



**Local Government Association
of Tasmania**

**Submission on Australia's Gambling
Industries**

November 1998

The Australian Gambling Industries – the nature and definition of Gambling

What constitutes gambling?

Gambling covers all aspects of wagering money/items on a contingency. Forms of 'public' gambling prevalent in Australia would include lottery tickets, raffles, gaming machines, casinos, and racing.

For the purposes of this submission, the forms of gambling that will be focussed on are those conducted through the use of gaming machines, casinos, and other gambling products widely used in pubs taverns and bars.

Problem gambling is seen as an addiction over which the individual has lost control. This addiction may have its basis in the psychological makeup of the individual and/or the socialisation of that person and it is considered that access to gambling venues and materials would play a large role in fostering such an addiction. This contention has been supported (Walker 1995).¹

What are the characteristics of gambling that call for community or government action that is different to that for other activities?

Some characteristics of gambling as they differ from other activities may include:-

1. It appears that the most popular forms are seen as social activities (or 'public) therefore many gambling activities would be conducted in public and possibly act as role models for others.
2. Gambling may have addictive qualities, like drugs, yet the prevalence of problem gambling is much harder to access. It therefore requires special attention if correct data is to be collected and acted upon.
3. Involving the expenditure of money means that problem gamblers never just affect themselves, the effects run to the gamblers family, friends, and colleges (for example spending savings, borrowing and getting credit, to stealing embezzling e.t.c). In small communities this would appear to have a greater economic impact than in larger cities.
4. Due to the distinction between socio-economic classes there would also be distinctions between persons with very low standards of living and those of high standards of living. If the chance of winning a lot of money is a prevalent cause of problem gambling, then governments and communities need to be aware of this and of the socio-economic distribution in that area.

¹ Walker, M. *The Psychology Of Gambling*. Butterworth Heinmann, Sydney Australia, 1995



The institutional context

What are the detailed regulations applying in each state and Territory? What are their rationales?

In Tasmania, the legislation dealing with licensing of premises for use of gambling equipment is the *Gaming Control Act 1993* (and the *Gaming Control (Coin Denominator Limits) Act 1996*). This Act is administered by the Department of Treasury and Finance. Other related legislation includes the *Racing Act 1983* and the *Racing and Gaming Act 1952*. The intent of the *Gaming Control Act 1993* is to provide for the regulation and control of the use of casinos and gaming machines. The *Racing and Gaming Act 1952* was intended to regulate horse racing and coursing, totalisators, and lottery and wagering on such. None of these pieces of legislation appear to have provision for correcting the effects of problem gambling through the use of the gambling equipment therein.

In a majority of cases gaming licences are linked to the granting of a liquor license.

In Tasmania, local councils are the planning authorities, and therefore may provide for restrictions and regulations on gambling when issuing permits for development of premises that will including gaming machines. Unfortunately this power is subject to the authority of the State granted by the above legislation.

Are the current regulations governing gambling appropriate?

The Association is of the view that they are not, due to the fact that the planning authorities powers to make decisions concerning the prevalence of gambling in their communities is limited by the licensing powers of the State government.

The Association has received advice from the Tasmanian Solicitor General that even though a councils planning scheme may require a permit (to which a council can attach conditions) for premises intended to be conducted as a gambling venue, “such a requirement can validly be made in a planning scheme **unless** the activity is subject to some overriding authorisation.” That authorisation would be the granting of a permit to the applicants under the *Gaming Control Act 1993*. Thus local governments role in promoting and protecting the rights and interests of the municipality are effectively usurped by an exercise of the State Governments control.

Benefits and Costs to Individuals – costs to individuals

How many others are affected by problem gambling? What are the effects on the problem gamblers family or the community more generally?

By its very nature gambling would rarely just affect the problem gambler. As the majority of people are involved in a complex web of social relations, including family and relatives, friends, workmates e.t.c. if gambling starts to control that persons life it is logical that others would be affected to. A study conducted by Custer and Milt 1985² found that a problem gambler may spend the family's money as well as borrow money from whom ever will lend it or even revert to stealing and fraud. Such activities are sure to have adverse effects on the community.

Does problem gambling affect some groups more than others? What is the evidence for this?

Walker 1995 states that “the working class is more heavily involved in gambling than the more affluent middle class...”³

It may also be reasonable to suggest that some of the ‘benefits’ of gambling listed in the issues paper; hope, pleasant social settings, some glamour, entertainment, as well as the chance of winning may be more appealing to those of lower socio-economic status than the more affluent.

Benefits and Costs for Local Communities

What are the ways in which communities may be adversely or beneficially affected by gambling?

1. Haig 1995⁴ found that communities that has been introduced to legalised forms of gambling had significantly increased gambling behaviour. In Tasmania there has been a recent influx of “The Oasis” gambling machines in local pubs and taverns. It is submitted that if the findings of Haig are correct, local communities in Tasmania may have experienced an increase in gambling behaviour. This is of concern to local government as they are there to represent their communities and make decisions concerning the health and well being of the community.
2. The economic effects of gambling would also affect local communities as it is suggested that any profit would be unlikely to be injected back into the community.

² Custer, R.L. & Milt, H. *When Luck Runs Out* New York: Facts on File Publications, 1985.

³ Walker *ibid* p. 4.

⁴ Haig, B. ‘Expenditure of legal Gambling’ *Gambling in Australia* Sydney: Croom Helm, 1985.



3. The recent decision of the South Australian Licensing Court dismissed an appeal from the refusal to grant a gaming machine license, on the basis that the community involved would be likely to suffer adversely from their introduction. This decision indicates that the socio-economic impact of gaming machines on communities already suffering from high alcohol abuse and poverty is a consideration. Such communities need protection against the introduction of devices guised as entertainment yet can have significant adverse effects.

Are there ways in which governments, gambling providers and others can decrease the community costs of gambling?

It is submitted that as local government is the tier of government closest to the communities of Australia, any reforms to decrease the community costs of gambling must give local councils the powers to assess the community impacts and make decisions concerning the introduction of gaming machines and other forms of gambling. It is the local council that is in the best position to have knowledge of the dynamics of the community, and the socio-economic status of the majority of residents.

In Tasmania local government is the planning authority, responsible for land use planning at local levels. In so doing councils must implement the planning process in such a way as to “require land use and development planning and policy to be easily integrated with...social, economic, conservation, and resource management policies at State, regional and municipal levels; and...to secure a pleasant, efficient and safe working, living and recreational environment; and to protect public infrastructure and other assets and enable ...coordination of public utilities and other facilities for the community.”⁵ Clearly the introduction and promotion of gambling into a community falls within the domain of the local council.

One way in which governments and others can decrease the community costs of gambling is by allowing the local governing authority the power to assess whether the adverse effects of the introduction of gaming machines and gambling equipment outweigh the costs to the community as a whole. It is submitted that the Federal government should urge the states to legislate so that all State regulations on the granting of casino, gaming, and gambling licenses are subject to the approval of the local planning authority – local government. It is local government that is in the best position to ascertain the likely effects of such on their communities.

⁵ *Land Use Planning and Approvals Act (Tas) 1993 70/1993*, s. 20 and schedule 1.