

CHRISTCHURCH CASINO IMPACT REPORT: COMMENT ON RESPONSES BY CIR AUTHORS

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1. INTRODUCTION

- 1.1 I have been asked by the Gambling Commission to consider the responses by the CIR authors to my peer review of their report and to advise of the extent to which their responses satisfactorily deal with the issues that I raised.

2. STATEMENT OF GEOFFREY BUTCHER

- 2.1 The statement responded principally to questions raised in relation to the economic impact components of the CIR.
- 2.2 Paragraph 15 provides the reason for having percentage figures greater than 100%. I accept the explanation. My observation was a minor point that does not materially affect the inferences that can be drawn from the findings.
- 2.3 Paragraph 16 explains the origins of the data presented in Table 4.3. It is correct that, if one delves into the Appendices to locate the relevant questions, the position becomes clear. The explanation adequately answers my queries.
- 2.4 Paragraph 17 addresses questions that I raised at [29] of my peer review report. The response makes clear that the conclusion is that of the author applying a standard economist's assumption of rational decision-making.
- 2.5 Paragraph 18 answers my question concerning the visitation questions. His explanation sufficiently clarifies the choice of question framing. I understand the logic of attempting to quantify the days potentially lost.

3. STATEMENT OF JAMES BAINES (JB)

- 3.1 The statement is principally directed to points which I raised about the social impact components of the CIR.

- 3.2 Paragraphs 38-44 relate to the question raised about the validity of the National Gambling Survey (NGS) data and whether they were a sufficient basis to draw conclusions about the Christchurch region.
- 3.3 JB referred to estimates of the number of visitors to the casino in a 12 month period (Appendix K) and to the NGS figures. The clarification provided around the visitor estimates lead me to conclude that they are reasonable, but my issue was more specifically with the use of the NGS figures.
- 3.4 In relation to the NGS figures, he confirmed that, of the 6251 people included in the national NGS sample, 402 were from the Christchurch region. In paragraph 40, he says that the number is "totally unreliable for ethnic sub-populations". I concur. In my view, the total of 402 is a reasonable number for examining gambling generally in the region. What I question is whether the sample size enables one to say anything useful about gambling at the Casino, as opposed to gambling in all gambling venues.
- 3.5 I agree with the logic outlined in paragraph 41. It is reasonable to adjust the estimates of gambling risk based on differences between the ethnic profile of the region and the national profile. Such an adjustment involves identification of elevated (or diminished) rates of problem gambling for minority groups and then adjusting the local Christchurch estimates on the basis of the representation of those groups in the area. It should be noted that PGSI scores or classifications are NOT measures of harm per se. The PGSI contains only 4 of 9 items which come close to measuring harm, although I accept that higher scores would usually correlate with higher scores on dedicated harm measures (e.g., Browne et al., 2016). My point does not challenge the validity of the conclusions drawn, but it should be noted that references to the distribution of PGSI scores is more about the prevalence of riskier patterns of behaviour which may lead to harm than about measures of harm.
- 3.6 Paragraphs 45 to 55 address concerns raised about the qualitative analyses. My principal concern was that the CIR did not provide much detail about the development of themes, how quotes were selected for inclusion in the text, or the relative balance of sentiment for certain questions (e.g., what % of respondents said certain things). I address the responses to those concerns in paragraphs 3.7 to 3.9 below.
- 3.7 Paragraphs 45 to 51 summarised the methodology used in the qualitative analysis. The explanation is reasonable and leaves me with no concerns.
- 3.8 Paragraph 52 explicitly addressed the issue of analysis, indicating that a colleague first read the unstructured material to identify themes and the author subsequently checked the identified themes against the raw material. The detailed analysis description clarifies the process that was followed. As a result, I accept that the comments presented in text are likely to be representative of the range of views expressed.
- 3.9 Paragraphs 53 and 54 summarised the proportion of responses which fell into each thematic category. While the analysis tells us little about the relative proportion of statements in support or not in support (e.g., Casino's role in the city generally: good or bad?), the evidence is quite consistent and my earlier criticisms of the clarity of presentation do not undermine the general validity or direction of the findings. I observe, however, that the respondents, who were consistently positive about the ongoing operation of the Casino, were supply chain partners, charitable trusts and corporate sponsorship recipients, all of whom benefit from the Casino's operation.
- 3.10 Paragraph 66 satisfactorily clarifies the meaning of the 'preferred mode of gambling'.
- 3.11 Paragraph 68 responds to what was merely a comment about the limitation of exit surveys. I accept that the other current employee survey was useful.

- 3.12 Paragraph 70 refers to my criticism of the presentation of isolated quotes. I agree that the point would not have been reflected in different conclusions because the community organisations that were interviewed were generally very positive about the Casino. I have already observed the common features of the organisations interviewed. As a result, it is questionable that the CIR adequately captured the views of what might be called the 'broader community'.
- 3.13 Paragraph 72 and 73 addresses a concern that I expressed (at [52] ff of my peer review report) that the juxtaposition of the casino's host responsibility data and the NGS data suggested an unsupportable implication that the casino posed less risk of harm than the NGS data indicated. JB suggests that the implication was mine, not his. At page 84 of the CIR, the two sets of classification are lined up so as to invite equivalence and comparison (No risk, low risk, high risk). A reasonable reader is likely to interpret the presentation in that way. In fact, the heading of the section on page 83 is "Comparison of CCL data with NGS data" and it begins "In order to compare the risk prevalence estimates from the CCL data with those of the NGS..." The position has now been clarified satisfactorily by the statement in paragraph 73 that the author neither claims nor implies that "the Casino HRP measures indicate that rates of problem gambling in the Casino's patron population are lower than is the case nationally".
- 3.14 Paragraph 74 dismisses the possible benefits of drawing on Australian research. In my view, it is perfectly reasonable to draw on research conducted in a country as similar as Australia as well as on the results of other international research to advance the hypothesis that the Casino is likely to attract a higher proportion of higher risk gamblers. The hypothesis arises from the point already made that the size of the NGS Christchurch sample does not allow separate analysis of casino patrons, as opposed to gambling patrons in Christchurch generally.
- 3.15 My point is that national Australian research (a major report by the S.A. Centre for Economic Studies on casino gambling in Australia in 2016 produced for Gambling Research Australia) showed that the risk-profile for casino gamblers is generally higher than for other venue types. This is due to the demographic profile of gamblers who tend to choose casinos as a place to gamble. In other words, when one is considering the social impact of gambling in the region with reference to where higher risk gamblers are likely to be found gambling, the casinos may have a disproportionate number of these people. To be clear, it does not imply an exposure effect (casinos cause problems), but rather a selection effect (casinos are likely to attract more of these sorts of people). This is an area of social impact which I consider that the CIR could have mentioned, even though appropriate data to conduct analyses of the risk profile of the Casino's patrons was not available.
- 3.16 In conclusion, I underscore my earlier statements that the Butcher and Baines report is comprehensive and thorough and that it provides a lot of positive feedback in support of the renewal of the casino licence. Those positive sentiments are also reflected in the general tone of the submissions.
- 3.17 My remaining observation of concern relates the narrow range of public submissions in addition to the narrowness of the community consultation responses for the CIR.
- 3.18 The vast majority of the submissions are very brief and generally contain little more than an endorsement or disapproval of the licence continuation. Around 90% of the submissions appear to be in support of licence renewal.
- 3.19 The submissions strongly reflect the vested and personal experiences of the parties concerned. Endorsement of licence renewal comes from parties who work at the Christchurch Casino, have dealings with the Casino, who receive financial support or other benefits from the Casino's operation (e.g., community groups and sporting clubs); or people

who work in tourism, hospitality and entertainment. In contrast, the smaller number of adverse submissions came from parties who have been affected by problem gambling or whose principal organisational mission is to address the problems caused by problem gambling.

- 3.20 The result is a relative lack of feedback from the wider community, who presumably do not experience such direct benefits or detriments from the Casino as the parties who were consulted for the CIR or who made submissions. This is unsurprising; unless members of a community feel directly affected by something, they seldom feel compelled to file submissions.