

**SURVEY OF COMMUNITY ATTITUDES TOWARDS AND THE  
VISITING PROFILE OF CASINOS IN THE MPUMALANGA PROVINCE  
OF SOUTH AFRICA**

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**INTRODUCTION**

The Mpumalanga Gaming Board (MGB) commissioned a study in 2000 to monitor community attitudes and trends in gambling behaviour and to establish the characteristics, preferences and spending patterns of casino patrons. This study is a follow-up on the 1998 MGB study exploring the socioeconomic impact of the casino industry on the community and economy of the Mpumalanga Province of South Africa.

The information allows the Board to effectively manage its responsibility as controlling body. Changes in, inter alia, community attitudes, patron profile and the magnitude of ‘at risk’ players can effectively be monitored in order to adjust policies relating to gambling if necessary.

The studies were conducted by the Bureau of Market Research (BMR) at the University of South Africa (Unisa) on behalf of the MGB. The main report entitled *An examination of community attitudes towards and the visiting profile of casinos in the Mpumalanga Province of South Africa* is available from the Mpumalanga Gaming Board, Private Bag X9908, White River 1240, South Africa (Tel +27(0)13 750-8000).

**CASINO ENTERTAINMENT IN MPUMALANGA**

After the shift in policy in 1996 from one that outlawed gambling of almost any kind in South Africa, to an approach that legalised and advocated strict control of all varieties of gambling, the Mpumalanga Province immediately initiated the process of developing a casino industry in the Province.

The following casinos were established in Mpumalanga:

- Emnotweni Casino near Nelspruit. Opening of temporary casino in July 1997 and permanent complex in November 1998.

- Graceland Casino near Secunda. Opening of temporary casino in October 1997 and permanent complex in September 1998.
- Champions Casino near Witbank. Opening of temporary casino in April 1998.

The casinos in Mpumalanga have been in operation for approximately three years (at the time of the surveys in November 2000), which is considerably longer than any other casino operating in South Africa under the new dispensation.

## **ECONOMIC IMPACT**

Casino gaming is a sizeable contributor to economic growth in Mpumalanga. Total employment amounted to 1137 persons. More than 1 million visitors frequented the casinos in 2000 while provincial levies of R12,2 million were collected during the year 1 April 1999 to 31 March 2000.

### **OVERVIEW OF CASINO ENTERTAINMENT IN MPUMALANGA**

Number of operating casinos	3
Casino licence not granted	1
Casino employees	1137
Number of visitors to casinos (1/4/99 – 31/3/2000)	1,1 million
Money wagered in casinos (1/4/99 – 31/3/2000)	R2,9 billion
Gross Casino Gaming Revenue	R214,3 million
Number of gaming machines	1 051
Number of tables	30
Casino levies collected	R12,2 million
Provincial Gaming Tax rate	5,7 %

## **METHOD**

Two surveys provide the facts and information for the investigation. A community survey was conducted among a randomly selected sample from the community and a patron survey among visitors to the three Mpumalanga casinos.

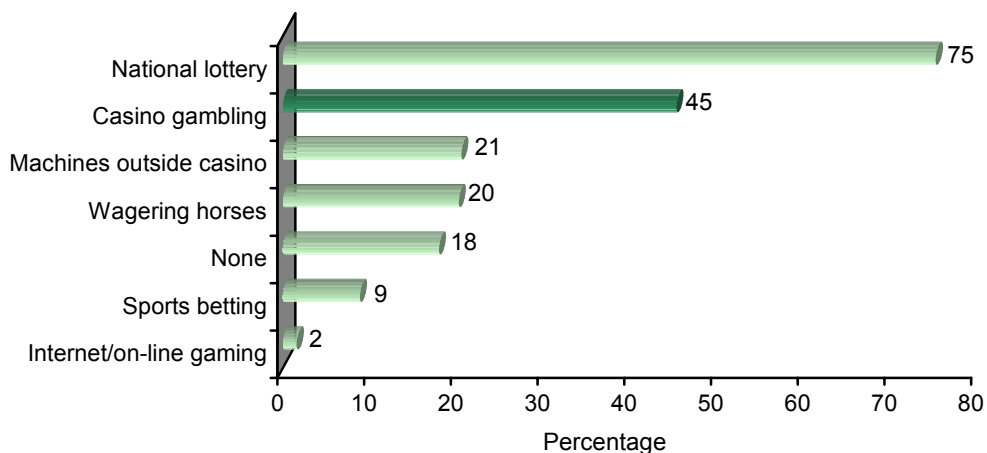
The survey methodologies explaining the qualifications on data interpretation are elaborated upon in the main report.

The following are some of the views of the Mpumalanga community on gaming and specifically casino gambling.

#### **PARTICIPATION**

Three out of every four Mpumalanga households (75 %) participated in the National Lottery during 2000. The figure for involvement in casino gambling amounted to almost one in every two households (45 %). Almost one fifth (18 %) of Mpumalanga households did not participate in any form of gaming.

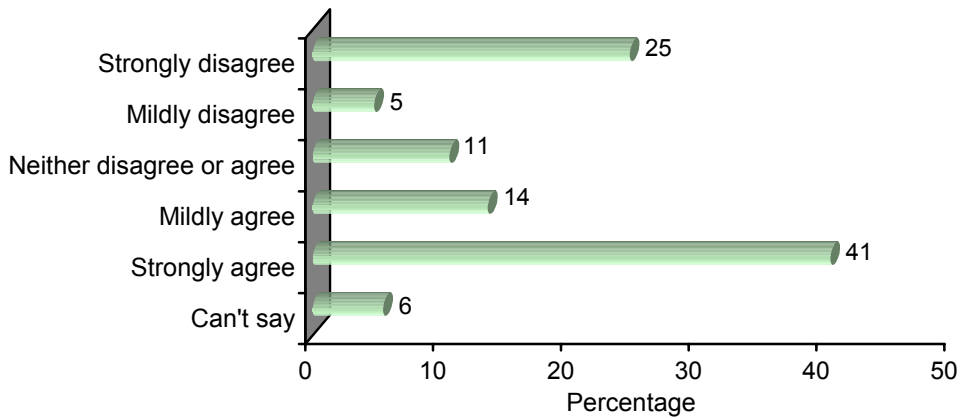
#### **HAS ANY MEMBER OF YOUR HOUSEHOLD PARTICIPATED IN ANY OF THE FOLLOWING GAMING ACTIVITIES DURING THE PAST 12 MONTHS?**



#### **PERCEPTIONS ON CASINO GAMBLING**

Views on casino gambling as a leisure activity differ radically. Just less than a third of respondents mildly/strongly disagree (30 %) with the statement that casino gambling is an important leisure activity. On the other side of the scale more than half mildly/strongly agree (55 %) with the statement.

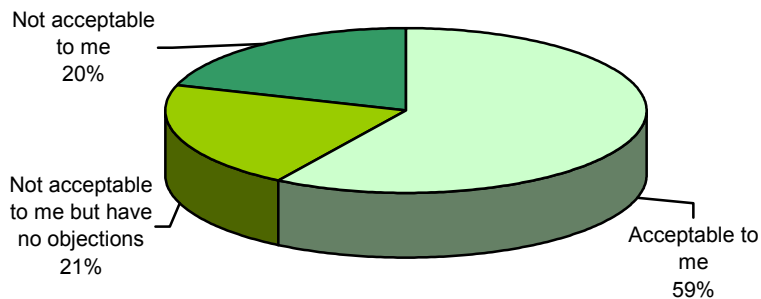
**HOW WOULD YOU RESPOND TO THE FOLLOWING STATEMENT: CASINO GAMBLING IS AN IMPORTANT LEISURE ACTIVITY IN SOUTH AFRICA?**



**PERSONAL VIEWS ON CASINO GAMBLING**

More than half (59 %) the Mpumalanga population feel that casino gambling is acceptable.

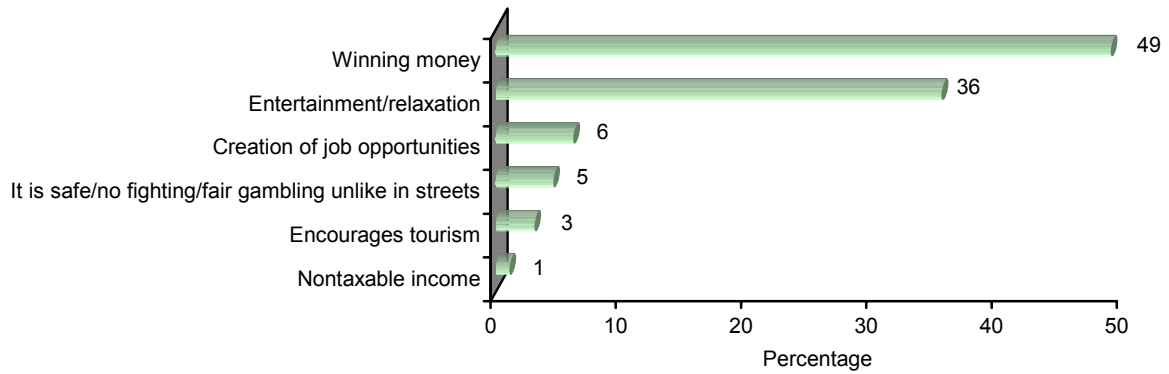
**WHAT ARE YOUR PERSONAL VIEWS ON CASINO GAMBLING?**



**POSITIVE ASPECTS OF CASINO GAMBLING**

The most positive aspects of casino gambling perceived by respondents are winning money (49 %) and entertainment (36 %).

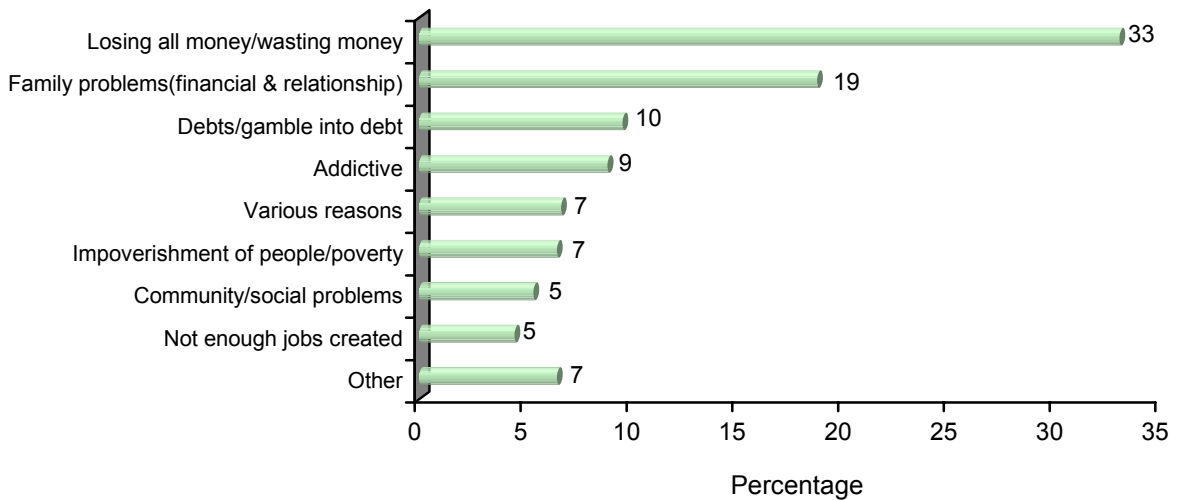
## MOST POSITIVE ASPECTS OF CASINO GAMBLING



## NEGATIVE ASPECTS OF CASINO GAMBLING

More than half the negative effects mentioned, relate to losing/wasting money (33 %) and family problems (19 %).

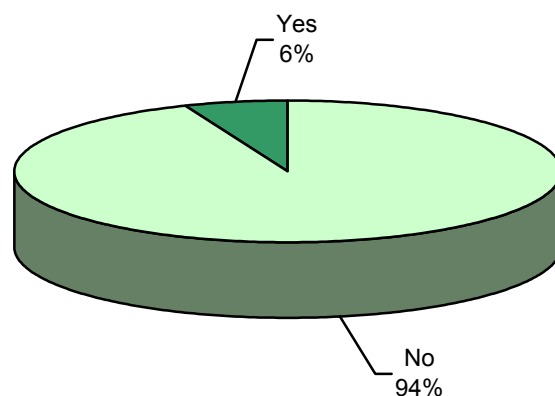
## WHAT WOULD YOU REGARD AS THE MOST NEGATIVE EFFECT OF CASINO GAMBLING?



### CASINO GAMING-RELATED PROBLEMS

One in every twenty (6 %) respondents confirm that they know of a **family member** that currently experiences gambling-related problems.

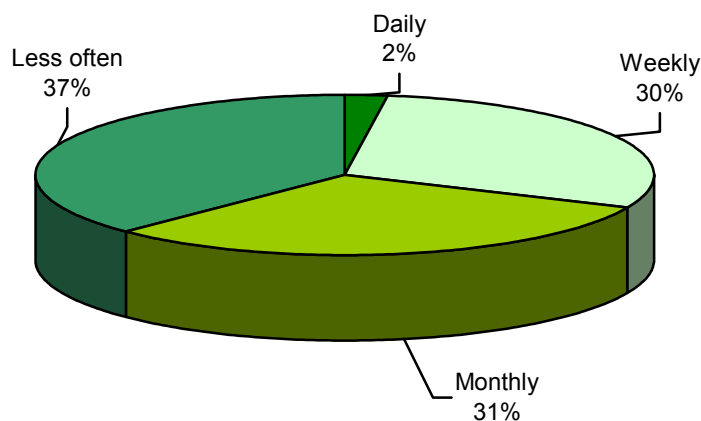
#### DO ANY OF YOUR FAMILY MEMBERS CURRENTLY HAVE CASINO GAMING-RELATED PROBLEMS?



### VISITING PATTERN OF PATRONS

The visiting pattern of Mpumalanga patrons reflects a fairly equal distribution between weekly (30 %), monthly (31 %) and less often than monthly (37 %) visits. Only 2 % of respondents indicated that they frequent the casino on a daily basis.

#### HOW WOULD YOU DESCRIBE YOUR VISITING PATTERN TO THE CASINO NEAREST TO YOU?



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## **IMPACT OF CASINO GAMBLING ON PLAYERS**

Positive and negative effects of casino gambling were assessed through respondents indicating whether a number of statements were applicable to them.

The findings suggest that approximately one in every five respondents (approximately 20 %) experienced some or other problem with their gambling. Some of these problems are of a financial nature (spend more than can be afforded or borrow money to gamble) while others are personal (do not find gambling relaxing or fun). However, it is evident from the response to some of the statements (my gambling has stopped me working/studying efficiently and I have been for help with my gambling), that only a small percentage of gamblers can probably be regarded as 'at risk' players. The response to the last two statements suggests that probably one in every 20 respondents (approximately 5 %) experienced serious problems. This percentage correlates with the 5,7 % of respondents that affirm that a family member currently has casino gambling-related problems.

In a similar study conducted in 1996 in New South Wales (University of Western Sydney 1996:45) approximately 3,5 % of the population confirmed that their gambling is **not** problem free. The report also states that in previous studies in Tasmania and Western Australia the percentage of possible 'at risk' players was higher, of the order of 6 % of the population.

## **CONCLUSION**

The Mpumalanga community holds fairly divergent views on casino related issues: from actively participating in gaming related activities to totally abstaining from them; from finding casino gambling acceptable to a personal view of finding casino gambling totally unacceptable. It would seem that the more negative views on casino gambling (find it unacceptable and refraining from any participation) are more prevalent among the higher income groups.

A large majority of casino patrons regard gambling as an important leisure activity. It is also evident from the response that the winning motive is strongly prevalent among certain patrons and serves as a motivation for participating in gambling. Some responses suggest a limited prevalence of 'at risk' players.



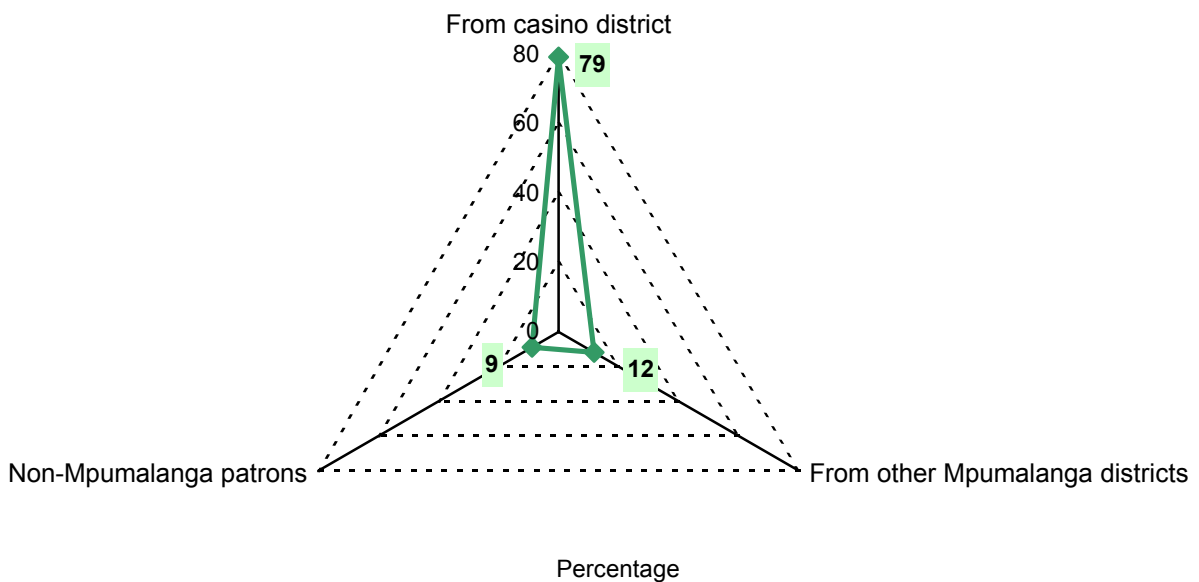
## PATRON BEHAVIOUR AND PROFILE

The patron survey generated the following results.

### RESIDENCE OF PATRONS

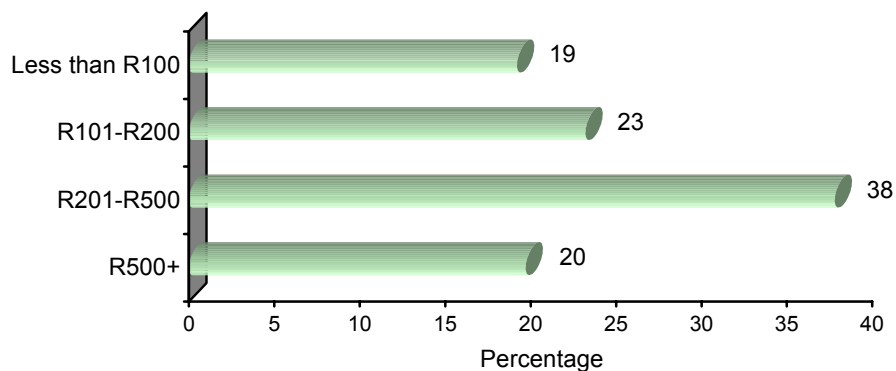
The majority of patrons reside in close proximity to the casino. Of all the patrons to Mpumalanga casinos, four out of five (79 %) stayed within the district in which the casino is located. A further 12 % stayed within Mpumalanga, implying that nine out of every ten originated from within the province. Residents from foreign countries constitute an insignificant percentage of casino patrons (0,3 %). Therefore, casino entertainment does not serve as an important source of wealth importation from the rest of South Africa or from abroad.

### DISTRIBUTION OF PATRONS BY RESIDENCE

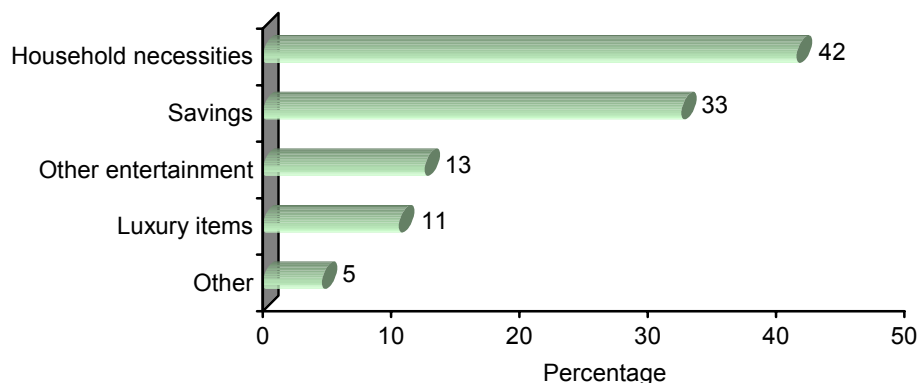


### AMOUNT PREPARED TO GAMBLE (WHEN ENTERING THE CASINO)

One in every five patrons (19 %) spend less than R100 per visit, just less than a quarter (23 %) gamble between R101 and R200 and 20 % spend more than R500 per visit.

**AMOUNT PATRONS INTEND TO SPEND****EXPENDITURE DISPLACEMENT**

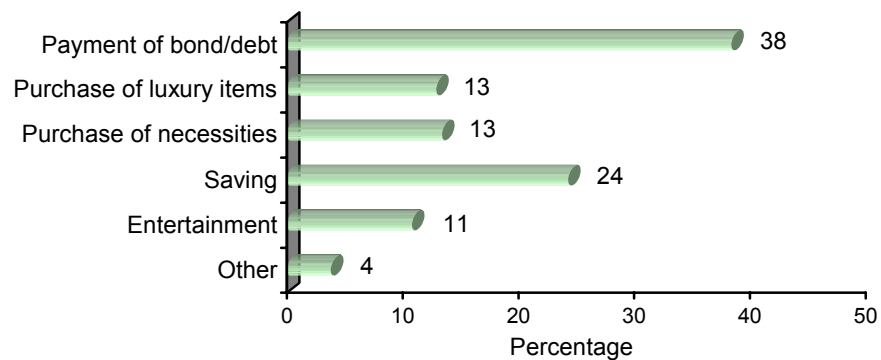
A third (33 %) of respondents indicated that dissavings is the source of their gambling money. A fairly substantial substitution also took place within the entertainment industry itself (13 % of patrons reported transference from other entertainment as a source of their gambling money). No less than 42 % of households reported that money for household necessities was diverted to gambling.

**IF YOU WERE NOT VISITING THE CASINO TODAY, ON WHAT WOULD YOU HAVE SPENT THE ABOVE AMOUNT INSTEAD?**

## APPLICATION OF CASINO WINNINGS

Regarding the application of casino winnings, payment of debt occupies top priority with 38 %, followed by savings with 24 %.

### IF YOU WIN ANY MONEY TODAY, ON WHAT WOULD YOU SPEND IT?

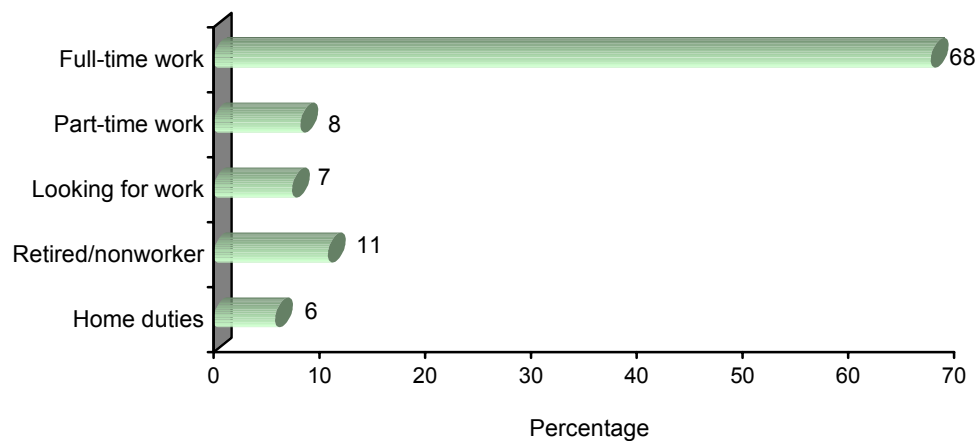


## SOCIODEMOGRAPHIC PROFILE OF CASINO PLAYERS

### Work status

Two thirds of visitors to casinos (68 %) are in full-time employment. A further 11 % are retired while only 7 % classified themselves as unemployed (looking for work).

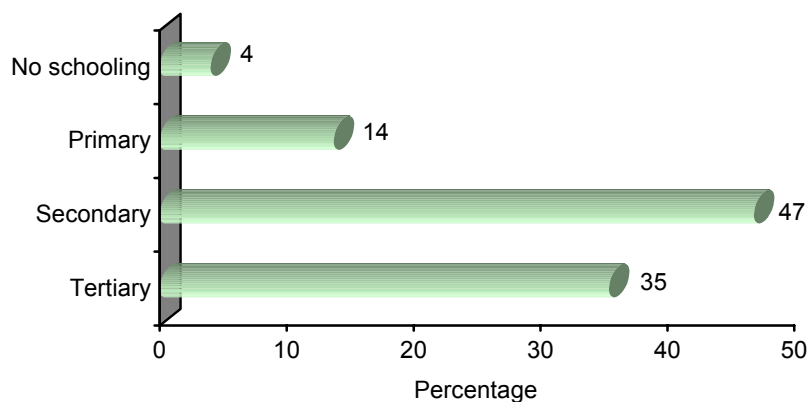
### WORK STATUS OF PATRONS



### Educational level

The majority of patrons (82 %) have a tertiary (35 %) or a secondary (47 %) qualification. Only a small minority (4 %) do not have any schooling.

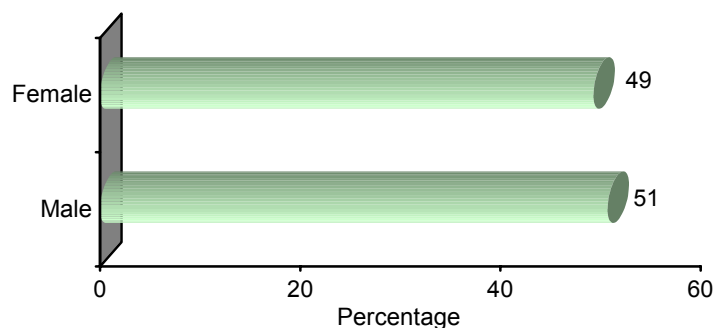
#### EDUCATIONAL LEVEL OF PATRONS



### Gender

Patrons of casinos show an almost equal distribution by gender: 51 % males and 49 % females.

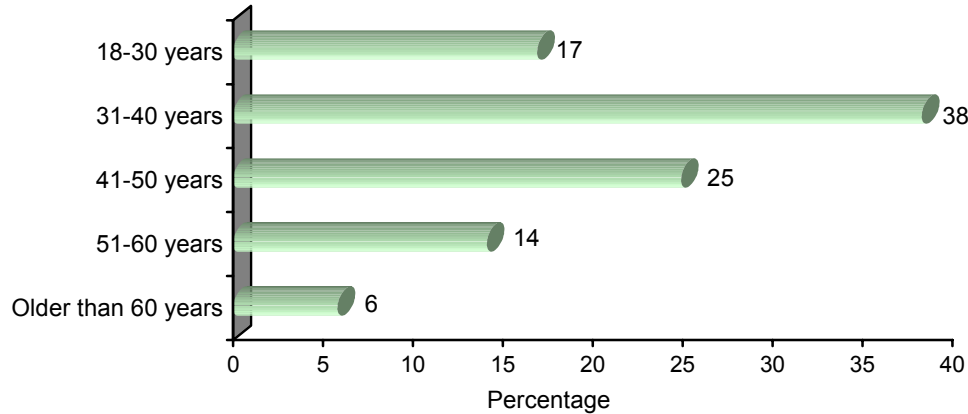
#### GENDER OF PATRONS



### Age group

Just less than two thirds (63 %) of patrons are in the 31-50 year age group: 38 % are between 31 and 40 years of age and 25 % between 41 and 50. One in every five (20 %) are older than 50 years and 17 % are younger than 30 years.

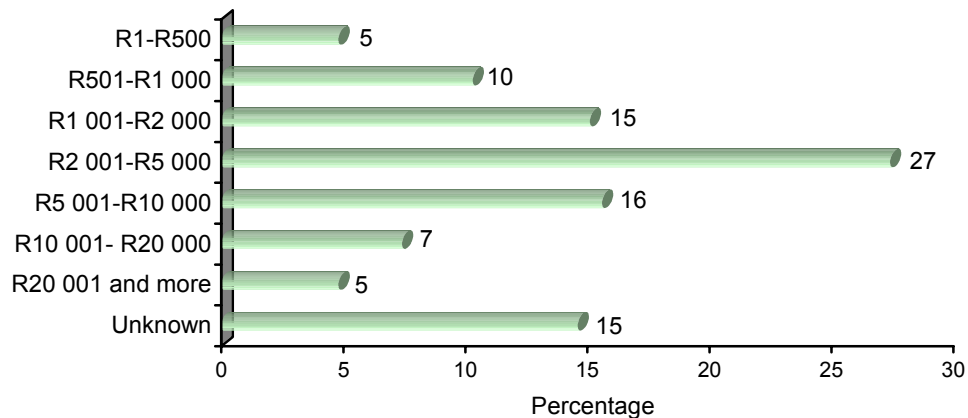
### AGE GROUP OF PATRONS



### MONTHLY INCOME CATEGORY

The percentage of respondents in the various monthly income categories gradually increases from 5 % in the less than R500 income category to 10 % earning R501 to R1 000, 15 % earning R1 001 to R2 000 and 27 % earning R2 001 to R5 000. From this relatively high percentage of respondents in the R2 001 to R5 000 category (just more than a quarter) the share of respondents starts dropping as income increases, to 16 % in the R5 001 to R10 000 category and 5 % in the R20 000 plus income category.

### MONTHLY INCOME OF PATRONS



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## CONCLUSION

The main features of visiting and expenditure patterns of patrons of Mpumalanga casinos can be summarised as follows:

- The majority of patrons to Mpumalanga casinos stayed within the province, implying a limited inflow of patrons and hence income from outside. Casinos sourced the majority of their gambling income from the town within which the casino is located.
- Residents of foreign countries form an insignificant percentage of casino patrons, which is not likely to increase in the future.
- The frequency of visits to casinos correlates closely with that of other international jurisdictions.
- Questioning of non-Mpumalanga patrons confirms that casinos are not regarded as a major tourist destination. Only Graceland is frequented by a sizeable number of close-by residents in Gauteng, primarily on day visits. (A large promotion with attractive prizes at Graceland coincided with the survey period.)
- Gambling money is displaced mainly from household budgets destined for household necessities and from dissavings.
- Casino winnings are used mainly to pay debt and accumulate household savings.

A comparison between the 1998 and 2000 patron surveys at the Mpumalanga casinos reveals largely the same sociodemographic profile of patrons as well as spending and visiting behaviour. The only marked difference is the larger number of households indicating money for household necessities as a source of gambling money and the larger allocation of possible winnings to household debt relief. This may be indicative of more difficult economic circumstances for households.