
1. Introduction

Examination of both the popular and academic literature shows that a large number of indicators have been used to measure the social and economic impacts of gaming¹—with each source of data providing only part of the “impact picture”. Significant challenges remain in achieving a holistic understanding of the effects of gaming. Principal among these challenges is the need to collect and analyse objective evidence. Poor information availability and measurement concerns impose additional problems. A model capable of organising and integrating the diverse findings, units of analysis, samples and methods found in gaming impact research is required if informed decisions about the “benefits and costs of gaming” and “future directions for gaming research” are to be made. That is, a holistic understanding of gaming effects would be aided at this point by the development of a comprehensive framework that supports the integration and evaluation of current research methods and findings in the gaming literature. This project aims to create such a framework.

The Social and Economic Research Centre (SERC)² was commissioned by the Victorian Casino and Gaming Authority (the Authority or VCGA) to develop a comprehensive analytical framework that provides information on: (a) the positive and negative social impacts of gaming (and associated indicators); and (b) the links between impacts found at different levels of analysis and/or using different research methodologies. This report documents the steps undertaken to construct this framework and its subsequent use in summarising and evaluating the findings of the Authority’s *1998-99 Research Program*.

1.1 Research objectives and associated requirements

As set out in the project brief, this project has been guided by terms of reference, which include the following research objectives and associated requirements³.

Research objective 1 and associated requirements

Development of an analytical social framework and associated indicators to provide a model for the analysis and evaluation of the social impacts of gaming. This will involve consultation with other experts and organisations about the availability of relevant statistics to ensure the continued usefulness of the model in analysing the

¹ In this report, the following definitions of gambling, gaming, and wagering are used. Gambling is the lawful placement of a wager or bet on the outcome of a future uncertain event. In contrast, gaming comprises all legal forms of gambling other than wagering—including lotteries, gaming machines, casino table games and keno. Wagering, as a category of gambling, refers to gambling that is not gaming—the principal forms here are racing and sports betting (Australian Institute for Gambling Research, 1999, p. xix).

² The Social and Economic Research Centre (SERC) was established at the University of Queensland early in 1997 for the specific purpose of facilitating multi-disciplinary research into significant economic and social issues.

³ Victorian Casino and Gaming Authority, Modified Tender Brief, *Sections 2 and 3 Gaming—Framework for Evaluation, and Summary of the 1998-99 Findings*.

social impacts of gaming. It is critical that this analytical social framework establish linkages between:

- the various levels at which data is collected (State, regional, community, household and individual);
- the multiple dimensions at which gaming impacts occur (families and individuals, communities and neighbourhoods, society and culture, and the economy); and
- the positive and negative impacts at the level of data collection and the dimension of each impact.

In order to establish this framework, the following matters require consideration.

- Improvements that can be made to the reporting of both the economic and social impacts of gaming (including an evaluation of frameworks used, both nationally and internationally, to report on the impacts of similar activities);
- The ability to address the positive impacts on the lifestyle and wellbeing of individuals and communities as well as the more easily measurable negative effects;
- The availability of data required for the development of a framework for evaluation (for example: availability of data related to the causes of welfare assistance);
- The ability to compare gaming with other so-called “social ills” (eg. alcohol, smoking, illegal drug use); and
- The indicators/outputs that would be derived to report the impacts.

Achievement of this objective requires that the consultant:

- confer with consultants undertaking other projects on behalf of the Authority, in particular, the National Institute of Economic and Industry Research (NIEIR), who have undertaken the project, *The Economic Impact of Gambling*, to obtain input into the treatment of impacts in the framework;
- suggest ways of developing or obtaining relevant data for the model where they currently do not exist.

Research objective 2 and associated requirements

Submission of a report based on the analytical social framework developed to meet Research Objective 1. This report is to:

- build on research previously undertaken by the Victorian Casino and Gaming Authority (the Authority) and critically analyse and evaluate the research projects undertaken by the Authority as part of the *1998-99 Research Program*; and
- draw conclusions about the social and economic impacts of gaming by highlighting instances of convergence and divergence of findings.

Achievement of this objective requires that the consultant:

- Undertake initial consultations with the following groups to ensure that critical issues are identified and addressed in the report:
 - i. consultants who have undertaken research projects on behalf of the Authority;
 - ii. church and community groups;
 - iii. industry groups;
 - iv. municipal groups; and
 - v. the Department of Human Services.
- Critically analyse research conducted and present the findings in the context of the social framework.

1.2 Project scope

The primary focus of this project is on the collation and analysis of existing research (ie. secondary data)—with the aim of integrating findings from both national and international gaming research and relevant social impact models. In doing so, attention will be given to issues of data availability and adequacy and the subsequent implications of these issues for effectively determining gaming impacts. That is, the intention is to establish an integrated picture of gaming impacts and gaps in our current understanding of these impacts, rather than to identify gaming impacts for the purpose of informing gaming regulations and related policies.

It is important to stress that, in line with the terms of reference provided by the Authority, this research project was designed specifically to examine gaming as distinct from gambling (refer to definitions provided in Footnote 1 of this section). However, where necessary, general gambling research has been drawn on to support the development of the analytical framework proposed in Section 5. The terms “gaming research” and “gambling research” will be used to distinguish these different research areas for the reader.

1.3 Report structure

Section 2 of this report: (1) provides a brief overview of the context in which the Authority’s *1998-99 Research Program* was developed, and (2) summarises statistical data indicating the growth and current magnitude of the Victorian gaming industry. Inclusion of this background information aims to familiarise readers with the environment in which this project was conceived and conducted.

Section 3 of the report describes the methodology used: (1) to construct a comprehensive analytical framework of gaming impacts (*Research Objective 1*), and (2) to summarise and evaluate the Authority’s *1998-99 Research Program* in terms of this analytical framework (*Research Objective 2*). Data collation and integration strategies undertaken at each stage of the project are discussed in relation to meeting the research objectives and associated requirements outlined in Section 1.1 of this report.

Section 4 of the report reviews the Australian and international gaming research used in developing the analytical framework. This review focuses on identifying the types of gaming impacts examined in the literature and the range of indicators used to measure these impacts.

Section 5 of the report sets out the structure for the comprehensive analytical framework of gaming impacts developed to meet *Research Objective 1*. A detailed description of each component within this framework is provided in this section.

Section 6 of the report uses the analytical framework (set out in Section 5) to summarise and evaluate the findings of each project in the Authority's *1998-99 Research Program*. Here the aim is: (1) to identify the components of the analytical framework addressed in each project, and (2) to discuss how the methodology and findings of each project adds to a holistic understanding of gaming impacts (*Research Objective 2*).

Section 7 of the report builds on the discussion in Section 6 by integrating the results of the Authority's *1998-99 Research Program*. In particular, methodological factors contributing to convergence and divergence of findings across the *1998-99 Research Program* are discussed.

Section 8 of the report uses the analytical framework (set out in Section 5) to suggest: (1) methods for improving the measurement and reporting of gaming impacts, and (2) new directions for gaming impact research.