

# Responsible Gambling in Canada: A Shared Pursuit

A Report Prepared by the:

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## a. Introduction

For those who work within the problem gambling field, the gaming industry or gaming and regulation field, the concept of "responsible gambling" has become a familiar term in recent years. Moreover, those who refer to responsible gambling on a frequent basis have a variety of meanings in mind. This is not surprising since responsible gambling was unheard of less than ten years ago. During the last few years, the term has been used by problem gambling organizations, governments and gaming companies and has been given a variety of loosely related meanings.

When the Canadian Foundation on Compulsive Gambling (Ontario) changed its name to the Responsible Gambling Council (Ontario), the board of directors made a commitment to advancing our collective understanding and practice of responsible gambling, recognizing that the concept underlying all uses of this term is the prevention of gambling related problems.

This paper is written for three purposes:

- to contribute to our understanding of responsible gambling
- to identify its key components and
- to examine related principles and future directions

This paper draws on the writing on the subject, albeit limited, and a forum on responsible gambling held in June 2001, which drew together about 40 individuals from the fields of problem gambling, public policy, and gaming and regulation.

The issues discussed in this paper have a Canadian and, more specifically, an Ontario perspective, but they are relevant to any jurisdiction or any organization wrestling with ways to reduce the risk of gambling-related problems.

## b. Background and Evolution

Gambling is invariably a controversial subject. Historically, both religions and secular authorities prohibited most forms of gambling. Gamblers themselves were often thought to be immoral or worse. Much of the prohibition against gambling was centred on religious and/or moral teaching. In the last 100 years, that picture has changed dramatically in most cultures. As the base of opposition declined, civic authorities began to remove prohibitions. The controversies related to gambling, however, remain. The focus of those controversies has shifted from morality to fears of corruption, criminal involvement, community

impact, and problem gambling. Public debate and concern about gambling, like alcohol, led legislators to establish laws and regulatory frameworks that were considerably more stringent than those for most other forms of business.

Beginning with horse racing and charitable gaming, governments have removed prohibitions. In doing so they have introduced stringent controls over the games in order to address the probity issues and, of course, generate tax revenues.

In Canada, 1969 was a watershed year for gambling policy. In that year, changes to the Criminal Code of Canada opened the door to greater provincial operation of gambling and closed the door to any large-scale private commercial gaming. This requirement that governments must be the provider of gambling set Canada apart from most countries that chose to regulate and tax rather than run gambling. It also, perhaps inadvertently, made politicians and public servants more directly accountable for gambling decisions than in most other jurisdictions. Subsequent to the Criminal Code changes, virtually all the Canadian provinces developed lotteries or banned together to create joint lottery operations. At the same time, other forms of gambling including horse racing, charity casinos and bingo, continued to operate, but the significant expansion was in the provincially run lotteries.

Through this period, regulators focused largely on the integrity of the games; protecting customers from cheating, ensuring crime did not get a foothold, and carefully accounting for financial transactions. Regulators focused on control. In fact, most of the legislation and regulations established during that era used the term “control” in the title of the legislation, e.g., Gaming Control Act. Concerns about problem gambling were virtually absent from such regulatory frameworks.

Another key feature of this early era of government supported gambling was the earmarking of revenues to “good causes”— usually capital construction such as arenas, libraries, etc. and other facilities in local communities.

This model of tight regulation, public operation and the channelling of revenues to “good causes” made gaming in Canada more akin to a public utility than U.S.-style casino gambling.

Beginning in the late 1970s and early 1980s, grassroots organizations like the Canadian Foundation on Compulsive Gambling (Ontario) and the U. S. Councils on Compulsive Gambling began their struggle to get help for compulsive gamblers and to set up programs in such areas as prevention, public awareness and research.

Many of these same organizations, often based on self-help principles, also began, in their early days, to undertake public awareness and to publish tips or guidelines to help gamblers avoid gambling problems. While these early

guidelines were not labelled "responsible gambling," they, nevertheless, set the mould for all later messages designed to help gamblers stay out of trouble.

Typically, these guidelines were derived from the obverse of problem gambling. If problem/compulsive gambling involves the preoccupation with gambling then the organizations suggest ways to avoid such preoccupation, e.g., take frequent breaks, make sure you have other forms of recreation, get help if you feel you are overly involved.

Though there are no definitions of responsible gambling established by these organizations, one can infer from the guidelines that, for the individual, responsible gambling means knowing your limits and gambling within your means.

### **The New Wave of the Nineties**

In the early to mid-nineties, depending on the jurisdiction, the face of gambling changed dramatically. Governments facing growing taxpayer resistance and large deficits began to look to gambling as an alternative source of revenue. This led to widespread development of casinos and the introduction of electronic gaming in the form of VLTs and slot machines. While the pattern of growth differed from jurisdiction to jurisdiction, the expansion process was similar throughout the developed world.

The expansion of casinos and electronic gaming ushered in a new era, not only in gaming but also in problem gambling. Expansion made gambling much more visible and accessible. As this happened, many began to see electronic gaming as escalating the risk of gambling addiction. Researchers began to identify machine-based gambling as the source of a disproportionate number of problem gamblers. Helplines and counselling programs reported a heavy concentration of machine gamblers among their clientele. Those jurisdictions where machine gambling is highly dispersed, e.g., in local bars and clubs, became even more concerned about the growth of gambling addiction.

The growing visibility of problem gambling also served to heighten issues of industry and government liability. Once compulsive gambling became recognized as a medical condition and authorities began to acknowledge problem gambling as an addiction, it became their responsibility to take action to mitigate the potential harms for their customers and the potential liabilities for themselves.

These developments were due, in part to advocacy pressures, in part to liability issues faced by gaming providers, and in part to the public service principle of balancing interests — in this case balancing the benefits against the costs of gambling. One manifestation of those concerns was the establishment of a

range of programs to address problem gambling, including counselling, research, helplines and, to a lesser degree, prevention initiatives.

Looking across many countries, the pattern of the expansion of casino and electronic gambling in the 1990s was widespread though the commitment to the parallel development of problem gambling programs is far from universal.

### **The Gaming Industry Responds**

During the same period, i.e., the early nineties, the most visible set of responsible gambling initiatives was started within the gaming industry. In fact, the first use of the term "responsible gambling" seems to have appeared with the introduction of Operation BetSmart and Project 21 at Harrahs. Over time, gaming providers have come to see responsible gambling programs serving several purposes, including reducing liability, helping to reduce problem gambling, and maintaining good customer and public relations. While industry programs vary, they typically include policy statements; self-exclusion programs; customer and, perhaps, community awareness; strict enforcement of age restrictions; and employee assistance programs. This array of programs has become, more or less, the standard for industry-based responsible gambling programs though there are still many venues and industries that have yet to reach this standard.

Some gaming providers have gone further, undertaking extensive staff training to understand, identify, and address customer problems, including problem gambling. A few venues have now gone on to introduce more intensive programs like;

- on-site counselling
- a variety of approaches to spending limits
- lighting adjustments to simulate natural light
- closing for certain periods of the day
- slowing the rate of machine play
- precommitment programs and
- many others

As with problem gambling organizations, gaming providers have not developed definitions for responsible gambling. Rather, they tend to outline programs that are included under the title "responsible gambling" without actually saying what it is. Based on a range of descriptions, it seems that responsible gambling refers to a set of programs designed to reduce problem gambling and provide good customer service. At times, industry responsible gambling programs also include a somewhat broader scope, including good community relations.

In some ways, industry initiatives are now at a crossroads. Many of the programs introduced to address problem gambling have been established in response to regulatory and/or public pressure. Most of the measures have been tried in the absence of solid research into their effectiveness in reducing problem

gambling or their impact on non-problem customers or venue revenues. As industry leaders become more involved and committed to responsible gambling programs, they are increasingly seeking information about "what works" based on solid analysis over and above intuition or best guesses.

### **The New Millennium — Responsible Gambling in Public Policy**

Ten years ago, problem gambling advocacy usually meant activism of compulsive gamblers seeking acknowledgement, support, research, and awareness. While these issues are still prominent, a new form of advocacy has emerged in the past decade. This growing voice, perhaps most visible in Australia, looks to both gaming providers and policymakers to introduce more extensive responsible gambling initiatives. It also broadens the focus of public debate to include issues such as community decision-making, the optimal number of gaming machines per capita, government dependence on gaming revenues, and the potential conflict between government as beneficiary of gaming revenues and as policy maker/regulator.

Proponents of responsible gambling in this decade are being challenged not only to address problems but also to set in place a broader set of safeguards to help people avoid such problems. That challenge presses beyond the demand for problem gambling programs to changes in the way gaming is regulated, delivered, and managed. It calls for regulatory action that goes beyond the integrity of the game into a range of policy options designed to limit gambling-related problems. As a result, many jurisdictions have now moved to augment their regulatory frameworks by incorporating responsible gambling provisions.

Here again, the newest regulatory provisions do not define responsible gambling. There are examples, however, as in the Australian State of Victoria in which the intent is specified, i.e., "to minimize harm caused by problem gambling and to accommodate those who gamble without harming themselves or others."

In summary, responsible gambling has historically developed three important streams:

1. a personal aspect, encouraging gamblers to know their limits and to play within their means,
2. a gaming provider aspect covering those programs designed to reduce problem gambling and to promote good customer services, and
3. a public policy aspect creating policies and regulations to minimize the risk of problem gambling and adverse community impacts.

### **c. The Contributions of the First Responsible Gambling Forum**

Within this context, the Responsible Gambling Council (Ontario) invited forty experts, representing a cross-section of responsibilities and opinions, to participate in a one-day forum on responsible gambling. The purpose of the forum was: “to build a collective understanding of ‘responsible gambling’ and its emerging practices.” The participants explored the elements of responsible gambling, including potential future action and the initiatives with the best promise for reducing gambling-related problems.

The discussion that follows is not an attempt to catalogue the rich discussions from the responsible gambling forum. Rather, this paper attempts to synthesize themes and principles reflected in those discussions.

It is clear from both the history of the concept and the forum discussions that the term “responsible gambling” has been used in several ways. However, all uses concern the prevention of potential harm and the actions that can be taken to reduce gambling-related problems for individuals, families, and communities.

Forum participants did not attempt to define the term. However, based on substantial discussion, it appears that the core definition of the concept could be stated as follows: RESPONSIBLE GAMBLING MEANS KNOWING YOUR LIMITS AND GAMBLING WITHIN YOUR MEANS.

This definition of responsible gambling carries several implications. The first implication is that the individual gambler bears the ultimate responsibility for his/her actions. This theme emerged clearly at the forum and has been the central tenet of virtually all organizations working in the field, including organizations supporting compulsive gamblers.

The definition also implies that the decision to participate in gambling carries the inherent expectation that the individual manage this activity in a safe manner in the same way that he/she would manage any other area of life, e.g., learning to drive a car, using alcohol, participating in a sport, or any other activity that may involve a level of risk.

This does not mean that gaming providers, governments, social agencies and other organizations can avoid responsibility for the prevention of gambling-related problems. It does mean, however, that programs designed to prevent gambling-related problems, even those labelled “responsible gambling” programs are, in fact, programs that support and enable the individual to gamble responsibly or to get help if he or she has a problem.

Having said this, there are two principles that should guide the planning and delivery of the responsible gambling safety net — the framework of policies and actions that increase the likelihood that people will gamble responsibly and decrease the likelihood of problem gambling and related harm.

## **Principles for Action to Promote Responsible Gambling**

### *The Principle of Informed Consent*

Gambling carries risks for many people, and excessive gambling will predictably lead to tragedy. Informed consent implies that the decision to gamble should be taken in an informed way, and those gamblers should be armed with the information they need to control their participation. This includes seeking information about potential risks and costs of gaming.

It is therefore important that the gambler understand the games, the odds, the potential risks, and the strategies for avoiding potential problems. In order to do this, gamblers need help and information. This is where many problem gambling and gaming organizations have created guidelines to help gamblers stay problem free.

Governments and gaming providers have a particular responsibility to provide information to patrons about responsible gambling, as well as information about helplines and services available. For the gaming provider, the provision of information will usually be focused on their patrons and their communities. For those who plan and regulate gaming, the responsibility is wider, covering all citizens and ensuring informed participation in gambling. In some places, such public information may be provided directly by governments. Often, however, organizations specializing in health promotion or public education are appropriate vehicles for such programs.

Seen within the principle of informed consent, the provision of information and awareness requires more than the passive provision of information to those who seek it. It implies systematically planned and implemented strategy or strategies using a variety of information vehicles. It also implies not only informing the audience but also promoting the use of responsible gambling practices.

The principle of informed consent is not exclusively focused on the provision of information. It also covers the circumstances under which gaming is provided. For example, regulators in the Australian State of Victoria have recently extended the principle of informed consent to include informing players about the length of their play and its cost in dollars as well as credits.

## *The Principle of Duty of Care*

“Duty of care” is a term often applied to governments who manage public resources and programs. There is no question that the public servants and politicians who establish gaming policy and regulations are guided by the same duty of care that underlies any area of public administration.

In the public sector this means:

- balancing the benefits and harms related to gambling
- ensuring objective decision-making in the public interest
- ensuring well-funded, easily accessible treatment programs are in place to help those with problems, to do research to inform decisions and practice, as well as to assist with prevention to reduce the risk of harm
- planning and implementing changes with appropriate consultation and due diligence
- ensuring social and economic sustainability of the gaming business in the context of local communities

Gaming providers also have a duty of care to their patrons, their employees, and their communities. This implies:

- setting in place programs that reduce the risk of patrons developing gaming problems
- working with government, community organizations, and treatment providers to develop multilateral strategies
- taking care to avoid exploitation of particularly vulnerable or “at risk” groups, e.g., compulsive gamblers, patrons with emotional or mental health problems.

Duty of care also applies to the gambler who, in addition to being informed, has a further responsibility to his/her family, community, employers, etc. Duty of care suggests that the individual decisions about gambling need to take into account the impact of the person’s gambling on others. It’s part of a person knowing his or her limits.

Gambling problems affect many areas of people’s lives, including relationships, finances, working life, child care, etc. There are many agencies and organizations in our communities that serve people who have problems in these and other areas of their lives. Schools help young people who may have difficulties at home. Credit counsellors advise people with financial problems. Family services or the clergy offer support around relationships and family discord. People with gambling problems will often reach out for help to any person or organization they know and trust.

For this reason, forum participants looked to those who form the social safety net to help identify and assist gamblers with problems, as well as to prevent such

problems from developing in the first place. Organizations with roles in prevention, such as public health agencies, have a special role in reducing the incidence of all health and social problems, including gambling problems.

The principle of duty of care applies with particular importance to those individuals and groups who have heightened and predictable risk of gambling problems. Examples include those who have had such problems in the past, i.e., problem and compulsive gamblers, young people with emotional or mental health problems, or people with developmental handicaps. People in these groups are more susceptible to gambling problems and, therefore, merit attention beyond the level of the general gambling patron.

**d. The Key Actions to Strengthen the Prevention Framework for Gambling Problems**

There are currently a range of programs and initiatives in place to address the risk of problem gambling, such as counselling, self-exclusion, enforcement of underage gambling restrictions, and so on. Beyond these, participants in the forum were asked to consider what priority actions they, collectively, believe would have the greatest positive impact in the promotion of responsible gambling.

This exploration led to several areas of action central to the responsible gambling framework. They are not meant to be exhaustive but rather are highly important elements.

The actions identified include:

**Information/Awareness**

The forum participants observed that the expansion of gambling in recent years has far outstripped patron and public education. They saw awareness programs as an important priority in building a strong responsible gambling safety net. Gaming providers in consultation with problem gambling professionals could develop such programs targeting gamblers. Such programs might include a range of types of information, including odds, responsible gambling tips, helpline and treatment numbers, etc.

In addition, the participants looked to non-profit organizations to develop and implement broader public awareness/education programs targeting the general public and a variety of sub-groups, e.g., young people. These broader public awareness programs would also include a wide range of strategies from advertising to a variety of outreach initiatives, e.g., programs in the schools.

## **Public Policy Leadership**

Among the most important elements in the promotion of responsible gambling is well-thought-out public policy that clearly identifies objectives and future development in both gambling and responsible gambling programs.

Because gambling is an important public policy issue, participants believe gambling policy decisions need to be made in a context of open communications, clear plans, and objectives developed in consultation with local communities.

## **Independent Research**

If more effective ways are to be found to control the potential harms associated with gambling, further research is essential. This is true of treatment programs, as well as the range of current and proposed problem gambling prevention initiatives. Currently, most new venue-based programs are introduced more on the basis of intuition or educated guesswork rather than on solid research.

If ways are to be found to more effectively reduce the risk of problem gambling, it is essential that the research gap at the gaming venue level be addressed. This means active industry initiatives to devise and implement a range of research projects that test out a variety of on-site approaches to promote safe gambling practices and to reduce unsafe practices. This does not imply curtailing the introduction of innovation pending definitive research. But, it does suggest that new initiatives be well researched and pilot tested so that the most effective program features can be found.

## **Industry Initiative**

The gaming point-of-sale is the front line in the prevention of gambling problems. Buying a lottery ticket, playing bingo, playing a slot machine, and other points-of-sale are the points at which the recreational gambler enjoys the game and the problem gambler acts out his/her problem.

Participants recognized that gaming providers have a crucial role and, in fact, responsibility to address problem gambling through substantive initiatives that help patrons to maintain self-control and to take action if they believe a patron has lost control.

They recognized that this is a very sensitive area for gaming providers and most patrons. They also recognized the need to balance the need to help and support the minority of problem gamblers while maintaining the level of enjoyment of the majority who do not have problems.

## **Gaming Advertising and Marketing**

Another key area requiring attention is gaming advertising and marketing. In social marketing, health care professionals are careful to target problem gambling without undermining recreational gambling. In the same vein, gambling advertising and marketing needs to carefully avoid messaging that may inadvertently entice the problem gambler or the underage gambler.

### **e. Summing Up**

Responsible gambling, like the responsible use of alcohol, is an evolving concept. It involves the actions and decisions of gamblers supported by gaming providers, regulators and social/health organizations. Responsible gambling is not just a set of programs. It is a collective commitment to continuing to find and to implement strategies and solutions. Today's best responsible gambling practices and programs will always be the foundation for even better ones tomorrow.

The responsible gambling forum 2001 was a first step in establishing a baseline understanding of responsible gambling as it is viewed and practiced in Ontario, Canada and beyond. Participants were able to open up explorations of current practice and likely future direction. As such, the event was highly successful. But, a considerable amount of work needs to be done to move from early exploration to the development of effective, well-researched programs in order to minimize the risk that anyone will lose control of his/her gambling.

The Responsible Gambling Council (Ontario), which hosted the 2001 forum, recognizes and appreciates the contributions of all the participants at that event and is committed to moving forward with the development and implementation of a collaborative program of research, information sharing, and analysis.

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