

## Hard to pin down social costs of IRs

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Five years after the opening of the two casinos, Theresa Tan takes stock of the social costs and economic benefits.

Five years after the opening of Singapore's two casinos, it would appear that the novelty has worn off and fewer Singaporeans are visiting them.

The entry levy collected has fallen from \$223 million in the Singapore Totalisator Board's (Tote Board) financial year ended March 2011 to \$151 million in its last financial year.

Singaporeans and permanent residents (PRs) have to pay a \$100 daily or \$2,000 annual levy to enter the casino, a safeguard introduced to remind Singaporeans that "gambling is an expense and not a way to make a living", according to the Casino Regulatory Authority website.

The Tote Board, a government statutory board, channels the levies collected to fund social causes.

The authority has declined to reveal the latest number of local visitors. The only publicly available figure was for 2012, when it said an average of 17,000 Singaporeans and PRs entered the casinos a day, down from 20,000 in 2010 when the casinos first opened.

Dr Derek da Cunha, author of *Singapore Places Its Bet*, a book that examined the costs and benefits of the casinos and published before they opened, said: "The novelty has worn out, so fewer Singaporeans are going to the casinos. But I also wonder how many gamblers have been wiped out financially by the casinos in the first few years and have to stop going."

He pointed out that the number of locals who have been barred from entering the casinos has grown, contributing to the falling local visitorship.

As of last December, over 16,000 Singaporeans and PRs have either barred themselves or their families have applied for exclusion orders to bar them from going to the casinos.

Singapore reversed a longstanding ban on casinos when Resorts World Sentosa (RWS) opened on Feb 14, 2010. About two months later, Marina Bay Sands (MBS) welcomed visitors.

The economic benefits brought by the two casinos are clear. The Ministry of Trade and Industry told *The Sunday Times* the two integrated resorts (IR) contributed, on average, 1.5 to 2 per cent to Singapore's gross domestic product a year. RWS hires more than 12,500 staff, while MBS has 9,400. Both said most of their employees are locals.

CIMB Research economist Song Seng Wun said: "The IRs are another source of growth for Singapore."

He said the IRs are likely to have attracted more tourists here, with them staying longer and spending more money.

There are also the firms that benefit from the IR business, creating a multiplier effect of boosting the economy. MBS told The Sunday Times it procured US\$590 million (S\$799 million) worth of goods and services last year and 90 per cent is from local businesses. About 90 per cent of RWS' contracts in 2013 went to local small and medium-sized enterprises, its spokesman said.

Then, there is the tax revenue from the casinos. In a parliamentary reply in 2012, the Minister for Social and Family Development Chan Chun Sing cited the Finance Ministry's estimates that the overall net increase in tax revenue from the casinos was about \$900 million for the 2010 financial year. It took into account the loss of tax revenues from the decline in other games as a result of the casinos.

The social costs are much harder to measure. Still, researchers abroad have used indicators such as gambling addiction rates and suicide and bankruptcy rates to assess the social costs. Dr da Cunha noted that some studies have found that more people become hooked on gambling and more go bankrupt after a casino opens.

On Feb 5, the National Council on Problem Gambling released results of its fourth national survey on gambling activities among Singaporeans and PRs.

The proportion of Singapore's population likely to be classified as gambling addicts has gone down from 4.1 per cent when the study was first done in 2005 to 0.7 per cent last year. But counsellors caution that the survey may not give the full picture as gamblers polled may not tell the truth.

As Mr Chan noted: "What they say and what they do may not coincide." The minister said some of the measures introduced to curb problem gambling, such as limiting the number of visits and barring some gamblers from the casinos, may have helped to reduce the number of addicts.

It is hard to get a handle on the extent casino gambling has contributed to suicides and bankruptcies.

The executive director of Samaritans of Singapore (SOS) Christine Wong said that while the suicide rate has remained constant since the casinos opened - between 8 and 10 suicides per 100,000 residents - the number of SOS callers citing gambling debts and loan shark woes has more than doubled to 719 after the casinos opened.

The number of people made bankrupt has fallen in the past decade - from 4,553 in 2004 to 1,757 last year. Credit Counselling Singapore president Kuo How Nam credits the falling number to the Debt Repayment Scheme, which was started in 2009 to help those with debts of under \$100,000 avoid bankruptcy by letting them pay off their debts in instalments.

A council spokesman said it is impossible to establish a causality between casino gambling and social ills as there are other avenues for gambling here and gamblers often indulge in more than one gambling activity.

Dr Mathew Mathews, an Institute of Policy Studies researcher who has studied the impact of gambling addiction on families here, said Singaporeans had initially feared that the opening of the casinos would lead to more people becoming addicted to gambling, more families being torn apart and more gambling-related suicides.

He said: "With the many safeguards in place, we do not see a major social cost. But for those whose family members became addicted to gambling because of the local casinos, this is no comfort."

### **'It Felt Like Heaven'**

Apple, who worked two part-time jobs as a hawker's assistant and beer promoter, was hooked after her first visit to the casino in Marina Bay Sands in 2010.

A friend who had won \$400,000 after gambling there paid the \$100 entry levy for Apple's first visit.

Apple (not her real name), a 40-year-old divorcee, said: "Playing in the casino was very thrilling and it felt like heaven."

After her first visit, she went to the casino almost every day to play the jackpot machines and baccarat.

Once, she did not step out of the casino for three days and lost over \$10,000. In less than four years, she lost more than \$500,000.

She borrowed from 18 licensed moneylenders, at interest rates of up to 40 per cent a month. Her blue-collar boyfriend sold his house in Malaysia and took a RM140,000 (S\$52,000) loan to pay off her debts. A suitor lent her \$300,000. Her elderly aunt lent her \$30,000 - her life savings.

Still, she could not stop gambling.

"I kept thinking, once I strike the jackpot, all my problems would be solved," she said. "I was unwilling to give up."

It was only after a friend took her to a support group run by Blessed Grace Social Services that she changed her behaviour.

She has not stepped into the casino in two months.

She said: "I'm very touched by the pastors' concern for me. I want to live my life properly from now on."