



research reveals...

an update on gambling research in ALBERTA

About The Alberta Gaming Research Institute

The Alberta Gaming Research Institute is a consortium of the Universities of Alberta, Calgary, and Lethbridge. Its primary purpose is to support and promote research into gaming and gambling in the province. The Institute's identified research domains include bio-psychological and health care, socio-cultural, economic, and government and industry policy and practice. The Institute aims to achieve international recognition in gaming-related research. It is coordinated by a Board of Directors working in collaboration with the Alberta Gaming Research Council. The Institute is funded by the Alberta government through the Alberta Lottery Fund.

OUR MISSION:

To significantly improve Albertans' knowledge of how gambling affects society

Your comments and queries are welcome either by e-mail abgaming@ualberta.ca or phone 780.492.2856.

Public policy implications of gambling research discussed at Institute's Fourth Annual Conference

TOGETHER WITH the University of Alberta, the Alberta Gaming Research Institute co-sponsored the 4th Annual Conference on Gambling Research, "Public Policy Implications of Gambling Research" on March 31st and April 1st at the University of Alberta Conference Centre, Edmonton, Alberta. The conference attracted a broad cross-section of academics, government regulators, industry operators, treatment professionals and members of the general public. Foremost Albertan, Canadian and international gambling researchers made presentations relating to the various ways that gambling research informs public policy. For further information, see presentation materials on Institute website (http://www.abgaminginstitute.ualberta.ca/2005_program.cfm).

WELCOMING REMARKS

Bill McBlain (Senior Associate V-P, Research, University of Alberta)
Sheila Murphy (Chair, Alberta Gaming Research Council)
Nady el-Guebaly (Board Chair, Alberta Gaming Research Institute)

In his welcome to conference participants, Dr. Bill McBlain recognized the foresight of the Alberta government in forming the Institute as well as the ability of the three participating universities to successfully work in partnership on the initiative. Mrs. Sheila Murphy then briefly described the role of the Institute's Council and encouraged attendees to "enjoy the collegiality" of the conference. Dr. Nady el-Guebaly completed the welcoming remarks by summarizing the Institute's overall research activities and highlighted the positive results of a recent international review of the Institute.

KEYNOTE ADDRESS

Hana Gartner (Canadian Broadcasting Corporation's "The Fifth Estate")

In the conference keynote address, Hana Gartner recalled her experiences interviewing key informants for a television documentary on gambling. She detected that there was reluctance on the part of Canada's provincial government officials to confront the issue of governmental responsibilities with respect to gambling policy. In fact, Gartner found that the only public official actually willing to be interviewed for the Fifth Estate program was deliberately evasive when answering some of the tougher questions posed. It occurred to Gartner

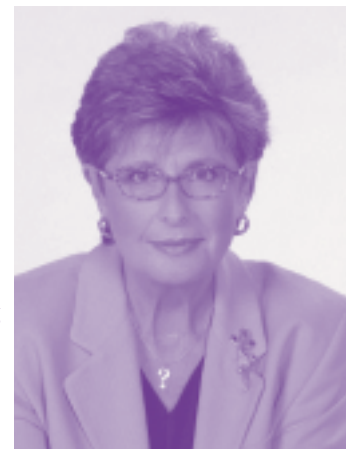


Photo courtesy of Hana Gartner.

“...there should be a shift in government philosophy away from revenue maximization to revenue optimization.”

– Rob Simpson

over the course of her investigations that many of the important questions related to gambling policy in Canada were not being debated. For instance, she raised the issue of government being in an apparent conflict of interest with respect to being both the gambling industry’s regulator as well as main revenue beneficiary. In addition, Gartner noted that governments have not fully recognized their duty to actively reduce the devastating consequences that problem gambling has on individual gamblers and their families. In conclusion, Gartner advised that governments should “know how much you’re down before counting your winnings”. Coincidentally, she noted that this is the very same question many gamblers ask themselves.

THEME: Gambling studies research, public policy and the public interests

Rob Simpson (Executive Director, Ontario Problem Gambling Research Centre)

Rob Simpson’s conference address advised conference delegates to “get uncomfortable” with the interplay between gambling policy formulation and research findings. In his experience, “research facts” represent just one of the four sectors that influence public policy development—the others being media, public sentiment, and industry/ consumer stakeholders. According to Simpson, the following three reasons differentiate gambling from other issues: 1) government is a principal beneficiary of derived revenues; 2) government is a provider of gambling opportunities, and; 3) gambling crosses various government departments but the revenue generation imperative dominates.

From Simpson’s perspective, the most important public policy question that needs to be answered is the paradox posed by governments’ overlapping health and revenue goals. For instance, he asks, “How much revenue [are provincial governments willing to accept] for how much harm?” He knows of no formula that would provide a solution to this question but Simpson opined that there should

be a shift in government philosophy away from *revenue maximization to revenue optimization*. He warned that the research community must resolve such key questions or risk being seen as an impediment to the industry. At the same time, research organizations must retain their independent status in order to uphold their position as honest brokers of information.

Roger Gibbins (Executive Director, Canada West Foundation)

In his presentation, Roger Gibbins detailed how and why the Canada West Foundation (CWF) first got involved in gambling research and what caused them to ultimately depart the field. He began by sketching the history of the CWF and noted that its mandate is to investigate policy research issues with particular relevance to Western Canada. Their sixteen gambling-related reports were produced between September 1998 and October 2001 and concentrated exclusively on the public policy aspects of gambling. Jason Azmier played a pivotal role in researching and authoring the actual publications which received wide circulation and enjoyed an enthusiastic response.

Despite the importance of the work being done by the CWF, Gibbins noted that there were a number of problems that had arisen with respect to the project. Chief among these were concerns that the foundation’s research could seemingly be construed as advocacy research and possibly result in legal challenges to the organization’s charitable status. Gibbins concluded by noting that gambling is a field “ripe” for public policy research but that his foundation would not be continuing its involvement. He pointed out that individual research groups can raise difficult questions associated with gambling and help bring attention to the impact of public policy research on the government interface with gambling. Finally, it is his belief that “the [CWF] work served as a small catalyst for the country’s gambling research community”.

Brian Yealland (Chaplain, Queen's University)

In the presentation, Gambling Watch Network (Ontario) spokesperson Brian Yealland delivered a hard-hitting condemnation of how provincial governments have introduced models of gambling that compromise their duties of citizen protection. Yealland asserted that provincial governments first introduced gambling with the assurance that income would be generated without raising taxes. Citizens themselves had little input on whether they accepted these ideas as they were normally left out of the decision-making process—rendering them effectively “voiceless”.

In order for the “citizen voice” to be clearly heard by government policy-makers, Yealland believes that his and other community organizations need to draw public and media attention to a number of key issues. Such issues include: 1) removing all existing slot machines and VLTs and re-classifying them as unsafe products; 2) ensuring that policy decisions are made at “arm’s length” from revenue decisions; 3) committing to reduce problem gambling, and; 4) attending to youth gambling issues. Yealland pointed to education and health care as examples of significant policy issues where the citizen voice is being effectively heard by governments. It is his desire to see Canadian citizen groups have their gambling-related concerns addressed in a comparable manner.

THEME: Legal issues related to gambling policy

Peter Bowal (School of Business, University of Calgary)

In his presentation, Peter Bowal described the two main consumer motivations with respect to gambling—individuals who consider these transactions as buying the opportunity for recreation, and those viewing gambling as an investment made with an expectation to win money. In both situations, there is an identifiable consumer interest though there are almost no corresponding consumer protections offered to players in gam-

bling venues. In fact, the application of such measures to gambling transactions has rarely been applied or even considered in Canada. Bowal vividly illustrated his point by observing that, “there are more warnings on stepladders and cigarettes than on gaming machines or casino front doors”.

Bowal’s research indicated that there has been no direct Canadian legislation designed to protect gambling consumers other than age-restricted access to gaming venues and prohibitions limiting entrance to intoxicated patrons. In order to remedy this paucity of consumer protection legislation, Bowal proposed that the existing Alberta Fair Trading Act be applied to gambling transactions. In order for the Act to provide adequate protection, however, governments must first view gambling as a legitimate consumer activity and then have the courage to enforce this protection. After all, says Bowal, “the law is the ultimate public policy domain”.

Alex Pringle (Pringle & Associates Law Firm, Edmonton, Alberta)

Alex Pringle provided conference attendees with an informative description of his work as a criminal lawyer and his experiences defending gambling-related offenders in Edmonton, Alberta. Over the past seven years, Pringle has noticed an increase in the number of clients that have come to him that fit the profile of the pathological gambler. These individuals are usually facing charges for the offenses of theft and fraud. In Pringle’s experience, almost all of his cases have been associated with video lottery terminal (VLT) gamblers who have progressively lost control of their actions.

In Alberta, Pringle noted that the Crown is generally not sympathetic in sentencing these cases and they are fully prosecuted in the court system. Another feature of the cases is that guilt of clients is easy to prove. This factor makes the task of defending the cases more difficult and often leaves him negotiating guilty pleas. Attempts in Alberta to use either the temporary

“...there are more warnings on stepladders and cigarettes than on gaming machines or casino front doors”.

– Peter Bowal



Illustration from Jennifer Borrell presentation.

Copyright © 2005, Mary Rogers. For permission to reproduce or reprint this illustration, contact Mary Rogers by email (maryrogers@wraith2.net) or post (17 Irvine Crescent, Brunswick 3055, Victoria, Australia).

“...stakeholders need to think ‘outside the box’ when it comes to developing gambling policy...”
– Jennifer Borrell

insanity or entrapment legal defense has not proven successful and the courts do not view pathological gambling as a mitigating factor. Other Canadian courts of appeal have, however, determined that VLT addiction can indeed be a mitigating factor—e.g., the Saskatchewan decision of Regina versus Horvath (1997). Thus, Pringle sees at least some opportunity for improvement in how criminal lawyers actually present such cases.

Michael Lipton (Elkind, Lipton & Jacobs Law Firm, Toronto, Ontario)

Michael Lipton’s presentation to conference delegates served as a comprehensive review of Internet gambling and focused specifically on issues of relevance to Canadians. He first pointed out that the question of the legality of Internet gambling in this country is an oxymoron. In fact, said Lipton, “[Internet gambling] is already here and it is in the homes of all major North American communities”. To support this claim, he highlighted the fact that online poker (a game of “mixed skill and chance”) is the Internet’s fastest-growth area. He also detailed the efforts of two Canadian lottery corporations to introduce their own online gambling formats, but indicated that such efforts are hampered by restrictions on the types of games allowed.

A particularly interesting topic examined in some detail by Lipton was the hosting of Internet gambling web sites on land claimed as sovereign by the First Nations’ Mohawks of Kahnawake, Quebec. This has been a rather thorny issue for provincial authorities as they consider the activity illegal. Case law has ruled against the existence of inherent aboriginal rights to operate a commercial gaming enterprise. Quebec has, however, been reluctant to take action on this matter for historical and political reasons. This was but one of several examples presented by Lipton to justify his claim that “it is doubtful that Canada will come down hard on Internet gambling”.

THEME: How values influence gambling research and public policy

Jennifer Borrell (Social Research Consultant, Borderlands Cooperative, Australia)

A major theme in Jennifer Borrell’s presentation was that values are very much at the centre of all gambling research. Two of the primary values that have dominated much gambling research are those of individualism and economic rationalism. Taken together, these values have significant implications with respect to public policy research and problem gambling research in general.

According to Borrell, gambling researchers have tended to “buy-in” to the economic rationalist agenda in one of the following three ways: 1) in the specific research agendas they pursue; 2) in the conclusions and recommendations that they draw from their studies, and; 3) in the concepts and values that inform their research studies. An implication of this agenda is the fact that communities themselves rather than gambling providers are forced to bear the burden of proof with respect to proving gambling harms. Borrell recommended that stakeholders need to think “outside the box” when it comes to developing gambling policy and that it would be prudent for regulators to “err on the side of caution rather than on the side of industry profit”.

Andrew Secker (Deputy Secretary Regulation & Compliance, New Zealand Department of Internal Affairs)

After a rousing welcome in the traditional New Zealand Maori language, Andrew Secker proceeded to provide a valuable case study of how gambling policy has been developed in his country. He commented that he and other policy makers like himself do not always have complete information available from which to make decisions. This problem is compounded by the fact that gambling issues are rarely black and white. Moreover, the sometimes equivocal nature of research and researchers themselves tend to make them “not very good in the public policy debate”. By comparison, the gaming industry uses strategies that are very persuasive and effective in advancing their particular policy-making interests.

New Zealand is unlike many other international jurisdictions in that it derives little direct revenue from the gambling activity. It also differs in that gambling is prohibited and illegal unless made lawful by the government itself. This seeming technicality functions as a “reverse onus” which effectively transfers responsibility for the safe provision of gambling to industry operators. Secker indicated that, while New Zealand’s gambling policies have proven effective, questions still remain regarding the apparent redistribution of gambling revenues from poorer sectors of society to the middle class and the disproportionate share of revenues being generated via gambling machines.

THEME: Jurisdictional roles in gambling policy

Hal Pruden (Counsel, Criminal Law Policy Section, Justice Canada)

In his presentation, Hal Pruden charted the history of how the federal Criminal Code of Canada has granted provinces the authority to create laws relating to permitted gambling activities. He stated that Canada’s provincial governments have tended

to use their authority in this area to make decisions at the cabinet level without public consultation. Pruden then reviewed a number of gambling-related policy questions that related to “lottery schemes”.

In contrast to Michael Lipton’s thoughts on online gambling’s legal status in Canada, Pruden stated that, “it is not a murky area of Criminal Law... in fact, the law is quite clear with regard to Internet gambling”. Pruden also informed the conference about a private Senator’s bill (Bill S-11) currently before parliament which would eliminate video lottery terminals (VLTs) from bars. He also touched on the gambling aspirations of First Nations groups and their optimism that it will be a possible economic engine and touchstone for their own self-government. In his conclusion, Pruden left attendees to mull over what forms of gambling should be legal in Canada and how it might be possible to minimize the risks for problem gamblers.

Colin Campbell (Douglas College, British Columbia)

The focus of Colin Campbell’s presentation was to describe highlights from his forthcoming publication *The Legalization of gambling in Canada and its consequences*. The report was co-authored by Garry Smith, Gambling Research Specialist, University of Alberta and Tim Hartnagel, Department of Sociology, University of Alberta and submitted to the Law Commission of Canada. It documents the history of evolution of gambling in Canada and its resultant transition from prohibition to legalization. It also analyzes the corresponding increase in provincial responsibility for the regulation and operation of gambling and its accompanying consequences.

Campbell argued that the devolution of responsibility for gambling from federal to provincial authority *may* mean that, “gambling is no longer required in the Criminal Code”. He not only questioned the purpose of preserving the status quo in this matter but also the appropriateness

“... may mean that, ‘gambling is no longer required in the Criminal Code’.”

—Colin Campbell

“...it is possible to be socially responsible while at the same time making a healthy profit. ”

– Kent Verlik

of using the Code to grant the provinces a monopoly on gambling. He is hopeful that the report will ignite calls for a national debate on gambling policy but notes that the last time this debate happened in Canada was in 1956. In closing, Campbell mused that such debate is unlikely to be introduced by the federal government for they seem unwilling to stir up this particular “hornets’ nest”.

THEME: Responsible gambling policy issues

Tony Schellinck (Faculty of Management, Dalhousie University)

Tony Schellinck critiqued the Reno Model in his presentation and identified both its strengths and evident shortcomings. Schellinck showed that this model does indeed address the promotion of responsible gambling through policy approaches but questions several of the underlying assumptions that it is founded upon (e.g., “safe gambling is possible” and “total social benefits exceed social costs”). A second criticism of the Reno Model was that it was developed only from a health perspective without recognition that input from other disciplines is also necessary to properly inform policy development.

The Halifax Model was then described and presented as a possible alternative to the Reno Model. This model draws heavily on the “precautionary principal” approach and Schellenick said that, “it is considerably greater in scope, makes its own assumptions, and recognizes that other disciplines lead into policy research [in comparison to the Reno Model]”.

Kent Verlik (Director of Social Responsibility, Ministry of Gaming [Alberta])

Kent Verlik spoke to conference delegates about an Alberta model being used for the delivery of socially-responsible gambling. Verlik compared his department’s efforts as not unlike other CSR (Corporate Social Responsibility) initiatives being undertaken by various private and public corporations. He provided several compelling arguments used

by such organizations as incentives to work toward CSR.

According to Verlik, “it is possible to be socially responsible while at the same time making a healthy profit”. He also mentioned the fact that, despite the Social Responsibility division only being formed in May 2004, the Alberta Gaming and Liquor Commission (AGLC) had previously made efforts to move towards implementing responsible gambling programs. This new division can, however, purposefully ensure that efforts to implement responsible gambling strategies are consistently at the forefront during the AGLC’s process of policy and decision-making.

Reno Model Panel Discussion —

Nady el-Guebaly, Shawn Currie, David Hodgins, Garry Smith, & Rob Williams

The Reno Model panel discussion was introduced by Nady el-Guebaly who announced that he had recently been approached by AADAC (Alberta Alcohol and Drug Abuse Commission) to review it. His hope was that the model will serve to draw attention to the problem gambling issue and can function as a starting point for discussion.

Garry Smith next recapped what he considered to be four stages in the development of responsible gambling approaches. Canada as a whole was suggested as being somewhere between stages two and three in the continuum. He indicated that there was still work to be done before the “full commitment” of the fourth and final stage is reached. The fourth stage is one where government gambling providers willingly accept full responsible for mitigating problem gambling for the purposes of protecting citizens even when facing a potential reduction in their gambling revenues.

After Rob Williams walked conference participants through a questionnaire designed to obtain feedback on the Reno Model, Shawn Currie reviewed successful harm reduction policies from the alcohol and tobacco fields. He concluded that there have been a number of approaches taken in both

fields but taxation unmistakably stood out as having the strongest empirical base for an effective control strategy.

LUNCHEON GUEST SPEAKER

Honourable Gordon Graydon
(Minister of Alberta Gaming)

The Honourable Gordon Graydon provided a luncheon address entitled *An Overview of Gambling in Alberta*. In it, he stated that the government has “the challenge of balancing economic benefit and social responsibility” and that this challenge has been accepted. He noted that as research becomes available, greater attention is being paid to creating awareness about the potential negative effects of gaming. The government also highly values input from all Albertans with respect to gambling policy. As evidence, he reminded delegates of the three major consultations with Albertans that were held in 1995 (Lotteries Review Committee), 1998 (Alberta Lotteries and Gaming Summit), and 2001 (Licensing Policy Review).

Minister Graydon encouraged the further development of research expertise to help make Alberta a leader in gaming research, programs and services. He emphasized the need for all research findings to be subject to an informed peer-review process. A second point made by the Minister regarding research was that his government would like to see further “directed” studies. These studies could then be used to provide additional focus on areas useful for policy-making. Graydon concluded by recognizing that gambling has both costs and benefits and he would be interested in having this type of analysis produced for the Province of Alberta.

THEME: The public policy implications of specific gambling research programs

John McMullan (Department of Sociology, St. Mary's University)

John McMullan used an apt horseracing metaphor to describe how gambling in Canada has

“galloped into society with a wallop” over the last few decades. He also provided a sense of how massive the scale of gambling has become in Canada. For instance, he suggested that approximately \$6-billion in yearly net revenue is created for provincial governments by way of this activity. According to McMullan’s research analysis of national gambling data, a disproportionate share of these gambling revenues are coming from problem gamblers and lower-income households.

The inequity of spending on gambling has public policy implications which relate to consumer protection measures for gamblers. He thinks that gamblers should have the right to gamble “safely” and stated that, “governments must address player protection in an enlightened and more systematic manner”. A complicating factor raised by McMullan is that gambling is a “credence good”—one in which a consumer has no way of determining their satisfaction level with the product. One way to address issue is by requiring the use of “pre-commitment” mechanisms like “smart-cards”. These devices limit the impulsive aspect of gambling spending by creating self-determined spending limits prior to a “point-of-sale” gambling transaction. Through such initiatives, McMullan hoped that a broader revenue base would be developed for the purposes of generating gambling proceeds.

Rob Williams (School of Health Sciences, University of Lethbridge)

In his presentation, Rob Williams provided details on his analysis of the proportion of gambling revenues being contributed by problem gamblers in Canada. Past research on the topic had revealed that a disproportionate amount of revenue was generated from these gamblers but there were significant methodological problems with how the data was collected. In order to combat the difficulties of obtaining consistent and valid data on gambling spending, Williams and his collaborators

“the challenge of balancing economic benefit and social responsibility... has been accepted.”

– Honourable
Gordon Graydon

devised a solution using prospective diaries to keep track of such expenditures.

Although slightly different methods were used to recruit participants for separate Alberta and Ontario investigations, both studies confirmed the accuracy of capturing data obtained using the prospective diaries. Evidence from these reviews (as well as secondary analyses of two additional studies) indicated that between 30 and 40 per cent of revenues came from problem gamblers. An important secondary finding of the studies was that the degree of exaggeration for gambler sub-types was consistent. Thus, further weight was added to the likelihood that the overall figure was reasonably accurate. In his conclusion, Williams stated that he believed, "it is possible to have both a health [gaming] industry and to protect problem players... but distinctions must be made that some forms of gambling are more harmful than others".

David Hodgins (Department of Psychology, University of Calgary)

David Hodgins addressed conference participants on the topic of successfully disseminating evidence-based gambling treatments and prevention research. As Hodgins noted, "doing treatment and prevention research is one thing... but getting people to actually use the research is another". Problems were described as invariably arising when attempting to disseminate findings. He notes that research articles are often inaccessible, results

are equivocal, and research findings do not conform to the decision-making cycles of policy makers. In addition, research investigations are not always policy-relevant and the results of research are sometimes lost in a crowd of other competing interests.

In order to help researchers confront this dissemination problem, Hodgins outlined three models for research transmission. In essence, the models advocated the strategy of using individuals classed as "innovators" to themselves promote the uptake of research. Ideally, a "tipping point" is eventually reached when enough individuals make use of research findings and treatment approaches are broadly adopted. It was stressed by Hodgins that dissemination is an area that researchers ought not to overlook if they want to have the opportunity for their findings to have lasting and meaningful impacts.

CONFERENCE SUMMARY

Harold Wynne (Wynne Resources & Faculty of Education, University of Alberta)

In his conference summary and wrap-up, Harold Wynne noted that the conference was very "meaty" and provided much food for thought. He provided pertinent observations relating to each of the conference presentations and added his thoughts on their public policy utility. Wynne's full summary is posted on the Institute web site.

COMMENTS & FEEDBACK

Based on the verbal and written comments of attendees, the Institute's annual conference was once again extremely well-received. The choice of keynote speaker and investigative reporter Hana Gartner was noted as being a fitting "kick-off" for the conference. It was observed that her passion for the topic was "contagious" and created a sense of anticipation about the presentations to come. The presentation rated most consistently as being of highest value to attendees was that of Andrew Secker, Deputy Secretary Regulation & Compliance, New Zealand Department of Internal Affairs. Secker's clear and informative depiction of his country's approach to gambling regulation was observed as being especially thought provoking.

www.abgaminginstitute.ualberta.ca

Alberta Gaming Research Institute Board of Directors

Dr. Nady el-Guebaly, Chair,
University of Calgary

Dr. Dennis Fitzpatrick,
University of Lethbridge

Dr. Andrew Greenshaw,
University of Alberta

Dr. Chris Hosgood,
University of Lethbridge

Mrs. Sheila Murphy, Chair,
Alberta Gaming Research Council

Dr. Douglas Peers,
University of Calgary

Dr. Rick Szostak,
University of Alberta

Executive Director

Vickii Williams
(vickii.williams@ualberta.ca)

Node Coordinators

University of Alberta:
Dr. Garry Smith
(garry.j.smith@ualberta.ca)

University of Calgary:
Dr. David Hodgins
(dhodgins@ucalgary.ca)

University of Lethbridge:
Dr. Robert Williams
(robert.williams@uleth.ca)

Institute Librarian

Rhys Stevens
(rhys.stevens@uleth.ca)

Vickii Williams	Editor
Rhys Stevens	Writer
Epigrafix	Design/Layout
Media queries	780.492.2856

e-mail: abgaming@ualberta.ca p: 780.492.2856

ISSN 1499-2639 (Print)
ISSN 1499-2647 (Online)

© AGRI 2005