

ALBERTA GAMING RESEARCH INSTITUTE

**4th Annual Alberta Conference
PUBLIC POLICY IMPLICATIONS OF GAMBLING RESEARCH**

CONFERENCE SUMMARY

(Dr. Harold Wynne

April 1, 2005)

ARE WE ASKING THE RIGHT QUESTIONS? (Hana Gartner)

- **5th estate social impact of gambling documentary in November 2004.**
- **McGinty – government gambling is here to stay**
- **Had difficulty getting politicians to talk to her for documentary**
- **Wanted someone to defend the legitimacy of gambling and that benefits outweigh the negatives**
- **NS Minister of Health Promotion – only guy to speak to her – accessible, but not accountable**
- **She failed to get answers to her questions – NS Minister McDonald taped “accountability” interview example**
- **Most Canadians accept that government run gambling is a fact of life—begs the biggest question of all—should we accept that?**
- **Is it proper for govt agencies to exhort Canadians to gamble? Should governments regulate gambling? Is gambling a good way to raise money in the first place? These questions are not being asked.**
- **“Get lucky” hype in media.**
- **Ron Stevens last conference – 80% of Albertans gamble—over \$1billion/year in revenue. He didn’t confront SEIA (costs) of gambling, or that most revenues comes from PGs.**
- **Researchers were anxious to talk about PG—but she sensed a reluctance to speak of larger societal issues, or government responsibility. She thought the researchers were reluctant to speak of governments’ conflict of interest.**
- **If the research is correct, governments rely on addicts for a big chunk of revenue.**
- **Swimminer NS story as an example of PG effects (axed the VLT). Documentary unearthed many anecdotes.**
- **Are we tracking our gambling loses (costs) as well as our winnings (revenues)?**
- **Derevensky – painted bleak picture of future, and PG in children. We give kids a mixed message—go to school, work hard or get lucky. Shocked that 70% of children are gambling, and 30% on weekly basis. This McGill junk really impressed Hana!**

- One question she asked everyone, without a satisfactory answer – is anyone doing a serious analysis of cost or impacts of gambling? Should our government run, regulate and profit from it?
- Should our government expand the very industry that is contributing so heavily to what Canada safety council calls a growing safety crisis?

Questions

- The documentary could have been smarter, deeper (Hana)—too superficial. Wanted to ask politicians/researchers how to do gambling smarter, not abolish it. That was the best we got, which wasn't good enough.
- Theory that we've hit a critical mass and there will be fewer PGs (Hana)—there is a “novelty” effect and a “saturation” point for gambling (Rob Williams)
- Will there be a follow-up of this documentary at CBC? Inevitable that this is going to become an ongoing story that will be front and centre.
- Did you get a sense interviewees were feeling intimidated (Rob)? This is her point. Two facts stuck in her head—should there be a monopoly in the hands of the government?
- Areas to look at in future documentaries (Tony S): role of gambling providers (casinos) in gambling/problem gambling; impact of Internet and high tech forms; actual goal of government re: revenues—e.g., increase to 12% as in Australia.
- Question of public vs. private ownership is being discussed in Manitoba (Liz S). How would one operator vs. the other make gambling “safer.” May be more accountability from a government vs. multi-national corp running gambling (Liz's observation)
- How sustainable is the media's interest in gambling/problem gambling (Williams)? If Derevensky is right, the problems are only at the beginning so Hana's interest will be long term.

THEME 1 – GAMBLING STUDIES RESEARCH, PUBLIC POLICY AND THE PUBLIC INTEREST

How Gambling Research Informs Public Policy and Practice (Rob Simpson)

- “Get uncomfortable” theme—we're not comfortable as a group to getting uncomfortable.

Policy formulation

- rational process
- articulated goals/outcomes
- identified inputs: facts, media positions, public sentiment, stakeholders (providers/consumers)
- options weighed in relation to:
 - intended consequences
 - unintended consequences

- unanticipated consequences
- Gambling is unlike any other policy issue

Unique Attributes of gambling

- Government a principal beneficiary
- Government is provider/licenses provision
- Gambling crosses government roles: revenue generation, regulation, public health, public security/well-being
- Role conflicts manifest as flashpoints (often resolved by dominant interest; seldom resolved by compromise)

Key Questions (for gambling research community)

- Where should the onus/burden of proof rest?
 - Do no harm doctrine – reverse onus
 - Standards of evidence
- Can we identify overlapping health/revenue goals?
 - Optimization vs. maximization
 - Meta-policy question: How much revenue for how much harm?
- Possible Optimization strategy
 - 02-03 revenues - \$5.7B – reduce 10%
 - Lottery payout – \$41.1B – hold
 - Operating/profit - \$2.3B – reduce \$570M
 - Govt revenue - \$2.3B – hold
- How do we manage inconvenient research results?
 - 35% of revenues from PGs
 - a single plaintiff liability suit will succeed
 - heavy gamblers a function of mean expenditure
 - advertising distorts perceptions of gambling/winning

Conclusions

- need to resolve key questions
 - research seen as impediment
- need to retain independence/integrity
 - honest generator/broker
 - may introduce discomfort
 - frame as healthy
 - basis for policy discussion, formulation, adjustment

Questions

- what measure of harm would you use (Pickup). Number of PGs; job shifts; revenue taken from other sectors. Agrees it is important, doesn't know how to do it.

CWF's Foray into Gambling Research: A Post Mortem (Roger Gibbons)

- Why they get into gambling research
 - 1997 VLT debate was first report
 - they got funding from consortium of philanthropic organizations (no government funding)
- What they did

- Did a 3 year national study (1998-2001)
- 16 reports produced
- was not a smooth ride for CWF
 - Jim Gray was driving force
 - Chairman saw gambling as a social and community problem; disturbed governments were actively promoting harmful activities to communities
 - Always use the term gambling vs. gaming. Argument was they used gaming as a camouflage for problematic activity.
 - Saw government money as tainted in this case (CWF gets govt money for other projects)
 - CWF board was tolerant but not enthusiastic for the gambling work they were doing. Gambling was not part of CWF's core mandate, which was to discuss public policy relevant to western Canada.
 - CWF's charitable status could have been challenged if \$\$ came from gambling.
 - CWF did not have an anti-gambling mandate, as Calgary Herald suggested once.
 - Hope by Gray that research would demonstrate the need for an anti-gambling stance.
- Why they got out
 - Grants ran out
 - Chairman's enthusiasm was diminishing; research was equivocal; softer on the gambling side than we should be; he threw in the towel, government was not going to change.
 - Gambling didn't fit as a regional policy issue and not part of CWF's mandate
 - Had difficulty demonstrating social harm from gambling in an empirical sense.
 - University, academic, low cost researchers drove CWF out of the field.
 - Didn't make a clean escape from the gambling field; Azmier gets weekly calls about gambling. Are doing a small report for AGRI. 20 media hits in the past week on CWF gambling report.
 - Conclusion: Regrettably, he doesn't think this is a field that CWF will be involved with in the future. But they are not well positioned; can't compete with the university side; investing human capital (Azmier) in other areas. Helped raise gambling as a public policy issue, not social policy. Independent research groups can raise questions (e.g., about the regressive taxation nature of gambling) that other groups cannot. Biggest CWF contribution is to show the importance of research to the public policy field.

Questions

- **Hard to find evidence that CWF shaped gambling policy in any way (Gibbins). Why? The main influencers were government (not researchers) which resulted in a blunt public policy process (revenue generating).**
- **Why is gambling policy not within the CWF's mandate? It is, but...CWF has a tremendous problem with "focus" on various public policy issues, and basically can't do them all.**

Research and the Public Voice: Shedding Light on Gambling Policy (Brian Yealland)

- **He is part of Gambling Watch Network in Ontario**
- **History of taxation in Canada – income tax as WWI temporary initiative; burden has shifted from corporations to the middle class.**
- **History of gambling in Canada – 1976 Olympics; 80s recession precipitated gambling expansionism, starting with US-type casinos.**
- **Canadians were offered no "choice/voice" in this expansionism.**
- **Now we're stuck with a model that hopelessly compromises government and their duty to the citizens.**
- **Gambling model does not account for duty of care, product safety, harm reduction, suicide prevention, treatment of addiction.**
- **Community and citizens have been voiceless along the way. The citizen voice is heard in many other areas (e.g., smoking, alcohol)**
- **Gambling policy is a disaster—governments are hopelessly compromised in creating policy separate from their revenue stream interest.**
- **What needs to happen?**
 - **Take out the slots and VLTs. Where should they be located? VLTs are an unsafe product. They could be redesigned to help the PG.**
 - **Policy (regulation) needs to be arms-length from the revenue (operator?). It would review marketing initiatives of industry.**
 - **Need a commitment to reduce PG. There are "toxins in the wetland" (casino parking lot metaphor). Need a comprehensive harm reduction plan.**
 - **Youth issue (Derevensky again!) is significant. Given youth familiarity with machines, what will be the effect 15 years down the road?**
 - **86% of Canadians believe governments are addicted to gambling. The honeymoon is over!**
 - **Future of the citizen voice—to draw attention to the issue; know and state the facts (to counteract the spin); needs to be public outrage; needs to be pressure on the media and government; encouraging legal challenges. Create as much "squirm" as we can.**

Questions

- **Ironic that no one from finance is in this room (Anielski). We are dealing with a fiscal policy issue, which is why we can't get any traction in dealing with this issue.**

THEME 2 – LEGAL ISSUES RELATED TO GAMBLING PUBLIC POLICY

The Gambler as Consumer: What Legal Protection? (Peter Bowal)

- **Focus on civil, not criminal, law**
- **How the law regulates the gambling transaction, along the lines of any other transactions we do.**
- **Focus is the gambler, not just PGs.**
- **Assumption: there is a consumer content to every bet that's placed. There are two consumer components: (a) there is a recreational value—the opportunity of pleasure, and (b) some gamblers approach gambling as an investment. For both of these components, there is an important consumer interest: individual is always alone against the house (i.e., not equal partners with equal bargaining power). Law should protect the consumer from dangerous practices, as it does in other areas.**
- **Many “pulls” that attract players to casinos (greeters, payout advertising, secured parking lights, 24/7 services, gold card benefits, free alcohol etc.).**
- **What would casinos look like if regulated like Walmart?**
 - **Casinos have their own detailed regulations**
- **Ranges of consumer interests we protect already in our society? (15 pages of examples in his inventory)**
 - **Consumer characteristics (age, mental capacity, alcohol)**
 - **Full disclosure protection**
 - **Situational characteristics (door to door sales)**
 - **Misleading advertising**
- **Have more warnings on your step ladder than on EGMs (negative physical outcome is more of a concern)**
- **What protection is there for gambling consumers in Alberta?**
 - **No specific legislation**
 - **General legislation**
 - **AGLC Act: no minors, and no gambling while intoxicated**
 - **Casino operator guidelines—deal with the gambling transaction, but not the consumer**
- **How could we use existing legislation in Alberta?**
 - **Fair Trade Act, section 6 defines unfair trade practices which might apply to the gambling transaction**
 - **In Alberta, these statutory provisions have never been applied**
- **Regulators in Alberta could invoke some of these unfair trade practices in the Act; but (a) have to be ingenious enough to see gambling as a consumer activity, and (b) have to have the courage to do it.**

Questions

- **Canada Safety Council precludes the importation of anything that will harm people. Can this be used (Rob Williams)? Historically, there has to be physical injury?**

Defending the Problem Gambler in Criminal Cases (Alex Pringle)

- **Only in last 6-7 years he has encountered PG as a component of a crime. However, since then, he has quite a few cases.**
- **Charged with many types of offences, especially where money can be obtained. Mostly gets fairly large frauds or thefts.**
- **Most people are not criminal types—they start by “borrowing” money from an employer, they intend to pay it back, they chase their losses, etc.**
- **Only speak anecdotally—never done survey.**
- **Features of offences (clients) that he sees:**
 - **Involves larger theft or fraud (dozens of transactions over time)**
 - **Most people do not have criminal backgrounds (significant cause/effect of gambling addiction to the crime)**
 - **All cases associated with a particular form of gambling—VLT addiction. This is why these cases have surfaced in the past few years.**
 - **People all seem to have low self esteem**
 - **Describe VLT involvement as means to escape vicissitudes of life.**
 - **Habit becomes compelling and eventually out of control**
 - **Exhaust their own resources; friends resources, eventually turns to crime. An act of desperation on their part.**
 - **Keep stealing because they think they can win to repay previous stolen money.**
 - **When they come to me, they are in a state of depression.**
- **Must deal with this: angry victims, prosecution is not sympathetic. They are prosecuted vigorously (especially thefts up to \$200,000 to \$300,000 what he gets)**
- **Usually there is a paper trail, and it is not hard to prove person who has stolen money. Many are people who work at banks. Hard to defend on the traditional defense that client did not do it; consequently, there are few defenses available.**
- **Can't use DSM IV to promote an insanity defense in Canada; here, they have to be psychotic.**
- **Can't use lack of intent to defend client. Entrapment defense would not apply, as they are not being entrapped to go and steal.**
- **Most of cases are negotiations of guilty pleas. First thing they do, is send clients to get treatment (this has enjoyed mixed success).**
- **Has tried to put government on trial at sentencing; e.g., how there could be more controls or warnings on VLTs. Trying to build a case for showing how compelling VLTs can be.**

- Alberta Court of Appeal has held in a couple of cases that VLT addiction is no different than alcohol or drug addiction. If you are addicted, it is not a mitigating factor at sentencing. Many of his cases are alcohol-related.
- They are trying to argue that these thefts from employers with a VLT addiction should be treated differently. Other Canadian courts have suggested this should be considered (e.g., Sask case 1997 Regina v. Horvath case).
- Would like to dream up a creative defense to help PGs charged with a crime. These clients are the most sympathetic of those he sees.

Questions

- Ray Reschke case was Pringles. The government had more of a role in this case.
- Try to make restitution to the victims is the best way to keep people out of jail. Otherwise, there is nothing he is aware of. What about the proceeds of crime pot (Smith)?
- Most of these people would not benefit from a jail sentence.
- Some people needed the jolt of being charged before they would deal with their addiction.
- Alcohol and drug addiction is treated more uniformly across Canada than PG. Not sure why Alberta stands out—maybe because the lawyers representing the people have not put as much info in front of the court as in other jurisdictions.

The Legality of Internet Gambling in Canada (Michael Lipton)

- Criminal prohibitions against gambling in Canada.
 - Part 7 of CCOC; section 201; section 202 pertain
- If poker is gaming, does section 202 apply? Is it a game of chance, or mixed chance/skill.
- Exceptions to the prohibition that allows provincial govts to provide for this (section 207) gaming on a computer.
- Governments are at a disadvantage re: offshore sports book.
- Govts cannot offer betting on single sports events.
- BC and ALC offer online gambling
- Exceptions to prohibition:
 - Parimutual betting is regulated by the feds vs provinces
 - Telephone betting on horse racing was allowed, then changed to betting on a telecommunications device
- In Nov 2004, the Ontario Racing Commission withdrew its challenge to Woodbine case.
- Internet exchange betting: individuals bet against each other
- Betfair is the UK country major Internet gambler in the world--\$80 US million in wagers/week
- US federal wire act prohibits sports betting, and possibly other internet gambling

- Could Canadian courts exert jurisdiction over Internet betting? Possibly. (e.g., in other areas R v. Libman, R v. Chapman, Socan v. Canadian Association of Internet Providers).
- How can the prosecutor bring someone before a Canadian court? Is it practical? We'll see...
- Advertising Internet betting – this is forbidden in Canada, and no one has been prosecuted yet nor does it appear to be a priority.
 - Bowmans advertising CFL gambling enterprise, with emblem on Argos field. What will happen here?
 - Is it legal to advertise a game of mixed skill and chance—poker? Games appear to carve out games of mixed skill and chance in Canadian law.
- Starnet case described.
- Mohawks case in Ontario. What they are doing is illegal. Case law has consistently ruled against aboriginal inherent right to operate a commercial gaming enterprise. Supreme court ruled. However, no police action has yet been taken, possibly due to Oka crisis. Only jurisdiction in NA to serve Internet gambling (50 or more gambling operators on their servers).
- GATS could cover gambling in international trade law. Antigua won the WTO ruling against the US, but so what?
- UK is about to permit and regulate online gaming (next 6-7 weeks).
- It is doubtful that Canada will come down hard on Internet gambling as the US has done. By standing pat, the Canadian government will lose Internet revenues to foreign websites.

Questions

- What are the Mohawk revenues? \$60,000 for a license, and an annual fee of \$15,000 with 50-60 licenses. \$17 to \$18 million has been made in profits. Quebec is afraid of Mohawks.
- What is the status of an individual placing a bet? (Williams). Does not appear to be any provision in the CCOC to prohibit an individual placing a bet.

THEME 3 – HOW VALUES INFLUENCE GAMBLING RESEARCH AND PUBLIC POLICY

The Implications of Values in Gambling Research (Jennifer Borrell)

- Often assumed that research is value-free.
- Values are very much at the centre of all research on gambling problems.
- There is an individualism and Economic Rationalism in Gambling Policy Debates
- Conceptual idea of human as a free-standing unit, regardless of place/time in history
- Inherent value of each human being as extolled by Aristotle
- I freely choose/vote in buying goods, and thereby presume my humanity.

- Any RG program rests on 2 principles: (a) choice to gamble rests with individual, and (b) individual must be informed
- These ideological renditions of individualism are pervasive in the gambling research
- 3 ways gambling researchers buy into this ideological backdrop
 - research projects and agendas
 - universities are squeezed for funds, hence research agendas are being formed by commercial imperatives
 - conclusions/recommendations they draw from their studies
 - research findings point in one direction, but don't find their way into the formal conclusions or executive summary
 - concepts and values that inform their research design
 - focus on individual pathology, biological reductionism.
 - See Fred Englis book "Cultural Study"
 - Agency is a better concept than responsibility
- Industries are setting the pace while communities are bearing the burden of proof (i.e., that gambling is harmful, that certain interventions will work, etc.). Industries are not required to provide proof of safety of gambling before introduction.
- Qualitative research is often dismissed as anecdotal; as not being scientific enough.
- Suggestions for the future:
 - Organizing ourselves differently
 - Not the time for timidity
 - Abandon blind faith in the market to regulate our lives
 - Need governments to uphold role of protection
 - People in community must be put first
 - Precautionary principle – error on the side of caution in community interests
 - Holistic approach to community research

Questions

- Any cross-national ideological differences in writing? (Hodgins). US research is pathological/biological based; some researchers make a big noise about being objective and neutral (Shaffer).
- Invoke civil liberties, human rights ideologies when considering gambling.

How and Why New Zealand Revamped its Gambling Regulatory Structure (Andrew Secker)

- Treat this as a NZ case study

Public policy formulation

- Structured rational bringing together and analysis of facts, information, viewpoints and methods to devise a recommended approach for government in dealing with a defined issue or "problem."

- Complete info not always available—need to develop policy anyway if pressure is there
- Rarely black and white issues-relativities and risks
- Facts don't always rule
- Government not one beast
- Researchers often not adept at influencing public policy

What we know

- 1999—1.3% of NZ adults have a gambling problem. This is a conservative number (35,000-40,000 adults)
- Debate on adolescent problems—maybe double the adult rate
- Some communities (often lower income) harder hit: Pacific islanders
- Some forms more harmful (e.g., machines @ 20% PGs)
- Almost half machine spending comes from PGs.

2004

- expenditure (losses) \$2 billion (1/2 is from gaming machines)
- 22,000 non-casino machines on 1,850 sites; private pubs/clubs; 20% tax, rest back to community groups through trusts; less government dependency, but more community dependency.
- 6 private casinos in 5 locations (2800 machines)
- government owned lottery commission
- horse/dog/sports betting run by racing industry board

2000 participation and attitudes

- 87% gamble at least once a year
- new survey in 2005

drivers for change in 2000

- growth in gambling, especially more harmful forms
- more people seeking help for gambling problems
- frustrated communities wanted a say, especially in establishing casinos
- inconsistent legislative treatment
- commercial pressures in non commercial sector
- answer to this pressure could not be no research therefore no action

Policy response

- up to late 2002 DIA advised government on sector issues based on info collected and operational experience
- RESPONSE FORMULATED AS Responsible gambling bill
- Lengthy debate

Gambling act scheme

- Gambling is prohibited and illegal unless (i.e., treated as harmful and illegal unless...)
- Doesn't start with notion people have a right to gamble
- Reverse onus placed on proponent and use of "may cause." Applicant will minimize the harmful effects of gambling; i.e., prove to us they're not causing a problem.
- Purposes of act (section 3—list): (e.g., facilitate community involvement in gambling decisions)

- Are different definitions in the statute
- DIA role is specified: must not license unless...
- www.dia.govt.nz
- Ministry of Health has a role:
 - Develop/implement PG strategy
 - Treatment
 - Research
 - Funded by PG levy NZ\$56 over 3 years (\$2m for research)
 - www.moh.govt.nz/problemgambling
- Gambling Commission role
 - Separate statutory body
 - Deals with casino licence applications; appeals, recommend PG levy

Harm Minimization

- Harm risks reflected in classes of gambling
- Licenses must minimize risks
- Operators to provide information/staff training
- Minors prohibited from playing
- Remote interactive gambling banned except by NZ Racing Board of Lotteries Commission
- Advertising of overseas gambling prohibited
- Gambling banned in some premises (e.g. where minors may frequent such as shopping malls)
- New casinos and any increase in opportunities for casino gambling prohibited
- Commission payments to pubs prohibited

Balances/Tensions

- Suppose operator seeks license renewal
- Very successful in increasing community contribution
- But also takes no steps to detect PGs
- Leads to local complaints
- Should the licence be renewed?
- What if the operator has several venues, only one of which has these issues?

Summary

- NZ has moved beyond “traditional regulation to include community/public health criteria
- Gambling is potentially harmful (cf alcohol) and unlawful except to the extent permitted under the Act and requires consideration of possible effects
 - Leads to prudent, cautious reverse onus approach
- Create tensions not always easy to balance
- Likely to arise in other jurisdictions in coming years
- Need more definitive research to establish facts about what does and does not affect problem gambling but can’t stand still in the meantime and not conclusive of final adopted policy.

Comments

- Government ownership of gambling a marginal matter just shifts/creates new risks and issues
 - Decision often historical, maybe to legitimize illegal activities
 - Less worried about money side of government ownership but more directly affected by community pressure
 - Divestment decision not related to harm but financial risk
- Researchers not as effective as industry in influencing public policy debate
 - Need to separate objectives from approach adopted
- Attitude to Reno Model depends on what “collaborate” means
 - Danger of public policy capture by industry
 - It is a Trojan Horse!

THEME 4 – JURISDICTIONAL ROLES IN GAMBLING POLICY

A Birds-Eye View of Canadian Criminal Law on Gambling (Hal Pruden)

Legal Matters

- 1991 – Supreme Court ruled it is appropriate that feds state what gambling is permitted, and that provinces can regulate within it
- CCOC prohibits all forms of gambling, except those that are allowed in the Code

Historical

- Overview
- 1989 – first Canadian casino in Winnipeg

Social/policy issues

Internet

- criminal law is quite clear re: Internet gambling. In person, by telephone or computer, we are permitted to be if we are private individuals not engaged in the business of betting.
- Provinces, but not licensees, can permit gambling/monitoring through a computer.
- If an offense takes place in whole/part in Canada, it might be heard in Canada.
- If a state determines the best approach to Internet gambling might be a complete ban on prohibition vs. permission, then they are permitted to use the Internet or computers to offer lottery schemes, but they can't do this offshore.

Compulsive gambling

- Recognition of the human tragedy that can occur
- One private senators bill S11 – would eliminate VLTs from bars in provinces. CCOC reflects current government policy, so the legislators need to pass this. Differentiation is that the patron expects the bar to only serve alcohol, and not gambling (i.e., versus slots in casinos).

Question for parliament: whether criminal law should eliminate VLTs in bars, or leave this to the provinces to decide.

First Nations

- **Some provinces have accommodated First Nations gambling (S207b CCOC).**
- **Some FNs are insisting on right to permit their own gambling: is an economic engine and touchstone for self-government**
- **Existence of right must be considered on a case-to-case basis, and based on historical practices.**
- **What forms of gambling should be legal? In what places? How can we reduce harm and reach PGs?**
- **CCOC re: gambling are an extremely difficult read.**

Questions

- **How would you treat an individual Internet gambler (Williams)? Difficult to give an answer.**
- **Illegal gambling is being flaunted—what should be done? (Smith) Comes down to policing resources.**

Policy Implications of the Law Commission of Canada Study on “The Legalization of Gambling in Canada” (Colin Campbell)

- **LCOC commissioned in 1997 to advise parliament on legal issues, notably criminal law.**
- **Initiated a project “What is a Crime?”**
- **2-year study led to this report.**

Highlights of Report

- **documents history of gambling law in Canada since 1892 CCOC**
- **20th century transition from prohibition to legalization; also, federal authority decreased and provincial authority increased. Report tries to address the consequences of these trends.**
- **Australia, UK, US, Canada data collection**
- **Balkanization of the CCOC (s207): two vague elements are widely interpreted “the lottery scheme” and “manage and conduct” (4 models: govt operated, hybrid model-joint venture partnerships, charity model, First Nation gaming)**
- **Gambling and crime nexus: typology as to gambling/crime intersection (7 types of criminality associated with gambling)**
- **Issue of problem gambling—move to medicalize vs. criminalize PG**
- **Contentious policy issues:**
 - **Varying interpretations of CCOC and different models**
 - **Ontario Gaming Regulation Review underground document: challenged operational/regulatory structure in Ontario to Manage and Conduct. Heavy involvement of private sector gaming operators in major casinos do not meet CCOC to manage and**

conduct. Also question proceeds going from charities into private sector pockets. Report was never publicly addressed or received by Ontario govt or gaming authority.

- Operation/regulation of EGMs: integrity testing of EGMs (tampering—Easter Eggs, Trojan Horses); regulators hesitant to talk about this issue.
- Internet gambling: summarize issues
- Conducted cross-jurisdictional :1999 National reviews in US, UK, Australia. There has been no such undertaking in Canada. Why? There is no federal presence in gambling in Canada? Why? In 50 years, there have been no efforts to involve the feds.
- Policy issues are controlled by executive levels of government in provinces (policy elites); rarely appear on the floors of legislatures.
- What impact will their report have? Traditionally, the feds will not involve themselves. Doubtful the feds will provoke a hornets nest—likely s11 will not see the light of day. Would like to see a “National Gambling Study Commission.” Barring this, the status quo will hold.
- Devolution of gambling from fed to prov authority suggests that perhaps gambling should be removed from the CCOC.

THEME 5 – RESPONSIBLE GAMBLING POLICY ISSUES

Building on the Framework for a Global Gambling Strategy, Responsible Gambling, Public Policy and Research: Halifax Model (Tony Shellinck)

- Summary of the Reno model:
 - Shape the direction for developing responsible gambling initiatives
 - Stimulate a rich and enduring dialogue about responsible gambling concepts and related initiatives
 - Need for strategic framework
 - Prevention efforts that differentially target vulnerable community members
 - Allow gambling industry to deliver products
 - Regulators can cause unintended negative effects for harm free gamblers
 - Basic message—hey, you get off my cloud!
 - Presently there is no evidence to demonstrate whether these initiatives gambling restrictions have had any impact...gambling related harm (he disagrees with this)
 - Regulatory responses often have been applied in the absence of any evidence that demonstrates or supports the likelihood of effectiveness of targeted groups (Tony agrees whole-heartedly here)
 - A table is used to make the point that restricting machines has no effect on problem gambling rates. Perfect example of using no evidence to state something (cells are too small). Science is not true
 - Two barriers to progress in PG research:

- **Lack of conceptual clarity for gambling-related harm**
 - **It is difficult to obtain a clear estimate of the qualitative level of severity, harm or numbers of individuals that might require assistance by evaluating their gambling behaviours – need to “revela clinical significance of events associated with gambling.” There is very much a health-bent in all this, which is good, but we need to consider other perspectives.**
 - **Ambulance at the foot of the cliff model: when gambler falls off the PG cliff, we will move to help**
- **Lack of consensus regarding the parameters of responsible gambling:**
 - **No definition of responsible gambling**
 - **Responsibility for harms remains blurred**
 - **Research-information-threat to industry**
 - **Not clear who should be targeted with RG policy “small% of customer base” argument**
 - **Staff interference-limits and training required**
 - **National history of gamblers need to be researched-natural recovery**
- **Definition of responsible gambling**
 - **Harm minimization-assist gamblers that already have problems (ambulance approach)**
 - **Responsible gambling policies**
- **Assumptions**
 - **Safe gambling is possible (loaded question—Can individuals gambler safely? Can industry provide safe gambling?)**
 - **Gambling can benefit gamblers/community/society (true)**
 - **A proportion of gamblers and others suffer harmful consequences**
 - **Total social benefits exceed social costs (who set this as a benchmark? It is ridiculous)**
 - **Abstinence is not essential for PGs (true)**
 - **PGs can return to safe gambling levels (true)**
- **Further assumptions we would like to see**
 - **Gambling produce design does impact on the safety of the product**
 - **Marketinf and venue design may also impact on the incidence of PG**
 - **There is a basic conflict between marketing practices of the gambling provider and RG that need to be resolved**
 - **There are gambling products and services where to amount of information will be sufficient to allow the gambler to make I nformed choice**
 - **Consumers of gambling products and services should expect them to be safe by a clearly defined standard**
- **Key stakeholder Principles (5 principles): need to use “scientific method.”**

- What is the scientific method?
 - Assumptions required
 - Research can be done to prove causality
 - Someone is interested
 - Research can be would be funded
 - Publication is possible
 - Industry government will cooperate to do research and publish
- Individual vs. Industry responsibility
 - Ultimate decision to gamble resides with individual
 - Individual must have opportunity to make an informed choice
- Model used to explain their theory (ramp): trying to get AR gamblers not moving to PG group. Problem is, there is a lot of movement in/out of various gambler subtypes—is it in the individual and/or in the environment (we don't know)
- Areas of research (11—and they are all good). They assume individual characteristics are paramount, and
- Overall—many good points, but biases throughout

Halifax Model

- Precautionary principle: primary developed in the early 90s in Europe as a means of implementing environment and public protection regulation
- PP helps frame issues in a way that empowers citizens to take action
- Proponents of an activity bear the burden of showing it's safe (as in NZ)
- Goal: provide a framework and underlying assumptions regarding the nature of research input
- Assumptions: causes not solely individuals; clinical assessment is not required to identify PGs.
- Approach to research:
- Needs to be more research done strictly for policy purposes: large scale, population, field studies before, during and after the implementation of policies.
 - Policy research: other disciplines lead into policy research; they are not an end in themselves
 - Policy research needs to draw upon the lit and practice of many disciplines
 - Science based research: knowledge discovery; direct causal research (lab, academic)
- Policy/management research
 - Decisions must be made
 - There is always a risk
 - Sometimes the best strategy is to go with what seems to work
 - Difficulties in designing research
 - Therefore, typical management approach

- Feedback into next decision-continuous improvement
- Evaluating alternatives or scanning environment
- Halifax model differences
 - Draws on precautionary principle
 - Broader in scope
 - Draws from many disciplines
 - Not only focused on public health
 - More emphasis on consumer safety
 - More active role on part of gaming supplier and government

Questions

- Halifax model might be trying to do something different than the Reno model. Assumptions in Reno model are not well thought out; people seem to want to hang their hat on “collaborative research approach” vs. “scientific evidence” that helps policy. (Williams) The Reno model is purposively limited in scope, because the industry doesn’t want you going there (Tony).
- Reno assumptions are a Trojan horse that inveigles us into a cozy view that these collaborations are good.

The Role of Social Responsibility Management in the Alberta Gaming Policy and Regulatory Framework (Kent Verlik)

- As a gaming regulator, AGLC takes issue of RG very seriously.
- The Alberta Model to RG presented

Social Responsibility

- Explosive growth of corporate social responsibility
- No universally accepted definition
- Built to suit
- AGLC definition: SR is...the ethical accountability framework for the gaming industry which defines principles, policies and practices...
- What is responsible gaming?
 - Principles, strategies, policies, programs based on: individual responsibility, informed choice, duty of care
 - AGLC definition—RG is continuum of policies, strategies, programs and services designed to prevent gambling related problems and adverse community impacts by supporting and enabling individuals...
- Why is it important:
 - Its good business
 - Revenue/economic sustainability
 - Public & stakeholder expectations

Social Responsibility Division Overview

- Introduced team
- Defined mission of division (mission statement)
- Key responsibilities
 - Monitor emerging issues and trends

- Identify, support and conduct research into priority areas
- Develop, implement and evaluate social responsibility policies, strategies and programs
- Partner with AADAC and industry
- Slide showing “house” for social responsibility framework
- SR Management Process: business planning, leadership & people focus, client & stakeholder focus, process management, outcome assessment
- What are the issues (drivers---impacts)
- Prevention model (different interventions for different PG target populations)
- Current responses:
 - Awareness/prevention
 - Treatment
 - Training/education
 - Regulation
- Strategies
 - Monitor issues, other jurisdictions, research
 - Research existing industry best practices
 - VSE-enhancement & developments
 - Refresh awareness messaging
 - Enhanced retail presence
 - Helpline enhancements
 - Stakeholder engagement
- Initiatives
 - Casino “deal us in” program
 - VLT winning moments & awards program
 - RGF study
 - Bingo program
 - Ticket lottery program
 - First Nations program
 - AGLC staff program
 - Policy development-under 25, ATM placement
- Results
 - Increased profile and commitment to social responsibility within organization culture and in decision making processes
 - Key partnership with AADAC
 - Key stakeholder relations established
 - Improved monitoring of issues
 - Enhanced retail presence
 - Initiated staff and industry training
- Government is duty-bound to be socially responsible. Generating revenue and being socially responsible are not mutually exclusive.

Questions

- Do you expect reduction of revenue as a result of RG initiatives (Simpson). We’ve never been given revenue targets; if there is a loss, that is OK.

- What about the RGF features study—will results be published? (Hodgins) yes.
- Anielski challenges the entire CGR premise.

Thoughts on the Applicability of the Reno Model to Alberta – A Panel Discussion

- AADAC asked Alberta researchers to consider the Reno model
- What is meant by the Reno model?
 - “strategic framework that sets out principles to guide industry operators, health service and other welfare providers, interested community groups, consumers, governments and their related agencies in the adoption and implementation of responsible gambling and harm minimization initiatives”
- Personal bias (el-Gubaley)—we can, and must, build on the “framework” for directing “socially responsible practices” associated with gambling (whether it is Reno, Halifax, etc.)

Garry Smith

- Context for this session—Canadian RG initiatives
- Rational, harmless endeavour that is a personal choice
- RG only introduced long after gambling was expanded
- 1st stage: denial (no such thing); if there is, it’s not our fault; they harm themselves in some other fashion anyway, if we lose ground to PGs we’ll lose other customers
- 2nd stage—PG prevalence study rates were higher in Canada. Agreed to provide PG services; still blamed the victim; ignored the gaming industry contributing factors
- 3rd stage—half-way house. PG exists, and it negatively effects the gaming industry. Began to walk the talk—trying to take the high road, but still constrained by market placed demands (revenues).
- 4th stage—full commitment—PG is there, and it is our responsibility to mitigate it as best we can. We must protect our citizens—social responsibility must come before revenues.
- Where are we now? Depends on jurisdictions. We’re between stage 2 and 3 in Canada.
- Our hope is that by studying the Reno model, we will move to the 4th stage.

Rob Williams

- Wants feedback on the Reno model.

Shawn Currie

- WHO framework for evaluating alcohol control and harm reduction policies (Babor et al, 2003).
- The more people drink, the greater the opportunity for harm; the more opportunities to purchase alcohol, the more people drink, more potential for harm.
- 10 strategies have been shown to be effective in reducing harm.

- Some strategies have been well researched, but not shown to be that effective (e.g., alcohol education in schools)
- Some alcohol strategies could be adopted for gambling.
- Within alcohol field, there has been collaboration with industry; with tobacco, there hasn't been as much collaboration.
- Lessons to be learned:
 - Taxation is the most cost effective control strategy
 - Control and harm reduction policies need to be stricter for youth
 - Policy enactment without policy enforcement is ineffective
 - Industry needs to be a willing and cooperative stakeholder
 - Empirical support and cost effectiveness and critical dimensions to plan and evaluate policy development
 - Harm reduction does not always equal revenue reduction
 - Regular monitoring is necessary to evaluate the impact of policy decisions over time.

Gordon Graydon Presentation

- Research provides insight into what government does
- Recognize a duty for care, and are accountable
- Scope of Gaming in Alberta
- Listed gaming in Alberta, including 5 new casinos (2 FNs)
- \$1B returned to communities through ALF grants
- \$55m from fund to AADAC
- sustainability, new technology, requests for new games, consumer demand, public acceptance
- principle to not promote gambling in Alberta
- 73% public satisfaction
- 3 major consultations: 1995 lotteries review committee; 1997, 2001 policy review.
- Importance of policy changes and RG
 - 8-step casino licensing process, which includes municipality input
 - plan to reduce VLT locations by 10-15% in 3 years, and capped to 6,000
 - retail sites being replaced by upscale video gaming rooms (45 VGs)—reduced by about 12% so far. No change planned on cap of 6000
 - responsible gaming initiatives:
 - staff training mandatory
 - signage is mandatory
 - RGFs added to VLTs last year
 - Voluntary self-exclusion program (VSE)
 - New social responsibility division
 - Expanding partnership with AADAC and other partners
- What further steps can we take:\
 - Shared opportunity
 - Why AGRI was created (\$7.5 million received to date)
 - Significant funding towards capacity building

- Commitment to raising community awareness (website, library, conference)
- AGRI completed 22 research programs to date
- Need areas where research can be improved: RGFs on VLTs; social costs/benefits of gambling
- Now is time for more research. Need a peer review process to ensure valid and accurate
- Wants some changes in AGRI: independent, relevant research; less \$\$ for capacity building and more on research; want to be able to direct the research (not results, but what field it will be directed to).
- Challenge is to work together; gambling is an acceptable form of entertainment.
- Ideas to contemplate:
 - Focus on priority research areas that may help govt policy making

Questions:

- No smoking campaign was an impressive coordinated approach, which seemed to have an impact—rates of smoking/youth smoking are down (Currie). Can you see doing this with gambling? RG division key mandate is to work closely with AADAC, and we are on that track.
- Getting 30-40% of revenue from PGs—are you concerned? Finds it hard to believe that that much comes from PGs. We're trying to reduce # of PGs.
- Info from Ontario on how much is spent promoting—AB government does not promote gambling (Western Canada Lottery spends \$6M on gambling—not AB) and does not have a budget for promoting gambling.
- Research is a long-term prospect and we need long term, stable funding. Would encourage them to make this funding stable (Simpson). We budget on 1-year cycles, and there is reluctance to extend 3-year budgets.
- What are the research priorities for Alberta (Liz)? Cost/benefit analysis.
- Is the government's intent to grow the gaming industry? Grow to meet the market only—not unlimited casinos. How do you judge the demand—do you ask the people? Measure the demand by the results.
- AGRI el-gubaley commentary – Balance between direct research, but not at the expense of investigator-driven research.

THEME 6 – THE PUBLIC POLICY IMPLICATIONS OF SPECIFIC GAMBLING RESEARCH PROGRAMS

The Gambling Problem and Problem Gambling: The Public Policy Implications of Gambling Activities on Canadian Citizens (John McMullan)

- Bodies of literature written in the past 4-5 years.
- Document gambling's development
 - List of gambling developments
- Gambling's impact on PGs
 - Rising rate of PG
 - PGs accounting for increasing amount of revenues
 - Continuous players were the mainstay of gambling revenues
 - VLT gambling is predominant as a revenue-generator
 - Evidence that gambling is developing on its harmed gamblers;
 - Higher income households spend higher amount on gambling, but with fewer problems than lower income households.
 - John's study:
 - Household income was positively associated with the likelihood of gambling, but not a predictor of the amount spent. Lower income households spent more on gambling.
 - Higher gambling rates found in middle-age groups; both younger and older age groups more likely to be in high-intensity gambling group.
 - Little correlation between education and gambling rates
- Public policy areas for ethical consideration
 - Consumer protection dimension: gambling products are "credence goods" (can't evaluate their harms). Gamblers have the right to gamble and be protected.
 - VLTs should only be placed in dedicated gambling sites.
 - Conclusion: gambling industry must reduce dependency on vulnerable customers. Maybe there is a new ethics that should drive gambling.

The Proportion of Gambling Profits Derived From Problem Gamblers (Rob Williams)

- Source of gaming revenue has sociological, philosophical, economic and other implications.
- Two implications:
 - The legitimacy of govt sponsored gambling and the continued expansion of gambling
 - The amount of money devoted to prevention and treatment
- Several studies have examined this issue:
 - Every study has found a disproportionate of \$\$ has come from PGs (secondary analyses of prevalence studies)
 - Limitations to each of these studies

Results

- Prospective diaries are closer to actual revenues.
- 39% of Alberta gaming revenue derived from moderate/severe PGs, and in Ontario, 35%
- 60% of EGM revenues from PGs (Ontario)

Conclusions

- 4 independent observations and converging lines of evidence that a substantial portion of gambling revenue derives from PGs (30-40%)
- equivalent degree of exaggeration for each gambler subtype
- exact proportion depends on the specific jurisdiction and time period studied

Policy implications

- money spent on prevention/treatment is very small compared to the amount contributed by PGs
- questionable whether governments, whose mandate is to serve the people, should be in the business of owning and operating enterprise based on PGs.

Questions

- Australian economist found in self report data, people underestimate expenditure by factor of 9 (Borrell).
- Attrition rate on diaries (25%).
- How did you handle outliers (Tony). Winsorizing outliers (next highest score +1); looked at PG/NPG status of outliers. Reported the data from specific data analyses.

From the Tower to the Trench: Strategies for Disseminating Clinical Research (David Hodgins)

- Frustrations trying to get people to use his practical clinical research.
- What is evidence-based practice: Interventions that show consistent scientific evidence of being related to preferred client outcomes.
- Evidence-based gambling treatment—researchers perspective:
 - Gold standard—multiple randomized clinical trials
 - Second tier – consensus reviews of available science
 - Third tier – expert opinion based on clinical observation
- RCTs – Toneatto/Ladouceur review
 - 11 RCTs identified
- PG Self-Recovery Program
 - Results after 2 years are very good
 - SAMHSA “promising program”
 - Oregon pilot project
 - AADAC adopted
- Problems
 - Research is inaccessible
 - Findings are equivocal
 - In gambling, the major outcomes are based upon self-report

- Findings do not account for decision making cycles of policy makers
- Findings do not account for resource limitations
- Research questions are not policy relevant
- Researchers do little to distinguish themselves from other self-interested parties seeking to influence policy or resource allocation
- What do we do?
 - Looked at 3 models of dissemination that have been used in other areas:
 - Rogers diffusion of innovation theory
 - Social marketing theory (Martin et al, 1998)
 - Community organization model (Bracht et al, 1999)
 - Stirman synthesis and tips
 - Planning phase
 - Training and implementation
 - Measuring and publicizing success
 - Maintenance and follow-up
- What are the implications?
 - Feasibility?
 - Implications?
 - Reno model theme of collaboration
 - Legitimate funding priority.