealed an outcome, that is not something that would create any anticipation or any excitement. The way I described when I earlier talked about the near miss effect, so in the near miss effect, that salience seems to be important to that experience becoming important in the way that people might develop gambling problems. So when you look at --- okay, what's the relationship between speed of play and actual spending, or potential harms, it's not obvious to me that a change from three seconds to 5 seconds or zero seconds to three seconds, or anything within that general framework, general range, is obvious. I think when you have a lottery that's once a week, that's obviously less problematic, but within, you know, what's a reasonable range of period of time for an EGM, it's unclear to me what those effects will be.

COMMISSIONER JENKINS: Thank you. They were my questions.

COMMISSIONER OWEN: Dr Philander, I just have two questions which are related, and they are just so that I understand your position. When Mr Leigh was questioning you, I think you said that in this area there are lots of good ideas, there are a lot of bad ideas, and one of the problems is that it's difficult to tell which is which. I think you went on to say that one of the difficulties is that a lot of the research has been focused on problem gambling rather than on responsible gaming.

Do I take it from that that's the question of balance that you've been referring to, but the more dirigiste you get with a regulatory system to cater for known problem gamblers, the greater the threat is to the balance with impact on non-problem gamblers, recreational gamers and so on, and that then throws the balance out of kilter; is that a fair assessment?

DR PHILANDER: I think there are a few things that there you identified well that are inter-related, but perhaps it's helpful for me to explain them a little bit more deeply. One is that I think you are right, a lot of the research that has occurred in gambling has been very focused on problem gamblers, and that is important, but to extrapolate some of those ideas to responsible gambling in the way that management practices should occur in order to deal with people at a subclinical level from a gambling --- responsible gambling management standpoint. It's not obvious to me that all of these things always apply perfectly. I do think there is a lot of opportunity in the field right now to look at specific responsible gambling interventions, not necessarily things focused on people at that more extreme area of the spectrum. But again with that qualifier that there are plenty of ideas that are being proposed and there are barriers both from a regulatory standpoint, but from an operator standpoint, for researchers or other people who just have good ideas and want to innovate in the space, to be able to test them. I think that's a couple of related ideas, yes.

COMMISSIONER OWEN: Thank you. Dr Rockloff, is there anything you wanted to add to that?

PROF ROCKLOFF: No, nothing to add.

COMMISSIONER OWEN: Thank you. Now, Mr Leigh, re-examination?

RE-EXAMINATION BY MR LEIGH

MR LEIGH: I just have a single question for you, Professor Rockloff. The question I want to ask is in relation to the topic that we discussed today of the potential for bias, including unconscious bias, as a result of industry funding. I'll say the same thing to you that I said to Dr Philander, this is a question that's asked in the abstract; I'm not talking about any particular person and I don't want us to go into any particular individual when we have this discussion.

You were taken to a paper by Mr Dharmananda and it was suggested to you that that paper had done an analysis looking to see whether there might be bias and the conclusion of that paper that you were shown suggested that there was no bias identified. Can you just explain to the Commission what your understanding is as to how the provision of industry funding may lead to that unconscious bias? What are the mechanics or the steps that go from taking money to ultimately resulting in influence on the work an academic is doing?

PROF ROCKLOFF: So I find this in my own work, and it is something that you can't completely divorce yourself from. So, you know, I'm often funded by government people, and I like them, they give me money, and obviously when you are hired for doing a report, you want to come out with good results that help them do their job in some way, because that's what they are paying for.

Even when you are trying to be, and we do try to be to the best of our ability, as objective as possible, I recognise my own bias in trying to produce results that will make a funder happy, because I anticipate that I will want future funding from them and if I do a bad job, that funding may not be forthcoming.

The typical thing that's done with industry funding in Australia and across the world is that there will be elaborate processes put in place to try and separate industry from the funding decisions, and/or even the ideas that are put forward for funding. So the typical ideas --- people will put together a research proposal, it will go to some independent committee, usually comprised of academics and sometimes in the case of the UK and Gambleaware, it will be academics or not in the gambling field, so they'll be in a related field of addiction, or something like that. Then those people would decide whether it's a good idea and worthy of funding. They would then make the decisions independent of industry, the industry would just give a bucket of money each year to this organisation, and then they would fund worthy projects as decided by an independent expert which, on the surface, seems fine and I guess it's better than direct industry funding where the industry body says, hey, this is what we want you to investigate, but the problem with it is that it creates the knowledge that if I produce results that consistently poke at industry, that create trouble for the industry in terms of the results I'm finding, as a profit maximising entity, will the industry decide this isn't actually the best use of our funds, to create this pile of research that is not conducive to our interests.

It also generally attracts research that is consistent with this notion of gambling as an addictive disorder that affects a small number of people and I think you generally find that research that's done in that area is research that is valuable, but it is narrowly focused on addiction. Often in the case of Gambleaware in the UK, to make it a little bit distant from our own shores, it is often based on things like neuroscience, trying to understand the neuroscience of addicted gamblers and putting them through FMRI machines and things like that. Which is all very interesting and valuable sort of research, but it is focused on a very narrow set of research that actually doesn't trouble industry at all.

In fact, it feeds into a narrative that all we have to do is deal with people who have severe gambling problems by offering them self-exclusion or some other encouragement that everybody else can gamble without any real safety systems involved, at least from my perspective at all. I don't know if I have answered your question, but hopefully that will be in the range of what you were asking for.

MR LEIGH: I might just follow up with one final question, and that is you identified some problems of industry funding and even of one step removed funding. You may not have an answer to this, but is there a model that you would suggest to the commission that may be appropriate for future work as to how there could be funding of research that would not run into any of the problems with which you are concerned?

PROF ROCKLOFF: I think that probably the best model, and it probably will never happen, but here's hoping, is that funding for gambling research would be dedicated and would be national, so each state has an agency problem in that they are responsible --- in Australia, responsible for both collecting a huge amount of money from the gambling industry, it's about 10 per cent of State budgets, and at the same time they are responsible for minimising gambling harm, yet those two are fundamentally incompatible by degrees.

As you ramp up extraction taken from individual gamblers you are necessarily going to cause at least some harm, so there is some incapability there. The best notion would be funding that --- from the Federal Government that actually doesn't get any money from the gambling industry, at least as far as I know, certainly not EGMs, and therefore they would have a truly national approach that would probably produce the best outcomes in terms of maximising the needs of gambling consumers across the country as opposed to having to deal with that dual agency problem that states have to deal with.

MR LEIGH: Thank you, Professor.

COMMISSIONER OWEN: Before Rockloff, did you want to make any closing statement, or are you happy with what we have?

PROF ROCKLOFF: I think I'm happy with what we have, thank you.

COMMISSIONER OWEN: Thank you. Mr Dharmananda?

MR DHARMANANDA: No re-examination, thank you.

COMMISSIONER OWEN: Dr Philander, is there anything you would like to put to us by way of closing statement?

DR PHILANDER: Nothing more from me, thank you.

COMMISSIONER OWEN: All right, thank you, that brings to a close the

concurrent evidence session.

Dr Philander, Professor Rockloff, you have our gratitude both for your written report and your oral presentations. It has been most illuminating and we also acknowledge the respectful way in which you have dealt with the process which has allowed it --- I think has increased its effectiveness from our perspective. So thank you very much indeed.

Dr Philander, I think we can let you go. It's getting late where you are. Thank you very much.

DR KAHLIL PHILANDER WITHDREW

COMMISSIONER OWEN: Professor Rockloff, we are not quite in the same position with you. Can we get a rough indication of time, Mr Dharmananda?

MR DHARMANANDA: I imagine I have probably about 45 minutes to an hour of cross-examination left.

COMMISSIONER OWEN: That makes the decision fairly easy, then. It is 1.23. Professor Rockloff, I think we will break until 2pm, which will be 4pm your time. We'll come back at 2pm.

ADJOURNED **[1.22 PM]**

RESUMED **[2.00PM]**

COMMISSIONER OWEN: Please be seated. Thank you, Professor Rockloff. Mr Dharmananda.

CROSS-EXAMINATION BY MR DHARMANANDA

MR DHARMANANDA: Professor Rockloff, I would like to start by talking about loyalty programs. In your report, did you discuss the Crown rewards royalty program?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Loyalty programs are a common feature of gambling operations around the world. Is that correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You have drawn certain conclusions about potential impact of the Crown rewards scheme on gambling-related harm in your report, is that correct?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You were briefed with a copy of the Crown rewards brochure?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And a brief overview of the program in your brief from the PCRC?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Did you receive any other information or data about the program for reward members?

PROF ROCKLOFF: Only the information that was provided to me by the Counsel Assisting the Commission.

MR DHARMANANDA: You didn't conduct any analysis or research of the Crown rewards program beyond reviewing those materials that were provided to you?

PROF ROCKLOFF: That's correct.

MR DHARMANANDA: You say that the evidence suggests that gambling loyalty programs particularly cause harm to disordered gamblers, do you not?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: That's at page 28. You rely for that proposition on an article by Wohl, do you not?

PROF ROCKLOFF: Yes, you will have to show me the section. Wohl, yes.

MR DHARMANANDA: Are you familiar with the work of Michael Wohl?

PROF ROCKLOFF: I wouldn't say I'm a student of everything he's done, but he's a collaborator of mine, yes.

MR DHARMANANDA: We go please to CRW.701.010.2729. That is the article, and if we go to page 2730, you will see that the article in the abstract on page 2730

identifies that the literature is "scant", in the second sentence.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And at 2731, there's identification that the ultimate goal is to stimulate discussion as well as research attention; do you see that?

PROF ROCKLOFF: What line is that?

MR DHARMANANDA: Page 2731, at the bottom of 2731.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: The author describes the ultimate goal.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And the author advances:

> *The possibility that loyalty programs are heretofore unexamined facilitating or maintaining agent of disordered gambling.*

Do you see that? In the same paragraph, a few lines up.

PROF ROCKLOFF: Yes. Yes, I see that.

MR DHARMANANDA: Returning to the abstract on page 2730, the author identifies that:

> *Loyalty programs may also be well positioned to facilitate harm minimisation by promoting behavioural tracking that is collected on every member*.

Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: It is concluded by the author at 2740, that there's "a paucity of research has been conducted on the topic". Would you agree with that?

PROF ROCKLOFF: Yes, I believe --- if Michael Wohl says it's true, I'm sure it is true.

MR DHARMANANDA: Michael Wohl posits a need for empirical research, and at 2741, he states that:

> *There is a need to establish a more complete knowledge base on the consequences of loyalty programmes in the gambling industry.*

Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Now, having reviewed the Wohl article again, do you agree that the article does not provide a conclusive basis to call that rewards program necessarily caused harm to disordered gamblers?

PROF ROCKLOFF: I'd have to read --- you're only pulling out particular passages within the article. I'd have to read the entire article to make a judgment on that, so I couldn't comment.

MR DHARMANANDA: Have you read it before?

PROF ROCKLOFF: I have not read this article, no.

MR DHARMANANDA: So this was done by another author?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: If you go to page 28 of your report, at lines 737 to 739, the statement there recorded is:

> *Evidence suggests that gambling loyalty and rewards programs such as these particularly cause harm to disordered gamblers because they are more likely to be program members and are disproportionately rewarded due to their higher gambling expenditure (Wohl, 2018).*

Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: On the basis of the materials that I took you to in Wohl's article and his reference to the scant nature of the evidence and the need for more research, do you wish to reconsider that sentence from the perspective of your authorship of this report?

PROF ROCKLOFF: Look, I think on a first principles basis, certainly the loyalty programs can be both positive and negative, which is representative of Wohl's article. I don't think that that necessarily needs a revision, although I would have to read the entirety of Wohl's article in order to know that for sure whether it would need revision or not. So I'd have to take that under advisement.

MR DHARMANANDA: So when you told Counsel Assisting that you honestly held these opinions recorded in this report, was that subject to the caveat that it was only those parts that you drafted?

PROF ROCKLOFF: Well, I think I read the report --- I mean obviously I read the report in its entirety, and that particular passage didn't give me any pause, again based on first principles, reasoning that that seemed like a reasonable conclusion to draw and that I presumed that it was part of Wohl's article but I didn't go to each reference. If you see at the end of the reference list, I don't know how many references there are, but there is probably in the range of 100 articles, so no, I didn't read every hundred of those articles to make sure every single reference was correct from every one of my authors. I assume it is correct. From what you have shown me it may be correct, but it may not be correct because again I think you've taken a few passages that may have been taken out of context. I don't know. I couldn't tell you without looking at the entire article.

MR DHARMANANDA: You also refer in your report to a meta-analysis conducted by Professors Delfabbro and King, and found that loyalty program membership is associated with people having gambling problems. You do that at page 32, line 894 and following. Again, is this part of the report that you drafted?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: This is?

PROF ROCKLOFF: Part --- you mean part that I actually wrote?

MR DHARMANANDA: Yes.

PROF ROCKLOFF: No, it's not.

MR DHARMANANDA: It's not. The analysis is reported in a publication by Professors Delfabbro and King, and I don't think we need to go to that presently, but do you say that the analysis found that a higher percentage of problem gamblers used loyalty programs compared with gamblers in general, do you not?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You say that's unsurprising because keen gamblers should take advantage of loyalty programs?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: But that is an association, not a cordial relationship, isn't it?

PROF ROCKLOFF: It's not surprising that keen gamblers, which include gamblers with problems, should --- I'm not sure what you mean by an association.

MR DHARMANANDA: I'm trying to understand from you whether you are saying

the existence of loyalty programs causes ---

PROF ROCKLOFF: Oh no, no. In fact, I'm suggesting just the opposite by that sentence --- that is, I'm admitting that keen gamblers, which include gamblers with problems, will take advantage of loyalty programs. So, in essence, it shouldn't be surprising that gamblers with problems, you know, are part of loyalty programs because they are keen gamblers. So, in other words, I'm making the concession that just because there is an association between loyalty programs and having gambling problems doesn't mean that there is a causal relationship there. That's what that is meant to suggest. It is suggesting exactly the opposite, which is no, you can't just assume because the two things are associated, that loyalty programs are responsible for gambling problems.

MR DHARMANANDA: You're familiar with the work of Professors Delfabbro and King in this area?

PROF ROCKLOFF: I may be.

MR DHARMANANDA: If I can show you CRW.701.010.3053, and I'll ask you to read the abstract. Have you read that piece before, Professor Rockloff?

PROF ROCKLOFF: I've at least read the abstract, yes.

MR DHARMANANDA: But not the article?

PROF ROCKLOFF: I'm not sure if I read the article, and I think probably not.

MR DHARMANANDA: You haven't read all of the articles cited in this expert report; is that right?

PROF ROCKLOFF: That's correct.

MR DHARMANANDA: You cannot be sure whether the articles cited do indeed support all of the opinions in the report?

PROF ROCKLOFF: I personally cannot, no.

MR DHARMANANDA: And neither can we?

PROF ROCKLOFF: If you say so.

MR DHARMANANDA: Mr Rockloff, you were briefed by the PCRC with the RG enhancements plan endorsed by the Crown board in May 2021?

PROF ROCKLOFF: With the what, sorry?

MR DHARMANANDA: The Crown board RG enhancements plan, which was

endorsed in May 2021. Do you recall seeing that document?

PROF ROCKLOFF: I don't specifically recall that document, no.

MR DHARMANANDA: Can I take you, please, before we go to the document itself, to PCRC.0022.0001.0001. This is a copy of your brief, is it not?

PROF ROCKLOFF: Yes, I believe it is.

MR DHARMANANDA: If we could go, please, to page 20, item 24, do you see that reference to the May 2021 "RG Recommendations", and it's an extract from an agenda and a board pack?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Did you have regard to all of the items mentioned in your brief?

PROF ROCKLOFF: Yes, I received all of the items mentioned in the brief and I've looked at all of the items mentioned in the brief.

MR DHARMANANDA: Do you now recall examining the RG enhancements plan which was put to the board in May 2021?

PROF ROCKLOFF: I don't, no. I mean, I have a busy life.

MR DHARMANANDA: If you go also to page 9 of the brief within that document, you will see in paragraph 1.19 a reference to the enhancement plan that was submitted to the board. Do you see that there?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Are you able to tell the Commissioners what recommendations were made in relation to the loyalty program in May of 2021?

PROF ROCKLOFF: I don't recall.

MR DHARMANANDA: If you go, please, to CRW.512.103.0440, page 0497, there's a box there that deals with the Crown rewards program. Do you see that the recommendation is to undertake research with respect to the loyalty program, including the use of an external researcher?

PROF ROCKLOFF: Let me read. Yes.

MR DHARMANANDA: You don't mention any of this in your report, do you, Professor Rockloff?

PROF ROCKLOFF: I don't. I also would remark of what qualifies as an independent researcher in their mind.

MR DHARMANANDA: You were briefed by the PCRC to examine this material which was provided to you, and a summary of which was in the covering brief to you, yet you did not consider it and did not record anything about it in your report, did you?

PROF ROCKLOFF: I didn't.

MR DHARMANANDA: You note that customer data collected from carded play could be used to facilitate harm minimisation through informing targeted interventions. You suggest that this type of system is not in place at Crown Perth. You say that at page 28 of your report, lines 744 to 745. Do you see that?

PROF ROCKLOFF: I do.

MR DHARMANANDA: In your report, you do not acknowledge the other uses of carded play data by the RG team at Crown, do you?

PROF ROCKLOFF: What other uses would those be?

MR DHARMANANDA: Your briefing materials included information about the use of customer's play data from an RG perspective, and I can take you to it, it's at CRW.998.002.0622, at page 0648. First of all, just stopping at the cover page, you recall this statement being provided to you in your briefing materials?

PROF ROCKLOFF: I do.

MR DHARMANANDA: Do you recall reading it?

PROF ROCKLOFF: I do.

MR DHARMANANDA: So if we then go to paragraph 199, do you recall reading that?

PROF ROCKLOFF: I don't specifically recall reading that, but I know I have.

MR DHARMANANDA: You make no mention of it when you make your observations at line 744 to 745, do you?

PROF ROCKLOFF: So in that line, the line that we were just at previously, I mention "Splunk", right, that system?

MR DHARMANANDA: Yes, but you're not covering the other analysis of the data that's referred to in paragraph 199.

PROF ROCKLOFF: So for their day-to-day operations, is that what you are talking about?

MR DHARMANANDA: And the next part of it "and reviews customer play history when assessing an individual from an RG perspective"; do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: What I'm suggesting to you is the statements in line 744 to 745 are incomplete.

PROF ROCKLOFF: I agree that that could be. It's hard to tell, but that could be interpreted as behavioural tracking system. It's hard to tell from that line.

MR DHARMANANDA: Can we go also then to paragraph 102 of Ms Strelein Faulks statement. I would ask you to read that, please.

PROF ROCKLOFF: Yes, I have read it. I remember reading it.

MR DHARMANANDA: So the data is used, from an RG perspective, after the RG team receives an alert, and the RG advisers then gather further information about the customer's behaviour through a review of their gaming history. Do you see that?

PROF ROCKLOFF: Well, they say perform a search in iTrak, and I don't know what that it is. In SYCO, which they say is the Crown's membership database.

MR DHARMANANDA: So you saw those words and you made no inquiry with respect to what those databases pertained to?

PROF ROCKLOFF: That's correct.

MR DHARMANANDA: And you feel confident that you satisfied your brief of making all relevant inquiries?

PROF ROCKLOFF: Well, I think all relevant inquiries that are reasonable, yes.

MR DHARMANANDA: If we can then go to paragraph 161, were you aware of this paragraph when you wrote or finalised the report?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Yet there was no reference to that in your report at the lines that I took you to, is there?

PROF ROCKLOFF: No, but again I don't know what SYCO data is. You know, other than a customer relationship management, I have no idea what's contained in there. There's no way for me to understand what this means or what import this has.

MR DHARMANANDA: Did you make any inquiries in relation to this paragraph?

PROF ROCKLOFF: I did not.

MR DHARMANANDA: Will you accept that based on these materials, the RG team at Crown Perth does indeed make use of carded play data?

PROF ROCKLOFF: Look, if they make a representation that they make use of carded play data for the purpose of, I don't know what, identifying problem gamblers, or --- I mean, I have no idea what they do. It's certainly not contained within the statement about what they do. All I have is the materials that were given to me by the opposing counsel.

MR DHARMANANDA: All right. I would like to turn now to the 2019 amendments made to the regulations in Western Australia in relation to EGMs. You are aware that there are certain regulatory restrictions on structural features of EGMs in Western Australia that do not apply in other Australian jurisdictions?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You say that your team's recent prevalent study found no evidence that EGMs in WA are safer than EGMs in the rest of Australia?

PROF ROCKLOFF: That's correct. But you can't prove a negative, so we can't say that they are not safer, we just didn't find any evidence for it.

MR DHARMANANDA: Your prevalence study was based on reporting for the calendar year of 2019?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You were briefed by the PCRC with the regulatory restrictions on EGMs in WA as contained in the WA appendix to the national standard, were you not?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You were briefed that the WA appendix was amended in September 2019?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Are you aware that the effective date of the amendments was 23 September 2019?

PROF ROCKLOFF: I'm not aware of when the --- when the structure of EGM

regulation was changed, the specific timing of it, no.

MR DHARMANANDA: Will you proceed on the basis that that was the effective date of the amendments?

PROF ROCKLOFF: Sure.

MR DHARMANANDA: Thus, only after 20 September 2019 could Crown Perth seek approval from GWC for EGM games under the amended regulations, and then procure and install these new EGM games. Do you agree with me?

PROF ROCKLOFF: Well, that seems reasonable, yes.

MR DHARMANANDA: So for the first three quarters of 2019, the EGM games in operation in Western Australia would be the old regulation games; correct?

PROF ROCKLOFF: That sounds correct to me, yes.

MR DHARMANANDA: And even after 23 September 2019, would it be reasonable to proceed on the basis that it would take some time to get approval for and install new regulation games?

PROF ROCKLOFF: I would imagine it would.

MR DHARMANANDA: Would it be reasonable to proceed on the basis that the majority of your reporting in your study related to play on old regulation EGMs?

PROF ROCKLOFF: That seems consistent with what you're saying in terms of timing, yes.

MR DHARMANANDA: The pre-amendment requirements dealt with the speed of play. Were you aware of that?

PROF ROCKLOFF: I was not.

MR DHARMANANDA: So the pre-amendment requirements --- that is, before the September 2019 amendments --- specified that the speed of play shall not exceed 5 seconds. Were you aware of that?

PROF ROCKLOFF: I know that the speed of play is at 5 seconds. I didn't know what it was before that.

MR DHARMANANDA: Are you aware of what the speed of play in other Australian jurisdictions was in September 2019?

PROF ROCKLOFF: Specifically in September 2019, no. I know that the speed of play is faster in some jurisdictions and a similar 5 seconds in other jurisdictions.

MR DHARMANANDA: So for the most part of 2019, the minimum speed of play in Western Australia was somewhat higher than in other states?

PROF ROCKLOFF: Was somewhat higher? Again, I don't know. I think it's at 5 seconds now, was my understanding, and you're saying perhaps it was faster before?

MR DHARMANANDA: No, the other way around.

PROF ROCKLOFF: Okay. So it was slower; then it became faster?

MR DHARMANANDA: Yes.

PROF ROCKLOFF: Okay, yes, so I would imagine that other jurisdictions --- I mean, again, 5 seconds seems to be on the slower side. So if it were slower than that, then it would probably be slower than other jurisdictions. Again, I don't have specific knowledge of that other than recent looking at what the speeds of the EGMs are in other jurisdictions at the moment.

MR DHARMANANDA: Based on your study, that circumstance where it was 5 seconds for most of 2019, did not make the WA machines safer? I'm not sure that's a response to the question, but ---

(Witness disconnected)

PROF ROCKLOFF: I'm back.

MR DHARMANANDA: I don't know whether you were in the middle of answering that question, Professor Rockloff, when you froze.

PROF ROCKLOFF: No, no, you were still talking.

MR DHARMANANDA: Just to go back a couple of moments, we had discussed the fact that for most of the time relevant to your study, the speed of play in Western Australia was longer than other states?

PROF ROCKLOFF: Yes, I mean, if that's what you're representing to me, I believe that. I believe you. I think that's probably true.

MR DHARMANANDA: But based on your study, that did not make the Western Australian EGMs safer in 2019?

PROF ROCKLOFF: Well, it didn't make them apparently safer based on our analysis. You can't prove a negative, so, in essence, what we found in our analysis was that your risk of having gambling problems is related to whether and how much you play on the games --- that is the EGMs --- and we could find, aside from whether you played on the games or not, no difference between Western Australia and the rest

of Australia in terms of the likelihood of you having gambling problems on anything other than whether you play the games and how intensely you play the games and how often you play the games. That's not to say that there are no differences. It is just that the differences could be, for example, speed of play or other features of WA machines, it could be so small or small enough that they wouldn't be detected in that kind of analysis --- that is, we don't have enough participants to be able to detect those small differences that are in essence swamped by the explanatory factor of whether you play the games or not and how much you play the games. So that's the analysis. It's not to suggest that --- again, not to suggest that WA machines during that time were not safer --- they may have been --- however, if they were safer, we weren't able to detect it in our study. But small effects often go undetected in those sorts of studies and what we can say is that the largest contributor to the safety factor of being in WA is not participating in the games as much. If you don't participate in the games, then you are not likely to have gambling problems.

MR DHARMANANDA: I want to move now to some of the measures for reducing gambling related harm. The informed choice model and harm prevention measures that are associated with it use industry standard in Australia?

PROF ROCKLOFF: The harm measures that we use, did you say?

MR DHARMANANDA: Prevention measures associated with the informed choice model?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Those industry standard practices include such things as signage, product information, restrictions on financial transactions, advertising and inducements, having clocks in gaming rooms, self-exclusion, counselling and the like?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Those practices are used in most jurisdictions in the world?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: And they are all features of Crown's Responsible Gaming framework?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: In many Australian jurisdictions, there are legislative and regulatory requirements for venues to comply with an RG code of conduct?

PROF ROCKLOFF: That's right.

MR DHARMANANDA: There's no such legislative requirement in Western Australia, are you aware of that?

PROF ROCKLOFF: I was not aware of that.

MR DHARMANANDA: Because you were not aware of that, you are unable to comment on whether the framework adopted by Crown is essentially a voluntary initiative?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: In your report you state that Crown's RSG model is a passive one based on the informed choice model, that's at line 752.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And you propose a range of measures which you declare are innovative approaches at lines 296 to 297?

PROF ROCKLOFF: Okay, yes.

MR DHARMANANDA: One such measure is implementing a behavioural tracking system to detect problem gaming behaviour --- that's line 307?

PROF ROCKLOFF: Okay.

MR DHARMANANDA: You are aware of the Crown model?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You are aware that the Crown model is used to predict customers warranting welfare checks or interventions by Responsible Gaming centre staff, are you aware of that?

PROF ROCKLOFF: Yes, my understanding is it's being used on a "trial" basis.

MR DHARMANANDA: In Melbourne, and the model is intended to be rolled over in Perth. Are you aware of that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: This further measure that is declared to be innovative is consistent with your public health approach, is it not?

PROF ROCKLOFF: Yes. It definitely is. I think the additional --- and it is a good --- you know, a very good --- I'm assuming it works. I don't know the technical

validation of that particular system, but if we assume it works, and I would imagine it would, they probably wouldn't create a system that wouldn't work, there would be no point to doing that --- if we assume it works, the big question becomes what you do with that information. So it's all fine and dandy to have a fancy system that says you've identified people with gambling problems, but then it's incumbent to use that information to intervene in some way.

MR DHARMANANDA: Can I turn then to monitoring self exclusion. You say improved monitoring of self-exclusion is another measure you identify as an innovative approach, part of your preferred model?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You say ineffective monitoring for breaches is a major weakness of programs that rely on venue staff recognising excluded players?

PROF ROCKLOFF: Right.

MR DHARMANANDA: You mention at line 324 that there are ways to improve recognition?

PROF ROCKLOFF: Right.

MR DHARMANANDA: You accept, don't you, that Crown Perth uses facial recognition software to monitor excluded persons?

PROF ROCKLOFF: Yes, that's in the report that we wrote.

MR DHARMANANDA: So that further innovative measure is being implemented by Crown presently?

PROF ROCKLOFF: Yes, that's what our report says.

MR DHARMANANDA: Could we then turn to family exclusion. You identify that as another measure that you see as being part of your preferred model?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Are you aware that Crown has a third party exclusion process?

PROF ROCKLOFF: I am.

MR DHARMANANDA: That third party exclusion process can be initiated by a family member of a patron?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: So Crown has, in effect, implemented a family exclusion scheme?

PROF ROCKLOFF: Yes. It wasn't clear how it worked, but, yes, that's --- I think that's --- yes, it certainly was in there.

MR DHARMANANDA: You say that a family exclusion scheme is most effective when applications are assessed by an independent assessor and not by the venue itself?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You don't cite any evidence for that proposition?

PROF ROCKLOFF: That's correct.

MR DHARMANANDA: You go on to cite a study of a family exclusion scheme that was implemented in Singapore, line 336?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You say that that study found the scheme to be effective?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You don't mention that the study itself had a significant limitation?

PROF ROCKLOFF: I did not.

MR DHARMANANDA: Are you aware of that limitation?

PROF ROCKLOFF: I'm not.

MR DHARMANANDA: Go, please, to CRW.701.010.2000. We see the cover page. Have you read this article, Professor Rockloff?

PROF ROCKLOFF: I have not.

MR DHARMANANDA: This is one you haven't read so that's the reason you're not aware of its limitation?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Could we go, please, to page 2025, the paragraph under the heading "Implications for Practice and Conclusion". The study did not take into

account the views of the gamblers themselves?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Who was responsible for this part of your report?

PROF ROCKLOFF: I'm not sure, I think it was Nerilee Hing.

MR DHARMANANDA: The report doesn't mention that the scheme in Singapore is actually reflected in Singaporean legislation?

PROF ROCKLOFF: Yes. I am aware of that, yes, it is.

MR DHARMANANDA: And that scheme requires an application for family exclusion to be heard by a committee of assessors; are you aware of that?

PROF ROCKLOFF: I wasn't specifically aware of that, but I'm not surprised.

MR DHARMANANDA: That committee was appointed by the relevant minister in Singapore --- are you familiar with that regime --- and that committee of assessors has the power to summons witnesses and documents?

PROF ROCKLOFF: Okay.

MR DHARMANANDA: And once a relevant order is made it becomes an offence for the person bound by the order to enter a casino?

PROF ROCKLOFF: Okay.

MR DHARMANANDA: There's an element of making a criminal offence within the legislation?

PROF ROCKLOFF: Yes. Well, that's similar to self-exclusion in parts of Australia, or maybe all of Australia as well.

MR DHARMANANDA: You accept that Crown cannot replicate the Singaporean model in its entirety?

PROF ROCKLOFF: Look, I'm not a lawyer, so I have no idea whether it could be replicated here or not, so I couldn't comment.

MR DHARMANANDA: Another innovative approach you identify as part of your preferred model is restricting ATMs and cash-out options in gambling venues, line 388. Do you see that, Professor Rockloff?

PROF ROCKLOFF: I do, I'm reading it now.

MR DHARMANANDA: Are you aware that there are withdrawal limits on both EFTPOS cash-out facilities and ATMs in and close to the casino floor at Crown Perth?

PROF ROCKLOFF: I'm not, but I'm aware that that is the case in Victoria, so I'm not surprised that that would be the case in Perth as well.

MR DHARMANANDA: Another related set of approaches you identify as part of your preferred model is greater use of venue exclusions as well as venue interactions with patrons showing problem gambling behaviours. Do you recall that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You suggested the use of behavioural tracking systems and predicted models based on pre-commitment system data to inform staff interventions and provide the grounds for exclusions?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Are you aware of the two behavioural tracking systems that Crown uses to inform staff interventions, being the Crown model, which is predictive, and the Splunk system that works in the live environment to track customers left on site?

PROF ROCKLOFF: Yes, I'm aware of the existence of both of those systems, not the details of how they operate.

MR DHARMANANDA: You say that, alternatively, customers showing observable signs could prompt an intervention, that's at page 19, lines 350 to 353?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: At lines 380 to 382 you note that use of observable characteristics is good practice, and that Crown appears to use observable characteristics to intervene?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: A similar observation is made at lines 435 to 436 at page 21.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: That practice is consistent with the approach you've identified in your report?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You then say that there is no stated obligation to intervene beyond having a conversation with the customer, page 19, line 381?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Did you give attention to the evidence of Ms Strelein Faulks as to how the process is dealt with by Crown Perth in Crown Perth?

PROF ROCKLOFF: Is that part of the materials that were given to me by counsel?

MR DHARMANANDA: Yes, it was the statement I have already taken you to. If we go, please, to CRW.998.002.0622, at page 0635, and paragraphs 108 to paragraph 113 on the next page, 0636. Dr Rockloff, did you have a chance to read paragraph 102 before?

PROF ROCKLOFF: We are looking at 108. What is 102?

MR DHARMANANDA: I'd also like you to look at 102, please.

PROF ROCKLOFF: Okay. So both of those statements say the RG adviser "may". You are a lawyer, so you probably like words like that. "May" means you might or might not, so all three of those actions, (a), (b) and (c), might or might not happen. The word "may" is also used in that second bit of text that we just saw previously. That is, there is no obligation for the RG adviser to make contact with a customer or take any action whatsoever based on those documents.

MR DHARMANANDA: Let's deal with the "may" aspect, but before we do so, I'm trying to direct your attention to is Ms Strelein Faulks gives evidence about the process that Crown adopts, which involves having a conversation which may lead to a further invitation which may require them to attend a meeting, which would then possibly lead to having a 24-hour break in play or an exclusion. So that's the sequence.

PROF ROCKLOFF: Yes, there's a lot of "mays", "might", "could happen", "might not happen". There's no obligation within these policy documents to suggest that anything has to happen, at least not that I've seen.

MR DHARMANANDA: The innovative approach was to use observable signs. Your critique presently is because there isn't a mandatory requirement to act other than the general principle that the Responsible Gaming adviser is acting on the basis of observable signs and starting the process of intervention?

PROF ROCKLOFF: "May" start the process of intervention, may not.

MR DHARMANANDA: Exercising the discretion available to that responsible ---

PROF ROCKLOFF: Correct. Look, when somebody's pay packet is dependant on whether they cause problems for the business or not, "may" can turn into "won't". I'm not saying that that happens at Crown Perth, because of course I have no knowledge of that. What I'm saying is I'm critiquing this document and saying that the document itself creates no obligation on the RG adviser or anybody else at Crown to do anything.

MR DHARMANANDA: Again, that is conjecture on your part?

PROF ROCKLOFF: It's not conjecture, it says in the document "may".

MR DHARMANANDA: Based upon the RG advisor's training and the requirement to intervene based upon observable signs, exercising the discretion afforded to that RG adviser?

PROF ROCKLOFF: Correct. The discretion is it could be to do something and the discretion could be to do nothing.

MR DHARMANANDA: Do you agree that the effectiveness of interventions based on staff reporting observable signs depends on the effectiveness of training?

PROF ROCKLOFF: Sure.

MR DHARMANANDA: You say that there is scope to make the training more engaging and to offer more comprehensive and refresher training opportunities?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Your briefing letter directed you to the statement of Ms Strelein Faulks for a summary of the RG training conducted at Crown Perth?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: The statement at paragraphs 52 to 65 summarises the training received by the advisors and by all other employees. Have you given any attention to that?

PROF ROCKLOFF: I have read it, yes.

MR DHARMANANDA: The training materials are listed in Ms Strelein Faulks' statement but the documents themselves are not annexed to the statement.

PROF ROCKLOFF: Are not annexed to the statement, meaning that I don't have those documents?

MR DHARMANANDA: Did you call for them?

PROF ROCKLOFF: Sorry?

MR DHARMANANDA: Did you call for them? Did you ask for them?

PROF ROCKLOFF: I did not.

MR DHARMANANDA: You have not participated in any of the training sessions or discuss them with Crown employees, have you?

PROF ROCKLOFF: I have not.

MR DHARMANANDA: You are not in a position to express a view as to the adequacy of the materials of the sessions themselves, are you?

PROF ROCKLOFF: Not of the sessions themselves, no.

MR DHARMANANDA: You mentioned that New South Wales club-based research suggests that staff are often concerned about taking action?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: That's at lines 437 to 438.

PROF ROCKLOFF: Correct.

MR DHARMANANDA: Is this a part that reflects your hand, Professor Rockloff, in terms of drafting?

PROF ROCKLOFF: No, that was Nerilee Hing.

MR DHARMANANDA: You say that the research of gambling venues and other jurisdictions indicates that staff rarely intervened, despite customers displaying observable signs, and that's at page 28, line 756 to 758.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: None of that research relates to the Perth Casino?

PROF ROCKLOFF: That is correct.

MR DHARMANANDA: Some of the papers cited by Professor Hing are over 10 years old?

PROF ROCKLOFF: True.

MR DHARMANANDA: Two more recent papers --- one mentioned at line 756 and another at 758 --- do you see the mention there of Rintoul and Hing and others?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Those research papers relate to Eastern States clubs and hotels, do they not?

PROF ROCKLOFF: They do.

MR DHARMANANDA: One of them involving an anonymous online survey?

PROF ROCKLOFF: I believe you.

MR DHARMANANDA: You haven't read Professor Hing's paper?

PROF ROCKLOFF: I don't recall. As you pointed out, it's an old paper, so I may have read it at some point but I don't recall reading it recently.

MR DHARMANANDA: I think the Professor Hing paper that I'm referring to is 2020.

PROF ROCKLOFF: Oh, the 2020 paper. Probably --- I'd have to see the title of the paper to know.

MR DHARMANANDA: Could we go to CRW.701.010.8755. Have you read this one, Professor Rockloff?

PROF ROCKLOFF: I think I probably helped review it, but obviously you can see I'm not an author on the paper.

MR DHARMANANDA: Okay. Now, you explained that the potential deterrence to reporting observable signs which are identified by Professor Hing are things such as --- and this is at paper 29 of your report, line 759 to 765 --- the limited presence of supervisors, front our house, lack of action from managers of staff do report and staff and the manager being busy?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Are you aware from your briefing materials that there are gaming staff at Crown Perth on the gaming floor?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Dedicated RG advisers who respond to reports from other staff and walk the floor themselves?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And again staff can make a report by activating an alert button or calling RG advisors?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: So the casino context, will you agree with me, is different to venues such as clubs and hotels in New South Wales?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: The research of clubs and hotels cannot be reliably extrapolated to the Perth Casino?

PROF ROCKLOFF: Well, we don't know if it can or not, but we couldn't make the assumption that Crown Perth doesn't do a much better job than the New South Wales clubs and hotels are doing.

MR DHARMANANDA: You stated at page 29, lines 765 to 766 that you are not familiar with how the relevant practices are implemented the Perth Casino. Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You then say at page 21, lines 438 and 439, that you can't assess if the same concerns affect Crown employees, they seem to have affected those in New South Wales clubs?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: But then you say later in your report, page 29, lines 765 to 766, that it appears that the casino places low priority on responding to observable signs. Do you see that?

PROF ROCKLOFF: Let me see. Yes, I do. That's in reference to the latter line that says that they wait 18 hours before an intervention.

MR DHARMANANDA: That assessment, or that assumption there is conjecture, isn't it, Professor Rockloff, in light of what you previously commented upon about your inability to assess implementation at Crown Perth?

PROF ROCKLOFF: I think it would be fair to call it conjecture, considering we don't know how good of a job that they do in addressing observable signs. Again, there's a lot of information about "may", but what is going to cause --- what we know is that if people are on site for 18 plus hours, then that will require people attend to a gambler. But, again, there may be other observable signs that they may --- that they may intervene with before that time, so we couldn't be sure that the casino doesn't attend to those events.

MR DHARMANANDA: So let's deal with the 18 hours. You say that the casino's documents indicate an intervention is not triggered until a customer has been on site for 18 hours?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You say the customers are ignored, except in the extreme case where a customer has been gambling for 18 plus hours, and you refer to Crown's play period policy in that regard? That is at page 79, lines 777 to 778.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: The Crown play period policy is at CRW.700.033.0944. The relevant part of it is at 946. It refers to on site at 1.2, "Review the customer's available data and information provided to confirm the time on site and breaks in play". Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: On site does not mean the player has been gambling continuously all that time without breaks; you'd agree with me?

PROF ROCKLOFF: Yes, that could be time that on site would not necessarily imply that they are gambling the entire time, correct.

MR DHARMANANDA: They could be at other places, including a restaurant or at one of the bars?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You are aware that the Crown board approved changes to the player period policy earlier this year to reduce the 18 hours play period to 12 hours?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: That was part of your brief?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You don't mention this change in your report?

PROF ROCKLOFF: Yes, that was an omission.

MR DHARMANANDA: You are aware that the play period policy operates in conjunction with an automated system called Splunk?

PROF ROCKLOFF: Again, I don't know how Splunk works but I know they have a system.

MR DHARMANANDA: Are you aware that there is a Splunk alert that's sent to an RG team member when a customer had been on site for 12 hours?

PROF ROCKLOFF: I'm aware that they have a system. I didn't know it was a Splunk system that would provide that alert.

MR DHARMANANDA: Upon that alert, an RG adviser is to observe and assess the customer. Are you aware of that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And Ms Strelein Faulks in her statement has indicated that the new play period policy came into effect on 4 October 2021?

PROF ROCKLOFF: Okay.

MR DHARMANANDA: When did you complete a draft of your report?

PROF ROCKLOFF: I don't recall.

MR DHARMANANDA: Did you provide a draft to the solicitors assisting the Commission?

PROF ROCKLOFF: I provided a draft report, correct.

MR DHARMANANDA: Did you receive comments in that report?

PROF ROCKLOFF: I did.

MR DHARMANANDA: Did you make any adjustments to your report based on those comments?

PROF ROCKLOFF: I did.

MR DHARMANANDA: Are you aware that the Splunk alerts are now to be adjusted based on Crown's new policy to touchpoints of 3.5 hours of continuous play on one device? Are you aware of that?

PROF ROCKLOFF: I'm not.

MR DHARMANANDA: And it has further touchpoints of 6, 8, 10 and 12 hours on site?

PROF ROCKLOFF: Okay.

MR DHARMANANDA: Professor Rockloff, I know that you didn't write this part of the report, but do you know whether the author of this part of the report had any consideration to Crown's amended policy with respect to play periods?

PROF ROCKLOFF: I don't know.

MR DHARMANANDA: There are some other measures that you have suggested, Professor Rockloff, including, for example, shutdowns after midnight?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You don't suggest this would do any more than marginally impact on gambling harm, do you?

PROF ROCKLOFF: I think breaks in play in general are helpful for gambling harm. It's unclear what breaks in early morning hours would do. We do know that with people who gamble early in the morning, there tends to be a higher proportion of problem gamblers who gamble early in the morning. It doesn't mean that recreational gamblers don't also gamble early in the morning, so you could impact on them by having early morning closing hours. It is a question in my mind as to whether a destination gambling venue would benefit as much for consumers for being shut down in the early mornings as compared to clubs and pubs, which might have a greater benefit for community members in that regard.

MR DHARMANANDA: With respect to enforced breaks in play after three hours, a suggestion you make at line 20, lines 428 to 429, you suggest that a mandated break in play is a validated indicator of --- sorry, you say that gambling for more than three hours is the validated indicator of harmful gambling based on a paper by Thomas and others?

PROF ROCKLOFF: Yes, correct.

MR DHARMANANDA: That paper was a validation study of behavioural indicators of problem gambling?

PROF ROCKLOFF: Correct, the same one that Crown uses, I believe.

MR DHARMANANDA: Built on an earlier study by Professor Delfabbro?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And that 2014 validation study found that problem gamblers are just under twice as likely to gamble for three hours or more without a break than non-problem gamblers; do you recall that?

PROF ROCKLOFF: I recall that the number over three hours in the report is that they would be --- that problem gamblers would more likely say --- problem gamblers would --- I don't remember the exact --- no, I don't remember the exact distinction of where the three hours came from, but I'll accept your characterisation of it as likely accurate.

MR DHARMANANDA: To be fair to you, why don't we go to the study, Professor Rockloff, CRW.701.010.2766. The relevant part of it is at 2975.

PROF ROCKLOFF: Yes, there it is.

MR DHARMANANDA: Item 2, and the final column, has an odds ratio of 1.95. Do you see that?

PROF ROCKLOFF: Yes, 1.95. Okay, yes.

MR DHARMANANDA: And then the researchers developed a checklist of indicators?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: In relation to the display of problem gambling behaviours which commences at 2986?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: If we go to that, the relevant indicator for the purposes of this discussion is at page 2989, item 15. You might be able to see shortly a reference at item 15 to "often gambles for long periods, three plus hours without a proper break". Do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: So the indicator is not gambling over three hours on a single occasion, or less often, it is often gambling; do you see that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: It's colour-coded red?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And you are aware that the instructions accompanying the checklist are that people displaying a red flag behaviour should be observed? Are you aware of that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: And if a person displays several red indicators, or a mix of red and orange indicators, then an approach should be considered? You are aware of that?

PROF ROCKLOFF: Yes, that sounds right.

MR DHARMANANDA: And you would thus accept that the validation study doesn't support a suggestion of mandated break in play after three hours?

PROF ROCKLOFF: No, not a mandated break in play. I didn't mean to suggest that there had to be a mandated break in play after three hours.

MR DHARMANANDA: Professor Rockloff, would you accept that with respect to many of the innovative measures that you are proposing, you have not considered the benefits that would flow in relation to the recreational activity?

PROF ROCKLOFF: No, I always have that in mind, when I consider things as to --- and I think we've discussed that over the course of the day, which is interrupting unnecessarily people's enjoyment of freely chosen recreational activity reduces people's well-being, so I wouldn't support that that was always appropriate to intervene.

MR DHARMANANDA: Would you accept that you have been focusing on minimising harm as opposed to maintaining benefits, which is a quote from page 21 of your report?

PROF ROCKLOFF: Yes, that's right. That's what we said.

MR DHARMANANDA: You accept ---

PROF ROCKLOFF: Which is not to say that benefits aren't important. Obviously that's an important part of my research and part of the Tasmanian research we talked about.

MR DHARMANANDA: Do you accept that for each of the interventions I have discussed with you, the evidence that they minimise harm is either equivocal or lacking?

PROF ROCKLOFF: It's either what, sorry? What is the word?

MR DHARMANANDA: Equivocal, goes both ways?

PROF ROCKLOFF: Goes both ways.

MR DHARMANANDA: Not conclusive. It's either not conclusive or lacking?

PROF ROCKLOFF: I think that would be an overstatement to say it's not conclusive. I think that would go in line with what Dr Philander was saying, which is that everything is open to new research that will take us 20 years in the future before we make any intervention whatsoever.

MR DHARMANANDA: Professor Rockloff, you have given evidence that you see academics who receive funding from the gambling industry as being influenced, knowingly or not, by financial self-interest?

PROF ROCKLOFF: Maybe not in every circumstance but I think you certainly run the risk of doing exactly that by accepting industry funding.

MR DHARMANANDA: Your view is that an academic who receives funding from the gambling industry will espouse views that suit that industry?

PROF ROCKLOFF: I would say may espouse views that suit that industry, I wouldn't say they definitely will.

PROF ROCKLOFF: You regard the informed choice model as having been a public relations coup for the gambling industry and its supporters?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You regard the Reno Model as having legitimised the informed choice model?

PROF ROCKLOFF: Correct.

MR DHARMANANDA: You regard both the informed choice model and the Reno Model as illegitimate?

PROF ROCKLOFF: Illegitimate would be overstating it because I think a lot of the --- the interventions that are consistent with informed choice are actually fine and dandy. So things like self-exclusion, there is nothing wrong with self-exclusion, it is quite good. Gamblers who use it are actually quite happy with --- usually quite happy with it and the proces, and find it helpful when they use self-exclusion.

The treatment options that flow from the Reno Model and even the informed choice aren't, in and of themselves, bad, it's just that the guiding principle of informed choice as exclusionary of other potentially more effective interventions is harmful.

At one point, the Reno Model may have been a great idea in terms of advancing different techniques, such as self-exclusion and promoting those techniques, but I think it is showing its age in terms of restricting us to those interventions that don't interfere in any way with people's so-called freely informed choices, and that more advanced models, based on harm minimisation and product safety are the future of better protection for consumers.

That is not to suggest also that free choice isn't actually pretty important. Taking away choice from people makes them unhappy. Subtracting freedom, including freedom for people choosing freely to bet on what they want to, makes people unhappy. So you have to balance those concerns.

It's just that an overriding focus on informed choice as the guiding model is no longer appropriate, particularly in an environment where for the past 10 years our evidence has been showing that problem gambling rates are increasing in Australia.

MR DHARMANANDA: You used the word inappropriate in relation to the informed choice and Reno Model. You said it's not appropriate.

PROF ROCKLOFF: At the current time.

MR DHARMANANDA: You advert in your report that Crown has hired academic advisors, the RGAP, to recommend changes. You mention that two of the three members of the RGAP are architects of the Reno Model.

PROF ROCKLOFF: Yes.

MR DHARMANANDA: Do you remember saying that?

PROF ROCKLOFF: Yes.

MR DHARMANANDA: You thought it important that it should be noted that these are academics who hold inappropriate views?

PROF ROCKLOFF: Inappropriate views on this one topic. I quite like Professor Blaszczynski and he's a nice guy and I respect his views, including his views on the acceptance of gambling money. That's his choice to do so, but we disagree on that one factor of his career.

MR DHARMANANDA: Other than focusing on the source, that is the persons who are members of RGAP, you offer no reasoned analysis of the recommendations by RGAP by reference to its content, do you?

PROF ROCKLOFF: Yes. We covered that in the previous session, if you remember?

MR DHARMANANDA: Thank you. Thank you, Commissioners.

COMMISSIONER OWEN: Thank you, Mr Dharmananda. Ms Seaward?

MS SEAWARD: With leave, just a few questions.

CROSS-EXAMINATION BY MS SEAWARD

MS SEAWARD: Professor Rockloff, my name is Ms Seaward and I act for the Department of Local Government, Sport and Cultural Industries here in Western Australia. I have a few questions about your report.

PROF ROCKLOFF: Okay.

MS SEAWARD: In your report you refer to the forthcoming research or the research you have been conducting. When do you think that will be published?

PROF ROCKLOFF: So you will have to --- we do a lot of research. You will have to remind me what that research is about.

MS SEAWARD: It has already been published. I am being told from the Bar table here that it has already been published. It is on page 10 of your report, line 102.

PROF ROCKLOFF: It is being brought up.

MS SEAWARD: You should see line 102 on your screen, "A publication forthcoming on this topic"?

PROF ROCKLOFF: Yes, the interactive gambling study which is now published and you can find it on the Gambling Research Australia website.

MS SEAWARD: Was that completely funded by Gambling Research Australia?

PROF ROCKLOFF: It was.

MS SEAWARD: Do you know when you received the grant from Gambling Research Australia?

PROF ROCKLOFF: I don't recall exactly but it was probably somewhere in the range of a year or two prior.

MS SEAWARD: So 2018/2019?

PROF ROCKLOFF: Something around there would be my presumption.

MS SEAWARD: At pages 10 and 11 of your report you set out the findings from that research. You have been taken to some of it already. If we look at Table 1 on page 11, that details the results for Western Australia versus the rest of Australia.

PROF ROCKLOFF: Correct.

MS SEAWARD: Do we take it from that research that Western Australia has one of

the lowest levels of problem gamblers amongst the States and Territories?

PROF ROCKLOFF: Congratulations, yes, that is correct.

MS SEAWARD: Would it be correct then that New South Wales and Victoria have some of the highest levels of problem gambling throughout the States and Territories?

PROF ROCKLOFF: New South Wales and Victoria are similar to probably Queensland and a lot of other states. I don't know if they would be reliably different. In fact, Western Australia, from a statistical standpoint --- again I would have to look at it but I know from past research we have done, from a statistical standpoint, Western Australia is the only state or territory that stands out as significantly different from the rest of Australia. The rest are --- yes, there are different rates but the rates are within the range of error of the estimates of problem gambling prevalence. So they are all about the same, in other words, at least as far as we can detect.

MS SEAWARD: Table 1 shows the results applying the PGSI category methodology. If we look above Table 1, starting on line 120, you also mention in the same study you measure the harms from gambling using the Short Gambling Harm Screen. Then you detail the results in that paragraph.

PROF ROCKLOFF: Yes.

MS SEAWARD: Again, was it the case that Western Australia's level of gambling related harm experienced was lower than the other States and Territories?

PROF ROCKLOFF: Yes, and significantly lower, meaning that it's not just a lower figure but, in fact, reliably lower. Based on the sample, we can confidently say that yes, in fact, harms are lower in Western Australia on a per capita basis compared to the rest of Australia.

MS SEAWARD: Again, were the states of New South Wales and Victoria at the higher end or was it the case that the other states were all quite similar?

PROF ROCKLOFF: Well, I think we have only done, to my recollection --- I can't remember if gambling harms was included in the other States, but we, meaning our lab, have personally done those population studies for Victoria and New South Wales, and they were higher and in Victoria and New South Wales the numbers were similar.

MS SEAWARD: Again, one of the conclusions you have drawn from that research is at least a cause of this difference, that is Western Australia being significantly lower, is the restricted access to EGMs here in Western Australian compared to the other States and Territories?

PROF ROCKLOFF: That's right, and that is shown in that figure. You can see we have done an association of harms with --- or I think gambling problems, rather, with whether people play those individual products or not, and we can attribute whether you have gambling problems or not based on the products you play, and that's that coloured figure, where you can clearly see that the lower level of EGM harms are the principal reason why there is a substantial difference in problem gambling between Western Australia and the rest of Australia, mostly due to EGMs.

By logic, we attribute that to the fact that there are only EGMs within the Perth Casino and that makes EGMs less accessible to many people who are living in Western Australia.

MS SEAWARD: As part of your work, are you familiar with the 1999 Productivity Commission Report, Australia's Gambling Industries?

PROF ROCKLOFF: I am.

MS SEAWARD: Obviously that was done in 1999, which was a long time ago, and used a different scale, I think, than the scale you have used in your research. I think it used at one point a scale known as the Dickerson Method?

PROF ROCKLOFF: Okay.

MS SEAWARD: Are you familiar with that it?

PROF ROCKLOFF: I'm not. It might be the --- is it the South Oaks Gambling Screen? That's another common --

MS SEAWARD: Well, I don't know. There was another one, the SOGS 10+ scale.

PROF ROCKLOFF: Yes, that's the South Oaks Gambling Screen. That was a, sort of, precursor to the PGSI or Problem Gambling Severity Index that is more commonly used now. It has slightly better psychometric properties but, as a result, it's very difficult to compare scores in terms of prevalence with PGSI because they are not exactly the same measurement.

MS SEAWARD: I will read you a couple of statements that summarise a couple of conclusions from the 1999 report. For the benefit of the transcript and the Commission, this document doesn't need to go on the screen but the reference is GWC.0002.0016.0178_0154. It's a 2016 agenda paper to the GWC.

I will read out these very short statements and ask you a quick question about each of them. I first want to preface it with I appreciate there are differences in the scales and methodologies, so if you could just leave that aside.

If I was to say to you that the Productivity Commission in 1999 found that WA and Tasmania had the lowest prevalence of problem gambling amongst the States and

Territories, would you say that is consistent with the findings from your research?

PROF ROCKLOFF: Yes, that's consistent with the findings and I should say that just because there are different scales, it doesn't mean that finding the differences shouldn't go in the same direction and imply the same thing. It's just that when you are comparing rates to rates across time, you want to be using the same scale.

MS SEAWARD: If I was to say that the Productivity Commission also found that New South Wales and Victoria had the highest prevalence of problem gambling, is that consistent with your research?

PROF ROCKLOFF: Again, with our research we have only really looked at --- personally done New South Wales and Victoria. My general knowledge is that New South Wales and Victoria have rates that are similar to other jurisdictions, including Queensland, Northern Territory, et cetera.

MS SEAWARD: If I was to say the Productivity Commission also found that if Western Australia were to liberalise its accessibility to EGMs, as is the case in other jurisdictions, it would expect the prevalence of problem gambling in Western Australia to increase, would you agree that is consistent with your findings or is that consistent with your view?

PROF ROCKLOFF: Yes, both. I guess we can tell that gambling problems are less because of EGMs being --- you know, the association between gambling problems and EGMs being less. Again, we assume its because of accessibility.

We also know there is broad literature out there that looks at accessibility to EGMs and gambling problems. It turns out there are geographers that looked at this and you can actually track your likelihood of having gambling problems as a function --- this has been done in Australia, in the NT in particular, I remember, and it also has been done in New Zealand. You can actually track your likelihood of having gambling problems as a function of your distance to the nearest venue that has EGMs in them.

So there is a very strong relationship, a reliable relationship, I should say, between your proximity to an EGM venue and your likelihood of having gambling problems. That being said, if you open EGMs to pubs and clubs or other venues, you would certainly find an increase in gambling problems.

MS SEAWARD: Could we just go to page 35 of your report, line 1017, where you list the most effective measure for a safer EGM incorporates designs that reduce monetary extraction in the form of lower theoretical losses per hour of gambling.

If we then go over the page to 36, in the first paragraph you list a couple of factors. Speed of play limited to 5 seconds will reduce the cost of play. Should we read that paragraph to mean that is a measure for a safer EGM?

PROF ROCKLOFF: Yes. So that's in the context of what would be a faster speed of

play, which is possible in other venues.

MS SEAWARD: The other factors you have there in that paragraph at the top of page 36, restricting return of play to a minimum of 90 per cent, would you say that is also a factor which contributes to a safer EGM?

PROF ROCKLOFF: Yes. I mean, 95 per cent would be even better, wouldn't it. Anything that reduces the rate of extraction and makes gambling more affordable is likely to contribute to lower amounts of harm. So, again, the main --- it's not a magical formula. The main cause of gambling harm and gambling problems, by extension, is too much time and too much money spent gambling. Any way that you can make the experience of gambling less expensive, including making it faster --- slower, rather, and including returning more money to participants, will lower the cost of gambling.

It should be said, and I think I mention this in the report, even if you return 100 per cent, which of course isn't really possible, it's not practical, but if you were able to do that, people would still be harmed by gambling, which is kind of, you know, not intuitively obvious, but the reality is the way gambling works is it redistributes funds from --- many funds from losing parties to a few winning parties. So even if you have a perfectly non-extractive game, you will still have people who will be losing money and you will still have people harmed.

MS SEAWARD: Could we go to page 37 of your report, then, starting at line 1105. We can see the question:

> *Are there any unique features or characteristics of Crown Perth EGMs that are likely to have the potential to mitigate or minimise gambling-related harm?*

In the first line it says:

> *There are no clear features of Crown Perth EGMs that make them safer than EGMs available in other jurisdictions.*

Should we read that paragraph as subject to the factors that we have just discussed; that is, speed of play limited to 5 seconds and return to player being a minimum of 90 seconds?

PROF ROCKLOFF: Yes, that's correct.

MS SEAWARD: Thank you. No further questions.

COMMISSIONER OWEN: Thank you, Ms Seaward. Anyone else? No.

QUESTIONS BY THE COMMISSIONERS

COMMISSIONER OWEN: Professor Rockloff, I have one question for you and it is definitional. In section 8 of your report you deal with poker machines. You point out that poker machines were invented in the 1890s, they came into Australia in the 1950s and they have evolved from mechanical to electronic. Are you aware that the term "poker machines" is used in legislation in Western Australia but it is not defined?

PROF ROCKLOFF: I'm not aware of that, no.

COMMISSIONER OWEN: Assume, then, that is correct.

PROF ROCKLOFF: Okay.

COMMISSIONER OWEN: "Poker machine", the term, is used in Western Australian legislation, but as what not to allow, but it is not defined.

Can I put this broad proposition to you: if you accept, for the purposes of argument, that prohibiting something and then using that as a guide to what you might allow, not to define what you can allow but what you might allow by way of some electronic gaming machine, that using the phrase "poker machines" undefined, given the evolution of poker machines, is not a reliable guide from which to use that process of reasoning towards what could be allowed? Would you agree with that proposition, from your experience?

PROF ROCKLOFF: Yes, I would. I mean, what defines a poker machine is, sort of, generally thought to be synonymous with slot machines and what are called VLTs, although they work on a slightly different basis in Canada because they go to a central server and they are actually more like a lottery product. But for all intents and purposes, to the consumer they appear to be exactly the same.

So there is a tradition of what a poker machine looks like and that comes from the original Liberty Bell that had three reels and the reels spun on those mechanical things. It was actually introduced into Australia shortly after it was invented, so it has actually been here before the 1950s, it's just that it was legislated in the 1950s. It was back room in the goldfields, and that sort of thing, so they have been around since their inception in Australia.

So the reels, sort of, define what --- generally define what a poker machine is. I think the unique composition of what poker machines are in Western Australia take many forms and some of those forms, it would be hard to call them poker machines. I would more call them --- so one of the examples is one that looks, I think, something like keno or something of that regard, which are what I would called ann innovative gambling game.

So I guess in general, the question --- and I'm not sure exactly where you are coming at this from, but the issue is whether you want to create a definition that creates space

for innovation and maybe making consumers happier with more interesting games, or whether you want to tightly prescribe --- which often the national standards do tightly prescribe how exactly machines operate, and when you do that, you're really referring to those traditional types of poker machines because they talk about the reels and how the reels operate, and those sorts of things. Therefore, under that definition you don't allow some of these more innovative games that have potentially different features.

So I guess the definition depends on --- in my mind, as I laid out in my report, I think the definitions for the games that exist right now are pretty clear. There are innovative games, which are games that are traditional gambling games that are put on a console and operate according to the same mechanics that generally or almost specifically they do when you use a croupier. Then there are poker machines that have the spinning reels and maybe special features of them. Then you have skill-based games more reminiscent of video games.

That is the sort of industry standard, I think, language. It is certainly the language used by Gambling Research Australia, where they put forth different projects we have been successful on, in terms of describing what a poker machine is. I don't know if that helps you?

COMMISSIONER OWEN: The question was in the broad, simply as a definitional one. Thank you. Mr Leigh.

RE-EXAMINATION BY MR LEIGH

MR LEIGH: Professor Rockloff, just a single question. There was some discussion between you and Mr Dharmananda and you were discussing the validation studies which dealt with the observable signs of a person who often gambles for three hours without a break. Do you recall that?

PROF ROCKLOFF: Yes.

MR LEIGH: The note I took of one of your answers was you did not mean to suggest that there had to be a mandated break in play at the three-hour mark. Did I get that right?

PROF ROCKLOFF: Yes, that's correct.

MR LEIGH: My question is: would it be a good idea to have a break after a person has been engaged in three hours of continuous EGM play?

PROF ROCKLOFF: I think if a gambler were pre-warned that that was the situation and if it were not embarrassing to the gambler in a way --- and I think you can do that with carded play, for instance. If people had to play with a card and they had to take,

what have you, a 15-minute break after three hours, I think that would be very helpful to most people.

I don't think it would be particularly interruptive to their enjoyment of the experience, particularly if they had foreknowledge that was going to happen. If they hit the three-hour mark and they know they are going to get a 15-minute break, that is not going to be disturbing or embarrassing to them.

If it was a situation where people were identified and tapped on the shoulder after three hours of play, to have a cup of coffee and a conversation about their horrible gambling problem, I think that would be coercive and probably not well advised.

MR LEIGH: Thank you. Thank you, Commissioners.

COMMISSIONER OWEN: Professor Rockloff, thank you very much. It has been a long day and we very much appreciate you making your time available and for the evidence you have given. I repeat what we said at the conclusion of the concurrent evidence session. Thank you very much. You are now free to go, thank you. We can release you.

PROFESSOR MATTHEW ROCKLOFF WITHDREW

COMMISSIONER OWEN: I have a couple of housekeeping matters to raise before we adjourn. I have been asked to raise the question of the various expert reports and non-publication orders.

On 21 October, we made a general non-publication order for the expert reports that had been commissioned by the Royal Commission. Since then, those orders have been lifted in relation to the reports by Ms Arzadon and Mr Deans.

They are still in place in relation to the McGrathNicol and Murray Waldren reports on the anti-money laundering CTF aspects, and still in place in relation to the McGrathNicol report by Mr Caddy on financial capacity. But is there a view yet on what could be done with the reports of Professor Rockloff and Dr Philander?

MR DHARMANANDA: With respect to Dr Philander's report, we are seeking instructions and should be able to inform the Commission tomorrow. As I understand it, those who instruct me have informed the Solicitors Assisting the Royal Commission that Dr Rockloff's report may be released, but I wonder whether they ought to be released simultaneously?

COMMISSIONER OWEN: I think that's right. We will hold it over until you have had a chance to get instructions and release them together or deal with them separately, depending on what your instructions are.

MR DHARMANANDA: Thank you, Commissioner.

COMMISSIONER OWEN: We will adjourn to 10am tomorrow.

HEARING ADJOURNED AT 3.41PM TO WEDNESDAY, 17 NOVEMBER 2021 AT 10AM

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