

24/95 Sydney Harbour Casino

(A report from the Social Issues Committee.)

1. Synod resolution 24/95 says -

"This Synod, noting the opening of the Sydney Harbour casino on Wednesday September 13, and also noting the previously expressed strong opposition to casinos by this Diocese resolves to -

- (a) reaffirm its opposition to casinos, recognising the consequent human and financial cost suffered;
- (b) request the Standing Committee to ask its Social Issues Committee and the Home Mission Society -
 - (i) to monitor the social impact of the Sydney Harbour Casino on the local and wider community;
 - (ii) to obtain and evaluate any research undertaken by the Casino Community Benefit Fund; and
 - (iii) to report back to the next Synod in 1996 and, in the light of that report, to suggest possible strategies for ministry to the victims of gambling and their families."

2. By agreement between the Standing Committee, the Social Issues Committee and the Home Mission Society, the Social Issues Committee took responsibility for the initial response to the resolution.

A Summary of Existing Research

3. The following is a broad summary of the state of research of gambling in Australia. For the purposes of this report, the committee has identified two major areas of research: research into the broad effects of gambling and research into problem gamblers.

Research into the broad effects of gambling

4. Gambling has become the boom industry of the 1990s. Governments all over the world are taking advantage of the economic benefits to be gained through the industry. Australia's casinos have increased from eight in 1991-92 to fourteen at the end of 1994-95. As far as casinos are concerned, the industry is in a time of growth. The debt ratios are relatively high and the overall pre-tax profit margin has dropped since 1991-92. In addition, all states in Australia are in the process of changing gaming by introducing gaming machines into clubs and hotels if they have not been there before. Legislation has been adjusted to facilitate these changes.

Financial Output Impacts

5. A recent report prepared for the Casino Community Benefit Fund Trustees and released in January 1996, estimated the initial output of the NSW gambling sector at \$2.9 billion (1993-94) representing 2.3% of value added output (or gross state product). For the Australian economy, every \$1 spent on gambling leads to a total expenditure impact of between \$2 and \$3 dollars; ie, every dollar put into a gaming machine generates two or three dollars before it runs out.

6. The largest component of gambling in NSW is through gaming machines which represent 67% of total gambling. The direct expenditure of the sector represents 3.1% of household disposable income in NSW. A study by AGB McNair in Victoria revealed that 58% of the money spent on gambling came from house-keeping and living costs. There are claims that sections of retail trade, including clothing and apparel, white goods, and food and entertainment, are being affected by the introduction of gaming machines in Victoria.

Employment

7. In NSW, the direct employment consequences of gambling, including the Sydney Harbour Casino, are estimated at the equivalent of 15,000-17,000 full-time jobs, rising, once flow on effects are included, to 23,000-25,600. Direct employment equates with employment within the gaming industry, staffing gambling facilities or involved in their management. Jobs included in flow-on effects include those that are partially or fully reliant on the existence of the industry, eg in the racing sector, breeding, owning, training and keeping horses, jockeys and trotting rig drivers, veterinary and farrier services.

State revenue

8. In 1993-94 the total NSW government revenue from gaming and wagering was \$1,010 million; with gaming contributing \$698 million and racing \$321 million. The gambling generated share of state taxes, fines and fees was 11.9%.

Research into problem gambling

9. Studies show that gambling is viewed as an important leisure activity. However, 20% of men and women are reported not to gamble at all, 38% to gamble weekly, 19% to gamble monthly and 23% to gamble less often.

10. Problem gamblers are defined by a protocol designed by the American Psychiatric Association (1994). Using this criterion the report to the Casino Community Benefit Trustees found that the state of NSW has the largest proportion of problem gamblers in Australia and that Australia has the largest percentage of problem gamblers when compared to other developed countries where the same protocol has been used. Thus, given the level of expenditure and the availability of a wide range of gaming and wagering products, it is to be expected that the negative effects of gambling on individuals and families would be higher in NSW than in other jurisdictions.

11. At a gambling conference held in Tasmania in November 1995 it was made clear that policies and services in Australia with regard to problem gambling are unique internationally. Much of the initial work has been done in Victoria where problem gambling has become visible in the last two years. Queensland has developed a low key response, but both states have more advanced infrastructure to deal with the problem than NSW.

12. In NSW a community benefit fund of 2% of the Sydney Harbour Casino gross annual intake has been established with the priority goals of funding services for problem gamblers and of completing social and economic impact studies. Initial research evolving from this fund has identified three necessary responses to problem gambling: information and education services, prevention services and treatment services.

13. Queensland and Victoria are the first states in Australia to establish state-wide networks of services for problem gamblers and their families. This has not been attempted previously anywhere internationally and therefore the emerging best practice models must be seen as tentative and requiring further evaluation. It is generally accepted that the infrastructure of a satisfactory set of services comprises -

- a government department (usually community services) with overall responsibility; and
- a reference group advising on policy, usually comprising gaming and wagering industry stakeholders, service deliverers and peak non-government welfare groups.

14. Effective direct services are seen to include -

- a 24 hour toll free contact number for problem gamblers and their families;
- specifically identified and state wide network of resource centres with a supporting referral network; and
- a publicity and education program.

15. Rob Woolton, Executive Director of the Victorian Council on Compulsive Gambling, divides the gambling population into the following four categories -

- occasional gamblers: those who gamble on Melbourne Cup Day, take a ticket in lottery, or play the poker machines if they are in the club. Occasional gamblers limit themselves within the leisure component of their ordinary budget.
- regular and serious gamblers: those who like 'to have a go' and like to accept the challenge of beating the system, but not to the extent of intolerance of losing. Regular gamblers accept losing as a fact of gambling, and accept that you cannot win all the time.
- problem gamblers: those whose gambling is not adequately controlled. They range from those at the extreme end of the scale to those whose habit is less intensive or intermittent.
- professional gamblers: a small group of intelligent players who have been sufficiently successful to make a living by gambling.

16. The problem gambling population of NSW has been conservatively estimated at 50,000 of whom 3% (about 1500) will seek help each year. As noted above, by far the largest component of gambling in NSW is through gaming machines, representing 67% of the total. In NSW and other states pressure to move poker machines into pubs is making the most addictive form of gambling more accessible. It follows that machine gambling is likely to make the largest contribution to problem gambling. There are also features of machine gambling that tend to this result. Machine gambling is very different to other forms of gambling. To quote the Reverend Lance Armstrong of the Tasmanian Greens -

Gaming machines are very different to other forms of gambling because they represent the most addictive form of gambling. The psychology behind these machines is akin to the research findings of that well-known research psychologist, B.F. Skinner - who demonstrated that the best

way of conditioning people to perform a desired behavioural act is to give them Intermittent rewards, as opposed to a reward every time they do the act.

That is how poker machines are programmed - to give intermittent rewards, often at the crucial time and thereby encouraging the players to keep playing.

In addition gaming machines are programmed to ensure that the owners make an overall profit, and in this sense the end result is predetermined.

Video machines are also exploitive in that they offer a mindless activity. Unlike horse racing, for example, knowledge and skill cannot improve the odds of winning and, in comparison with other forms of gambling, the scope for social interaction is minimal.

There follows a natural consequence. Instead of seeking diversion from gambling, pressure gambling narrows the vision to the pursuit of amassing money for its own sake, the gambler is strait-jacketed within a single activity, any broader social interest swiftly degenerates into self centred avarice, and good fellowship, associated with traditional gambling is not possible.

Some tentative conclusions

17. It would seem that the recent upsurge in gambling is here to stay. As it cannot be prevented, it is important to develop strategies and services that will limit the effect of gambling problems on individuals, families, communities, workplaces and the courts. According to the available reports there are a number of areas that need to be researched before appropriate services can be put in place. These include -

- the range of problems with which people present;
- the development of a skill base for those providing help and assistance in services for problem gamblers;
- the extent and form of family services required;
- the association between problem levels of gambling and mental health; and
- the association between problem levels of gambling and alcohol consumption.

18. There are also important wider questions political and social questions that should be investigated. These include -

- the extent to which governments are coming to rely on gambling income rather than taxation income;
- the extent to which the maintenance and growth of community and welfare services is dependent on the growth of gambling income;
- the extent to which the costs of gambling fall on those least able to pay; and
- the extent to which money spent on gambling affects expenditure in other areas of consumption, with both social and employment consequences;
- the extent to which casino based gambling interacts with other forms of gambling.

19. The Social Issues Committee is considering whether it will seek funds from the Casino Community Benefit Fund to undertake research in an appropriate area. The terms of reference for the next funding round of the Fund are not yet available. A decision about any application cannot, therefore, be taken yet. The committee seeks leave to report again.

For and on behalf of the Social Issues Committee

BOAK JOBBINS
Chairman

5 July 1996

References

Study 2: An examination of the socioeconomic effects of gambling on individuals, families and the community, including research into the costs of problem gambling in New South Wales, A report prepared for the Casino Community Benefit Trustees, January 1996.

Gambling Conference Papers, Tasmanian Council of Social Service, November 1995.