

20 May 1999

Mr Gary Banks
Chairman
Productivity Commission
Level 28,
55 Collins Street
MELBOURNE VIC 3000

Dear Gary

Re: Gambling Inquiry

As part of its inquiry into the gambling industries in Australia, the Productivity Commission has indicated that it is conducting three surveys — a national survey of gambling patterns as well as surveys of ‘problem gambling’ counselling agencies and their clients. Comments that you made during your presentation to the Second National Gambling Regulation Conference on 6 May 1999 suggest that the national survey of gambling patterns is drawing on the South Oaks Gambling Screen (SOGS) to identify ‘problem gamblers’.

The SOGS was developed in the United States in the late 1980s to identify people with gambling-related problems. In our Submission to the Commission in March 1999 we made it clear that the definition of ‘problem gambling’ is inherently subjective and that there are major differences in the definitions used in Australia and the United States. Our Submission also pointed out that those involved in the use of the SOGS in Australia have admitted that SOGS has shortcomings in its ability to predict ‘problem gambling’.

For these reasons we felt that there were strong grounds to be concerned at the use of any survey methodology by the Productivity Commission that drew upon the SOGS. In the light of such concerns, ACIL Consulting engaged Dr Terry O’Neill, Head of the Department of Statistics and Econometrics at the Australian National University, as an independent expert to advise us on statistical issues that may be raised by the inquiry. Initially we asked Dr O’Neill to prepare a report for us on the statistical validity of the SOGS. A copy of his report is attached for your information.

Dr O’Neill’s report confirms warnings previously given by Dr Mark Dickerson and others that the use of the SOGS in Australia is fundamentally flawed.

- There is *no* agreed definition of ‘problem’ gambling in Australia. The definition that is most widely used in Australia was developed by what is now the Victorian Department of Human Services (DHS).
- The SOGS was developed in the United States to identify individuals with gambling-related problems as defined by the *Diagnostic and Statistical Manual of Mental Disorders, Third Edition* (DSM-III) published by the American Psychiatric Association. In contrast to the United States, in Australia the medical profession does *not* accept ‘problem’ gambling as a mental disease.

- No relationship has been shown to exist between the results that have been obtained with the SOGS in Australia and the definition of ‘problem’ gambling developed by the Victorian DHHS. In other words, there is no basis for knowing whether the SOGS is capable of assessing people against the DHSS definition of ‘problem’ gambling.
- Because of the imprecise and subjective nature of the definition of ‘problem’ gambling developed by the Victorian DHHS, it is unlikely that a satisfactory link could be established between the SOGS results and the DHHS definition.
- The SOGS is *not* well suited to being used on the general population. In the only clinical trial conducted with it, the original version of the SOGS in the United States could only detect about half of the people who met the DSM-III definition of ‘problem’ gamblers. This raises profound concerns about the usefulness of the SOGS as a screening device even in the United States context.
- In Australia the SOGS has been modified to determine the risks of a respondent developing gambling-related problems. The risks have been estimated from a sample of the clients of a specialist problem gambling clinic. The risks have *not* been estimated for the Australian population as a whole.
- There is *no* evidence that results gained with the modified SOGS in Australia are either reliable or able to be reproduced. Acceptable levels of reliability and reproducibility are essential requirements for any test or screen.
- The use of SOGS is declining in the United States. SOGS is *no* longer the screen of choice in that country having been replaced by other screens that are based upon the latest edition of the *Diagnostic and Statistical Manual of Mental Disorders (DSM-IV)* of the American Psychiatric Association.

These are damaging criticisms of the SOGS.

As far as we are aware, the Commission has not yet released any details of the sampling methodologies or the questionnaires for any of the three surveys that it is conducting for its Gambling Inquiry. Accordingly the extent that SOGS has influenced or determined the survey methodologies and questionnaires being used by the Commission in its inquiry is not clear. Nevertheless the criticisms that we have outlined above of the use of the SOGS in Australia suggest that any use of SOGS by the Commission to identify or measure ‘problem gambling’ is likely to raise serious doubts about the validity of any results that might be obtained on that issue.

We think the Commission should adopt what we understand is the practice of the Australian Bureau of Statistics and release the details of its sampling methodologies and questionnaires without delay. In other words, the Commission should not hold back publication until the release of its draft report.

We believe there are two sound reasons for the Commission to do so.

- First, denying the public a chance to scrutinise the methodologies and the questionnaires before the results are out detracts from the transparency of the Gambling Inquiry and creates mistrust among its participants. Transparency is akin to justice — transparency delayed is transparency denied.
- Second, by not releasing the material now, the Commission is robbing itself of an opportunity to receive timely advice about the interpretation of the results of the surveys when it releases its draft report at the end of June 1999.

I look forward to your reply in due course. In light of the importance of the issues raised, I ask that this letter and its attachment be treated as a submission to the Commission's Gambling Inquiry and placed on the public record. To that end I have sent you separately a PDF version of this letter and its attachment for electronic publication on the Commission's Gambling Inquiry website.

Yours sincerely

(Signed)

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