

Australian Institute for Gambling Research

SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY INTO AUSTRALIA'S GAMBLING INDUSTRIES: THE AUSTRALIAN INSTITUTE FOR GAMBLING RESEARCH (AIGR)

Prof. Jan McMillen

15th September 1999

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This submission begins with brief introductory comments on the Productivity Commission's Draft Report and findings (July 1999). For convenience the remainder of this submission is presented five parts, grouping together a number of the Productivity Commission's specific terms of reference as outlined by the Treasurer, Peter Costello (August 1998) and making particular reference to issues in the Productivity Commission's Draft Report.

The submission addresses questions related to:

- the pattern of Australian gambling (i.e. the range of activities, participation)
- social and economic impacts (i.e. social benefits, problem gambling, community support services, harm minimisation, gambling impacts on national, state and regional economies)
- the nature and effects of regulatory structures (including consumer issues, government and industry responses, tax and community benefit funds, the impact of gambling on government budgets)
- implications of new technologies (e.g. the internet, interactive television)
- adequacy of available data (including ABS data) and research

I apologise that other commitments have prevented me making a more detailed and complete submission at this stage. I will be pleased to clarify matters and elaborate on my views at the Productivity Commission Public Hearings on 17th September, and to provide a further submission by October 14th. That submission will include draft papers on Aboriginal gambling, a comparative review of regulatory structures and processes and other relevant issues.

Since the release of the Draft Report, the AIGR has submitted a number of research reports to the Commission for their consideration. The Commission's understanding of the various influences (social, cultural, political and economic) that have shaped the structural and policy diversity of Australian gambling also would be assisted by a recent AIGR report (as yet unpublished) commissioned by the VCGA – *Australian Gambling: A Comparative History.*

Before November I also expect to be able to provide information from a comprehensive three year study of the social and economic impacts of the Brisbane and Cairns casinos. Although data analysis is not yet complete, issues are emerging from the data that might be useful for the Commission's final report. I will be guided by the Commission on how and when to provide that information.

INTRODUCTION

I must begin by congratulating the Commission on the Draft Report. It provides the most comprehensive and detailed information on Australian gambling yet produced. I appreciate the enormity of the Commission's task, particularly given the difficulties of incomplete and inconsistent data and the absence of acceptable methodologies and measures. As the reports notes, there are many areas where further research, conceptual development and methodological innovation are required if we are to adequately understand the nature and effects of Australian gambling.

Despite these limitations, however, the Draft Report effectively identifies the complexity and dynamic nature of Australia's gambling industries, the policy framework and their impacts. The Commission is to be commended especially for its attempt to relate the economic benefits to analysis of social costs.

My principal concern is that the Commission's Inquiry will be portrayed by critics as an event staged to pander to a vocal minority. But the process of consultation and research undertaken by the Commission has been thorough, balanced and transparent.

Through public hearings, submissions and the national surveys conducted for the Inquiry, the Commission has given expression to a diversity of views about gambling. Most significantly, and to an unprecedented extent, the Commission has enabled the Australian community to voice its views on the extent and nature of contemporary gambling. It is clear from this evidence that there is widespread community concern about the pace of change and the impacts on our society, culture and economy. It would be irresponsible for industry and state governments to ignore these findings. The Commission's public airing of community grievances against the gambling industries and governments should compel them to rein their practices.

I have been encouraged by the Victorian Government's recent announcement that the industry will be required to be more responsible with gambling advertising, a modest step towards addressing public concerns in that state. A more substantial initiative is the NSW Government's proposed legislative changes to require all gambling operators to implement responsible gambling strategies.

There are however, some aspects of the Commission's Draft Report and its findings that warrant further consideration. In this submission I have not commented specifically on those issues that in my view are addressed appropriately in the Draft Report. Rather, I have concentrated on some of those major issues where I still have concerns, or where my comments might assist the Commission's deliberations for the Final Report.

In presenting the mass of information collected during the inquiry, it is not surprising that the report appears to be inconsistent, contradictory and unbalanced in places. For example:

- The report notes the possibility of 'government failure' but does not explicitly address the issue of 'market failure'. Although the Draft Report does not examine whether the market has failed, it does find that it is often less than fair. Evidence to the Commission indicates that market forces can disadvantage vulnerable groups. The Commission has heard numerous allegations of misuse of duopoly market power in

Victoria, for example. If these reports are correct, the behaviour of these gambling operators is inconsistent with their public image of being good corporate citizens.

- Despite evidence of consumer satisfaction with larger gambling facilities, there also is concern about the effects of commercialisation and competition on small venues. Market creep, where large gambling operators increase their market share by individual acquisitions or by establishment of subsidiary venues, also raises concerns about anti-competitive behaviour that warrant investigation. The licensing of hotels as gaming operators has given a new dimension to rationalisation of the hotel industry, encouraging establishment of franchise chains. In NSW, the auction of liquor/gaming licences is accelerating the closure of rural facilities and the transfer of licences to more populous and thus more profitable urban areas.
- Gambling impacts are experienced most acutely at the regional level, yet this issue receives little attention in the report.
- Sections of the Draft Report that suggest deregulation, competition and smaller government (eg removal of TAB exclusivity, equal access by hotels to gaming machines) tend to emphasise economic efficiency and market equality, to the neglect of the social consequences of those policies. If these sections are read in isolation from the rest of the report, they could fuel self-interested industry lobbying for policy change without adequate consideration of the social impacts.
- Australian governments of all political persuasions have a responsibility to address situations where business and free markets fail to provide the best outcome for society or for particular social groups. For example, governments ensure there is social equity in areas such as public safety, health care, maintaining a legal system, national security, media ownership and environmental regulation. The Australian community traditionally has recognised that these areas benefit all citizens and should not be controlled by private companies or individuals.

I endorse the Commission's finding that there is a need for preventative & harm minimisation policies that retain the consumer benefits. In this regard I have submitted a report of a trial 'responsible gambling' program developed and evaluated by the AIGR for the Registered Clubs of NSW in 1998. This program is currently being revised to

accommodate the findings of the trial, prior to statewide implementation. The AIGR also is developing a comparable program for TAB Ltd and negotiating with other NSW gambling industries. With the support of legislative changes currently before the NSW Parliament, the objective is to achieve a 'whole of industry' policy that embraces principles of consumer protection and harm minimisation.

However it is essential that *national* safeguards be introduced to effectively redress public concerns about the growth of Australia's major gambling industries and their impacts. It is indefensible that the protection afforded to consumers and communities should vary from state to state, as is currently the case. In this regard there may be lessons to be learned from other Australian industries that have responded to similar public criticism. For example, application of some aspects of banking regulation and the recommendations of a recent Joint Select Committee on the Retailing Sector may be relevant to gambling industries. Although such recommendations appear to contradict the current orthodoxy of non-intervention, evidence in the Commission's Draft Report indicates that constraint on market expansion and commercial imperatives is required in the general public interest.

To supplement recommendations that I have made in various research reports and publications, I submit that consideration also be given to:

- establishment of a national industry ombudsman and a mandatory code of conduct for gambling operational issues not covered by existing legislation and regulations.
- establishment of a national advertising code for all gambling industries to reflect community standards. Existing national advertising codes (eg the Lotteries Code, FACTS, AANA) are deficient in many respects, eg they do not address 'point of sale' advertising.
- establishment of an effective national standards authority to develop uniform industry standards and to achieve compliance with the codes of conduct and advertising codes.
- amendment of the Trade Practices Act to redefine 'markets' to include regional markets, and to enable the Australian Competition and Consumer Commission to undertake actions on behalf of third parties.

- further amendment of the TPA to shift the onus of proof so that commercial gambling operators would be expected to prove they did not use their market power for an 'irresponsible' purpose.
- 'truth in branding' so that subsidiaries are required to reveal their corporate lineage so that the community is aware of their origins and market dominance.

THE PATTERN OF AUSTRALIAN GAMBLING

- **the nature and definition of gambling and the range of activities incorporated within this definition;**
- **the participation profile of gambling.**

- *Gambling participation*: The surveys conducted on behalf of the Commission generated valuable and revealing information about the gambling patterns of Australians and the profile of gamblers, adding substantially to the findings of previous research. However, as noted in the report, patterns of gambling are not uniform across the nation, or between rural and urban dwellers. I trust that the Commission will further interrogate the survey data to explore more fully regional patterns and differences, and to identify factors that might shape these differences. While the report's weighted analysis and interstate comparison of 'accessibility' is a valuable contribution at a state level, Australians experience social life at the level of local communities.
- On another issue, the Commission's national community survey revealed that many Australians participate in 'informal' gambling not provided by approved operators – card games, various indigenous and ethnic games. However it must be noted that these expenditures are not included in the statistics provided by the Tasmanian Gaming Commission (eg s.2.2). Research by the AIGR and others shows that these forms of gambling are widespread in some communities. Moreover, as the Draft Report notes, many of these groups (Aborigines, NESB communities) are likely to

have been under-represented in the Commission's national survey. If their gambling expenditures were included, the per capita spending on gambling in Australia might be considerably higher than official statistics indicate.

- *Problem gambling*: Prior to the national survey I expressed to the Commission my reservations about the continued use of SOGS to measure problem gambling in the Australian context. I commend the Commission for their constructive efforts to achieve a reasonable balance between replication and validity in the national community survey by including more open-ended questions and self-definitions than previous studies. As the survey did not rely so heavily on SOGS to define and identify the problem, I was not surprised that the incidence of problem gambling was higher than the levels found in many other studies. Moreover, given the inherent limitations of survey design, I agree with the Commission that these results are likely to be underestimates.
- Without diminishing the important findings of the survey of clients of counselling services, it is significant that the sample was not genuinely representative of Australians who seek support for gambling-related problems. By surveying clients in designated gambling services the survey did not access a representative cross-section of people with gambling problems or obtained a full picture of the nature of gambling problems in the community. On various occasions the AIGR has surveyed general service agencies in an attempt to monitor the demand on community services created by gambling. However, while these agencies report increased demand by people with gambling problems, they rarely have been able to provide supporting data. Thus the findings have been tenuous and uncertain. Clearly there is the need for further research in this area.
- From our observations and research, however, it is apparent that there is a disturbing lack of adequately resourced and coordinated support services in many regions of Australia. A significant proportion of the population seems to be seeking assistance for their gambling-related problems from generic and often under-resourced community agencies. People from ethnic groups and Aboriginal communities, in

particular, seem to prefer their own community organisations and networks for assistance (AIGR:1997; McMillen and Togni:1998).

- *Aboriginal and ethnic gambling*: Much research into Aboriginal and ethnic gambling has adopted western methodologies and assumptions. Such an ethnocentric approach is insensitive to the cultural meanings and practices of the particular community. Within limited resources, the AIGR's research on gambling in Aboriginal and Asian communities in two Australian jurisdictions has sought to avoid these errors and to reflect the communities' perspective.
- In both studies, although the expansion of commercial gambling has not been as extensive as in other states, the impacts on these cultural communities have been considerable and distinctive. The research findings will be provided to the Commission for consideration.
- It is misguided and potentially harmful to assume that the experience of gambling in such communities (whether beneficial or problematic) or their needs for support services will be similar to those of Anglo-Celtic Australians. There is an urgent need for culturally sensitive research (eg ethnographic studies) to explore the meanings, values and practices of gambling in culturally diverse communities.

SOCIAL AND ECONOMIC IMPACTS

- the economic impacts of the gambling industries, including industry size, growth, employment, organisation and interrelationships with other industries such as tourism, leisure, other entertainment and retailing;
- the social impact of the gambling industries, the incidence of gambling abuse, the cost and nature of welfare support services of government and non-government organisations necessary to address it, the redistributional effects of gambling and the effects of gambling on community development and the provision of other services.

- *Gambling impacts*: The AIGR's research experience in several gambling impact studies confirms the Commission's findings that the 'quantification of costs/benefits is hazardous'.
- The report acknowledges that:
  - i. economists tend to "ignore distributional effects of policy changes ... if the gains in aggregate exceed the costs, the 'losers' could in principle be compensated"
  - ii. certain communities with high density gambling, or a high rate of gambling related problems, might experience different impacts and significant costs (p. xxxix).
- However, I note that the Draft Report frequently refers to 'net social costs' or aggregate economic benefits such as the potential contribution to Australia's GDP. There are serious methodological problems measuring 'net' impacts, particularly in complex modern economies.
- While Australia's gambling industries may 'have little impact on Australia's GDP, consumption levels or labour market outcomes over the long term' (Summary p.XXV), research by AIGR indicates that large developments such as a casino, large club or the major expansion of gaming such as EGMs impact most significantly at the regional level.
- Gambling, as the Commission itself points out (Summary p.XXII) is different to other industries – the gains and benefits which flow to some are in part derived from the losses or distress of others. Analysis of issues such as transfer spending, job creation and job displacement, labour shedding, etc. are essential if the *actual* impacts of gambling are to be identified and measured. This requires detailed and often difficult primary research at a regional level. Few impact studies have attempted this, relying instead on *estimates*, often derived from questionable research findings in the United States.
- To further complicate matters, AIGR research experience in several Australian and overseas jurisdictions has found that economists cannot agree on the most appropriate multipliers to measure the impact of gambling.

- Moreover, economic impacts of gambling should be viewed not only as potential 'production-side gains' or *contributions* or to the economy. Impacts also can include *shifts* in economic activity, consumption or employment. They also can involve uneven impacts on the local economy, with benefits to one sector and costs to another. For example, the displacement of live music by gaming machines in hotels could result in gains to the venue (gaming revenues), government (taxation revenue) and machine manufacturers (profits), but produce a significant loss to those unemployed musicians (job security, income) and perhaps to existing patrons who would have preferred to listen to music rather than gamble (consumer benefits).
- Impacts also vary over time, reflecting the dynamic nature of the industry. For example, the impacts of a casino/club will be different in the construction stage, from the establishment stage, from the operation stage. It also is possible that different impacts will occur if the casino/club responds to additional competition from new forms of gambling in the area. Thus an adequate impact analysis would not rely on a single 'snapshot' but would involve longitudinal analysis of trends and influences.
- The AIGR has attempted to grapple with such issues in a number of impact studies that will be made available to the Commission.

- *Economics of gambling*: I agree with the Commission that many of the resources used in gambling industries may have been diverted from other industries. However the finding that 'production side benefits, in contrast to those from consumption, are largely illusory' (Summary p.XXV) does not appear to be based on adequately examination of the productive side of the industry.
- Like other industries, gambling involves production, distribution and consumption. There is a complex range of goods and services which supply the industry – eg equipment manufacturers supplying gaming machines, roulette wheels, cards and other casino apparatus; building and furniture supplies; catering; computers, lottery terminals, and surveillance equipment; advertising and promotions; transport services, etc.
- Studies of the racing industry have described the complex network of associated industries (ACIL1992; Qld Racing Industry 1995); however I know of no similar

study of the casino and gaming industries. Even a preliminary examination of the structure and scale of the different gambling industries will suggest that some forms of gambling add more 'value' to the economy than others.

- Observations suggest that some gambling industries require the material production of more equipment and goods than others, or utilise more technical or marketing services, or are more labour intensive. Economic impacts (benefits and costs) at a regional level will differ as a result.
- Moreover, the benefits or costs to the regional economy will depend whether those goods and services are purchased from local (or interstate or international) suppliers. If Australian gambling operators purchase a large share of their goods and supplies from other states or overseas, the local economy is not likely to receive as much economic benefit from gambling as it would from other forms of consumption that utilise locally produced goods.
- The growth of Australia's gambling industries thus is changing the *nature of the economy* at national, state and regional levels. This has implications for more general issues such as the impact of internationalisation and global markets, economic sustainability and power relationships (eg government-business relations).

- *Social impacts*: Evidence of the 'robust demand for gambling despite changes in prices that exist' appears to confirm the Commission's findings that Australians place a high value on their gambling experience. However, while I acknowledge that consumer benefits may be the main source of national benefits from gambling and recognise that quantifying this benefit has important policy implications, I am less convinced by the Commission's attempt to calculate 'consumer surplus'.
- I am not qualified to provide expert economic comment on the debate between the Commission and Professors Blandy and Hawke over the methodology used in these calculations, although I observe the debate with great interest.
- However, I note the Commission's reservations about price elasticity of gambling (p. C5) and the fact that this question is not resolved in the report.
- I also note that the Commission acknowledges the arbitrary nature of some of the assumptions underlying its own calculations (eg the multiplier, the number of people

with gambling problems, their excess spend) and Blandy and Hawke's argument that it is inappropriate to treat 'problem gamblers' with the same elasticity as 'non-problem gamblers'. The large differences in Blandy and Hawke's analysis of consumer surplus when the characteristics of a 'problem gambler' are retained demonstrates the considerable effect that different assumptions can have on the calculations.

- My understanding of gambling behaviour tends to accept the argument that other factors also affect the price sensitivity of gambling (eg the difficulty for gamblers in observing/knowing the price of gambling, the aggregation of gamblers into an homogeneous group, data constraints, and the unknown social costs of gambling such as bankruptcy, family breakdown, etc).
- In summary, the range of figures so extensive and they are so dependent on small changes in elasticities that there seems to be little basis for an unambiguous agreement on this issue.
- Moreover, as other submissions have indicated, there are more than just 'pure' market forces at work that affect consumer choice and levels of expenditure: gambling behaviour is affected by promotion campaigns, misconceptions about gambling processes and odds, the accessibility of different gambling products, and even the lack of alternative social and recreational facilities.
- In regard to this latter point, I support other submissions that have identified the need for alternative recreational facilities as a preventative strategy to minimise gambling related problems in the community.

- *Responsible gambling policies*: There is no agreed definition of 'responsible gambling' – indeed, there's a tendency to apply this label to *any* initiative that addresses problem gambling. I submit that responsible gambling should go beyond harm minimisation and treatment programs for problem gambling. It should also embrace principles of consumer protection, have effective compliance procedures involving both incentives and legislative sanctions, and apply regular independent monitoring mechanisms to ensure public accountability (see AIGR's *Responsible Gambling Policy* and Report of a Trial Responsible Gambling Program for the Registered Clubs Association of NSW - AIGR 1998).

- I endorse the Commission's findings that effective responsible gambling programs are necessary to address deficiencies in consumer information, financial arrangements, advertising and promotions, self-exclusion options, etc.
- Following analysis of existing responsible gambling programs in Australia and overseas, and evaluation of a trial program in NSW registered clubs in 1998 I expressed the view that self-regulation is not adequate for an effective responsible gambling policy (AIGR 1998).
- While many of the Australian industry programs have introduced positive initiatives, they tend to have a narrow focus that places the onus of responsibility on the individual gambler, not the venue. Moreover they all lack effective evaluation and compliance mechanisms.
- For example, the Betsafe program in NSW has established one of the most comprehensive self-regulatory programs in Australia. Despite its strengths, however, the program has three major limitations:
    - it is a voluntary program and thus involves only those clubs with a strong commitment to responsible gambling (currently only 11 of the state's 1500 clubs)
    - the program is provided by a private consultancy for a considerable cost, a further disincentive for small clubs and clubs that lack conviction
    - details of the program are confidential and it is not subject to external monitoring or evaluation of its effectiveness.
- The Victorian industry accord also has been criticised for lack of compliance and an ineffective complaints process.
- As the Commission's report suggests, an effective responsible gambling policy should apply equally to the whole of industry, and involve explicit regulatory requirements to enhance consumer control and choice. It should involve both prevention and harm minimisations strategies, and embrace a range of relevant consumer protection principles.
- To these criteria I would add the need for transparency and accountability, via a public complaints procedure and regular monitoring of levels of compliance.

- Current developments in NSW (the development by AIGR of statewide programs for registered clubs and TAB outlets, supported by legislative changes that require all gambling industries to adopt responsible gambling practices) are designed to satisfy these standards.
- This innovative program goes far beyond responsible gambling strategies currently in place in any Australian state, or to our knowledge, overseas. It thus seeks to establish a benchmark for a coordinated and effective program with possible application to all gambling sectors.
- Prior to release of the Productivity Commission Draft Report in July 1999, the NSW TAB Ltd commissioned the AIGR to develop and implement a similar program. There are prospects that NSW race clubs also will implement a responsible gambling program.

To summarise key aspects of this responsible gambling policy and program:

- the policy is based on self-regulatory principles but has legislative support. Current legislation specifically requires that the RCA's policy is 'capable of enforcement'. Since publication of the AIGR's Trial Program Report the NSW government has published an Exposure Draft Bill which proposes changes to all relevant NSW gambling legislation to require industry to implement specific responsible gambling strategies.
- The policy developed by the AIGR for the RCA is based on four interrelated core principles: compliance and effectiveness; consumer protection; harm minimisation; and accountability. It thus recognises the broad implications of gambling for the whole community, as well as individuals and families;
- At every stage, the program is based on collaboration and regular consultation with other gambling industry participants, a range of government departments, community representatives, club managers, community support agencies and their equivalents in other states;
- The RCA's program and the TAB program are fully funded by industry, reflecting acceptance of their community responsibilities in this regard.

- If self-regulation is the preferred option, there is a need for the program to be monitored by a 'fearless' authority willing to use its powers to achieve compliance.
- The experience from other areas of public health indicates that a community education program also is needed to complement and support an industry program. Such a program needs to be relevant, appealing and sustained if it is to be effective. While they appear to have achieved some benefits, Victorian community awareness campaigns also have been criticised for failing to achieve those objectives.

THE NATURE AND EFFECTS OF REGULATORY STRUCTURES

- the effects of the regulatory structures – including licensing arrangements, entry and advertising restrictions, applications of the mutuality principle, and differing tax arrangements – governing the gambling industries, including the differing approaches for industry development and consumers

- I support the Commission's findings that the regulatory environment is 'deficient', that regulations are complex, fragmented, inconsistent and that the policy process is flawed by emphasis on the revenue imperative.
- A submission on these issues will be made before October 14th, and will include a review of the strengths and limitations of existing regulatory arrangements in Australia and relevant overseas models. My views have been expressed previously in publications submitted to the Commission and in my submission to the IPART Gaming Inquiry in NSW.

- That submission also will address the question of the use of 'caps' as a regulatory tool to restrict the availability of gambling and thus to reduce potential gambling problems. As a preliminary comment however, I wish to stress the importance of governments having a clear determination of the policy purposes for gambling. The

NT government, for example, made a careful study of EGM policies and experiences in other states before it legalised gaming machines in clubs and hotels, and designed a regulatory framework (that includes both a global cap and venue caps) to achieve their own policy objectives.

- As the Commission has found, accessibility is a significant factor that has influenced the extent of problem gambling in Australia. But it is not the only factor. Market competition also can result in market conditions and conduct which is harmful and not in the public interest.

- For example in Victoria the pattern of problem gambling is exacerbated by a combination of factors, including the artificially competitive environment which requires venues to compete to retain their machines. Victoria has less gaming machines per capita than NSW, but the incidence of problem gambling is comparable. Pressure from the two gaming operators in Victoria creates competition between venues to increase revenues or lose their machines to a better performing venue.

- In a different policy environment, competition between NSW clubs and between clubs and hotels has resulted in more aggressive promotions and marketing. Several submissions to the Commission have identified promotions and inducements to gamble as a contributing factor to problem gambling.

- On the question of mutuality, I am concerned that the Commission's suggestion that there is no reason to allow clubs preferential access to gaming machines could be interpreted as support for hotels to be allowed equal access in those jurisdictions. I note however, that the report does not make this finding.
- An alternative solution to the problem of ensuring that clubs fulfil their original obligation to conduct gaming for community benefit is to require an annual social audit as a condition of continuing to retaining their gaming licence.

- On issues of taxation, I refer the Commission to a draft paper submitted to the *Australian Economic Review* by Julie Smith (July 1999).

IMPLICATIONS OF NEW TECHNOLOGIES

- the implications of new technologies (such as the internet), including the effect on traditional government controls on the gambling industries

- I endorse the Draft Report's findings on internet and interactive gambling. Although it may be desirable to prohibit online/internet gambling for a variety of sound reasons, I am not convinced that this is realistically achievable without full cooperation between governments at both national and international levels. Effective prohibition also would require an extensive and costly enforcement regime to deter, detect and prosecute offenders. In this regard the findings of the Senate Select Committee Inquiry into Online Gambling and the Commonwealth government's response to the Committee's recommendations will be critical in shaping the future path for Australia.
- It should be emphasised however that online gambling is different from other forms of e-commerce, just as more conventional gambling is different from other industries. The potential social, economic and regulatory impacts are likely to be profound. Sportsbetting, although currently only a small part of the Australian gambling market, will experience dramatic growth especially after the advent of digital television in 2001. However, it would be erroneous to concentrate primarily on the potential economic benefits that might accrue if Australian licensed operators establish market advantage over other nations. It is imperative that the full social and economic costs and benefits of online gambling are effectively monitored to inform policy adjustments that will maximise community benefits and minimise costs wherever possible.

ADEQUACY OF AVAILABLE DATA AND RESEARCH

- the adequacy of ABS statistics involving gambling
- the Commission should take account of any relevant studies undertaken or under way and have regard to the economic, social and regional development objectives of governments.

- Victoria is the only state with a systematic research program to examine the social and economic impacts of gambling (VCGA) and service delivery (Human Services Department [HSD]). These programs were legislated by the Kirner government and are funded from designated gaming revenues. Both Victorian agencies have developed their own separate strategic plans for their research program, and have contracted outside consultants who submit competitive tenders for specific projects. Although it has had its critics, this research has provided the most reliable and strategic information on gambling impacts and trends to assist policy development and service delivery. The AIGR recently has made recommendations to the VCGA for future research initiatives.
- Government-funded research in other states has increased in recent years but tends to be project-specific - eg estimates of problem gambling (Tasmania, Western Australia), access to services by Asian communities (Western Australia), general impacts of gambling (Northern Territory).
- Although the gambling industries undoubtedly commissioned their own research to assist commercial decisions, industry rarely has funded public research. The most notable exceptions have been the RCA's support for a trial program on resoponsible gambling in NSW clubs (AIGR 1998) and the support from Jupiters Casino and Reef Casino for my three-year study of casino impacts in Brisbane and Cairns.
- Less rigorous but equally valuable information on problem gambling has been provided by counsellors working in the community service agencies across the state. The qualitative data which these agencies can provide is just as valid as the more

quantitative research of some studies - indeed it may be more so, given the relatively undeveloped field of research and inadequate conceptualisation of academic studies.

- I strongly advocate collaborate research that involves active participation of the key stakeholders - government (national, state and local authorities), industry and community representatives.
- The AIGR's assessment of the adequacy of existing data, including ABS data series, and recommendations for future research are documented in the Institute's various research reports. If it will assist the Commission I can elaborate on these recommendations at the public hearing or in a subsequent submission.

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