

VLGA

 Gambling Research
 NEWSLETTER

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In early February, Premier Bracks stated that Victorians are entitled to be sceptical about research commissioned by the company (Tattersalls) that runs thousands of the State's poker machines. Due to its fundamental flaws, this particular study by ACIL Consulting would be easy to dismiss, if it were not for the industry's capacity to run a very efficient publicity campaign apparently aimed at minimum regulation of the industry. (See our review on page 6)

THERE IS, HOWEVER, the broader issue of the appropriateness of gaming-related research programs and their methodological parameters being set by the very companies which derive profits from gaming machines—particularly when that research is based at publicly funded and accountable universities. Of course, this is not an issue restricted to studies of gambling impact. With the well-publicised financial squeeze on our universities, combined with a pressure for them to find funds from other (usually commercial) sources, the status of our uni-

versities as independent centres of learning and inquiry is under constant threat. Generally speaking, the integrity of research programs arising from industry initiatives and resources is certainly compromised within this context. The compromises (both large and small) do not so much entail the crude faking or slanting of research findings in exchange for industry dollars (and we would not be party to such accusations). It is more subtle and complex than that. The obvious and probably most important area of compromise lies in the setting of the research agenda in the first place. Who has decided what is to be researched? Have academics set the agenda in pursuing avenues of intellectual interest in their area of specialty? Have the needs and aspirations of the community been at the forefront? Or has the research program been set by a corporation, thought to be primarily—if not only—responsible and accountable to its shareholders rather than to the public interest?

Once researchers are engaged by an industry, we are in the foggy, human area of potential rationalisations coupled with the natural impulse to be amenable to those we are collaborating with and working for. Being afraid to 'bite the hand that feeds' has been and continues to be a powerful deterrent to reveal unpalatable aspects of research findings and all researchers know that reports become areas for negotiation when findings are not exactly what the sponsor was hoping for (regardless of who the sponsor is). Potential compromises—obviously—lurk in that murky space between the researcher's need to maintain intellectual and moral integrity and the sponsor's interest in maintaining certain positions. Even more subtle, and perhaps below everyday awareness, are the small *pre-emptive* (or self-censoring) moves that researchers may make in advance, to soften those findings that they know are least palatable to their sponsors—or to even avoid forms of inquiry most likely to yield these findings.

We raise these issues as we notice a growing trend in Australia toward gambling industry-sponsored research—a practice more entrenched—and heavily criticised!—in the United States. As well as a review of the Tattersalls-sponsored ACIL study, we include in this issue short summaries of projects carried out for the Gaming Industry Operators Group by the University of Sydney and the Centre for International Economics in the face of proposed regulatory changes that would require the modification of gaming machines. (These studies will be more extensively reviewed in our next issue). Evidently this is a controversial and important area of debate, not only relating to ethical research practice, but to ethical living in general, in an increasingly commercialised world. We hope, as usual, that we can make some small contribution to this public debate.

—Jennifer Borrell



The Gambling Research Newsletter is a project of the
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Level 1, Ross House
247 Flinders Lane, Melbourne 3000
Tel (03) 9654 0333 Fax (03) 9654 0555
Email vlga@vlga.org.au

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Dianne Berlin (international clipping service),
John Carr-Gregg (Aristocrat Technologies), Bill Clark
(Gambling Watch Network—Ontario), James Doughney
(La Trobe University), Tim Falkiner (Know the Odds),
Ross Ferrar (AGMMA), Wei-ying Ho (University of Sydney),
Charles Livingstone (La Trobe University), Daniel McCaffrey
(Gamblock), and Ian Pingue (La Trobe University).

Written, edited and designed by **Borderlands Cooperative**

PO Box 3079, Auburn 3123
Tel (03) 9819 3239 Fax (03) 9819 3439
Email borders@borderlands.org.au

General Editor: Jennifer Borrell with Jacques Boulet
Managing Editor, layout and design: Dean Lombard
Subeditor: Elaine Hartley

What's Happening Locally

The LGWGOG report

Research package for local gaming impact assessments

A package to assist local governments in making social and economic gaming impact assessments is to be launched on the 10th of May. This is the eagerly anticipated culmination of a project jointly carried out by the Australian Institute of Gambling Research (see page 4) and by the Workplace Studies Centre, Victoria University for the VLGA on behalf of local governments.

the VCGA hearing process (see last newsletter).

Furthermore, local governments have been allocated no extra resources to carry out this function, albeit exclusively. Most importantly, however, one wonders why 'Jo Public' should not be given the option of making a submission to the VCGA directly if he or she wishes.

However... a request was made to the VCGA to provide a proforma notice inviting community input into the VCGA hearing process via local governments. As yet there has been no reply.

The expensive and adversarial VCGA hearing process

In the last newsletter we promised a report on the meeting between the Gaming Minister's staff, the VLGA and local government representatives. The Minister's staff were sympathetic to the concerns expressed, emphasising that the process for hearing gambling industry (EGM) applications was never meant to be legalistic or to require legal counsel for local governments. They welcomed local government assistance in better defining 'social and economic impact' for the assessment of applications. Minister's staff did not feel that a public participation process was required by the VCGA at present but would consider changes to the Act if the case for this was compelling.

Changes to the VCGA submission form

The VCGA has invited local governments (and the VLGA!) to make suggestions for changes to the submission form by which local governments respond to gaming industry applications.

Gambling Conference: 'Disarming the Bandits'

The joint conference of the VLGA and Victoria University will now be on the 11th and 12th of September. We will give more information in following newsletters.

How does the community make submissions to the VCGA?

A local government was recently taken to task for advertising that members of the public could make submissions directly to the VCGA in relation to a gaming machine application. Apparently all community submissions should be made through the relevant local government! This seems astonishing, not least because the role of local governments in representing the community has been frequently brought into question in

Response to Tattersalls local impact study

Tattersalls (one of the two gaming operators in Victoria) has been conducting an efficient public relations campaign, touting an economic impact study it commissioned to local governments. Although the VLGA cannot match the industry's resources, it has managed two successful press conferences (in Ballarat and metropolitan Melbourne) in which three economists have critiqued the study (see a synopsis of these critiques on page 6). Papers responding to the ACIL study can be found on the VLGA website: www.vlga.org.au

Disappointing government proposals to curb gambling problems

The VLGA, Inter-Church Gambling Taskforce (ICGTF), independent MP, Susan Davies and other community groups, presented a united front in roundly condemning the Victorian State Government's proposals for gambling reforms, when they appeared with sports figure, Ron Clarke, on the front steps of Parliament House on the 3rd of April. The VLGA's Mike Hill said that these are soft measures that do nothing to achieve genuine breaks in play. Tim Costello from the ICGTF noted that the problem gambler on average bets \$1.67 per button push—nowhere near the Government's proposed \$10 limit. He also noted that problem gamblers do not use \$100 notes and that they make multiple withdrawals of small amounts, not \$200. He stated that the government should 'ban note acceptors and slow the pokies down'. John Dalziel, also from the ICGTF, called on the government to reduce the maximum loss a person can incur in an hour of playing poker machines to \$50 instead of the current maximum of about \$2,000.

In discussing the proposed reforms, the LGWGOG has noted that the State Government lacks a consistent, 'whole of government approach' to forming gambling policy and addressing gaming-related issues in the community.

Continued overleaf

Assessing the social impact of gambling on local communities

Masterman-Smith, H., McMillen, J. and Tremayne, K. (2001) *Final Report of the Methodology Project for the Victorian Local Governance Association*. Sydney: Australian Institute for Gambling Research, University of Western Sydney.

The Australian Institute for Gambling Research (AIGR) has recently completed a report for the Victorian Local Governance Association (VLGA) to assist local governments in assessing the local impacts of Electronic Gaming Machines (EGMs). This comprehensive and thoughtful document will undoubtedly prove to be a valuable resource for local governments in advocating for their communities. The following points are from a summary of this report by Charles Livingstone.

Background

The Local Government Working Group On Gambling has undertaken a range of activities since its inauguration, including the design and implementation of an independent gambling research program. The first phase of this program was focussed on the development of a

methodology to assess the local economic impact of local gambling venues. The second phase of the program, of which the methodology project is an important component, was intended to develop a practical capacity for local governments to assess both economic and social impacts, particularly in the context of the need for local

THE LGWGOG REPORT — DISAPPOINTING GOVERNMENT PROPOSALS TO CURB GAMBLING PROBLEMS

Continued from page 3

Furthermore, Treasury decisions seem to over-ride initiatives of the Gaming Minister's Office, pointing to the frequently-discussed reliance that the State government has on gambling revenue.

Under the draft regulations each gaming machine must:

- **Generate and display the odds of winning, returns to players, the average number of games played per win, and the maximum number of bets; and**
- **generate and display a running tally of time and money spent on machines.**

The draft regulations also demand that from December this year every gaming venue in Victoria must display player information in the form of:

- **Posters reminding gaming machine players of the odds of winning (one poster to every 15 machines);**
- **'talkers' on every machine; and**
- **enough brochures in the cashier area for all players in the venue.**

Other reforms to be introduced in this session of Parliament include banning \$100 note acceptors and autoplay facilities, setting a maximum bet limit of \$10, limiting access to ATM facilities at venues to \$200 per transaction and requiring winnings over \$2,000 to be paid by cheque.

*Public comment is invited on the draft regulations by 5 pm, 3rd May, 2002.
Copies of the regulations are available from the
Office of Gambling Regulation or at www.ogr.vic.gov.au*

STOP PRESS: New measures have been proposed to ban smoking in gaming venues (see page 12)

NB: According to a recent article in *The Age*, Otto von Bismarck, father of the German empire, once observed that laws were like sausages; it was better not to see them being made.

—Jennifer Borrell

governments to participate in the decision making processes of the Victorian Casino and Gaming Authority (VCGA) in relation to the approval of additional poker machines in local government areas.

LGWGOG recognises the need for local governments to be provided with a straightforward and inexpensive set of tools to assist in the determination of these impacts. This report is focussed on developing the groundwork for the preparation of a 'kit' that will enable local governments to assess the likely social impacts of gambling in their communities. It strongly complements economic impact assessment software developed by Dr James Doughney and colleagues of the Workplace Studies Centre (WSC) of Victoria University. It is also important to note that the terms 'social' and 'economic' in this context are not mutually exclusive. A good quality impact assessment process will deliver a seamless and amalgamated assessment of social and economic impacts. AIGR and WSC have worked co-operatively on the development of an impact assessment approach that amalgamates the social and economic ends of the impact continuum.

Key findings

Findings of the research included:

- There are serious deficiencies in the available data, which currently hinder the assessment of the local impacts of gambling in Victoria. Problems with these data include:
 - ♦ Methodological flaws and deficiencies;
 - ♦ An over-reliance on econometric modelling;
 - ♦ Insufficient utilisation of rigorous methodologies derived from the social sciences; and
 - ♦ A limitation of the role the community can currently play in data collection and impact assessment.
- Similarly, there has been a very limited focus on local issues in the development of impact assessment data and methodologies so far, including an excessive reliance on dated data, including ABS census data that is up to five years old.
- Members of many important social categories have been neglected in the data generation and assessment processes, including people from diverse cultural and linguistic backgrounds and women, and issues arising from social class have been largely neglected.
- There has been a lack of consistency in the definitions of community, including the relevant catchment and the relationship between community, commerce and the commodification of leisure and recreation.
- The impact assessment process has been characterised by a focus on short-term effects rather than the long term process, and a tendency to exclude other social transformations. The process has been characterised by the rapid development of a culture of

adversarialism, and a tendency to downgrade the importance of qualitative data to the assessment of local impacts.

- Conversely, the AIGR report acknowledges that some decisions of the VCGA have highlighted the importance of qualitative data to the assessment process, and suggests a number of avenues for the establishment and expansion of qualitative data sets to assist local governments to positively contribute to the assessment process.

Some options for further action

The AIGR report highlights a range of areas where local governments can play a role in building an enhanced understanding of local conditions and the likely impacts of gambling on local communities.

The AIGR report also endorses the PARK software concept and suggests some enhancements that will make it even more useful for the assessment of economic impacts. However, it is clear that more and better quality socially derived data will also assist in the development of a comprehensive locally focussed approach to gambling impact assessment.

A key recommendation of the AIGR report would involve VLGA assisting local governments to establish baseline data on relevant local socio-economic issues.

Focus of the report

In recognition of the structure adopted by the VCGA for its impact assessment process, the AIGR report is organised around a number of fields based on themes for impact assessment, as follows:

- Employment
- Local business and economy
- Community support services
- Community life
- Tourism
- Crime

Within each area, the AIGR report surveys existing research to identify useful approaches to impact assessment, and also identifies research gaps, where productive effort can usefully be undertaken.

Of interest to this newsletter, due to previous articles written on the subjects, are community attitudes (see GRN 2(4)) and the 'Precautionary Principle' (see GRN 2(3)).

Community Attitudes

A number of VCGA funded reports have identified a strong perception that the increase in gambling opportunities has done more harm than good. The

AIGR report summarises the findings of five such studies to demonstrate that, on average, more than three-quarters of those surveyed (75.7%) believe that gambling does more harm than good. This has been a consistent finding for some years, indicating considerable community

**This report will be launched
on 10th May at 10.00 am
by Ron Clarke**

**Venue to be advised —
check www.vlga.org.au or
phone the VLGA on (03) 9654 0333**

Continued overleaf

G a m b l i n g I n d u

A critique of 'The Impact of Gambling in Ballarat'

a study conducted by ACIL Consulting for Tattersalls

KEY FINDINGS of the ACIL report, according to the Executive Summary, include:

- Gaming makes a substantial contribution to the economic welfare of the residents of Ballarat;
- Gaming taxes make a major contribution to the State budget and the Government's ability to provide services, both for the State as a whole and for Ballarat; and
- The costs of problem gambling are significant but are considerably less than the overall benefits.

However, it does not take much 'scratching below the surface' of this study to find that there is absolutely no basis for these conclusions. What is surprising is that such a clearly flawed study is being promoted by Tattersalls to local governments—to demonstrate the ostensible economic benefits of poker machine gambling to local communities.

The following critique is based on the presentations and papers of three economists: Ian Pinge (La Trobe University, Bendigo), James Doughney (Victoria University) and Charles Livingstone (La Trobe University, Bundoora)*.

Problems with the use of 'Consumer Surplus' to denote economic activity

ACIL have presented an image of poker machines contributing \$300 million to the economy of Ballarat. Most people would interpret this to mean increases in spending, employment, wages, goods and services, income for local business etc. Many would assume that this \$300 million denotes local economic growth such as we associate with 'Gross Domestic Product' (GDP). However ACIL *does not* measure the local equivalent of

GDP in terms of economic growth. What it purports to measure is, in fact, a *state of mind!*—or more precisely, the sum of the mental states of poker machine users in a community. This aggregate measure 'Consumer Surplus', is also variously referred to as utility, benefit, satisfaction or total satisfaction.

In short, 'Consumer Surplus' is supposed to be the difference between what a person pays for a good and what they would have paid if the price was higher—or more precisely: *'the amount that consumers would be willing to pay for any given quantity of an item purchased minus the amount the market requires them to pay'*. Following discussions in the 1930s, mainstream economists conceived of it as an individual measure, not as an aggregate measure of community benefit—and its use as such is controversial even among economists. As strange and rarified as it sounds, this is the economic measure used by ACIL to demonstrate economic benefit. Clearly it does not relate to the generation of economic activity as we understand it.

Although numbers tend to give the appearance that research is 'scientific', mental states are inherently unmeasurable. On the other side of such the 'equation'—how do we measure the anguish of losing home, family, self-respect and even life? How would we measure such mental states? Of course we can't, and such measures do not and cannot be factored into ACIL's calculations, even while the spurious Consumer Surplus measure is utilised.

Another problem with Consumer Surplus is that it assumes all spending to be rational, including that of addicts. The problem with this will be clear to most readers and will not be expanded on here, even though it seems to be 'over ACIL's head'. This is an important point as, according to the Productivity Commission (PC), 42% of

ASSESSING THE SOCIAL IMPACT OF GAMBLING ON LOCAL COMMUNITIES

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disquiet about the impacts of gambling*.

The Precautionary Principle

The issue of the 'Precautionary Principle', as raised by the National Competition Council, was also identified in the AIGR report as well worth consideration by local government and other agencies, in this context. The precautionary principle maintains that it is prudent to take action to deal with the consequences of potentially dangerous activities or other phenomena even though there may be some doubt as to the actual extent of harm. The logic of this is that excessive restraint can be undone subsequently, should harmful effects be less than

originally feared, whereas harm, once done, cannot be undone.

* *The previously mentioned adversarial character of the debate, however, prevents us often from looking at such figures for what they are; the unequivocal nature of these results is often called into question by representatives of the industry as 'one-sided' and 'in need of balance', therewith explicitly questioning the validity of the methodology and research methods leading to them. This approach is certainly being utilised extensively by members of the legal profession engaged by the industry, who use the attack on elsewhere very well established methodologies and on the evidence collected by such methods - thereby forming part of a 'court room' strategy to create 'reasonable doubt' in the mind of the public, the Councils and other stakeholders in the debate.*

—Jacques Boulet

s t r y R e s e a r c h

poker machine expenditure comes from problem gamblers who demonstrate addictive forms of behaviour.

However, even if we were to accept the concept of Consumer Surplus the figure has been massively inflated, according to estimates by the PC. While ACIL uses PC national estimates of poker machine social costs to calculate a local cost of \$7.6 million to \$23.8 million, the same method to calculate *benefit* would yield a figure of \$9 million to \$13 million for Ballarat. However ACIL arrives at the figure of \$300 million for Consumer Surplus for Ballarat!

Additional problems with the ACIL methodology

We do not have the space to itemise all of the flaws in this study, but related criticisms made by the three economists (above) include the following:

- ACIL's labour estimates for the gaming sector also include food, beverage, bottle shop and live entertainment personnel. These activities were operating before poker machines came to Ballarat and would still be operating if poker machine activity ceased. Their presence in the modelling will inflate the relative importance of gaming as an economic sector.
- Local expenditure by the gaming sector may be overstated by \$9.8 million to \$10.5 million per annum (out of \$46.6 million) which would seriously overstate regional output and employment attributable to poker machines, once the flow-on effects are taken into account.
- Costs of poker machine gambling are not adequately addressed. ACIL's estimate of costs of poker machine gambling only warrant 1.3 pages of a 165 page report. 'Costs' are relegated to the category of 'intangibles'—unlike the biggest intangible—'Consumer Surplus'.
- The ACIL approach to estimating costs assumes that



La Trobe University economist Charles Livingstone

they are evenly divided across the nation. In fact, poker machine impacts are local, relate to comparative disadvantage and are deeply regressive.

- There are problems with the survey method used to assess problem gambling prevalence as the gambling screen was modified by the market research company. Also, as both the PC and ACIL discovered, many problem (and other) gamblers discount losses and may well fabricate responses to survey questions.
- The economic model used was not published in the study. Therefore it is difficult, if not impossible, to assess the results of the study without the opportunity to examine the 'cogs' inside the model. (However the 'inputs' used in the model can be assessed and are commented on above).

According to Ian Pinge: 'ACIL's overstated figures ... provide a strong case against deregulation of gaming and strong support for a 50% cut in expenditure or a total ban—which suggests that Electronic Gaming Machines have adverse economic effects on local communities.'

ACIL's study for the tobacco industry

The same approach of assessing community benefit through Consumer Surplus was used by ACIL Economics & Policy (the former business name of ACIL Consulting) for the Tobacco Institute of Australia in 1994. As in the present study, ostensible high consumer welfare and low social costs were used to justify the conclusions that tobacco use in Australia should be increased and regulation should be relaxed (while the tobacco industry knew by 1977 that smoking was a direct cause of a number of diseases including lung cancer and heart disease).

'If such flawed methodology can be used to justify an increase in tobacco in 1994, then the methodology could be used to justify almost anything' (Pinge)

Conclusion

Given the fundamental problems with ACIL's approach to evaluating the local economic impact of gambling, representatives of local governments would do well to remain alert and critical in their advocacy for the interests of local communities.

Collation by Jennifer Borrell

*
Dr James Doughney
Senior Researcher, Workplace Studies Centre
Victoria University

Mr Charles Livingstone
Senior Research Fellow, Faculty of Health Sciences
La Trobe University, Bundoora

Mr Ian Pinge
Principal Research Fellow, Centre for Sustainable Regional Communities
La Trobe University, Bendigo

Full critiques of the ACIL Ballarat study
and the report by ACIL
can be found at www.vlga.org.au

Research on the impact of gaming machine modifications

IN RESPONSE TO recommendations by the New South Wales Liquor Administration Board in November 2000 (before a final determination), AGMMA and the GIO* funded research into the likely impact of three suggested regulatory measures for gaming machines:

- reconfiguring bill acceptors so that they do not accept \$100 or \$50 bills;
- slowing reel spin speed; and
- reducing the maximum bet from \$10 to \$1.

Blaszczynski, A., Sharpe, L. and Walker, M. (2001) *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*. Sydney: University Printing Service.

The purpose of this research was 'to provide empirical evidence describing the differential impact of these (proposed) changes on recreational and problem gamblers and to determine the possibility of negative unintended effects that might be associated with the recommended changes'. Findings included:

- Although more problem gamblers were observed to use the larger denomination bill acceptors, the use of bill acceptors did not appear to be reliably associated with problem gambling status, severity of problem gambling, amount of money lost, or persistence of play;

CIE (2001) *Gaming machine revenue at risk. The impact of three proposed modifications to gaming machines in New South Wales*. Canberra: CIE.

The aim of this study was to undertake an economic impact study of the proposed measures. The study aimed to quantify the gaming revenue at risk in licensed club and hotel venues through the introduction of the measures. Having provided estimates of the size of this risk, possible implications for the State in terms of government revenues and enjoyment were examined. 'The starting point for the analysis was a summary of the distinctive ways in which clubs and hotels currently impact on the NSW economy and the critical role of gaming machine revenues in that contribution.' Findings included:

- If all three harm minimisation measures are introduced, the risk to revenue is likely to be around

The likely economic impact was researched by the Centre for International Economics (CIE) and the psychological effectiveness of the measures was researched by the University of Sydney Gambling's Research Unit. Reports of the two related studies are now publicly available. While we document some of the findings below, a more extensive review of the studies will be provided in the next edition of the Newsletter.

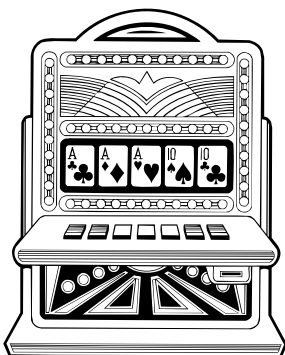
- Although proportionately more problem gamblers played with a rate faster than 5 seconds, rapid play was not found to contribute to problem gambling status, severity of problems or amount spent;
- Although only a small proportion of all players observed in the present study bet in excess of \$1 per wager, those who did were relatively more likely to be problem gamblers; and
- The study provided preliminary evidence to support the effectiveness of reducing the maximum bet size from \$10 to \$1 on EGMs for at least a small proportion of players.

20 per cent in clubs and as much as 40 per cent in hotels (although the latter figure should be treated very cautiously given the small sample of hotels);

- The proposal to introduce a \$1 maximum bet limit, even if accompanied by the other two measures, is likely to put significant revenue at risk in both clubs and hotels; and
- Combining the effects of slower game speed and modified note acceptors (which could also have the effect of slowing high intensity play) is likely to raise the expected revenue at risk to 21 per cent in clubs and 41 per cent for hotels, based on current turnover and revenue patterns.

Both these reports can be found at: www.agmma.com/research/nswgio/index.html

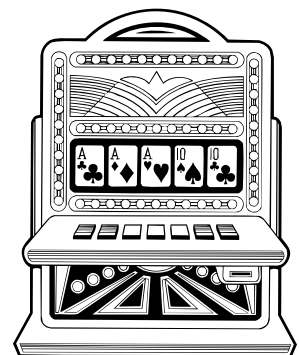
Also see the news item on page 13



* AGMMA is a formal association (the Australasian Gaming Machine Manufacturers Association) with 7 Board members: A-G-T, Aristocrat, IGT, Global Gaming, Konami, Pacific Gaming and Stargames.

The GIO (NSW Gaming Industry Operators group) is an informal gathering comprising representatives of the Australian Hotels Association (NSW division), the Club Managers Association of Australia, Clubs NSW, the Leagues Clubs Association of NSW, Star City Casino and TAB Limited.

AGMMA provides input and support to the GIO if requested. The GIO is concerned with the operation of gaming in NSW, whereas AGMMA is concerned with the manufacture, supply, installation and operation of gaming machines throughout Australia and New Zealand.



International Research

Gambling in Canada — an overview

Canada has a unique gambling policy structure (however, with some obvious similarities to Australia-ed). Unlike many international counterparts, gambling operates exclusively under the control of the provincial and territorial governments. A consequence of this decentralised structure is a lack of national or comparative data on gambling.

THERE ARE OVER 100,000 PLACES to make a bet in Canada. Canadians and visitors can choose to gamble at 38,252 Video Lottery Terminals, 31,537 slot machines, 32,932 lottery ticket centres, 1,880 bingo halls with permits, 59 permanent casinos, 70 race tracks (20 with slot machines) and 107 teletheatres.

The total net profit, or what the provincial and territorial governments keep after expenses and commissions are paid, was 5.5 billion in 1999/ 2000. Total gross profits, or the amount left over after players' prizes have been paid but before expenses have been paid, were estimated at \$9 billion by Statistics Canada for 2000. On average, gambling contributes 3.41% of all provincial revenue sources. The provinces that benefit most from gambling activity are Nova Scotia (5.08%), Saskatchewan (4.68%), Alberta (4.58%) and Newfoundland (4.41%).

—Compiled from a report by the Canada West Foundation (www.cwf.ca/pubs/200107.cfm)

Gambling and Problem Gambling in Saskatchewan

Wynne, H.J. (2002) *Gambling and Problem Gambling in Saskatchewan*. Ontario: Canadian Centre on substance Abuse.

In this study by the Canadian Centre on Substance Abuse (for the Canadian Government) the scope and nature of problem gambling in Saskatchewan was examined. A newly-developed national research tool was used called the Canadian Problem Gambling Index. This is also being used in studies of other provinces for comparison and consistency. Based on a survey of 1,800 randomly-selected adults, the study classified 1.2% as problem gamblers, 4.7% as moderate risk gamblers, 9.3% as low risk gamblers and 71.4% as non-problem gamblers. More than 13% of adults did not gamble at all.

—www.health.gov.sk.ca

Gambling Involvement and Problem Gambling in Manitoba

Brown, D., Patton, D., Dhaliwal, J., Pankratz, C. and Broszeit, B.
(2002) *Gambling Involvement and Problem Gambling in Manitoba*.
Canada: Addictions Foundation of Manitoba.

The Addictions Foundation of Manitoba (AFM) has a mandate to inform the public and policy makers about the prevalence of problem gambling, and to identify groups at risk. In an effort to provide services that are designed to meet the needs of specific populations, the AFM conducts research into levels of gambling activity and characteristics of those experiencing harm associated with gambling. This report provides a preliminary overview of findings from two studies conducted in 2001.

The first was a survey of over 4,500 students sampled from a cross-section of Manitoba high schools. The second was a survey of over 3,000 adults sampled randomly from across the province.

The following are some highlights from the report:

- 15% of all students said they had played either Video Lottery Terminals or slot machines in the last 12 months. Of these, 48% were under 17 years of age at the time (about 7% of all high school students).
- About 3% of high school students report that their gambling has been a moderate or serious problem for them.
- About 7% said they had moderate or serious problems resulting from involvement of other family members in gambling.
- Older gamblers, those from lower income households and those from First Nation groups were more likely to spend over 10 hours per month on gambling than others and

were more likely to spend over \$100 per month on gambling than others.

- Using the Canadian Problem Gambling Index, it was estimated that 2.3% of the adult population were 'moderate risk' gamblers and a further 1.1% were 'problem gamblers'. In other words, about 3.3% of Manitoba adults could benefit from problem gambling counselling.
- This rate can also be expressed as 8.0% of adult gamblers, excluding those who only play lotteries, raffles or infrequent bingo.
- Male gamblers under 25 years of age, and those having household incomes under \$30,000 per year, appear to be more at risk for having problems from their gambling than others.
- About 8% of Manitoba adults report being negatively affected by someone else's gambling.
- Given the prevalence of gambling among high school students, prevention and education efforts in the area of gambling problems need to target, at a minimum, middle year schools.
- The population profile of those having problems with gambling is somewhat different from those that seek help. Follow-up research is needed to reach and effectively work with people from the full range of at-risk gamblers.

—Extracted from the report's Executive Summary.

US casino costs outweigh the benefits

Grinols, E.L. and Mustard, D.B. (2001) 'Business profitability versus social profitability: Evaluating industries with externalities, the case of casinos'. Managerial and Decision Economics, 22(1-3).

Casino gambling is a social issue, because in addition to the direct benefits to those who own and use casinos, positive and negative externalities (costs) are reaped and borne by those who do not gamble. This paper provides a comprehensive framework for addressing the theoretical cost-benefit issues of casinos by grounding the cost-benefit analysis on household utility¹.

IT ALSO DISCUSSES the current state of knowledge about the estimates of both the positive and negative externalities generated by casinos. Last, it corrects many prevalent errors in the debate over the economics of casino gambling.

Highlights of the paper include:

- Annual national (U.S.) costs from problem and pathological gambling range from \$27.5 billion to over \$43 billion—with costs outweighing gains almost two fold (1.9 to 1 or greater).
- Standard corrective theory for an industry with externalities (costs) is that it should be taxed by an amount equal to the costs that it imposes on society. Relative to the revenues for a representative casino of about \$230 per adult per year from nearby residents, corrective taxes would represent between 61 and 96 per cent of casino revenues.
- Although casino profits and taxes are highly visible, they are invalid measures of social benefits because they do not adjust for the entire economy for the lost profits and taxes of competing businesses.
- Similarly, increasing jobs in one location at the expense of lost jobs in another is not a social benefit. A statistical test confirms that the drop of unemployment of casino counties is not significantly

'Much of the information has been funded by the gambling industry itself,' Grinols says, 'and is marked by poorly executed or biased economic-impact studies that use incomplete data or make conclusions not supported by facts.'

Reported by Kristin Leutwyler, Scientific American, March 2002

different from the drop experienced by comparable non-casino counties.

- Very often the social costs of casino gambling are underestimated. These include: crime, business and employment costs, bankruptcy, suicide, illness, social service costs, government direct regulatory costs, family costs and 'abused' dollars (i.e. lost gambling money acquired from family, friends or employers under false pretences).
- There is abundant evidence that increased gambling opportunities increase problem and pathological gambling.
- At the conclusion of the National Gambling

Impact Study investigation in 1996 for the U.S. Congress, the commission recommended a national moratorium on the expansion of gambling and more study of gambling's effects, costs and benefits. (Similar to the 'Precautionary Principle' in which we err on the side of caution to safeguard the public interest in the face of uncertain evidence—see GRN 2(3) and page 6 of this issue).

—www3.interscience.wiley.com/cgi-bin/issuetoc?ID=84504218

NB: This article is from a special gambling issue of this journal. Other articles address regulation, litigation, crime, self-reported expenditure, Internet and pathological gambling.

¹ 'Utility' relates to the enjoyment or satisfaction that people derive from expenditure/consumption, thus 'household utility' relates to the way households (i.e., consumers) maximise their satisfaction at the level of final household consumption.

Internet Gambling blocking software free to personal users

Gamblock blocks access to gambling sites on the Internet. In Australia Gamblock (*free personal users version*) will allow Internet Service Providers to implement the provisions of the Internet Gambling Act June 2001. Those with Internet Gambling problems and those offering them assistance can get more information and download a free copy of Gamblock from www.gamblock.com



Gambling and gambling problems in Norway

Hans Olav Fekjoer, M.D. (2000) Paper presented at the 4th conference of the European Association for the Study of Gambling, Warsaw, Poland.

THIS PAPER GIVES AN OVERVIEW of gambling in Norway including its history. As in other countries, the gambling market in Norway has changed dramatically over the last two decades, with many new types of (instant) lottery being introduced in the 1980s followed by an explosion in the slot machine market in the mid 1990s.

... new technology increased the stakes, the prizes, the speed and the attractive and addictive properties of the slot machines. With a population of 4.5 million, we now have 30,000 slot machines. And in our country they are not restricted to certain areas, but are everywhere – in grocery stores, restaurants and other public places. As our gambling patients say – they cannot even buy bread without being met by the machines...

Last year the total gambling expenditure in Norway was 22 billion kroner (2.5 billion U.S. dollars). Per capita gambling spending was 4,800 kroner (530 U.S. dollars). According to the report 'slot machines are the real villain.' While slot machines accounted for 42% of total gambling expenditure, they accounted for gambling problems amongst 84% of pathological gamblers. However the national lottery is said to be complicit in that it's marketing promotes the idea of getting rich by gambling.

The problems (with slot machines) are ... 'the hidden ad-

diction'. There is, undoubtedly, a larger number of gambling addicts than drug addicts and a much larger number than schizophrenics. But gambling problems do not smell and are not easily visible from outside.

The feelings of guilt are extreme and everything is done to conceal the problems. This, combined with the novelty of gambling problems, probably account for the fact that in Norway and several other countries, the authorities has not built up a treatment system for treating addiction, although the limited treatment research has been performed, suggests that treatment for gambling addiction is probably more often successful than the treatment for alcohol and drug addiction.

The author calls for better research into problem gambling and for community education on the nature and intensity of gambling problems. He concludes with:

It is obvious that gambling does supply money for beneficial purposes. The large negative side is not equally visible on the surface, but it is comprehensive and often tragic. We seem to have to go a long way before the negative consequences are acknowledged by the public. It is, however, of prime importance to make people recognize the tragedies.

—www.bks.no/warsaw.htm

Do people with bad teeth have more Internet gambling problems?

Let us know what you think after reading this synopsis!

Ladd, G.T. and Petry, N.M. (2002) *Disordered Gambling Among University-Based Medical and Dental Patients: A Focus on Internet Gambling*. *Psychology of Addictive Behaviour*, 16, 76-79.

Actually, the aim of this study was to evaluate gambling behaviours, including Internet gambling, among patients seeking free or reduced-cost dental or health care: 389 patients at university health clinics completed a questionnaire that included the South Oaks Gambling Screen. All respondents had gambled in their lifetime, 70% having gambled in the past 2 months. On the basis of SOGS, 10.6% were problem gamblers and 15.4% were pathological gamblers. When these rates are combined, the resulting 26% rate for disordered gambling in this study far exceeded the 6.6% derived from general population surveys conducted since 1993 in the U.S. One explanation for this was the demographic characteristics of the sample used: i.e. relatively younger age, lower income and less education— all factors associated in numerous studies with a higher risk of problem gambling.

The most common forms of gambling were lottery, slot machines and scratch tickets. Internet gambling was reported by 8.1% of participants. Compared to non-

Internet gamblers, Internet gamblers were more likely to be younger, non-Caucasian and have higher SOGS scores. This study suggested that people who gamble on the Internet are more likely to have a gambling problem.

Furthermore: 'with the expansion of localised and Internet gambling, a rise in disordered gambling may be inevitable as individuals gain easier access to gambling opportunities. The consequences of gambling expansion may continue to negatively affect the health and social contexts of individuals.'



A u s t r a l i a n G

National body biased, says Costello

Family and Community Services Minister Amanda Vanstone defended the make-up of the National Advisory Body on Gambling after Interchurch Gambling Taskforce spokesman Tim Costello, a member of the group, claimed that it was stacked with gambling industry appointees. Mr Costello's calls for the Commonwealth to use its banking powers to remove ATMs from all gambling areas, and to

investigate ways of reducing state government reliance on gambling taxes, remain unheeded.

—*The Australian 21 & 22/3/02*

Aristocrat looks offshore

Australian company Aristocrat Leisure, the world's second-largest poker machine maker, will seek to boost sales in the US so as to maintain profit growth at more than 30 per cent in the face of the saturated local market

—*Courier Mail 20/2/02*

V i c t o r i a**New legislation**

Gaming Minister John Pandazopoulos yesterday detailed reforms, including a bet limit of \$10 a spin, banning \$100 note feeders and new displays on machines showing relevant information. But the rules would not apply in some areas and the reforms would not be implemented until 2008. The Government's reforms were slammed by both anti-gambling groups and gaming industry stakeholders. The Government's announcement ended months of speculation about the reforms after a Herald Sun campaign demanding help for gambling addicts.

—*Herald Sun 26/2/02*

AFL gambling policy

The Australian Football League is set to announce a gambling policy that will introduce harsh penalties for players and officials found guilty of involvement in football gambling. The full policy is expected to be unveiled within the next two weeks.

—*The Age 2/3/02*

Smoking restrictions watered down

The Victorian Government is set to water down proposed restrictions on smoking in pubs by dumping plans for smoke-free zones around hotel bars. Under the proposed restrictions smoking would be prohibited in gaming venues except Crown Casino's high-roller and VIP areas.

—*The Age 13/3/02*

Prostitution funds pokies

A Herald Sun investigation into the pokies plague has revealed desperate punters are prostituting themselves at Crown casino and suburban gaming clubs. Gambler support groups say women are selling sexual services to fellow punters after running out of money and feeding their earnings back into poker machines.

—*Herald Sun 13/3/02*

In-house counselling at Crown

Crown has become the world's first casino to offer gambling addicts an in-house, 24-hour-a-day counselling service. The free service includes foot soldiers patrolling the casino's gaming room floors to assist problem gamblers on request.

—*Herald Sun 14/3/02*

Political donation cap is flawed

A proposed cap on political donations by gaming companies is part of legislation introduced into state parliament today to publicly fund election campaigns. However, the proposal has a serious loophole as it would only apply to the company that held an income generating government licence, not its parent company.

—*The Age 20/3/02*

Gaming reforms criticised

Independent MP Susan Davies attacked the State Government's record on gaming, accusing it of failing to go far enough in reforming the gaming industry. She described the Government's idea of banning smoking within 2.5 metres of gaming machines as silly. Susan Davies was joined in her criticisms of Government policy by Rev Tim Costello and VLGA Executive Officer, Mike Hill. Susan Davies is pushing for her own private member's Bill, which calls for smoking to be banned in all designated gaming machine areas, a ban on note acceptors, cheque payments of winnings over \$250 and a ban on loyalty schemes.

—*Herald Sun 3/4/02*

Mayor targets pokies

During his swearing in ceremony as Moreland's seventh mayor last week, Mr Caputo pledged to improve aged and health care services and oppose increases to poker machines.

—*Coburg Moreland Leader 8/4/02*

Smoking ban toughened

The State Government has toughened gambling legislation to be introduced in parliament, in a move away from an earlier plan to introduce 2.5 metre, smoke-free buffers around poker machines. The proposed measures include a ban on smoking in restricted gaming areas, defined as an area where there are poker machines. Smoking will still be allowed in pubs, clubs and bars without gaming facilities, but these venues must set aside a designated non-smoking area if space permits. At this stage, no new rules have been finalised for Crown Casino, but it is likely that smoking will be restricted to bars set away from the gaming floor, and that the casino will be allowed to seek exemptions for smoking in VIP rooms. If passed by parliament, the laws will take effect on September 1.

—*The Age 16/4/02*

a m b l i n g N e w s

New South Wales

New legislation

New legislation that requires clubs and hotels to shut down poker machines for three hours a day (between 6 and 9 am), bans cash jackpots and, from July, prohibits gambling advertising, has angered the industry, which fears losses of millions of dollars a year. Other proposed measures, including banning note-acceptors, slowing down machines, and reducing the maximum bet, were not included after research doubted their effectiveness (see page 8). Another change, which stands to reap the State Government around \$15 million per year in stamp duty, is the right to buy and sell poker machine entitlements on the open market at an expected average price of \$150,000 each. More than 4000 entitlements are expected to change hands over the next three years.

—*The Australian* 2/4/02, *Sydney Morning Herald* 11/3/02

Gangsters target pokie pubs

Hotels have become hold-up targets for armed robbers as gaming turnover turns them into juicier targets than banks. Hoteliers have told of frequent hold-ups, one petrified staff member having had a gun placed to her head during a raid in Sydney. Also, a sibling of a major hotel owner was reportedly abducted and held to ransom.

—*Daily Telegraph* 25/3/02

Pub gifts oil the wheels...

Hoteliers have donated over \$300,000 to the ALP since the 1997 introduction of poker machines. One hotelier said that industry lobbying played an essential part in

achieving the legislative change that enabled hotels to install poker machines. "We live and die on legislation so we want access to the Government", he said.

—*Daily Telegraph* 23/3/02

Council cracks down

Sydney City Council has changed planning rules to restrict poker machine operation more substantially than the new State Government regulations. Measures include:

- all new city gaming premises to be closed for six hours a day;
- hotels with gaming areas not to be allowed to open past 2am;
- the floor area of gaming rooms to be limited to no more than 5 per cent of the total floor area;
- a prohibition on shopfront gaming areas; and
- a ban on ATMs in premises containing gaming machines

—*Daily Telegraph* 2/3/02

Queensland

Gaming squad targets addicts

Gaming watchdogs will be appointed in all Queensland casinos, hotels and clubs to help fight spiralling gambling addiction, as venues adopt a voluntary code of practice. The "responsible gambling liaison officers", retrained existing staff, will be able to advise problem gamblers how

Continued overleaf

Tasmania

Call for action

Anglicare Tasmania has appealed to the Legislative Council to enforce conditions it imposed on the State Government almost 10 years ago, including the establishment of an independent gaming commission, comprehensive research on the social and economic impact of gaming, and a moratorium on poker machines in the state. Social policy consultant James Boyce also questioned the independence of the Tasmanian Gaming Commission, chaired by the State Secretary of Treasury and Finance.

—*The Mercury* 17/4/02

Smoking ban to be considered

The Tasmanian Government will consider banning smoking in gaming rooms, taking into account the new Victorian measures. The Australian Hotels Association vowed to fight the restrictions, citing job

losses and kitchen closures, while hospitality workers, the group most exposed to environmental tobacco smoke, welcomed them.

—*The Mercury* 17 & 18/4/02

Gamblers should be warned...

Former MLC Peter Schulze told a Legislative Council select committee hearing into the impact of gambling that warning signs about the dangers of gambling, similar to health warnings on cigarette packs, need to be on Tasmanian poker machines

"People need to be warned that they can't beat the system", he said Mr Schulze said. He also called for "bank statements" to be issued to pokie players each half hour they were on a gaming machine, highlighting how much had been spent and how much had been won and lost.

—*The Mercury* 16/4/02

AUSTRALIAN NEWS — QUEENSLAND

Continued from page 13

to get themselves banned from gaming establishments and direct them to counselling services.

—*Courier Mail* 5/4/02

Pokie trading on the cards

Poker machines could soon be traded like taxi licences in Queensland—for up to as \$250,000 each—under proposed state legislation. The State Government has just completed a discussion paper that canvasses the option of machines being traded among hotels, letting them get around the pokies freeze which has seen pubs operating below-capacity gaming rooms unable to add more machines.

—*Courier Mail* 12/3/02

Handout to poor clubs

The State Government will provide subsidies to clubs that overspent during the poker machine boom of the 1990s and are now struggling financially. Clubs with less than 40 machines will be granted up to \$5000 to help pay for financial advice. Some larger clubs will also qualify.

—*Courier Mail* 5/3/02

South Australia

Loyalty cards controversy

The State Government is investigating loyalty schemes for poker machine players that extend beyond hotels, in response to a supermarket chain's plans to introduce the "J card" scheme which rewards customers with points that can be redeemed at 83 hotels in SA. "What worries me is the potential for someone to build up loyalty points in a deli by buying bread and milk, and then going to a hotel and getting gambling credits in exchange", said Gambling Minister John Hill. No Pokies MP Nick Xenophon plans to introduce a bill targeting such schemes, which would force operators of loyalty schemes to send monthly statements to participants, advising them how much money they had spent on gaming machines.

—*The Advertiser* 30/3/02

New features test new laws

South Australia's new problem gambling laws will be tested by the proposed introduction of two hi-tech features, which are claimed by many to increase problem gambling, to existing poker machines. One feature gives players 1000 credits for \$1 and the other has a "stand-alone mystery progressive [accumulating] jackpot". The new regulations, introduced last year, require approval by the Liquor and Gaming Commissioner on features of this kind.

—*The Advertiser* 9/3/02

International

Legislation and regulation

Licence crackdown

INDIA—In its determined effort to prevent the growing image of Goa as a 'gambling haven', the state ministry has decided to stop issuing licenses to new casino projects with immediate effect. The existing licensed casinos will be spared—for the moment. However, the government has authorised related governing bodies not to issue or renew previously held licenses, which are to be reviewed case by case, at the time of renewal.

—*Indian Express Group* 15/2/02

Pokies crackdown

GREECE—The Greek Government has forbidden electronic gambling machines in all public places except casinos. The decision, announced Thursday, was made during a closed cabinet meeting. It followed a public debate on the need to deal with an obsession that costs the average Greek 359 euros per year. A growing number of shops, hotels, cafes and restaurants now have electronic gambling machines.

—*The News* 22/2/02

States fight gambling expansion

US—Four states have defeated efforts to expand gambling during the last two months. The **New Hampshire** legislature voted to drop all bills to legalise casinos. The key committee of the **Hawaii** Legislature voted to drop all gambling bills the very next day. On March 11, gambling proponents gave up on their plans to impose a \$400,000,000 casino on the community of Kittery, Maine. The fourth victory came on March 14, as the major effort to expand gambling in Indiana was defeated. Gambling moguls were pushing legislation to turn **Indiana's** gambling boats into permanent dockside casinos. The bill would also have permitted electronic gambling terminals—similar to slot machines—to operate at Hoosier racetracks and their off-track wagering parlours.

—*NCALG Newsletter* 7/4/02

Gambling controls loosened...

UK—The government announced plans for legislation that would loosen the country's tight restrictions on casinos and other gambling outlets in an attempt to lure more overseas tourists and keep more local high rollers at home. Among the main changes planned:

- Casinos would no longer require people to sign up as members 24 hours before gambling—a measure that was designed to deter impulsive behaviour.
- Casinos would be able to offer unlimited slot-machine prizes. Currently, they are capped at £1,000.
- Casinos could offer alcohol and entertainment near gambling tables, rather than only in separate areas.
- Restrictions limiting casinos to certain parts of the country would be removed.
- Advertising restrictions would be relaxed.
- Internet gambling sites could be licensed.

—*The Wall Street Journal* 29/3/02

n a l G a m b l i n g N e w s

...and political donors to benefit

UK—Tony Blair has come under fresh attack for his links with business magnates, as it emerged that two of Labour's most generous donors stand to profit from the proposed deregulation of casinos. The party is understood to have received about £170,000 while the gambling industry was arguing the case for Las Vegas-style casinos.

—*www.GamblingMagazine.com/*

Casino investors spend big

US—Mainland investors who want to open two casinos on O'ahu spent more money than any other group in touting their agenda before lawmakers at the start of this legislative session, state Ethics Commission records show. Marketing Resource Group, of Lansing, Mich., reported spending \$108,679 on lobbying through January and February, the period covered by lobbyist expenditure reports due at the commission yesterday.

—*The Honolulu Advertiser 4/4/02*

Economics, revenue and expenditure

Nickel slots pull big bucks

US—Jefferies & Co. a casino-market analyst firm reported that nickel slot revenues in Atlantic City last year were up 62 percent over the previous year. That was far better than the quarter and dollar machines, which had small declines in wins. While most people think they are gambling by the nickel, the slot machines cost much more. The typical nickel slot machine has the capacity to take \$2.25 or \$4.50 a pull. 'It probably gives them a false sense of security in thinking that they're gambling less money, risking less,' acknowledged Dennis Gomes, president of resort operations at the Tropicana Casino Resort.

—*Inquirer 27/3/02*

Gambling eats super

UK—As reforms of gaming laws continue, new research shows Britons are as likely to blow their pay on bingo or slot machines, the pools or the Boat Race, Grand National or World Cup, as save for retirement. Six out of ten adults fritter up to £50 each month on sporting events or the National Lottery while four out of ten are failing to save regularly for their twilight years. And 27 per cent are not putting any money aside, according to a poll conducted by Liverpool Victoria building society.

—*The Scotsman 5/4/02*

Technology and the Internet

Online casino hacked

CANADA—Cryptologic, the gambling software firm, is taking a \$1.3m charge for a fraud on its system perpetrated by hackers. Upon breaking into CryptoLogic's servers, hackers reprogrammed slot machines and a craps table at two Web-based casinos that use the firm's software so that illicit players won every time they played.

—*The Register 12/2/02*

Online growth

US—Thanks to a big push in 2001, the online casino industry moved from the 11th largest Internet advertiser in December 2000 to the fifth largest at the end of last year, according to a study by AdRelevance, a unit of Jupiter Media Metrix that monitors online advertising.

—*Newsbytes 20/2/02*

Internet gambling firms seek untapped market

US—At a conference scheduled later this month in Miami, Internet gambling firms will 'learn new ways to exploit an enormous untapped market,' according to the Strategic Research Institute, a New York business research firm. Less than 2 % of women are either problem or pathological gamblers, compared with nearly 4 % of men, according to the National Gambling Impact Study Commission. But Maryann Morrison, president of GambleGoddess.com and CasinoWoman.com, plans to teach other Internet gaming moguls how to design gambling websites to attract women and advertise offline to promote Web gambling to females.

—*The Buzz, Radio News 16/3/02*

Call for credit card controls

UK—A man is calling for controls on credit card companies after his father hanged himself after losing £53,000 on Internet casinos. Jonathon Opalka says it's a disgrace his father Mario was given 19 different cards with limits of up to £6,000 each. The 44-year-old Lancashire planning officer began gambling on the Internet after his wife died of cancer.

—*Ananova 9/4/02*

Internet gambling generates fraud

Europe: Last month, a report by Europay, the European arm of Mastercard, said that a fifth of all Internet fraud was generated by Internet gambling. Total losses from credit card fraud last year were more than £400 million, according to the Association of Card Payment Services.

—*Guardian Unlimited Observer 8/4/02*

Access for all...

US—A line of slot machines designed for the visually impaired could crop up in local casinos as early as this summer. The slot machines feature the music and image of singer Ray Charles. Braille dots on the buttons and voice commands by an automated likeness of Charles make the games 'America the Beautiful' and 'What'd I Pay?' playable with or without sight.

—*The Desert Sun 5/4/02*

Social impact

Youth gambling an issue

NEW ZEALAND—One in seven adolescents has signs of addiction to gambling, a survey of pupils at six Auckland high schools has revealed on the eve of a national conference. Research has found that children as young as eight are starting to gamble on poker machines. Parents fuel the problem by giving them 'scratchies' as presents. Research by the Problem Gambling Foundation last year found that

14 per cent of students aged 14 to 18 had signs of problem gambling. An international expert in youth gambling, Professor Jeffrey Derevensky, said youth gambling was a global phenomenon, and pathological adult gamblers invariably started young. Professor Derevensky is in Auckland to speak at a two-day national workshop, 'Preparing for a responsible gambling strategy', organised by the foundation and Auckland University's Centre for Gambling Studies.

—*New Zealand Herald 21/3/02*

Pathological gambling in Nevada

US—A study, the first in-depth of its kind in Nevada, estimates there are 41,000 to 64,000 'probable pathological gamblers' in Nevada, or up to 6.4 % of the state's population— a percentage in line with previous estimates for the Las Vegas area. The report, prepared by Gemini Research Inc., said that in 2000 there were also between 32,700 and 53,000 residents who could be classified as 'current problem gamblers.' In a second report, Gemini said it found that 2.2 % of adolescents were problem gamblers. And another 9.9 % were at risk of developing gambling problems.

—*Las Vegas Sun 23/3/02*

Churches implicated in gambling culture

NEW ZEALAND—Pacific Island churches that run housie meetings (*similar to bingo-ed*) have been accused of contributing to a socially destructive culture of gambling in New Zealand. They spend more of their money on gambling than any other group in the country, despite relatively low average incomes, said Auckland University researcher Lana Perese.

—*New Zealand News 24/3/02*

Other news

Textbooks promote gambling

CANADA—Every day in Grade 11 classes across the province, students are being given a primer on gambling. Jeffrey Derevensky, head of McGill University's International Centre for Youth Gambling Problems and High-Risk Behaviours, has already asked Education Department officials to remove the gambling examples from the textbook. 'The problem is it glorifies it,' Derevensky said. 'They are sensationalising gambling and making it really interesting.'

A study done by the centre recently found that more than 70 per cent of high-school students are gambling. Ten per cent are at risk for developing serious gambling problems, while 4.5 per cent are pathological gamblers who are preoccupied with gambling.

—*Montreal Gazette 31/1/02*

Governments warned on litigation

CANADA—Governments across Canada should pay restitution to those who were bilked by addicted gamblers seeking cash to feed their habits, a national conference on gaming is to hear today. If they refuse, those governments likely will face an increasing number of lawsuits from businesses and individuals who know a share of their money disappeared into the public treasury, a prominent Alberta criminal lawyer says. 'The government has knowledge that a certain percentage of the population will become seriously addicted to gambling, particularly VLT (video lottery terminal) machines,' said Brian Beresh, who will present his arguments at the University of Alberta's conference on gaming and justice issues.

—*National Post Online 8/3/02*

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