



Internet gambling

Discussion Paper on Internet and Other Forms of Remote Gambling

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Introduction

Participation rates for Internet gambling in most jurisdictions are currently lower than for EGM gambling, traditional (terrestrial) wagering and lotteries. However Internet gambling prevalence rates have grown with an alarming speed over the past five years, in jurisdictions around the world. The gambling and public health Alliance international (the Alliance) is concerned that this mode of gambling will almost certainly become highly problematic. This discussion paper examines studies on Internet gambling and this strategy is to minimise gambling harm or those using the Internet, and related remote devices (including mobile phones) for gambling.

It has been suggested that Internet gambling has been 'the biggest cultural shift in gambling in the past decade'¹ and that 'the introduction of Internet gambling may lead to increased levels of problematic gambling behavior.'² Problem gambling has been referred to as the "hidden addiction" and the Internet and other forms of remote gambling will significantly increase the capacity for this to be hidden, often without even leaving home.

Definitions

Online/Internet gambling refers to any gambling done using the Internet. This could include online poker, online casinos, sports betting, online bingo or lotteries.

Remote gambling is any form of gambling in which the person is not physically present, which may be accessed by the Internet, mobile phone or wireless headset or interactive television.

Interactive gambling refers to the collective group of communication mediums – Internet, phone and digital television.³

*Internet gambling typically involves using an Internet connected computer to place a wager on the outcome of a sporting event or game, wager and gamble a game that has a random number generator associated at its source, or gamble card or casino type games in real time with other gamblers that are linked by Internet connections.*⁴

Internet gambling is undertaken through online sites where many of the traditional forms of gambling available in land-based venues have now been reproduced in electronic format.

Box 12.1 The different types of online gambling

The main forms of online gambling are online wagering and online gaming. Online wagering is comprised of betting on racing (thoroughbred, harness and dog), sports betting (such as the outcome of cricket match), and betting on the outcome of events (such as elections or reality TV shows). Online gaming comprises of casino games (Blackjack, Baccarat, Roulette), all forms of poker and virtual gaming machines. Lotteries and Keno can also be provided in an online environment.

While these games can have very different features in terms of the speed of play and the amounts typically wagered when played in physical venues, the distinction between them is reduced when played online. The tendency is for online gambling to involve small but high frequency wagers, similar to venue-based EGMs. For example, whereas traditional lotteries occur infrequently (once per day) and involved small wagers, online lotteries can potentially run at any frequency (given a large enough customer base). Similarly, venue-based wagering on sporting events traditionally involve betting on the outcome (which team will win and what the margin will be), the internet allows for frequent micro-bets to be placed during the course of an event. For example, in a cricket match, whether the next delivery will be a 'no ball'.

This implies that the variation in the risk profile (in terms of the harms arising from problem gambling) associated with different types of gambling are more compressed when played online, compared to physical venues.



Australian Productivity Commission.(2009) Gambling Draft Report. Chapter: Online gambling 12.3.

A public health approach to gambling:

'Examines the broad impact of gambling rather than focussing solely on problem and pathological gambling behaviour in individuals. It takes into consideration the wider health, social and economic costs and benefits; it gives priority to the needs of vulnerable and disadvantaged people; and it emphasises

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prevention and harm reduction.'⁵

Problem statement

Many of the traditional land-based forms of gambling have been electronically formatted and are now available 24 hours a day on the Internet. Gamblers can gamble at casino games, slot machines, gamble at poker, bet on sports and horses, and buy lottery tickets with more ease than ever before. The rapid expansion of Internet gambling has outpaced many of the laws that were created to regulate gambling activities. Online gambling is the fastest growing segment of Internet commerce, and it is forecast to grow about 42% to US\$30 billion in 2012.⁶

What do we currently know about what makes Internet gambling appealing and potentially problematic? A study in 2007 reported that "Internet gamblers, relative to others, are much more likely to be problem or pathological gamblers."⁷ It stated that because of the ease of access, anonymity and instant gratification, the Internet will create a substantial increase in the number of people with gambling problems. They suggest that gamblers believe that the Internet provides better pay out rates, and that gambling on the Internet may lead to a higher than normal frequency of gambling.

The convenience of online or remote gambling means that people can gamble anywhere, any time, non-stop with anonymity in an immersive medium. The host responsibility connected with gambling in a casino, club, pub or other venue will not be available to someone gambling online or remotely. While pubs, clubs or casinos may intervene with a patron who has been drinking excessively and gambling, gambling for an extended period of time or experiencing distress, this will not be available to those gambling and drinking in the privacy of their own home.

A recent whitepaper written for the gambling industry states:

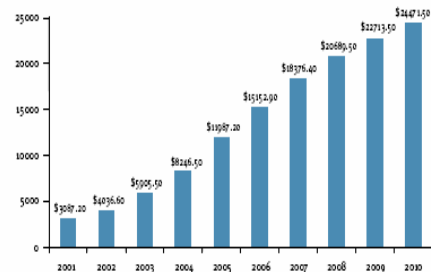
*'It is clear that Internet gambling is a long way from reaching its full potential as a major revenue generating industry. Research has consistently shown that gambling is a supply driven industry with regular gambling activity rising with availability and social acceptability. The Internet offers anonymity, accessibility and interactivity making it an immensely attractive package both to regular gamblers and first timers. Furthermore the Internet allows 24 hour global access allowing target users to place a bet at any time, without limitation. For example, the opportunity exists for punters to gamble in the workplace during breaks. Some authors have even suggested that Internet gambling provides 'a natural fit for compulsive gamblers.'*⁸

An emerging high risk mode

Online, or remote, gambling has been around since about the mid-1990s. A 2010 report from the U.K. Department for Culture, Media and Sport estimated that there are currently 2,000-2,500 remote gambling websites.⁹ The gambling industry happily report on a 2006 study by Merrill Lynch which reported that the Internet gambling industry will bring in \$528 billion annually worldwide by 2015.¹⁰

Because of the dramatic growth of technology which is allowing gambling to morph in novel ways, "remote gambling" rather than online gambling may be a better term to use since this encompasses not just the Internet, but includes interactive

Figure 1.3: Net internet gambling revenues, estimated and projected, 2001-2010, US\$M



Source: Christiansen Capital Advisors (CCA) 2008, CCA's Global Internet Gambling Revenue Estimates and Projections, accessed from <http://www.cca-i.com>

Allen Consulting Group. *Review of current and future trends in interactive gambling activity and regulation.*

television and mobile phones as well. Griffiths states that mobile gambling revenues alone in 2009 were expected to be about \$19.3 billion worldwide.¹¹ Europe is currently the largest market for mobile gambling, while Asia is predicted to be the next growth market.¹² According to Juniper Research, global mobile gambling will reach \$19.3 billion by 2009 with mobile lotteries being a significant part of this.¹³

Remote gambling in its various forms is still, however, a relatively new phenomenon. According to the 2010 Australian Productivity Commission Report¹⁴ modes include: online wagering on racing, sports and other events; online gambling on blackjack, poker, roulette and baccarat and virtual electronic gambling machines (EGMs); lotteries and keno.

Prevalence

In 2007 the number of Internet gamblers was between 14-23 million people.¹⁵ The prevalence of problem gambling is 3-4 times higher amongst Internet gamblers than non-Internet gamblers.¹⁶ Demographics of Internet gamblers indicate that they are more likely to be young, male, well-educated and employed.¹⁷

Internationally the prevalence of problem gambling is higher in European countries (such as Norway, Sweden and the Netherlands) and the Caribbean. North America, Asia, Australia and New Zealand have lower rates.

Although Internet and other forms of remote gambling are in the nascent stage, studies have developed a profile of the Internet gambler. Internet gamblers tend to be less educated than other Internet users as a whole, with women outnumbering men, generally ranging between 25 to 54 years of age; 11% of Internet users earn less than US\$25,000 and represent 13% of all visitors to gambling sites; statistics show that the fastest growing area of Internet addiction is with teenagers (they take more risks and use their computers more); the median age for Internet gamblers in the U.S. is 31.7 years of age; these

gamblers are very technologically savvy and will be open to gambling opportunities on alternative platforms.¹⁸

Gainsbury suggests that many national surveys are outdated and in fact numbers range between 0% and 11% depending on the country.¹⁹ She states that the annual growth of Internet gambling is as high as 10-20%.²⁰

**Estimated international Internet
gambling prevalence— country comparisons ***

NZ	2%
Australia	4.3%
UK	3% (UK Gambling Commission) & 11%
US	4% ¹⁹
Sweden	7% ²¹
Norway	7% ²¹
Netherlands	3.5%
Canada	2.1% - 3.5% ¹⁷
Hong Kong	5.3% ¹⁷
Macau	4.3% ¹⁷
Singapore	4.1% ¹⁷
Finland	14% ²²
Iceland	1.6% ²²

* Different measurement methodology is used in some countries so comparisons should be treated with caution.

Youth

It has been estimated that 80-90% of adolescents gamble in a given year, and that 10 to 15% of those who gamble are at risk of developing a problem with gambling. "Because of their affinity with the most up-to-date technologies, it could be assumed that a strong inclination for young people to be attracted to interactive gambling would exist".²³ A presentation by the Swedish National Health Institute of Public Health stated that 21% of young males aged between 18-24 years gambled on the Internet.²⁴

Online gambling sites allow young gamblers to develop gambling patterns and behaviours while using free gambling which become well entrenched by the time they move onto the cash gambling environment. Free gambling online has predetermined odds that are often better than for paid games, creating false expectations that the rates will be the same.

Monaghan²⁵ suggests that as youth are increasingly using the Internet for sourcing information for health and mental health issues that Internet therapy and guided interventions could be used for problem gambling and the reduction of high-risk behaviours. Youth could be encouraged to participate in online programmes, such as YouthBet.net in Canada, as online programmes have demonstrated success in smoking and alcohol reduction.

YouthBet.net aims to: promote informed and balanced attitudes, behaviours and policies towards youth gambling; prevent youth gambling-related health problems; and protect at-risk youth from gambling-related harm.²⁶

Online Gambling Legislation

Hornle suggests that "the social policy objectives of gambling regulation are the prevention of gambling addiction by providing for protection of vulnerable adults, preventing gambling by minors, consumer protection, fighting crime associated with gambling and preventing money laundering."²⁷ It is because of such serious concerns that gambling has been regulated restrictively within the EU member states.

Wood and Williams provide a long list of arguments which have been put forward for both prohibition and regulation of Internet gambling and suggest that there are many more compelling reasons for prohibition.²⁸

The European Union and Online Gambling²⁹

Online gambling in Europe has existed since 1996, where the first game was made available in Finland. Since then the market for online gambling has grown considerably. In 2004, it was estimated that the commercial online gambling market accounted for roughly five percent of the total gambling market in the EU, worth €2 to 3 billion in annual gross gaming revenues (operator winnings less payments of prizes). Figures provided expect the European online gambling market to grow at a minimum rate of 8.4 percent per annum (in Austria and Hungary) to a maximum of 17.6 percent (in Italy).

In the European Union, gambling activities have traditionally been regulated in various ways according to the national levels of protecting consumers from addiction, fraud, money-laundering and fixed games. After gambling activities were excluded from the EU's Services Directive, there have been a growing number of complaints from sports betting service providers regarding access to national markets. In March 2009, the European Parliament rejected the idea of creating an EU single market for online gambling, backing member states' right to decide on market liberalisation and regulation. The European Parliament also adopted a non-binding resolution, a Code of Conduct, on the integrity of online gambling.

The regulatory frameworks for the (conventional and online) gambling market in the EU are very heterogeneous. In 20 EU Member States online gambling is allowed, whereas seven Member States have prohibited online gambling. Thirteen Member States have a liberalised market, while six have state-owned monopolies and one Member State (Sweden) has licensed a private monopoly. The Member States who have banned online gambling altogether, or allow it only under monopoly conditions, argue that these limitations are justified on grounds of social and public order. Member States in the EU, like Australia, are therefore forced to adapt and develop regulation in order to keep pace with consumer preferences and suppliers' services. At the moment several states in the EU are in a process of legislative changes of the gambling market.

In September 2009 the European Court of Justice ruled that countries could ban online gambling in order to fight crime. In June 2010 they expanded this to include consumer protection, the prevention of fraud or incitement to squander money on gambling.³⁰

U.S.A.

The U.S. has legislation at both the state and federal level concerning legalised gambling. Utah and Hawaii do not permit any form of gambling at all. Several states that do allow gambling, however, have passed laws that specifically prohibit unauthorised forms of online gambling.

One piece of legislation that regulates online gambling is the Wire Act (1961), which prohibits individuals from placing bets over the telephone. Because this was enacted decades before the Internet came into being the language of the Act applies to communication systems which use "wires". The Department of Justice believes that this Act prohibits all forms of online gambling in the U.S. and has used it to convict operators of violating it, such as Jay Cohen, President of the World Sports Exchange which was based in Antigua, in 2000.

More recently the Unlawful Internet Gambling Enforcement Act (UIGEA) was enacted in 2010. This Act focuses on the payment systems that support online gambling, making it illegal for financial institutions to facilitate payments between customers in the U.S. and offshore gambling operations. Like the Wire Act, this is aimed at the operator rather than the individuals placing bets. Some sources say that the language of the Wire Act is broad enough to cover Internet gambling, while others say that it is limited to fixed odds types of betting such as sporting and other events but inadequate in regard to things such as remote casino and poker games. Another issue with this Act is how it may or may not apply to transactions conducted on a wireless device.³¹

U.K.

The Gambling Act 2005, which came into effect on 1 September 2007, now covers all forms of gambling in the U.K. except lotteries and spread betting. The National Lottery Commission regulates lotteries and the Financial Services Authority regulates spread betting. The regulator of this Act is the Gambling Commission. The Commission will issue operating and personal licenses; make sure that codes of practice are adhered to; investigate and prosecute illegal gambling providers; provide guidance to licensing authorities regarding operating under the Act; and will give guidance to the Government about the incidence of gambling in the U.K.³²

The Gambling Act of 2005 basically legalised and regulated online gambling in the U.K. The new national Gambling Act took effect in September 2007. From this time all forms of Internet gambling may potentially operate from UK soil upon regulation and licensing.³³

Australia

The Australian Interactive Gambling Act 2001, like the UIGEA, focuses on providers of Internet gambling services rather than the people placing the bets. This Act makes it an offence to provide interactive gambling services to someone not physically present in Australia.

While Australian States have traditionally formulated state

specific gambling policies, legislation and codes, BetFair in Australia (a consortium comprising Betfair UK and PBL - a Packer company) challenged the Western Australian government's capacity to limit Betfair operations in that State, in the Australian High Court, and won the case on the basis of state specific gambling legislation being anticompetitive. So, currently State jurisdictions are very timid in applying their regulations and gambling codes to online gambling providers.

Australian states have the ability to formulate state-specific gambling policies and legislation. Federal legislation permits online sport and race books, poker rooms, and skill game sites to be legally operated in Australia and to be gambled by Australian residents. Online lotteries are permitted except for keno-style games, scratch tickets, and instant lotteries. Australia does not permit Australian residents to gamble at its government licensed online casino.

The 2010 Productivity Commission endorsed the idea of allowing operators to offer online poker and casino gambling to Australian residents under a strict consumer protection regime.³⁴

New Zealand

In New Zealand the government has granted exclusive operating rights for online race and sports books to the Racing Board, formerly known as the Totalisator Agency Board (TAB). Online lotteries are run by the Lotteries Commission. It is currently illegal to operate, manage, or promote any other source of online gambling in New Zealand. New Zealanders are not prohibited from wagering with offshore providers.

Canada

The legal framework for gambling in Canada falls under federal Criminal Code of Canada. A 1985 amendment gave Canadian provinces and territories exclusive control of gambling and of legalized computer, video and slot devices. Provincial governments now own and operate a wide variety of these gambling products.

It is illegal to offer off shore Internet gambling operations in Canada. There is some ambiguity as to whether playing at these off shore sites is illegal for Canadians. Since 2009, the Canadian provinces of British Columbia, Quebec & the Atlantic Provinces (Nova Scotia, New Brunswick & Prince Edward Island) have introduced an online lottery for its residents. As of July 2010, the British Columbia government has added the available online poker, bingo, sports gambling and casino-style games.

Should it be prohibition and/or legislation?

Wood and Williams³⁵ state that there are good arguments for both prohibition and legislation and list the key arguments for both. Some of these arguments are listed below.

Arguments for legislation are: It is virtually impossible to effectively prohibit online gambling, so it is better for it to come under state control so that the economic benefits can be utilised and gambler protection can be better ensured. Revenue can be used for prevention and treatment of online problem gamblers. It is suggested that online gambling is less regressive than other

forms of gambling as the demographics show that online gamblers have a higher household income.

The arguments for prohibition are: The law is not to conform people's behaviour, but to help shape it, as well as codify societal values and, like some other online activities, it is difficult to control. It is necessary to prohibit because a significant number of online sites have unsatisfactory business and responsible gambling practices. A significant proportion of online gambling revenue comes from problem gambling, which becomes ethically problematic for revenue generation where it is disproportionately derived from a vulnerable segment of the population, particularly when the government is itself the primary operator and/or beneficiary. Legitimacy results in increased availability and increased use. The legitimising of online gambling and redirection of revenue into prevention and treatment does not offset the harm that is caused by problem gambling.

Other solutions listed by Woods and Williams are legalising the less contentious forms of Internet gambling such as online lottery tickets; prohibiting access to foreign-based sites; or only permitting non-residents to access domestic sites (to minimise the harm to residents).

A public health approach to online/ remote/ internet gambling

With these rapidly evolving forms of gambling it is imperative to move away from a medical/disease model approach, which focuses on the individual and pathology, to look at the role that gambling has in society as a whole. This viewpoint acknowledges that there are both risks and benefits to gambling. It incorporates prevention and harm reduction strategies to make this safer for everyone, not just people with gambling problems, and to safeguard the quality of life for individuals, families and communities. ³⁶

The public health approach is both policy driven and has a deep commitment to partnerships. It encourages multiple integrated interventions and has a focus on population and community. The Productivity Commission 2010 states that a wide range of public health interventions are required to address the current and intergenerational effects of gambling-related harm.

The challenge also lies in developing strict regulatory models that meet the challenges posed by the new technology. The models should include features that assist problem gamblers and ensure the highest consumer standards for protecting gamblers. ³⁷

Public health strategies currently in use

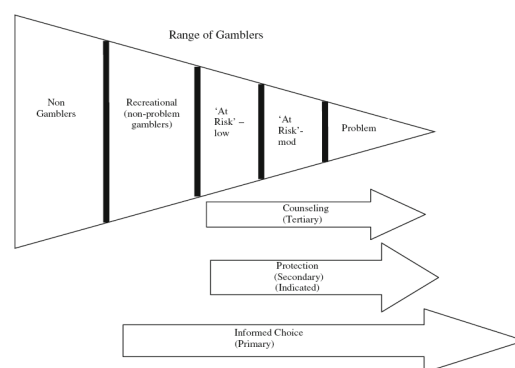
"Gambling public health interventions need to utilise recognised public health tools, such as epidemiology, the epidemiological triangle, health promotion, mental health promotion, public health action, community development, harm minimisation strategies, public policy, community education and legal action." ³⁸

People with gambling problems did not start out that way. They started out as recreational or occasional gamblers. Research suggests that it is not uncommon for people to shift back and forth along the gambling continuum. Because people who gamble have the potential to develop problems along the way, a public health approach is not aimed solely at people with gambling problems but at the larger population. This approach has primary, secondary and tertiary levels of prevention.

A primary prevention approach aims to prevent the onset of problematic gambling behaviour. A primary approach includes strategies such as increasing knowledge and awareness of gambling risks, public education, social-marketing and public policy along with standards regulating the promotion and marketing of gambling products.

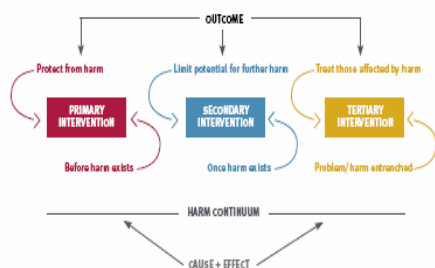
The focus of secondary prevention is to prevent harm to those people who are already experiencing harm to prevent it from escalating. Secondary strategies may include early identification, pre-commit technology, restricting ATMs in gambling venues, lighting and clocks in venues, exclusion programmes, smoking bans, professional education and training programmes for primary health care workers, policy development and organisational development such as creating standards of care for gambling harm prevention. Early identification of risk is the intent here.

Tertiary prevention strategies are about increasing access and availability of treatment and support including referral services and helplines.



Source: L Dickson-Gillespie, L Rugle, R Rosenthal and T Fong. 2009. Preventing the Incidence and Harm of Gambling Problems. Journal of Primary Prevention 29 (1): 41.

Figure 4.1: State and Territory Harm Prevention Model



Source: Allen Consulting Group

Review of current and future trends in interactive gambling activity and regulation.

How can a public health approach be integrated into harm minimisation with remote gambling technology? Pulling together the strategies from a myriad of articles the following strategies

are submitted.

A key primary health promotion strategy is the education and the targeting of vulnerable and at risk groups. Several groups stand out: children and youth, because no one under 18 is supposed/allowed to gamble; employees of websites because this may lead to crime and fraudulent activity; and there is a need to help those who have self-banned. Early intervention is necessary to target school-aged children, as it has been found that gambling behaviour begins at about 12 to 13 years of age. There is a need to educate on risks and potential problems associated with gambling and to support informed choice.

Educating about the reality of gambling and how the games work, particularly about the rapidity of gambling which is a known driver of gambling problems, will help to dispel myths. Also teaching/education for youth about gambling simulation software and the increased odds of winning that are experienced on free sites that change dramatically once the gambler converts their points over to 'real' sites.

The provision of player tracking technology or responsible gambling features is a secondary prevention approach. This puts the onus on the operators to provide the 'safe' software and monitor gambler usage, and provides the gambler with the ability to keep track of their own gambling.

Online gambler tracking, however, does have its good and bad sides. The bad side is the ability of operators to collect data to help build gambler or customer profiles, which enables them not only to find out the gamblers' favourite games and how much they wager but also to evaluate their gambling patterns and send vouchers or complimentary accounts as enticements to gamble further or more frequently.

The upside is that it provides gambler protection providing the gambler with informed choice about their gambling with the provision of rules of gambling, game representation, and rates of return. It also provides regulation financial statements to track money wagered and lost. Websites providing responsible gambling management should be able to identify problem gamblers and ban them. Websites should also be obliged to provide the ability/facility for a gambler to voluntarily self-exclude from their web page and to close their account.

Player tracking provides gamblers with the ability to limit their own gambling in relation to both time and money. An example of this is the Navigator which is a graphic instrument that reveals how much money and time that remains of your own set limits. Gamblers should be able to set limits on each session, and also set loss limits with the provider preventing the gambler from losing further. Gamblers need to be able to access their gambling history so they can manage their long-term performance and spending.

Pre-commitment cards can also be used in a way that protects the problem gambler as already used in the Netherlands suggests Williams.³⁹ He states that a system of gambler rewards that tracks B.C. gamblers by how much money they spend every day all over the province could be re-jigged to provide an early

warning system for problem gamblers.

Another secondary intervention strategy is to ensure that sites have responsible gambling features or reality checks such as the provision of 'pop ups/messages' reminding clients how long they have been gambling and how much they have spent. Another reality check is a visual display having the clock on the website screen page at all times.

There is a need to regulate to ensure the integrity of sites used for gambling to eliminate unfair, illegal and irresponsible business practices. eCOGRA (eCommerce and Online Gaming Regulation and Assurance) and the European Gaming and Betting Association ((EGBA) are looking at improving industry standards. The Interactive Gambling Gaming and Betting Association (IGGBA) have proposed that the UK Gambling Commission should check and approve operational systems, equipment and processes and technical competence of operators.⁴⁰ Websites should be providing their gamblers with unfair gambler protection to prevent cheating and fraud by other gamblers. Operators involved in the development or upgrading of online games or betting should bear in mind the need to work within the jurisdiction's social responsibility guidelines or codes of practice.

Website providers need to actively work against gambling problems by providing information about support organisations for problem gamblers, and these must be accessible on their web page together with a self test for problem gambling. There could also be a provision of a link to online therapy for gamblers, particularly for youth, with organisations such as GamCare in the UK who provide Internet based help services 24/7.

The UK Gambling Commission has set minimum standards of identification and verification.⁴¹ The detailed registration process is crucial to help combat crime, fraud and underage gambling. It puts the onus on the operator to verify that information given by the gambler is truthful. Basic checks such as: the IP address to confirm country of origin, name and date of birth to confirm age of gambler and filter out underage gamblers and codes are sent to the gambler's postal address that must be keyed in to ensure address confirmation.

As well as responsible management by those running the gambling web sites is a need for parental responsibility and awareness building. The UK government is pushing to raise the awareness of parents to protect their children in the home with the family computer and through using filtering systems for gaming software. They suggest positioning the computer in a communal area where they can be monitored visually such as a family room, and the uploading of filtering systems such as NetNanny, GamBlock or Safesurf to prevent children straying onto gambling sites.

Tertiary prevention strategies are about reducing the severity of existing problems, increasing access and availability to treatment and support including referral services and helplines. The tertiary level is about assisting the people who have or who are experienced gambling harm.

Counselling makes up a significant part of tertiary interventions.

While cognitive behavioural interventions have the most empirical support and are currently widely used in treatment services, the problem gambling field is at the point of having "current practice" rather than "best practice." According to Korn and Shaffer⁴² we are still in the beginning stages of developing effective treatment for gambling problems with many questions yet to be answered, such as which modalities are most effective for which group of people, by which practitioners, for what length of time, in which settings and for how long. It was also a finding of the 2010 Productivity Commission Report that we do not yet have one particular therapeutic mode that can be considered "best practice" in this field.

While the need for high quality treatment programmes is recognised, there is the issue of how they are funded. In some countries the only funding available for treatment services is directly from the gambling industry, which may impose restraints on how the services are offered or on other programmes or activities that treatment providers may engage in, such as advocacy.

Funding for problem gambling services in New Zealand is outlined in the Gambling Act 2003, which uses a formula to calculate the three year levy that is based 90% on the level of harm, as measured by presentation rates, and 10% which represents actual amounts lost. This levy applies to the New Zealand Lotteries Commission, the New Zealand Racing Board and class 4 venues (pubs and clubs with EGMs and casinos).

The 2010 Australian Productivity Commission Report⁴³ recommends "providing dedicated funding to gambling help services to facilitate formal partnerships with mental health, alcohol and drugs, financial and family services." In line with the levy described in the New Zealand Gambling Act 2003, the 2010 Productivity Commission Report also recommends that contributions to funding be based on the level of harm by the gambling product, with those causing the greatest harm making a higher contribution.

Not all countries have the luxury of having an established and reliable database. In New Zealand, however, all Ministry of Health contracted problem gambling treatment providers submit their data to the CLIC database which creates monthly reports. The Ministry then produce a yearly booklet, Problem Gambling Intervention Services in New Zealand, which includes information on client gender, data on face-to-face and helpline clients, primary and additional mode of gambling, age distribution, ethnicity, geographic spread, trends in service use, change in progress measures, helpline services and suicidal behaviour of helpline clients.

Strong support for the need for gambling research has been highlighted in the Australian Productivity Commission Report 2010.⁴⁴ The Commission recommends that Gambling Research Australia be replaced by a national centre for gambling policy research and evaluation that is initially funded by the Australian Government and that the centre has the capability to perform and initiate research and also undertake it for the government. It also suggests that the centre co-ordinate evaluations, surveys and reviews nationally.

A list of specific areas where that research and evaluation needs to be undertaken includes: structural features of machines, jackpots, counselling and treatment services, interactive gambling, and pre-commitment. They also suggest that research needs to be done on the tax levels for gambling products and venues and tax concession for clubs.

The Alliance recommendations on Internet and other forms of online gambling.

As suggested by Adams⁴⁵, an integrated approach using a series of strategies is needed as an approach to harm reduction and health promotion in Internet gambling.

"A public health approach to gambling offers a broad range of strategies to tackle the wider implications of gambling expansion: harm reduction provides evidence-based strategies for managing identifiable harm; health promotion focuses upon communities building their capacity, knowledge and resilience with regard to the attractions of gambling, and action on the political determinants sets out to increase the accountability and reduce the conflicts of interest that influence government resolve in managing their gambling environments."

For national governments to act on Internet gambling the Alliance suggests there are four broad areas of legislation/regulation that can be applied, singly or in combination, these being:

- Gambling legislation: for many countries this is at a sub-jurisdictional level, and includes licensing, operating hours, reporting, codes of practice, technical specifications, etc.
- Telecommunications: this area of focus includes permitted use of communications systems, regulation of Internet sites, Internet service providers (ISPs), servers, 'net filters', access to network, national security considerations of network access, etc.
- Financial legislation: this includes a government's recognition of the legitimacy of a financial transaction, permits actions to recover debts, credit arrangements, financial limits on certain transactions, financial fees and charges.
- Consumer law: this includes fair/unfair contracts, marketing, explicit and implicit contracts, informed consent by customers, legitimacy of contracts, and unconscionable behaviour of the gambling provider.

There are positive and negative elements associated with the use of each of these public policy tools, so a combination of elements from each is likely to deliver the best gambling consumer protection strategy.

Internet and online gambling provide substantial public policy challenges for national governments and the Alliance notes that state/provincial/local governments have very limited capacity to enact legislation/regulation in relation to Internet and online gambling, given the global nature of this activity.

Others suggestions with Alliance support are:

- A response to the harm of Internet's and related gambling needs to be undertaken at national and international level.
- Given that online/Internet gambling is a risky activity it requires appropriate international frameworks, codes and protocols for harm minimisation.
- For any international consumer protection processes to be effective there needs to be agreed jurisdictional and international mechanisms for compliance and enforcement.
- An international consumer protection framework for online gambling is urgently needed.
- All remote gambling activities should be licensed against international standards and include consumer protection provisions by providers of gambling, including consumer access to redress for unfair and unconscionable online gambling business practices.
- All Internet gambling activities must include play tracking and pre-commitment functions that have been endorsed by a collection of governments or international gambling regulator.
- National governments should be collaborating towards establishing such an international gambling regulator.
- Any online gambling provider must include prominent links to endorse self-help guide for customers who may have a gambling problem including links to established local level gambling help services.

Because gambling has become a global phenomenon, we believe that minimising gambling harm can best be accomplished from a global perspective. The Alliance can take a strong role in advocating and supporting policy and public health strategies to minimise gambling harm from new and evolving gambling technologies.

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The Language of Gambling

"The truth is never absolute as it is constituted through discourse." ¹

Philip Townshend
Problem Gambling Foundation of NZ

Kate Roberts
Gambling Impact Society
(NSW)

If language can frame our perception of an issue then we must be aware of how and what language is used in order to clarify the motives of the protagonists. The post modernist philosopher Michel Foucault suggested that the use of language is the very basis of the "formation of discourse" and a manifestation of "the material traces left by history"². The analysis of language and the formation of discourse can be used to illicit various concepts of "truth" along with positions of power surrounding an issue within a cultural context.

"Discourses as chains of language that bind us social beings together, play a key role in the social construction of reality" (Whisnant: 6)³. Also knowledge "is not simply communicated through language; all knowledge is organized through the structures, interconnections and associations that are built into language". Because certain types of discourse enable certain types of people to "speak the truth" or at very least to be believed when speaking on specific subjects, discourses also give these individuals degrees of social, cultural and even possibly political power" (Whisnant: 7)³. Such individuals can wield considerable power, changing organizations and influencing how people interpret the world. This is no less the case in the so called "world of entertainment"-gambling.

Gambling is an amorphous activity, a collection of rules manifest in a range of gambling modes. This makes gambling difficult enough to

define without introducing any additional imprecision. In NZ, Australia and Canada when we talk about gambling we are thinking primarily about machine gambling, whereas in the UK it's likely to be track gambling and in Asia and the US its likely to be gambling on casino games, track and cards. Gambling can be narrowly defined as risking money on an uncertain outcome, though this often implicitly excludes financial investment (even the extreme end of investment where markets are used fundamentally as a random number generator as in spread betting) or broadly defined as all risk taking, a definition that makes sense from a neurobiological conception of gambling but is too broad a definition to be useful.

The language used in the gambling debate may define which sets of rules have jurisdiction over a particular manifestation of gambling. We have seen this in the reframing of Poker in the Dutch Court in July 2010. That Court decided that as a game of skill, rather than a game of chance, poker fell outside the ambit of gambling legislation and acquitted the organiser of a Texas Holdem tournament of offences of noncompliance with the Netherlands Gambling Act⁴. In NZ the purveyors of track gambling have argued that their industry is about "wagering" rather than a gambling, the difference in their view is that wagering is risk taking based on informed choice distinct from their view of gambling which they define as risking money on random outcomes. In doing this they may be seeking to disassociate themselves from the public support for harm minimisation interventions for machine gambling, an effort facilitated in NZ by track gambling being governed by a separate Act to other gambling.

Within the totally random gambling industry of machine gambling the industry seeks to normalise their product by referring to it as gaming and the activity of using it as playing rather than gambling. This is a confusing redefinition of their product that does a disservice to a huge online computer based gaming industry that is distinct from gambling (though this activity also includes many compulsive participants). Whisnant suggests that "because ideas can *produce* historical transformation and not simply *reflect* them, discourse theory teaches us to be very attentive to small shifts in how ideas are expressed in language. Language, therefore, as well as other forms of symbolic exchange, is the primary object studied by discourse theory" (p4)².

An example this *small shift*- from "gambling" to "gaming" – forms a new language of entertainment and a historical shift away from the religious, moral, protestant judgments of gambling in 19th and early 20th century. So by framing gambling (the noun) as "gaming" and gambling (the verb) as "playing" the gambling industry muddies and complicates consideration of the harms of gambling that may be highly specific to particular gambling modes. In doing so, it throws a more favourable light on the activity, presumably to serve the vested interests of some stakeholders. This particular language has become so accepted it permeates the gambling legislation in numerous jurisdictions.

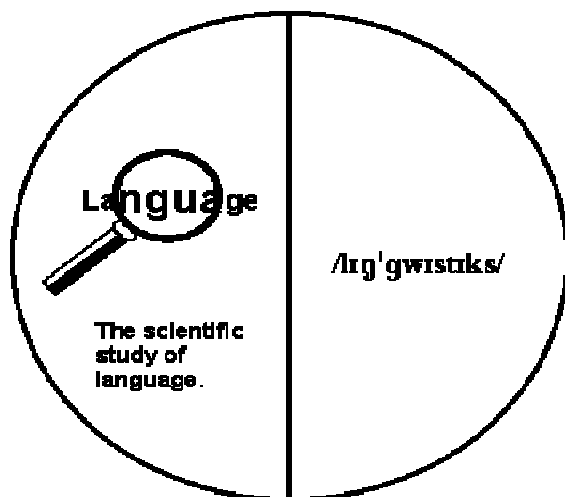
The gambling industry has followed the purveyors of other addictive products in using language that attributes the harms associated with gambling to the users of the products rather than the industry that has commercialised it. So problem gambling has come to refer to the activities of individual gamblers rather than the activities of an industry promoting an addictive product. Similarly responsible gambling is considered to be something that a gambler does where it's more correctly the harm minimisation strategies that the gambling industry should be doing.

"It is through the process of problematisation the illusion of "normality" is created. In this light normalisation becomes the great strategy of power" (Foucault, p3³). Deviations from the norm can then be disciplined. In conclusion we believe that in order to have an informed

debate on gambling it is important that we be aware of our language and seek precision rather than spin, for this reason we need to think about what language we use in any discussion of gambling.

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Problem Gambling Conferences in 2010

Gambling, Gender and Society International Research Conference September 24, 2009 - Helsinki, Finland <http://www.stakes.fi/EN/Ajankohtaista/Tapahtumakalenteri/event/240909.htm>

Tribal Problem Gambling Awareness Conference. Four Directions.: Honoring our past. Protecting our future. Evergreen Council on Problem Gambling. September 30—October 2, Tulalip Resort, Washington. <http://fourdirections.evergreencpg.org/>

National Conference of Emerging & New Researchers in Gambling (ENERGI) Conference. Friday 15th October 2010 Monash University Conference Centre, 7th Floor, 30 Collins St, Melbourne, Victoria. <http://www.med.monash.edu.au/sphc/pgrtc/energi/index.html>

Addictions 2010. The New Frontier in Addictions Treatment. Evidence-Based Policy and Practice. October 28-31, 2010. Sheraton National, Arlington, Virginia. <http://www.addictions-conference.elsevier.com/>

National Conference of Emerging & New Researchers in Gambling (ENERGI) Conference. Friday 15th October 2010 Monash University Conference Centre, 7th Floor, 30 Collins St, Melbourne, Victoria. <http://www.med.monash.edu.au/sphc/pgrtc/energi/index.html>

National Association of Gambling Studies 1-3 December 2010. Jupiters Casino, Gold Coast Queensland, Australia
 11th Annual National Centre for Responsible Gaming Conference on Gambling and Addiction. Redefining November 14-15, 2010 Mandalay Bay Resort & Casino, Las Vegas, Nevada and November 16, 2010 Global Gaming Expo, Las Vegas Convention Center, Las Vegas, Nevada http://www.ncrg.org/public_education/conference.cfm

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