



CHRISTIAN DEMOCRATIC PARTY

(Fred Nile group)

PROTECTING CHILDREN AND FAMILIES. PROMOTING VALUES AND ETHICS.

Formerly Call To Australia (Fred Nile) Group

Executive Officer
Gambling Inquiry
Productivity Commission

9th November 1998

Dear Sir,

Please find enclosed a submission to the above named inquiry from the Christian Democratic Party.

We trust you will take our submission into consideration in your deliberations on this important issue.

Yours sincerely,

Reverend Fred Nile MLC.
National President
Christian Democratic Party.



Rev. Hon. Fred Nile E.D., L.Th., M.L.C.

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To: Executive Officer
Gambling Inquiry.
Productivity Commission
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Submission
by Christian Democratic Party
to the Gambling Inquiry.

The Productivity Commission's Inquiry into Gambling asks questions on the following subject areas:

1. A definition of gambling.
2. A participation profile of gambling.
3. The economic impact of gambling.
4. The social impact of gambling.
5. Effects of the regulatory structure on
 - advertising.
 - a gambling commission.
6. New technologies - eg: internet.
7. Government budgets.
8. ABS statistic - are they adequate?

The following submission from Christian democratic Party will give answers using each of the above questions as subject heading.

1. Definition of Gambling.

Christian Democratic Party defines gambling to include all monetary games of chance including all forms of money wagered on racing, sport, number draws (such as Lotto, Pools, Lotteries etc) instant lotteries, casino gaming, two up, legal and illegal games of chance, internet gambling.

2. Participation Profile of Gambling.

Australians lose around 10 billion dollars a year to gambling. (1)

Around half of this does not come from family entertainment budgets but from family housekeeping budgets. (2)

Numerous studies show that it is the poor who carry the burden of gambling losses. (3)

In fact, it is reported that 52% of regular casino-goers are unemployed. (4)

Surveys also show that a mere 2% of gamblers account for 63% of all money wagered. (5)

University studies show that 52% of casino revenues come from active problem and pathological gamblers.(6)

3. Economic Impact of Gambling.

Professor John Kindt from the University of Illinois estimates that **for every dollar of tax revenue gained through gambling, it costs the Government 3 dollars in social support structures, crime and justice.** (7)

Since 1994 New South Wales has spent more disposable income on gambling than on fuel and power. (8)

Since the advent of gaming machines in hotels, pubgoers are spending more on gambling than on eating. Victorians have spent less on clothing since the advent of poker machines and the opening of Crown Casino.(9)

As the casino industry grew in Atlantic City between 1978 and 1993, there was a corresponding 40% decline in the number of independent restaurants, the city's unemployment rate doubled and the crime rate trebled. (10) Atlantic City went from 50th to 1st in the nation's crime rate, within 3 years of the arrival of casinos. (11)

Numerous studies show that between 25% and 60% of problem gamblers commit crimes to support their habit. (12)

Since well over half of gambling wagers come from problem gamblers, it becomes clear that much of the gambling industry's profit results directly from crime.

A 1997 nationwide U.S. study found that bankruptcy rates in counties with at least one gambling facility were 18% higher than for counties without gambling. The rate was 35% higher for counties with five or more facilities.(13)

Hampshire College professor Robert Goodman concludes that "instead of bringing new wealth to a community, convenience gambling enterprises cannibalise the local economy."(14)

Goodman states that within 4 years of the arrival of casinos, Atlantic City experienced a 33% contraction of retail business.(15)

Gilpin County Colorado experienced a 66% drop in retail business within 2 years of the arrival of casinos.(16)

4. Social Impact of Gambling.

For every problem gambler, there are at least ten other individuals directly affected. (17)

50 % of male problem gamblers require marital therapy. (18)

66% of the wives in these relationships report having to borrow to pay for basic family needs,

47% report depression while 14% attempt suicide. (19)

Problem gambling is a factor in up to 20% of cases where women seek crisis support for domestic violence. (20)

Each year since the introduction of a casino in Victoria, there has been a steady increase in the number of suicides in that state, directly attributed to gambling. (21)

In those same years, the number of gambling related calls for help to the Victorian branch of the Salvation Army has risen 400%. (22)

The advent of poker machines in South Australia saw a massive increase in problem gambling amongst women who then in turn channel their guilt and frustration into their parenting.(23)

It is reported that an area can experience a ten fold increase in child protection cases within 12 months of the arrival of casinos. (24)

Between October 1995 and June 1998, more than 230 cases had been reported of parents leaving children in cars in order to gamble at the Star Casino in Sydney. (25)

It is not hard to see why Frank Fahrenkopf Jnr. Of the American Gaming Association says, “One problem gambler is one too many.” (26)

And it seems Australia and Sydney in particular has more than its fair share of the problem with doctors publicly gearing up for a massive increase in negative medical and social impacts of gambling. (27)

5a. Regulatory structures: Advertising.

Gambling institutions target themselves to the poor as a painless road to wealth. Such promotion is a lie and targeted as it is to those least able to bear the burden of financial loss, is not only a regressive form of taxation, but is simply immoral.

Christian Democratic Party calls for a total prohibition on gambling advertising, so as to reduce the pressure on groups vulnerable to gambling addiction, those being young people and reformed gamblers. Most gambling advertising is completely misleading, claiming as it does that by

buying into the gambling scene you will automatically be a winner - "it might as well be you" is an example of a gambling slogan which implies that the mere purchase of a ticket will reap a winner's reward.

A survey of gambling slogans shows clearly that the promotion of gambling implies that the consumer is most likely going to win. For example, Lotteries slogan states, "Someone's gonna win the big one. It might as well be you." They fail to tell you that the chances of you winning are around 10 million or 20 million to 1 against.

Lotto's press advertising headlines include "Strike it rich", "The Easy Money game", "Another chance to win", and "more out of life". All promise an exit from the poverty trap - but the reality fails to deliver.

Aristocrat Poker machine's advertisement in the May 1997 edition of *Australian Hotelier*, boldly states in the headline, "Everyone wins." That's just a straight out lie.

The Sunday Telegraph's Star City Magazine headline states, "Come in Winner" implying that everyone who 'comes in' will be a winner. Not so.

Equally with Star City Casino's slogan - "Hit the big time."

There is one other reason why gambling advertising and promotion needs to be prohibited - and that is that it seems the gambling establishments are able to effectively censor from public view, the anti-gambling message. With the huge dollars they pour into the coffers of media outlets, gambling establishments exert tremendous influence over certain programming decisions. A good example was when the Christian Television Association was unable to have its anti-gambling ad run on Melbourne's Channel Nine because, as the Nine Executives said, "The anti-gambling ad was concentrating on casino gambling." Channel Nine then tried to pretend that their decision had nothing to do with the Crown Casino being a very large advertiser and program sponsor on the station and that their decision had nothing to do with the fact that the

owner of the station was also a large shareholder in the casino.

So the gambling industry has a two pronged advantage - it has unrestricted access to public broadcasting so that it can promote an unrealistic image of gambling and at the same time, it can exert sufficient pressure to censor the message of self-control and a more realistic image of gambling. It is an evil advantage and it needs to be curbed.

Christian Democratic Party also condemns the operation of gambling classes which teach the casino novice how to play. These classes are prevalent in casinos and represent nothing more than the recruitment of the unsuspecting into a potentially life-destroying addiction.

5b. Regulatory structures: A Gambling Commission.

CDP utterly opposes the setting up of a gaming commission on the grounds that responsibility for gambling and its associated problems must always rest with the Government and its elected representatives. The setting up of a Commission will merely enable Government to deflect responsibility to unelected bureaucrats and unknown officials. It would also allow an unelected, unaccountable body to run gambling across the state, approving gambling facilities at will. It would become a de facto gambling 'pimp' for the Government, acting as the Government's agent in the assumed revenue raising that justifies gambling establishments.

6. New technologies: the internet.

Christian Democratic Party is deeply concerned that access to gambling is becoming far too easy via the internet. Problem gamblers with access to the internet have no real safe haven to avoid temptation. It is well known that gambling addiction is difficult to overcome, requiring the gambler to avoid gambling environments. With gambling opportunities delivered so graphically into the home, not only will problem gamblers be constantly tempted, but the internet gambling

facilities could well breed a whole new generation of problem gamblers who are actually harder to detect since they are gambling in the privacy of their own homes.

CDP calls on the Government to totally prohibit Internet gambling sites as it will lead to a major expansion of problem gambling placing gambling addicts in the insidious position of being both undetectable and unable to remove themselves from the gambling environment.

7. Government Budgets.

It has become all too obvious that Governments particularly at State level are too reliant on gambling revenue. Many press reports quip that the country's largest gambling addicts are State Governments.

As pointed out earlier in this submission, gambling revenue is a ghost quickly eaten up by the problems gambling causes.

CDP call on both State and Federal Governments to boost spending on gambling counselling and to find other less impacting ways of raising Government income.

8. ABS Statistics.

There does seem to be a preponderance of statistics available from overseas and not sufficient from Australia. This could be due to the fact that the problems are larger and therefore more easily studied in other countries. Also these problems have been impacting longer.

However, as rudimentary stats come in on the Australian gambling situation, trends seem to be lining up with overseas experience, so it would be wise to heed the overseas lessons.

ABS figures regarding Victoria's casinos and South Australia's poker machines have been useful.

More analysis of the Sydney and New South Wales situation is needed.

The lack of time that the Sydney Casino has been open could account for the lack of studies.

However it would be prudent to track Sydney's experience as soon as possible before we find ourselves in the situations that Atlantic City finds itself in.

In Conclusion.

Christian Democratic Party believes that gambling addiction is becoming a very serious problem in Australia. It is cutting a swathe through many Australian families and therefore in turn putting pressure on social support networks.

Gambling is eroding economies and therefore failing to deliver the promise of prosperity.

Australia is already the world's most gambling addicted country. The more Governments can discourage particularly gambling by Australian residents and return gambling to a recreational activity for visitors, the better off our economies and traditional institutions will be.

Footnotes.

1. *Illawarra Mercury* 25th April 1998 page 1.
2. *The Age* 10th Sept. 1997 p.1
3. Department of Human Services cited in *The Age*, 15th Oct. 1997, page 3; Abbott and Cramer: "Gambling Attitudes and Participation" from the *Journal of Gambling Studies* vol. 9 no.3, 1993 page 259; Clotfelter and Cook "Selling Hope - State Lotteries in America" Harvard University Press 1991, page 100; Borg, Mason and Shapiro: "The Incidence of Taxes on Casino Gambling - Exploiting the tired and poor", *American Journal of Economics and Sociology* July 1991, pages 323 to 332; *The Age*, 15th August 1997 page 1.
4. *The Age*, 10th Sept 1997 page 1
5. D.J. Tice, "Big Spenders", *Saint Paul Pioneer Press* [Special reprint section] February 1993.
6. Grinols and Omorov, "Development or Dreamfield Delusions?: Assessing Casino Gambling's Costs and Benefits", *Journal of Law and Commerce*, University of Pittsburgh School of Law, Fall 1996 pages 58 to 60.
7. Kindt testimony to the U.S. House of Reps Committee on Small Business, 21st Sept, 1994.
8. Retail Traders Association of New South Wales presentation by Executive Director Bill Healey at the Casino's Public Interest Forum, 18th August 1997.
9. *Herald Sun* 14th December 1996 page 12.
10. *New York Times* March 23rd 1997, section 1 page 39; *Sydney Morning Herald* May 8th 1997 - opinion page, Tim Costello.
11. Robert Goodman 'Legalised Gambling as a Strategy for Economic Development' March 1994, page 58

12. *Sydney Morning Herald* May 8th 1997 - opinion page, Tim Costello. See also *The University of NSW School of Marketing paper, 'The Gambling Industry'* by Shane Murphy, Kate Whiteley and Mark Hamilton: June 1992, page 16. Further reports in *The Herald Sun*, 3rd October 1997 page 16.
13. "The Personal Bankruptcy Crisis 1997 - SMR Research Corp; 1997, page 117.
14. From Goodman's book 'The Luck Business', quoted in *Christian American Magazine* July/Aug. 1996 page 26
15. From Goodman's book 'The Luck Business', *New York Free Press* 1995 page 23.
16. Patricia Stokowski - 'Riches and Regret: Betting on Gambling in Two Colorado Mountain Towns', *University of Colorado Press* 1996 page 159.
17. Information from Mitchell Brown of *Gamblers Anonymous*, May 1992 and reported in *The University of NSW School of Marketing paper, 'The Gambling Industry'* by Shane Murphy, Kate Whiteley and Mark Hamilton: June 1992, page 16.
18. *ibid.*
19. *ibid*
20. *The Age* 19th June 1997, page 4.
21. *The Age* 13th Sept. 1997 page 26.
22. *The Herald Sun* 23rd July 1997 page 21.
23. *The Adelaide Advertiser* July 22nd 1996, page 2.
24. Long, Clark and Liston 'Win, Lose or Draw?' *The Aspen Institute* 1994 page 54.
25. *Daily Telegraph* June 20th 1998, page 3.
26. *Christian American Magazine* July/Aug. 1996 page 26.
27. *Sydney Morning Herald* 19th August 1998 page 3.