



**Submission to the *Inquiry into Elements Impacting on the Future of the ACT Clubs Sector*
Standing Committee on Public Accounts**

from

Centre for Gambling Research
College of Arts and Social Sciences
The Australian National University
Building 13

Acton ACT 2601

gambling.research@anu.edu.au

Contact: Bryan Rodgers (tel) 02 6125 0399 (email) bryan.rodgers@anu.edu.au

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The opinions, comments and/or analysis expressed in this document are those of the authors and do not necessarily represent the views of the ACT Gambling and Racing Commission and cannot be taken in any way as expressions of ACT Government Policy.

ANU Centre for Gambling Research

The current Centre for Gambling Research (CGR) at the ANU was set up in 2009 under a funding agreement between the University and the ACT Gambling & Racing Commission. The Information in this submission is taken from CGR research projects, completed and on-going, between 2009 and the present time.

Purposes of submission

This written submission serves three purposes: (1) to summarise key research findings that are most pertinent to the terms of reference of the current inquiry; (2) to flag the willingness of CGR to provide additional information to the Committee between now and September 2015 if required; and (3) to point to the sources of CGR research that may be of interest to the Committee.

Overview of CGR's research relevant to the terms of reference

The core of CGR's research program has been the investigation of facets of gambling and problem gambling using samples of ACT residents. This includes two major general population studies (known as the "Prevalence Studies") conducted by telephone interviews in late 2009 and 2014-15. These have been complemented by more in-depth studies of gamblers and other stakeholders, using detailed in-person interviews, to gain a better understanding of issues highlighted in the Prevalence Studies.

The two Prevalence Studies recruited relatively large samples of adults residing in the ACT (5,500 in 2009 and over 7,000 in 2014-15). In 2009, around 30% of those surveyed reported that they had played electronic gaming machines (EGMs) in the previous 12 months and around a tenth of EGM players reported that they played weekly or more often. It is a reasonable assumption that the large majority of this play (and the money spent) occurred in clubs within the Territory. Although the Prevalence Studies also collected data on betting through TABs, it is not known whether this happened in clubs or elsewhere. Information was also collected on betting on Keno but this was much less common than EGM play and the money spent was far less. Consequently, the findings presented in this submission focus on EGM play.

Our analyses of the 2014-15 Study data are preliminary and the process of rigorous consistency checks is not yet complete and so results from the 2009 Study only are presented below. These findings can be updated later and it would be feasible to provide additional information from the 2014-15 Prevalence Study before September 2015, particularly if we know which analyses to prioritise.

Prevalence of problem gambling in ACT residents

In 2009, the proportion of the ACT adult resident population estimated to have a gambling problem was 1.8%. This was based on the currently most used international criterion of scoring 3 or more on the Problem Gambling Severity Index (PGSI). This definition combines the traditional labels of *problem gambling* (scores of 8 or more) and *moderate-risk problem gambling* (scores of 3 to 7). They constituted 0.5% and 1.3% of the adult population respectively but the imprecision of these figures (the former especially) must be noted given the limitation of the sample size for the study. It is also impossible to determine the extent to which problem gambling may be under-represented in a survey which relies on telephone recruitment and voluntary participation. The application of the term *moderate-risk* should not be taken to imply gambling in moderation. Many of the gamblers in this category would be viewed as requiring formal help.

There is growing evidence that individuals scoring below 3 on the PGSI can experience harms from their gambling. The proportion of ACT adult residents reporting some level of problem (PGSI score of 1 or more) in 2009 was 5.3% (or 7.9% of gamblers).

Help received by people with gambling problems

Of those with *moderate-risk/problem gambling* (PGSI scores of 3 or more) only about 20% had ever accessed support from services for these problems. A common characteristic of those who had received professional help (and a much less common feature of those who had not) was reporting they had thought seriously about suicide because of their gambling. Although the 2009 Prevalence Study identified this key factor prompting help-seeking, it is a more complex research question to identify factors which inhibit the receipt of specialist help by the many others that have significant gambling problems. Our more in-depth studies have pointed to a range of contributory issues from a lack of recognition of problem gambling (even by gamblers themselves) through to the stigma attached to gambling problems. Many individuals actively conceal their problems from others, including family members as well as professional service providers. Consequently, making services available and accessible is not a simple solution for helping people with gambling problems.

What kind of gambling is related most strongly to problem gambling?

There has been a general view in Australia that playing EGMs is the predominant form of gambling that leads to problems. Certainly, individuals who seek professional help for their problems report EGMs more than any other form of gambling as the activity that they have the greatest difficulty with. CGR's research program has included quantifying the risk of gambling problems dependent on the range of gambling activities reported by individuals and the intensity (both frequency and money spent) of gambling on specific activities. Those with *moderate-risk/problem gambling* in the 2009 Prevalence Study reported an average of four different gambling activities. This raised the possibility that problem

gambling may be linked more to gambling across many activities¹ rather than any one particular activity. Our detailed modelling has tackled this question in a number of ways and the analyses have converged on one predominant and fairly simple pattern. In the ACT, the large majority of problem gambling is linked directly to playing EGMs. After taking into account both the amount spent by individuals on EGM play and the frequency of their play, very little else in the often complex mix of gambling activity shows any systematic association with the degree of problem gambling.

Vulnerable groups in the population

Gambling problems are not evenly distributed across different sub-groups of the population. The likelihood of *moderate-risk/problem gambling* varies significantly by age, sex, marital status and education. In combination, these simple demographic and socio-economic variables are strongly related to problem gambling. For example, the risk of unpartnered² men under 45 years and without Year 12 education reporting *moderate-risk/problem gambling* is more than 20 times the risk for partnered women with degree-level qualifications. The important implications of these findings for developing preventive strategies and providing information to vulnerable population groups go beyond this inquiry's terms of reference. The pertinent feature here is that these very striking differences in the risk of problem gambling were found to reflect the differences seen in the frequency of playing EGMs and the amounts spent on EGM play.

Contributions to EGM revenue by different groups

The Problem Gambling Expenditure Share (PGES) is a measure that has been used internationally to quantify the extent to which gambling revenue is derived from people with a specified level of problem gambling. In recent times, the most common threshold used to obtain this measure is the PGSI score of 3 or more, i.e. *moderate-risk/problem gambling*. Based on self-reported expenditure³ in the 2009 Prevalence Study, we estimated that about 40% of total expenditure on EGMs in the ACT was derived from people with *moderate-risk/problem gambling* (who represent 1.8% of the adult population). In common with other self-report surveys, we know that estimates of population expenditure are much lower than real expenditure based on industry reported data. However, we had no information on the degree to which *individuals* might under-report their own expenditure and whether this is linked to problem gambling. From what is known of this issue in other fields of study, our best guide is to say that the above figure of 40% is likely to be a conservative estimate. It is worth noting that two recent

¹ This is a common view in other countries and can be seen in the literature on problem gambling in the U.S. for example.

² Never married, divorced or separated

³ Information on expenditure was collected in such a way as to equate to net expenditure, i.e. losses. The aggregation of losses (and wins) across the population is equivalent to revenue.

estimates of PGES for EGM revenue in Tasmania were 48% (2011) and 36% (2013) based on the same criterion used in our ACT research.⁴

The proportion of revenue derived from people with *moderate-risk/problem gambling* varies considerably across different types of betting. In the ACT Prevalence Study, sports betting had a similarly high value for PGES, close to 40%. About a quarter of revenue from betting on horse and greyhound races came from people with gambling problems and about a fifth of revenue for casino table games. Lower values were found for scratch ticket revenue (10%) and lottery ticket revenue (5%).

CGR has adapted the methodology used to estimate PGES to provide summary measures of male (and female) gambling expenditure shares, young (and older) people expenditure shares, single person expenditure share, and lower education expenditure share. For example, EGM revenue is derived more from men than women (male gambling expenditure share is around two-thirds and women account for the other third). The clearest example of a sub-group accounting for a disproportionately large share of EGM revenue was found for low education, where the 10% of the ACT population who did not have Year 12 contributed almost a quarter of the revenue. People with degrees (around 45% of the population) accounted for just 16% of EGM revenue. This translates into those with lower education spending 6 to 7 times more on average compared to those with degrees.⁵

Further information for the committee

CGR is happy to respond to queries from the Committee about the findings presented in this submission and reiterates its willingness to provide further results from data analysis, especially findings from the 2014-15 Prevalence Study. We are also available to appear at a public hearing.

⁴ Allen Consulting Group, Problem Gambling Research and Treatment Centre & the Social Research Centre (2011). *Social and Economic Impact Study of Gambling in Tasmania, Volume 2: Gambling Survey*. Melbourne: Tasmanian Department of Treasury and Finance.; ACIL Allen Consulting, the Social Research Centre and the Problem Gambling Research and Treatment Centre (2014), *Third Social and Economic Impact Study of Gambling in Tasmania: Volume 2, 2013 Tasmanian Gambling Prevalence Survey*. Melbourne.

⁵ This figure is based on dollars spent and makes no allowance for the different incomes between low and high education groups.

Relevant CGR research output

Davidson, T., & Rodgers, B. (2010). *2009 Survey of the nature and extent of gambling and problem gambling in the Australian Capital Territory*. ACT Gambling & Racing Commission: Canberra.
http://sociology.cass.anu.edu.au/sites/default/files/documents/2009_Survey_of_Nature_and_Extent_of_Gambling_ACT.pdf

Carroll, A., Davidson, T., Marsh, D., & Rodgers, B. (2011). *Help-seeking and uptake of services amongst people with gambling problems in the ACT*. ACT Gambling and Racing Commission: Canberra.
http://sociology.cass.anu.edu.au/sites/default/files/documents/2011_Help-seeking_and_uptake_of_services_amongst_people_with_gambling_problems_ACT.pdf

Davidson, T., & Rodgers, B. (2011). *Profiling problem gambling symptoms in the Australian Capital Territory: socioeconomic and demographic characteristics and gambling participation*. ACT Gambling and Racing Commission: Canberra.
http://sociology.cass.anu.edu.au/sites/default/files/documents/2011_Profiling_Problem_Gambling_Symptoms_in_the_ACT.pdf

Carroll, A., Rodgers, B., Davidson, T., & Sims, S. (2013). *Stigma and help-seeking for gambling problems*. ACT Gambling and Racing Commission, Australian National University: Canberra.
http://sociology.cass.anu.edu.au/sites/default/files/documents/2013_Stigma_and_help-seeking_for_gambling_problems.pdf

Rodgers, B., Davidson, T., Markham, F., Suomi, A., Taylor-Rodgers, E. & Cowlishaw, S. (Unpublished). Gambling expenditure by level of problem gambling, type of activity, and demographic and socioeconomic characteristics.

Other CGR publications can be found at <http://sociology.cass.anu.edu.au/research/publications>