

PRODUCTIVITY COMMISSION INQUIRY: AUSTRALIA'S GAMBLING INDUSTRIES

Gambling is seeking gain at the expense of others, solely on the basis of chance. Any commercialised activity, which comes within this definition, should be included in the scope of the inquiry.

The potential for hidden addictive behaviour, inherent in gambling, sets it aside from other activities and calls for community and government action.

The Salvation Army is acutely aware of the suffering and deprivation experienced by many people as the result of this practice. Our social welfare experience indicates that many of those who gamble tend to disregard their primary responsibilities and not infrequently bring embarrassment and hurt to those who depend on them. Often it begins in an apparently harmless way but its continued practice may lead to dependency that undermines the personality and character of the gambler.

From The Salvation Army Australian Territories Positional Statement on Gambling

The Institutional Context

Regulation

The comment about the relaxation of traditional restrictions on gambling, followed closely by the comment that the Industry remains subject to close regulation and oversight by the government highlights a core problem – the encouragement and proliferation of an industry that can be effectively regulated for revenue but contributes to social problems. The controls on the industry have not proved effective in controlling the social problems associated with gambling.

To be intent on controlling how gambling is operated while abrogating responsibility to society by allowing a proliferation of gambling outlets, in particular Casinos and hotel gaming machines is a failure by the elected representatives of the public to truly petition the interests of society.

A first step in addressing the social problems related to gambling would be to **restrict** by regulation the number of gambling outlets and in particular the number of gaming machines allowed as opposed to the current trend to increase these.

Further, government has an important role to play in setting limits on the promotion and advertising of gambling. For example, television advertising needs to be confined to adult viewing hours. Legislation should be enacted for all advertising to carry a warning of the negative effects of gambling.

Revenue from gambling earmarked for particular uses should be used **primarily** to combat the problems it initiates for compulsive or problem gamblers and their families; for community education programs; and in some cases for general community purposes. The original recommendation of The Salvation Army together with the NSW Council of Churches was that this levy be applied to:

- a) the rehabilitation of gambling addicts and to assistance in providing food and clothing for those deprived through gambling.
- b) organisations to provide research/seminars about gambling addiction and in particular for research which explores the impact of gambling addiction upon families and people associated with the addicted person.
- c) community welfare groups operating services for alcoholics and homeless people.

Even with the current earmarking there is still insufficient impost on gambling institutions to match the need for the welfare support it creates.

Who Gambles and Why?

Normal gamblers constitute about 80-90% of gambling population.

Professional Gamblers

Compulsive gamblers constitute 5% of gambling population (66% male, 34% female). Male compulsive gamblers generally start in adolescence. Female compulsive gamblers usually start mid 20's.

Main forms of gambling are – electronic gaming machines, racing (on and off course), casinos, lotteries.

On average there are in excess of 3,000 bets per poker machine per day – the average stake size 70c. The amount spent varies dramatically from compulsive gambler to compulsive gambler, as does the frequency of when they gamble, but all report gambling as much as they can.

How do people fund their gambling? Once they have exhausted their income, whether wages, salaries, pensions or benefits, they then borrow on credit cards, take out loans, steal from family/friends, sell personal and family property, and then move to stealing from others.

Most compulsive gamblers are chasing a loss. Some gamble as a response to some sort of emotional stress. Boredom and depression are two of the psychological factors that contribute to gambling. Financial strain is another contributing factor. Gamblers believe they can solve their problems with a win.

It is perceived that gamblers gamble to win – often they gamble to lose and the adrenalin 'high' is the same for either.

New Groups. Our Financial Counselling services report that younger people are now gambling – down to children still at school. Gambling being much more accessible than it used to be. Scratch cards and Lotto tickets can be bought at the local newsagent with no need to provide proof of age. With the advent of poker machines in hotels gambling is now more readily available to a wider range of people.

Benefits and Costs to Individuals

It is interesting to observe that the *Issues Paper* took 11 lines to outline the benefits to individuals by gambling and 2½ pages to outline the costs.

Misjudgments and vulnerability to misleading advertising. Gamblers always believe that they spend less than they actually do. Advertising is misleading when it shows people always winning.

Behaviour of problem gamblers. Problem gamblers reach the stage where they gamble in every available moment – even leaving work to do so. They will spend everything they have and everything they can get their hands on.

Motivation becomes either, they have to keep going so they can get back what they've spent, or there is nothing in life except gambling.

Type of play is more of the same – usually there are only one or two areas that become a problem.

There is no social interaction with others. They live to play.

Our financial counselling service reports that most of the problem gamblers seen by them also have other addictions such as alcohol and drugs, and that as a general rule migrant groups do not approach them for their services.

Consumer issues. Advertising always shows gamblers as young, attractive, exciting and successful, having a wonderful time in a group. Young attractive people hand out brochures promoting the Casino at railway stations. They are handed to anyone who will take them no matter what their age might be.

Legal issues. Although there is no longer a question on the bankruptcy Statement of Affairs regarding gambling, it is still an offence under the Bankruptcy Act, Section 271, to go bankrupt because of gambling debts. Partners and other family members have no redress within the law to release themselves from any debts that the gambler may have taken in joint names, particularly when the non-gambler was not aware of the gambler's addiction. They are still jointly liable for these debts.

Communities are inevitably affected by gambling facilities. Local businesses may be boosted but only at the expense of businesses in other communities. The facilities may provide some community services such as sporting venues, playgrounds etc. but they also attract criminal activity.

In making this submission The Salvation Army affirms the need for decisive action to reduce the availability of gambling. It is difficult to believe that there is a real interest in society if our only response is to allow gambling to expand dramatically and then cry out in horror at the human consequences that occur.