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Gambling

**Does It Generate Crime
Domestic Violence
And
Violate and Discolour the true Picture of our Domestic Economy**

The Crime

According to our survey questionnaires more than 20% of our clients have reported legal problems as a result of their gambling. Crime can take the forms of:

1. Taking funds from family and employers using debit and credit cards
2. Stealing from family, friends and employers items and then 'hocking ' or selling them on
3. Stealing funds from family, friends and employees in other ways. These could be from purses, wallets, social or punters clubs, petty cash theft or fraud using saving and cheque accounts
4. Fraud of government agencies, for example Centrelink

Even though these issues are sometimes called legal problems, they are still recognized as a crime.

Domestic Violence

Domestic violence can also include financial abuse. In reviewing my files, I have the notion that problem gamblers appear to be increasingly depriving partners and children of sufficient finance to buy the necessities of life, leading to many difficulties which cause social dysfunction. I wish to give two examples that illustrate the financial abuse of a family

1. A family (married 13 years) of father, mother and 12 year old child. The mother started gambling approximately 5 years ago and this soon became a big problem. Although the father earned \$45K and the mother \$60K, it was not long before she was owing large sums in debt. In order to assist the mother to overcome her difficulties the father agreed to borrow against the house (which was valued at \$450K) which consolidated cost them \$105K. Two years later another consolidation was required which cost \$125K. Twelve months later a sickness struck the mother which meant that the mother could no longer work. The house is now sold and all of the family's savings have gone. The house, which was originally worth \$450K, was now valued at \$220K after the two consolidations. In addition to this, legal and other incidentals brought the value down even further to \$185K. The mother is still unwell and the family is now housed in rental accommodation. Money that they had from health insurance was also gambled.

2. Family of a neighbouring country had saved very hard for two years, to assist in the passage of the eldest son to Australia. He was to gain employment and to send home \$100 per fortnight so that the family may have a better lifestyle back home. When the son arrives in Australia, he procures a job which earns \$900 per fortnight (after tax). For the first six months, the son sends money home but after that time gambling on poker machines becomes a problem. As a result of this gambling on poker machines, his debts become bigger and he stops sending money home to his family.

These two cases illustrate a fast growing form of domestic violence which is expressed through financial abuse.

The instance of physical abuse is harder to ascertain, however 4% of problem gamblers that I have seen have admitted to abusing their partner to gain financial benefits. These benefits are obtained either by the partner or family member being forced to give money for gambling directly or by the partner being coerced into applying for credit.

We have seen an increase in bankruptcies with problem gamblers who come to our agency. They bankruptcies fall into two categories: Consumer and Small Business. In both of these cases it is not clear cut that gambling was the cause of the bankruptcy, however what is clear is that the gambling activities of the bankrupt person accelerated their insolvency.

For example a client came to our agency for help with his gambling and financial problems. He had a small retail wholesale business, where his shop was undergoing renovations which affected his clientele. He went gambling one night per week and lost an average of \$250 each session. If his business was experiencing better times this amount would be negligible however because of the other business difficulties his debt spiralled to a total of \$251K. It is quite possible that if he did not gamble he still may have needed to liquidate all of his assets and enter into bankruptcy.

We have had some success in avoiding bankruptcy for clients that come to our agency. To illustrate this point in the last financial year (98 -99), 42 clients have asked me to help with their bankruptcy. Out of these 42, only 10 actually needed to be declared bankrupt. Of the other 32, 23 are working at the task of repaying their debts and the other 9 have had to sell their assets (and for 6 of the 9, their homes) to satisfy their debtors.


Dennis Borham

Response to Productivity Commission Draft Report

16th September, 1999

On Behalf of

GAME – *An Activity of*

Society of St Vincent de Paul

Dennis Borham (Co – Director)

Mark Milic (Psychologist)

Eva Fera (Co - Director)

...a pro**G**ramme
for g**A**mblers
& their fa**M**ilies
with probl**E**ms...

General Comments on the Draft

The draft is a comprehensive and welcome information source on gambling in Australia. It is a well – researched and disinterested report whose authors have gone beyond information – gathering towards making recommendations which are guided by social principles (especially utilitarian principles).

The Commission has attempted the difficult task of weighing up the social benefits of gambling against the social costs. Importantly, it has found that gambling contributes little to national income, jobs and trade since “most of the resources in the gambling industries will have been diverted from other industries” (p. xxv). The Commission suggests that the social benefit from gambling is largely attributable to the perceived enjoyment by consumers of gambling entertainment.

The social costs, on the other hand, are largely attributable to the suffering of problem gamblers and those around them. Problem gamblers are estimated by the commission to spend twenty times more money on gambling than other gamblers.

The Commission has bravely attempted to translate these costs and benefits into money terms to make the comparison possible. From their cost – benefit analysis, the commission has concluded that “the net impact of gambling is probably in the positive direction, with the benefits slightly outweighing the social costs. But there is a possibility that they may be negative” (p. xxxviii). One reason that the net impact of gambling may be negative is that the Commission’s estimate of the number of problem gamblers is “more likely to understate than overstate the number of people in Australia with severe gambling problems” (p. xxx).

We would simply like to reinforce the preceding point. Any policy decisions regarding gambling (such as regulating the number of poker machines) should take into account the possibility that the net social contribution of gambling may be negative. We also believe that the Commission’s finding that “75 per cent of people surveyed believed gambling does more harm than good and 92 per cent did not want to see an increase in gaming machines” is worth highlighting.

At the same time it is worth noting that the net social contribution of each form of gambling will vary. For example, electronic gaming machines, off – course betting and casino gambling are more closely associated with problem gambling than lotto, bingo or even keno.

We also welcome some of the Commission’s findings and recommendations in regard to counselling services for problem gamblers and those around them. We agree that counselling services need to be funded on a more long – term (eg. Triennial) basis.

Comments on Chapter 16 of the Draft

Some of the points made in relation to the issues of assessment and treatment of problem gamblers are not supported by adequate research or argument.

The Commission either implies, states or uncritically quotes claims to the effect that formal assessment is a necessary preliminary step to providing clients with the most appropriate treatment (p. 16.32). This claim needs to be critically examined in the light of the following arguments.

Firstly, it needs to be pointed out that counsellors are making assessments, judgements, and evaluations of the client continuously as part of the counselling program. Sometimes it may be useful to do this in a structured fashion (by explicitly using DSMIV criteria for example). Questionnaires administered to clients (such as the SOGS) are sometimes described as “objective” clinical “instruments” or “tools”. Yet the client’s responses to these questions are no more objective or subjective than his or her responses to other questions asked by the counsellor.

Rather than valorising formal assessment as a special path to scientific rigor or evidence based treatment and research, we should recognize formal assessment for what it is. It is simply a systematic and replicable way of observing or asking questions of the client, which often enables the client’s responses to be compared to a normative group or groups. Whether such quantification and comparison assists the therapeutic process is open to debate.

A second argument which might lead us to take a less credulous view of assessment touches on the importance of relationship building in the therapeutic process. Sometimes it may be in the interests of rapport building to simply accept the clients opinion as to the degree of his or her problem rather than searching for an “objective” measure of the clients distress. This is especially true in crisis situations or in situations where time is limited.

Furthermore there are good arguments for the use of brief interventions such as motivational interviewing and single – session therapy with some clients. A sizeable proportion of clients attending counselling will only attend for one session, in which case a treatment such as motivational interviewing would be appropriate. Subjecting the clients to something like a “ full assessment of comorbidity” as mentioned in the report (p. 16.33) would be counterproductive in such a situation since a structured clinical interview for the DSMIV may take hours to complete.

Finally, when conducting assessments it is good to keep in mind the major purposes of formal assessments:

- (1) to assist in treatment planning and delivery
- (2) to provide a base – line measure which can be used to assess progress and measure the effectiveness of counselling

(3) for research purposes; to communicated with other professionals by means of a commonly understood language which translates psychological states into data.

In all cases we should be clear, when we are conducting an assessment, to what extent we are acting in the client's interests and to what extent we are acting in our own interests or the interests of some data – collecting agency or other institution.

A handwritten signature in black ink, appearing to read 'Mark Milic', with a stylized, cursive script.

Mark Milic