

## **Submission to the Productivity Commission for its Current Project on Gambling**

Submission made by Allen Windross February 2009.

The following statement is provided to indicate my interest in the topic and my prior experience:

Employed in the gambling industry: NSW TAB and Tab Limited, March 1965 to June 1999.

Chief Executive Officer NSW TAB May 1987 to July 1997.

Managing Director Tab Limited July 1997 to June 1999. In this position I made a submission to the 1999 study by the Productivity Commission.

Consultant to Tab Limited June 1999 to June 2001.

Post Graduate Studies at the University of Western Sydney and the Australian Centre for Gambling Research September 1999 to October 2002 undertaking a Masters by thesis in a study of bettors in three states of Australia. Research thesis supervisors were Professor Jan McMillen, now Australian National University, and Professor John O'Hara, now retired.

Graduated as MA (Hons) Gambling Studies October 2002.

Independent Consultant to gambling industry bodies, academia, and problem gambling counsellors July 2001 to present. Particular interest is taken in assisting problem gambling counsellors to improve their understanding of gambling issues.

NSW Representative on the Committee of the National Association for Gambling Studies (NAGS) 2004 to 2008.

Speaker at NAGS Annual Conferences 2003 to 2007 inclusive.

Speaker at National Gambling Board of South Africa Conference, Cape Town, 2006.

Speaker at 12<sup>th</sup> International Conference on Gambling and Risk-Taking, Vancouver, 2003. Paper co-authored with Professor John O'Hara.

Submitted to the Review by Alan Cameron AM on Wagering and the Future Sustainability of the NSW Racing Industry May 2008.

Participated in a Panel Discussion on ABC National Radio with Rev R Bryson and (now) Senator Nick Xenophon. October 2007.

## The Commission's Issues

Among the issues listed by the Commission for its examination this submission is primarily concerned with two. Those issues of concern here are:

- *the nature and definition of gambling and the range of activities incorporated within this definition*
- *the participation profile of gambling, including problem gamblers and those at risk of problem gambling*

This researcher proposes that the Commission should give particular attention to four important matters that are within the ambit of the above issues but were under represented in its 1999 work. The four matters, addressed as questions are:

- Why do so many Australian people gamble?
- What can be done to correct an obvious bias that exists with contemporary Australian gambling research?
- Why are Australian gambling operators not required to promulgate responsible gambling techniques to customers?
- What is the extent of co-morbidity with problem gambling in Australia and is the gambling difficulty primary or secondary?

## A most significant question

In 1999 this researcher was enthused to note that the Draft report of the Commission into Australia's Gambling Industries contained a sub-section headed '**Why do people gamble?**'<sup>1</sup> The anticipation was that an authoritative source had actually contributed a reliable answer to a most significant question. Unfortunately the section proved to be simply constructed of some, almost conflicting, broad and insubstantial statements, for example:

- *The ... gambler gambles for entertainment.*
- *For some, ... gambling is a means of social interaction.*
- *Other(s) ... are motivated ... by the dream of winning.*
- *Some ... gamble to exercise skill.*
- *The primary motivation for ... all gamblers is the dream of winning and to socialise.*
- *Clearly, the motivations for gambling differ according to the form of gambling.*

While many other sections of the Final report were greatly improved from the Draft, including substantiation by reference and research, it was not the case with the sub-section headed by the question.<sup>2</sup>

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<sup>1</sup> Productivity Commission 1999, *Australia's Gambling Industries*, Draft report, Canberra, July, pp. 3.10-3.13

<sup>2</sup> Productivity Commission 1999, *Australia's Gambling Industries*, Report No. 10, Ausinfo Canberra, pp. 3.11-3.13

This, however, was not the first time an Australian Government Agency had been unable to provide an adequate answer to the question. In 1948 the Commonwealth Office of Education tried but significantly concluded that:

*Any attempt to explain why individual men and women gamble that is couched solely in terms of rational and conscious motives is bound to be inadequate.*<sup>3</sup>

Earlier in the same article though was a comment that this researcher finds striking:

*Gambling is not merely an interest; it is a widely-shared one. The discussion of betting successes and failures (the latter carrying little stigma), the joint enterprise winners, and the passing on of information all contribute to social living. Here is a game where the fool stands his chance, and the sage may still find relaxation.*<sup>4</sup>

### Why is the question significant?

Probably the most frequently used cliché in the Australian media is that fellow Australian citizens *would bet on two flies crawling up a wall*. Then, typically, will follow a commentary about the extent of participation in playing the pokies or how the nation will stop for a horse race. Sensational numbers will be used to demonstrate the extent of the activity. Thus Australians are portrayed as unique amongst the nations of the world. Yet it will be the general reporters providing the copy for the story rather than investigative journalists. The story will be full of ‘facts’ but light on study. The consequent questions are obvious. If the cliché accurately mirrors the attitude of Australians why is this the position? Further why are Australians apparently different? The general reporters will often seek out an ‘expert’ to answer the questions. These ‘experts’ will frequently come from one of two opposing sides: They may be moralists seeking to eliminate the ‘sin’ of gambling or industry representatives trained to deliver the best possible ‘spin’ on the story. Often the ‘experts’ will provide answers to the primary question as to why people gamble. Their ideas are invariably without substance and tilted to their own bias. References to examples of the above are available.<sup>5</sup>

Perhaps Australians are different in their attitude to gambling although this is also an unsubstantiated assertion. But the primary question still hangs: ‘why do (Australian) people gamble?’

This researcher has documented a finding that provides a goal for answering the question:

*Gambling in Australia is both a major entertainment and a significant industry. Yet it seems the academic world has made little progress towards the study of gambling as a major activity within the nation ... Sociological studies, in particular, are not frequent other than in the narrow field of pathological or problem gambling. Apart from the obviously necessary counselling and support services this researcher finds it curious that so much attention is given to the minor group in the absence of a full understanding of the motives and actions of the majority.*<sup>6</sup>

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<sup>3</sup> Commonwealth Office of Education, January 1949, *Current Affairs Bulletin Vol.3, No. 9*, Sydney, p. 145

<sup>4</sup> *ibid*, p. 137.

<sup>5</sup> Windross, Allen, 2007, ‘Applying Some Back-Adding to Gambling Statistics’, Proceedings of the 17<sup>th</sup> Annual National Association for Gambling Studies Conference, Cairns, pp. 101-105

<sup>6</sup> Windross, Allen, 2003, ‘The Luck of the Draw: Superstition in Gambling’, *Gambling Research Vol. 15 (1)*, Alphington, Victoria, pp. 75-76.

In short: how can you possibly hope to understand and assist people with a problem if you do not understand the activity that they have a problem with.

## Gambling Research in Australia

There has been an obvious increase in the extent of research into gambling in Australia over the past decade. The amount of peer-reviewed publications is just one indicator of this activity. To a great degree the COAG body: Gambling Research Australia, has aided this increase. But an examination of the list<sup>7</sup> of subjects it has set for study shows that the body's title is a misnomer. A more precise name for the body would be Problem Gambling Research Australia. The sub-title might be 'including harm minimisation studies'. This, however, is not a fault to be laid with the officers of the body for it is obvious they are precisely following the politically generated guidelines laid down by the Ministerial Council.<sup>8</sup>

When studies have looked outside the narrow range of problem gambling they frequently have used research techniques that can be considered unreliable. Such techniques include telephone surveys and laboratory simulations. The process for the latter could be described as: 'offer a bunch of the "psych" students some beer and cheese with bickies in a converted tutorial room, then get them to play pokies and record the outcomes.'

A handful of exceptions, for example such as Michael Walker<sup>9</sup> and this researcher<sup>10</sup>, notwithstanding where are the Australian researchers that have paralleled US sociologists like John Rosecrance<sup>11</sup> and Erving Goffman<sup>12</sup> by studying actual gamblers while they are gambling?

## Harm Minimisation or Responsible Gambling?

Many major gambling operators in Australia employ persons in position with titles like Responsible Gambling Coordinator. This is another example of misnaming for the duties of the employee may be found to be primarily concerned with harm minimisation. The essence of responsible gambling lies with the customer, not the supplier. Harm minimisation is, however, certainly in the province of the operator and fits with a requirement for duty of care and social responsibility.

Gambling operators, excepting through simplistic slogans such as: 'bet with your head not over it'; do not promulgate responsible gambling techniques. Some uncomplicated examples of information on techniques could be:

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<sup>7</sup> Gambling Research Australia, accessed February 2009:  
<http://www.gamblingresearch.org.au/CA256DB1001771FB/page/GRA+Research+Reports?OpenDocument&1=35-GRA+Research+Reports~&2=~&3=~>

<sup>8</sup> Gambling Research Australia, accessed February 2009:  
<http://www.gamblingresearch.org.au/CA256DB1001771FB/HomePage?ReadForm&1=Home~&2=~&3=~>

<sup>9</sup> Walker, 2004, 'The Seductiveness of Poker Machines', *Gambling Research Vol. 16* (2), Alphington, Victoria, pp. 52-66.

<sup>10</sup> Windross, Allen, 2002, *Betting by the Book: a study of systems adopted by bettors*, MA thesis, University of Western Sydney and the Australian Centre for Gambling Research.

<sup>11</sup> Rosecrance, John, 1985, *The Degenerates of Lake Tahoe: A Study of Persistence in the Social World of Horse Race Gambling*, Peter Lang Publishing Inc, New York

<sup>12</sup> Goffman, Erving 1969, *Where the Action Is*, Allen Lane – The Penguin Press, London.

- A sign on a poker machine that informs the player that their best chance of winning is to play the “gamble” option on a collect.
- Bookmakers and tote operators telling punters that starting price favourites struggle to win a mere 33% of all horse races and that even by betting on every favourite and the consequent winners, it is unlikely to be a winning venture over time.
- Blackjack dealers warning players that it is an illogical bet to stand on 15 when the dealer’s show card is a 10.
- NSW Lottery agents advising players that the \$5 draw lottery gives much better player returns than the \$2 draw lottery.

The normal process of life means that each day a number of Australians who gamble will die. Yet the amount of annual gambling stakes does not decrease. Thus new gamblers are being created around, at least, the same rate as the deaths. How do these persons learn to gamble responsibly? Do they consult their peers? Do they go down the path of costly trial and error? There is a multitude of printed works on the techniques of gambling but many of these are frequently arcane. Others promote staking plans that may result in the antithesis of responsible gambling. Beyond that there is a void. Evening Colleges provide courses on horse riding and even horse whispering but nothing for wagering on horse races.

A more complete proposal for responsible gambling education has been documented.<sup>13</sup>

## Co-Morbidity and Problem Gambling

In 1999 this researcher appeared before the Commission and in a response to a question on the acceptance of the existence of problem gambling said words like: ‘every problem gambler I have encountered is a person with a problem’. Ten years on this judgement remains undiluted and an examination of subsequent academic studies have in fact even strengthened the view. For example work by Fiona MacCallum and Alex Blaszczynski<sup>14</sup> who concluded: *Substance abuse is a common co-morbid condition of pathological gambling and therefore should be screened for in routine clinical assessments. Failure to identify and treat co-morbid substance-use disorders in gamblers may lead to higher relapse rates.*

Internationally studies have also linked other factors. In Scotland a review by Crawford Moodie and Frances Finnigan<sup>15</sup> found: *Female problem and probable pathological gamblers had particularly high depressive symptomatology, suggesting co-morbid depression may be a prominent feature of problematic female gambling.* Specific to electronic gaming machines and with a quantitative study Anna Thomas<sup>16</sup> concluded

<sup>13</sup> Windross, Allen, 2005, ‘Defining and Expounding Responsible Gambling’, Proceedings of the 15<sup>th</sup> Annual National Association for Gambling Studies Conference, Alice Springs, pp. 302-310.

<sup>14</sup> MacCallum F and Blaszczynski A, 2002, *Australian and New Zealand Journal of Psychiatry* 36, ‘Pathological gambling and co-morbid substance use’, pp. 411-415.

<sup>15</sup> Moodie C and Finnigan F, 2006, *Psychological Reports Vol 99 No. 2*, Association of pathological gambling with depression in Scotland’, pp. 407-417.

<sup>16</sup> Thomas, Anna, 2008, NAGS website, ‘EGM Problem Gambling: The importance of escape and accessibility as gambling motivators’ 2008 Student Award, accessed February 2009:

*'that people experiencing significant stressors may be vulnerable to EGM gambling problems because this gambling form provides an accessible means of cognitive and physical escape. People with limited coping resources may be particularly vulnerable.'*

This researcher makes no claim to be qualified to offer professional advice on this question but raises it as a matter that appears an essential inclusion in any study of ways to overcome or contain problem gambling in Australia.

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