

HOSP3000 Final Notes

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INTRODUCTION

GAMBLING

Gambling: Lawful placement of a wager or bet on the outcome of a future uncertain event.

- Key Aspects
 - Involvement of *chance*
 - *Unknown* future event
 - Betting against another person, the house or a machine
 - Involvement of *money* or something of *value*
- Gambling in the form of
 - *Wagering*: sports and race
 - > Legal betting on horses, greyhounds, and specified sports events
 - > Via totalizators and bookmakers
 - *Gaming*: EGM's, lotteries, keno, table games
 - > All legal forms of gambling other than wagering
 - > Lotteries, gaming/slot machines, casino table games, and keno
- Why do people gamble?
 - Win money
 - Pleasure
 - Deviant activity
 - > Escapism from routine daily life
 - > Against society
 - Stimulus-Reward
 - Conspicuous consumption (rich enough to lose money)
 - Symbolic sense of control

Casino: a specific designated facility where gambling takes place

AKA house

First casino in Australia *Wrest Point*, Tasmania (1973)

BASIC IMPACT OF GAMBLING

- Impact on economy
 - Employment: 19,700 people via casinos alone
 - Taxes to government (National: \$5,014M AND State: \$931M)
 - Negative: personal bankruptcy
- Impact on Society
 - Communal: improvement of infrastructure
 - Individual: stress relief, social activity
 - Negative: problem gambling, crime, youth gambling
- Political and Legal Influence
 - Control the regulation and laws governing what a casino can/cannot do

GAMING AROUND THE WORLD

INTERNATIONAL POSITION ON GAMBLING

- Main reasons for gambling legislation:
 - Economic revitalization, taxation (economic benefits to the government), crime control (public safety)
- International 'Benchmarks' for Positions on Gambling
 - **Macau: OPEN**
 - > AKA *Monte Carlo of the Orient* and *Las Vegas of the East*
 - > History
 - Trading harbor between West and East (port/harbor)
 - Sailors targeted gambling and robbery in 1740s
 - * Come and go nature of sailor encouraged illegal gambling and cheating
 - Led to the licensing of gambling – gov regulated 1850s
 - * Tax revenue to Portuguese gov (still colonized)
 - * Triad-controlled gambling houses too
 - * Contributions to social and infrastructure development
 - Monopoly rights granted to diff companies throughout 1930s-early 2000s
 - Liberalisation of casino industry in 2002
 - > Current Status
 - 70% of Macau's revenue (200)
 - Huge gambling-tourism, ~40 casinos
 - 13,836 slot machines (Aus 13,348); 6,287 gaming tables (Aus 1,579)
 - 2014 revenue = \$44B USD (\$38B by US, \$6B by Singapore)
 - **USA: OPEN**
 - > Legalised in 1896, outlawed again in 1910 – though 'social' games permitted in 1911
 - > Legislation in 1931 enables wide opening gambling
 - Push by Stock Market Crash 1929 and Funding of Hoover Dam
 - Appeal to gov via taxes for gaming
 - Enhanced businesses – Stock market crash = high unemployment rates
 - > work emerged in the West (Hoover Dam) which gave way to opportunities
 - > Las Vegas gambling hub though initially, casinos largely funded and operated by mobsters which added to negativity toward gambling > change of ownership to reputable figures
 - > Atlantic City initiated as holiday spot, popularity declined in 1950s-60s due to cheap air travel, 1970s revamped as per legalization of gambling (though ultraconservative laws and regulations) with mega-casinos acting as attractions

→ **Singapore: NEUTRAL**

- > Gambling was illegal – with the exception of charity draws, Toto, lotteries and on-course betting
 - Gambling on cruise ships allowed (international waters)
- > 2005 Legislation of Casino operation
 - Integrated IRD's granted (Marina Bay Sands, Resort World Sentosa)
- > Levy for casino use for Singaporean/PR's (passport validation required)
 - 24hr access = \$40AUD
 - Annual access = \$1700AUD
- > 2011 revenue = \$1.51B from the 2 IRD's

→ **Japan: CLOSED**

- > Gambling is illegal – with the exception of betting on races, lotteries and pachinko games (though prize is not money)
 - 12650 parlours, with 4.5 machines
 - Pachinko laws enforced by local police authorities
 - No cash prizes – substituted by merchandise
 - * Cash out available at booths where prizes can be traded for \$
 - * Prizes sold back to the parlours

AUSTRALIAN GAMBLING

AUSTRALIA'S POSITION ON GAMBLING

- As per 2013 statistics: Australians are the world's most prolific gamblers based on per capita spending (in order of expenditure by state: NSW, Vic)
 - > NSW has the highest per capital expenditure on gaming because;
 1. Most EGMS in hotels and clubs
 2. History associated with EGMS
- Followed by Singapore, Finland, NZ, US

HISTORICAL GAMBLING DEVELOPMENT

- **Early Colonisation 1778-1900s**
Class based prohibitionist approach
 - > Aus followed British counterparts
 - British 'Whites Club' (Caucasian males only) the inspiration for Sydney's equivalent (1838)... only 200 memberships available (prestige/exclusivity)
 - > Melbourne Cup – exclusivity augmented by the rich...
 - Only the rich had horses and wanted to 'jockey' for status of best horse while indulging in gambling – only legal for them
- **Selective Legislation 1900-1940s**
State governments and Clubs allowed to offer gambling (for social/not-for profit purposes) – 'honourable' roots that enable monitor/control over members
 - > State level gov began introducing gambling to general public via lottery (controlled) – was also a test... If the gov can control it, it is OK
 - Lotto: relieved pressure on state funds and provided social benefits
 - > Returned soldiers from WWI required jobs and something to occupy their time – banded together and formed RSL clubs, funded by gambling
 - Hotel liquor license ceased at 6PM but gov extended club license until 10PM due to clubs ability to track/trace its members via memberships
- **Market Growth WWII-1970s**
Increased understanding & controls (thanks to technology) pushed for gov to open up
 - > Clubs not just aimed at acquiring returned soldiers as members – open to middle and working class
 - Slots monopolized by NSW clubs only
 - > Gov developed techniques to control betting (esp. race wagering – initially only on-course betting permitted > transitioned to off-course allowance thanks to 'mechanical totaliser')
- **Commercialisation and Expansion 1970-**
New forms of gambling used as a means of economic growth
 - > Market and society required boost (due to USA stock market crash)