

# Gaming after Lockdowns: Return to the Slots

Jenny Lye and Joe Hirschberg  
Department of Economics  
University of Melbourne

**Purpose:** We consider the impact on electronic gaming behaviour in hotels & clubs in Queensland and Victoria.

Data on gaming activity is publicly available at the LGA level monthly.

## Pokies Gambling and COVID-19 Shutdowns

In March 2020, state governments began to close “*non-essential*” services and Australians could only leave their homes for a limited number of reasons.

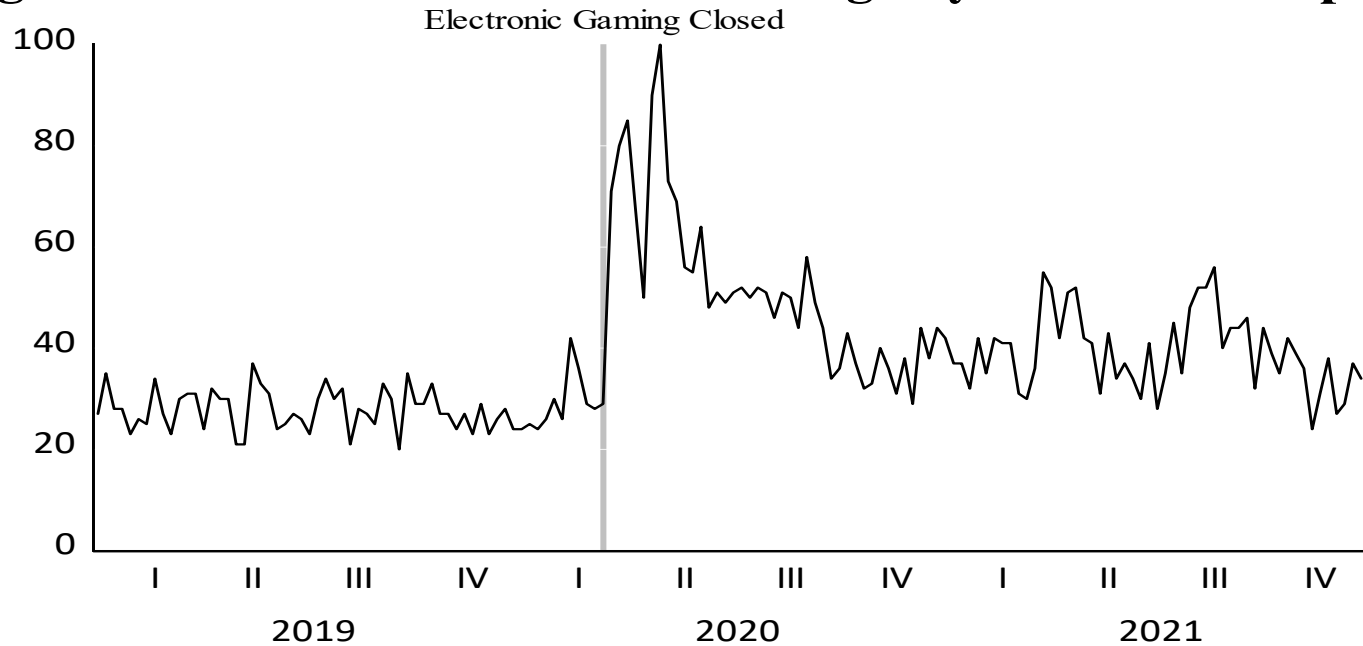
This included land-based gaming venues (hotels & clubs) across Australia.

There was some evidence of an increase in **online** pokies gambling.

Gamblers denied access to pokies during COVID-19 seek addiction services help to set up online accounts: Calls to Centacare's gambling helpline have spiked since Queensland TAB areas and pokies were switched off in March due to the coronavirus lockdown – but not because people were seeking help.

Maguire, Kemii. *ABC Regional News; Sydney* [Sydney]. 14 June 2020.

## Google Trends data for Australia using keyword “online pokies”



## Results of online surveys:

### Brown and Hickman, 2020 & Gainsbury et al (2020)

20% reported an increase in online gambling including online pokies.

**Men** were 3× more likely as **women** to have gambled online.

## Re-Opening of Venues

There was speculation though that when venues re-opened there would be a corresponding spike observed in EGM expenditures.

*Why?*

As pokies venues reopen after coronavirus shutdowns, advocates are fearful gamblers face record losses: As more pokies venues prepare to reopen in coming weeks, advocates warn increased loneliness and family violence due to coronavirus lockdowns could result in record pokies losses.

Asher, Nicole. ABC Premium News; Sydney [Sydney]. 20 June 2020.

- to alleviate the impacts of *loneliness* and other *stresses* resulting from lockdowns. It has been found that in-venue gambling is preferred to online options for *social* reasons
- gaming venues are viewed as one of the few places in the community considered a safe refuge to escape *partner violence*

## Pokies eat up jobkeeper funding

The North West Star, Mount Isa, Qld. [Mount Isa, Qld]. 05 Nov 2020: 7.

- availability of increased funds for gambling through economic *stimulus* payments & early *superannuation* withdrawals

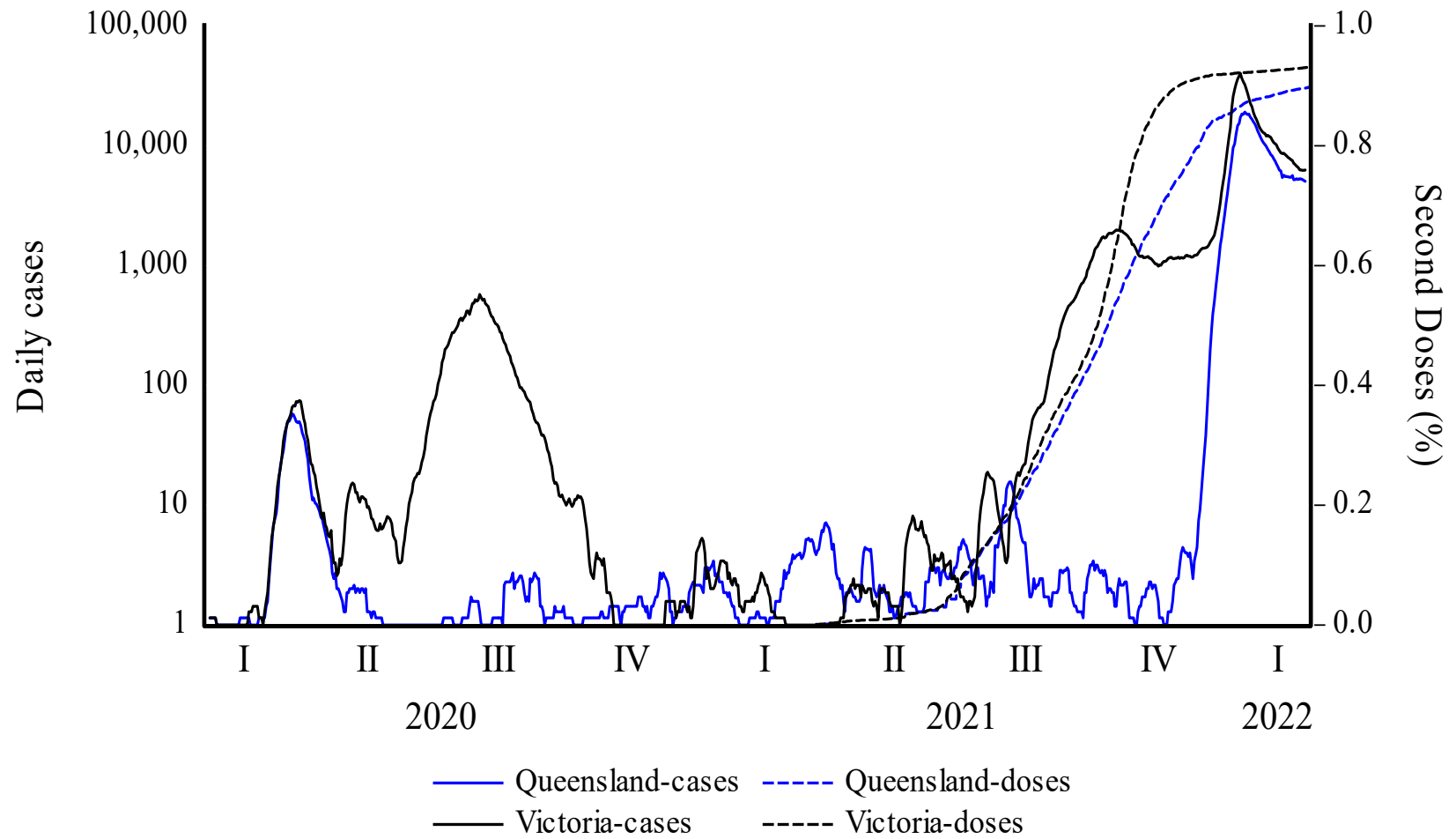
Geelong records third-highest monthly pokies losses in January, believed to be boosted by money-laundering and superannuation withdrawals

Harrison Tippet . Geelong Advertiser (Online) ; Geelong [Geelong]. 28 Feb 2021 .

- to engage in *money laundering* opportunities that were limited due to lockdowns

***Also***, additional waves of the COVID-19 pandemic led to the restrictions on or even further closures of gambling venues.

# The Covid-19 pandemic in Queensland and Victoria



## Data

- Queensland & Victoria: clubs & hotels
- Monthly 2014:1 (2017:1) until 2022:5 by LGA
- Net EGM expenditure (Player Loss)
- Number of EGMs



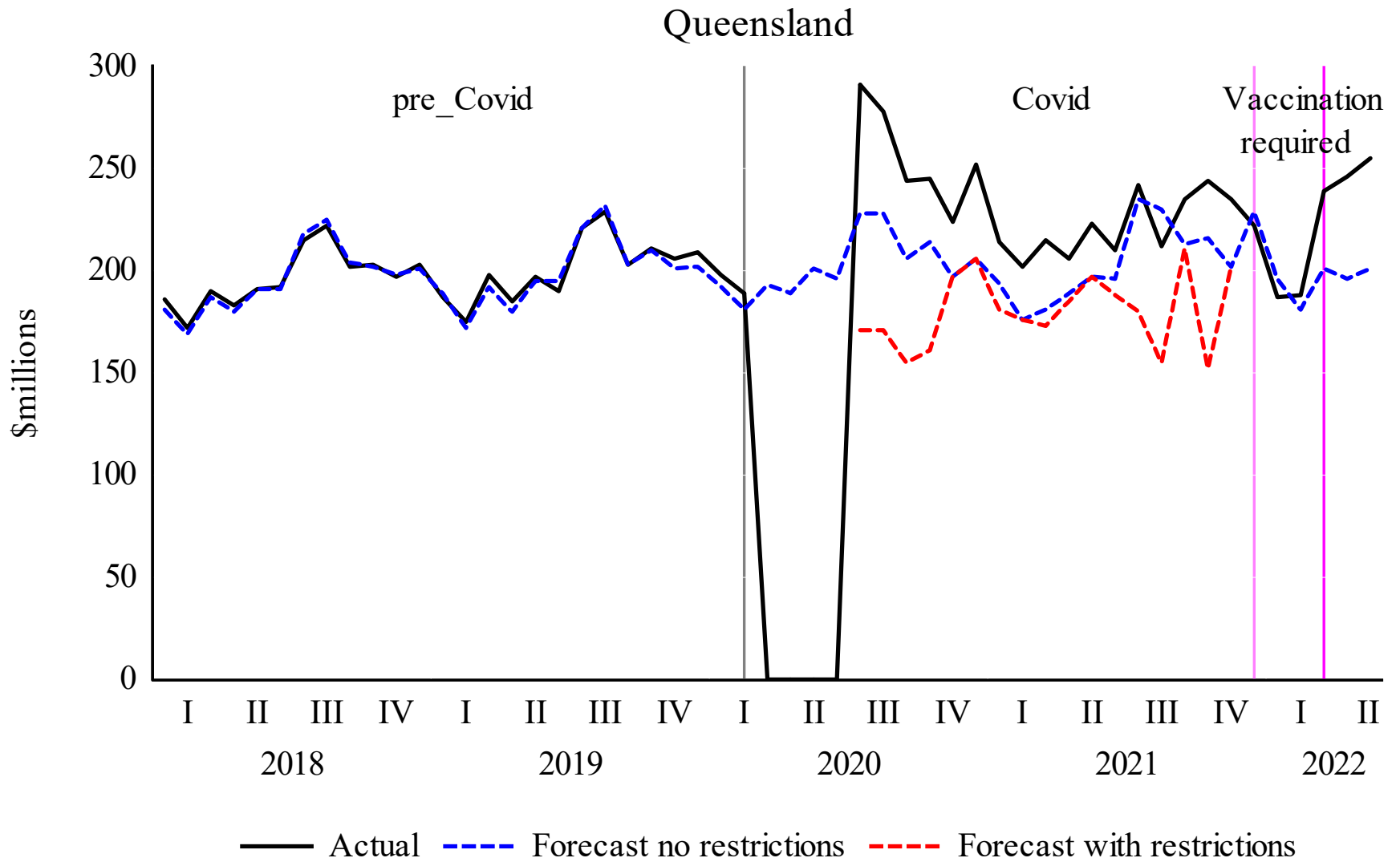
## Model

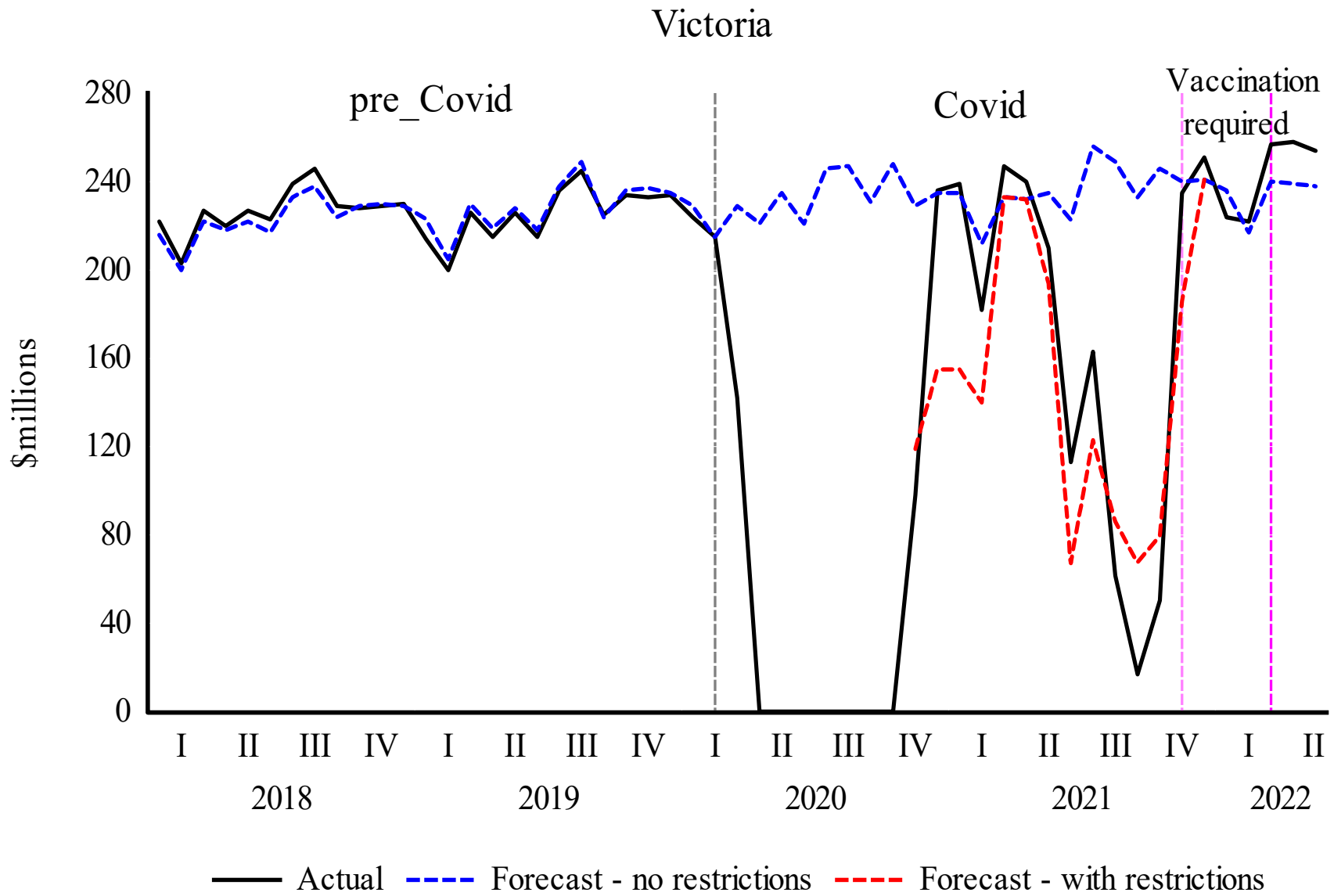
$$\log(\underbrace{PL_{it}}_{\text{Player Losses}}) = \beta_0 + \rho \underbrace{EGMs}_{\text{Number of EGMs}} + \delta \underbrace{Trend_t}_{\text{Time}} + \underbrace{\sum_{j=2}^{12} \beta_j M_{jit}}_{\text{Months}} + \underbrace{\sum_{k=1}^7 \gamma_k Days_{kit}}_{\text{Number of each day of week in month}} + \underbrace{\sum_{j=2}^{num} \lambda_j LGA_{ji}}_{\text{Location}} + \varepsilon_{it}$$

**Estimation period:** Victoria 2017:1 – 2020:2  
Queensland 2014:1 – 2020:2

**Forecast 1:** assume **no** COVID-19 pandemic limitations

**Forecast 2:** model COVID-19 density **restrictions**





## Summary

	Period	Forecasts – restrictions	Actual
<b>Queensland</b>	July re-opening 2020	Without	+28%
		With	+70%
	July 2020-May 2022	Without	+12%
		With	+23%
	Mar 2020-May 2022	Without	-\$182 million
	<b>Victoria</b>	Dec re-opening 2020	Without
With			+52.3%
Nov 2020-May 2022		Without	-20.7%
		With	+9.0%
Mar 2020-May 2022		Without	-\$2.65 billion

*Are EGMs being used more intensively and/or was additional space found to allow pokie machines above the restricted number?*

## Clubs boost pokies under cover of virus

Gladstone, Nigel . Sun-Herald ; Sydney, N.S.W. [Sydney, N.S.W]. 28 June 2020: 13.

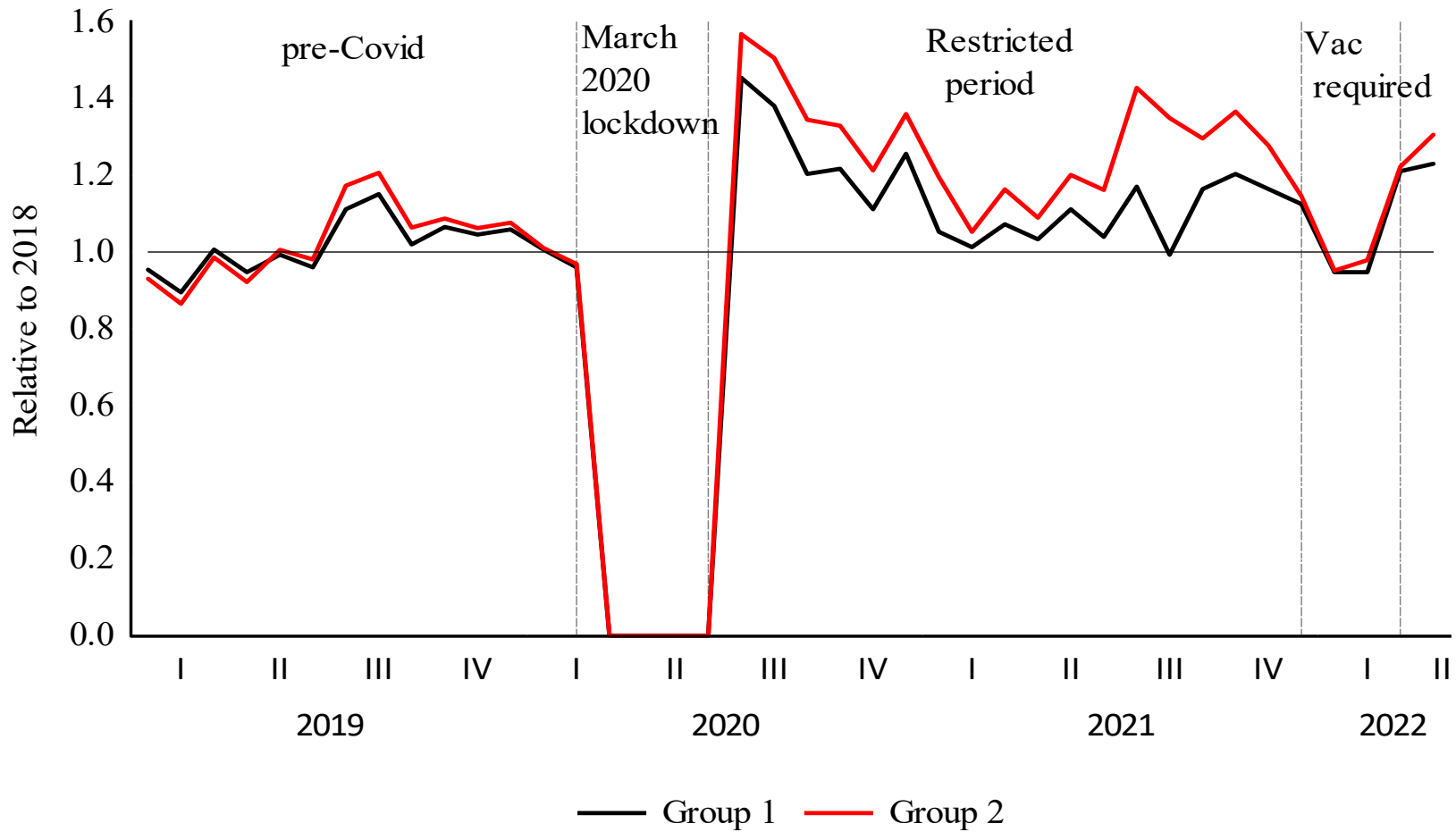
Poker machines are being installed in areas of NSW clubs previously banned from gaming, such as restaurants and lobbies, as part of social distancing measures designed to keep punters apart.

Health orders introduced in response to the coronavirus pandemic require clubs to either switch off every second poker machine or find more floor space to spread out their machines. Clubs can get extra space for pokies by expanding restricted areas into places where minors could be, such as entry lobbies, snooker rooms, restaurants and sports lounges.

## Regional Differences

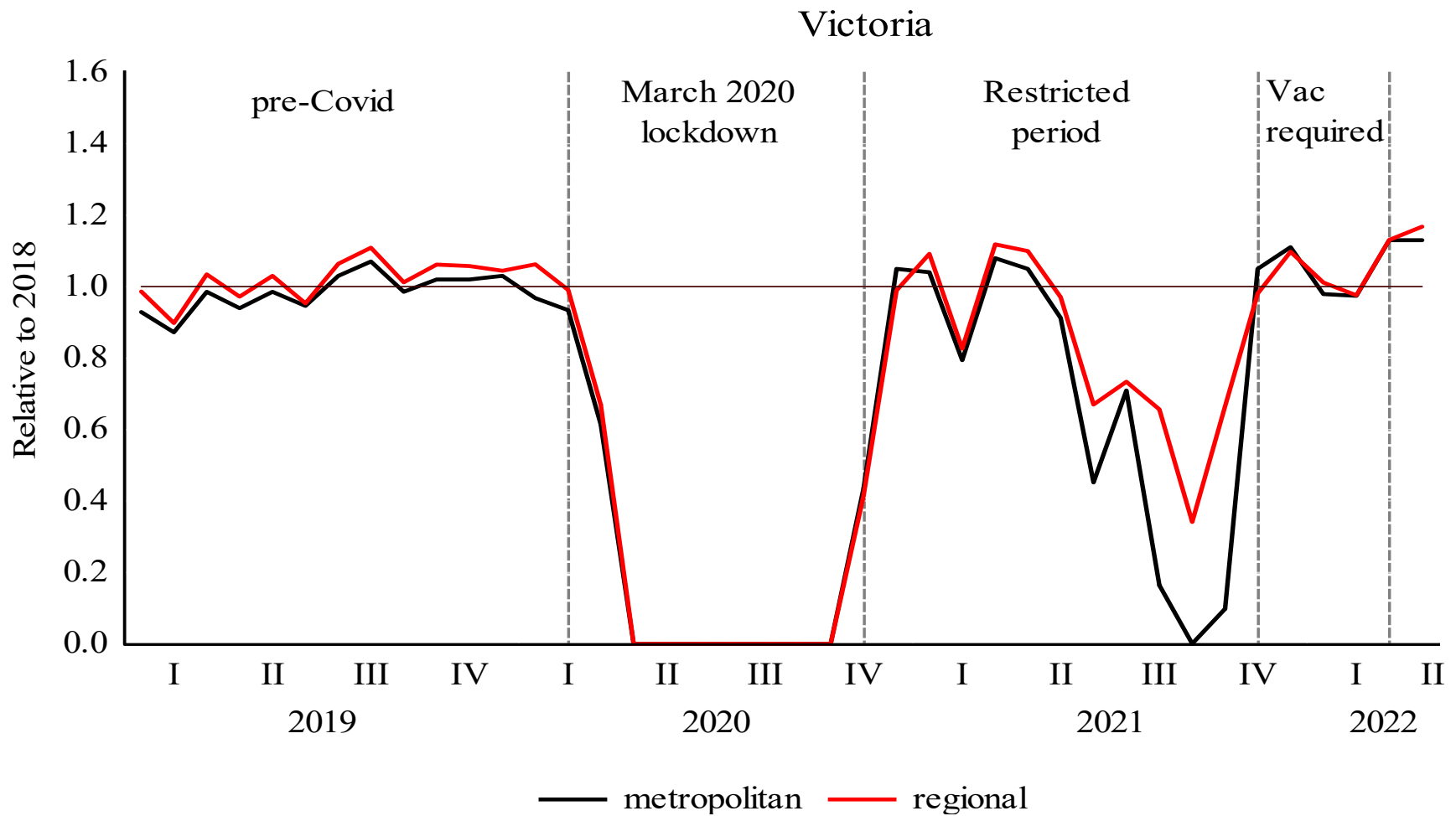
	<b>Queensland</b>		<b>Victoria</b>	
	Group One	Group Two	Gr. Metro Melbourne	Reg Vic
Population	78%	22%	79%	21%
Operational EGMs	71%	29%	71%	29%
EGMs available since re-opening	85%	91%	62%	65%
Covid cases until Dec 2021	1,644	182	110,042	11,697

# Queensland



**Before:** Group 1 mean=1.02 Group 2 mean =1.04

**After:** Group 1 mean=1.15 Group 2 mean =1.27



**Before:** metro mean= .985 reg mean =1.02

**After:** metro mean= .803 reg mean =.900



## Conclusions

Covid -19 lockdowns and restrictions disrupted pokies gambling:

- There was some evidence of an increase in online pokies gambling
- On re-opening we do see spikes in EGM expenditures.
- Reasons include – to alleviate loneliness, partner violence, money laundering and stimulus payments
- Were EGMs being used more intensively and/or were restrictions not being followed?
- There were regional differences and areas with less restrictions associated with higher Player loss.