

Anglicare Tasmania Inc.  
GPO Box 1620  
HOBART 7001

Tel. 03 62343510  
Fax. 03 62316480

## **Anglicare Tasmania**

# ***Submission to Productivity Commission Inquiry into Gambling***

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## ***Organisational Background***

In the past three years Anglicare's Social Action and Research Unit has completed two comprehensive research reports on problem gambling in Tasmania.

The first, *More than just a bob each way: Tasmania takes the gamble out of service delivery*, provided the basis for planning and establishing support services for problem gamblers in the lead up to the introduction of gaming machines in Tasmanian hotels and clubs in 1997.

The State Government adopted the report's recommendations.

The second report, *Patron Care Policies and Programs for the Tasmanian Gambling Industry*, was completed for the Tasmanian Gambling Industry Group. It made recommendations regarding best practice in patron care, which once again were accepted by the industry

Copies of both reports have previously been forwarded to the Productivity Commission.

Anglicare Tasmania also operates problem gambling counselling, financial and relationship counselling and gambling community education services.

Anglicare has therefore built up a high level of expertise, experience and knowledge on the social effects of gambling.

This unusual combination of research and program experience has been developed in a state which on most indices is clearly the most disadvantaged in the nation.

Anglicare Tasmania is therefore uniquely placed to comment on the social effects of gambling, especially on low-income individuals and families.

## ***Executive Summary***

Gambling is now one of the major causes of social problems in Tasmania.

In the context of sustained levels of unemployment above 10%, and family incomes close to 20% below the national average, the tripling of real gambling per head since the early 1970s is having serious social impacts in this state.

Since the extension of Electronic Gaming Machines into hotels and clubs at the beginning of 1997, these problems have greatly increased.

Urgent action is now required, if the growing impact evident on low income families, increasingly including women and young people is to be controlled.

This will require:

- **That the proposal to remove all betting limits on EGMs in Tasmania from January 1 be abandoned.**
- **That the community support levy be extended to enable an increase in education and support services.**
- **That taxation reform reduces State government dependence on regressive gambling taxation revenue.**

## ***Social Impacts***

### ***Financial Hardship***

The recently completed evaluation of Tasmanian Break Even Services found that 73% of clients with a known income have an income below \$30,000 and 50% below \$20,000.

The national figure of net gambling losses representing more than 3% of household disposable income is significantly higher in low income groups.

With an increase of 400% in turnover of EGMs in the 1997-8 and a total gambling turnover of 41.3 billion, it is obvious why Anglicare financial and problem gambling counsellors are seeing an increasing number of people in financial hardship.

The impacts are greater on the families of problem gamblers, but even average income families losing average amounts are now seriously impacting on their capacity to pay essential bills and provide opportunities for their children. Median household income in Tasmania in 1996 was \$530 per week (in comparison to the national figure of \$637), which leaves little capacity to afford the \$1.3 billion gambled last year without serious social impacts on family life

After-gambling family income has now become the real measure of poverty in Tasmania.

### ***Promotion of a Regressive Taxation System***

Gambling disproportionately effects low income families.

Gambling now provides about 10% of state taxation revenue.

Government support and promotion of gambling therefore represents promotion and dependence on a taxation system, which effectively redistributes income regressively.

### ***Growing Impact on Young People and Women***

New forms of gambling have been successfully targeted at women and young people. The extension and promotion of EGMs has led to a large increase in the number of

female problem gamblers. The 'woman friendly' nature of venues is well documented (Brown and Coventry 1996).

Most Break Even clients are under 40, with significant numbers in their twenties.

### ***Growing Impact on Families***

Tasmanian families are already poorer than those in the rest of Australia. As noted earlier the median weekly income in this state is significantly lower than in the rest of Australia.

Often the families bear the burden of the problem gambler, the children can be deprived of essential services and often go without any extras. There are also cases of young children being left outside the gambling venue to fend for themselves. It is not unusual to have to find food parcels for these families, placing a greater burden on emergency relief funds.

The full impact of the introduction of EGMs to clubs and hotels in this state has not been fully examined. However, we do know that in the first full financial year of their operation, electronic gaming machines were fed more than \$206 million, this is an increase of 400% on 1996-97.

Anglicare strongly believes that the removal of betting limits will lead to even greater hardship for many low-income families.

### ***Problem Gamblers***

A study conducted in 1994 by Prof Dickerson on the extent and impact of problem gambling in Tasmania estimated that 1.6% of the population experienced problems with gambling. The report highlighted that each 'case' of problem gambling may have an adverse effect on 10 people close to the gambler. The cost to the individual, their family and friends, is therefore considerable and, with the introduction of EGMs into hotels and clubs, likely to have further increased since this study.

Abstinence is the main focus when working with problem gamblers. In the past this has been reasonably achievable, as the main venues for gambling were the Casinos and TAB. Strategies could be implemented fairly easily as the casinos provide for self-barring of the problem gambler. As well as this counsellors could discuss strategies to keep the problem gambler away from the venues.

Although there is a self-barring program in the Break Even service, individual outlets need to be named. It is impossible to list every venue within the Hobart area. Experience shows if you help somebody to bar themselves from a particular venue they often simply travel to the next suburb. It also needs to be remembered that the local hotel is one of the main focuses for entertainment, are we going to preclude a certain percentage of people access to entertainment.

## **The Way Forward**

### ***Taxation Reform: Reducing levels of Government Dependency***

‘Governments are often seduced by the revenue stream created by this highly taxed industry, and fail to look to downstream costs, similar to the behaviour of the problem gambler’ (Sullivan, Consumer Rights Journal, May 1997)

In the 1996-97 Tasmania derived 9.7% of state raised revenue from gambling.

Given the state’s declining revenue base, aging population and growing social problems, there now seems to be a government dependency on gambling to fund essential services.

Gambling is likely therefore to continue to be promoted and expanded, despite the negative social and economic implications for many community members.

If gambling is to be effectively controlled, these revenue issues must be addressed.

The current reform of the taxation system provides the ideal opportunity to complete such work. The new system must provide financial compensation, and hopefully even rewards, for states which succeed in reducing total gambling turnover

This shift will be positive in overall taxation terms because of the hidden costs of problem gambling.

A more equitable, but also more cost effective taxation system would see reduced gambling and reduced gambling taxes being compensated by other state revenue.

### ***Reducing Gambling Turnover***

There is absolutely no way that further growth in gambling turnover will occur without corresponding increases in social costs. Instead, present restrictions must be extended and the number of gambling outlets should be reduced over time.

As an absolutely essential and minimum first step, the planned removal of betting limits on EGMS in clubs and hotels from January 1 should be abandoned.

### ***Improving Education and Community Support Services***

The community support levy is presently only applies to EGMs in hotels and clubs. People can also experience problems from gambling through the TAB and the Casinos. The community support levy should be imposed across all the major forms of gambling to enable support and education services to be expanded.

It should be emphasised that the success of such an approach is dependent on urgent measures being taken to ensure the industry’s overall growth is curtailed.