

Dr Charles Livingstone
Department of Health Social Science

Whose responsibility is Problem Gambling?

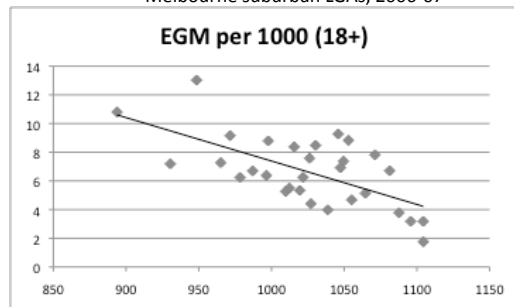
Regulation of EGMs and the discourse of business as usual

Electronic Gaming Machines in Victoria

- About 30,000 high impact EGMs in Victoria – typically max prizes of \$AU10,000, max bets of \$AU5 (Casino higher)
- Responsible for about 55% of net gambling revenue
- Club EGMs net an average \$65,500 pa; Hotel EGMs - \$131,000 p.a.; (Casino higher)
- Gambling provides around 12% of state tax revenue (\$1.72 billion)– EGMs ~ 7% (\$1.02 billion)(2010-11 budget)
- Local EGM net losses total \$2.7 billion p.a.

Distribution of EGMs

Melbourne suburban LGAs, 2006-07



Braybrook vs. Hawthorn, 2008-09

- | | |
|--|--------------------------------------|
| • Braybrook | • Hawthorn |
| – SEIFA 756 | – SEIFA 1088 |
| – 2 venues (both Woolworths-Mathieson, 81 EGMs | – 2 venues (1 club, 1 hotel) 85 EGMs |
| – \$/EGM = \$205,014 | – \$/EGM = \$67,644 |
| – EGMs/18+ = 15.3 | – EGMs/18+ = 4.9 |
| – NGR/18+ = \$3,131 | – NGR/18+ = \$330 |

The conventional wisdom ...

- Vested interests operate in all spheres, but most obviously in areas of economic activity
- J. K. Galbraith called the tendency to justify the maintenance of vested interest 'the conventional wisdom', and
'The hallmark of the conventional wisdom is acceptability. It has the approval of those to whom it is directed' (*The Affluent Society*, 1958)
- Is the conventional wisdom a major impediment to progress in addressing issues of public health?

Discourse

- Discourse is more than a manner of speaking – it is a way of understanding the shaping of our reality: the way 'the conventional wisdom' is organised, implemented and articulated
- Discourse organises knowledge and practice via representation, and defines specific categories
A 'discursive structure is not a merely "cognitive" or "contemplative" entity; it is articulatory practice which constitutes and organizes social relations' (Laclau and Mouffe, 1985, p. 96).

The discourse of business as usual

- Relies on several orthodoxies, derived from two key discursive elements:
 - Gambling is known to be 'risky' and therefore can be exempted from usual standards of consumer safety; and
 - Individuals are freely choosing, well informed consumers of this risk

The comfortable orthodoxy ...

1. Only a small proportion of gamblers suffer harmful consequences from EGM gambling;
2. Current EGM arrangements are safe: gamblers are the problem;
3. Current EGM arrangements should not be altered as this will reduce the enjoyment of those who are not troubled;
4. The worlds of EGM gamblers are well understood, and their voices are heard in the framing of policy and regulation

A provocation about 'Responsible Gambling'

- An elastic and goal-less, but key discursive concept of the DOBaU:
 - largely transferring responsibility to the individual,
 - usually focusing on downstream interventions
 - ignores, and indeed legitimates the harm producing capacity of the system – for example:
 - 'encouraging gamblers to play safely without harming themselves or others [and] promoting good customer service practices by gambling providers' (Victoria 2007)

Orthodoxy One: Only a Small Proportion of Gamblers Suffer Harmful Consequences ...

- 3.06% of adult population score CPGI 3+
 - 80%+ of these are EGM users; 91% of CPGI 8+
- > 50% of weekly EGM users score CPGI 3+ (comparable to SOGS 5+)
- Between 40% and 61% of EGM revenue is derived from these people (PC2009)
 - Compare this with Williams & Wood's (2004: 42) estimate that up to 60% of Ontario slot revenue derived from moderate-severe PGs

Orthodoxy Two: Current EGM Arrangements are Safe, Gamblers are the Problem

- Existing Aust/NZ technical standards do not address consumer/product safety, despite substantial evidence of the role of 'structural characteristics' (Griffiths 1999)
- BNAs, multi line and reel betting, game features, and (of course) game maths are all modifiable – evidence strongly supports such 'upstream' modification
- Industry boasts of data mining as key success strategy – regulators ignore it

Orthodoxy Three: Current EGM arrangements should not be altered as this will reduce ... enjoyment

- Any change to existing regulation 'will ruin the club, pub or casino industry and detract from the enjoyment of recreational gamblers' – even though their best customers are PGs
 - Even Clubs NSW admits '20%' of revenue comes from PGs
- Evidence suggests that casual gamblers wouldn't notice most proposed structural changes
- Current arrangements are legitimated by, and hide behind the figure of the 'recreational gambler' and protecting their 'rights' to 'enjoy' unsafe EGMs

Orthodoxy Four: The worlds of EGM Gamblers are well understood and their voices are heard ...

- Government and industry operate as 'economically amoral' – true neo-liberal actors (Slater 1997)
- EGM gamblers are frequently not 'rational actors'
- EGM games are carefully designed to configure player decisions which, although logical in the game context, are conveniently irrational and aberrant to the regulator, politician or non-gambler
- Responsible gambling is about 'managing the casualties' (Collins 1996), not preventing harm

Gambler rationality

- Most problem gamblers appear to use EGMs because they like to be in 'the zone', not to win
- They operate in the rationality of the EGM game, not mundane rationality
- EGMs are designed to affect agency – to configure a 'rational' response within the game logic, but which is 'irrational' outside it
- Low impact EGMs would be very likely to reduce harm, even if they don't diminish the incidence of obsessive EGM use

Destabilising the orthodoxy

- Dismantle key discursive elements such as 'responsible gambling'
- Decode the language of vested interests
- Understand that EGM marketing, distribution and technology are not accidental – and PG is not caused by aberrant individuals
- Refocus regulation on consumer/product safety principles
- Accept a loss in revenue (state and private) as the price for a sustainable industry

EGMs are not all the same

- The EGM industry invests heavily to develop 'attractive' EGMs, and they're very good at attracting customers' money
- But EGMs are not homogenous and we know that some EGMs and some venues work harder than others
- At present it appears that some modification to core EGM technology (including those proposed by the PC) are very likely to reduce the harm generating capacity of EGMs

Technology based approaches?

- Three elements (at least):
 - Effective data capture and scrutiny, echoing the 'data warehousing' that operators utilise, with a focus on risk identification and management; and
 - EGM game modification, to reduce prize levels, reduce volatility, and reduce average bet sizes
 - Pre-commitment – effective, jurisdiction-wide, alterable only at discrete intervals

Finally ...

- Governments, like companies, are in it for the money – not to protect people's inalienable right to gamble on machines
- The discourse of business as usual is about protecting the money for as long as possible – just like tobacco and other 'dangerous consumption' industries
- Public health principles indicate that disrupting this orthodoxy is a crucial element of reducing gambling related harm

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