



# UWS Macarthur

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Australian Institute for Gambling Research

## *Australian Institute for Gambling Research (AIGR)*

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### **PRODUCTIVITY COMMISSION INQUIRY INTO GAMBLING**

This submission on behalf of the Australian Institute for Gambling Research offers some preliminary responses to the questions posed by the Commission in its *Issues Paper: Australia's Gambling Industries* (September 1998).

However, I respectfully request approval to make further detailed submissions at a later date. The AIGR currently is engaged in a number of research projects which address many of the questions raised by the Productivity Commission. Some of these projects have recently been completed and the draft reports are not yet publicly available. Other studies will not conclude until 1999. Once these research projects are completed I will be pleased to provide their findings to the Commission and to make additional comments.

The AIGR also will make available to the Commission any data or reports from completed research. A list of past and current research projects is attached.

#### **The nature and definition of gambling**

In its broadest sense, gambling can refer to all risk-taking activities from physical behaviour, personal relationships to international politics. The convention in contemporary society is to define gambling more narrowly in terms of economic transactions - the staking of money or an item of value on the uncertain outcome of a future event. It is significant that this definition excludes informal private gambling (eg. card games between friends) and investment in the Stock Market. The notion of Stock Market speculation as 'gambling' has rarely been considered by analysts or researchers.

Despite its universality, however, the organisation and meaning of gambling always is shaped by the socio-historical context in which it occurs (see McMillen 1996). Thus the Australian community and governments have treated different forms of gambling in different ways (eg. the establishment of TABs and the prohibition of SP betting), policies vary from one period to another (eg. the prohibition of casinos until the 1970s), and from state to state (eg. the varied state and Territory policies on gaming machines).

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The British legal tradition, on which Australian gambling policy has traditionally been based, defines gambling as either gaming (eg. lotteries, lotto, casinos, keno, bingo, raffles and art unions) or betting (horse racing, greyhounds, sports betting) (O'Hara 1988). These legal boundaries are currently being redefined as new commercial arrangements and changing technologies alter the characteristics of the games and their organisation. Internet and interactive gambling, for example, offer cross-jurisdictional gambling which differs markedly from conventional modes of gambling delivery and exchange.

I submit that the Commission should include in its inquiry all existing forms of legal (ie. licensed) and illegal gambling, the relationships between them and their social, cultural and economic impacts. In this regard, I refer the Commission to my previous correspondence regarding the Commission's terms of reference for this inquiry.

#### **The institutional context and taxation**

Relevant published articles and reports by McMillen et al. have been forwarded to the Commission.

- Regulatory regimes vary widely between jurisdictions and between different forms of gambling. There appears to be no common rationale - racing regulation differs markedly from all forms of gaming; and different regulations apply to lotteries, casinos and community clubs and hotels. At the same time, TAB policies and the regulation of casinos since the 1980s a number of common principles and practices.
- There has been no independent evaluation to assess if gambling regulations achieve their intended outcomes.
- The AIGR is addressing many of the issues raised by the Commission in studies currently in progress. When completed, this research may provide guidelines for policy from the arrangements that exist in each jurisdiction.

#### **Who gamblers and why? Assessing the costs and benefits**

I refer the Commission to the AIGR's research and my own publications and submissions.

#### **The implications of new technologies**

- I refer the Commission to the published papers presented at a national conference jointly organised by the AIGR and the Australian Institute for Criminology (AIC) - *Internet Gambling Conference*, held in Sydney May 1998. Also see McMillen and Grabosky 1998.
- A follow-up conference on interactive gambling is being organised by the AIGR and AIC for May 1999.
- More general discussions of the capacity to regulate internet activities and the potential for crime can be found in the AIC conference proceedings, *Internet and Crime* 1998, and in Russell Smith and P. Grabosky, *Crime in the Digital Age* (1997).

#### **The adequacy of ABS and other statistics**

- A future submission will provide the Commission with more comprehensive views on the adequacy of ABS or other statistics involving gambling, particularly in relation to ways in which the type, coverage, quality or accuracy of the data

could be improved. That submission will identify problems experienced in past and current research and will suggest ways to improve the coverage, reliability and validity of useful data related to gambling.

- It is clear that a national framework for gambling-related data is urgently needed to inform policy development and provide an adequate and accurate understanding of the nature and effects of gambling in Australia.



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### CURRENT RESEARCH PROJECTS

- *Comparative Study of the Social and Economic Impacts of the Brisbane and Cairns Casinos 1996-98.* ARC Collaborative grant. (Prof. Jan McMillen)
- *Social and Economic Impacts of the Sydney Harbour Casino 1996-97.* ARC Collaborative grant. (A/Prof. Rob Lynch, Tony Veal [UTS] with Prof. Jan McMillen).
- *Study of Gambling in the Northern Territory 1996-97.* NT Racing and Gaming Authority (Prof Jan McMillen and Samantha Togni).
- *Definition and Incidence of Problem Gambling including the Socio-economic Distribution of Gamblers.* 1997. Victorian Casino and Gaming Authority (A/Prof. Mark Dickerson, Prof. Jan McMillen, R. Woolley and Assoc/Prof E. Hallebone [RMIT]).
- *Cultural Diversity and Equity of Access to Services for Problem Gamblers and Their Families in WA.* 1997-98. Racing and Gaming Commissions of WA. ((Prof. Jan McMillen, A. Tan-Quigley, R. Woolley)
- *Study of the Impact of New Zealand Casinos 1996-97.* Casino Control Authority. (Prof Jan McMillen et al.)
- *Review of Gaming Regulatory Regimes.* 1998. Independent Pricing and Regulatory Tribunal (IPART). (Prof. Jan McMillen and Richard Woolley).
- *Responsible Gambling in NSW Registered Clubs: policy development, implementation and evaluation.* 1998. Registered Clubs Association of NSW (Prof. Jan McMillen, Michelle Toms, Prof. Alun Jackson & A/Prof. Rob Lynch).
- *A repeat of the 1995 Study 2: An examination of the socio-economic effects of gambling on individuals, families and the community, including research into the costs of problem gambling in NSW.* 1998. Casino Community Benefit Fund Trustees. (Prof. M. Dickerson et al.)

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- *The Extent and Impact of Gambling in Tasmania with Particular Reference to Problem Gambling. Follow-up to the baseline study conducted in 1994. 1997.* Department of Treasury and Finance. (A/Prof. M. Dickerson).
- *Youth Gambling Study.* 1998. Jointly sponsored by Casino Community Benefit Fund and UWSM. (Prof M. Dickerson and R.Maddern).
- *Responsible Gambling in NSW Clubs.* PhD in preparation. Nerilee Hing.
- *Gambling, Technology and Society.* PhD in preparation. Steve Tonneguzzo.
- *Chasing and Impaired Control of Gambling.* PhD in preparation. John O'Connor.
- *Youth and Gambling.* PhD in preparation. Robyn Maddern.