

Submission to the Productivity Commission from IGTF, November 1998

Interim Submission

The Interchurch Gambling Task Force (IGTF) wishes to make an Interim Submission, with a further submission to follow at a later date. The purpose of this preliminary report is to identify immediately some of the major problems we have detected with the rapid expansion of gambling in Victoria, and also to flag issues of greater detail and complexity. The latter will require further submissions and oral presentations from particular peak agencies.

The Establishment of IGTF

The establishment of the ICGT was officially launched at a rally held in Melbourne on the 10th December 1995. Prior to this date the Victorian Heads of Churches (through the Victorian Council of Churches) had formally requested the establishment of the Taskforce in response to growing community concerns about the expansion of gambling in this state. Membership of the Taskforce was drawn from all the mainstream Christian churches with support from the Jewish and Muslim communities. From the outset the Taskforce set its agenda around the following goals:

- ❑ A long term strategy and framework for gambling policy in this state which could be seen to be in the best interests of all Victorians
- ❑ An independent study (based on detailed research) concerning both the social and economic impacts of gambling on the Victorian community and economy
- ❑ A ceiling and cap on the number of poker machines in the state
- ❑ Controls on the location of poker machines in shopping centres, and in areas of high unemployment and low income
- ❑ Scrutiny of the concentration of the gambling industry in the hands of a few providers
- ❑ Clarification of the role of the Victorian Casino and Gambling Authority, and the separation of its research, regulatory and promotion responsibilities under the present legislation
- ❑ A Charter of Rights for all who gamble
- ❑ An examination of the regressive nature of tax on gamblers
- ❑ An education program designed to inform the general public on the risks and costs associated with gambling.

The Task Force was formed as a direct response to the Victorian Premier's call for a gaming-led recovery. The establishment of Crown Casino had been touted by the Premier as representing "the new spirit of Victoria" and being a "beacon of hope for all Victorians". This language had signalled a worrying departure from Government policy that had previously only taken the role of approving, regulating and monitoring gambling. It had not previously sought to promote or actively sponsor it. Indeed, gaming and vice had belonged together in the view of the Police Department and this signified the cultural, political and social thinking about gaming up to this time.

On 10 December 1995, a rally of some 3,000 mainly church people with all the heads of churches except the then Catholic Archbishop, called for:

1. restraints to moderate the behaviour of the Premier and the State Government regarding the promotion of gambling;
2. the immediate prohibition of the installation of further poker machines in strip shopping centres;
3. a cap to be placed on the number of pokies which, at that time, were around 12,500.

The rally received favourable and constructive coverage in the media and it initiated a wide-ranging debate throughout the community.

The Evolution of the Role of IGTF

On 20 December 1995, the Premier announced that there would be no more pokies permitted in strip shopping centres (a promise breached in a number of instances later) and that there would be a limit of 27,500 poker machines in the State. Furthermore, he promised that there would be no expansion of the number of poker machines until an integrated economic and social impact survey of gaming was done in Victoria.

It is our belief that though pieces of economic and social impact research have been commissioned by the VCGA, and through other groups such as the Public Health Association, no integrated and comprehensive research study has yet been done. It is imperative that further research such as that currently in progress by the Productivity Commission be completed before any further expansion in gambling takes place.

The IGTF has seen its role as largely monitoring the Premier's 1995 announcements and commitments and attending to related public policy issues. In this submission, we do not cite the number of problem gamblers and various social problems that gambling has introduced. There are a number of church welfare agencies better equipped to do that.

Cultural Shifts

The Task Force recognises that Australians have always gambled. However it rejects the Victorian Government's promotion of gambling as healthy family entertainment.

It is our belief that a significant cultural shift has occurred in which gambling has moved from being a natural but highly regulated part of the Australian culture to becoming a central pillar of the state's financial and tourist activities.

This has been matched by economic forces that saw the privatisation of the TAB, and much more aggressive marketing and advertising strategies. The growth of gambling with the advent of the double bang of one of the world's largest casinos alongside the simultaneous introduction of poker machines has been staggering. Victoria went from the least gaming state to the greatest gaming state in per capita expenditure. In terms of Government revenue, there has been an enormous windfall. Now, one in every seven tax dollars the government receives comes from gaming.

It is the view of the IGTF that this explosion in gaming can only be explained by the convergence of the cultural change regarding gambling and its political promotion. It is endorsed by the government both as an alternative to raising taxes and as an opportunity for Melbourne to be promoted as the Gambling Capital. Added to this we now have Melbourne's most loved events such as the Brownlow Medal and the Logies all happening at Crown Casino.

The economic forces of privatisation that allowed an extremely aggressive marketing of gaming saw this industry shake loose the restraints and shackles that state control of a TAB necessarily implied. As a result of having distanced itself from direct control, the State has turned a blind eye to this rabid marketing approach of what has become a privatised duopoly.

Because there is so much money at stake, the convergence of interests (no one is alleging conspiracy) between politics, culture and the economic interests of the gaming industry is of concern. There has been an extraordinary growth in a product which harms many.

Not surprisingly, in this culture the only thing is to be a winner and the worst thing is to be a loser. Figures concerning the jump in problem gambling have been quite staggering. The increase has been particularly among women who had formed a very low percentage of problem gamblers in the past. This is probably because race courses and TABs were not their natural domains whereas clubs certainly are.

VCGA's Powers Misused and Confused

There is growing concern about the division of powers between the Premier and the VCGA. The latter is constantly overridden in the press by directives from the Premier. For example, the IGTF sought to make submissions to the VCGA when Crown Casino applied to increase the number of gaming tables from two hundred to three hundred and fifty. The Premier expressly said he supported this view but of course it was a matter entirely for the VCGA.

The VCGA refused to hear these submissions concerning the matter and very promptly granted the extra tables. It was only the Auditor General who discovered that the licence fees that should have been paid for these extra tables were undercharged by \$174 million. The extra charge was never paid by Crown Casino.

Need for Fair Administration of the Community Support Fund

Currently it seems as though the Premier has the main role in determining how these monies are distributed. A number of eligible agencies have unsuccessfully applied for subsidies to support their growing clientele who have problems related to gambling addiction. Unlike other states there is no community representation on the management committee for the fund. This is causing widespread discontent in the human service sector.

The distribution of monies for the subsidy of rehabilitation and counselling services needs to be carefully targeted, and monitored both for financial accountability and for the skill-base offered by the recipient agency. Counsellors in the field of gambling addiction require specialist skills in addition to generalist counselling. Simple advice such as limiting the amount of cash or time at a gambling venue may not be appropriate for persons suffering a gambling addiction.

Lack of Research

It is the view of the IGTF that an industry that has \$80 billion dollar turnover in Australia and has grown enormously needs significant research to map its social and economic consequences. We therefore applaud the terms of reference of the Productivity Commission.

It is our belief that the gambling explosion has not been accompanied by adequate regulation which would need to have been based on research concerning the existing situation.

Whilst Victoria has led the way in research projects, there is simply no question that many researchers find it very hard to provide independent studies because the commercial in confidence clauses require that anything too controversial must be "cleaned up".

Need for Survey

We still believe there is an urgent need for what the Premier first promised on 20 December 1995: an integrated social and economic survey that looks at the impact on gambling not only within the

industry but on a diverse range of commercial enterprises. Such a survey should investigate any changes in productive spending in other areas. It is our belief that, with Victorians losing 2.4 billion dollars a year in gambling, this money must be coming from savings and other forms of spending that would be better used in the creation of jobs.

Need for Regional Caps

A map of the distribution of EGMs or pokies in Melbourne and Victoria demonstrates that they are much more densely located in the lower socio-economic regions. Evidence researched by the ICGTF has clearly indicated that poker machines were being targeted for areas of high unemployment, low income, and high social dislocation. A copy of the map detailing these locations is attached to this submission.

As a result of this regressive distribution, any expansion to the market, in which the providers (Tattersalls or TAB) determine the locations for the extra pokies, should be subject to regional caps. These caps should specify which areas have reached what a community regards as its saturation point. Guidelines as to appropriate saturation points could profitably be discussed in a community consultation. At the moment local communities have no say regarding the number of new pokies in their area. The most appropriate vehicle for the community's voice on this matter would be local municipal councils.

Urgent Need for Restrictions on Advertising and Compulsory Warnings

We believe there is strong argument for advertising restrictions, such as those that apply to tobacco. This is to recognise that gambling is not simply entertainment, but that it has power to damage and hurt people. It is destructive for a growing number of Australians. Therefore, like any other consumer product it should not receive the full market endorsement without appropriate warnings. We have been disappointed that the long-promised six week TV campaign from the Government to advertise G-line and the dangers of gambling has not been run for nearly 12 months.

We are also of the view that many advertisements improperly suggest that gaming is a form of investment and that everybody is a winner (Crown Casino's slogan). Moreover gaming is not simply a benign activity: it is estimated that every problem gambler hurts up to 10 others.

We therefore recommend that there should be a specific labelling introduced for poker machines. Even a warning that says 'You can lose \$100 in ten minutes on any machine if you place maximum bets' would be a start. Furthermore, we recommend that all machines including Keno, scratchies and poker machines should indicate where people can get help if they have a problem. We recognise that most gamblers believe they don't have a problem because they are only one win away from not having a problem. However, a warning can at least start to penetrate the consciousness in the way it has already done with smokers and drink drivers.

Well written fiction which presents a realistic picture of the horror of addictive gambling can play a role in the community's understanding of this phenomenon. Ric Throssell's recently published novel, 'Jackpot' could be on school syllabuses to great effect.

Need for Consumer Information to be presented in a Neutral Setting

There should be more adequate consumer information about the odds and risks of gaming. Clearly the combination of alcohol accessibility and windowless venues is a recipe for disorientation and disaster. When this is combined with automatic tellers in venues such as Crown Casino, where a person doesn't even have to clear their head or walk outside the building to think about withdrawing money, many vulnerable people are manipulated and exploited.

Summary

Briefly then our concerns include

Nationally

1. the need for development of some broad policy guidelines on the use of gambling in revenue raising
2. restraints on government promotion of gambling
3. research on gambling to be conducted and published by agencies entirely independent of gaming and government influence
4. restriction on advertising of gambling
5. introduction of equivalent of health warnings
6. consumer information in neutral settings
7. public education program regarding the hazards of gambling

in Victoria

1. immediate conduct of a broad ranging social and economic survey on impact of gambling on Victoria
2. prohibition of further poker machines in strip shopping centres
3. a cap of the number of poker machines
4. clarification of roles of Premier, VCGA, Auditor General, and peak community bodies regarding the gambling industry
5. immediate payment of monies owing for extra gambling tables at Crown
6. community representation on the Community Support Fund
7. regional caps limiting any further poker machines in saturated areas
8. local council responsibility for consultation concerning upper limits for density of poker machines in their municipality

Finally we would appreciate some urgent recommendations from the Commission concerning advertising and consumer information as they could go some way toward preventing further unnecessary family and community dislocation.