

InterChurch Gambling Taskforce

Submission to Inquiry into Gambling Reform Pre-Commitment Scheme

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Lyn Beverley
Committee Secretary
Joint Select Committee on Gambling Reform
SG.60 Parliament House
Canberra, ACT, 2600
gamblingreform@aph.gov.au

The Victorian InterChurch Gambling Taskforce (ICGT) welcomes this opportunity to make a supplementary submission to the Joint Select Committee on Gambling Reform inquiry into a pre-commitment scheme. This supplementary submission focuses on the misrepresentation of the research from Norway made in the submissions by ALH Group and Clubs Australia. The significant misrepresentation of this research should call into question the submissions made by these bodies in general, in terms of their ability to accurately assess the available research and draw reasonable conclusions from it.

The ALH Group submission on page 3 stated:

A study by Scandinavian research group SINTEF found there was no change in the proportion of people with gambling problems in Norway in 2008, compared with 2007, even though all slot machines were removed from the market. The problem simply shifted. A large proportion of problem gamblers "reported that internet gambling was their most important form of gambling," the researchers found. In 2008 new gaming terminals were introduced into Norway. These terminals require mandatory pre-commitment along with many other play restrictions. In the first qtr of 2009 the percentage of callers through to the National helpline whose gambling problem related to gaming was 54%.

The Clubs Australia submission on page 29 stated:

In November 2008, 16 months after the complete removal of old poker machines and before the introduction of new models with mandatory pre-commitment, SINTEF, Scandinavia's largest independent research organisation found:

no change in the proportion of people with gambling problems in 2008 compared to 2007, despite the fact that all slot machines were removed from the market. Most problematic gamblers in the current study were young men who had played the slot machine the year prior to the ban, and a large proportion reported that Internet gambling was their most important form of gambling. [emphasis added]

Mandatory pre-commitment in Norway has had no impact on problem gambling, as gamblers simply switched to online services.

The Taskforce made contact with SINTEF asking if the ALH Group and Clubs Australia had accurately represented their research. The reply from Anita Oren, Research Manager at SINTEF, Department of Health Research, by e-mail on 8 February was as follows:

Dear Mr. Zirnsak,

Thank you for your e-mail, and for making me aware of this situation.

It is right that in our study in 2008 we didn't see any significant change in number of problematic gamblers, compared to the year before, in spite of the slot machine ban (from 1st of July 2007) in Norway. However, precautions must be made when interpreting the results since the prevalence rate was low (less than 1 %). And we cannot say anything about causality. The prevalence of problematic gamblers was 0,7% before the slot machine ban (study from 2007). About one year after the slot machine ban, the prevalence was 0,8% (study from 2008) - no significant change. Again, the prevalence rate is relatively low and the standard deviation is high. So even if we didn't see any significant change in prevalence of problematic gamblers, it doesn't necessarily mean that there were no change in number of people who had a gambling problem. We could simply not detect any eventual change.

Moreover, both the study before the slot machine ban and the study after the ban are cross sectional studies without any possibility of linkage between these studies. This means that all results are measured on a group level and it is not possible to tell anything about eventual changes in gambling behavior for the individual.

However, in 2009 we did perform a follow-up study of the studies from 2007 and 2008. I think this study will give you a more accurate knowledge on how the slot machine ban affected Norwegian gamblers. Please take a look at our homepage http://www.sintef.no/upload/Teknologi_samfunn/SINTEF_Rapport_Spill_2009.pdf English summary on page 3.

Briefly, a questionnaire was sent to 3 800 persons who participated in the studies from 2007 or 2008 (meaning all persons who accepted to be invited for an eventual follow-up study). 67% responded. The respondents were all asked if they previously had played on slot machines and which effect the ban had on their own gambling. Of the persons who had previously played one or more times per week on slot machines (frequent players), over half of them claimed that because of the slot machine ban they reduced or even stopped gambling completely. Furthermore, more than half of the previously frequent players reported that they were satisfied now as the slot machines were removed from the market.

Additionally, we performed a qualitative telephone interview where we encouraged former/present gamblers (via advertisement in national newspapers) to call us scientists, anonymously, for an in-depth interview concerning gambling problems and habits. 29 persons phoned us. There is no link (as far as we know) between these persons and the respondents answering the questionnaire. 17 persons stated that they played frequently on slot machines when the slot machine ban was effectuated. Half of these persons told us that they stopped gambling as a result of the slot machine ban. The other half shifted towards other games. Our conclusion in this report was that the slot machine ban had a positive effect on about half of the frequent players.

I hope this was clarifying, but don't hesitate to contact me if you have further questions.

*Yours sincerely
Anita Øren*

In the view of the Taskforce the reply indicates that:

- The SINTEF studies cannot be used to claim there was no change in the level of problem gambling in Norway after the removal of slot machines in mid-2007 and their replacement with slot machines with pre-commitment in 2008, due to the level of uncertainty in the prevalence measure.
- The SINTEF studies cannot be used to make claims about the changes in the gambling behaviour of people with gambling problems between 2007 and 2008, as the same group of people with gambling problems was not tracked between the two studies.
- Clubs Australia and the ALH Group did not report on the 2009 SINTEF study that contradicted the claims they were seeking to make about Norway.

In a further e-mail on 10 February, Anita Oren stated *“We haven’t done any evaluation of the new pre-commitment systems on the new machines (Multix) from ”Norsk Tipping”. As far as I know, nobody else here in Norway have performed any such evaluation.”* Therefore it is a mystery how Clubs Australia can claim that mandatory pre-commitment in Norway has had no impact on problem gambling. Such a view is certainly not supported by SINTEF.

However, there is evidence to suggest that the removal of slot machines in mid-2007 and their replacement with machines with pre-commitment in 2008 has had an impact on the prevalence of problem gambling. The number of calls to the gambling help-line in Norway dramatically decreased after the removal of the slot machines and has not rebounded following the introduction of slot machines with pre-commitment in 2008, as shown in Table 1 below.

Table 1. Calls to the Norwegian gambling help-line.¹

| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|------|------|
| Calls to gambling help-line from people with gambling problems | 2237 | 2276 | 2133 | 1792 | 1117 | 814 | 817 |

In making unreferenced claims about calls to the National gambling help-line the ALH Group failed to inform the Select Committee that the number of calls to the help-line from people with gambling problems in 2009 was less than half of the number of calls in 2006 and less than 40% of the number of calls made annually between 2003 and 2005.

Calls to gambling help-lines cannot be used to make any definitive conclusions about the prevalence of problem gambling in the community, as it is only a small fraction of people with gambling problems who call such help-lines. However, such a substantial drop in calls would be more likely to indicate a drop in problem gambling prevalence and severity, rather than the claims of Clubs Australia and the ALH Group of no change.

Further, the data on what forms of gambling callers to the national helpline identified as the cause of their problems show a massive drop in the number of people identifying slot machines as a cause of their gambling problems (a drop of over 95%) with no significant increases in those having problems with Internet related gambling (Table 2). The ALH Group appears to have confused the massive drop in people having gambling problems with slot machines as a shift towards problematic gambling related to Internet gambling. In reality, the proportion of callers identifying Internet forms of gambling as their problem has increased because of the drop in callers having gambling problems with slot machines.

¹ Lotteritilsynet, ‘Hjelpelinjen for spilleavhengige. Samtalestatistikk 2009’ March 2010, p. 4

Table 2. Comparison of the number of callers having gambling problems with different forms of gambling between 2007 and 2009.²

| Form of gambling identified by caller as the primary form of gambling responsible for their problems | Number of Callers | |
|--|-------------------|------|
| | 2007 | 2009 |
| Slot Machines without pre-commitment | 337 | 6 |
| Slot Machines with pre-commitment (Multix) | N/A | 9 |
| Poker (including online) | 259 | 201 |
| Casino games (including online) | 59 | 106 |
| Horse racing (including online) | 67 | 94 |
| Tipping | 80 | 75 |

In total 353 helpline callers identified Internet gambling as the main or only form of problem gambling in 2009³ compared to 357 in 2007⁴, suggestive again of no change in the number of people having gambling problems related to the Internet at the same time as there was a massive drop in the number of people having gambling problems with slot machines.

The strong evidence from the national helpline statistics is that the removal of slot machines in mid-2007 and their replacement with machines with mandatory pre-commitment greatly reduced problem gambling related to slot machines without any evidence that those with gambling problems moved to other forms of gambling. This view is also supported in research conducted by Lund⁵, which was mentioned in submissions to the Productivity Commission and which seems to have escaped the attention of the ALH Group and Clubs Australia in the construction of their arguments.

Lund collected data in two waves during 2007, with 1293 adults participating. In their words:⁶

The analysis shows that gambling participation, gambling frequencies and gambling problems were reduced after EGMs disappeared from the market. There was no indication of the development of an illegal EGM market, or of substitution of EGMs with other types of gambling. A reduction in other types of gambling is interpreted as an indication of synergetic effects between games.

They found that after EGMs in Norway were removed at 1 July 2007 Internet EGM participation was significantly reduced despite the fact this was the only legal form of EGM gambling available in Norway.⁷ There was an insignificant increase in sports betting for high intensity EGM gamblers and a significant increase in horse betting among high intensity EGM gamblers (from 3.8% to 7.3%).⁸

Lund concluded that “*the post-EGM prevalence of gambling problems was significantly lower than the problem prevalence under the EGM regime, a result that in itself suggests that the EGM’s reputation as a high risk game is well deserved.*”⁹ Lund took the view that increased participation rates found for Internet gambling in general, and Internet lotteries and horse gambling in particular, were a shift from traditional gambling channels, and part of a general tendency in contemporary gambling, rather than as a substitution effect.

² Lotteritilsynet, ‘Hjelpelinjen for spilleavhengige. Samtalestatistikk 2009’ March 2010, p. 12 and Lotteri-og stiftelsestilsynet, ‘Hjelpelinjen for spilleavhengige. Samtalestatistikk 2007’, April 2008, p. 13.

³ Lotteritilsynet, ‘Hjelpelinjen for spilleavhengige. Samtalestatistikk 2009’ March 2010, p. 16.

⁴ Lotteri-og stiftelsestilsynet, ‘Hjelpelinjen for spilleavhengige. Samtalestatistikk 2007’, April 2008, p. 20.

⁵ Ingeborg Lund, *Gambling Behaviour and the Prevalence of Gambling Problems in Adult EGM Gamblers when EGMs are Banned. A Natural Experiment*, J. Gambl Stud (2009) 25:215-225.

⁶ Ibid. p. 215.

⁷ Ibid. p. 221.

⁸ Ibid. p. 222.

⁹ Ibid. p. 223.

Lund argued that the findings from the study are contrary to the idea that some extreme groups of people with gambling problems are so hooked they no longer react to changes in gambling availability.¹⁰

Dr Mark Zirnsak
Chair
Victorian InterChurch Gambling Taskforce
c/- 130 Little Collins Street
Melbourne, Victoria, 3000

¹⁰ Ingeborg Lund, *Gambling Behaviour and the Prevalence of Gambling Problems in Adult EGM Gamblers when EGMs are Banned. A Natural Experiment*, *J. Gambli Stud* (2009) **25**:223.