

# Accessibility and gambling-related harm: A commentary on the Productivity Commission's 2010 inquiry into gambling

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## **Abstract**

Gambling accessibility is an important policy consideration for Governments. The recent Productivity Commission's (2010) review of gambling focussed on geographic and time-based accessibility to electronic gaming machines (EGMs) which have been most clearly associated with gambling-related harm. Based on the evidence, they recommended mandatory, simultaneous, six hour shutdown periods for clubs and hotels. This type of common, extended shutdown is likely to be effective in forcing a break in play for some problem gamblers. However, the effect will be limited to the small minority of people who gamble during the recommended shutdown time periods. The Productivity Commission did not to make any recommendations to reduce geographic accessibility to EGM venues. They argued that their proposed pre-commitment system (where consumers set up personal time and/or monetary limits on future gambling) would provide sufficient consumer protection. If this pre-commitment model is not implemented within the near future, or if independent research shows it to be ineffective as a harm minimisation strategy, Governments should revisit the need to substantially reduce geographic accessibility. This should be via stringent restrictions on the number of EGM venues within a set geographical region. This would increase the effort required for EGM visits and encourage consideration of additional, alternative leisure-time options.

**Keywords:** Problem gambling, accessibility, social, environment, policy.

## **Introduction**

Accessibility to gambling is an important policy consideration as this is something over which Governments have considerable control (Productivity Commission, 2010). Mounting evidence over the last decade shows accessibility is positively related to gambling uptake as well as gambling-related harm (e.g., Cox, Yu, Afifi, & Ladouceur, 2005; Moore, Thomas, Kyrios, Bates, & Meredyth, Online first; Storer, Abbott, & Stubbs, 2009). This issue, therefore, warranted detailed discussion within the Productivity Commission's latest inquiry into gambling. The impact of accessibility on gambling-related harm is mediated by the relative risk associated with particular gambling forms. Electronic gaming machines (EGMs) are a high risk form of gambling (Dickerson, 2004; Petry, 2003; Volberg, 2003) as well as being one of the most accessible forms of gambling in Australia. Thus, the primary focus of both the Productivity Commission and this discussion will be EGMs.

The relationship between accessibility and gambling issues is something I, and colleagues from both Swinburne and Monash Universities have been studying over the past few years. As such I was happy to be given the opportunity to comment briefly on the conclusions and recommendations around accessibility made by the Productivity Commission in their latest review of gambling (Productivity Commission, 2010). Our research at both Swinburne and Monash University has delineated three major dimensions of accessibility which appear to be important in understanding accessibility: *Social Accessibility*, relating to gambling as a social, affordable and safe form of entertainment; *Geographic Accessibility*, relating to the relative proximity of gambling opportunities or venues to an individual (i.e., to the person's home, place of work/study, on regularly used routes), and time based or *Temporal Accessibility*, relating to the opening hours of venues, with longer opening hours representing greater accessibility (Moore, et al., Online first; Thomas, Allen, & Phillips, 2009; Thomas, et al., Online first; Thomas, Sullivan, & Allen, 2009).

Our research and that of others suggests it is geographical and temporal accessibility which are most clearly linked to gambling-related harm. To summarise briefly, research examining geographical accessibility has shown that those living in areas where the concentration of EGMs per capita is high gamble more frequently, spend more money and are more likely to experience gambling problems, than those living in areas with lower concentrations (Cox, et al., 2005; Marshall, 2005). A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand found that problem gambling prevalence was significantly positively associated with density of EGMs (Storer, et al., 2009). Further, comparisons between Western Australia (where EGMs are only available at the city-based casino), and other Australian states and Territories (where EGMs are available community wide), also supports the link between geographical accessibility and gambling problems. Overall problem gambling rates in Western Australia compared to other states and territories tends to be lower, markedly so when regular gamblers<sup>1</sup> are considered (see Productivity Commission, 2010 for a review of problem gambling rates). Gambling expenditure per capita in Western Australia is also around half that of other states such as Victoria or New South Wales (Australasian Gaming Council, November 2008), and research has shown that while the vast majority of gambling-related counselling in other states related to EGM play, only a minority of counselling in Western Australia was EGM related (Productivity Commission, 2010; South Australian Centre for Economic Studies, 2005a). Finally, a longitudinal study by Lund (2009) examined differences in gambling behaviour before and after Norway introduced a temporary ban on EGMs. Lund (2009) found that gambling participation, frequency of gambling and the incidence of gambling problems all decreased significantly following the ban, compared to the period just prior to its introduction.

Although there has been less research in the area; time-based or temporal accessibility has also been linked to gambling harm. Problem gamblers often use EGMs to cognitively and physically escape from problems (Thomas, Allen, et al., 2009; Thomas, Sullivan, et al., 2009; Wood & Griffiths, 2007) and long opening hours of venues in Australia encourages their use as an oasis from conflict or loneliness late at night or early in morning (Surgey, 2000; Thomas, Sullivan, et al.). Tuffin and Parr (2008) of Blue Moon Research, conducted a detailed, multi-methodological study of patrons after the implementation of a mandated six hour shutdown period in New South Wales (4am-10am). They found that the majority of patrons (71%) sampled at venues just prior to shutdown periods intended to go home once machines were shutdown. Only a small proportion

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<sup>1</sup>Regular gamblers being those who gamble weekly or more on non-lotto products.

(9%) intended to find another venue in order to continue gambling, although this plan was more likely in problem gamblers (17%) than low risk gamblers (7%). This suggests a policy to restrict venue opening hours can be effective in encouraging gamblers to stop gambling for a period. However, the effectiveness of mandated shutdowns can be limited where (a) venues are required to close for only a few hours, (b) shutdowns are at times when only a small proportion of people play, and/or (c) shutdowns are not simultaneous (AC Neilson, 2003; McMillen & Pitt, 2005; Tuffin & Parr, 2008).

The Productivity Commission (2010) focussed their discussions on geographic and time-based accessibility, with most of the above or similar research discussed. Based on the evidence, the Productivity Commission recommended mandatory shutdown periods for clubs and hotels be simultaneous, commence fairly early (from 2am or earlier), and extend for at least six hours. This, they suggested would provide an enforced, extended break from gambling for patrons. It was thought the shutdown periods would target problem rather than recreational gamblers, as late night gamblers are disproportionately problem gamblers (Tuffin & Parr, 2008). This type of extended, common shutdown is likely to be useful in enforcing a break for some problem gamblers, although it will be limited in its effectiveness, as only a small minority of people choose to gamble over the time period recommended (AC Neilson, 2003; Tuffin & Parr, 2008). The decision to exclude casinos from the recommendation also seems reasonable given it is generally used as a destination venue and research suggests very few people would travel from their local areas to a city-based casino to extend gambling beyond a shutdown period (Tuffin & Parr, 2008).

The Productivity Commission (2010) acknowledged the relationship between geographic accessibility and gambling-related harm, but chose not to make any recommendations in terms of reducing geographic accessibility to EGM venues. They note that if they had understood more about the potential for harm from increased accessibility in 1999 they may have recommended a model of liberalisation based on destination<sup>2</sup>, rather than community-wide gambling. However, they argued that it would now be very difficult to revert to a destination model of access as the current model of community wide gambling is now too entrenched. They also point to the slight downturn in problem gambling prevalence rates in very recent studies compared to earlier studies (see Ch. 5 Productivity Commission 2010 for a detailed review). Storer et al.'s (2009) meta-analysis of 34 problem gambling prevalence surveys also suggested a decrease in problem gambling prevalence over time. These gradual reductions now, a decade after the rapid expansion in availability of EGM gambling in the 1990's, suggests there may be some community-wide adaptation to accessibility taking place. The novelty attached to EGM gambling at the local club or pub may have waned, and community awareness about the potential risks attached to EGM gambling is likely to have increased (Productivity Commission, 2010; Storer, et al., 2009).

The Productivity Commission (2010) instead proposed the introduction of a pre-commitment system whereby consumers are required to set up time and/or monetary limits on their gambling prior to play as a way of maintaining control. The model recommended by the Productivity Commission would apply across all venues within a jurisdiction, would require gamblers to set pre-defined spending limits<sup>3</sup> which cannot be revoked during a set period, would encourage safe spending and time limits through default limits, and would include protective measures to

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<sup>2</sup>Destination gambling in this instance means the establishment of a very limited number of venues within a geographical region. Prospective patrons must go to some effort and pre-planning to travel to the venues.

<sup>3</sup>Players could choose to set no spending limit.

discourage card swapping. The Productivity Commission advocated this type of harm minimisation tool over measures to restrict geographical accessibility as it was consistent with personal choice and self-responsibility. They argued that successful introduction of their pre-commitment model was likely to make other harm minimisation strategies unnecessary and recommended a staged implementation leading to a full pre-commitment model within the next five years.

This model of harm minimisation will involve substantial investment by industry, but is less extreme than a forced, dramatic reduction in geographical access such as has been implemented in Norway (Lund, 2009). If the Productivity Commission's (2010) pre-commitment recommendations are taken up by Governments in the near future it seems reasonable to wait until it has been trialled and implemented before considering more extreme measures. This would also allow further time to see whether the early signs of adaptation to EGM gambling continue. Research should be instigated by Governments over this period to measure how successful the model is in reducing gambling harm.

However, if Governments decide not to pursue pre-commitment, or it is found to be less effective as a harm minimisation strategy than expected, Governments should revisit the need to substantially reduce accessibility to EGM venues. Although the Productivity Commission (2010) suggest that it would be very difficult for Australia to "revert to a destination model of access to gaming machines" (p. 14.6) this type of widespread reversal is not without precedent. As the Productivity Commission itself notes, access to EGM venues within the wider community has been successfully reduced in other jurisdictions. A rapid expansion in gambling liberalisation in Russia in the early 2000's led to EGMs being available at many community locations such as bus stops, community centres and grocery stores. Following community concern, new legislation was passed, and from July 2009 all casinos and slot machine halls were forced to close or relocate to one of four special gambling zones in remote locations. Similarly, the majority of EGMs in Switzerland used to be located outside casinos in community locations such as restaurants and bars. Following community concerns legislation was passed restricting EGMs to casinos, effective from April 2005. Finally, Poland approved new legislation in November 2009 to limit gambling to casinos and gradually phase out EGMs from community venues such as clubs, shops and service stations. Australian research across a number of states has shown that a large proportion (between 43% and 89%) of Australians would like to see the number of EGMs reduced (see Productivity Commission, 2010). Thus, it is likely that a move by Government to significantly reduce the number of EGMs would receive good community support.

This type of move would not necessarily require a total ban on EGMs within the community but it would be likely to require a very substantial reduction to produce a more destination style model of accessibility. If the aim of restricting geographical access is to substantially reduce the potential for harm, minor reductions in the number of machines or venues will not be sufficient. Further, it is important to understand that mandated reductions would need to target the number of EGM *venues* within a region rather than the number of *machines*. It is rare for all machines in a venue to be occupied (Abbott, 2006; Delfabbro, 2008; South Australian Centre For Economic Studies, 2005b), so mandated reductions in the number of machines allowable within a venue is unlikely to affect behaviour if adequate machines are still available to play. Research investigating the effects of new regional caps on the number of EGM machines in both Victoria and South Australia found no evidence that the reductions in EGM numbers had any positive impact on the gambling behaviour of problem gamblers (Eltridge & Delfabbro, 2006; South Australian Centre For Economic Studies, 2005b). Rather, remaining machines were played more intensively.

Individuals tend to travel only short distances (e.g., less than 5km) to access EGM gambling where it is available (Delfabbro, 2008; Eltridge & Delfabbro, 2006; KPMG Consulting, 2000; Robitaille & Herjean, 2008). The aim should be to reduce the number of venues such that people have to put in a greater degree of effort and planning to visit a venue. This is likely to encourage people to consider a wider number of leisure-time options in addition to gambling.

Social Accessibility or the attraction to gambling as a safe, social activity was not discussed in the Productivity Commission's (2010) latest review, although this was discussed in their earlier review (Productivity Commission, 1999). Research has found this aspect of accessibility to be, at best, only weakly related to gambling frequency or problems (Moore, et al., Online first; Thomas, Allen, et al., 2009). In other words, social and problem gamblers are similarly influenced by this type of accessibility. Social accessibility is not a negative aspect of venues, but may have an indirect link to gambling problems in that high social accessibility will increase the likelihood of regular and longer visits. This repeated exposure to gambling may eventually lead to gambling excesses. The harm minimisation strategies discussed above, such as pre-commitment and restricting geographical accessibility, should assist in breaking this indirect connection.

In conclusion, the Productivity Commission (2010) recommendations for six hour mandated shut down periods for EGM venues, plus the introduction of a wide reaching pre-commitment system are likely to be useful harm minimisation measures which will have a manageable impact on the industry. However, the effectiveness of these measures, if they are introduced, must be monitored. If they are not found to be sufficiently effective in reducing harm on this form of gambling, Governments must reconsider the need to substantially reduce geographical access to EGM venues, creating a destination rather than community-wide based model of access, similar to that introduced in other regions of the world.

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