

A Global Problem Gaming Scan



China and Macao

- In the world's most dynamic and rapidly-growing gaming industry, the problem gambling issue is gathering significant momentum
- Macao's current challenges: RG in nature
 - "Corruption" vs. Problem Gambling
 - Restriction on visas stem from concerns about problem gambling in mainland China, and in neighboring Hong Kong.
 - Chinese central lottery appears to be in the process of developing a major technological RG overhaul



Singapore

- The Singaporean government required that applicants for its two gaming licenses submit highly detailed and rigorous plans for the management of "social safeguards" – without which it was likely that gaming never would have been legalized.
- The Singaporean government has imposed a series of strict responsible gaming requirements, including:
 - a demonstrated track record on social responsibility; a mandatory \$100 entry fee for Singapore residents; exclusion policies that allow individuals, families, and "third parties" (including regulators and police) to ban gamblers from the premises, ban on all Singaporeans who have declared bankruptcy or have been on the welfare rolls; prominent problem gambling educational strategies; strict bans on casino advertising; limits on credit; limits on number of gaming machines; bans on ATMs; mandatory system allowing Singaporean residents to voluntarily set up loss limits
 - Recently re-affirmed their commitment to strict PG policies by counting 29,000 residents who will be banned under the welfare/bankruptcy policy outlined above.

South Korea

- Quite possibly, the most aggressive gambling culture in the world, with correlated problem gambling issues
- The gaming world's most fascinating PG laboratory?
- Domestic bans except at Kangwon Land
- Strong response: a treatment center in the parking lot!
- An interesting blend: monopoly profits in a setting with some of the most aggressive on-site PG programs in the world

The European Union: Problem Gambling as a major policy challenge

- The EU is committed to principles of free and fair competition => Anti-competitive industries are generally prohibited.
- Exception: Gaming and Wagering industries.
 - To justify this status, must be done in a way that protects the morals and well-being of society.
- At Stake: A €60 b industry, with €40 b for "good causes;" high dependence among member states on this \$
- Must also have meaningful and effective PG programs to justify




Sweden and Norway



- Both jurisdictions: aggressive technological approaches to PG/RG
- Sweden: state-run Svenska Spel system analyzes how players place online bets, use a "magic algorithm" to diagnose a gambling addiction 
- Norway: players set limits on time/money, can be more restrictive than "defaults" set by Norsk Tipping (state owned lottery) 
 - "Most stringent gaming machine rules in the world"

United Kingdom

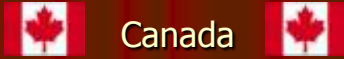


- More market oriented than other EU countries, but efforts to open the casino market failed in 2005
- The "Super casino" debate was ultimately shot down by a perfect-storm combination of negative media attention, public backlash, and political maneuverings.
- However, agreement among media, public, and political entities that problem gambling (and associated costs) were central to their concerns → GAMING ACT 2005 created protections
- Mandated levy on gaming industries to fund problem gambling treatment, research, education, and public awareness → Existing institutions such as GAMCARE, Gordon House, Responsibility in Gambling Trust

Australia

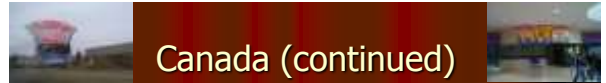


- Australia arguably stands alone as the global gaming jurisdiction whose scope and profitability are most endangered by PG issues.
- Australia has a long history of dealing with PG controversies, and a longitudinal scan of media reports on the industry reveals fairly constant portrayals of a predatory industry preying upon problem gamblers for their profits => casinos versus convenience gambling
- Never before, however, has the industry faced a challenge quite like it faces right now: in its federal parliament, two staunchly anti-gambling activists hold key positions of power (Senators Fielding and Xenophon), and have used their positions strategically in order to have the PG issue heard.



Canada

- Duty of care clause: requires each province to establish protections for gaming patrons
- Political vulnerability because of State ownership
- Like Australia, Canada is a jurisdiction where the gaming industry is in retreat – a retreat that can be traced directly to the PG issue
- 2001 class action lawsuit in Quebec, others have followed (and settled)
- Also following the class actions: more aggressive PG policies nationwide
 - PG is a cottage industry: country spends \$100M annually on PG – more than any other country in the world



Canada (continued)

- Technology features: starting in Nova Scotia in 2001, and spreading across the country since:
 - Permanent on-screen clocks, wagers displayed in dollars, pop-up reminders, mandatory cash-outs, and problem gambling help line information
- In 2007, “deceptive gaming machine” allegations began to surface publicly – particularly in Ontario.
 - Gambling watchdog group questions the so-called “near miss” and “nudge” characteristics, distributions of symbols on reels, speed of play, and other features.
- Overall, the most prominent, visible, and active “problem gambling industry” in the world

United States

- Pioneers in problem gambling: Custer, Rosenthal, Lesieur...
- Gaming policy: a “states rights” issue
 - Possible exception: internet gambling
 - House bill to fund PG treatment, services: HR 2906
- PG policy: a state-by-state matter
 - Early leaders: Louisiana, Oregon
 - NV: a case study

US Gaming Expansion and PG

(thanks, Keith Whyte, NCPG)

State	Expand Gambling	Cut PG Funding	
Arkansas	1	0	started lottery
Arizona	0	1	budget cuts based on declines in gaming revenue
Colorado	1	1	removed limits on casinos
Delaware	1	0	added sports gambling
Florida	1	0	expanded tribal casinos
Illinois	1	0	added video poker
Indiana	1	0	added racetrack casino
Iowa	1	1	budget cuts
Kansas	0	1	budget cuts
Maine	0	1	budget cuts
Maryland	1	0	added slots
Mass.	0	1	50% cut by governor, since restored
Missouri	1	1	dropped loss limit
New York	1	1	added slots
Nevada	0	1	budget cuts
Ohio	1	0	added casinos
Penn.	1	0	added slots and table games
Rhode Island	1	0	24 hr gaming at tracks
Washington	1	1	added additional tribal casino, budget cuts after declines in gaming revenue
W. Virginia	1	0	added table games
TOTAL	15	10	

Conclusions

- There seems to be a greater emphasis on PG when:
 - There is government ownership of casinos and other popular gaming (i.e. Canada, Holland, Sweden)
 - There is more "convenience gaming" than destination specific gaming in venues such as resort casinos (i.e. New Zealand, Australia, Canada)
 - Gaming is easily available in population centers (Australia, New Zealand, Canada)

Questions?

Bo J. Bernhard, Ph.D.

bo.bernhard@unlv.edu

(702) 895-2935