

SUBMISSION TO THE PRODUCTIVITY COMMISSION 'GAMBLING INQUIRY'

**from the GEELONG CATHOLIC SOCIAL JUSTICE
COMMITTEE November 1998**

Prepared for the Committee

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ABSTRACT

In this submission the *Geelong Catholic Social Justice Committee* argues that the Victorian Government, by legalising the casino and electronic gaming machines, has elevated gambling from the status of a largely recreational activity to that of a major industry. The effect of this elevation, the Committee argues, has been to remove from this risk-taking activity the restraints inherent a recreation, and to impose upon it the imperatives inherent in the nature of an industry: to sell its product by maximising its attractions and denying or minimising its hazards. By allowing itself to become dependent for such a large proportion of its revenue on gambling, the Victorian Government, the Committee argues, has compromised its role as guardian of the common good, and indeed become an aider and abettor of an industry whose success depends upon their continuing ability to prey upon and exploit the most vulnerable communities in our state. The submission concludes with some recommendations for restoring gambling to more of a recreational status in the life of Victorian society.

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Chapter 1.0

Introduction

1. THE GEELONG CATHOLIC SOCIAL JUSTICE COMMITTEE

The *Geelong Catholic Justice Committee* is a committee of the Geelong Deanery of the Catholic Archdiocese of Melbourne. The Deanery comprises the thirteen Catholic parishes of the Geelong area, and the committee's membership is drawn from those parishes. The mission of this committee is similar to that of its national and diocesan counterparts, the *Commissions for Justice Development and Peace*: to bring the light of the Christian gospel to bear upon issues of justice, development and peace. In general terms our role is to promote the causes of justice, development and peace by identifying the social structures which contribute positively and negatively to those causes, educating our community in them and engaging in community activities to publicly support these causes. As part of our educational function, we publish a quarterly newsletter titled *Justice News*, and organise talks on relevant issues by visiting speakers. Our community activities include joining with other organisations in the promotion of services for disadvantaged groups like homeless males and the unemployed, membership of the organising committee for the Geelong observance of *National 'Sorry Day'* and follow-up activities, and agitation in the media and of politicians on issues relating to these causes.

Chapter 2.0

An assessment of changes in the status of gambling in Victoria from an ethical and a political standpoint

2. DEFINITIONS

For purposes of this submission we accept the content of the following definitions of gambling:

Gambling: ‘a game in which a risk of losing a present finite good is accepted in the hope of obtaining a future greater good’ (Broderick 1976).

The staking of something of value, usually money, on some fact or the outcome of some event, the determination of which is due solely to chance or contingency not predictable with certainty; includes gaming, betting and lotteries. (1967-1989).

We support what we take to be the general teaching of the Catholic church on gambling, teaching which we summarise as follows:

1. Gambling is not sinful if it serves such genuine recreational purposes of freeing people from an excessive attachment to wealth, providing opportunities for mixing socially with others.
2. Such acts are, however, sinful if
 - the gambling contract is between unequal parties;
 - it involves fraud or cheating or disproportion between risk and possible gain;
 - the money spent does not prevent the gambler from performing other duties in justice or charity;
 - the gambler does not have the right to gamble with this money because it is needed for the fulfilment of other duties *e.g.* for the support of family;
 - one party to a gambling contract knows the other party has no right to gamble with money wagered;
 - it involves real risk of becoming addictive;

- it raises the pursuit of riches to the status of an idol.

2.1 First major contention

This teaching looks at the morality of gambling chiefly in terms of the responsibility of the individual gambler. In a social context where gambling is largely a recreational activity, assessment of its morality in individual terms is perhaps appropriate. In today's context, however, where gambling in every state of Australia has become a major industry, the morality of gambling must be assessed above all in terms of the responsibilities of governments and the gambling industry. Indeed, the our first contention is that governments and elements of business in Australia have combined to transform an activity that was still largely recreational in 1992 into a major industry, and therefore that responsibility for this transformation and for its effects of on both individuals and the community at large lies with the government and the gambling industry. In the following paragraphs we shall cite evidence and deploy argument to support this contention.

2.2 'Marked industry expansion

The 'marked industry expansion' since 1991-2 of which the Auditor-General speaks in the *Brief Summary* of his Special Report No. 54 (Auditor-General 1998) has been brought about by two major gambling innovations on the part of the Victorian government: (a) the legalisation of electronic gaming machines, and (b) the licensing of the Melbourne casino. Some indication of the increase in the size of the gambling industry contributed by electronic gaming outside the casino is given by the Auditor-General in his *Executive Summary* where he comments:

[T]he aggregate cash flows (net revenue after player prizes) of licensed gaming venues within the State has increased markedly and consistently over the last 5 years with total net revenue in 1996-97 amounting to \$1.4 billion (Auditor-General 1998).

Moreover, that expansion, according to the Auditor-General, is continuing at an alarming rate. Paragraph 5.84 of the same Report consists of a Chart (5B) which 'illustrates the level of escalation in weekly net revenue in respect of cash flowing through all gaming venues in the State (excluding the casino) since 1992-93'. This Chart, says the report,

shows that, for virtually the whole of the period to 31 December 1997, weekly net revenue derived from gaming venues at any point in time has been greater than the equivalent figure in respect of all previous weeks.

This expansion of the Victorian gambling industry itself is matched by an increase in the revenues sourced from that industry by the Victorian government.

According to the same report, taxation derived by the Victorian government from electronic gaming machines increased from \$0.2m. in 1991-2 to \$625.7m. in 1996-7. Taxes from the casino during the same period rose from nil to \$128.2m.. The Auditor-

General's comment on this massive increase in government revenues sourced from gambling is that

revenue from gambling activities has become the fourth most significant revenue source to government, with payroll tax, taxes on property and franchise fees now the only categories generating higher levels of revenue than gambling taxes (Auditor-General, 1998, *Brief Summary*, p. 1).

Indeed, according to the Department of Treasury and Finance (Victoria) taxes derived from gambling in 1996-7 made up 14% of total taxation or, according to the Auditor-General, \$1157.4m (Auditor-General 1998).

In the light of such evidence there can be no doubt that gambling in Victoria has been transformed from a predominantly recreational activity supporting a minor industry into a major industry, and that this transformation has led to a government having a vested interest in a particular industry. We turn in the following paragraphs to an assessment of this industry and of government involvement in it in terms of their implications for the common good.

2.3 Second major contention

Our second major contention is that this transformation of gambling into a major industry has been a socially and morally undesirable development in Victorian society. We have several reasons for this view. Firstly, by making a potentially dangerous activity an industry, those responsible remove many of the restraints inherent in the nature of a recreational activity. As an essentially risk-taking activity, gambling becomes dangerous when it goes beyond recreational limits. The danger inherent in the nature of the activity is that gamblers will risk more than they ought to. When it is a recreational activity, gamblers are protected from this danger to some extent by certain restraints. They are more likely to limit their gambling to an amount within their recreational budgets. Similarly, the time they devote to it is more likely to be leisure time and for that reason to be time shared with others. Even gambling outlets are likely to be less accessible to the public: there are no 24 hour TABs or race meetings. The capacity of such outlets to exert pressure on patrons to gamble is thus also limited. Now that gambling has been made a major industry, however, the protection of such restraints has been removed.

Secondly and worse still, the status of gambling as an industry not only legitimises but even requires its promotion through intensive advertising, some of it such as road signs to the casino actually provided by government! Government and the gambling industry now have a vested interest in promoting positive images of the industry and in suppressing negative data on it. Such an interest encourages deceptive and seductive advertising: gambling is presented as a young, glamorous and exciting activity in which everybody is a winner. Undertakings by government to offset the effects of such advertising by funding from the Community Support Fund television commercials educating the community on the risks of gambling were dishonoured when the government ordered their withdrawal on the ground that they portrayed too negative an image of gambling. The belated replacement commercials tendentiously portray

problems arising from gambling as the result of individual pathologies, and completely ignore the dangers inherent in this activity for any citizen who takes part in it. The good of any community requires that it be alerted to and protected from serious dangers. The good of the gambling industry requires that it deny, or at least minimise, the dangers inherent in gambling. Its elevation to the status of a major industry thus invites the gambling industry to become as cynical towards the good of the community as the tobacco industry. Its elevation to that status by government raises such serious questions about the role of government that they require separate consideration below (p. 10).

Thirdly, the elevation of electronic gaming in particular to the status of an industry requires licence holders to locate their machines in communities where they are likely to attract the most clients, and in Melbourne and Geelong these communities have proven to be the poorest in these cities. The western suburbs of Melbourne have a higher ratio of electronic gaming machines per thousand population over 18 years than the other suburbs of Melbourne (Maribynong Council area 17.3 per thousand over 18; Boroondara 2.8 per 1000 over 18). Geelong has higher ratio of machines per 1000 over 18 years at 9.29 than the Victorian average at 7.53 (Authority, 1997), p. 166, table 6.20). More importantly in the Geelong case, all of the venues which either already possess or have applications pending for 24 hour liquor trading licences are located in the poorer suburbs of this city¹. Self-interest, the natural motivator of business, demands that any industry target its product at the community most likely to buy it. In the case of benign industries such processes work for the common good. But when hazardous practices like gambling are elevated to the status of industries, the dynamics of this process constitute an imperative to licensees to prey upon the most vulnerable communities in the State.

¹ The two venues already licensed to trade for 24 hours are the Sphinx Entertainment Complex, North Geelong and the Gateway Hotel, North Geelong. The two venues with 24 hour licence applications pending are the Norlane Hotel, and the Great Western Hotel, Newtown.

Fourthly, unless the money invested in these new forms of gambling comes from interstate or overseas, it is money diverted from other forms of expenditure. Indeed, it would be a parochial view of the common good to regard money sourced in large amounts from interstate gamblers as good but money from Victorian gamblers as bad. Members of the St Vincent de Paul Society who are also members of our committee provide us with anecdotal evidence that gamblers are diverting money from basic household expenditure to the 'pokies':

- one person who was observed entering a 'pokies' venue in the morning, presented to St Vincent de Paul in the afternoon for a food voucher;
- in another case a wife had to pawn her wedding ring to prevent bank foreclosure upon their mortgage because the husband had continually gambled away savings allocated to repayments;
- another family approached the St Vincent de Paul for a television and a videotape recorder because they had pawned such household items to gamble on the 'pokies';
- another woman who used to make her children's clothes on a sewing machine was forced to pawn the machine to pay other household expenses because her husband had lost the housekeeping money on the 'pokies';
- it is a common experience of our St Vincent de Paul Society members to be asked for food vouchers because the housekeeping money of the relevant clients had been lost on the 'pokies'.

According to our members some gaming venues in Geelong were implicitly acknowledging such diversion by providing free milk and bread to 'pokies' players. Indeed, it seems that in order to ensure that mothers continue to divert their household budgets to the 'pokies' some venues induce them to remain there by scheduling special prize draws from 3.30PM onwards when mothers are otherwise likely to be leaving to collect children from school. The worst cases, of course, are those where gamblers have squandered their superannuation or other substantial family assets. Geelong traders complain the 'pokies' venues are 'bleeding our city'. A group of leading Geelong business people wrote to the *Geelong Advertiser* (12/6/98) arguing that the recent move to 24 hour gaming by two Geelong venues would divert money from Geelong: 'Rather than bringing dollars into our region, the current move to 24 hour gaming will simply lead to a further drain on local consumer spending' (p.6). These practices are evidence not only of diversion of money from more necessary and productive uses, but also of employment of downright cynical methods to ensure that this diversion is maximised.

Fifthly, it appears that an essential element of this industry's technique for attracting gamblers and for holding them within venues is to create the illusion that there is only one time - gambling time. The casino and many other venues exclude all natural light. The casino and certain other venues operate 24 hours a day. The casino is permitted to remain open 363.5 days per year, and other venues during their liquor trading hours. Coupled with these inducements to gamble is the pressure exerted by the nature of the electronic gaming machine itself. Unlike betting on the TAB or table games, electronic gaming is repetitive because no interruptions are built into its nature. This pressure to gamble is further evidence of the licensing of cynicism by making a hazardous activity into a major industry: the success of the business depends upon its ability to strip clients of all natural restraints

upon their instincts to gamble. This cynicism is confirmed by the frequent provision of Automatic Teller Machine access near venues.

Sixthly, by elevating gambling to the status of a major industry the Victorian government has allowed the attraction of 'easy money' for both state revenues and economic activity to severely compromise its duty to govern for the common good. In this case we would argue the government has subverted the common good in favour of the interests of one business sector and of its own political interests by aiding and abetting the predatory exploitation of some of its own most vulnerable citizens. Having once surrendered to those interests, the government is now compelled to serve them by not only permitting the dubious promotion methods outlined above but even endorsing them by joining in such things as casino advertising, and urging the benefits of gambling to the community by labelling facilities financed by its revenues². We submit that the government's own vested interest in this hazardous industry disqualifies it from exercising over that industry the role of impartial legislator and ultimate regulator. The degree to which that role has been compromised can be seen from the following evidence.

1. Instead of being at pains to ensure that the community was alerted to the hazards of gambling, and protected from insidious promotion techniques, the government has actively suppressed both television commercials designed to so educate the community and data from government funded counselling and charitable organisations. When our committee recently sought such data from the Financial Counselling and Consumer Information Service (FICCS), Geelong, we were told that the terms of their funding agreement with the Victorian Department of Human Services (HS) prevented them from disclosing their own data, and that although their data had been passed on to HS for eventual processing by Monash University, no such processing had been done in recent years. Asked why the processing had ceased, the FICCS spokesperson reported a claim by the government that there had

² We note with dismay the claim of the Arthur Andersen study that the media treatment of the gaming industry has been 'unbalanced': 'This [the media's] heavy focus on the negative aspects and costs of gambling without commensurate attention being given to the benefits associated with gaming has lead [*sic*] to an unbalanced and uninformed debate' (Authority 1997b) (9.2.1). The accompanying note (187) acknowledges that these are '[v]iews expressed during stakeholder consultations'. The reader is thus left wondering whether the authors accept these views expressed by the stakeholders or whether they are merely reporting those views. The authors' decision to express the passage quoted as they have rather than with the qualifier 'Stakeholders expressed the view that...' strongly suggests that the authors accepted the stakeholders views. The first criticism to be made of this part of the study is that the authors' position on these stakeholder views should have been made clear on such an important point. The second criticism is that acceptance of these views would show that their methodology was flawed by a simplistic assumption: that the positive and negative aspects of gambling will be more or less equal in number. In the case of an industry that has been acknowledged as inherently hazardous since the *Connor Inquiry*, that assumption is not only simplistic but unwarranted. Indeed, in the case of a hazardous activity, especially one so strongly promoted in the media by both industry and government, the more warranted assumption would be that the study would uncover negative aspects of gambling - aspects unacknowledged in such promotion by these vested interests. Since the common good requires that the community be protected from the effects of hazardous activities, the onus of proof in the debate on relaxation of gambling regulations is on its promoters not on the rest of the community. One would expect, in other words, that the debate would take the form of critical scrutiny of every aspect of the promoters' case by community organisations and the media. This comment by the study's authors suggests another understanding of the terms of the debate, an understanding biased in favour of the interests of the promoters of gambling.

been a continuing contractual dispute with the relevant department of Monash University over that period.

2. The Victorian government actually sought to curtail the democratic rights of local communities by attempting to deny them the right to object on gambling-related grounds to extensions of gaming hours in local venues. The government did this by tying the regulation of gaming hours to the regulation of drinking hours in the *Liquor Control Act 1987* so that an extension of drinking hours at a pokies venue was also an extension of gaming hours. Under the Act objections to applications for extensions to trading hours are permitted, but until August 1998 the Victorian Liquor Licensing Commissioners had taken the view that notwithstanding the 'community interest' provision of the Act objections on grounds such as the 'social effects of gambling' were inadmissible. This view was expressed by Commissioner Puls, for example, when in July, 1998, the City of Greater Geelong objected to the application by the Gateway Hotel, Corio, for a 24 hour trading licence³. Referring to gambling-related evidence submitted by the City, commissioner Puls commented: 'To ask the commission to refuse to grant or extend a licence or permit on the basis of material such as was put before me is effectively to say that Parliament clearly got it wrong when it ... legalised gambling in Victoria' (Carbines 1998a). When the City of Greater Geelong appealed to the Full Commission against the granting of a 24 hour licence to the Sphinx Entertainment Centre in North Geelong, counsel for the Sphinx, Will Houghton QC, argued that there '... was a strong indication that the parliament did not see the Liquor Licensing Commission's role as a regulator of gaming machines because it had set up the Victorian Casino and Gaming Authority and the Gaming Control Act' (Carbines 1998b). Mr Houghton went on: 'It is not the role of this commission to put itself in a position to control or regulate the deleterious effects of gaming in this state'. Had this argument been accepted by the Full Bench, it would have meant that under the laws of this State citizens could have had 24-hour pokies venues foisted upon them without their having any right to a say in the matter. Fortunately for the cause of democracy in Victoria, the Full Bench announced in August 1998 that it considered it had jurisdiction to hear such evidence and would do so in the Sphinx case in December 1998. There is another aspect to the compromised role of government evident in the advent of 24-hour pokies licences.
3. Having been forced by community pressure in its role as regulator of the industry to cap the number of electronic gaming machines in the state at 27,500, the government in its role as promoter of the same industry has been forced to resort to subterfuges to circumvent this cap. It is no answer to this accusation to say that it was an independent statutory authority that granted these extensions of 'pokies' operating hours to 24. Firstly, the government was aware of this power when it tied gaming hours to liquor trading hours. Secondly, the Minister for Gaming, Mr Roger Hallam, when made aware by our committee of the preclusion of gambling-related objections to 24 hour licence applications simply referred us to the LLC: 'The consideration and determination of liquor licence applications under the *Liquor*

³ The argument advanced by the Licensee of the Sphinx to support this application was that shift workers were prepared to pay a \$75 taxi fare to the casino to gamble (*Geelong Advertiser*, 17/7/98, p. 5). Such desperation to gamble would seem to us a warrant for imposing restrictions on hours rather than a ground for extending them beyond their present 20.

Control Act 1987 including the hours a venue is permitted to operate, is the responsibility of the Liquor Licensing Commission. Accordingly, I recommend that you direct your concerns regarding liquor licensing laws to the Commission...’ (Hallam 1998). The common good requires that governments be proactive in protecting the democratic rights of their citizens, but the Victorian government’s vested interest in the gambling industry has seduced it into the role of curtailing those rights by placing regulation of gaming hours in an Act which appeared to preclude objections based on gaming-related grounds.

4. Having so compromised its role of protector of the democratic rights of its citizens, the government has been forced to rationalise such behaviour by appeal to arguments from personal liberty. Indeed, the Member for Bellarine reflected this argument in his characterisation of the position put to him by one of our committee members on the issue of extensions to gambling hours in the Geelong region. In his reply to this committee member’s letter, Mr Gary Spry, MLA, wrote: ‘With regard to gambling, I take it by implication that your view is that people can’t be relied on to moderate their own activities and that regulations must therefore be imposed to limit access to venues’ (Spry 1998). The standard form of this argument is that normal individuals are rationally and morally capable of regulating their own gambling behaviour without any government intervention. The clear implication of those educational television commercials that the government has permitted is that the few people who are unable to regulate their own gambling behaviour suffer from individual disorders of some kind; they are labelled ‘problem gamblers’. We regard this estimate of human rational and moral capabilities as excessively optimistic. If all but those suffering from physical or psychological disorders were rationally and morally capable of ordering their own behaviour in all circumstances at all times, there would be very few social problems and very little need for government regulation of citizens’ behaviour. Consideration of just a few social phenomena should expose the weakness in this argument.
5. Drink-driving is an all too common problem in Victoria as well as other parts of Australia and the world and yet few would argue that all drink drivers are alcoholics. Rather we tend to say that many people have difficulty in regulating their behaviour in this matter. Because this weakness is common and its threat to the common good severe, we accept that governments have not only the right but also the duty to regulate such behaviour in very strict ways. Australian and other governments also recognise that human greed is a sufficient warrant for strict government regulation of business activities. Those who are caught and punished for breaking such regulations, though convicted criminals, are rarely regarded as sufferers of psychological disorders. They are seen rather as capitulators to the common human vice of greed. Indeed, if human nature was as perfect as this argument assumes the only rational explanation for the existence of such evils as dishonesty, racism and violence of all kinds would be that a minority of the human race suffers physical or psychological disorders of some kind. We submit that a more accurate assessment of human nature would be that all human beings have weaknesses which make them prone to errors of judgment and moral failure. Such weaknesses, we hold, do not destroy our rational and moral capabilities to regulate our own lives, but they render us more dependent upon the guidance and support of our communities for their exercise. That guidance and support is especially important in the face of the temptations of hazardous activities

such as gambling. Our claim is not so much that individuals do not have the right to make their own decisions about their gambling behaviour as that the assumption of individual rational and moral perfection which underpins the claim to this right is ill-founded. The common good, we submit, requires that individuals be supported, rather than hindered by vested interests, in the making of those decisions in the much more hazardous conditions created by the elevation of gambling to the status of a major industry.

6. Any defence of its gambling policies on the ground of individual freedom by the Victorian government would lack credibility in the light of its own disregard for freedom in relation to gambling issues. We have already pointed out how this government has suppressed any information or advertising that could present a negative image of the gambling industry. “We also argued that it deliberately tried to shield pokies venues from objections to licence applications on gambling-related grounds. More inconsistent still with any belief in individual freedom, however, is its sanctioning of a) the targeting of the poorest suburbs in our state⁴, and b) advertising and promotional techniques designed to seduce people into abandoning the very restraints that the liberal doctrine of freedom demands that they exercise in such circumstances. It is dishonest to ask people to exercise restraint at the poker machine while at the same time endorsing promotions urging abandonment of such restraint. Indeed, any assessment of the amount of human freedom warranted by the advent of the casino and electronic gaming machines in Victoria would depend for its accuracy upon a full knowledge of the facts about the practices and effects of this industry. By suppressing so many of the facts and distorting through its advertising the nature of the industry, the government withholds the basis for assessment of its claim for individual freedom in this matter.

2.4 Conclusion to this chapter

We have argued that by legalising the casino and gaming machines the Victorian government has transformed a recreational activity into a major industry, and that this transformation has had undesirable moral and social effects upon the government itself, the gambling industry and the community at large. The effect upon licensees of elevating gambling to the status of a major industry is to render it in their interests to urge patrons to abandon restraints upon and ignore the hazards of gambling. The effect upon government is to place it in position compromising its role as guardian of the common good by conferring on it a vested interest in a hazardous and predatory industry. In the next chapter we express some views as to what ought to be done to alleviate these problems.

⁴ We note Tabcorp's admission to this Inquiry that ‘... it had a policy of concentrating gaming machines in lower socio-economic areas and about 80 per cent of Tabcorp's revenue came from 20 per cent of the population’ (Ms Tricia Wunsch as reported in *The Age*, 25/11/98, p. 3). The Geelong region had 1310 poker machines located in 28 venues in 1997 [(Authority 1997a), Table 6.20, p. 166]. However, in 1995 of 888 electronic gaming machines licensed in 21 Geelong venues, 437 or 49.2 per cent were located in the poorer suburbs of the City (Bell Prk 55, Corio 50, Breakwater 105, North Geelong 40, Norlane 145, Newcomb 42) (Authority 1995), (Authority 1997a), [Table 6.20, p. 166].

Chapter 3.0

What is to be done about gambling?

3.0 General preference

Any changes made to gambling policy in this or any other state ought to be aimed at restoring it to the status of a recreational activity rather than a major industry. Achievement of this aim will require imposition of certain restraints on the promotion and development of the industry. More important, however, than reforms to the industry itself is the renunciation by government of its vested interest in the industry and resumption of its role of guardian of the common good. The following are our views about some of the measures needed to achieve these aims.

3.1 On the role of government

1. Government must reduce its dependence upon gambling revenues. The common good demands that citizens pay and governments levy the taxes required to meet community needs. Governments have a duty to levy those taxes from appropriate sources in ways that are progressive. Wealth taxes, in our view, are much to be preferred over gambling taxes because unlike gambling, wealth taxes draw more from the better-off. Citizens have a duty in justice, we hold, to pay their fair share of taxes, and governments are entitled to expect them to fulfil that duty.

Indeed, we believe that reform of the role of government would be best achieved by the introduction by the Commonwealth Government of uniform gaming legislation for the nation. The Commonwealth must accept its share of responsibility for the States' dependence on gambling taxes for their revenues. The strengthening of the income tax system and a clamp-down on tax avoidance seems to us to be demanded by the common good. The cure of the States' addiction to gambling taxes rests partly in the hands of the Commonwealth. It is not true, however, that the States are powerless to achieve reform.

2. Government must cease associating itself with promotion of the gambling industry. Not only must it be the guardian of the common good, it must also be seen to be so.
3. Government must not only disclose all facts about gambling and its effects, but also actively seek them out with a view to acting to protect the good of the community.
4. Government must promote education about the hazards of gambling, and the need for restraint on the part of individuals.

5. Government must regulate gambling advertising as strictly as it regulates the advertising of alcohol. All gambling advertising should be required to carry warnings about its hazards. Specifically, we believe that on screen warnings of the hazards of gambling should appear frequently. Moreover there should be clear warnings on signs displayed prominently in gaming areas. Such signs should also include contact details of counselling agencies. Gamblers should be fully informed of the risks involved in each gambling activity: it is not a fair bet if you don't know the odds.
6. Governments must outlaw unethical promotional practices such as those designed to induce patrons to remain in a venue at critical hours such as school finishing hours, and to abandon restraint in their gambling behaviour.
7. Government must amend the law tying gaming hours to liquor trading hours in order to ensure that regulation of gaming hours is decided upon gambling-related evidence and that the Victorian cap on the number of electronic gaming machines is not circumvented by increasing gaming hours.
8. Government must restore to municipalities the power to control the number and location of gaming machines in their local communities. To this end it is imperative the Victorian cap on electronic gaming machines be maintained. These powers should ensure that poorer communities cannot be preyed upon by enabling local communities to limit the number, scale and hours of operation of venues in their areas.
9. Government must require the industry to disclose all conditions of play including the odds of winning at all forms of gambling.

3.2 Conclusion

We reaffirm our belief that gambling as a recreational activity can be a good thing. It is, however, obvious that it is also a hazardous activity. The common good, therefore, demands that citizens be supported rather than preyed upon in their exercise of restraint in their gambling behaviour. As guardian of the common good, government, we have argued, has a duty not only to avoid a vested interest in this business but also to ensure that its dimensions are limited as far as possible to those of a recreation rather than an industry. We condemn therefore as a dereliction of these duties the actions of the Victorian government in elevating gambling to the status of a major industry and compromising its own role as guardian of the common good by doing so. We commend the Productivity Commission for its alertness to the problems associated with gambling and urge it to be courageous in its assessments of those problems and in its recommendations for solving them.

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