

**AUSTRALIA'S GAMBLING INDUSTRIES**

**SUBMISSION FOR THE PRODUCTIVITY COMMISSION**

**Anglicare Victoria – Gippsland Region**

*The focus of this submission is on Sections 4, 6, and 7 of the Issues Paper, September 1998. The information contained in this submission is based on observations of workers representative of Anglicare Gippsland.*

## **INTRODUCTION**

The staff of Anglicare Gippsland are concerned about the effect of gambling on the lives of families. We have many programs which bring us into contact with families who are experiencing difficulties. The following document is a response to the Issues Paper "Australia's Gambling Industries" released by the Productivity Commission in September 1998. The document deals with specific areas within the Issues Paper.

### **SECTION 4: WHO GAMBLES AND WHY?**

*a) Who Gambles?*

The experience of Anglicare Gippsland's staff demonstrates that people in the most disadvantaged situations are frequently those who gamble. In many instances overgambling is suspected as an issue for families and individuals in need of support, however it is not disclosed. When gambling is disclosed as an issue people cite reasons that include a need and hope for extra money, as an avenue of escape from their circumstances for a time, and the fact that the little money they may have will not achieve anything for them, thus they gamble in hope. People also state that they have gambled from hopelessness.

*b) What people gamble on.*

The most popular form of gambling that comes to the attention of Anglicare Gippsland is on Electronic Gaming Machines.

*c) How are people funding their gambling?*

Funding for gambling activities can come from a variety of sources. These include budgeted leisure money, savings, household/grocery money, and in some cases illegal actions such as fraud and theft. Some people have gambled with money from credit cards and loans and money borrowed from friends. The majority of gambling expenditure comes from a minority of players.

Though no statistics have been kept, anecdotal evidence from regions supported by Anglicare Gippsland indicate more and more calls for emergency financial or food assistance are related to gambling expenditure.

d) *Why do people gamble?*

People gamble for a variety of reasons. Electronic Gaming Machines can provide an enjoyable way of socialising with friends. The prices of meals at most venues are very reasonable and there is usually plenty of coffee and small finger food for times in between meals. The venues are a safe place for women to go out alone without fear. In the metropolitan and rural areas gaming venues are seen as places where a person can be accepted regardless of race or skin colour or level of stability. It is an accepting environment.

Gambling is often seen as an opportunity to make money. Some people have won significant amounts of money during their first ventures and have been encouraged by this win to continue gambling. Conversely people who have experienced a sizeable loss whilst gambling have been prompted by this loss to continue gambling with the purpose of winning the money back.

Anglicare Gippsland's experience with families suggests that gambling is rarely an issue in isolation. There are some people whose gambling has simply gone out of control and have benefited from receiving information about Electronic Gaming Machines. In most cases there have been other issues that are causing concern in the person's life; boredom and loneliness are oft cited reasons for going to a gaming venue. Another common response is that gambling provides an 'escape' from distressing issues and situations.

e) *New groups of people gambling.*

It appears that many of the people with issues related to problem gambling had no real interest in gambling before the arrival of Electronic Gaming Machines. We therefore consider this to be a 'new group' of people gambling. Women are well represented in this new group, as are the elderly and young people.

## **SECTION 6: BENEFITS AND COSTS TO INDIVIDUALS**

### **Costs**

a) *What is Problem Gambling?*

Anglicare Gippsland views problem gambling as a consequence of many losses in people's lives. There is a noticeable lack of hope for the future in the community and among the families with whom we work.

We are reluctant to regard problem gambling as an illness or a disease. When people perceive gambling to be a learned behaviour then they can set about learning not to gamble and regain control over this aspect of their lives. The labelling of people as problem gamblers fails to appreciate the diversity of peoples' situations. It serves to define the whole person on the basis of a single behaviour.

b) *How many Australians are problem gamblers?*

Information at the disposal of Anglicare Gippsland suggests that between 1% and 3% of the population are possibly 'problem gamblers'<sup>1</sup>.

c) *How enduring is the problem for the affected gambler?*

Of course this depends on the individual situation. Some people experience problems with gambling for only a short period of time.

Many of the families serviced by Anglicare Gippsland express a need for support at a range of levels. While gambling may appear as a way of coping with problems it also has the potential to bring its own issues and thus exacerbate an already difficult situation. Naturally this could be categorised as an enduring problem, especially when debt and large losses are involved. The following case study illustrates this point.

*Anne was a middle aged divorced woman who found that gambling offered an opportunity to get out of the house and relax for a little while. As her gambling became more frequent and her funds more limited she then began pawning various household items of value. These included a television, video, sewing machine, and computer. Only when all of these items were gone did she then decide to seek emergency relief in order to buy food for the household.*

Gambling doesn't appear to be a satisfactory long-term support strategy but in some situations it may be the only support that is presently available. Anglicare Gippsland is concerned about whether people are finding the support and resources that they need to deal with various issues in their lives. The clustering of gaming venues in areas of lower socio-economic status suggest that in such areas opportunities to gamble are more prevalent than avenues of support.

d) *How many others are affected by problem gambling?*

Information available to Anglicare Gippsland suggests for every one problem gambler there are at least five to ten others who are affected by that one person's gambling<sup>ii</sup>. This includes friends, family members, work mates, employers, and community members.

Anglicare Gippsland's work with families and young people indicates that the secrecy of problem gambling has a significant impact on a person's relationships. Trust is a vital part of a healthy relationship and the lying that can be associated with overgambling leads to loss of trust between partners. Also between parents and children. When parents have stolen money from their children to fund gambling behaviour the lack of trust can amplify any of the normal difficulties that parents and adolescents may have in their communication. Relationships within families have broken down and friendships have been lost.

Families are affected by instances of gambling related crime. The loss of a breadwinner and partner through incarceration places both financial and emotional stress on families. For children there is the stigma associated with a parent being in prison and the embarrassment of missing school excursions and camps due to the subsequent financial situation. We need to consider further the implications of such disruption and dislocation. The family is a fundamental learning environment for children and the absence of a parent may have a significant effect on their lives.

If a person is incarcerated in a regional prison the family is faced with difficulties when visiting. Fulham Correctional Centre is located near the town of Sale, three hours away from Melbourne. It is a long way to travel from Melbourne or indeed other parts of Victoria to visit a friend or a loved one.

In cases of separation and divorce gambling is being used as a weapon for one partner to use when trying to discredit the other partner. This represents a willingness to exploit and perpetuate the negative stereotype of the 'problem gambler'. The term is used to denote an irresponsible person and results in the attachment of a stigma to the individual.

Employers are affected by instances of theft, which can also accompany problem gambling behaviour. People who work in environments that provide easy access to money have found themselves 'borrowing' money from their employer in order to fund gambling behaviour. People who own small businesses have also gambled away their workers' pay packets, which can have a considerable effect on the family of the worker.

- e) *Are there features of gambling technology, which are designed specifically to encourage high levels of gambling?*

Electronic Gaming Machines are an accessible form of gambling. No knowledge or skill is required. It is possible to lose large amounts of money in a relatively short time. The seemingly low amount required to play (1 cent or 5 cents) can be deceptive when enticing people to gamble large amounts of money. Fifty dollars into a 1 cent machine or into a 1 dollar machine is fifty dollars nonetheless.

The size and the location of the Crown Casino has also been a concern for clients of Anglicare Gippsland. Its location in the heart of the city is ideal for the purpose of marketing and exposure. The use of high profile sporting celebrities has proven to be a major attraction to young people. Even if they have no interest in gambling then they at least want to be at the place where they can see their sporting heroes 'up close'. This level of advertising and incentives indicates a strategy of targeting local people.

- f) *Are there consumer issues?*

The provision of complimentary services and promotions clearly intensifies people's rationalising aspects of their gambling behaviour. This means that there are perceived benefits from visiting a venue such as a cheap meal or complimentary drinks and snacks. This can provide a 'legitimate' reason for visiting a venue and then 'incidentally' playing the Electronic Gaming Machines. A common enticement is the 'free' \$5.00 voucher with a meal on a certain evening at a venue. There is a clear purpose here to direct a patron into the gaming area of the venue.

Anglicare Gippsland is concerned about the consumer issues related to advertising in the gaming industry. There appears to be a paucity of information available to the public explaining the odds associated with gambling and the risks involved. These consumer issues add to individual and community costs. The question raised here is whether or not it is possible for consumers to make an informed choice when they do not have all of the relevant information at their disposal.

## **SECTION 7: BENEFITS AND COSTS FOR LOCAL COMMUNITIES**

- a) *How important are gambling establishments to their local economies?*

There have been some suggestions that the presence of gaming venues in small towns has had an adverse affect on small business. This may be applicable in some cases. Cafes and restaurants have found it difficult competing with the gaming venues that provide cheaper meals and 'free' entertainment. Florists and gift shops have also commented on the fact that people seem be less inclined to spend their small change in their shops preferring instead to go and play the poker machines.

A concern for regional areas is the amount of money that is directed out of the local economy via Electronic Gaming Machines. Whenever money is spent in a poker machine in a regional area, two thirds of the money spent will leave the local area. One third goes to the State Government in the form of tax and the other third goes to the owner of the machines, either Tattersall's or Tabcorp. This is money, which can no longer circulate, in the local economy.

- b) *How are small towns without gambling facilities affected by the existence of nearby towns with gambling facilities?*

There are still many small towns that don't have gambling facilities. We would suggest that simply stopping for a drink and meal in a neighbouring town does not represent as substantial diversion of money as does gambling regularly in a neighbouring town. Meals tend to be cheaper at the venues that have Electronic Gaming Machines. Furthermore gambling does not have the driving restriction associated with alcohol. A person can gamble for as long as they like and still be able to drive. This point becomes pertinent when considering the relative ease with which a person can spend significant amounts of money whilst playing Electronic Gaming Machines.

## **RECOMMENDATIONS**

In consideration of the information presented, the staff of Anglicare Gippsland propose the following recommendations:

1. That there be a tightening of industry regulations in respect to the establishment of new gaming venues throughout the State, and that future Electronic Gaming Machine distribution proposals be fully evaluated by Government before approval,
2. That further promotional material regarding G-Line, and 'BreakEven' problem gambling services be made available throughout the relevant localities,
3. That the inclusion of clocks and natural light be considered as criteria for the establishment of new gaming venues, and be recommended for established ones,
4. That the removal of Automatic Teller Machines from gaming venues be considered,
5. That Federal, State and Local government initiatives be examined, to create entertainment alternatives, especially for regional and country areas.

**STUART MANDERSON**  
 'BREAKEVEN' PROBLEM GAMBLING COUNSELLOR  
 on behalf of Anglicare Gippsland

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<sup>i</sup>. "Definition and Incidence of Problem Gambling, including the Socio-Economic Distribution of Gamblers" Victorian Casino and Gaming Authority: Australian Institute for Gambling Research 1997.

<sup>ii</sup> 'An Overview of Pathological Gambling' A paper by Dr Clive Allcock, Cumberland Hospital, Sydney