

# Relationships Australia

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18 December 1998

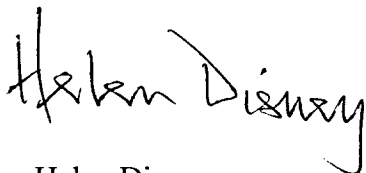
Gambling Inquiry  
Productivity Commission  
PO Box 80  
BELCONNEN ACT 2616

Attention: John Williams

I am enclosing Relationships Australia's submission to the Productivity Commission Inquiry into Australia's Gambling Industries.

If you require clarification or further detail on any of the issues raised in our submission I would be happy to provide these at a public hearing convened by the Commission or more informally with the secretariat working on the draft report.

I can be contacted on 02 6285 4466.



Helen Disney  
National Director

# Relationships Australia

## **Submission to the Productivity Commission Inquiry into Australia's Gambling Industries.**

### **1. Introduction**

1.1 Relationships Australia (previously known as Marriage Guidance Council) is committed to enhancing the lives of communities, families and individuals by being the leading professional provider of quality relationship support services. As a national organisation operating in each State and Territory, we are aware and concerned about the impact of problem gambling on individual Australians, their families and the community.

1.2 Relationships Australia currently offers gambling-related support services in Queensland, South Australia, Victoria, Tasmania and New South Wales. In addition, gambling is one of the issues which is addressed through general relationship support services offered by Relationships Australia (RA) in each State and Territory.

1.3 A copy of our 1997/98 Annual Report is enclosed and we draw the Commission's attention of the section commencing on page 20 which reports briefly on our Gambling-related Services.

1.4 We are aware that the Productivity Commission has already met with key personnel from several of the RA gambling-related support services. Some RA member organisations have provided submissions presenting local data and issues and could speak to these at future hearings of the Productivity Commission.

1.5 This submission is presented on behalf of Relationships Australia nationally. Where appropriate, cross-reference has been made to State RA submissions.

1.6 This national response discusses issues and makes recommendations in the areas of social and economic impact of problem gambling, the role of Government, research and the provision of support services to minimise the harm of problem gambling.

### **2. The Social and Economic Impact of Problem Gambling**

2.1 The Productivity Commission's Discussion Paper details the significant increase in expenditure on gambling which has occurred in the last decade, with almost half of the expenditure now being spent on electronic gambling machines. The proliferation

of gambling machines in many parts of Australia has led to increasing community concern about the negative social and economic effects associated with increasing opportunities to participate in gambling activities.

2.2 Concern about the social and economic impact of gambling tends to focus on the proportion of the population who gamble excessively with resulting bankruptcy, increased criminal activities, homelessness and health problems.

### ***Wider Effects on Families***

2.3 It needs to be acknowledged that while for many people gambling is a pleasurable social event, the effects of problem gambling are spread far wider than the 1-2% reported as having extreme pathological problems.

2.4 Broken promises, bills which cannot be paid and lack of money for everyday necessities place heavy strains on the individual and on their family relationships. Relationships Australia recently released its 1998 Relationships Index. In this research, 'financial difficulties' was the factor respondents rated most highly as having contributed significantly to the most difficult time experienced recently in any of their important relationships. 'Gambling' was directly cited by 4% of respondents. Within this group (while acknowledging that the cell sizes are small for comparisons of sub-groups) it is interesting to note that significantly higher levels of difficulties from gambling were reported by those 'divorced or separated' and for income groups, those with incomes \$10,000 or less. On a State metropolitan and country comparison, the highest proportion reporting gambling as a significant factor was recorded in the Victorian metropolitan area.

2.5 Research undertaken in Relationships Australia South Australia shows that levels of anxiety, depression and suicidal thoughts are significantly higher in clients with a problem related to gambling than they are for other clients. About one third of clients in gambling support services are partners or family members of the person with the gambling problem. Further, the research shows that these family members experience the full gamut of financial, social and psychological distress displayed by the clients with the personal problem; their levels of anxiety, depression and suicidal thoughts are comparable with their gambling partner.

2.6 Problem Gambling needs to be clearly acknowledged as a public health issue.

### ***Interactive Effects of Gambling and Relationships***

2.7 This South Australian research also confirms that the interaction between gambling and relationships is complex and is not unidirectional in its effect. Gambling can be a major contributing factor in the ending of a relationship. On the other hand, a three-month sample of clients with a personal gambling problem found that 82% had developed the problem after suffering significant personal losses with loss of a relationship ranking most highly and death of a loved one also significantly high.

2.8 Relationships Australia (SA) is willing to expand on the research quoted in 2.6 and 2.7 at their hearing with the Productivity Commission.

### *Effects on Children*

2.9 Very little is known about the impact of parental problem gambling on children in Australia. North American research indicates serious levels of pathology in the children as well as their parents. This research demonstrated that adolescent children of problem gamblers are over-represented in the juvenile justice system, under-perform at school, have higher levels of depression and attempt suicide at a rate six times higher than their peer group. They are also more likely to abuse drugs and alcohol and more likely to have a gambling problem than their peers.

2.10 Children of problem gamblers live in a volatile and confusing environment. The gambling parent is likely to ignore the child and dismiss their needs on the one hand and at other times to be doting and indulgent. The child responds to this seesawing relationship by feeling angry, hurt, lonely, guilty, abandoned and rejected. The interests of children are now receiving much needed attention in Family Law disputes. Child inclusive practices are becoming an important part of counselling and mediation sessions either by involving the child directly to hear their views on the effects of the relationship difficulties or to work with the parents to provide skills to minimise the harm to children. This is an important area for research and service provision in the gambling area.

### *Costs to the Community*

2.11 The costs at the personal and family level flow on to communities in financial terms through increased Government spending on income support and community services. Measuring the social cost of gambling is complex. Smith (1998) points out that different studies have differing definitions of adverse externalities from gambling, or treat 'transfers' between gamblers and other individuals differently. It is important for any such analyses of social costs to take account of the wide-ranging and long term implications of problem gambling. These costs include:

- cost of relationship difficulties (it is estimated that relationship breakdown for all Australians costs \$3billion each year),
- additional health services,
- increased income support through long term erosion of savings and investments,
- costs of unemployment where gambling and related problems affect job performance, and
- law enforcement to deal with crime to support gambling.

2.12 Much of this expenditure on social costs falls to the Federal Government, while benefits from taxation revenue accrue to State Governments. This distorts incentives to control costs to the community.

### *Impact of public policy*

2.13. At the macro level, social and economic policy impacts on family and community well-being. It seems valid to claim that where government policy results in higher levels of unemployment, underemployment, insecure, casualised labour force patterns and greater dependency of young people on parents, that the dream of an 'easy win' through gambling becomes more seductive.

#### **Recommendation 1.**

**That governments, the gambling industry, researchers and service providers look beyond the immediate effects of excessive gambling and acknowledge and act upon the wider, social and economic implications of problem gambling for individuals, their partners, their children, wider family networks and the community.**

### **3. Appropriate role of Government in regulation, promotion and advertising of gambling**

#### *Roles and responsibilities of Governments*

3.1 Governments, particularly State Governments, have roles and responsibilities in the area of gambling which are complex and apparently difficult to reconcile. These include:

- ability to collect significant revenue through taxes on gambling
- direct involvement in the industry through some Government ownership
- power to influence the location and proliferation of gambling facilities
- power to set standards for responsible advertising and guidelines for self-regulatory codes
- responsibility for the welfare of citizens.
- ability to support and promote services to support problem gamblers and their families
- ability to influence public comment on the problems facing clients through decisions on allocation and reallocation of funds
- ability to commission research into the benefits and costs of gambling
- opportunities to work cooperatively with the gambling industry and the community sector on projects funded from taxes on gambling to benefit the community and individuals.

#### *Revenue Generation and Proliferation of Gambling facilities*

3.2: State Governments have become increasingly dependent on revenue raised by taxes on gambling over the last decade. This flow of income has been achieved from

an expansion of gambling facilities rather than by increasing the tax rates. In an examination of gambling taxation in Australia, Smith (1998) comes to the view that:

“The narrow range of acceptable state taxation options and the political advantage of encouraging gambling has produced unbalanced gambling policies. Revenue and economic considerations predominate at the expense of social concerns.” (page viii)

### **Recommendation 2**

**That in decisions to increase gambling activities overall and in decisions on the choice of locations for expansion, Governments give serious consideration to the social and economic impact of the proliferation of gambling venues**

3.3 At this stage, a question mark lies over implications for the gambling industry and the community resulting from Commonwealth/State fiscal reorganisation under a GST Tax Reform Agenda.

### **Recommendation 3.**

**That the process of fiscal reorganisation around a GST and State/Territory gambling taxes include honest examination of the conflicting roles and responsibilities of governments including budgetary dependence on taxes on gambling and the need for ongoing support for community organisations providing services to address needs arising from problem gambling.**

### ***Regulatory Roles***

3.4 In many areas of social policy, there is heated debate on where the balance lies between the responsibility of governments to regulate to minimise public damage as against the rights and responsibilities of individuals to make their own decisions.

3.5 In looking at this area, there are some useful precedents which can be drawn from strategies to deal with regulations and advertising of drug and alcohol and some dissimilarities (Hawks, 1997) including:

- legislation against irresponsible advertising with messages such as ‘everybody wins’
- requirement for a clear statement of the odds at the point of ‘purchase’
- public education on the early signs of dependence on gambling
- limit credit, ATMs and pawnbrokers in close proximity to gambling outlets
- limiting hours of operation.

3.6 Clearly there is tension in regulating to minimise harm to problem gamblers and placing restrictions across the board. A difficulty is that someone drinking ‘over the limit’ is more easily identified than a player betting beyond their means. In fact people will go to great lengths to conceal their problem.

#### **Recommendation 4.**

**That governments work in the first instance to get support across the gambling industry for voluntary Codes of Practice for responsible advertising, self-exclusion, restriction of credit and that this be followed by legislated penalties if this is not successful**

3.7 Such Codes of Practice have been developed in some States; e.g. Victoria (Sheedy, 1998)

## **4. Provision of Gambling Support Services**

### ***Broad Whole of Life Approach***

4.1 As Australia is widely recognised as having a very high level of gambling activity, there will be a continuing and probably increasing need for specialist problem gambling services. Relationships Australia believes that there are distinct benefits in locating these services in non-specialist agencies. This is because the inter-relatedness of gambling with other social and economic factors and the compounding effect on family members demonstrate the value of support services which can explore 'whole of life' issues.

4.2 We believe that relationship support services such as Relationships Australia are in a unique position to be able to provide the comprehensive, specialist services which are required to address gambling problems in the context of other life events and the context of family relationships as a whole.

4.3 There can also be the benefit that accessing our services provides anonymity that is not possible in accessing stand alone gambling support services. This is particularly important in small towns.

4.4 Services at Relationships Australia are provided by professional staff. There are advantages in co-locating gambling support services with relationship support services through cross-referrals between the services and for communication and working arrangements across professional disciplines.

#### **Recommendation 5**

**That in distributing funds from gambling revenue for community projects, a set proportion be allocated to projects which explicitly aim to reduce the harm caused by gambling through providing gambling support services to problem gamblers and their families.**

#### **Recommendation 6**

**That the allocation of funds from gambling revenue for community projects and the development of service operation guidelines be the responsibility of an independent body i.e. not controlled by stakeholders - government, the gambling industry or the community sector service providers.**

### **Recommendation 7**

**That a criterion for funding be that services can demonstrate strategies to deal with gambling issues in a 'whole of life' approach including effects on the individual and the family.**

4.5 As Australia is widely recognised as having a very high level of gambling activity, Relationships Australia believes that all human service providers need to be aware of the effects of problem gambling, to be trained in recognising the signs and in providing appropriate responses, including referral to specialist support services.

4.6 Relationships Australia Queensland has developed a training program to add specialist training in the gambling field to existing professional qualifications. (See RA Queensland submission to the Commission for more details)

**Recommendation 8. That training strategies be developed in each State/Territory to train human service professionals to raise their awareness of problem gambling as a social health issue.**

### *Community Awareness*

4.7 Much of this submission has commented on the responsibility of governments and the gambling industry to put prevention strategies in place. Individuals must take responsibility for their actions. "Owning their own behaviour is of the utmost importance in the effectiveness of the rehabilitation process" (Sheedy, 1998)

4.8 There is a strong need for well targeted awareness campaigns through gambling facilities and local and national media. The aim would be to promote messages that 'it is okay to seek help', that counselling is more effective if help is sought early, and to provide self help kits and information on the availability of support services.

### **Recommendation 9**

**That government, the gambling industry and service providers work cooperatively at national, state and local levels to promote community awareness of responsible behaviours**

4.9 For example, Relationships Australia Queensland has been involved in significant work as a member of the Queensland Government's Responsible Gambling Advisory Committee, and with Conrad Jupiters Casino and Conrad Treasury Casino "Patron Care' programs.

### *Further Information on the Provision of Gambling Support Services*

4.10 The Relationships Australia member organisations which provide gambling support services are in a good position to provide more detail on factors affecting outcomes in gambling support counselling, the profile of clients who seek help and the nature of the support services required to meet community needs.



## **5. The adequacy of data collections and research.**

5.1 The ABS (1997) points to the problems in collecting data on gambling posed by the breadth of gambling activities across businesses whose predominant activity is the provision of gambling services (such as lotteries, casinos and betting shop operations), organisations involved in gambling services as part of other activities such as pubs, taverns and sporting clubs as well as non-employing businesses such as some lottery agencies and bookmaker operations.

5.2 The Commission's paper raises the difficulties in gaining accurate information on expenditure by individuals because of reluctance to fully report expenditure.

5.3 There is a great need for more quantitative and qualitative research. A major challenge in both areas is to conduct independent, unbiased research. The results of such research should be in the public domain.

5.4 Quantitative research is important to provide a clearer picture of the extent of gambling and its effects on the economy, community, families and individuals from an overall perspective. Data analysis should include examination of sub-groups within the collection, e.g. spending on gambling as a proportion of income for various income ranges. Averages mask important information by 'levelling out' extremes.

5.5 The issues raised in this paper point to a range of areas which are in urgent need of research which includes qualitative methods, for example,

- factors that precipitate, sustain and exacerbate problem gambling
- the effects of gambling on children and young people
- the impact of gambling on culturally diverse communities.

5.6 Within this, action based research is needed to measure the effectiveness of service delivery approaches and the impact of community awareness campaigns.

### ***Taking account of cultural diversity***

5.7 An issues paper released by the Queensland Department of Families, Youth and Community Care (1995) suggested that whilst the increased availability of legalised forms of gambling had enabled Aboriginal and Torres Strait Islander people to enjoy an additional form of leisure/entertainment, there is concern that they are disproportionately incurring gambling related negative social and economic impacts.

5.8 In exploring issues related to research into the effects of gambling in Aboriginal communities, Steane et al (1998) point out that problems in conducting research in an already complex and value-laden area are compounded when the research methods used are themselves culturally-based or impose cultural assumptions and practices. The Steane paper draws out three lessons.

- Qualitative research is labour intensive but it remains the most effective means of verifying the accuracy of data collections and the interpretation of cultural meaning.
- In research on the impacts of gambling, the tendency to generalise from one Aboriginal community to all Aboriginal people should be avoided, as it should in other ethnic groups.
- Gambling is an activity with multifaceted consequences. In western culture, the consequence is individual and familial or social. For those from other cultural backgrounds, gambling often is a communal matter. Individually-oriented approaches to problem gambling ignore vital cultural and social implications.

5.9 These lessons about research into gambling problems in Aboriginal and Torres Strait Islander communities are important in that context and also relevant to a range of cultures and sub-groups within the general community.

#### **Recommendation 10**

**That governments provide funds for independent, culturally appropriate quantitative and qualitative research into broad social and economic implications of problem gambling and action research into effective prevention and support services.**

#### **References**

Australian Bureau of Statistics (1997) *Gambling Industries, Australia 1994-95* (Cat No 8684.0).

Hawks, D (1997) "Has dealing with alcohol anything to teach us in relation to gambling?" NAGS 1997 Proceedings

Relationships Australia (1998) *1998 Relationships Index: Survey Results*.

Sheedy, T (1998) "Gambling in Victoria: Five Levels of Responsibility" *Psychotherapy in Australia*, Vol 5, No 1 November 1998.

Smith, J. (1998) "Gambling Taxation in Australia", Discussion Paper, The Australia Institute

Steane, P.D., McMillen, J. & Togni, S. (1998). "Research Gambling with Aboriginal People", *Australian Journal of Social Issues*, Vol 33 Number 3 1998.