

## **YOUTH GAMBLING IN AUSTRALIA (1996-97)**

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### **Abstract**

In recent years Australian gambling expenditure has grown twice as fast as the rest of the economy. Gambling is a readily available leisure activity in Australia. Under these conditions, there is a growing concern for youth participation in gambling. The aim of this article was to review three Australian studies (Hebron, 1997; Maddern 1996; Moore & Ohtsuka, 1997) on youth gambling, to ascertain participation rates and provide information on the characteristics of young gamblers. Participation rates were compared with international studies (e.g., Stinchfield, Cassuto, Winters, & Latimer, 1997) and intervention strategies for youth gamblers in the Australian context were discussed.

### **The extent of gambling in Australia**

According to the report compiled by the Tasmanian Gaming Commission (1997), Australians wagered \$10.4 billion on all types of gambling in 1996-97. While the Australian economy grew at the rate of approximately 2.5% in the fiscal year 1996-97, the total expenditure in the gambling sector increased almost twice as much (at the rate of slightly under 5%) comparing to the previous fiscal year. The gambling expenditure per capita in Australia increased to \$736. State governments collected \$3.43 billion in taxes, up about \$200 million for the year. Gambling now provides about 10 per cent of all State tax revenues. Since the gambling industry is a substantial source of tax revenue for state governments, there exists more than tacit official approval for its existence.

### **Gambling is part in the social ethos**

Gambling as an adult entertainment is well entrenched in the Australian culture and part of the social ethos. From the traditional gambling game (two-up) played on national holidays to the Melbourne Cup that “stops” the nation on the first Tuesday in November, many Australians regard gambling as part of their cultural heritage. The word “punters” (gamblers who bet on horse racing) has been frequently used to describe willing

participants in any types of profit making ventures. Perhaps in no other nation but Australia could a racehorse, Phar Lap, become a cultural icon. Since gambling, especially games of chance, tends to reduce natural or acquired differences in socio-economic status (Caillois, cited in Lynch, 1990), a strong traditional egalitarian ideology in Australian culture seems to further contribute to enhancing Australians' positive attitudes to gambling (Lynch, 1990).

### **The early introduction to gambling culture**

In the gambling-friendly social climate, young Australians will absorb gambling culture from an early age. For example, it is quite common that primary school children participate in the Melbourne Cup Sweeps. Many young Australians learn how to participate in gambling activities with their family members. For example, Moore and Ohtsuka (1997) reported that a majority of young Australians aged between 14 and 25 years ( $N = 1017$ ) had experienced gambling within their family (67.7%) and among most of their friends (55.3%). Maddern (1997) also reported that the parental introduction of gambling activities is more common among Australian-born youth whereas peer initiation is a norm among youth born outside Australia. Social acceptance of gambling, perceived or real, is one of the significant predictors of youth gambling frequency (Moore & Ohtsuka, 1997).

Research has shown that underage adolescents rely on parents or other adults to gain access to various forms of gambling (Winters, Stinchfield, & Kim, 1995). The fact that parents are aware of and accept these behaviours as normative, provides a very powerful message to the adolescent gambler. Various studies suggest that parental approval may sanction adolescent gambling (Arcuri, Lester, & Smith, 1985; Derevensky, Gupta, & Della-Cioppa, 1996; Ladouceur & Mireault, 1988; Winters et al., 1995) and consequently, adolescents may become desensitised to some of the adverse psychosocial consequences of gambling and, indeed, the illegality of underage gambling may become meaningless (Shaffer, Labrie, Scanlan, & Cummings, 1994). Data from three Australian studies (Hebron, 1997; Maddern, 1996; Moore & Ohtsuka, 1997) indicate that Australian adolescents not only have easy access to gambling but also positive social norms, strengthened by Australian culture, further encourage young people to experiment.

### **Recent changes in legalization of gambling activities**

In some Australian states such as Queensland, Victoria and South Australia, the introduction of EGMs occurred in 1992, further increasing the opportunity to gamble. Young people now experience gambling as a legal everyday activity unlike their parents who were protected by more restrictive rules and regulations. According to telephone interviews in July 1996 in South Australia, young people (aged 18-25 years) were more likely to play casino table games (22%) or gamble on video card games (18%) compared to other age groups <sup>1</sup> (Delfabbro & Winefield, 1997).

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<sup>1</sup> Poker machine gambling participation was highest in age groups 25-34 years (50%) and 45-54 years (49%).

In Australia, anyone who is 18 years or older can legally play table games or electronic gaming machines (EGMs) at the Casino, EGMs at local hotels and clubs, buy “Scratch & Win” tickets or bet on horse races, greyhound races or the outcome of sport events. These activities are illegal for minors but enforcement of age restrictions is rather difficult. Anecdotal evidence of underage gamblers using fake ID cards (S. Sokol, personal communication, 12 June 1998) suggests that determined minors will sooner or later find access to gambling.

A dramatic downturn in the South-Asian economy in the latter half of 1997 increased financial pressure on Australian casinos and has intensified competition among them. Even before the Asian currency “meltdown”, the overall profit margin of Australian casinos declined from 8.9% in 1995-96 to 1.2% in 1996-97 (Australian Bureau of Statistics, 1998). As a consequence of this profit margin squeeze, Australian casinos may have to re-evaluate their focus on the Junket market and shift their profit making strategies to the local grind market. One of the unexplored market segments could be the young people.

#### **Advertisement directed to the young (legal age) gamblers**

Gambling industries, such as casino or horse race organisers, target their advertisements to the market segment of young legal-age customers. Brochures and promotion materials of casinos routinely feature “young and beautiful” people having great fun. Crown Casino in Melbourne has specifically targeted the age group between 18 and 28 by establishing a “Young Members Club.” “Young Members” can receive free drinks and discounted nightclub entry fees, as well as free offers/discounts on gambling. In South Australia, the TAB and Keno use advertisements specifically targeting youth (V. Glenn, personal communication, 12 June 1998).

High public acceptance of gambling, easy availability to young people, and the glamour and opportunities for socialising will inevitably encourage young people to try gambling at some stage of their life. When these social conditions are combined with youths’ propensity for risk-taking, desire for excitement, and lowered levels of impulse control, the potential for harmful outcomes becomes apparent (Moore & Ohtsuka, 1997).

#### **Data on youth gambling in Australia**

Current empirical data on youth gambling in Australia, especially adolescent data, are relatively difficult to find. Delfabbro and Winefield (1997) conducted a telephone survey in July 1996 in South Australia ( $N = 1206$ ) and found that the age group of 18-24 year olds is one of the age groups with the highest incidence of gambling related problems (Kaldis, Phillip-Harbut, Weetman, Sokol, Mayne, & Higgins, 1997). However, adolescents (under 18) were not included in this study.

In Australia, three different groups of researchers independently carried out research on youth gambling in 1996. Moore and Ohtsuka (1997) conducted a questionnaire-based survey on the attitudes and behaviour of adolescents and young adults on gambling in

Melbourne (age range 14-25 year olds,  $N = 1017$ ). In Sydney, Maddern (1996) conducted adolescent gambling research (age group 15-24,  $N = 286$ ). Hebron (1997) conducted a study on 200 high school students (age 14-17 years) in 12 coeducational state schools in Melbourne.

Table 1 shows comparisons between these studies of the participation rates of young Australians on various types of gambling activities.

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Since the three studies employed slightly different ways of tallying respondents' participation rates, Table 1 reports the percentages of young people who had at least tried a gambling activity. Despite the differences in sample size and sampling locations, at first glance, the percentages of young people who participated in various gambling activities appear to be similar. Two exceptions are that the Sydney data seem to indicate higher participation rates in EGM gambling and sports betting than the Melbourne data. Although it is possible this difference is due to sampling error, the difference in participation rates may reflect the fact that the total numbers of EGMs installed outside casinos in New South Wales (91,170) is far greater than in Victoria (26,671) as at March 1998. Whereas New South Wales introduced EGMs to social clubs as early as 1956, EGMs in Victoria were introduced in 1992.<sup>2</sup>

Hebron's (1997) data comprises of those under the legal gambling age of 18 and their relatively low participation rates compared to Moore and Ohtsuka's (1997) data could have been due to the age difference. However, Moore and Ohtsuka (1997) analysed the age differences within their sample of 1017 respondents (under 18 vs. 18 and above) and reported no statistically significant age group differences on frequency of playing cards for money, betting on horses or dogs, betting on sports, or buying lottery tickets. In Moore and Ohtsuka's data, those aged 18 and above were significantly more likely to gamble at casino gaming tables and play poker machines at the casino, in hotels, or in sporting clubs. Younger adolescents were more likely to play bingo and play pool or similar games for money. Maddern (1996) found that students of legal gambling age were significantly more likely to gamble on lotto, EGMs, and at casinos than under-age students, and there was a trend for the older group (18 years or more) to spend more per session.

Table 2 shows the comparison between the Moore and Ohtsuka (1997) and Maddern (1996) studies regarding the amount of money that young Australians spend on gambling.

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As far as the amount of gambling money is concerned, there is little evidence of regional differences. The young Australians who participated in the two studies appear to spend similar amounts of money on gambling.

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<sup>2</sup> Australia has approximately one third of all EGMs in the world (V. Glenn, personal communication, 12 June 1998).

### Extent of gambling problems

Moore and Ohtsuka (1997) found that 3% of their respondents agreed with the statement, "To some extent, I have a gambling problem." Possibly, this percentage of self-admitted gambling problems could be a conservative measure of problem gambling among Australian youth. However, Maddern (1996) found 3% of her sample (8 males, 1 female) gambled four or more times per week. Of these frequent gamblers, almost all endorsed (agreed/strongly agreed) statements such as: "gambling makes me more popular with friends," "I gamble more often than I intend to," and "I spend more than I mean to." Most frequent gamblers also endorsed items on the occurrence of negative affect, relationship break-ups and large debts by people who gamble often, indicating a marked awareness of the potentially harmful impacts of gambling.

These figures seem to indicate that despite the high participation rate on gambling, the percentage of young Australians who acknowledge their gambling problems is relatively small. However, both Moore and Ohtsuka (1997) and Maddern (1996) concur that a small core of frequent youth gamblers exists within the majority of youth who gamble regularly (more than once a month). Maddern (1996) estimated that non-gamblers and occasional gamblers (less than once a month) constitute 40.2% in her Sydney sample. Moore and Ohtsuka (1997) reported a range of non-participation rates on various types of gambling activities from 38.2% (never bought lottery tickets) to 86.5% (never played table games at the Casino)<sup>3</sup>.

### Youth and Internet Gambling

Increasing access to the Internet and the current concerns of Internet regulation (e.g., see Toneguzzo, 1995, 1997) lead the Australian Council of Social Services (1997) to undertake a qualitative study of 114 10-21 year olds in the state of New South Wales. No correlation between Internet usage and attraction to gambling was found in the sample. Those young people who were most heavily into gambling were not "Net Heads," and similarly "Net Heads" were not interested in traditional forms of gambling. "Net Heads" did, however, create their own form of gambling on the net called "time gambling." The majority of "time gamblers" were boys who played video games against system operators, and if they won were paid in free access to blocks of time on the Internet.

Of the 114, just 1 male had visited a virtual casino site out of curiosity and had found it boring. The "Net Heads" were very aware of security risks on the Internet, and when asked, they all said they would not have given a credit card number on-line, even if they had wanted to gamble. "Net Heads" had an understanding of smart card technology, how it can be manipulated in a microwave oven, and the risks of electronic transactions. There was a current ethos "if it is electronic it can be hacked". The Australian Council of Social Services (1997) concluded that for these youth gambling is still associated with

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<sup>3</sup> Table 1 lists participation rates for various gambling activities. For Moore & Ohtsuka (1997) data, non-participation rates can be calculated by subtracting the percentage of participation from 100%.

the venue and the social aspects, and they also realise that placing bets on the Internet would cost more than at the TAB.

It seems in Australia, at least amongst this initial sample (ACOSS, 1997), that there is a large gap between those who find the Internet appealing and those who find gambling appealing. However, increased exposure to gambling products such as the advent of Internet gambling, exacerbates the existing vulnerability of youth for gambling related problems. As we have seen in New South Wales, the number of EGMs available may be associated with higher youth participation rates (and a government funded study of N = 1000 is currently being conducted in that state to enable comparison with Moore & Ohtsuka, 1997). However, for the vast majority of young Australians, gambling is about shared entertainment and leisure activities which take place within a social context. This context, the family and friends, is critical to the motivation to gamble.

### **Comparison with US/Canadian data**

Since researchers use different time frames in tallying gambling frequencies, comparison between Australian data and US/Canadian data is difficult. In this section, we attempt to compare Australian data with the participation rates obtained from 75,000 Minnesota public school students (9<sup>th</sup>, and 12<sup>th</sup> grades) in 1995 (Stinchfield, Cassuto, Winters, & Latimer, 1997). The participation rates in gambling were obtained from Table 3 and Table 4 in Stinchfield et al. (1997) by subtracting the percentages of non-gamblers from 100 %. Among 9<sup>th</sup> grade students, 77.4 % of boys and 49.9 % of girls had gambled in the past 12 months. The participation rates increased slightly for 12<sup>th</sup> grade students. 82.7 % of boys and 58.7 % of girls gambled in the past 12 months. Since Stinchfield et al. (1997) reported the highest level of gambling, these figures should be compared to the highest rates of participation among various gambling activities reported in the Australian data. Both Maddern (1996) and Hebron (1997) report the highest participation rates for Scratch & Win tickets (88.75% and 60 %, respectively). Moore and Ohtsuka (1997) report that 61.9 % of their participants bought lottery tickets. Since availability of gambling products and attitudes towards them vary from one jurisdiction to another, it is debatable whether these figures could be considered similar or dissimilar.

More important than the actual figures, however, similarities are noted in the conclusions drawn from the US/Canadian studies. We have supported Winters et al.'s (1995) three general conclusions: (a) Gambling is common and relatively problem-free for most Australian youths, (b) the majority of youth report some gambling, and (c) the percentage of heavy spending and problem-level gambling is quite low.

Here in Australia our concern is that, as Winters et al. (1995) suggest, "...a sizeable percentage of young people will be heading into adulthood with the potential for becoming addicted to gambling." Coupled with the Australian expansion of the gaming industry, the potential access for youth increases. As we have seen in New South Wales, the greater number of EGMs installed in that state seems to be related to higher participation rates. Winters et al. (1995) suggest a 'maturing out process' whereby gambling may be a part of the developmental tasks of growing up, and can therefore be

expected to abate in early adulthood. However, adult gambling studies conducted across several Australian states (Dickerson, Allcock, Blaszczyński, Nicholls, Williams, & Maddern, 1995; Dickerson, Baron, Hong, & Cottrell, 1996; Dickerson & Maddern, 1996) report a decline in participation rates occurring at around the mid-30s and above, with a concordant decline in rates of problem gambling. Apparently, further study is needed to investigate the possible cause of this curious delay in the “maturation” process. Perhaps we Australians are slow learners when it comes to finding out about the true odds of winning in gambling?

## **Conclusion**

As Moore & Ohtsuka (1997) have identified, social norms for gambling are positive and supportive and youth are not gambling against their will. Each of the three Australian studies reviewed in this paper has identified that gambling is an activity that parents and children share, noting in many cases, that the family provides the fertile ground for gambling behaviours to be nurtured. Although parental encouragement for children to gamble is not limited to Australia (e.g., see Ladouceur, Dube, & Bujold, 1994 for the Canadian data), it would seem likely that many parents encourage their children to participate in leisure activities that they themselves find pleasurable and entertaining (Maddern, 1996). Maddern (1996) argues that when parents encourage their children to gamble, the encouragement takes the form of passing on the knowledge necessary to gamble, and providing direct assistance in the process of gambling.

Given this level of acceptance in Australian culture, an abstinence model of gambling would be difficult to sustain (indeed we think impossible). We would like to see a change in the social esteem in which gambling is held (as has occurred for other problematic health behaviours such as smoking), and endorse the harm minimization strategies put forward by various think tanks. In particular, Sheedy and Pfeiffer (1997) at the Break Even problem gambling counselling service endorse harm minimization strategies such as:

1. Public awareness of gambling related problems
2. Access to services
3. Appropriate advertising – not associated with personal, financial or social success
4. Limited and appropriate machine availability
5. Displaying the odds of winning
6. Reducing in-house access to credit or Automatic Teller Machines
7. Health warnings such as “have you kept to your limit” on EGMs

Hebron (1997) advocates a harm minimization approach and reported that the Victorian Minister for education has declared “...it is the role and responsibility of schools to assist young people to deal with complex social and community changes that have the potential to impact on their social, mental and physical wellbeing.” Schools are in an excellent position to implement gambling education utilizing a harm minimization model to equip students with the skills, attitudes and knowledge necessary to create an awareness of and reduce the potential negative impacts. An extended aspect of the harm minimization

approach could involve parents, making them aware of the gambling behaviours they themselves modelled to their children. Such awareness may help to ensure that future generations of Australian youth are equipped for, and have safe models for gambling. Parental education is also important to ensure young problem gamblers' access to counselling services. It has been reported that young problem gamblers do not access Break Even problem gambling counselling service on their own initiative but often their parents, relatives, and friends encourage them (Kaldis et al., 1997; S. Sokol, personal communication, 12 June 1998). Concurrently, advertisements directed to young people are essential for increasing the visibility of problem gambling counselling services. Of course, psychological research must continue to further shed light on the mechanisms that underlie levels of problem gambling.

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