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# Public Health and Gambling Seminar

Relationships Australia, South Australia

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# SACES: Research History

- Impact of Gaming Machines on Small Regional Economies (2001)
- The South Australian Gambling Industry (2006)
- Evaluation of Self-Exclusion Programs: Victoria (2005)
- The Impact of Caps on the number of EGMs: Victoria (2005)
- WA-Vic: Community Impacts of EGM Gambling (2005)
- Problem Gambling and Harm: Towards a National Definition (2005)
- Economic, Social and Financial Impact of Gambling: Tasmania (2009)

# Definition: Adopted by Ministerial Council

“Problem gambling is characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community”

## Therefore:

Evidenced informed policy : restrict access to money to spend

Evidenced informed policy : address time spent, frequency

# Research History: Current

- Trial of Pre-Commitment (ACT Trial) (2011)
- Monitoring Intro of Pre-Commitment Victoria (2015)
- National Study of Australia's 13 Casinos (2015)
- Review of No Net Detriment Test Victoria (2015)

# Reflections

- Strong economic assessment to gambling impacts
- Objective evidence: quantitative and qualitative research
- Quantify social impacts: individual and community level
- Adhere to evidenced based evaluation and policy
- Local community, LGA, regional, Statewide
- Very similar patterns across states
- Observe influence of industry
- Soft policy options by government

# Productivity Commission

- National studies 1999, 2010
- Terms of reference essentially the same
  9. the impact that the introduction of harm minimisation measures at gambling venues has had on the prevalence of problem gambling and on those at risk; and
  10. evaluate the effectiveness and success of these harm minimisation measures used by the State and Territory Governments.
- PC concluded on regulatory and other measures (p. 2):
  - ❖ “some have been helpful, but some have had little effect ...”
  - ❖ “a more coherent and effective policy approach is needed ...”

# Models for understanding gambling policy

	Public Health	Consumer focus	Medical model
Population coverage	Whole population	Gamblers	Problem gamblers
Key goals	Well functioning communities	Net consumer benefits	Effective treatment
Conceptual focus	Behaviours and environments	Behaviours and environments	Pathologies
Main policy tools	Social policy and regulation	Regulation	Funding of care services
Responsible departments	Whole of government	Consumer department	Health department
Key decision makers	Bureaucrats	Bureaucrats	Health professionals

## Detailed policy goals & levers

**Healthy Communities**  
 Community facilities  
 urban design & transport  
 access to services  
 welfare system

**Managed liberalisation**  
 Competition policy  
 tax & licensing policy  
 supply restrictions

**Effective treatment**  
 Provision of counselling  
 services; mental health  
 professionals; accreditation  
 of professionals; referral &  
 follow-up processes;  
 diagnostic tools; dealing  
 with co-morbidities; clinical  
 guidelines

# Medical Model

- Pathologising and stigma, illness model
- Identifies problems as located within individuals
- Little reference to social causation/relational context
- DSM - 1 (1952) 106  
DSM – 2 (1965) 182  
DSM – 3 (1980) 265 (Impulse Control Disorder)  
DSM – 4 (1994) 300+ (Pathological Gambling)  
DSM – 5 (2013) 400~ (Substance Related/Addictive Disorders)
- Suicide ideation: illness focus is on the individual



# Public Health and Consumer Focus

- Public health ... best basis for coherent and effective gambling policies (PC)
- Equal weight to gambling environment and gambler's behaviours
- The product: repeating behaviour and intermittent reinforcement as operant conditioning (B.F. Skinner)
- Suicide ideation: the economy (gambling) poses a serious threat to your health

# Reno Model (Informed Choice)

- Dominant industry model
- Two fundamental tenets:
  - ❖ Ultimate decision to gamble is an individual choice (i.e. rational consumer) (why PC discounts PG gambling behaviours in cost/benefit)
  - ❖ Individuals must have the opportunity to be informed
- Policy position:
  - ❖ Shared responsibility (Individual/Government/Industry)
  - ❖ Enhanced self-control (Pre-commitment)
  - ❖ Soft educational/Information/Training/Customer Assistance/Prevention
  - ❖ All else fails: Exclusion and Treatment

# Different Policy Environment

- Observe different behaviours in different environments
- Western Australia natural control group
- SACES studied community, social, economic impacts

# Economic and Social Context

## (Community Impacts of EGMS: Vic & WA)

	Victoria	Western Australia
Expenditure per capita (\$)	1,010	586
HDI (%)	2.11	0.87
Knew someone with gambling problem (%)	58	28
Use of ATMs in hotels/clubs (%)	25	14
Prevalence rate of PG (%)	2.14	0.70
Financial counsellors due to EGMs (%)	86	18
GPs – identify health issues due to PG (%)	17.7	4.3
WA: Males – Problems with racing/wagering	-	-
WA: Females – Problems with EGMs at Casino	-	-

# Economic and Social Context

## (Community Impacts of EGMS: WA & Vic)

- Study amplified differences in respective gambling environments
- Environments are creation of public policy decisions
- PG is principally related social and economic environment
- Not to dismiss personal/situations of vulnerability
- GPs refer patients to gambling counselling services, not psychologists/psychiatrists
- GPs: more males identified in WA; more females in Vic
- Difference due to EGMs in Victorian venues

# Social, Economic, Technology Context

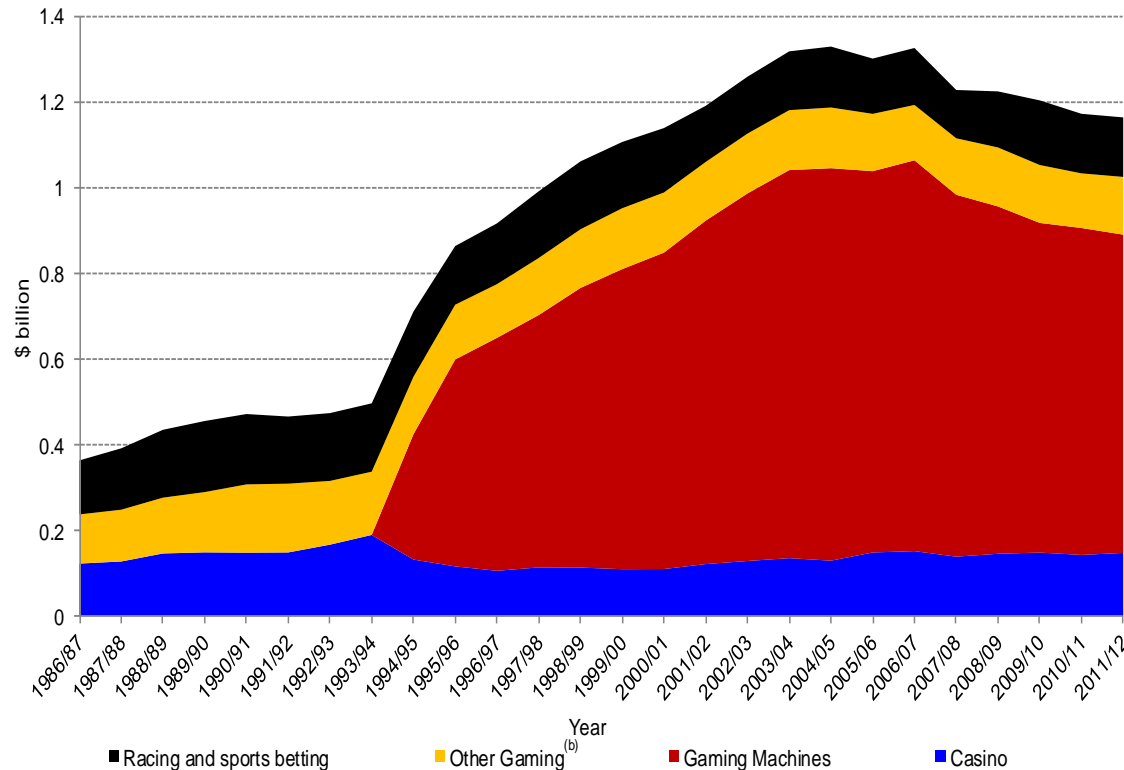
*“impaired control ... is an understandable and natural consequence of regular high intensity machine play”*

which is why

*“the problems experienced by gamblers – many just ordinary consumers – are as much a consequence of the technology of the games, their accessibility and the nature and conduct of venues as they are a consequence of the traits of the consumers themselves”*

(PC, 2010, Exec Summary)

# Gambling expenditure<sup>(a)</sup>, South Australia (\$ billion)



(a) Base year is 2011/12.

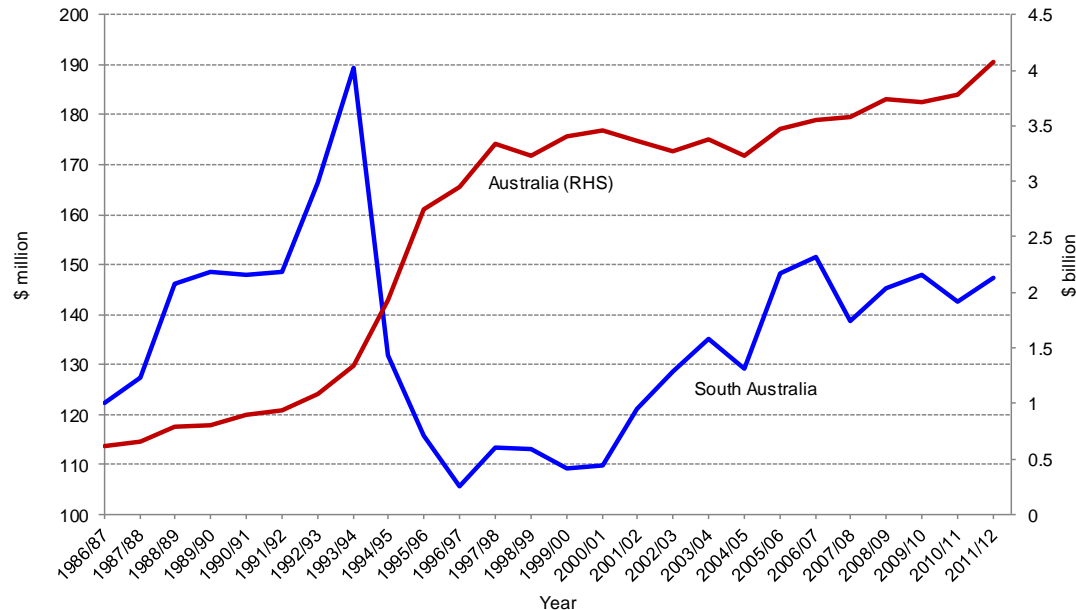
(b) Other gaming is instant lottery (scratch tickets), interactive gaming, keno, lotteries, lotto, minor gaming and pools.

Source: OESR (2014).

# Adelaide Casino

Real expenditure at the Adelaide Casino peaked in 1993/94 before declining following the introduction of EGMs into clubs and hotels.

**Real casino expenditure South Australia and Australia  
1995/96-2011/12<sup>(a)</sup>, South Australia (\$ million) and  
Australia (\$ billion)**



(a) Base year is 2011/12.

Source: OESR (2014).



# Selected LGAs: Cumulative NGR and Tax Paid 1994/95 – 2013/14

LGA and Provincial Cities	Total Population	EGMs per 1,000 adults	Total NGR (\$)	Total Tax Paid (\$)	Rank by Tax Paid
Provincial Cities (N=6)	116,722	16.2	1,166,102,000	419,331,000	-
Salisbury	137,310	7	1,082,556,000	475,849,000	1
Pt Adelaide/Enfield	122,205	12	1,191,154,000	451,088,000	2
Onkaparinga	167,659	6	1,052,870,000	447,853,000	3
Charles Sturt	112,714	8	1,040,198,000	428,352,000	4
Mitcham/Burnside	110,916	2	251,254,000	99,182,000	13
South Australia	1,685,714	9	12,200,000,000	4,700,000,000	

# Selected LGAs: Cumulative NGR, Tax Per Person 1994/95 – 2013/14

LGA and Provincial Cities	NGR per person (\$)	Tax paid per person (\$)
Provincial Cities (N=6)	9,990	3,593
Salisbury	7,884	3,466
Pt Adelaide/Enfield	9,747	3,691
Onkaparinga	6,280	2,671
Charles Sturt	9,229	3,800
Mitcham/Burnside	2,265	894
South Australia	7,237	2,788

Source: SACES calculations.

# South Australia: EGM Per Adults, Expenditure and Per EGM 1994/95 and 2013/14

South Australia	EGMs per 1,000 adults	Expenditure per EGM 1994/95 (\$)	Expenditure per EGM 2013/14 (\$)
Salisbury	7	71,081	98,262
Pt Adelaide/Enfield	12	36,442	63,000
Onkaparinga	6	56,015	84,740
Charles Sturt	9	46,175	76,812
Mitcham/Burnside	2	32,641	71,034
South Australia	9	38,825	57,077

Source: SACES calculations.

# SEIFA Rank, EGM Density and Expenditure 2014/15 (Victorian LGAs)

Victoria	SEIFA Disadvantage	EGMs Per 1,000 Adults	Net Expenditure (\$m)	Expenditure Per EGM (\$)
<b>Disadvantaged</b>				
City of Greater Dandenong <sup>(a)</sup>	1	8.0	117.0	122,904
City of Brimbank <sup>(a)</sup>	3	6.1	141.0	149,693
<b>Most Advantaged</b>				
City of Boroondara	78	1.4	20.1	103,748
City of Bayside	77	2.8	15.8	72,538

(a) Many venues in these two regions have expenditure per EGM well over \$200,000.

Source: SACES calculations.

# South Australia: Are We Talking Small Numbers?

Prevalence Rate Total Adult Population	Adult Population 2014	Numbers of PGs and Moderate
Problem Gamblers: 0.6	1,325,240	7,951
Moderate Risk: 2.5	1,325,240	33,131
BUT less than 30 per cent of Adults play EGMS:		
26.5	1,325,240	351,189
7,951	351,189	2.3
33,131	351,189	9.4
Total		11.7

Source: SACES calculations from SA Prevalence Study (2012).

# And ...

- Prevalence studies say less people are gambling on EGMs
- SA 2006/07 31 per cent play EGMs; 2012 26.5 per cent
- Public data at venues, LGA and Statewide says:
  - ❖ Total revenue is up
  - ❖ Revenue per machine is up
  - ❖ Revenue per capita is up
- Conclusion: those who are gambling are gambling more and/or losing more. Impacts are more concentrated

# Benefits and Costs

Point 1: there is a significant potential for the social costs of EGM gambling in community settings such as hotels and clubs to exceed the benefits, principally because of the revenue (losses) contributed by problem and moderate risk gamblers.

- On EGMs: costs outweigh the benefits

	Gaming Machines		
	Net Consumer Benefit	Social Costs of Gambling	Net Benefit
PC (2010)	1,617 – 2,491	1,369 – 4,250	(2,634) – 1,122
Provincial Cities (\$m)	34.5 – 42.4	43.0 – 78.2	(43.6) – (0.6)
South Australia (\$m)	378 – 472	528 – 960	(582) – (56)
Tasmania	-	-	(62.7) – (75.5)

# Accessibility and Gambling Problems

Point 2: the Productivity Commission (1999) drew attention to evidence of EGMs being more highly concentrated in lower socio-economic areas in Victoria, New South Wales and South Australia.

Best summary of the available research is (PC, 2010, 1.15):

*“the results support a link between gaming machine density and problem gambling prevalence rates. The aggregate and time series studies suggest that accessibility is causally-related to problem gambling.”*



# Player concentration

Point 3: appears to be a concentration of players contributing (losing) larger sums of money.

	Data for Victoria 1999 - 2008		
	No. of Persons ('000)	Per cent of Population	Expenditure per Adult Person (\$)
1999	1,595	45	1,745
2008	879	21	3,073

Source: SACES from Productivity Commission 1999 and 2010.

# Final conclusions

## Public Policy:

- Government regulation creates the environment
- Government regulation can make a difference
- Strong similarities with industry behaviour and public policy responses for tobacco and alcohol  $\Rightarrow$  gambling

## Social Policy:

- Not just harm to PG but regular and moderate risk gamblers
- Individuals: it is vulnerability not a co-morbidity
- We know high correlation between economic/social disadvantage and gambling accessibility

# Final conclusion

On Liberty and the harm principle:

“... purpose for which power is exercised over any individual (against his will) is to prevent harm to others”. J.S. Mill (1859)

- That is to say, the ultimate purpose of public policy must be to prevent harm