

PRODUCTIVITY COMMISSION INQUIRY

AUSTRALIA'S GAMBLING INDUSTRIES

**SUBMISSION BY CATHOLIC SOCIAL SERVICES
MELBOURNE**

PUBLIC HEARINGS

MELBOURNE

MONDAY 23 NOVEMBER

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Thank you for the opportunity to submit on behalf of Catholic Social Services.

As outlined in the request to submit there are a number of issues which Catholic Social Services wishes to address. All address directly or indirectly the terms of reference of the Productivity Inquiry.

Attitudes of the Catholic Church towards Gambling

The Catholic Church does not stand in opposition to gambling. Many of the activities of community and Church are supported by fund raising through gambling. Gambling is traditionally and culturally a part of the life of Catholics.

The concern of the Catholic Church lies in the concern for individuals and families who have in some way been negatively affected by the significant expansion of gambling since the introduction of electronic gaming machines and casino gambling in Victoria in 1992.

In submissions to the Wilcox and Connor Committees established by the Victorian Governments of 1982/83 the Catholic Church opposed the expansion of the gambling industry on the grounds that expansion posed considerable threats to family and to vulnerable groups in the community. It was the broad social effects which were of concern. When the expansion of gambling via the introduction of casino gambling and gaming machines was being considered by the Government in 1991, the Catholic Church expressed extreme reservations around the expansion of gambling. The Archbishop joined with other Heads of Churches in a submission to Government which sought to persuade the Government of the social costs of extended gambling.

The Family and Gambling

Family Relationships.

Catholic agencies have expressed great concern over the impact of the expansion of gambling on Victorian families. Agencies with comprehensive counselling services and with expertise in marriage and relationship counselling report to us what they believe is an increasing incidence of marriage and relationship breakdown where gambling is seen as a significant issue. It would be inappropriate to label gambling as the sole determinant - we know that the family dynamics of the addicted and/or compulsive family member are very complex. The interaction of depression and compulsive gambling and the impact on family through failure to meet family financial responsibilities, secrecy and game playing to disguise behaviour and the sheer stress on relationship maintenance which extended hours gambling can induce are all factors which are important.

Community agencies in recent VCGA research, report issues relating to individual depression, dependence on welfare (social security), family conflict, family breakdown and neglect of children as the impacts on families.¹

One agency reported that "Prior to 1995 social issues related to gambling seen at this agency were rare. In 1995 this agency provided emergency housing where gambling was the primary cause for homelessness for the for the first time."²

This report describes a "ripple effect from individual to community" indicating that while initially there are personal problems with gambling eventually where the gambling individual has family or social

¹ Victorian Casino and Gaming Authority (1997) "Impact of Gaming Venues on Inner City Municipalities". VCGA, Melbourne.

² ibid. Pg. 142.

network the problems spill over into family conflict and a build up of problems as savings decrease and families struggle with commensurate social issues such as unemployment or petty criminality. These then become community issues as family members seek support from church and community agencies.³

Some anecdotes already in the public realm give the scope of the impact of the problems for families.

“Referral for hardship payment to secure accommodation. During interview the client stated that he had a problem with gambling and had lost his family and was sleeping in the car as a result of it”⁴

The worse case was one where the husband committed suicide after his gambling problems became impossible to hide any longer. The extent of the husbands indebtedness was an overwhelming realisation for the surviving spouse.⁵

We get very serious incidents. We had a nine year old that tried to hang herself. The sibling held her up and stopped that happening but then they had to go and get help from someone else because the parents just weren't around, they were at the pokies. This happened at 11 p.m. and there wasn't anyone around to deal with it. We discovered through investigation that Mum was pretty well absent all the time from the house, and in fact had been banned from a number of gaming pubs and stuff around the traps because they perceived her as a problem gambler, but she would go from venue to venue. Obviously they had very serious problems that family but the major one was her absence from the home and no other family support available.⁶

There has however been no comprehensive attempt to chart the impact of families.

There are two bodies responsible for research into gambling impacts in Victoria. The Victorian Casino and Gaming Authority and the Department of Human Services which has responsibility for problem gambling research. Thus far the research undertaken by either of these two bodies has concentrated on individual impacts for instance, the impact on women or the impact on adolescents, rather than the impact on the family as a whole.

We strongly recommend that a research project examining the impact of the expansion of gambling on Victorian families be undertaken.

Family Expenditure

Lower income groups spend a disproportionate share of their income on gambling, particularly EGM gambling. Individuals with incomes of up to \$10,000 per year spent 2.48% of their income on EGM's whereas those with incomes of \$30 - \$40 spent .10 percent of their income on EGM's and those with income greater than \$60,000 spent only .01 % of their income on EGMs.⁷

Expenditure in Victorian households on gambling has risen from less than the Australian Average at 1.4 % of disposable income to 3.1 % of disposable income. We are told that this increase is largely funded from a reduction in savings.⁸ The same report indicates the long run impacts of increased gambling activity may be more severe. The cushion to consumption expenditure in the next recession has been removed. The VCGA provide an indicative effect of \$500 million but it is possible that the impact is already being felt by low income groups.

³ ibid. Pg. 143

⁴ ibid. Pg. 146

⁵ ibid. Pg. 147

⁶ ibid. 152

⁷ ibid. 167

⁸ Victorian Casino and Gaming Authority. *“The Impact of the Expansion in Gaming on the Victorian Retail Sector”*. (1997). V.C.G.A. Melbourne.

There are suggestions that spill over effects from individual to family to community are beginning to impact for these groups. Data from the Victorian Council of Social Services indicate that in 1998 about 103 people per month are requesting emergency financial aid as a result of gambling problems. This is double the number of people presenting in 1995. While the numbers are small in the total scheme of things there is a big increase in the number of sole parents and employed people seeking assistance as result of gambling.

It is important that these social costs are taken into account in any economic evaluation of the positive and negative effects of gambling.

Communities and Gambling

In 1996 the InterChurch Gambling task force established a link between the density of gaming machines and the socio-economic status of a locality. In 1998 this relationship has been confirmed through work undertaken by the City of Maribyrnong.⁹ The Interchurch task force has also undertaken some further work through a consultant concerning the operation of the cap on gaming machines and the location of machines in poor areas. This will be announced in two weeks or so.

However there is a link between location and social wellbeing as the overlay demonstrates.

The link between higher number of machines and lower social wellbeing is concerning when research supporting the hypothesis that the availability of gambling machines leads to a higher rate of gambling was released by Melbourne University Research on behalf of the Department of Human Services. There was found to be a relationship between the rate of presentation of new clients to problem gambling counselling services and the density of machines in each region. A moderately strong association between the two factors was found.¹⁰

Low income and vulnerable communities are being made more vulnerable by the propensity to locate machines in these high return areas.

Clearly there is a case for local controls to be given to Councils under Planning Law. At present planning permits are only required if gaming machines are to exceed 25% of the floor space. This highlights one of the difficulties of regulation of gambling in Victoria. Responsibility is spread across a number of Ministries where it is possible for each Minister to pass responsibility to others involved. In this case the Ministry for Local Government and Planning. Catholic Social Services believes that this is an example where issues of social wellbeing and planning interact and the legislative framework is found wanting.

Research

Catholic Social Services has in the past been highly critical of the research program being undertaken by the VCGA. It appeared disjointed and unable to establish baseline data for ongoing monitoring of the effects of the expanded gambling industries. We believe this is now much improved. In the forthcoming year research will be undertaken into aspects of Crime and Gambling and a comprehensive Economic and Social Research project has recently been announced. There are gaps however. One is around family impacts and the other, perhaps to be rectified by this Inquiry is the lack of national comparative research.

One aspect of data gathering which should be addressed at the national level and which would appropriately be undertaken by the Australian Institute for Health and Welfare is gathering of standardised national data on people presenting to problem gambling counselling services. This has been

⁹Maribyrnong City Council. *"Poker Machine Gambling in Maribyrnong: Public Discussion Paper."* (1998). Melbourne.

¹⁰University of Melbourne. *"Clients Presenting to Problem Gambling Counselling Services July 1996-July 1997."* (1997). Melbourne.

discussed at Welfare Minister level but has not progressed. Catholic Social Services sees this as a matter of some urgency. We are now five years down the track of a vastly expanded national gambling industry.