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## 23 Information issues

### Box 23.1 Key messages

- There is a need for better quality information to guide policy-making and public understanding about gambling:
  - there are major gaps in research and data; and
  - analysis of changes over time is particularly difficult.
- This would be helped by greater emphasis in each jurisdiction on developing systematic research strategies and programs.
- Guiding principles should include:
  - independence of decision-making about information needs and priorities;
  - transparency of processes;
  - provision of scope for community input; and
  - early public release of results, methodologies and (confidentialised) data sets to allow further research and replication.
- Obtaining information generates administrative and compliance costs, however, which should be taken into account.
- There would be particular value in assigning responsibility for research and data collection to the independent control authority in each state or territory:
  - it should also determine the processes by which priorities are set, projects are commissioned and their results published and disseminated.
- There would also be benefits in facilitating more coordinated approaches to data and research across jurisdictions:
  - the Commission sees merit in establishing an independent national research facility for this purpose.

### 23.1 Introduction

The terms of reference for this inquiry ask the Commission to report on the adequacy of ABS statistics involving gambling (para 3(h)). However, the issue of the quality and quantity of information on gambling, its relevance to public policy and its usefulness to the community is much broader than this. Each of these matters is discussed in this chapter.

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By international standards, Australia is reasonably well served with data and research on gambling. The statistics published by the ABS and the Tasmanian Gaming Commission provide a detailed picture of patterns of spending (or net takings) by state and mode of gambling, employment characteristics, income and profit etc. This provides a better picture of the industry than the Commission has seen for any other country.

Broadly, much current information (and research) originates from departments with regulatory or taxation responsibilities, by way of projects financed by funds compulsorily collected from the gambling industry, from industry-funded projects and through conventional research sources such as universities.

There is detailed information (which is readily available and easily accessible) on particular modes of gambling in some jurisdictions (for example, club and hotel gambling in New South Wales and Queensland). And in Victoria, the VCGA has for some years commissioned and disseminated extensive research on gambling, while that state's Department of Human Services has undertaken separate research on service delivery. Victoria's Auditor-General said of the VCGA's research into the social impact of gambling:

The collective results were an important source of information for the Government in reaching its decision in December 1997 to retain the cap of 27,500 electronic gaming machines until the year 2000 (para 1.1.16 of VICAG (1998), cited in sub. D240, p. 1).

Nevertheless, in the main the information that is available is far from comprehensive and not always relevant to the key policy issues, even in those jurisdictions which have well-developed information sources for some aspects of gambling policy. As McMillen has observed, while government-funded research has increased in recent years, in most states research is still 'unsystematic and ad hoc, providing only a partial picture' (McMillen 1999, p. 213). For example:

- information tends to be fragmented — for example, while there are a number of useful surveys of the prevalence of problem gambling in various jurisdictions, they mostly have relatively small samples and apply different methodologies;
- research projects and data collection have, in many cases, been driven by particular concerns of the moment, rather than by an attempt to obtain systematic information on key policy areas;
- much research is specific to a location or a project, a particular type of impact or a particular group in society (examples include an impact study of a new casino development or studies of crime or problem gambling); and

- research typically tends to cover only a short time frame, rather than providing information on trends or the factors which underlie them.

### **Box 23.2 Current research efforts: some views**

The Queensland Government noted that:

The quality of results of gambling research projects in Queensland and other jurisdictions has, to date, been generally disappointing. While more quality nation-wide research will be helpful in general terms, more jurisdiction specific research needs to be undertaken (sub. D275, p. 12).

It added that:

... existing research into the economic and social costs of gaming is inadequate and not sufficiently state or regional focused to quantify or adequately consider the [net benefits and costs] at a state, regional or community level, or nationally ... For example, there are significant state, regional and community social and economic costs associated with the rapid expansion of gaming machines that need to be more fully addressed (sub. D275, p. 23).

Maribyrnong City Council referred to the need for better information to facilitate debate and allow local communities to determine for themselves the level of gambling that they are prepared to accept. But it noted that:

... the standard of information and ... official research available to assist public debate on these issues has been, to be charitable, undistinguished. It's for this reason that my city in cooperation with three others felt it necessary to commission the original research to assist our understanding of the economic implications of local gambling (transcript, p. 1260).

The Interchurch Gambling Task Force said of the VCGA's research:

... the research has been piecemeal. It has concentrated on certain geographical areas at the expense of others. It has been research which has not been able to be replicated over a period of time, other than those surveys which have actually been attitudinal surveys by way of virtual marketing surveys for the industry, and it has been research which has largely ignored some of the social impacts which the Interchurch Gambling Task Force has been pointing out for some time (transcript, p. 375).

It also acknowledged that:

... in recent months there has been a number of research projects which are really quite significant and which do reflect some of the submissions that the Interchurch Gambling Task Force has been making over a period of time (transcript, p. 375).

The VCGA responded as follows:

All projects undertaken by the Authority are designed to examine aspects of both the social and economic impacts of gambling ... The Authority has consulted on the development and conduct of its research projects [and] the Authority has considered the suggestions put forward by the Victorian Council of Churches Gaming Task Force and, where appropriate, incorporated these suggestions into its programs. At present, there are no matters which the Victorian Council of Churches Gaming Task Force have suggested which have not been incorporated into the Authority's research program (sub. 135, p. 5).

*Source:* submissions and transcript.

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Other participants (in all jurisdictions) criticised current research as being insufficiently focused on the key public policy issues (box 23.2). There were also criticisms of the secrecy which sometimes accompanies the information collection process, of the need to obtain Ministerial approval to release information, and of research and data being copyrighted, rather than freely available to other researchers.

The Commission shares these concerns. In the course of this inquiry, it encountered unexpected difficulty in obtaining data of a kind which ought to be readily available in all jurisdictions. It had some difficulty in obtaining existing survey-based information from some government departments and regulatory agencies. In other cases, information generated as part of an administration or legal function is not subsequently incorporated into some useable form (thus, there is little information on gambling and crime coming out of the criminal justice system, notwithstanding that gambling may be an issue in some criminal and civil cases). Finally, there are many cases where little or no information is collected at all.

## 23.2 Some specific information gaps

Earlier chapters have highlighted a variety of areas where the Commission has had particular difficulties in obtaining information, or where it became apparent that better information was needed. Without necessarily arguing that all should be undertaken, major information gaps include the following:

- *Effects on children and partners of problem gamblers.* A major gap in the information available to this inquiry concerns the effects which the behaviours of problem gamblers have on children and partners — an important element in the assessment of the social costs of problem gambling.

[chapter 7]

- *Ethnic gambling.* Members of different cultural groups perceive gambling in different ways, and face different problems. This may affect policy interventions such as access, harm minimisation, awareness campaigns and the provision of counselling and welfare services. Some work is being undertaken in some jurisdictions on this matter.

[chapter 6]

- *Gambling in prisons and other institutions.* Little is known about the role of gambling as a contributing factor to imprisonment, about the gambling behaviour of those in prisons and other institutions, or about their behaviour on release.

[chapters 7 and 9]

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- *Under-age gambling.* Again, a matter about which little is known but where fears are held for its capacity to lead to significant problems in adulthood for some. (The possible ‘conditioning’ of young people and its relationship to greater or lesser problem gambling is a related matter for research.)  
[chapter 6]
  - *The emotional and psychological costs of gambling problems.* Most previous studies of the cost impacts of gambling have only counted the readily measured financial costs, such as court and police costs, and the costs of providing counselling services. They have generally not counted the distress suffered by problem gamblers, their families or the community. However, these are likely to constitute the major costs of problem gambling, in the same way that the emotional and psychological benefits (measured by consumer surplus) constitute its major benefits. The Commission has produced some ‘ball-park’ estimates but it is important that more detailed quantitative assessments be undertaken.  
[chapter 7]
  - *Interactive home gambling.* There are many views about the likely impact of such developments, but information and research will only become available as the importance of these forms of gambling increases. Major questions concern the social impacts, characteristics of players, nature of play, efficacy of regulatory and taxation arrangements and the like.  
[chapter 18]
  - *Co-morbidity aspects of problem gambling.* The role of other factors impinging on problem gamblers are understood in general terms, but little detailed analysis has been done.  
[chapter 6]
  - *Indigenous gambling.* Some studies have been done, but there is much more to be learned, both in relation to informal and formal gambling in indigenous communities.  
[appendix E]
  - *The effectiveness of harm minimisation programs.* Some proposals in chapter 16 could simply be implemented and monitored to confirm their effectiveness. But implementing others would involve significant changes to the technology of gaming machines and could impose significant costs on venues. These proposals would need to be made the subject of experimental research, for example in a particular confined area or group, prior to general implementation.  
[chapter 16]

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- *The effectiveness of counselling services.* Many different approaches are being used, with little agreement as to a core set of protocols. ‘Horses for courses’ is a common approach in treatment, but follow-up work is not widely undertaken because of cost considerations.

[chapter 17]

- *Local and regional assessments of the impacts of gambling.*

[chapter 9]

- *The characteristics of clients of problem gambling counselling agencies.* There is a need for a national minimum data set to be collected, using identical definitions across all jurisdictions and an approach that would allow repeat clients to be identified as well as clients who attend more than one counselling service. The suggested approach would be not unlike that currently in place in relation to hospital admissions.

[chapter 17]

- *The spatial distribution of counselling and treatment services.* Time series data on the spatial distribution of clients would inform analysis of the link between accessibility and problems, and help plan counselling services. Important information would include gender and the source and duration of gambling problems. This could be linked with information on promotional measures by counselling agencies to assess to what extent an increase in demand follows awareness campaigns. It may also allow some evaluation of the effectiveness of the harm minimisation strategies used if policy experiments are undertaken in some areas but not others.

[chapter 17]

- *Taxation and pricing of gaming products.* Normally, reduced taxes lead to lower prices. But in some jurisdictions, payouts to players have increased as the tax rate has increased. It is difficult to explain why higher taxes appear to be associated with lower prices. This relationship would be a fruitful area for further work.

[chapter 19]

### *Areas where methodologies require further development*

Another area for further consideration is work to help refine methodological approaches. It has become apparent during this inquiry that there are some areas which merit further work:

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- *Longitudinal studies.* In a longitudinal study, subjects are followed over time with continuous or repeated monitoring of risk factors or health outcomes, or both.<sup>1</sup> Longitudinal studies of groups of regular gamblers and problem gamblers, while expensive, may allow better analysis of the causal factors which can lead to the development of gambling problems, and help assess the effectiveness of different counselling/treatment approaches.

[chapters 6 and 17]

- *Measures of incidence and prevalence.* Many studies have attempted to measure the *prevalence* of problem gambling (that is, the proportion of the population classifiable as problem gamblers in a given time period), and there is room for further work here. But it would also be useful to have some indication of the *incidence* of problem gambling (that is, the number of new cases arising each year). One way of contributing to this would be to establish a national database on problem gambling, together with processes for keeping it up-to-date.<sup>2</sup>

[chapter 6]

- *Verification of test instruments.* The strengths and weaknesses of current test instruments such as the SOGS and the DSM-IV criteria are well known. Continued work is needed to improve these and other measures.<sup>3</sup> Survey instruments should also be reviewed. (One approach might be to undertake follow up studies on people identified as problem gamblers, as was done in phase 2 of the New Zealand study of Abbott and Volberg (1992).)

[chapter 6]

- *Estimates of elasticities.* The current evidence on demand elasticities for various forms of gambling was discussed at some length in earlier chapters. Such information is important to help make judgments about, for example, consumer benefits and appropriate taxation regimes. The Commission used a wide range of studies to reflect the uncertainty about such estimates. It would be useful to have more precise indications of the likely magnitude of the elasticities for different gambling modes. However, rather than suggesting more studies using similar methodologies (which would be subject to the deficiencies of current data), this may be an area where there is scope for ‘methodological experiments’ to find new ways to approach estimation of elasticities.

[chapter 5]

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<sup>1</sup> In the Commission’s survey, respondents were asked if they would take part in any follow-up survey. Many indicated they would.

<sup>2</sup> The Australian Medical Association (sub. 224) has published a *Position Statement on the Health Effects of Problem Gambling*, identifying problem gambling as a public health issue and alerting general practitioners to the need to detect and manage such problems.

<sup>3</sup> Indeed, the VCGA has commissioned work on this matter.

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## *Participants' views*

Inquiry participants also identified a variety of areas where they saw the need for more information. A selection is in box 23.3, while box 23.4 lists those areas which the recent United States Gambling Commission report suggested for future research efforts.

### **Box 23.3    Data and research needs: some participants' views**

Several local governments said they need better information on the provision of gambling services, their economic and social effects, and the views of the community within their local government area.

Gambling counselling, church and social welfare agencies generally sought better information on the social costs of gambling. A typical request came from the Southside Coalition of Emergency Relief Welfare Agencies, which argued for:

A National Research Centre ... to further investigate the on-going impact of gambling on the community. That all research relating to gambling be kept as a unit in order to provide a clear overview of the whole impact on the community. [It] must be kept independent and autonomous of any government [and have no] association with the gaming industry (sub. D235, p. 8).

South Australia's Heads of Christian Churches Task Force on Gambling recommended regular research on the economic and social costs of gambling, gambling by young and elderly people and the concentration of venues and gaming machines in lower income areas. It also saw a need for data collection from the criminal justice system on links between gaming and crime, and more generally for an Australia-wide database to gauge the connection between accessibility and problem gambling (sub. D278, p. 13).

The Australian Medical Association (sub. D224), which seeks a national strategy 'to recognise, reduce and prevent problem gambling' and to identify its underlying causes and health effects,<sup>a</sup> argued for research to evaluate the effectiveness of measures put in place to deal with problem gambling.

McMillen suggested the need for:

- a consistent national data framework for all aspects of gambling;
- a national database on, for example, profiles of people presenting with problems, the efficacy of client support services and treatment programs and social and economic impacts;
- consistent data categories at regional, state and national levels to allow comparison;
- comparative regional studies; and
- better information on state gambling tax systems (sub.D274, pp. 10–11).

<sup>a</sup> In its *Position Statement on the Health Effects of Problem Gambling*.

Source: submissions.



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**Box 23.4 United States National Gambling Impact Study Commission: its proposals for future research**

The Study Commission's report included a chapter containing wide-ranging proposals for future research, variously recommended to federal, state and tribal governments. Its main proposals were for further work to:

- develop a framework for research on problem and pathological gambling;
- add gambling components to the *National Household Survey on Drug Abuse*;
- consider adding a gambling component to longitudinal research surveys undertaken by federal agencies;
- analyse public awareness campaigns;
- establish reliable instruments to measure non-monetary costs including divorce, domestic violence, child abuse, suicide, bankruptcy and crime;
- undertake an analysis of adult problem gamblers below the pathological gambler threshold;
- add gambling components to studies of prison inmates, parolees and probations who manifest disorders that frequently coexist with pathological gambling; and
- undertake research into:
  - the benefits and costs of legal and illegal gambling (including internet gambling);
  - the age of initiation into gambling, influence of family and correlates with other youth high-risk behaviours;
  - effects on family members, such as divorce, spousal and/or child abuse, severe financial instability and suicide;
  - the development of gambling problems associated with electronic gaming machines and the risk factors that accompany this;
  - effects on the workplace;
  - adolescent participation in legal and illegal gambling;
  - job quality in the gambling industry; and
  - the prevalence of problem and pathological gambling among gambling industry employees.

*Source:* NGISC (1999), chapter 8.

## **23.3 Better processes are also needed**

The informational shortcomings documented throughout this report underline the need for improved processes for generating and disseminating policy-relevant information.

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Most of these processes can be implemented under existing administrative arrangements. **However, in the Commission's view, the ultimate responsibility for commissioning, collecting and disseminating information on gambling should be given to each state and territory's independent control authority (among its other functions).** As noted in the previous chapter, the Commission has indicated that this could best be undertaken through an independent board, which would have responsibility for, among other things, setting the research agenda and funding the research.

Such a responsibility would also help each authority in its decision-making and policy advising roles. But it is especially important as a way of informing community and political debate in this area. It should help overcome the fragmented, piecemeal, inconsistent and sometimes secretive approach to information and research which is commonly found in many areas.

As each jurisdiction's authority will have its own processes and face different policy questions, fragmentation of data across states may continue. In some areas, particularly where they have no experience, authorities may choose to emulate the better examples of what is done in other jurisdictions as a starting point, and this facilitate future comparability. Nevertheless, more formal coordination processes may also be needed (see below).

The importance of having an independent body charged with producing and disseminating public interest information and raising community awareness is highlighted by recent events in the media. An Australian Broadcasting Authority investigation was told by Star City Casino that it had a contract with an influential radio host under which he would promote the casino complex on his talk-back program and avoid adverse comments on gambling (ABA 1999a, pp. 625–6). The Authority was told that the radio host also had a promotional contract with the Registered Clubs Association of New South Wales (ABA 1999b, pp. 217–18).

### *Developing research strategies and programs*

Under the Commission's proposals, each independent authority would have the responsibility and the funding to provide a specialist research and information role for its own jurisdiction, so as to accumulate the kinds of baseline and trend data needed in social analysis.

The role of each authority should be to collect information, or undertake or commission research, of a kind which would inform public policy or provide other public benefits through, for example, community awareness and understanding.

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A first step for each would be to look at *what* information should be collected to aid policy formulation and public debate. An important element in this should be a transparent, consultative process for determining the research agenda, with a focus on policy-relevant issues. This could be illuminated by a ‘theme-setting’ process, under which each authority should actively determine its research agenda, rather than react to issues as they arise. And as discussed below, a national focus with respect to the research undertaken and the methodologies used, can increase the policy usefulness of this information.

The VCGA has, for some time, used a research committee to help determine the nature of the projects it commissions. And the Reverend Harry Herbert, a trustee of the New South Wales Casino Community Benefit Fund, advised that the Fund was also taking a more active role in generating research. In the past, it reacted to proposals for research, but:

... we’ve now discovered that’s not a good way to go. It would be better to ask more deliberately, to work out a research program and then go out to people and say “Look, this is what we want to know. Who wants to help us find out about it?” (transcript, p. 1434).

A major advantage of a proactive approach to establishing a research program will be to perpetuate an overarching research perspective. The prime task in each jurisdiction should be to establish a systematic research framework, to help overcome the adhocery and patchwork nature of work undertaken to date. Efforts should be made, particularly in the development and prioritisation stage, to mesh in with work done in other jurisdictions and to avoid unnecessary duplication of research effort.

This would be followed by processes to:

- review what information is already generated through administrative processes but not systematically recorded or produced in a form which is readily useable (examples include data from the criminal justice system, for which much information comes out during the course of an investigation or procedure; data from bankruptcy proceedings where gambling was an element; and statistical information from hospital records);
- encourage more systematic processes (for example, each jurisdiction could ensure that its taxation reporting clearly separates licence fees, contributions to community funds and standard taxation payments) to facilitate analysis and comparison across jurisdictions;
- mine new information from unit record data from already completed studies (including as part of meta-analysis);

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- set in place mechanisms for generating gambling-related data from other administrative procedures where it may be added at low cost. Gambling might be added to minimum data sets prepared by government-funded service agencies, provided it were not too onerous or expensive to do so. For example, admission records for jails might include information on a prisoner's gambling problems or whether he or she had committed crimes related to gambling; and
  - commission new work.

Apart from establishing a pattern of research across a range of topics and methodologies, components of the subsequent research program might include undertaking and repeating prevalence and impact surveys to provide the kinds of trend data which is needed in social analysis, and establishing programs to look at broader questions such as the relationship between gambling and, for example, mental health issues.

While these are matters for each jurisdiction to determine, a key emphasis ought to be on the development of a comprehensive and forward looking research function to build up an information base for policy development and public information on a controversial subject which has significant social impacts.

And as noted earlier, none of this need await the establishment of an independent control authority.

### *Procedures to assure quality*

There are well-established procedures concerning the way in which research or data collection is commissioned and undertaken which all jurisdictions could employ now to raise the quality of data and research. These include:

- open tendering procedures for selecting researchers, together with safeguards as to the independence of the researchers and the avoidance of perceptions of bias or conflict of interest;
- providing manuals and training for the guidance of departments and others to help provide methodological integrity and a common approach where that is appropriate (counselling and church agencies, for example, usually rely on anecdotal information which, while valuable and often well documented, needs to be supported by evidence with greater scientific rigour);
- independent peer review refereeing of research results, including, as appropriate, by international referees as well as local researchers and 'blind' peer review procedures; and

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- publication procedures which include a commitment to early release and wide dissemination of research results, and of (confidentialised) unit record data sets for other researchers to analyse, where possible also by way of the internet.

**It should be an important guiding principle that:**

- **information should be publicly available with minimal delays; and**
- **methodologies and (confidentialised) unit record data should be made available to researchers for subsequent analysis.**

Importantly, research findings need to be actively shared with other jurisdictions. While a commitment to early release and wide dissemination of results would facilitate this, there is also a case for a more formal coordination process among jurisdictions (see below).

In all cases, questions about what data should be collected, or research undertaken, need to be approached carefully, given that collection involves costs to the collecting agency and compliance costs for those from whom the data is collected. (The ABS has implemented processes to reduce the compliance costs of its collections; these could be emulated as appropriate.) The Australian Casino Association cautioned that additional demands for data and information would lead

... to an already overburdened casino industry being required to provide more information, fill in more surveys or be subject to even greater regulation than now. This is unacceptable (sub. D234, p. 1).

**The (public and compliance) costs of generating particular types of information should be taken into account and set against the benefits of better information, using a transparent process.**

### **Minimum reporting requirements should be set**

While areas for future research ought to be matters for the independent control authority to determine, the analysis in this report suggests that there are some basic matters which ought to be subject to mandatory reporting in all jurisdictions.

**Each authority would need to report annually on:**

- **changes in the availability of gambling (numbers of venues, machines, gaming tables and the like);**
- **the uptake and effectiveness of counselling services;**
- **tax collections;**
- **licence breaches, prosecutions and their outcomes; and**

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- **consultation processes and their outcomes, especially at the local level, including assessment of local and regional impacts.**

**In addition, there needs to be reporting of any surveys on the prevalence and impact of gambling.**

Priorities for research over and above this would be matters for the independent gambling authorities to determine.

### **How can better coordination be achieved?**

While consistency or coordination across jurisdictions is not always essential, there are many cases where the comparisons it facilitates can shed light on particular policy matters, and provide a national picture. Comparisons of the prevalence of problem gambling across jurisdictions with different gaming facilities is one example. There is also a need to achieve better coordination in the data that is collected from, for example, counselling agencies, to provide systematic data across jurisdictions.

The Commission's proposals for each jurisdiction to have its own independent authority commissioning research and information gathering would not overcome this. There will remain a need for administrative arrangements to facilitate cooperation, information sharing and joint research and collection activities where that is appropriate. Without such arrangements, opportunities for obtaining better information or combining research efforts of, for example, the smaller states and the territories, will be left to the vagaries of informal arrangements.

There are several ways of facilitating this, and some are already in place. State and territory gaming and racing Ministers and officials meet regularly, and there are frequent formal and informal contacts among regulators.

While such forums may readily be established to review taxation and regulatory matters, it may be more difficult to maintain ongoing coordination for what may be perceived as the less immediate needs of information and research planning, notwithstanding that these underpin good taxation and regulatory policy.

**The Commission sees considerable benefits in a formal process to facilitate the coordination of information-gathering and research efforts between jurisdictions.** There would be considerable benefits in terms of providing a central focus for data and research. It would also facilitate a more national focus, and help coordinate such work where that is appropriate.

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Possible approaches include:

- *formal consultation and meeting processes*, akin to racing and gaming Ministers' meetings (but having a wider purview), with commitments to meet several times annually and review progress;
- *a national clearing-house*, akin to a (real or virtual) library, where information and research is stored for use by all jurisdictions, but where the decisions and skilled personnel remain wholly with the state and territory authorities; and
- a more active *national research facility*, which might begin as an information clearing-house, but with the capacity to undertake or commission independent research. Its work should complement, rather than duplicate, that of the individual states and territories. In time, such a facility could become a specialist body, able to provide advice to jurisdictions on methodological and research matters, and information to the community on gambling.

At a minimum, any of these approaches could lead to a better sharing of information about statistical collections, research-in-progress and methodological matters, depending on the extent of commitment they received from each jurisdiction. They could also facilitate more joint (or, at least, coordinated) research than currently exists.

So, for example, a clearing house would best be established under rules such that effectively allows it to operate as a central library, where material is contributed by all jurisdictions and made available to all other jurisdictions, to researchers and to the public. Given that its role is to be a central storehouse of information, processes which facilitated information dissemination (including by online means) would be preferred.

However, the Commission sees merit in establishing a national facility, constituted in a manner that encouraged cooperation, interchange of research ideas, discussion of methodological questions and early release of information.

Consistent with the Commission's proposals for independent authorities in each state and territory, the role of the national facility should be to collect information, or undertake or commission research, of a kind which would inform public policy or provide other public benefits through, for example, community awareness and understanding. Research and information about gambling which does not fall within this definition is more properly the role of others, such as university researchers, counselling agencies and the industry itself.

Indeed, the Commission notes the recent announcement by several major gambling providers that they intend to establish their own national research institute to promote an understanding of the industry. This would be likely to become a high

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profile source of information about gambling in Australia. But as McMillen observed in another context:

Although the gambling industries undoubtedly commission their own research to assist commercial decisions, industry rarely has funded public research. The most notable exceptions have been the [Registered Clubs Association of NSW's] support for a trial program on responsible gambling in NSW clubs ... and the support from Jupiters Casino and Reef Casino for [the AIGR's] three-year study of casino impacts in Brisbane and Cairns (sub. D216, p. 19).

**In the Commission's view, a properly constituted national research facility would be an effective way to facilitate national cooperation and coordination in data collection and research:**

- Its success would be helped by having all jurisdictions involved in the process.
- While it could be established by the Commonwealth, there is logic in establishing a co-funded facility.
- It should be supervised by a board, which included representatives from all states and territories.
- Its activities should be limited to information and research only — it should have no policy role.
- It should operate to quality assurance principles for its own research and for the work it commissions:
  - but this requirement should not act to hinder the accumulation of incomplete data from state regulatory agencies — those which generate relevant data in the course of their responsibilities should be encouraged to supply that to the facility for use by researchers.
- It should operate under rules which specify that data ought to be released in a timely manner.
- Processes should be implemented such that lessons learned in one jurisdiction could readily be picked up by others.

One task for a national facility might be to replicate the Commission's *National Gambling Survey* on a regular (say, three-yearly) basis to build up an information base which would facilitate trend analysis.



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### Box 23.5    **National research coordination: participants' views**

The Queensland Government said:

... there should be a national research facility to provide a central focus for data collection and research, including greater consistency of information. This should establish an accessible one-stop shop of consistent and accessible information relating to gambling for the use of regulators, the industries and the public in general. Such a facility would also be beneficial in establishing trends and possible links between gambling venue accessibility and problem gambling on a national basis (sub. D275, p. 12).

The Reverend Harry Herbert of the Uniting Church Board for Social Responsibility argued that there is:

... clear evidence of the need for ongoing research on the industry and the benefits of a large amount of this being undertaken nationally ... Although there would continue to be some research which would be relevant to particular jurisdictions, a national unit would be very helpful to analyse broad national issues as well as to ensure the flow of information from one jurisdiction to another (sub. D188, p. 1).

And the Australian Hotels Association argued that:

A national research facility would ensure that policy and legislative responses are formulated on hard evidence rather than 'gut feeling' ... Gambling research, being the highly emotional topic that it is, should be based on sound research and comprehensive data (sub. D231, p. 103).

The South Australian Government advised that a working party established by Gaming Ministers had not been successful in its attempts to coordinate research, with each state and territory commissioning its own research projects. But the working party did establish a database of all known gambling research and studies:

South Australia is currently looking at whether this information can be provided on the Internet and for each State and Territory to then assume responsibility for updating it in relation to research conducted in that jurisdiction (sub. D284, attachment, p. 9).

McMillen strongly argued for:

... collaborative research that involves active participation of the key stakeholders — government (national, state and local authorities), industry and community representatives (sub. D216, p. 20).

*Source:* submissions

## 23.4    **What role for the ABS?**

The terms of reference for this inquiry asked the Commission to report on:

... the adequacy of ABS statistics concerning gambling (para 3(h)).

The ABS produces information on gambling in two main forms — through surveys of gambling providers and a survey of spending by households. ABS statistics were used extensively by the Commission in preparing this report.

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## Industry statistics

A key element of the ABS's Service Industry Surveys strategy is a program of studies of selected service industries:

Within that program, a detailed study was undertaken in 1994-95 of businesses involved in the ... gambling industries (sub. 141, p. 4).

The surveys cover businesses classified to the following Australian and New Zealand Standard Industrial Classification classes:

5720 — Pubs, taverns and bars

5740 — Clubs (hospitality)

9321 — Lotteries

9322 — Casinos

9329 — Gambling services not elsewhere classified.

The surveys provide information on the number of businesses, net takings and commissions, employment and its characteristics, and labour and other industry costs.<sup>4</sup> The results have been drawn on by the Commission.

Subsequent to the 1994-95 study, annual surveys have been undertaken of the casino industry. In 1997-98, further surveys of the gambling industries and clubs, pubs taverns and bars were undertaken, and the results published in 1999.

## Household statistics

The Household Expenditure Survey (HES) is conducted every five years and is designed to provide information on the spending patterns of Australian households. The HES asks householders, among other things, to record their net spending on gambling. The results are reported in *Household Expenditure Survey, Australia: Detailed Expenditure Items* (cat. no. 6535.0). The latest issue is for 1993-94.

However, as noted in earlier chapters, there are significant differences between the estimates of gambling expenditure derived from the HES, and estimates arrived at by examining the income of businesses providing gambling services as measured by industry surveys (and published by the Tasmanian Gaming Commission). The ABS advised that there are a number of potential sources of difference between the two. These include:

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<sup>4</sup> The results are published in *Casinos, Australia* (cat. no. 8683.0), *Gambling Industries, Australia* (cat. no. 8684.0) and *Clubs, Pubs, Taverns and Bars, Australia* (cat. no. 8687.0).

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- reporting errors (such as householders having difficulty in recalling or isolating gambling expenditure from other forms of spending such as food, drink and entertainment; or finding it easier to recall winnings rather than losses); and
  - conceptual differences (for example, the HES excludes gambling expenditures by overseas visitors) (sub. 141, p. 3).

Nevertheless, the ABS acknowledged that the ‘supply estimates’ as recorded by the Tasmanian Gaming Commission demonstrate that there is extensive under reporting in the HES, indicating that:

... respondents are deliberately failing to report the full extent of their gambling activities. This may be due to a concern that they have that other members of the household and ABS staff will see the diary of expenditures and may judge their gambling activities as excessive and/or anti social (sub. 141, p. 3).

To illustrate the problem, the ABS noted that HES figures for 1993-94 showed net *winnings* for the household sector in several states from TAB and on-course betting.

## **Other sources**

The Population Survey Monitor (PSM) is an ABS quarterly social survey in the ‘omnibus’ style, which means that ‘slots’ on the questionnaire can be taken up by both external (fee paying) and internal ABS users.

In the thirteen quarters between May 1994 and May 1997, the ABS asked respondents two questions in respect of their gambling. And in the four quarters between February 1996 and November 1996, the ABS also asked a question about whether respondents would consider using their television or computer for gambling at home. The results were reported in subsequent publications.

The ABS advised that:

The PSM collection on the incidence of gambling is user funded. Its continuation will be dependent on the continued availability of such funding (sub. 141, p. 6).

## **Future developments in ABS gambling statistics**

Few participants to this inquiry made any comment on ABS statistics. However, the Queensland Government said:

... the [ABS] gambling statistics in previous years were usually on a national basis and therefore of limited use to Queensland in terms of informing state gambling policy decision making (sub. D275, p. 12).

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The ABS is attempting to improve its services sector data collections. It has changed the wording of the gambling items for the 1998-99 HES, to try to improve reporting of gambling expenditure. But it cautioned that:

... these changes are unlikely to substantially improve the reporting of gambling expenditure, and there is no reason to believe that this survey will be any different to earlier HES collections in terms of reporting ... of gambling losses (sub. 141, p. 5).

It added that:

... within the broader scheme of a HES design, it is ... highly unlikely that such reporting problems can be fully addressed in a systematic fashion. The problems with accurate reporting of gambling expenses in HES are an international problem, not just restricted to Australia (sub. 141, p. 5).

In respect of 'supply side' statistics, the ABS considers that its collections, together with the data produced by the Tasmanian Gaming Commission:

... provide a comprehensive picture of the economic impact and significance of the gambling industries (sub. 141, p. 6).

It added that:

The inclusion of gambling industries in the future program [of service industries studies] will be dependent on user requirements and the relative cost of undertaking the collection. It is expected that similar supply side data will continue to be available on a periodic basis (sub. 141, p. 6).

While the faults in the HES are well-recognised by the ABS, which is pessimistic about the scope to overcome them within the context of the HES itself, the value of such statistics suggests that further efforts to obtain similar information by other means would be worthwhile. This might, for example, involve testing whether different ways of asking questions might yield better results — for example, whether expenditure may be better estimated by asking about the gross amounts wagered (rather than the net amounts spent) and applying an estimation factor derived from aggregate industry data. But even if successful, this implies long delays in obtaining this information from the ABS.

In any case, future developments in ABS statistics, or continuation of existing collections, will in part be determined by demands on ABS resources from many quarters. The Commission's proposals for independent authorities in each jurisdiction with information and research responsibilities, and for better coordination across jurisdictions, may also have implications for the ABS down the track.

One area where information about gambling may be gathered by the ABS as the opportunity arises would be by way of the its occasional social surveys. The ABS

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has in the past conducted surveys which may well have been conducive to the adding of gambling questions. While surveys are expensive to undertake, once one is planned, adding questions on gambling may not be unduly expensive. In this way, there may be scope for future specialist surveys on social issues to generate further information on gambling behaviour. This might, for example, be particularly useful to shed light on the activities of some marginal groups such as the homeless, prison populations and the like.

The statistics produced by the ABS and the Tasmanian Gaming Commission together provide a valuable database on gambling in Australia. There may be benefits from the ABS undertaking further pre- and pilot-testing to assess different ways of obtaining better information on spending in gambling by way of the HES. And, if a national research facility were to be established, there may also be opportunities for the ABS to extend its activities in the area of gambling statistics by tendering for any surveys that it commissioned. But for the present, the statistics it produces shed considerable light on this activity, notwithstanding the deficiencies in expenditure data.