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EASG 2008

# Regulation of EGMs and the discourse of business as usual

# Electronic Gaming Machines in Australia

- **About 200,000 high impact EGMs in Australia – typically max prizes of \$AU10,000, max bets of \$AU10**
- **Responsible for about 60% of net gambling revenue**
- **Available in large numbers in local pubs and clubs across all but one Australian state**
- **EGMs net an average \$AU60,000 - \$AU100,000 p.a.**
- **Gambling provides around 10% of state tax revenue**
- **EGM net losses total \$AU11 billion p.a.**



# The conventional wisdom ...

- **Vested interests operate in all spheres, but most obviously in areas of economic activity**
- **J. K. Galbraith called the tendency to justify the maintenance of vested interest ‘the conventional wisdom’, and**
  - ‘The hallmark of the conventional wisdom is acceptability. It has the approval of those to whom it is directed’ (*The Affluent Society*, 1958)
- **Is the conventional wisdom a major impediment to progress in addressing issues of public health where consumption is a major risk factor?**
- **Can evidence overwhelm the conventional wisdom?**



# Discourse

- **Discourse is more than a manner of speaking – it is a way of understanding the shaping of our reality: the way ‘the conventional wisdom’ is organised, implemented and articulated**
- **Discourse organises knowledge and practice via representation, and defines specific categories**

**A ‘discursive structure is not a merely “cognitive” or “contemplative” entity; it is articulatory practice which constitutes and organizes social relations’ (Laclau and Mouffe, 1985, p. 96).**



# The discourse of business as usual

- **Relies on several orthodoxies, derived from two key discursive elements:**
  - Gambling is known to be ‘risky’ and therefore can be exempted from usual standards of consumer safety; and
  - Individuals are freely choosing, well informed consumers of this risk



# The comfortable orthodoxy ...

1. Only a small proportion of gamblers suffer harmful consequences from EGM gambling;
2. Current EGM arrangements are safe: gamblers are the problem;
3. Current EGM arrangements should not be altered as this will reduce the enjoyment of those who are not troubled;
4. The worlds of EGM gamblers are well understood, and their voices are heard in the framing of policy and regulation



# 'Responsible gambling'

- **An elastic and goal-less, but key discursive concept of the DOBaU:**
  - largely transferring responsibility to the individual,
  - usually focusing on downstream interventions
  - ignores, and indeed legitimates the harm producing capacity of the system – for example:
    - > 'encouraging gamblers to play safely without harming themselves or others [and] promoting good customer service practices by gambling providers' (Victoria 2007)

# Orthodoxy One: Only a Small Proportion of Gamblers Suffer Harmful Consequences ...

- **Perhaps 2.5% of adult population score CPGI 3+ (80%+ of PGs are EGM users)**
- **But more than half of weekly EGM users score CPGI 3+**
- **Between 42% and 53% of EGM revenue is derived from these people**
  - Compare this with Williams & Wood's (2004: 42) estimate that up to 60% of Ontario slot revenue derived from moderate-severe PGs



# Orthodoxy Two: Current EGM Arrangements are Safe, Gamblers are the Problem

- **Existing Aust/NZ technical standards do not address consumer/product safety, despite substantial evidence of the role of ‘structural characteristics’ (Griffiths 1999)**
- **BNAs, multi line and reel betting, game features, and (of course) game maths are all modifiable – evidence strongly supports such ‘upstream’ modification**
- **Industry boasts of data mining as key success strategy – regulators ignore it**

## Orthodoxy Three: Current EGM arrangements should not be altered as this will reduce ... enjoyment

- Any change to existing regulation ‘will ruin the club, pub or casino industry and detract from the enjoyment of recreational gamblers’ – even though their best customers are PGs
- Evidence suggests that casual gamblers wouldn’t notice most proposed structural changes
- Crucial to EGM policy - the nexus between problem gamblers, private profits and public revenues
- Current arrangements are legitimated by, and hide behind the figure of the ‘recreational gambler’ and their rights to ‘enjoy’ unsafe EGMs



## Orthodoxy Four: The worlds of EGM Gamblers are well understood and their voices are heard ...

- Government and industry operate as ‘economically amoral’ – true neo-liberal actors (Slater 1997)
- EGM gamblers are frequently not ‘rational actors’
- EGM games are carefully designed to configure player decisions which, although logical in the game context, are conveniently irrational and aberrant to the regulator, politician or non-gambler
- Responsible gambling is about ‘managing the casualties’ (Collins 1996), not preventing harm

# Gambler rationality

- **Most problem gamblers appear to use EGMs because they like to be in ‘the zone’, not to win**
- **They operate in the rationality of the EGM game, not mundane rationality**
- **Re-arrangement of agency’ means that playing high impact EGMs – even 1c games – can be financially devastating in a short space of time**
- **Low impact EGMs would be very likely to reduce harm, even if they don’t diminish the incidence of obsessive EGM use**

# Destabilising the orthodoxy

- **Dismantle key discursive elements such as ‘responsible gambling’**
- **Decode the language of vested interests**
- **Understand that EGM marketing, distribution and technology are not accidental – and PG is not caused by aberrant individuals**
- **Refocus regulation on consumer/product safety principles**
- **Accept a loss in revenue (state and private) as the price for a sustainable industry**



# EGMs are not all the same

- **The EGM industry invests heavily to develop ‘attractive’ EGMs, and they’re very good at attracting customers’ money**
- **But EGMs are not homogenous and we know that some EGMs and some venues work harder than others**
- **At present it appears that some modification to core EGM technology is likely to reduce the harm generating capacity of EGMs**



# Technology based approaches?

- **Three elements (at least):**
  - Effective data capture and scrutiny, echoing the ‘data warehousing’ that operators utilise, with a focus on risk identification and management; and
  - EGM game modification, to reduce prize levels, reduce volatility, and reduce average bet sizes
  - Current EGM configurations should continue only with smart technology to monitor play and adhere to pre-commitment settings – two streams, perhaps, incorporating Schellinck and Schrans’ ideas about data tracking and analysis



# Finally ...

- **Governments, like companies, are in it for the money – not to protect people’s inalienable right to gamble on machines**
- **The discourse of business as usual is about protecting the money for as long as possible – just like tobacco and other ‘dangerous consumption’ industries**
- **Public health principles indicate that disrupting this orthodoxy is a crucial element of reducing gambling related harm**

# References

- **This presentation is based on Livingstone, C. & Woolley, R. (2007)** 'Risky Business: A Few Provocations on the Regulation of Electronic Gaming Machines' *International Gambling Studies*, 7(3): 361-376
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- **Slater, D., (1997)** *Consumer Culture and Modernity*. Polity Press, Cambridge.
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- **Victoria, Department of Justice. (2007)** Responsible Gambling Web Page, <http://www.justice.vic.gov.au/wps/wcm/connect/DOJpInternet/Home/GamblingpandpRacing/ResponsiblepGambling/>

