

## **Submission to the Productivity Commission's Inquiry Into Australia's Gambling Industry**

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### **Introduction**

The Productivity Commission is to be commended for undertaking an inquiry into Australia's gambling industries. This inquiry is particularly timely in Victoria where the gaming regime has been dramatically changed in the course of the last seven years.

There are of course many aspects to the issue of gambling. In this submission I wish to confine myself to the effect on marriage and family breakdown. In addition to outlining the effect of gambling on the relationship between a married couple and their children, I also offer some proposals for minimising the impact that gambling has on individuals and families.

### **Gambling and Families**

The Victorian Casino and Gaming Authority estimates that 3.3% of household income is spent on gambling. The VCGA has also noted that expenditure on gambling as a proportion of income is much higher among low-income earners than among other groups. Of the 1,400 people who sought assistance in dealing with their gambling in 1996-97 from BreakEven, the Victorian Problem Gambling Counselling Service, about half had an annual income of \$20,000.

Family expenditure on gambling has increased and it is poorer families who tend to spend more than they can afford relative to other groups who are most at risk.

One of the leading Catholic welfare agencies in the Archdiocese of Melbourne working in this area has seen and assisted no less than 838 clients in the six year period to October 1998. Every one of these individuals was seriously afflicted by gambling, either through losing large amounts of money (proportional to their income) or through marriage breakdown.



## **The Effect of Gambling on Marriage and Family**

Problem gambling leads an individual to certain ways of behaviour which tend to undermine the relationship between a man and a woman in marriage. The gambler's need for a ready and constant supply of cash leads him into a habit of secrecy and deception in explaining where the money has gone and where the money spent has come from. This secrecy combines with the loss of trust that follows from the emergence of the truth, creating a gulf between the gambler and his spouse which can lead to the total disintegration of the marriage. It is unnecessary to explain how a marriage is effected when gambling leads to the loss of the family home, to criminal charges for theft or fraud, or to violence.

The breakdown of a marriage always effects children in a powerful and negative way. In addition to this, problem gambling can leave children without proper parental supervision and the long absences of their parent which gambling brings about have an important impact on their development as persons. The money lost by the gambling parent means that the children are materially deprived. They find that they cannot go on school trips or attend their friends' parties because there is no money to buy a present. The Catholic Family Welfare Bureau in the Archdiocese of Melbourne has seen several cases where the education of children has been interrupted due to the sale of a family home and relocation, or because there is no money for school fees and other associated costs. This has a great and negative impact on children's scholastic, emotional and social development. In extreme cases gambling also leads to children being deprived of the very necessities of life.

In its effects on marriage and the healthy development of children, gambling carries enormous costs. It creates a new category of people who have to rely on the welfare services of the State to survive. The breakdown of a marriage is immensely disruptive for the lives of all concerned and directly effects the economic productivity of parents and their capacity to contribute to the common good as citizens. Indeed, their chief and greatest contribution to the common good – the raising of healthy and well-adjusted children who can, in their own turn, contribute generously as citizens – is greatly impeded by marriage breakdown.

There are already too many forces at work in our society which work to undermine marriage and produce family breakdown. The huge costs to society and individuals are no longer in dispute. To the extent that problem gambling contributes to or exacerbates these developments it should be urgently addressed.



## **Possible Responses**

### **1. Public Education**

Appropriate programmes should be developed to educate people to the risks of gambling. Special attention should be paid to the impact gambling has on marriage, family, the development of children, and the ability of individuals to provide for themselves and to form and maintain rewarding relationships with other people. Such programmes should be tailored appropriately for use in schools and counselling and in campaigns to raise the level of public awareness.

The way the gambling industry is permitted to present itself through advertising should also be considered. Advertisements portray gambling as glamorous and exciting and associate it with upward social mobility. The reality of course is quite different.

### **2. Media Coverage**

The particular way the media treats gambling is also an important consideration. In Victoria, the media generally concentrates far too much on the effects for the sharemarket and the investor on the falling stock price of Crown Casino, for example, while failing to pay sufficient attention to the real cost to the community which the destruction of human life through gambling entails. This imbalance needs to be addressed.

### **3. Limiting the Harm**

Wherever possible steps should be taken to minimise the harm that gamblers can do to themselves and their families. To give two practical examples:

- a) the installation of automatic teller machines at Crown Casino and other gambling venues positively invites people to continue gambling even after losses. The provision of such machines at the gambling venues is arguably at odds with the social responsibilities of the banking industry and should be reviewed.
- b) The operating hours of gambling venues should also be reviewed. Crown Casino, for example, is open twenty four hours a day, virtually seven days a week, all year round, giving the problem gambler guaranteed access to gambling at any time. There is in fact no need for an addicted gambler to leave the Casino, except perhaps for a short nap in the carpark.



Practical measures such as these give the problem gambler pause to reflect on his actions and to seek help before greater harm is done. More of them should be “built in” to the regulation of gambling.

**4. Increased Counselling Services**

For most problem gamblers rehabilitation is a long-term process. This cannot be done for free and most clients of counselling services can afford only a very limited number of sessions. Very often, counselling services must be extended beyond the gambler to the members of his family who have been effected. As a matter of priority, research should be undertaken to establish precisely what is needed in this area and increased funding should be made available to ensure that the needs of problem gamblers and their families are properly met.

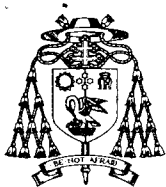
**5. Probation and Constraint**

Individuals who put the welfare of themselves and others at risk through drunken or reckless driving are routinely prohibited from holding a driver's licence. No one questions the power of the State to do this in the service of the common good. Without being too heavy-handed, consideration should also be given to ways of prohibiting gamblers whose addiction has brought them before the courts from gambling again.

Any measure like this must obviously go hand-in-hand with the provision of properly funded counselling services, both to prevent gamblers from coming before the courts and to assist those who are convicted and ordered to serve a term of imprisonment to overcome their addiction.

**6. Asset Management**

Many gamblers who are trying to break their addiction plead to have their remaining assets frozen or independently managed. Such a process needs to be in place to protect both the gambler and dependent family members from further losses. Perhaps as part of counselling services, information should be available to problem gamblers and adult members of their family on how to give or acquire an enduring power of attorney to manage the gambler's affairs, so that, for example, the gambler's pay or salary can be for the benefit of his dependent family members.



## Conclusion

The Catholic Church is not opposed to gambling in principle. To the extent that it provides people with an opportunity for recreation and enjoyment, it is a good thing. But when an individual's enjoyment of a good thing becomes a compulsion to his own harm and the harm of his spouse and children – to say nothing of the wider community – then the Church has a genuine and legitimate concern in seeing this situation made right.

The human costs and the costs to society as a whole of gambling are considerable. But when gambling leads to marriage breakdown and the disintegration of the family - with all its adverse effects, especially on children - these costs become enormous, so much so that for the sake of the common good they should not be tolerated. The effect of gambling on marriage and family life is a matter requiring urgent attention and I hope the Productivity Commission's Inquiry will very quickly lead to an improvement in the general situation.

A handwritten signature in black ink that reads "George Pell".

ARCHBISHOP OF MELBOURNE

November 6, 1998