

***RESPONSE TO
THE PRODUCTIVITY COMMISSION
ON
AUSTRALIA'S GAMBLING INDUSTRY***

Submission presented by

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&

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The Southside Coalition of Emergency Relief Welfare Agencies is made up of members from 82 Welfare Agencies. Geographically covering an area from Ipswich, across to Beenleigh, taking in the Bayside suburbs and back to South Brisbane.

Our meetings are a forum whereby we can through consultation work more effectively in the area of Crisis Care. They are also a way of uniting as 'one voice' when factors directly affecting our community need to be relayed to the government in order for assistance to be forthcoming or changes made.

As 'grass roots' workers we are very much aware of the difficulties facing many Australian families today.

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Gambling is seen as the opportunity to become rich for as little outlay as possible, while its effects have become so widespread and so entrenched that it is unclear at times to distinguish between what is gambling and what is promotional marketing. Gambling takes many forms. It is very subtle in its presentation - from scratchie cards in potato chip packets to the Online Internet gambling.

People do not understand the reality of the 'odds' that are necessary to winning. It is the result, in part, to the irresponsible marketing.

As early as March 21, in **The Sunday Mail** Editorial titled: *Timely pause on gaming*, it was stated: *Gaming in Australia is threatening to develop into a major social problem. It is not yet out of control in Queensland but the state must ensure it does not go down the dangerous road of states like Victoria where poker machines are in shopping centres and compulsive gambling is rife.*

Mr Hamill (Qld Treasurer) is rightly concerned about the social consequences of gaming, particularly in its effects on families, and believes that the benefits of gaming should be returned to the community, where they belong. The review must involve consultation with all parties but the interests of the community at large are paramount. (**The Sunday Mail** March 21, 1999 Editorial Pg 12).

The comments expressed in the editorial are the feelings in the general community, and indeed the feelings of the Southside Coalition of Emergency Relief Welfare Agencies. However, it would appear that the expressed desires of the community were not, and have not, been taken seriously or considered valid.

On July 20, **The Courier Mail** reported that *the Treasurer (again) had pledged to take action to end the negative of gambling in Queensland ... (and that) restrictions on the growth of gaming machines will be imposed soon. Submissions to the Government's review of gaming had uncovered a deep seated community concern about the proliferation of gaming machines...* (**The Courier Mail** July 20, 1999 Pg 2)

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In the same article it was revealed that:

Under legislation introduced by the previous Coalition government, the number of legal allowable gaming machines increased in Queensland as of July 1. Hotels are able to increase gaming machines from 30 to 35 and clubs from 270 to 280. Under legislation the number were due to be increased again in a year. (The Courier Mail July 20, 1999 Pg 2)

*The Courier Mail on August 1, under the title **The Minister for Hypocrisy**, reported that Mr Hamill had ordered an inquiry into Queensland's gaming industry... (and that) 'We must ask ourselves whether this continuing growth is beneficial' Mr Hamill told the Sunday Mail on July 4. He announced the state's sports clubs would have their funding slashed and given to charities next year in a move to tackle the increasing number of problem gamblers. (The Sunday Mail August 1, 1999 Pg 4)*

These comments from Mr Hamill followed the release of the Productivity Commission's Draft Report on Australia's Gambling Industry, in which it demonstrated that the effects of gambling was far more widespread than had previously been felt.

The Courier Mail on July 20, the day after the release of the report, wrote: Queensland had the second highest number of problem gamblers per capita with more than 65,000, (which) afflicted 2.5 per cent of the population.

The report said state governments were partly to blame for the epidemic of problem gamblers. State governments had allowed a proliferation of gambling - doubling their revenue in the process - but failed to conduct adequate research into consequences of increasing availability of gambling or properly regulate the industry. (The Courier Mail July 20, 1999)

On Wednesday July 21, **The Courier Mail** in its editorial: *Gambling a two way addiction* wrote:

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330,000 Australians have a significant gambling problems, often going without food and other essentials, is a major social problem, especially when this addiction leads to bankruptcy, divorce, spousal and child abuse and crime. At the same time the states and territories have their own addiction: in 1997-98 gambling accounted for one-eighth of all non-federal taxes. In a neat coincidence, the money raised by the states and territories is \$3.8 billion, the same amount the Productivity Commission estimates is lost annually by Australia's problem gamblers...

The Queensland Government's inquiry into gambling is likely to recommend a cap be put on the number of machines in this state, the expansion of which was foreshadowed by the previous government...

While the gambling industry is growing in response to a seemingly as yet unmet demand, there is a compelling case for government intervention. No one is going to unscramble the egg, but there is an argument for rational and uniform regulation. (The Courier Mail July 21, 1999 Editorial)

The Queensland community and Welfare Agencies have found that the Government's enquiry was very limiting and selective of who took part. All involved, and not involved, are still awaiting the Government's enquiry to issue its report and for the treasurer to implement its recommendations.

Mr Hamill's comments in support of a review are to be commended, but falls far short of actually doing something concrete to reduce the spiraling gaming addiction in this state. Queensland's parliament had the opportunity to follow the lead already taken by the New South Wales government and introduce legislation that would implement the recommendations of both the Productivity Commission draft report and the present review directed by the treasurer.

The problematic issue of the effects of gambling on the Australian community is one that will not go away and one that has to be addressed, both at a moral and ethical level, by all levels of government and community.

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The impact that gambling has on the problem gambler is well documented. It effects every part of the gambler's life - Personal/Family, Work, Financial, Community, Interpersonal and Legal, as illustrated in the draft report.

The effects of gambling are not restricted to the problem gamblers. The problem has a domino effect. The problem gambler takes from the household the only means of income and hence the provision of basic needs as sited in the draft report.

A Welfare Agency dealing directly with ethnic communities sites that the problem with gambling and gaming machines has an equal impact on their community as it does on mainstream Australian society. Their approach to dealing with the incident party affected by gambling, has to be an holistic one due to the fact that they deal with the victim rather than the partner with the addiction. Not withstanding the known impact, as addressed in the report, on the indigenous community.

The Southside Coalition of Emergency Relief Welfare Agencies to highlight this presents three case studies. (These are actual cases submitted by members of the Coalition)

Case Study 1:

The husband and wife present to a welfare work the following difficulties.

They had moved to a better area because of their joint income and to provide a better environment for their two small children.

Unfortunately due to illness, one partner was forced to withdraw from the workforce. The mother of the other partner, the children's grandmother, suggested she move in and contribute to the household by covering the rental payments. This would be a two way result - helping them to maintain their lifestyle and the mother would have no other outlay.

Over the following weeks the young couple fed and support their mother. The young couple believed that their mother was paying the rent. Several weeks later they received a letter asking them to remedy their rental arrears for 4 weeks.

It was discovered that the mother had been attending a local club and playing the

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poker machines in the hope of winning the 'big one' and overcoming all the family's financial problems.

The mother could not meet her financial commitments and had used her family as a way of escape.

The implications of this case was the family became dysfunctional, parents fighting with parent, partner fighting with partner, children seeing the disagreements and the unhappiness between their parent and grandparent.

Assistance was sought from a welfare agency, which could only offer token support and financial assistance due financial restraints on funds. The family was ultimately faced with eviction and ultimately homelessness.

Case Study 2:

A father of three, has been placed on a disability pension due to a work accident. He is depressed and finding it very hard to manage on a reduced income. Life at home is not easy. He and his wife often fight. It is always over finance.

He receives his pension on a Thursday. He has the rent to pay and food to buy. He needs to make money. If he spend just a few dollars on the 'pokies', he can make enough money to reduce their financial burden, or so he thought. By the evening he had lost all his pension and had not paid any of his commitment. He related this story to the welfare officer when he accessed a service seeking assistance to pay his rent and food. Unfortunately the service was only able to assist the client with food, due to the same restraints of the other service.

Case Study 3:

A young woman, in tears, and her partner are interviewed by a welfare counsellor. She has never had to access a Welfare service before, but she is desperate. She has commitments, house repayments to be paid, food to be purchased, the overdue electricity account to be paid. But she has no money.

She has gambled all her income, including wages and house repayments, and that of her partner's on the 'pokies' in the hope that they would strike it lucky. In just one sitting she had gambled over \$800. Now they were threatened with the loss of

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their home. They were owing over \$5000.

Little assistance could be offered due to the large case load of the agency.

The woman is now attending GA and is gradually getting back on her feet financially. Unfortunately the partnership did not survive.

The issue of gaming machines and the revenue they generate must be addressed and the outcomes must not be ones that will allow the government to smooth over the waters. Hard decisions must be taken that are protective of those most at risk.

No government to date has been prepared to tackle the issue of gambling head on, due repercussions to its administration. New South Wales with its Responsible Gambling Bill has gone some way to addressing the problem, although it has not gone far enough and the Minister has been given the powers to regulate without any consultation. Queensland has yet to introduce any reform legislation on gaming.

In more than one area of Brisbane known for their low socio-economic environment, several clubs have recently upgraded their ATM facilities to take all EFTPOS cards. If ATM facilities were removed from the clubs it would act as a restraint for clients from accessing monies essential to the payment of utilities, rent, food, childcare, clothing (the provision of basic needs).

The New South Wales legislation gives good indication of the distances ATM facilities should be placed in proximity to clubs.

One Welfare Agency relates a case where a client, when told about the new ATM facility at his local club, said: *Good, I can go to the club to get my money out when I need it.* This client is known to have a gambling problem. His partner has cut up his keycard and he has no access to their accounts. He is allowed \$20 a week to play the 'pokies'. When the money runs out he endeavours to bludge money from acquaintances and family to continue his addiction with the 'pokies'.

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Many Welfare Agencies are finding it very difficult in managing their present caseload without the added pressure of dealing with families who are facing financial ruin because of their addiction to the 'pokie' machines. An agency report reveals that there are many cases that are not being given attention or are being ignored by the public and government. These cases are affecting not only individuals but also the lives of those involved with or close to persons with gambling problems.

In presenting this submission, the Southside Coalition of Emergency Relief Welfare Agencies tender the following recommendations:

- 1 A national Research Centre be established to further investigate the on-going impact of gambling on the community. That all research relating to gambling be kept as a unit in order to provide a clear overview of the whole impact on the community. The research centre must be funded by the federal government but must be kept independent and autonomous of any government, both Federal and State. It must have no-one association with the gaming industry nor receive any funding from it.
- 2 The issuing of gaming licenses be taken out of the sphere of the state and territories and be placed into the hands of the Federal administration, as sited in the Draft Report chapter 21.12 (Sub 66, p.23). It is to be placed into the agency that has the responsibility for consumer protection and not as it presently is here in Queensland, under the present agency whose primary objective is that of increasing state revenue.
- 3 That a review of the percentage of funding allocation from gaming fund revenue be increased significantly. This money is to be used for the development of programs for those with a gambling addiction. It is to be used in the improvement of counseling services provided by the major counseling services. It must be more than just placing stickers on the back of toilet doors telling patrons where to ring when they become addicted to gambling and gaming machines.

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- 4 Clearly defined boundaries should be put into place to clarify exactly what is promotional marketing and the removal of scratchies or other enticements that are clearly designed to promote 'games of chance'.

- 5 The rescinding of a license should a venue introduce questionable or irresponsible practices - such as -
 - Promotional prizes that entice low income recipients to spend money and time which they do not have
 - Placement of ATM's away from gaming areas, as indicated in the NSW draft Responsible Gambling.
 - Not to provide child minding facilities in the club.

We, a group of Welfare Agencies known as the Southside Coalition of Emergency Relief Welfare Agencies in making this submission trust that those that have the opportunity to read it will see the need and exercise reasonableness in our request to make the gambling industry more accountable and morally responsible for those less able to consciously avoid the known pitfalls that gambling has.

Let's not give a person a bowl of rice but rather, teach them how to grow rice.