



NSW.ACT

Submission to the Independent Pricing and Regulatory Tribunal Enquiry into Gaming in New South Wales

Introduction

The Board for Social Responsibility of the NSW Synod of the Uniting Church is responsible for the social welfare/community services, social justice, and chaplaincy work of the Synod. The Board conducts its own community service programs and is the peak body for all Uniting Church community service programs in the Synod of NSW. We are pleased to have this opportunity to make a submission to the enquiry into gaming being conducted by the Independent Pricing and Regulatory Tribunal.

The christian church has traditionally opposed gambling because of its association with greed and because it holds out rewards without effort. Also, the church has always recognised the negative impact of addictive gambling, especially on dependants of addicts. However, the purpose of this submission is not to mount a case for the abolition of gambling, but to respond to the issue of providing an appropriate regulatory framework for the gambling industry.

We are using the term 'gambling' rather than 'gaming' although we recognise that the terms of reference of the enquiry do not extend to some forms of gambling. The Uniting Church regrets that the Government has chosen to limit the enquiry in this way.

The Uniting Church welcomes the appointment of the Independent Pricing and Regulatory Tribunal to conduct the enquiry. It urges the IPART to ensure that there is adequate public consultation and that resources are made available for adequate research to be undertaken where additional information is required.

The Uniting Church Board for Social Responsibility is one of the community organisations who appoint trustees to the Casino Community Benefit Fund and the Board's Executive Director, Rev. Harry Herbert, is the appointed trustee. The Board is not claiming confidentiality for its submission.

Should there be a Gaming Commission in NSW?

The Uniting Church supports the establishment of a Gaming Commission. The sheer size of the industry demands adequate and proper regulation and supervision. Gambling expenditure in NSW for 1996/7 amounted to \$3.95 billion. The turnover of the industry would be more than 10 times this amount and would exceed \$40 billion. By far the largest proportion (more than 60%) of this amount would be spent on poker machines.

Further, the gambling industry by its very nature, has the potential for serious social impact. This is not confined to the impact on individuals, but consideration has also to be given to the wider impact on the community. Consolidating the regulatory functions within the one authority would give focus to the consideration of social impacts, both individual ones as well as wider societal ones.

By consolidating all gambling regulatory functions within the one authority, there is possibility for a consistent approach and a high standard of professionalism. While the scale of different gambling venues may be different, the same regulatory and social impact issues are present. We would urge the Tribunal to compare the resources which are applied to regulation of the Sydney Harbour Casino by the Casino Control Authority to those which are applied to registered clubs and hotels

across the State by the Department of Gaming and Racing. Moreover, the larger registered clubs give every appearance of being mini-casinos and with the current lack of limits on the number of poker machines the larger clubs show every sign of expanding to meet the competitive challenges of the Sydney Harbour Casino.

The variety of different avenues for gambling, together with the likely breakdown of barriers between them in the future, also provides argument for the one authority. There would be value in the one authority being in a position to relate one form of gambling to another. With different authorities being responsible for gaming, applications for additional venues or additional opportunities are assessed without reference to other forms of gambling. The expansion of gambling onto the Internet and with interactive TV, make it all the more important for there to be one regulatory body.

Roles and Functions of a Gaming Commission

To re-iterate the point made in the introduction, we believe that a single Commission should be cover all aspects of gambling and there should not be a distinction between gaming and racing.

The Commission should have licensing and regulatory powers in regard to all forms of gambling. This would ensure that all proper procedures are in place and that all facilities meet statutory requirements.

The Commission would be the body responsible for recommending to Government on the granting of any new forms of gambling or expansion of current arrangements. Such recommendations would be on the basis of proper social impact analysis and would be conducted by way of open hearing. It should be a matter of concern that in addition to the establishment of the Sydney Harbour Casino, in the years 1995 to 1997 registered clubs increased their poker machines by 3,877 to 66,209, hotels increased their poker machines by 8,687 to 20,296 and the number of clubs offering Keno increased by 199 to 933. Changes already approved will see further substantial increases in the number of machines in hotels and with no limit on the

number of machines in registered clubs, this figure is also certain to keep rising. The community is entitled to ask the Government what its overall strategy is in regard to the expansion of gambling. A proper process administered by a Gaming Commission needs to be implemented in order to ensure that additional gambling facilities are only approved when they are in the public interest. Renewal of operator licences would also be by way of open hearings.

The Commission should have the power to fine operators for breaches of their operating conditions. Included in those conditions should be clear and mandatory policies in regard to consumer protection and proper procedures for addressing problem gambling. These should include such matters as proximity to ATM machines, credit facilities, training of staff, adequate signage in regard to the availability of help services, procedures for self exclusion or exclusion by family members, etc.

Gambling Council

In addition to the consolidation of regulatory functions within a Gaming Commission, the Uniting Church strongly urges the establishment of a Gambling Council. This would be a body comprised of persons from the community appointed by Government, together with representatives of the Parliament, as a vehicle for community involvement in dealing with the issue of gambling. The Council would be established under an Act of Parliament and would report to the Parliament.

It would provide an assurance to members of the community that all the various issues related to gambling in the society would be adequately addressed by a body in whom citizens would have trust.

This body would be funded by a levy imposed on the whole of the gambling industry as currently applies in the case of the Sydney Harbour Casino where a levy of 2% on turnover is applied and is administered by the Casino Community Benefit Fund. The Gambling Council would subsume the duties of the CCBF but would have a much wider role in regard to the whole of the gambling industry.

As a participant in the Casino Community Benefit Fund, the Board for Social Responsibility has supported the work of the Fund, but has been disappointed to see that the Fund has come to be seen as the sole body responsible for dealing with the negative social impacts of gambling in NSW. This is despite such a situation being specifically rejected in the report of Sir Laurence Street, which was the basis for the establishment of the Fund. In his report, Sir Laurence stated:

"I have not accepted the strongly pressed view that the Fund should be used as the source of funds to alleviate the socially harmful aspects of gambling generally or casino gambling in particular. The proposal in the Bill is that the money from the fund should be applied 'for the benefit of the community'. The trustees will be fully at liberty to recommend gambling-related community benefit applications, but the trustees should not be regarded as having primary public responsibility in that regard. If that view were taken, governments in the future could see themselves as free from having to play a role of addressing gambling-related social harm".

Yet, despite these words, the Casino Community Benefit Fund has become the body having 'primary public responsibility' in regard to problem gambling issues. This has occurred to such an extent, and the proper purposes of the Fund have been so misunderstood, that the trustees of the Fund have come under public criticism for spending any funds other than for projects related to gambling. The trustee representing the Uniting Church Board for Social Responsibility, Rev. H.J. Herbert, has consistently represented the need for the Fund to assist projects other than those related to gambling, and the current strategic plan of the Fund provides that 20% of funds are devoted to those purposes.

The challenges which the Fund has faced in becoming the sole body having responsibility for problem gambling issues have not been widely understood and the Fund trustees have been unfairly criticised by some sections of the public and the media for not addressing matters quickly enough. The fact that the task given to the

Trustees has been so broad has not been appreciated.

In regard to research, it is worth noting that Sir Laurence Street had some quite specific things to say in his report. He wrote:

"There is a final consideration to which I attach a high degree of importance. The tax revenue derivable from one or more casinos could provide the source of generously adequate funding for major on-going research into and study of the overall effects of all forms of gambling, a major public education program covering the potential dangers of all forms of gambling and major extensions of the support and therapeutic services available to alleviate the harm caused by all forms of gambling."

However, as already stated, it has become assumed that all these important matters would not be part of the overall responsibility of Government but that they would become the responsibility of the Casino Community Benefit Fund.

We would argue that it is completely unsatisfactory that a levy imposed on one particular gambling outlet, the Sydney Harbour Casino, should be regarded as the sole form of funding for dealing with the negative social impacts created by all forms of gambling. The Casino Community Benefit Fund has provided all the funds for the establishment of G Line and has funded various agencies to provide counselling and treatment services. The great bulk of clients of those services have not come from the Sydney Harbour Casino but have been drawn from clubs and hotels who have made no contribution whatever to the cost. Even the advertising for G Line has been placed in hotels and clubs at the expense of the Casino Community Benefit Fund.

In addition, the current arrangements whereby registered clubs have agreed to draw up their own problem gambling policies are completely inadequate. Not only are there no mandatory requirements in regard to these policies, but also no resources appear to be applied to them. In addition, the provision that clubs will also provide funds for general charitable community organisations is inadequate.

For all these reasons we believe that there is an overwhelming argument for the whole gambling industry to be subject to the same arrangement as currently applies to the Sydney Harbour Casino, namely a 2% tax on turnover which would be applied to dealing with gambling policy issues and measures to prevent and treat gambling related problems, and as well to provide general community benefit. These funds would be paid to the Gambling Council, which would be an independent organisations with community representatives, and whose duties which would include the following:

- **Research**
Into the nature and impact of gambling in the community; into appropriate treatment methods for problem gamblers; into sociological factors related to gambling; into the relation of gambling and crime and other social issues. It would be the task of the Gambling Council to fund research of all types related to gambling and thereby provide the resources for policy making.
- **Education**
The Gambling Council would be responsible for adequate public education on the dangers of excessive gambling. It is noted in the report prepared by the Australian Council of Social Service on Internet gambling and young people that "all youth in the sample who had experienced maths teachers using gambling odds to illustrate probability theory, thought that this was a most effective means of learning about sensible and responsible approaches to gambling". The task of the Council would be to make most effective use of educational and media tools in order to provide people with accurate information about gambling and its dangers. The best education in our view would come from a consumer oriented approach where the aim was not to provide moral messages but to equip people with the information they needed to make informed choices.
- **Counselling and Treatment**
The Gambling Council would be responsible for funding appropriate counselling and treatment services as well as some type of contact point

such as the current G Line. In other words, to take over and to expand the work of the Casino Community Benefit Fund. A range of services needs to be funded so as to provide adequate cover for all geographic regions of the State, as well as providing adequately for ethnic community groups. Services should be funded so as to provide adequate information to the Gambling Council to allow further policy development. The question of the type of services needs to be properly determined by the Gambling Council. It is likely to be the case that problem gamblers will need a range of services to adequately meet their need. While advice and counselling services will meet the needs of many problem gamblers, others will need the help of psychologists and some may need residential programs.

- **Advertising**
There is little point in funding counselling and treatment services if those needing help are not aware of their existence. The current G Line contract organised by the CCBF includes provision for advertising, and this needs to be continued and expanded. Advertising of available help services should be placed at gambling venues and also in the general media. It needs to be remembered that those needing to know about services include friends and families of those affected and they may not frequent gambling venues.

Also, general advertising needs also to address wider community and consumer issues as outlined above under education. Consumers should be adequately informed through appropriate advertising of the risks and dangers of gambling.

Finally, the Gambling Council would be able to set standards for industry advertising of gambling facilities.

- **Standards and Procedures**
The Gambling Council should be the main source of policy advice in establishing mandatory standards on the industry in regard to problem

gambling. These would then be enforced by the Gaming Commission. These standards would include issues such as exclusion policies, credit policies, appropriate staff training, an advertising code, etc. The current arrangements where registered clubs and hotels are responsible for their own policies is not adequate.

- **Social Impact**
The Gambling Council would be the main provider of information when social impact was being examined, either at the time of a renewal of licence or when additional gambling facilities were to be approved. At the recent licensing hearings conducted in regard to the Sydney Harbour Casino, we noted that while provision was made for public consultation, it was left to community groups to raise matters of social impact. Because these community groups do not have the resources to examine social impact on a consistent basis, the input to the enquiry at this point appeared deficient. This could be corrected in future if these matters were the responsibility of the Gambling Council.
- **Complaints**
The Gambling Council would also provide a process for addressing persons who had complaints to make. It could, for example, provide resources whereby complainants could take up their issue with the Gaming Commission or through the most appropriate legal avenue. The Casino Community Benefit Fund currently provides resources for a gambling legal service and this practice would be continued. Where complaints revealed deficiencies in regulation or legislation, the Gambling Council would be well placed to press for changes.
- **Funding Community Benefit Generally**
The Gambling Council, as with the Casino Benefit Fund, would have funding available for community projects of a general nature and it would be expected that the Council would institute some type of needs

analysis process in order to facilitate the proper distribution of those funds.

Conclusion

Many of the questions raised in the IPART release dated 8 July 1998 relate to seeking information about the current situation. The thrust of this submission from the Board for Social Responsibility is to recommend a framework for the future which ensures that all issues related to gambling are appropriately addressed.

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