

# Smoking and gambling: a trance inducing ritual

T Harper

*Tobacco Control* 2003;12:231–233

“Smoking is a powerful re-inforcement for the trance-inducing rituals associated with gambling.”

The above statement<sup>1</sup> went to the heart of community arguments on smokefree laws covering the gambling industry in the Australian state of Victoria. Gambling control advocates claimed the smokefree laws had led to a reduction in problem gambling,<sup>2</sup> and the gambling industry claimed revenue was down. The government and tobacco control groups remained resolute that smokefree legislation was important to protect the health of staff and patrons.

The statement was contained in a confidential report commissioned for Tattersalls, a major gambling company, amid claims of gambling industry revenue declines following the commencement of smokefree laws on 1 September 2002 that required Victorian gambling venues to be smoke-free. The legislation covered bingo centres, most of the state's only casino, and hotel and club venues where most of the 30 000 electronic gambling machines (EGMs) are located (fig 1). The laws allow for some exemptions with the casino for areas used predominantly by international visitors.<sup>3</sup> The 30 000 EGMs contribute substantially to government revenue through taxes, as well as for venue operators and the owners of the machines. Tattersalls and Tabcorp own 27 500 EGMs with a further 2500 operated at the state's casino.<sup>4</sup>

Tobacco control groups, and labour unions representing hospitality workers, supported the smokefree legislation on the grounds of employee and public health and safety.

Gambling control advocates expected the legislation would be useful in curbing excessive gambling among EGM problem gamblers. A variety of measures have been developed to assess problem gamblers, who often share common characteristics including “chasing losses, lying about losses and lack of control”.<sup>5</sup> Gambling control advocates based their support for the indoor smokefree law on the premise that enforcing a “break in play” for those who played EGMs would prompt many gamblers to reconsider their gambling. Smoking restrictions that require players to interrupt their play and go outdoors if they wish to smoke might trigger a reconsideration and an earlier withdrawal from the gambling “trance”.

While the proposition was largely untested, there was some credible information to support the theory. Households with smokers and occupants who gamble with EGMs spend almost twice as much as those households with no smokers.<sup>6</sup> Subsequent analysis by the National Institute of Economic and Industry Research revealed no difference between the proportion of smokers and

non-smokers who play EGMs in Victoria; however, smokers spent A\$30.29 per capita compared to \$13.93 for non-smokers (Shepherd C, principal economist, National Institute of Economic and Industry Research, personal communication, March 2003).

In other words, smokers were no more likely to play with EGMs than non-smokers, but if smokers did play, they spent over twice as much.

## SMOKERS CONTRIBUTE MORE GAMBLING REVENUE

Subsequent analysis by the gambling industry also identified smokers as contributing a disproportionate level of revenue. Tattersalls identified a higher proportion of its customers were smokers, comprising 36% of EGM players, who contributed 50% of the revenue.<sup>7</sup> Smoking prevalence in Victoria in 2000–2001 was 20.3%.<sup>8</sup> An Australian government report also identified that problem gamblers (including smokers and non-smokers) contributed a disproportionate 42.3% of revenue from EGMs.<sup>9</sup>

Given the large proportion of revenue contributed by problem gamblers, any impact on the expenditure of these gamblers' expenditure could be expected to affect overall revenue. Five months after the commencement of the legislation, the Victorian state government acknowledged that gambling industry revenue was down by about 11.6%, resulting in a decline in government revenue of \$100 million to \$1.35 billion.<sup>10 11</sup> In a confidential document, Tattersalls estimated their revenue in September 2002 was down 8% on September 2001. Tabcorp blamed the smoking bans for a 10.2% decline in gambling revenue in the period 1 September to 31 December 2002 relative to the prior comparative period.<sup>12</sup>

According to the report prepared by the Barrington Centre, the Centre was requested to compile a brief in response to these findings that will help Tattersalls to gain a better understanding of their patrons from a “psychological” perspective and to gain further insight into the impact of banning smoking in gaming venues. The research identified that players were still attending gambling venues and were just as likely to play EGMs; however smokers were spending less time and less money on EGMs: “The reduction in spend rate and duration appears linked to smokers playing less time per hour to take smoking breaks and reduced duration due to smokers leaving the venue earlier.”

The report appeared to confirm the hopes of gambling control advocates that the smokefree laws would force smokers to take a break in play. The report said the smokefree laws were breaking the gambling routine of smokers, and that cigarette cravings were breaking player concentration. Further, when smokers did take a

Correspondence to:  
Todd Harper, Quit –  
Victorian Smoking and  
Health Program,  
100 Drummond Street,  
Carlton Victoria Australia  
3053, Australia;  
todd.harper@cancervic.org.au  
www.quit.org.au



**Figure 1** Smokers contribute a disproportionately large amount of revenue from the use of electronic gambling machines (EGMs).

cigarette break they were reviewing their gambling expenditure and in some cases prompting gamblers to consider their gambling was “a waste of money” or tempting players to “go home rather than play on”.

The report also identified ways smokers could be encouraged to continue gambling in smokefree venues. Following the media publication of the report, Tattersalls announced it would not implement the report’s recommendations<sup>13</sup> which included:

- replicate surroundings of gaming room in separate smoking facilities at the venue
- consider provision of (other gaming) facilities in these smoking rooms
- position automatic bank teller machines and smoking facilities within view of the EGMs
- have a reservation policy that enabled smokers to reserve their machines while they had a cigarette, allowing smokers to return to the machines following their cigarette, thus enticing them to continue playing “their machine”
- training staff with the primary purpose of keeping people at the machines to play continuously.

The report also detailed the ritual links between smoking and gambling, claiming that “smoking is a powerful re-inforcement for the trance-inducing rituals associated with gambling” and that “smoking helps the individual to dissociate and lower inhibitions associated with gambling”. It claimed players were likely to want to respond to smoking cues while playing the EGMs: “winning is associated with smoking a cigarette and having a drink” or to relax, and reduce anxiety.

### EGM REVENUES LOWERED

In the northern reaches of the state of Victoria, EGM venues claimed revenues were well down as a result of gamblers travelling north to gamble in smoking venues in the adjoining state of New South Wales. Local venue operators called for a “buffer zone” on the Victorian side of the border to allow them to operate without providing smokefree venues, a move supported by opposition political parties.<sup>14</sup>

The claims were rejected by the state health minister on the grounds that the laws “were aimed at protecting staff and patrons from the harms of passive smoking” and in any event, the gambling revenue flooding into New South Wales seemed to have gone unnoticed by venues in that state. The NSW Mulwalla Services Club chief executive officer Michael Mullarvey said he could “categorically say we have had no

increase in trade due to smoking [bans in Victoria]. We’ve seen and heard these rumours but there’s no evidence”.<sup>15</sup>

There is no consensus on the longer term economic impact of the legislation and, with the legislation in place less than six months, current assessments are clearly premature. A confounding issue is that the month of August 2002—the month before the commencement of the law—saw the generation of record revenue for the industry.

The Victorian government’s Office of Gambling Revenue reveals a decline in gambling revenue in the first month after the laws commenced, a situation that had not appeared to deteriorate or improve in the following three months.<sup>16</sup>

The smokefree legislation has prompted gambling control advocates in other Australian states to push for smokefree gambling laws. It represents a new challenge for governments to juggle concerns that such legislation may have an impact on revenue, growing community expectations for smokefree hospitality venues, and community resentment at the growth of EGMs in most of Australia.<sup>17</sup>

Support for government bans on smoking in Victorian gambling areas (74%) is higher than support for similar bans in bars (63%) and nightclubs (63%).<sup>18</sup> Even among patrons of bars, the presence of EGMs were the second most criticised (unprompted) aspect of bars (16%), behind being “too smoky” (25%).<sup>19</sup>

The Australian government has also expressed concern at the implications of EGMs and gambling more generally. Prime Minister John Howard has stated: “around 290,000 Australians are problem gamblers and account for over \$3 billion in losses annually. This is disastrous not only for these problem gamblers, but also for the estimated 1.5 million people they directly affect as a result of bankruptcy, divorce, suicide and lost time at work.”<sup>20</sup>

### REVENUE “CORRECTION”

This issue of smokefree gambling venues has also added to the complexities faced by tobacco control advocates in Australia who are now faced with a new range of issues in lobbying state governments for smokefree laws. Some believe the revenue decline is an expected consequence of a community adjustment to new smokefree laws that will correct itself over time. Such a view appears supported by the Tattersalls report which claimed a revenue “correction” could be expected as “players’ frustration at being disallowed to smoke should reduce. If smoking behaviours are successfully substituted for other behaviours that can be associated with the ritual of gambling such as eating or drinking, it is felt that the process of natural correction may resume more quickly”. There are already anecdotes of venues reporting healthy bar and dining sales as gamblers spend less time playing EGMs, and this will be tested by detailed analysis once comprehensive data sets are available.

Non-smokers may be more willing to increase their frequency of attendance over time in response to the smokefree environment. A survey in Melbourne in January 2000 for Philip Morris identified that 50.5% of non-smokers and 44.4% of ex-smokers said that they were more likely to go to gambling venues if they were smokefree, while only 1.9% of non-smokers and 6.7% of ex-smokers said they were less likely to attend.<sup>21</sup> And after all, the majority of EGM gamblers are non-smokers.

The Victorian experience needs to be the subject of careful analysis over an extended period before economic judgements can be made. That analysis must include the behaviour and expenditure patterns of key subgroups, namely smokers and problem gamblers. It must also explore the proposition that EGM expenditure may have been substituted into other products and services at gambling venues. That analysis may present major challenges to tobacco control advocates attempting to tackle the convergent interests of the tobacco,

gambling, and bar industries by encouraging governments to enact smokefree legislation in gambling venues.

## REFERENCES

- 1 **Woollard S.** Gregory, D. *Market research briefing report for Tattersalls*, 14 October 2002.
- 2 **Anon.** *The Age* [editorial] 21 March 2003:18.
- 3 **Victorian Department of Human Services.** Last accessed 23 March 2003. URL: <http://www.tobaccoreform.vic.gov.au/legislation.htm>
- 4 **Warner M.** *The Herald Sun*, 20 March 2003:12.
- 5 **Productivity Commission.** *Australia's gambling industries inquiry report* 16 December 1999. Last accessed 24 March 2003. URL: <http://www.pc.gov.au/inquiry/gambling/finalreport/chapter06.pdf>
- 6 **National Institute of Economic and Industry Research.** *The economic impact of gambling, March 2000*. Report prepared for the Victorian Casino and Gaming Authority, Spring Street, Melbourne, Victoria. Last accessed 24 March 2003. URL: [http://www.vcga.vic.gov.au/domino/web\\_notes/vcga/vcgareports.nsf/fe3f8020790ef341ca256a9500033966/5fbf3e33b44e132aca25691d002ebee1?OpenDocument](http://www.vcga.vic.gov.au/domino/web_notes/vcga/vcgareports.nsf/fe3f8020790ef341ca256a9500033966/5fbf3e33b44e132aca25691d002ebee1?OpenDocument)
- 7 **Woollard S.** Gregory, D. *Market research briefing report for Tattersalls*, 14 October 2002.
- 8 **Trotter L,** Inglis G. *Key findings of the 2000 and 2001 population surveys*. Quit Victoria Research and Evaluation Studies Volume 11, January 2003.
- 9 **Productivity Commission.** *Australia's gambling industries inquiry report* 16 December 1999. Last accessed 24 March 2003. URL: <http://www.pc.gov.au/inquiry/gambling/finalreport/chapter07.pdf>
- 10 **Baker R.** *The Age*, 16 January 2003, last accessed 24 March 2003 URL: <http://www.theage.com.au/articles/2003/01/15/1042520671614.html>
- 11 **Millar R.** *The Age*, 19 March 2003:2.
- 12 **Tabcorp Holding Ltd.** *Half yearly report*. 31 December 2002:4.
- 13 **Warner M.** *The Herald Sun*, 20 March 2003:12.
- 14 **Warner M.** *The Herald Sun*, 17 March 2003:14.
- 15 **Anon.** *Bendigo Advertiser* 5 March 2003:11.
- 16 **Office of Gambling Regulation.** Last accessed 24 March 2003. URL: [http://www.ogr.vic.gov.au/domino/web\\_notes/ogr/ogrmaps.nsf/maps/map\\_vic](http://www.ogr.vic.gov.au/domino/web_notes/ogr/ogrmaps.nsf/maps/map_vic)
- 17 **Pinkney M.** *Herald Sun*, 24 March 2003:18.
- 18 **Trotter L,** Mullins, R. *Environmental tobacco smoke: public opinions and behaviour in 2000-01. Quit evaluation studies volume 11*, January 2003.
- 19 **Sweeney Research.** *Hotels in Melbourne: public behaviour and attitudes study*. Report commissioned by Australian Hotels Association Victoria, April 2000.
- 20 **Howard J.** Prime Minister of Australia. Last accessed 24 March 2003. URL: [http://www.pm.gov.au/news/media\\_releases/1999/gambling1612.htm](http://www.pm.gov.au/news/media_releases/1999/gambling1612.htm)
- 21 **Auspoll.** Philip Morris Public Opinion Survey, January 2000.