

policy paper

Reconciling Conflicting Demands in the EGM Industry: Government, Industry, Media and the Community

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Abstract

Gambling has traditionally been a part of the national psyche in Australia. In more recent times, however, attitudes in much of the community are changing, with the result that governments are widely expected to develop increasingly restrictive public policies related to electronic gaming machines (EGMs). The purpose of this paper is to examine the relationships between government, business, and the broader community in the context of the gambling industry in New South Wales (NSW), Australia, and to explore the political and social policy implications of reconciling these competing stakeholder interests. The research draws on the results of 38 face-to-face interviews with key stakeholders in Nevada and NSW conducted during 2005 and 2006, with an additional two interviews in 2013 in NSW. Furthermore, 47 newspaper articles were analyzed to further identify key issues. Against a background of widespread community skepticism, we argue that governments have an important role in setting public policies and striking the appropriate balance between protecting those who have, or are susceptible to, gambling problems and the majority of people who play EGMs without any ensuing problems. However, businesses also have an important contribution to make by being proactively socially responsible, thereby increasing their legitimacy and negating the need for further government interventions.

Keywords: marketing, stakeholder theory, public and social policy, electronic gaming machines (EGMs), corporate social responsibility (CSR)

Résumé

En Australie, les jeux de hasard sont traditionnellement ancrés dans les mœurs. Toutefois, depuis quelque temps, les attitudes d'une grande partie de la population sont en train de changer, de sorte que l'on s'attend généralement à ce que les gouvernements élaborent des politiques publiques de plus en plus restrictives à

l'égard des appareils de jeux électroniques. Dans cet article, on examine les relations qui existent entre le gouvernement, les entreprises et l'ensemble de la population dans le contexte de l'industrie des jeux de hasard en Nouvelle-Galles du Sud, en Australie et on analyse les implications politiques et sociales d'une conciliation des intérêts complémentaires de ces intervenants. Ces travaux de recherche s'appuient sur les résultats de 38 entrevues en face à face avec les principaux intervenants au Nevada et en Nouvelle-Galles du Sud qui ont été réalisées au cours de 2005 et 2006, auxquelles s'ajoutent deux autres entrevues qui ont été effectuées en 2013 en Nouvelle-Galles du Sud. De plus, 47 articles de journaux ont été analysés pour définir davantage les principaux problèmes. Avec comme toile de fond un scepticisme généralisé dans la population, on soutient que les gouvernements ont un rôle important à jouer dans l'élaboration de politiques publiques et dans le maintien d'un juste équilibre lorsqu'il s'agit de protéger ceux qui ont des problèmes de jeu, ou ceux qui peuvent y succomber, et la majorité des gens qui utilisent des appareils de jeux électroniques sans que cela devienne problématique. Toutefois, les entreprises ont également un rôle important à jouer en prenant l'initiative d'agir de façon responsable sur le plan social, ce qui aura pour effet de renforcer leur légitimité et d'éliminer la nécessité d'avoir recours à d'autres interventions gouvernementales.

Gambling and the Electronic Gaming Machine Industry

Many industries producing potentially harmful products are increasingly scrutinized by governments, media, non-governmental organizations (NGOs), and citizens regarding the social problems arising from excessive use of these products. Although obvious industries such as tobacco, alcohol, firearms, pornography, and gambling have for decades been the focus of concern, in more recent times, a plethora of other industries have been targeted that produce, for example, fast food, breast implants, potentially addictive pharmaceuticals, non-organic foods, genetically modified food, and banking products (including mortgages and availability of credit), as have the plastic surgery, fashion, and cosmetic industries. While the focus of community concern may differ for each industry, the underlying causes and ultimately the resolution of these social problems have much in common in that “urgent social problems increasingly arise at the intersection of the interests of business leaders, policy makers, and consumers” (Ozanne, Corus, & Saatcioglu, 2009, p. 29).

Although the majority of people who play electronic gaming machines (EGMs; also known as pokies and poker machines in Australia) do so without ensuing problems, for many others, in particular heavy gamblers and their significant others, gambling problems are a real issue with potentially serious consequences such as loss of jobs, relationships, homes, and, in extreme cases, loss of life through suicide (Doughney, 2002; Gambling Research Australia, 2005; Productivity Commission, 1999, 2010; The Salvation Army, 2016). Gambling has long been considered a part of the social

fabric of Australia (Caltabiano, 2004; Productivity Commission, 1999). In more recent times, however, a growing tide of discontent has appeared, with several anti-gambling lobby groups and some politicians openly opposing EGMs. In contrast, the effectiveness of the gaming industry in successfully lobbying government against regulations perceived to be detrimental to its interests is relevant. Against this background, government is seemingly caught in the middle between increasing social concerns regarding the potentially harmful effects of EGMs and the economic significance of the gaming and related industries (e.g., thoroughbred horse racing, licensed clubs, and the hospitality industry), political donations, taxation revenues, and the lobbying power of the EGM industry.

This paper examines the relationships between the EGM industry, the media, and the federal and New South Wales (NSW) state governments in Australia. Given the frequent conflicts between, and competing interests of, these entities the authors recognize that “understanding what gambling does when it is permitted or when it is prohibited is the foundation for good public policy” (Eadington & Cornelius, 1997, p. xxi). Furthermore, understood that as alluded to in this paper, “all governments face a dilemma in seeking to strike a balance between economic, social and regulatory imperatives as they formulate and implement gambling policies” (McMillen, 1997, p. 104). Figure 1 is a snapshot of the major stakeholders in the NSW EGM industry.

Stakeholder Theory

Stakeholder theory, as an established body of literature and research, emerged in the 1990s (Agle et al., 2008). It combines the central concepts of business and of ethics (Freeman, 1994) and was developed to further explore the relationships between an organization and its stakeholders, strategically and ethically. Basing their model on Archer’s (1995) typology, Friedman and Miles (2002) group stakeholders depending on (a) whether they are necessary or contingent to the organization’s operations and (b) whether the stakeholders are compatible or incompatible with the organization’s interests. Another important facet of stakeholder theory, that of tension between stakeholders, has been identified by authors such as Friedman and Miles (2002) and Dickinson-Delaporte, Beverland, and Lindgreen (2010) in their examination of the Trappist beer industry in the United Kingdom.

A typical stakeholder perspective is advocated by Joyner and Raiborn (2005) in recognizing the rising power of stakeholders and their expectations that corporations undertake regular and comprehensive corporate social responsibility (CSR) activities and justify their performance. However, it should also be recognized that not all stakeholders are created equal, nor should they all be treated as equally important. According to Mitchell, Agle, and Wood (1997), three important relationship attributes possessed by each stakeholder are the levels of power, legitimacy, and urgency. Stakeholders who possess only one of these attributes will have low salience to management, moderate salience if they possess two attributes, and high salience if all three attributes exist. *Power* and *urgency* must be addressed if managers are to satisfy

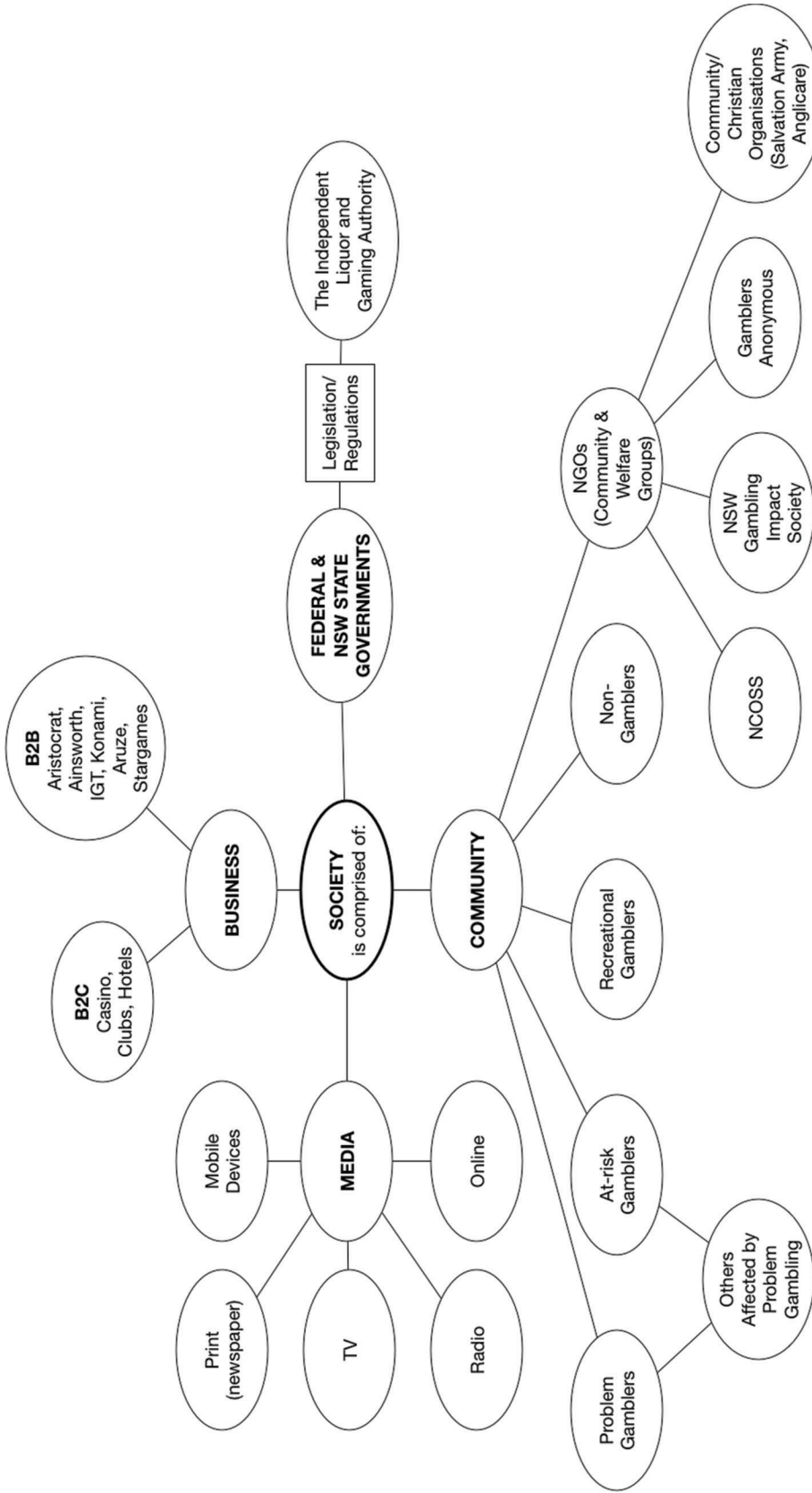


Figure 1. Members of society from a gaming perspective, New South Wales, Australia. B2C = business-to-consumer; B2B = business-to-business; IGT = ; NGOs = non-governmental organizations; NSW = New South Wales; NCOSS = NSW Council of Social Service

the legal and moral interests of legitimate stakeholders. A later study concluded that it is primarily moral legitimacy, not urgency, which has the most salience (Neville, Bell, & Whitwell, 2011). At the same time, it could be argued that moral legitimacy is perhaps the most ambiguous and contestable dimension, depending, critically, on the position of the observer.

Stakeholder theory is important for understanding the interactions and sometimes competing and conflicting relationships between organizations and their stakeholders. This description arguably applies to the NSW EGM industry and its relationships with the media and, relatively recently, with some members of the national parliament. As shown in Figure 1, problem gamblers and their significant others (including children) are also an important stakeholder group, as are NGOs such as counsellors and religious groups. Although the NSW government funds gambling help lines, treatment centres are either funded by the government or are provided by not-for-profit organizations (Independent Pricing and Regulatory Tribunal of New South Wales, 2005). The main focus of this paper, as stated earlier, is the possible reconciliation of the competing interests of three major stakeholders in this debate—EGM operators (referred to as the EGM industry in this paper), the community, and government (both state and federal). Although not a stakeholder, the mass media is widely recognized as both influencing, and being influenced by, the community (Teo, 2000, p. 12). In the current study, it is treated as potentially both shaping and reflecting community attitudes toward EGMs. Note, however, that we have not surveyed the public in the current study and therefore cannot categorically state that the media reflects the majority of public opinion.

Competing Interests in Society

At the heart of this discussion of gambling is the role of social and public policy and, in particular, the resolution of the perennial conflict between the legitimate, largely economic, interests of the gambling industry and the social interests of the broader community. Gambling research has been accused of overlooking “relationships between three ‘communities of interest’ (governments, industry, and local interests such as the media) and their effects on political process and outcomes” (McMillen, 2009, p. 2). Although we do not consider the media to be a stakeholder per se, nevertheless, in this context, it can be argued that the mass media is an important component of the community, in addition to government, industry, and citizens, including gamblers. Of course, the registered clubs, particularly in NSW, would almost certainly argue that they legitimately represent local communities (and not just the industry), and much of their public relations and lobbying activities are directed at establishing the validity of this proposition in the eyes of the media, government, and the community. Critics of EGMs, on the other hand, would argue that the registered clubs are the public face of the gambling industry. The four main communities of interest, depicted in Figure 2, are discussed in the following sections.

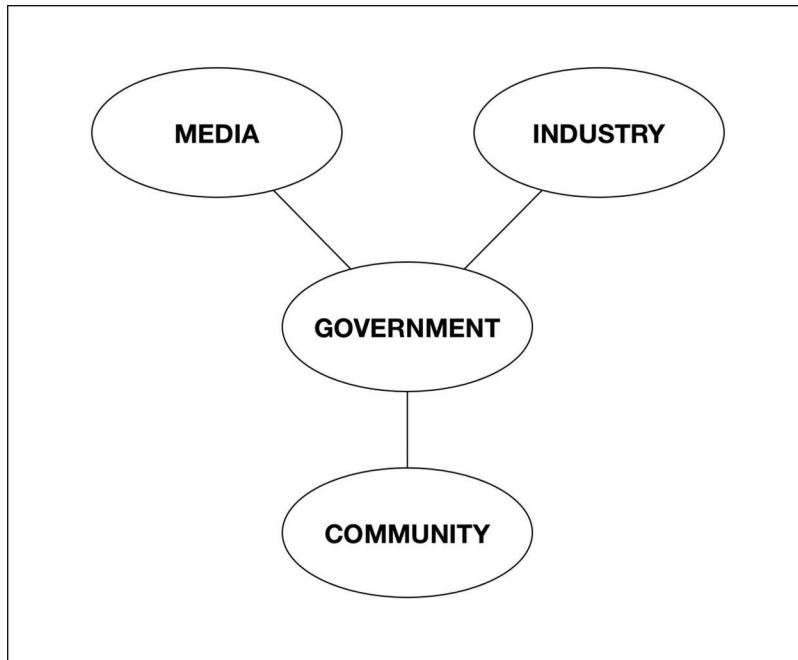


Figure 2. Australian government as mediator between conflicting demands of the electronic gaming machine industry, media, and the community

Government and Public/Social Policy

A range of definitions of social policy are suggested in the literature. Titmuss (1974) summarizes the various approaches and concludes that

these and similar definitions, whether one views them as limited or broad, all contain three objectives — and, of course, value judgements. First, they aim to be beneficent — policy is directed to provide welfare for citizens. Second, they include economic as well as non-economic objectives; for example, minimum wages, minimum standards of income maintenance and so on. Thirdly, they involve some measure of progressive redistribution in command-over-resources from rich to poor. (p. 144)

To emphasise the importance of social policy, the University of York (n.d.) offers the following approach: “Studying Social Policy will enable you to understand the causes of social problems and what governments attempt to do about them” (“What Is Social Policy?,” para. 1). Clearly, the role of government is central to the formulation and implementation of social policy. Thus, what is the relationship between social policy and public policy? Vargas-Hernandez, Noruzi, and Nezhad Haj Ali Irani (2011) succinctly describe the nexus: “Social policy is that part of public policy that has to do with social issues” (p. 287). This view suggests that social policy is a subset of public policy, although it could be argued that public policy is enacted to promote broader social policy aspirations. Alternatively, it could be argued that public policy represents governments’ responses to social problems. Notwithstanding, it is important to understand public policy principles and processes in any discussion of

social policy. In this paper, public policy explicitly encompasses the role of government in developing, enacting, and implementing its social policy within specific social and economic domains, such as the gambling industry.

The field of public policy can be described either “narrowly or broadly” (Gormley, 2007, p. 297). Thus, “a relatively narrow definition [is]: client-oriented advice relevant to public decisions and informed by social values. A relatively broad definition [is]: the study of the causes and consequences of public policy” (Gormley, 2007, pp. 297–298). The latter perspective is emphasized by the Productivity Commission of Australia (2010, p. 4.7), which describes public policy as “a broad framework for assessing harms and risks [which] provides a richer basis for policy and research.”

When considering how public policy is developed and implemented, it can be argued that, because of the scarcity of (a) comprehensive information and (b) resources (time and money), governments frequently take an incrementalist (or successive limited comparisons) approach, rather than a rational decision-making approach (Braybrooke & Lindblom, 1963; Lindblom 1959), in their policy development. In other words, policy alternatives differing only incrementally are actively considered, with NSW gaming machine legislation, for example, developing only incrementally from 1976 to the present.

Relatively recently, however, a flurry of activity among “anti-pokie” Australian federal parliamentarians has advocated, *inter alia*, voluntary pre-commitment legislation, although in the current political and economic climate, such legislation appears unlikely (Martin, 2013); indeed, it was largely scrapped first by the then incumbent Labor government and then by the current conservative Coalition government. For the present, the net economic benefits of gaming, and EGMs, is broadly accepted across the mainstream Australian political parties. An assessment contained in the extensive “Recommendations and Findings” in the Australian Productivity Commission (2010) inquiry report into gambling stated the following:

While it is not possible to be definitive about the costs and benefits of gambling, the Commission estimates that in 2008-09: The benefits from tax revenue and enjoyment of gambling for recreational gamblers ranged between \$12.1 and \$15.8 billion. The costs to problem gamblers ranged between \$4.7 and \$8.4 billion. The overall net benefits ranged between \$3.7 and \$11.1 billion. The net benefits could be much larger if governments reduced the costs through effective prevention and harm minimisation policies. (p. 48) [Finding 6.3]

As this quote illustrates, the broad theme of the Productivity Commission (2010) report is to recognize the economic and social costs, as well as the economic benefits, of gambling. The claimed positive net economic benefits provide important legitimacy for the industry in the minds of Australian federal and state governments. Further, the proposed social policy initiatives around this issue need to recognize the perceived legitimacy of gambling held by both governments and the majority of the

general community in Australia. This highlights the balancing role of government implied in Figure 2. State governments attract substantial revenue from gaming machine taxes, which in turn fund public goods such as hospitals, schools, roads, and so forth.

It is relevant to note that, prior to the end of 2012, EGM laws and regulations were the responsibility of each Australian state and territory, with the federal government having jurisdiction over only online gambling. However, the Australian Government, Department of Social Services (n.d.), reported on its website that “on 29 November 2012, Federal Parliament passed gambling reform legislation that will see the most significant and far reaching national reforms put in place to reduce the harm from poker machines” (para. 1). According to this website, the federal government bases its reforms on the recommendations by the Productivity Commission (1999, 2010). Although the federal government is apparently taking a more active role, it is relevant to consider state and federal governments as separate entities, as their roles and interests may not always coincide.

Beyond the role of the national government, the NSW state government develops gaming legislation and regulations through the NSW parliament. The Independent Liquor and Gaming Authority (<https://www.liquorandgaming.justice.nsw.gov.au/Pages/ilga.aspx>) has responsibility for pubs, clubs, and the casino, and it makes regulations and decisions on behalf of the NSW government.

EGM Industry

Two important interest groups in the EGM industry are the industry suppliers (particularly EGM manufacturers) and the gaming venues. Consumers can legally access EGMs in NSW through licensed hotels, registered clubs, and the state’s only legal casino, The Star. Major distributors and suppliers of new (as opposed to second-hand) EGMs in NSW in the business-to-business market are first, the two organizations whose head offices are in Australia, namely, Aristocrat and Ainsworth, and second, several major overseas-headquartered companies such as IGT, Konami, Aruze, and Stargames. Behind these suppliers are, in turn, their suppliers’ component parts manufacturers and importers and, of more immediate relevance, their professional service suppliers such as public relations agencies and specialist political lobbyists. A large number of registered clubs (1,222 with 70,725 EGMs) and pubs (1,693 with 23,364 EGMs) and one casino (Star City with 1,500 EGMs) operate EGMs in NSW (totalling 95,589 EGMs for NSW in 2013; C. Treloar, personal communication, January 24 and 25, 2013). The latest available figures show a slight drop, with a total of 94,864 EGMs in 2015 for NSW (although Star City remained the same, registered clubs dropped slightly to 70,086 and pubs/hotels dropped slightly to 23,278; Australian Gambling Statistics, 2016). Within this industry of different operators, pubs are widely perceived to be profit driven, whereas the non-profit clubs are viewed as largely providing a community service (although the results of Hing’s 1999 study highlighted the perception that clubs had increasingly subsumed their community service imperative to an economic one; Hing, 2000). It is also germane to note that registered clubs were originally granted a de facto

monopoly on poker machine gambling in NSW, in recognition of their original non-profit, social, and community roles. To this day, the economic strength of these clubs remains tied to their former monopoly of the poker machine market—a position that, to the best of our knowledge, was unique in the world at the time. It should also be acknowledged that clubs and pubs openly compete for a share of the pokie dollar and thus their interests and positions do not always coincide (unless presenting as a united front against proposed regulatory restrictions). However, although it is recognized that the EGM industry consists of a disparate body of venues (pubs, clubs, and the casino), for this paper, given their generally unified stance in opposing additional EGM restrictions, they are included under the generic “EGM industry” label. For example, it is interesting to note that, on January 20, 2011, *The Sydney Morning Herald* reported that “a gambling reform activist is being threatened with defamation action by the registered clubs body Clubs NSW in an escalation of the battle over proposed changes to poker machine laws” (Nicholls, 2011). On February 3, 2011, the same newspaper reported that “the powerful” Clubs Australia and the Australian Hotels Association have banded together “to launch a \$10 million campaign against the federal government’s planned poker machine changes” (Carson, 2011). The campaign fund was later increased to \$20 million.

Media

It is widely accepted that the role of the mass communication media is at the same time to reflect and inform community concerns and, ostensibly at least, to exert a strong influence on much of society. Notable critical discourse theorists such as Van Dijk (1983) recognize that news is not a reflection of reality—rather, “media discourse should not be seen merely as a ready ‘product’ of news-gathering activities, but as the manifestation of a complex process in which knowledge, beliefs, and opinions are matched with existing or incoming information about events, the social contexts of news productions, and representations of the reading public” (p. 28). Furthermore, “according to the moral panic literature, the mass media can play a central role in the construction of the threats against which political actors claim to protect the population” (Béland, 2005, p. 7). Thus a central question when considering the role of the mass media is whether it reflects or leads public opinion. If one considers that media has the power to lead public opinion, it could be argued that government regulations might, in reality, be more window dressing designed to appease the industry critics and moral conservatives, rather than the result of comprehensive informed public policy, although it seems highly unlikely that any government would seek to invite on itself the current controversy. Further studies need to be conducted to ascertain whether or not media leads public opinion, or even if it reflects it. For the moment, it remains an open question.

Community

As depicted in Figure 1, a number of identifiable entities make up the community. In the current context, a key stakeholder is clearly gamblers, both problem and

non-problem gamblers. The Australian government's position on problem gambling is summarized in the following:

Many Australians enjoy an occasional flutter. However for some, gambling can be highly destructive – ruining lives and destroying families.

Australians spent more than \$19 billion on gambling in 2014-15 of which \$13 billion was spent on pokies. (Australian Government, Department of Social Services, n.d., “The Facts About Gambling,” para. 1 and 2)

The 2010 Productivity Commission gambling report states that 0.5% to 1.0% of Australian adults have significant gambling problems and between 1.4% and 2.1% of adults are potentially vulnerable to problem gambling, making a total of up to 3.1% who are potentially vulnerable or who have significant gambling problems (p. 5.1). The report further estimates that “problem gamblers account for 22 to 60 per cent of total gaming machine spending” (Productivity Commission, 2010, p. 5.1). This statistic is at the heart of the public policy challenge of EGMs. EGM critics argue that the economic viability of the industry currently relies on the exploitation of problem gamblers. At the same time, it should also be recognized that there are other very large and, thus far, under-represented community groups in these discussions. These include non-gambling, non-club members; non-gambling club members; and non-problem gamblers. Each of these groups could be expected to hold their own positions on any proposed gambling restrictions, ranging from mild approval to equally mild disapproval, but their real positions to date have not developed the critical mass necessary to be regarded as active stakeholders. The status of the opinions of this silent majority is therefore outside the scope of the current discussion, although, ultimately, their views will be assumed to be reflected in the public and social policy outcomes, and certainly both the industry and its critics will compete for the opinions and political support of this large constituency.

Within the broader community, one of the NGOs represented in Figure 1—the Gambling Impact Society (NSW)—adopts a particularly strong anti-EGM stance, as reflected through its website (<http://gisnsw.org.au>) and, as might be expected, from its name. Another NGO, the NSW Council of Social Service (NCOSS), “is the peak body for the social and community services sector in New South Wales” (Community Legal Centres NSW, n.d., “Council of Social Services of NSW (NCOSS),” para. 1). As a generalization, these community groups actively oppose EGMs to varying degrees. Certainly, there is no prominent or vocal pro-gambling community group, although the Registered Clubs Association would undoubtedly claim that it represents the interests of the communities that its clubs service. Gamblers Anonymous (<http://www.gansw.org.au>) states that it does not take either side in the gambling debate and does not become involved in controversies. Although the Gambling Impact Society (NSW) (n.d.) states that it supports self-responsibility, it is primarily concerned with the impact of gambling on communities. At the same time, however, it seeks to work in a consultative manner with business and government.

Research Questions

Against the previously discussed background to the EGM industry, in this research, we examine the dynamics of the interactions between the industry stakeholders, especially the role of government, in developing social and public policy. In particular, governments typically attempt to balance the rights of organizations to offer legal products (in this case, gaming and EGMs) against the demands of mass media commentators and industry critics for greater restrictions on the availability of these legal but potentially harmful and addictive machines. Accordingly, the questions we address are as follows:

1. To what extent is it possible to reconcile the competing interests of government, media, citizens, and the EGM industry when implementing social policy?
2. What industry changes could be expected as a consequence of a more active social policy?

Method

To address these research questions, we conducted 38 face-to-face interviews with EGM operators, manufacturers, and regulators in Nevada and NSW during 2005 and 2006, with some additional interviews occurring in NSW during 2013. These interviews aimed to reveal, inter alia, the prevailing attitudes of gaming industry executives toward the industry's social contribution and the current and prospective government regulatory regime. Respondent details are displayed in Table 1. In addition, we undertook a content analysis of a sample of 47 newspaper articles in Australia (*The Sydney Morning Herald*, *The Australian*, *The Daily Telegraph*) from August 30, 1999, to 2013 (refer to Table 3) related to the government's renegeing on proposed gaming machine legislation, with a later focus on mandatory pre-commitment, to examine the press portrayal of the industry.

Analysis and Findings

Analysis of Interviews

Interviews were analyzed by using NVivo™ 8.0 (2008), a qualitative analysis software program that assists in the identification of themes by categorizing them into trees and nodes. As a result of textual and contextual coding, six major tree node categories were developed (CSR, EGMs, Gambling Behaviour, Marketing, Regulatory and Non-Regulatory Factors, and Stakeholders), with 33 subcategories and 20 sub-subcategories nested beneath them. Table 2 presents highlights of the main categories and a summary of the associated major issues resulting from the face-to-face interviews.

As can be seen in Table 2, a number of gambling-related issues and stakeholders were identified. Gambling issues can influence many in society, such as the media and government, who in turn question the social responsibility practices of EGM operators and manufacturers. For example, are certain features of EGMs cleverly

Table 1
Respondent Classification

Respondent	Location	Industry role ^a	Demographics (specific roles, responsibilities, and duration of experience/employment)
1	Nevada	Casinos	VP, Research and Analysis. 15 years
2	NSW	Pubs	Owner of 10 very large gambling pubs in Sydney. Two to three are in the Top 20 gaming pubs in NSW. 30 years
3	NSW	Supplier	NSW General Manager Sales and Marketing for the largest EGM manufacturer in the world. 20 + years
4	Nevada	Supplier	U.S. President of Australia's largest EGM manufacturer. Currently CEO of a large U.S. EGM and casino games manufacturer. 14 years
5	NSW	Supplier	NSW Sales Manager of largest EGM manufacturer in the world. Now exporter of pre-owned EGMs. 30 + years
6	Nevada	Supplier	Senior Marketing Manager. 10 years
7	Nevada	Consultant	Chief Relationship Officer of Raving Consulting Company. He is the company owner and is responsible for all aspects of the company's business. Raving is 15 years old, and he has been in the gaming industry for 38 years. The company has six employees, plus 15 "Raving Partners," who are independent consultants, with whom they have a formal relationship and use as projects dictate and their expertise is needed.
8	NSW	Consultant	Hotel Advisor and Gaming Link Operator Agent and owner for Max Gaming. Former owner of pubs, one of which was in the Top 10 pubs in NSW for gaming. 20 + years
9	NSW	Supplier	Regional Marketing Manager of Australia's largest EGM manufacturer. 15 + years
10	NSW	Clubs	Assistant General Manager of one of the largest NSW Leagues Clubs. 20 + years
11	NSW	Clubs	President of the NSW Club Management Association. 36 years.
12	NSW	Consultant	Former Federal Minister for Tourism, Sport and Recreation. 25 + years
13	NSW	Regulator	Previously Director General of LAB/DGR and now a member of the IL&GA. 20 years
14	Nevada	Casinos	VP of Operations. 12 years
15	NSW	Consultant	Former illegal draw poker machine operator. 30 + years
16	NSW	Clubs	Executive Officer, Clubs Management Association. 30 + years
17	Nevada	Casinos	President. 25 years
18	NSW	Clubs	Gaming Manager, Registered Clubs Association of NSW. 20 + years
19	Nevada	Supplier	Responsible Gaming VP. 18 years
20	Nevada	Casinos	VP. 30 years
21	Nevada	Casinos	VP. 14 years
22	NSW	Casinos	Responsible Gaming Manager. 18 years
23	NSW	Regulator	Principal Research Officer - industry support group. 10 + years

Table 1 Continued.

Respondent	Location	Industry role ^a	Demographics (specific roles, responsibilities, and duration of experience/employment)
24	NSW	Consultant	Share broker. 20+ years
25	Nevada	Casinos	VP Marketing of a luxury strip casino. 9 years
26	NSW	Clubs	Former President/CEO of one of the largest NSW clubs. 40 years
27	NSW	Pubs	Former owner of 15 gaming-related pubs. 40-50 years
28	Nevada	Supplier	VP Operations. 12 years
29	Nevada	Consultant	Gambling academic. 20 years
30	Nevada	Consultant	He and his wife have delivered compulsive, problem, and underage gambling consultation for over 45 years to more than 40,000 gaming employees (personnel and executives) and have written responsible gaming programs for major gaming companies. In addition, they have worked with gaming Boards and regulators, presented educational workshops nationally and internationally, and provided expert witness testimony.
31	Nevada	Supplier	Gaming Regulations Officer for a large EGM manufacturer. 10 years
32	NSW	Regulator	Senior Gaming Research Manager. 12 years
33	Nevada	Consultant	Executive Director of Nevada Council of Problem Gambling since 1996. Overall experience on the council: 20 years
34	NSW	Consultant	Former legal counsel for DGR. Consultant for AHA. 20+ years
35	NSW	Casinos	Director of several Australian casinos. Owner of all EGMs in one Australian state. 30+ years
36	Nevada	Casinos	VP Marketing of a luxury strip casino. 10+ years
37	NSW	Pubs	Currently owner of four hotels. Previously owner of another five hotels. Three of his current hotels are in the Top 30 gaming pubs in NSW. 40 years
38	NSW	Consultant	Gaming consultant to AHA. 15+ years

Note. VP = vice president; NSW = New South Wales; EGM = electronic gaming machine; CEO = chief executive officer; LAB = Liquor Administration Board; DGR = Department of Gaming and Racing; IL&GA = Independent Liquor & Gaming Authority; AHA = Australian Hotels Association.

^aSuppliers = EGM manufacturers.

Table 2
Interview Analysis Categories and Issues

Major nodes	Issue	
Marketing	Reputation	
	Customer inducements	
	Nevada	
	NSW	
	Entertainment	
	Promotion budget	
	Target market	
	Gambling issues	Problem gambling strategies
		Nevada
		NSW
Issues of behavioural responsibility		
Problem gambling numbers		
Nevada		
NSW		
Return to player		
Nevada		
NSW		
Regulatory and non-regulatory	Volatility	
	Technology	
	Nevada	
Stakeholders	NSW	
	Epistemological (scholarly) community	
CSR	Employees	
	Community	
	Customers	
	Media	
	NGOs	
	Government and regulators	
	Economic	
	Legal	
	Ethical	
	Philanthropy/discretionary spending	

Note. CSR = corporate social responsibility; NSW = New South Wales; NGOs = non-governmental organizations.

designed to increase their appeal, leading to greater levels of involvement (time and money) between man and machine? According to the Productivity Commission (2010), around 70% of gamblers who “play weekly or more on gaming machines” (p. 13) do so without any ensuing problems. Because of the sometimes catastrophic outcomes associated with problem gambling, however, many people in society question the large amounts fed into the machines by problem gamblers. Should expenditures on EGMs by gamblers overall (problem and non-problem) be classified as entertainment, or as a social cost? When one considers that most EGM profits come from at-risk and/or problem gamblers (Livingstone & Woolley, 2007;

Table 3
Excerpts From Sample Content Analysis

Newspaper	Date	Headline and Author Name	Main thrust
<i>The Sydney Morning Herald</i> , p. 3	September 16, 1999	Carr Backs Away from Curb on Gambling ^a (Mark Robinson)	“The rise in the number of poker machines in NSW is likely to continue with the Premier backing away from his push for a cap on gambling.”
<i>The Daily Telegraph</i> , p.18	January 26, 2000	The Spread of Social Chaos (Anonymous)	“Mr Carr promised last year to cap the number of poker machines at current levels. He should keep his promise.”
<i>The Daily Telegraph</i> , p.23	May 20, 2000	Taking a Gamble on Personal Responsibility (Michael Duffy)	“I don’t know if it’s more funny or sad to watch Bob Carr’s efforts to pretend he is doing something about gambling in NSW, while out the back the Treasury boys are whistling as they shovel the growing taxation revenue into the State coffers.”
<i>The Daily Telegraph</i> , p.18	January 23, 2001	Hiding the Shame of the State (Anonymous)	“Mr Carr’s gaming policy is based on hypocrisy. While placing a so-called freeze on the number of poker machines, he allowed clubs in financial difficulty to apply for more machines and hotels to buy additional licences if they had not reached their quota.”
<i>The Daily Telegraph</i> , p.26	July 27, 2001	Gambling Reforms Hollow (Campbell Reid)	“Like King Canute attempting to turn back the tide, Premier Bob Carr was destined to fail in any reforms to limit poker machine gambling in this state.”
<i>The Sydney Morning Herald</i> , p.5	May 1, 2003	Hardship Loophole Opened on Six-Hour Pokie Ban (Geesche Jacobsen)	“The State Government has been accused of watering down measures designed to give problem gamblers a break, after it announced a new exemption from a six-hour state-wide shutdown of poker machines due to start today.”
<i>The Daily Telegraph</i> , p.24	January 19, 2006	Emma Model a Run-Down Carr (David Penberthy – Editor)	“Vaunted reforms such as the pokies tax and a wider examination of property taxes have faltered.”
<i>The Daily Telegraph</i> , p.32	May 18, 2007	Unknown Impacts of Cashless Pokies (David Penberthy – Editor)	“And as a sub-text to all of that is the fact that, as yet, the Government has made no progress towards the implementation of the Independent Pricing and Regulatory Tribunal’s three-way recommendation for minimising the social harm poker machines have the potential to inflict.”
<i>The Australian</i> , p.14	October 24, 2009	No Shots Fired in War on Gambling (Peter Van Onselen)	“In September 2007, then prime ministerial aspirant Kevin Rudd pledged to do something about the rise of poker machines across the country, after an ABC investigation into the effect of problem gambling in NSW. ‘I hate poker machines and I know something of their impact on families,’ he said. He promised to find a way to reduce the reliance of state governments on poker machine tax revenue, the nub of the problem. We now know that Rudd hates

Table 3 Continued.

Newspaper	Date	Headline and Author Name	Main thrust
<i>The Australian</i> , p.6	June 24, 2010	Rudd “Breaks Promise” to Attack Pokies (Nicola Berkovic)	poker machines so little that the only recommendation in the Productivity Commission’s draft report into gambling (released this week) that his government has committed to act on is to lift restrictions on online gambling sites within Australia. In other words, measures that will add to the gambling industry, not take away from it.”
<i>The Australian</i> , p.6	June 24, 2010	States Addicted to Gambling (Nicola Berkovic)	“Kevin Rudd has been accused of breaking his promise to wean the states off their addiction to poker machine tax, after failing to adopt tough measures to curb problem gambling, including limiting bets to \$1 a spin.”
<i>The Australian</i> , p.7	August 30, 2010	Legal Bar Looms for Pokies Push --- ELECTION 2010 (Pia Akerman)	“State governments rake in about \$5 billion a year from gambling taxes and Labor has reaped millions of dollars in political donations from hotels, clubs and casinos over the past three years.”
<i>The Daily Telegraph</i> , p.4	September 3, 2010	All Bets Are Off: PM to Limit Pokies—2010 - The Wait Continues (Simon Benson)	“An independent MP’s call for action would probably end in failure. Constitutional law experts have warned that new independent MP Andrew Wilkie’s demand for federal government action on poker machines could be blunted by gaming companies and state governments manoeuvring to protect their revenue.”
<i>The Australian</i> , p.15	September 3, 2010	Help Gamblers Help Themselves (Anonymous)	“Julia Gillard is one step closer to forming government, with a promise to install smart chips in every poker machine in the country to help 160,000 problem gamblers. Ms Gillard yesterday secured the support of Tasmanian independent Andrew Wilkie to form a minority government after agreeing to introduce the technology into the country’s 200,000 pokies by 2014.”
<i>The Australian</i> , p.8	September 4, 2010	Abbott Touted Relief for Pubs in Wilkie deal—ELECTION 2010 (Lani Vasek and Dennis Shanahan)	“The Productivity Commission also suggested lowering the betting limit per button push to \$1 from the current \$5 to \$10. Any prime minister who tried to enforce that change, however, could expect vigorous opposition from state governments, which are as addicted to poker machines as some problem gamblers. Gambling provides, on average, one-tenth of revenue raised by the states and poker machines contribute the lion’s share.”

Table 3 Continued.

Newspaper	Date	Headline and Author Name	Main thrust
<i>The Australian</i> , p.9	September 4, 2010	Gaming Reform Schedule “Too Soon” – ELECTION 2010 (Stephen Lunn)	“The NSW Labor government does not want a timeframe set on introducing smartcard technology to help gamblers limit their losses, despite the Gillard-Wilkie deal that it be in place by 2014.”
<i>The Australian</i> , p.5	September 24, 2010	Clubs Set for Battle on Pokies (Nicola Berkovic)	“The nation’s 4000 clubs have launched a highly organised grassroots campaign against Julia Gillard’s deal with Tasmanian independent Andrew Wilkie to mandate smartcard technology in poker machines to dramatically limit gamblers’ losses.”
<i>The Sydney Morning Herald</i> , p.5	December 9, 2011	Pokies Trial Could Delay Wilkie Bid for Reform (Phillip Coorey)	“The Tasmanian independent MP, Andrew Wilkie, could be made to compromise on his poker-machine reforms by delaying the introduction of mandatory pre-commitment or accepting changes, pending the outcome of a trial. Ms Gillard has told Mr Wilkie she will honour the deal struck in return for him supporting the Labor minority government, but she is under pressure from several MPs who are being targeted by a well-funded campaign by the gambling lobby.”
<i>The Australian</i> , p.6	November 1, 2012	Greens Reverse on Pokie Bet Limits (Lauren Wilson)	“Labor’s diluted poker machine reforms allowing punters to voluntarily set bet limits are poised to go before parliament tomorrow after the Greens last night declared their support. Tasmanian independent and key pokies reform campaigner Andrew Wilkie welcomed the backflip and said the move would allow a Canberra-based trial of the more robust alternative of mandatory precommitment to proceed. Mr Wilkie, who withdrew his support for Julia Gillard’s minority government after the Prime Minister walked away from enforcing a scheme of mandatory precommitment, said the watered-down reforms now had the support they needed to pass the parliament.”
<i>The Daily Telegraph</i> , p.1	November 1, 2012	Limits on Pokie Bets by End of Next Year (Andrew Clennell)	“Voluntary precommitment technology will be installed on all new poker machines by the end of 2013. Labor and the Greens have cut a deal to allow the pokie reforms to pass through federal parliament. Two years after independent MP Andrew Wilkie did a deal with Julia Gillard on mandatory precommitment, which was dumped in January, the federal government last night announced it would introduce voluntary precommitment to parliament today.”
<i>The Australian</i> , p.4	November 2, 2012	Pokies Trial Tipped for Delay (Andrew Clennell)	“The ACT clubs lobby has warned the long delay in finalising Labor’s watered down gambling package has complicated the proposed trial of mandatory pre-commitment technology, pushing the start date closer to next year’s federal poll.”

Table 3 Continued.

Newspaper	Date	Headline and Author Name	Main thrust
<i>The Daily Telegraph</i> , p.3	November 30, 2012	Timeline for Pokie Limit (Anonymous)	“Clubs and pubs will have until 2018 to fit poker machines with technology that allows punters to set loss limits. After furious lobbying from the clubs industry this week, the government and cross-bench MPs finally agreed on new poker machine laws, but extended the timeframe for the key change by two years. The watered-down package is vastly different from the plan put forward when independent MP Andrew Wilkie struck a deal with Julia Gillard to support her government.”
<i>The Sydney Morning Herald</i> , p.9	August 27, 2013	Coalition Policy on Gambling Slammed (Richard Willingham)	“The Coalition will rely on the clubs and gaming industry to develop support and counselling services for problem gamblers if it wins government. Gambling reformers are dumbfounded that the pokies and club lobby, who vocally campaigned against federal poker machine reforms in the hung parliament, will form an industry advisory group.”
<i>The Australian</i> , p.4	December 11, 2013	ALP Backflip on Gambling Laws (Joe Kelly)	“Labor is poised to support the Coalition’s plan to scrap the gambling reforms introduced by the Gillard government in a move that would bury Andrew Wilkie’s dream of mandatory poker-machine betting curbs.”

^a Bob Carr was the NSW premier at the time.

Productivity Commission, 2010; P. Symond, personal communication, November 16, 2007), it is not surprising that the main focus by many people is on the social costs associated with EGM expenditures. Australian gamblers lost a total of \$22.7 billion, or \$1,241 per head in 2014/15. Of this amount, 51.1% (\$11.6 billion) of expenditure was attributable nationally to EGMs, with almost half of EGM expenditure at \$5.7 billion (49.1%) occurring in NSW (Australian Gambling Statistics 2016; Willingham & Preiss 2016). Gambling losses in 2014/15 experienced an increase of 7.7 per cent on the previous financial year, although this growth was mainly attributable to the still small, but exponentially growing, sports betting (Willingham & Preiss 2016). These figures highlight the importance of the EGM industry conclusively demonstrating its seriousness about being socially responsible. Interviews with industry executives indicated, however, that the many in the industry generally believe that the current government regulation of the industry is adequate to protect society's interests and, because the industry is currently meeting all its societal and community obligations, any further restrictions would be unnecessary and unwelcome. By way of background, legislation was introduced by the NSW government in 1999 targeted specifically at harm minimization through the Gambling Legislation Amendment (Responsible Gambling) Act (1999). One respondent described it as follows:

The first piece of legislation relating to problem gambling restrictions on gaming machine operations in New South Wales was the Gambling Legislation Amendment (Responsible Gambling) Bill 1999. This was followed by the Gaming Machines Act 2001, which introduced further restrictions, including the advertising ban and other significant measures which impacted on the ability of clubs to market their gaming machines. (NSW, Respondent 13, Regulator)

This respondent further stated:

The reason legislation changed in 2001 to disallow external marketing of poker machines was because external signage and other forms of advertising were considered to be a strong inducement for people to gamble. (NSW, Respondent 13, Regulator)

Despite stating that they adhere to the regulations and that there is nothing more they can do over and above the law, some NSW venue operators were cynical regarding regulatory attempts to help problem gamblers:

There is a need to better regulate the market so problem gamblers can be looked after. Don't overregulate, however (such as getting rid of EGMs), so players will be driven to unregulated environments (Internet, underground, etc.). There's a lot of rhetoric from governments, but very little legislation that's proven to be effective. (NSW, Respondent 10, Clubs)

A lot of legislation is very disruptive to regular players and doesn't stop problem gamblers (NSW, Respondent 10, Clubs)

There is so much legislation that there's no room for anything over and above the legislation (NSW, Respondent 37, Pubs)

The gaming industry argues for evidence-based legislation, which is deliberately biased by the operators to stymie new regulation (NSW, Respondent 34, Consultant, and NSW, Respondent 38, Consultant)

Despite this cynicism, or perhaps because of it, NSW is now one of the most heavily regulated markets in the world. However, according to NSW respondents (Respondent 10, Clubs; Respondent 18, Clubs; Respondent 16, Clubs; Respondent 2, Pubs; Respondent 3, Supplier; Respondent 9, Supplier; Respondent 37, Pubs; Respondent 22, Casinos), all mandatory policies are adhered to, such as G-line, self-exclusion, stickers on all EGMs (and table games in the casino), and clocks on walls that are visible from every EGM.

Of course, adherence to mandatory legal or government requirements can be regarded as neither exceptional nor especially praiseworthy. Nevertheless, there is a greater potential need for EGM providers to play a more proactive role in protecting vulnerable players most at risk of developing gambling problems. Increasingly, organizations are expected to operate in a socially responsible manner. This is especially true for companies operating in legal, but potentially harmful, industries if they are to attain social legitimacy. For example, one respondent (NSW, Respondent 37, Pubs – second interview in 2013) put the dwindling economic performance of the majority of clubs down to “greed.” He explained the situation before the EGM caps restrictions by the NSW government came into effect in 2000 (Gaming Machines Restrictions Act):

Clubs loaded themselves up with EGMs. Auditoriums that had traditionally offered entertainment were closed and filled up with pokies. As a consequence, people kept away from clubs because they used to go to the auditorium, see a show, then play the pokies. A lot of clubs are losing money because they are badly managed. Some clubs are well managed (which is rare) and are doing very well. (NSW, Respondent 37, Pubs)

Another respondent referred to the link between socio-economic (including ethnic) factors and high profitability:

There has been some slight change in socio-economics, at least in Penrith. A lot of the other clubs in other areas have had substantial change. Canterbury, Cabramatta have changed dramatically. There is a high Asian population. The profits these clubs make now are extraordinary. Essentially they are gambling clubs (Canterbury, Bankstown, Parramatta, Mt. Pritchard). (NSW, Respondent 26, Clubs)

This calls into question the social responsibility of targeting potentially vulnerable groups. It is now significantly more difficult, at least in theory, for EGM operators to obtain approval to operate in lower socio-economic areas. All applications (for all zones) must be accompanied by a Local Impact Assessment (see, for example, Liquor & Gaming NSW, n.d.).

Newspaper Analysis

We conducted a content analysis of newspaper articles in Australia and/or NSW between 1999 and 2013 that were critical of the government's about face on intended gaming machine legislation to further explore the conflicting demands between key stakeholders. Results of this sample demonstrate that this matter was of some concern to the media. In addition to criticism of the federal government's flip-flopping, much of the criticism was also levelled against the powerful gaming industry and its effectiveness in lobbying government against public policies detrimental to its financial interests. During 2010, following the outcome of the hung parliament and the ensuing political understanding between then Prime Minister Julia Gillard and Tasmanian anti-gambling independent parliamentarian Andrew Wilkie, a flurry of media reporting from the three major newspapers in Australia (*The Australian*, *The Sydney Morning Herald*, and *The Daily Telegraph*) appeared. Our content analysis (Table 3) provides evidence (through a text corpus relating to this issue) of the kind of tug of war that can occur between government (including, in this case, between the federal government and the state governments), the media, the EGM industry, and, although not directly, the citizens who play EGMs. This tug of war oscillates from time to time and was especially critical during 2010, although it continued through to the end of 2013. Moreover, the content analysis showed that the newspapers surveyed were generally critical of the industry's attempts to unduly influence governments and its ability to thwart anti-pokie legislation, largely through the effects of its political lobbying.

Discussion and Recommendations

The analysis of the industry interviews and the press discussion of gambling issues in Australia highlights the principal social policy issue arising from the popularity of gambling and EGMs, especially in the NSW context. That is, the industry generally feels that it is already subject to excessive government scrutiny and regulation and that it currently makes a substantial economic contribution to the community while complying with all government regulations and standards. In contrast, the media view of the industry (which may reflect the community's perceptions) is that the social costs of EGMs and gambling is a very high price to pay for the economic benefits and, therefore, that further restrictions on EGMs would provide a better balance of social policy. Given the currently antagonistic relations that exist between EGM operators and their media and community critics, the central issue with which this paper is concerned is the role of government in enacting and administering the balance of social and public policy. Clearly, governments cannot do all that is necessary to address community concerns, nor can they simply act solely in the gambling industry's interests. At the same time, EGM operators also have an important role to play. Clearly, however, the EGM industry has a vested interest in opposing regulations developed by government in response to community concerns. A further criticism (as commonly reflected in much of the Australian media) is that governments are overly reliant on EGM taxes and are thus vulnerable to lobbying by the gaming industry. For example, *The Daily Telegraph* (2010) reported that

“these machines are also a trap for governments that become dependent on them for revenue” (“Caught in the Pokies Trap” (Anonymous), para 2, p. 46). In addition, an article in *The Sydney Morning Herald* (2010) stated: “Gaming tax provides the states with billions in revenue. They’re as addicted to the gambling dollar as much as out-of-control punters are to the thrill” (“Finally, Action on Poker Machines” (Anonymous), para. 2, p. 14).

It is therefore important for EGM operators to act (and to be seen to be acting) in a socially responsible manner, if only to respond to public criticism and to keep increasingly restrictive public policies at bay. Smith and Rubenstein (2011) argue that there should be more accountability and transparency by governments and the industry, particularly for potentially harmful products such as EGMs. In addition to providing nationally available annual gambling statistics (including extensive figures on revenue and losses to gamblers, operators, and government), the media regularly scrutinizes and openly criticizes governments over issues such as putting their own interests ahead of society when they rely heavily on revenue from EGM taxes. Blowfield and Frynas (2005) suggest that voluntary CSR activities such as “extending company accountability without the need for new legislation” (p. 502) is gaining “support from policy makers in national governments and intergovernmental organizations, underpinned by the assumption that firms are capable of policing themselves in the absence of binding international and national law to regulate corporate behaviour” (p. 502). Conversely, when firms are “morally irresponsible. . . public policy should expand if corporate self-restraint and altruism fail” (Windsor, 2006, p. 96). Instances of governments no longer being able to meet all of society’s expectations place a responsibility on organizations to meet some of these expectations through expanded CSR engagement (Jamali & Mishak, 2007).

In contrast to this recent antagonism, logic would suggest that a co-operative (collaborative) approach between NSW gambling regulators and NSW EGM operators is a necessary ingredient for the implementation of progressive and responsible social and public policies and for the future economic well-being of the industry. One of the key points of the Productivity Commission (2010) report is that, of the many “regulations and other measures intended to reduce harm to gamblers” that have been implemented by state and territory governments, “some have been helpful, but some have had little effect, and some have imposed unnecessary burdens on the industry” (p. 2). Accordingly, and as endorsed by the stakeholder literature, informed consultation and discussion between representatives of the community such as relevant NGOs, recreational and problem gamblers, the gambling industry, and NSW government gambling regulators is an important part of effective social and policy development. This may ultimately ensure more active engagement by the community and more willing compliance with gambling regulations by the gambling industry and may, in turn, produce a more stable equilibrium position in the medium-term future. At the same time, the frequently antagonistic relationship between the gambling industry and some NGOs in particular would suggest that such consultation would not be without its challenges, especially to government, which needs to balance conflicting interests.

For the present, there exists an apparent standoff between the industry and its critics, with the current national government adopting a passive posture. While the general public also maintains a benign tolerance of gambling, at the same time, the social cost of gambling is rarely far from the public's awareness (Willingham & Preiss, 2016). Most recently, the election of the avowedly anti-gambling Nick Xenophon Team to the newly constituted Australian Senate resulting in a shift in the potential balance of power, suggests that the issue will re-emerge in national political debate in the near future. In this context, EGM operators can potentially make an important contribution to public and social policy and possibly pre-empt more restrictive legislation. This could be achieved by enlightened marketing managers being more openly engaged with the community debate and by adopting a more proactive stance with government, by acknowledging the legitimate concerns of the community, and by adopting the principles of CSR in its relationships, especially with the at-risk gambling customers. This move from a passive, reactive stance to the adoption of a proactive CSR position will inevitably challenge many gambling operators, who will see such a stance as undermining their established business models; this is, however, a common challenge to any industry or firms that choose to adopt CSR principles. Those gambling operators who choose to move in this direction may be motivated by a higher moral sensitivity (Buchholz & Rosenthal, 2004; Carroll, 1991; Palazzo & Scherer, 2006; Wempe, 2005). Alternatively, more enlightened gambling operators may regard the suggested proactive CSR stance as an opportunity to meaningfully differentiate their organizations in the minds of their customers. In this sense, registered clubs may succeed in building stronger goodwill among their local constituencies by demonstrating their greater social commitment. Recent advances highlight a proactive initiative taken by publicans. For example, the Australian Leisure and Hospitality Group (ALH) has deployed responsible gaming systems developed by Bally for their EGMs in over 270 venues. This new system allows for tracking data to appear on the EGM screen (e.g., alerting players about the level of expenditure). In recognition of negative community and media backlash, the ALH CEO stated that "the agreement was the result of ALH aiming to fine-tune its gaming and mitigating negative exposure" (Gaming News, 2014, p. 9). At the same time, the prospects for an epiphany among gambling operators appears remote. Australia is among the top 10 gambling jurisdictions in the world, and by 2013, it had the sixth highest number of EGMs worldwide (having claimed fifth place in 2012). Australia has also ranked sixth globally for 2014 and 2015. NSW is ranked seventh jurisdiction in the world with 94,864 gambling machines. The most recent figure of 121 EGMs per head of the adult population in Australia as at 2015 is the third highest number in the world (Ziolkowski, 2016). Recent history also gives little hope that the industry will proactively address the issue of problem gambling. Like most industries and their managers, the EGM industry in Australia is addicted to growth and there is no precedent to suggest that it will voluntarily restrict poker machine numbers or their geographic coverage.

The Mediating Role of Government

Some researchers express "frustration at the power of the gambling industry to block, manipulate or dilute policy reform" (McMillen, 2009, p. 2). Conversely, criticism is also

levelled against the anti-gambling lobby and their inordinate influence on anti-gambling legislation (Novak & Allsop, 2009). The gaming industry regularly challenges legalization aimed at restricting gaming activity as not being evidence based and calls for greater research before restrictive regulations are introduced. Furthermore, authors such as Novak and Allsop (2009) make the following exhortation: “On economic, social and liberty grounds, restrictive government policies against gambling should be resisted. The capacity of individuals to be free to gamble should be the benchmark against which government policies toward gambling consumers and providers will be judged” (p. 2). Against this arguably ideologically driven pro-gambling stance, results from critical discourse analysis of 306 newspaper articles from three major Australian newspapers from January 1995 to March 2010 (resulting in 721 representations across seven discursive themes) identified 328 representations of responsibility for EGM play as being attributable to either government ($n = 158$, 48%) or industry ($n = 132$, 40%), with only 12% ($n = 38$) being attributable to individuals (Buchanan, 2013). This result reflects the perceptions and expectations of many in society that governments should act as arbitrator between the competing economic interests of industry and societal concerns of social harm. These findings also suggest that the public sees this as a legitimate social policy domain in which government is expected to lead the community. It also indicates the importance placed upon the EGM industry in terms of becoming more socially responsible.

The confluence of interests and the tug of war between government, industry, and media forces can be further represented as a triangle in which the relationships between each pair of parties are, arguably, reciprocal, that is, where each party is influenced by, and seeks to influence, the other. This is represented by two-headed arrows in Figure 3.

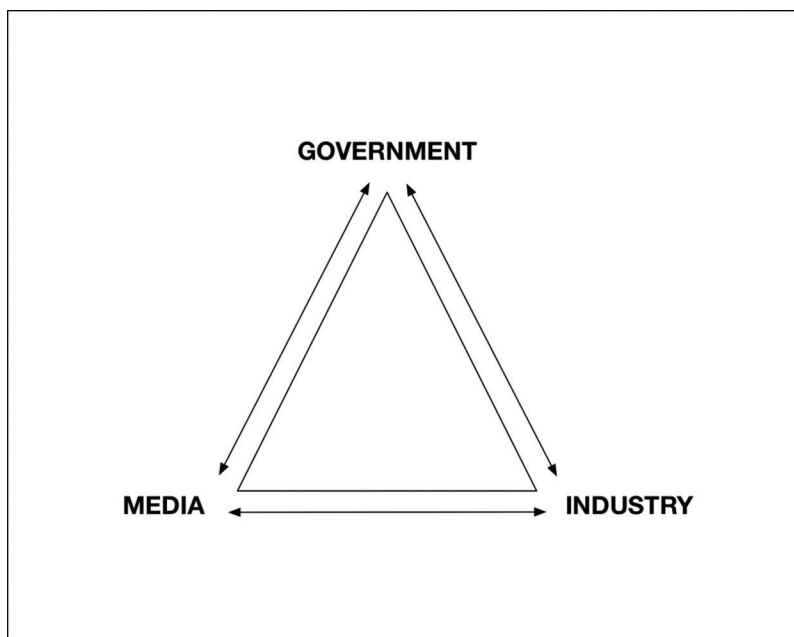


Figure 3. Confluence of government, industry, and media

Conflicts exist in the dyads presented in Figure 3, for example, between media and EGM operators and between media and the federal and/or state governments. EGM operators in turn face various conflicts with both the media and government. The government, in turn, faces conflicts with the media and with EGM operators. In general, the media will criticize government when it is seen to side with gambling operators, while the gambling operators will oppose any new government restrictions on gambling or gamblers. The resolution, or at least the minimization, of these conflicts lies at the heart of social policy and is a common objective of all parties, which, if achieved, will better ensure the sustainability of the industry. A range of reconciliations is possible between these parties:

1. Media: The media could voluntarily seek to increase the number of industry sources and not misquote or consistently negatively position the EGM industry. For example, the media could also include stories of voluntary support given by EGM operators to worthy causes and include some of the efforts of responsible measures taken by government to address problem gambling and the resulting negative social consequences.
2. EGM operators: Some possible reconciliations are possible with the media, such as releasing reports to the media about social contributions made by clubs and pubs, some with the federal government because of the decreased influence of the anti-EGM politicians, and some with the community through, for example, increased involvement in sponsorship and charities and through ensuring product safety, host responsibility, and increased player protections (see Hancock, Schellinck, & Schrans, 2008, p. 66). An important consideration is that operators need to make substantive changes in their attitudes, policies, and practices toward their problem gambler customers, rather than focusing on window dressing.
3. Government: Some reconciliation with EGM operators is possible by, for example, not responding to media criticism through legislative knee-jerk reactions. Some possible reconciliation with citizens and others in the community is possible through increased government funding or taxes to support problem gambling research and problem gamblers through additional counselling, intervention programs, etc.

Conclusion

In summary, the issues of gambling and the balance of its purported economic benefits and social costs are regularly debated in the public domain. Within the gambling spectrum in Australia and NSW, EGMs represent the most socially conspicuous and economically prominent position (Willingham & Preiss, 2016). They are therefore at greatest long-term risk in the political and media debates. The key stakeholders in the debate maintain their long-held positions, and the prospects for immediate fundamental change are minimal. The industry critics and NGOs, with on-balance support of the media, regard attempts of the gambling industry to portray itself as being socially responsible with cynicism. The EGM industry, in contrast, appears to

adopt a de facto posture of duck and cover, deny and dissemble, and will vigorously oppose any threats to their current business models and practices. At the same time, state and national governments, of both major political persuasions, appear to be persuaded by the economic arguments in favour of gambling and EGMs and, consequently, appear reluctant to intervene to any significant degree. The political field, with its unstable and fluctuating balance of political power, supported by regularly shifting political alliances and short election cycles of 3 to 4 years, perhaps provides the most likely impetus for meaningful change. In such an unstable environment, the EGM industry would be well advised to adopt a more overtly engaged and proactive CSR stance that will provide increased credibility and legitimacy in the public debate, provided, of course, that it is willing to match its rhetoric with meaningful changes in its business and marketing practices. At the same time, anti-gambling advocates need to acknowledge the rights of the industry and gamblers to engage in a lawful and legitimate leisure pursuit.

Furthermore, this currently contentious position is not unique to the gambling industry; many of the same issues of principles versus profits apply to other industries, such as alcohol marketing. In this context, the gambling industry's public media tag line encouraging consumers to gamble responsibly closely mirrors the messages to drink responsibly in the alcohol industry. (Whether such messages have any worthwhile impact is debatable and is a perennial research topic.) The gambling problem is highly unlikely to disappear, although it may wax and wane, in which case it is important to consider the question: How should the industry change its policies, processes, and practices? In response to this question, we advocate that the industry sharpen its approach to the issue of problem gambling by raising its prominence in its business calculations and seeking opportunities to modify its business practices to minimize the incidence of preventable problem gambling while accepting some responsibility for its mitigation. In this way, the industry will improve its relationships with stakeholders and critics and, in turn, may anticipate and deflect impending government regulation. At the same time, there will always be a proper role for the government in ensuring that the interests of vulnerable members of society are appropriately protected. In terms of social and public policy, we are arguing for an increase in pro-active industry self-regulation and CSR in order to obviate the very real threat of increased government regulations. By increasing its focus on CSR policies, processes, and practices, the EGM industry will increase its legitimacy and negate the possibility of further government regulation. Without an increase in CSR policies, processes, and practices, we argue that the EGM industry runs the risk of further government regulation due to some less-than-responsible practices by some operators in the industry.

This research has provided evidence that the issue of public and social policy and EGMs (or gambling generally) will never be completely resolved to the satisfaction of all stakeholders, as the exigencies of political and social debate and the ever-changing political landscape ensure that the debate is never far from the public consciousness. Equally certain is that the staunch pro-gambling/industry and anti-gambling/community camps will remain firmly opposed, with government occupying

the middle ground in framing social and public policy. What also seems abundantly clear is that the combination of the economic impact and the arguably unique historical origins of licensed clubs and pokies, particularly in NSW, will ensure that the industry prevails against the critics. Public and social policy will thus inevitably revolve around reconciling these legitimate, but competing, interests.

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