

# **A Gambling-Led Recovery? Don\*t Bet On It!**

The Church and Nation Committee  
Presbyterian Church of Victoria

Published by  
The Church and Nation Committee  
Presbyterian Church of Victoria  
156 Collins St  
Melbourne 3000

1995

ISBN 0 949197 49 1

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Typesetting: 'New Life'

Printing: New Litho

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The Church and Nation Committee expresses its appreciation to Mrs Joan Mime, the Rev John Stasse, Mr Barney Zwartz, the Rev Bob Thomas, Mr Andrew Fletcher and its anonymous contributor for the production of this book.

# Introduction

Victoria is in the grip of gambling fever, and that fever is being fuelled by a government which sees a rakeoff from taxes and other charges as being a solution to the state's budgetary problems.

The Presbyterian Church of Victoria believes that gambling is inconsistent with the teaching of the Bible. The church believes that as a result of behaving contrary to God's Holy Word, people are paying a terrible price, not only in terms of monetary losses but in terms of their own human dignity, as well as in home and family life.

When individuals and families suffer, society suffers as well, and the present extent of suffering in the community as a direct result of gambling far outweighs any short-term monetary gain which the government might make.

The Church and Nation Committee has produced this book in order to assist Christians to see and understand the Biblical perspective on this insidious problem. Our prayerful hope is that Christians will then set an example before the unbelieving world of trust and contentment in the providence of God as they themselves refrain from gambling and other related activities, and encourage others to turn away from them as well.

In this book we have brought together one man's personal experience of growing up in a family which suffered because of gambling, a Biblical perspective on gambling, and a report on the social consequences of gambling. We ask you to read it with prayerful consideration and to discuss it with your family and friends. We trust that it will therefore be a useful tool in seeking to stem the tide of evil which threatens to engulf our society as the curse of gambling wreaks ever greater havoc upon it.

# 1. What Gambling Did to Us —

## A Personal Experience

Let me tell you about my dad and my experiences with gambling when I was a kid. My dad was a hard working man who had an obsession with gambling on the horses.

From my very earliest years I can remember the race callers on the radio excitedly building up the tempo as the horses came near the post. Dad would be bent over the radio waving his fist and pleading for a certain horse to win. Many times the race would finish and dad would have a painful look in his eye and slump and huff. Then he'd be in a bad mood for the rest of the day. We'd try and avoid him. Mum would yell at him and complain that she didn't have enough money for something. An argument would follow, leaving both mum and dad in a bad mood for the rest of the day.

When I was older, I discovered that on many of these days dad had lost considerable amounts of money. Thankfully, however, we never went without any of the real essentials of life.

On Saturdays I'd play rugby in the mornings and so would my brothers. Dad would come to watch and then immediately head off to the races either locally or elsewhere. Friday nights he spent hours reading the form guides and you couldn't disturb him. Many Saturdays he would stay behind and have a few drinks with his friends. It's noteworthy that we only seemed to see these 'friends' when dad had won a race and was shouting drinks. With five boys to care for, mum wanted to have the odd Saturday night out but many a time dad was late home. Mum was not a woman who kept her feelings to herself, and a lot of good crockery bit the dust in those days.

'He did have some wins though – didn't he?' someone might ask. Yes, one in particular. In the mid 60s he won £3,600 in one race. Can you imagine the party? That was a fortune then. Mum shared with me years later that it was 'reinvested' within three weeks and all lost.

Dad started a drapery business just after the war which was doing very well. However, a combination of some big bets on the horses and a serious wharf strike in 1953 sent him broke. His brother came back from the war and some time overseas and bought out the business to keep it and us going. My uncle promised he'd get the business back on its feet and then make dad a partner. But he soon found out that dad had the gambling addiction so bad that he never allowed him a partnership and thereby part control of the finances. All the rest of his working life dad was an employee of his brother. This was a great embarrassment to mum, frustrating to dad, and a continuous source of tension in the family.

My uncle and dad spent some time alone together just before dad died and they parted friends.

I love my dad very much and was reticent in writing this short account, not wanting to dishonour his name. That's why I'll sign this 'anonymous' when it's finished. However, I want to say from my own experience that gambling in all its forms has deep and lasting social costs. It took away a lot of our father's time and attention, time we would have loved to have spent with him. We had to bear many fights and moody days. It grieved my mother and cost her a great deal of time and attention from her husband. It was a terrible drain on the family finances and ultimately cost dad his business and self-respect.

Let's face it, gambling is a sinful and incredibly addictive behaviour, which leads only to ruin. I know, because two of my brothers are trapped in the same pattern of behaviour. One of them spent \$1500 in one day on a poker machine about two years ago. That's a large amount, but chicken feed compared to some of the big gamblers.

May the Lord Jesus have mercy on the State of Victoria if it believes it will cure its financial woes through revenue from taxes on gambling, while families all over Victoria are being devastated by this addictive obsession.

– 'Anonymous' (a Presbyterian Minister in Victoria)

## 2. The Christian and Gambling

### – Applying Biblical Principles

*'The stock market is gambling.\**

*'It's a gamble to cross the road.\**

*'Life's a gamble.\**

Statements like these, though common, use the word 'gambling\*' as synonymous with 'risk\*' and 'chance.\* Chance and risk are part and parcel of everyday decisions and events from our perspective – there is a risk associated with crossing the road, there is the chance that as the farmer plants his seed the rain may not come, etc. However, when we speak of gambling we are talking about the artificial manipulation and harnessing of such seemingly chance or risk events for personal gain.

Technically, 'gambling\*' can be said to be marked by four aspects:

**! Gambling requires an artificially created risk.** The chance in gambling, unlike the chance in crossing the road, is not one of the unavoidable risks.

**! Gambling is created for gain without service.** The gambler always hopes to get something for nothing.

**! Gambling is done at the total loss to the loser.** The winner cannot win except at the expense of another.

**! Gambling\*s outcome depends on the turn of chance.** The predominant and controlling factor in gambling is chance. It is risking money or property haphazardly, having no real control over the outcome.

Gambling, then, is seen to be an arrangement between two or more parties in which something of value is transferred based on the outcome of some uncertain, artificially created event in such a way that the portion of the pooled valuables belonging to the losers is passed on to the winner(s).

It is this that the Presbyterian Church has consistently argued as being immoral and sinful.

*But won't people say we're 'kill-joys\*? After all, most people only have an occasional flutter that – well within what they can afford. Anyway, don't other Churches have their gambling for fund-raising? And don't forget how much good is being done by the government through its profit share in the gambling industry – our hospitals and charities would be crippled without it.*

Let's be clear here:

**! The Bible nowhere teaches that the ends justify the means.** The reality is that the means as well as the end come under God's discerning and just judgement. (II Corinthians 5:10)

**! To fund hospitals and charities through gambling is to impose a 'tax' on a few,** and often these are the poor and disadvantaged. If the 'good' that is accomplished through gambling revenue is a legitimate and necessary expense on the public purse then let all pay more tax.

**! The issue is not how much one gambles,** but whether one is to gamble at all. If gambling is against God's Word then even a small amount of gambling is to bring oneself under God's judgment for sin. It is sin to engage in it, encourage it, or to be indifferent to it in those under your influence. The emphasis must be on the principle.

What other people – or even churches – may be doing, even if they are in the majority, is not the issue. The majority can be, and in this instance are, wrong. It is wise to take note of what the majority are doing, but our authority as Christians is God's Word, not the activity of others, regardless of how many there are or how strongly they promote their case.

The real issue is not how much we can gamble, whether we can even afford it, whether or not it will produce some measure of good, nor even what others are doing. But, What does the Bible Teach?

When we turn to the Bible we find that gambling violates the principles of conduct required in God's Word:

**! We are to labour for our necessities and comforts.** God has made it clear how we are to prosper financially so that our present and future daily needs are to be met and our personal advancement in life is to be gained by: labour (Genesis 3:19, II Thessalonians 3:7-13); inheritance (Numbers 27:8-II); and by gift (I Timothy 6:17,18; Matthew 19:21). The prime means, though, is through 'the sweat of your face' (Genesis 3:19). This is reinforced by Paul's comment to the Thessalonians that whilst he was with them he worked to meet his daily needs. (I Thessalonians 3:7-13) His reason was to be an example 'of how you should follow us.\* And then he reminds them of his earlier command: 'If anyone will not work, neither shall he eat.\* In Ephesians 4:28 we read of the command to one who has repented of stealing from others to live: 'rather let him labour, working with his hands what is good, that he may have something to give to him who has need.\* Labour with a view to meeting our own needs and that of others as we are able is the Divinely appointed model. Money then is seen as something to earn and save, not something to win.

**! We are to be content within God's Providence.** God's command is very clear: 'You shall not covet...' (Exodus 20:17) Implied in this is the positive exhortation to be content. So we read: 'Let your conduct be without covetousness, and be content with such things as you have. For He Himself has said: "I will never leave you nor forsake you"\* (Hebrews 13:5); 'godliness with contentment is great gain' (I Timothy 6:6); and 'Therefore put to death your members which are on the earth: fornication, uncleanness, passion, evil desire, and covetousness, which is idolatry' (Colossians 3:5). No matter how we try to rationalise gambling, greed is its motivating factor; not being satisfied with what God has given them, gamblers covet more. Covetousness is fundamentally opposed to contentment, the danger of which ought not to be underplayed: 'For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows'" (I Timothy 6:10). This does not mean that we are not to labour earnestly and wisely. On the contrary we are instructed: 'Go to the ant you sluggard! Consider her ways and be wise' (Proverbs 6:6-8) The ant actively puts aside not only for the moment but with a view to future times when it may not be able to

gather. And so there will always be the need to make the most of legitimate opportunities as God provides them, as well as to invest and to save for the future. This is not covetousness but a contentment in God's new provision.

**!** We are to recognise the rights of another to his property. Gambling has the effect of breaking the command, 'You shall not steal.\* (Exodus 20:15). Gambling can be described as a form of theft, for it steals from those directly involved, albeit by mutual consent. It is as much stealing as duelling is murder. The point to remember is that we are but stewards of the resources, as of our life, and it is not ours to waste or to take and give away without a godly purpose and control. We are not to steal from ourselves.

But gambling is also stealing from those indirectly involved: from the family of the gambler, and even from God's work. For every winner there are many more losers – which means for the family of the gambler they have been plundered of that which God had made available through the bread-winner. There is less money for the necessities of life (food, clothing) and for even the basic luxuries that other families are enabled to take for granted. Whatever the gambler loses impoverishes the family to that extent financially, and probably more so emotionally. This is still true of the single person who as a result of squandering resources impoverishes the future family. How many families would have a more secure financial base if the parent(s) had not been so wasteful in their youth?

The same applies to the Lord's work – that money that was lost in gambling – even if but a flutter of what one felt they could do without – could have achieved much more in the Lord's work. This is not only true in terms of direct giving, for if there was less gambling there would be less money required from the Lord's people to assist suffering families – money which could then be released for a more direct ministry of the Word. The gambler too, if at all sensitive to the impact on those close to him, will also find himself robbed of the joy of seeing a happy and contented family secure in the knowledge of God's provision. The gambler is a thief in God's sight, and ought to be in the sight of men.

**!** **We are to be good stewards of God's gifts.** The Bible declares: 'The Earth is the Lord's and the fullness thereof\* (Psalm 24:1); 'fill the Earth and subdue it; have dominion over the fish of the sea, over the birds of the air, and over every living thing that moves on the Earth\* (Genesis 1:28); 'Moreover it is required in stewards that one be found faithful\* (I Corinthians 4:1). We are to see our possessions as a trust from God to whom we will be called to give an account (see Luke 12:42; 16:2f). We are responsible to keep, use and develop these things in keeping with His purpose. This requires the avoiding of unnecessary risks and haphazardness which lie at the heart of gambling. At times necessity demands taking a risk, but to do so when not required is foolhardiness. We would frown on company directors doing this, so should we not do so all the more with those directors discharged with stewardship responsibilities in God's economy?

**!** **We are to love our neighbour.** The attempt to get gain out of the inevitable loss and possible suffering of others is the antithesis of that love to a neighbour on which our Lord insisted when He said: 'You shall love your neighbour as yourself\* (Matthew 19:19). In I Timothy 1:5 we are reminded that the commandment's purpose is 'love\*. And yet gambling has at its heart a callous disregard for the well-being of others. The gambler just can't give room to the other people involved. The attitude that seems to be required is: who cares about what happens to another; if he loses it was the result of his choice. It was his choice, his problem, not mine. But we are our brother's keeper, we are to be concerned about each other. In the Bible love is self-denying for another's sake – not self-gratifying at another's cost. Love is sacrificial – 'For God so loved the world that He gave His only-begotten Son\* (John 3:16). How is this possibly evidenced in gambling?

**! Gambling Violates the call to Faith in God.** The First Commandment tells us that ‘You shall have no other gods before Me’ (Exodus 20:3). This means that we are to worship the God of the Bible, placing our life under His providential over-sight and care. We are to look to God alone to meet our needs. We are to lift up our praise to God for His gracious providence.

Gambling, however, draws attention away from God and deifies chance and wealth instead. The gambler is implicitly denying faith in God and His sovereign care, putting in its place a yielding of his life into the hands of ‘Lady Luck’ and ‘blind chance.’ This has spilled over into other areas of life, so that we often hear people say things like: ‘It’s my lucky day’; ‘That was a bit of good luck’; ‘That’s a coincidence’. No longer is God acknowledged, luck is on the throne.

We do well to remember God’s promise to kill those who ‘spread a table before Gad (ie, Fortune, a pagan deity), and who furnish a drink offering for Meni (ie, Destiny).’ Because they ‘did evil before My eyes, and chose that in which I do not delight’ (Isaiah 65:11,12). Gambling is never legal or harmless in the sight of God! It involves trusting in the idols of ‘Fortune’ and ‘Luck’ rather than trusting in God. As such, gambling is evil in God’s sight and displeasing to Him.

Let us beware of being transformed by our culture rather than by Christ, and being seduced to worship other gods rather than Christ – ‘do not be conformed to this world, but be transformed by the renewing of your mind, that you may prove what is that good and acceptable and perfect will of God’ (Romans 12:2).

It is interesting to note that Victoria’s new casino’s name and logo is a crown. This raises a timely question: Who are you crowning as Lord of your life and money?

*But when a Christian gambles, isn’t he exercising faith in the sovereign God who determines the outcome?*

There are two important issues here that need to be considered:

**! The assumption that because the Sovereign God determines the outcome, it must be all right.**

It is true that God has predetermined all events: ‘For of Him and through Him and to Him are all things’ (Romans 11:36; see also Ephesians 1:11; 3:11; Acts 15:18; Matthew 10:29). The Bible also teaches that this predetermination of events and outcomes includes seemingly, to us, chance events: ‘The lot is cast into the lap, but its every direction is from God’ (Proverbs 16:33). The death of Ahab as a result of an arrow randomly shot into the air is another example (I Kings 22:28,34,37). And yet so sure was the outcome that God’s servant Micaiah was able to prophesy Ahab’s death. But does this mean that God therefore necessarily approves of these events?

The answer is clearly ‘No.’ Luke 22:22 is perhaps the clearest example, but you can see the same truth revealed in Genesis 50:20, Acts 2:23 (cf 27,28); and Matthew 18:7. In Luke 22:22 we read:

‘And truly the Son of Man goes as it has been determined, but woe to that man by whom He is betrayed.’ Judas’ action, though free and therefore for which he is responsible, is clearly predetermined, yet at the same time it is clearly disapproved, for Jesus says ‘Woe unto him’ because of it. It is clear that at times God’s sovereignty permits man to express himself sinfully to achieve His wider purpose, but this in no way indicates that God approves, endorses or encourages the activity.

Let's face it, if God's control of the outcome justifies our involvement in gambling then why only risk \$10 and not \$100 – or even all we've got on one roll of the dice. Indeed why don't we commission the church treasurer to head down to the casino each Sunday after church to place the offerings on the roulette table? What could be safer, for it's God's money and He will surely look after it, and we could solve the financial worries of the church so easily! And if perchance we do lose it all, well that's within His plans, so it will work out in the end, so why worry or feel upset? This is obviously absurd.

We do well to read Deuteronomy 29:29, the forgetting of which has led to the resultant confusion between God's secret and revealed decrees: 'The secret things belong to the Lord our God, but those things which are revealed belong to us and to our children forever, that we may do all the words of this law.\* There are therefore two levels at which the will of God works: the secret and revealed. The secret we do not know, except in part after the event, but even then not fully. The revealed we know and can communicate because we have it in Scripture. This is what is to control our doing—and not the secret will which is unknown to us. The force of this is that we cannot act on the basis of what we might think that secret decree of God to be, but only on the basis of what He has revealed in His Word. And this is true of all decisions and activity. We cannot go out blindly and say whatever we do God will be exercising sovereign control over. We are to ask what God has told us to do, and then do it. If we do, we will be pleasing to Him, if we don't we will know His displeasure. But in both cases His secret will is being accomplished. Judas was guilty, not because of his relationship to the secret will of God, but because he rejected and spurned the revealed will of God that identified Jesus as Messiah and called for faith and loyalty.

The outcome of your gambling is certain, but how will you know if it is pleasing or displeasing to God? The answer is by asking how it fits in with His revealed will. The secret decree never undercuts the revealed, but operates in tandem with it. Keep the balance and you will have good theology and know practical godliness.

**! Some people claim that the Christian in gambling is exercising faith in God, and not in Lady Luck.**

But is it faith in God or is it presumption? The Bible links faith to the Word (Romans 10:10). Faith is tied, in other words, to promises, not to possibilities and probabilities; it is tied to declared certainties. Now the Bible tells us that to God the outcome is certain, but because it is part of God's secret will, it is still in the realm of possibilities to us. No, gambling is not faith, but presumption on God's secret will expressing His love to us. It is our attempt to make God over-rule 'chance' for our good, and if not then He knows best. We do well to remember the warning not to test the Lord. And surely this is what we do when we call upon Him to respond to an artificially induced situation – the very thing Jesus refused to do when He was in the wilderness being tempted by Satan. There was a strong possibility that He would indeed be delivered if He jumped off the Temple. But He refused, pointing out that the Scripture says: 'You shall not tempt the Lord your God' (Luke 4:12). If the Word of God requires us to do something that to our Earth-perspective involves chance, then we are to step out in faith and obedience. That's not gambling, but faith.

Yes, the outcome of the tossed coin is in God's hands, as is the consequences of such foolishness as to bet on it were such attempted. But God has made it clear how we are to make decisions: not by trusting primarily in God's control of events, but by trusting the Word which is sufficient for the task of guiding us (II Timothy 3:16). Likewise we saw that God has made it clear how we are to prosper financially: by labour, by inheritance, and by gift. The Word reveals that God has promised to provide

for His people by these ordinary means. Let us trust Him to do so. To turn to gambling is not to trust in His Sovereignty and Providence but to distrust it.

*But what about Biblical references to the casting of lots? Don't they show that it – all right to gamble?*

They don't, if you examine them closely. Certainly no approval is suggested in the case of the Roman soldiers casting lots for Jesus' clothes. In other cases, the idea was not to risk money or property in the hope of personal gain, but rather as a means of removing human greed, ambition or other passions in settling a question. In Proverbs 18:18 we read: 'Casting lots causes contentions to cease, and keeps the mighty apart.\* Often the intention was to seek God's guidance in a decision, as when seeking to discover the Lord's disposal of portions of the Promised Land to the individual tribes (Joshua 18:2-10), and as in the choice of the goat for sacrifice on the Day of Atonement (Leviticus 16). The motivation behind the use of lots is clearly spelt out in the case of finding a successor to Judas. The apostles prayed: 'You, O Lord, know the hearts of all, show which of these two You have chosen\* (Acts 1:24). Certainly that was not a gambler's appeal to Lady Luck!

*But isn't gambling really only a bit of fun for most people?*

There is nothing wrong with having some entertainment. Jesus, we read, came 'eating and drinking\* (Matthew 11:16-19); He enjoyed Himself at appropriate times.

When applied to gambling, the Leisure Argument does not really hold up, for if this is claimed seriously, then how do people feel when they have lost? Have they really been entertained? Behind the Aussie's philosophical 'so-much-for-that\* and 'she'll-be-right-mate\* exterior, what are the real feelings? Is it not true that we become philosophical to avoid and quieten the feelings of regret and disappointment. There may have been a momentary adrenalin rush as the outcome was awaited, but this is quickly dissipated if there is no success.

Then again, what do the leisure-gamblers do if they win? If entertainment was the real aim, why not give the money away – all of it, including the original stake? Put a bowl for charity at the door. This is the real test of the entertainment spirit. By hanging on to it, is not the gambler really confirming that gain rather than entertainment was the real motive? Clearly 'Leisure\* is an excuse, not a reason. Indeed it seems strange that we call gambling a leisure activity, for in every other pursuit that involves money I don't get my 'stake\* back. When I go to the movies I don't take out the price of the ticket with me at the end.

But more importantly, it doesn't hold with Scripture, for we are directed to live lives of godliness. In other words, whatever we do should be in agreement with God's character (for a child of God should reflect the Father), and to the glory of God (for a child of God should be concerned to maintain and promote the Father's honour). If this raises questions about other 'entertainments\* or activities Christians engage in, so be it. But in no way can we legitimately say that gambling reflects how God operates (for there is no chance or toss of the coin from God's point of view), nor does it bring honour to Him (since the majority suffer untold hurt for the sake of a few to have such ease, and it would convey that He is capricious, unstable, changeable in His ways). Praise God, gambling in no way is to be found in God's character or activity. Why then should we expect to find it in His children who are being renewed in the image of His Son?

Some areas of activity, then, are clearly sinful in the light of God's Word:

Two-up, the horses, the pokies, gambling at cards, guessing the number of beans in a jar – and for Australians, of course, the list goes on and on. There seems to be no limit to human initiative when it comes to gambling. Against such no more needs to be said. The Bible is clear as we have seen.

*But aren't there some grey areas, where you're not really gambling if you do certain things?*

There are times when it is hard for a Christian to determine if he is being encouraged to participate in gambling or not. Consider the promotional 'scratchies\*' given out as you purchase petrol at a certain petrol station. These draw differing responses from Christians. This is because it is not always easy to get agreement on what constitutes gambling.

Is it gambling to use the scratchie if you'd buy the petrol there normally anyway? Has it cost you anything extra? Is the prize merely a bonus? Must someone else lose so that you can win? Or is it only gambling when you go out of your way to get that product so that you may 'play the game\*'? These are grey issues. Perhaps the greater consideration is covetousness. It is clearly wrong for you if it stimulates covetousness in you. But what if greed doesn't raise its head in another? Then there is the question of influence on others. By participating, are we not encouraging the cultivation of a gambling ethos? How does this fit in with Romans 14 which calls for us to be sensitive to 'the weaker brother\*', and I Thessalonians 2:22 which calls upon us to 'abstain from the appearance of evil\*'?

Similar questions apply to the stock market (is it sometimes really investment or purely speculative?), to insurances (am I doubting if I do, or am I gambling if I don't have an insurance policy?), competitions (is it gambling if the prize is out of proportion with my labour – mental or physical – input?), etc.

Individuals must decide for themselves how the principles of God's Word apply to them in these areas. No church can legislate here, for these are ultimately issues of the heart, and how one person may act from the heart may not be how another does. Can we require one to treat as evil what to him is good? ('Therefore do not let your good be spoken of as evil\* – Romans 14:16).

Let us be careful to enshrine the principle here, as in all matters, that Christ must remain Lord of the conscience, and patience and peace must be seen amongst the brethren.

– John Stasse

# 3. The Social Effects of Gambling

## Introduction

Systematic research into the social effects of gambling is, regrettably, in its infancy. Australian governments have been negligent in investigating the wider impact of gambling on society. Solid sociological evidence is rare (although research programs have now begun in Victoria and Queensland), but anecdotal evidence abounds. From a Christian perspective, it is mostly negative.

From a secular perspective, most Australians regard gambling as simply another form of leisure activity – an alternative to going to the football, a restaurant or nightclub, the pictures, or even the backyard barbecue. They recognise that many taking part in this entertainment will become ‘problem gamblers’, and a burden to family and society, but do not see that this should bar ordinary Australians from their ‘legitimate entertainment’. There is an obvious parallel with drinking: the inevitability of alcohol abuse, with its attendant social evils, is not seen as a barrier to the general availability of alcohol. According to this view, dysfunctional people are the price we pay for the freedom to drink, and the solution is to help these individuals, not introduce prohibition.

Nevertheless, the scope and extent of gambling in Australia has soared in the past decade. Victoria is an excellent example, with electronic gaming machines (‘pokies’) introduced in 1992, followed by the state’s first legal casino, Crown Casino, which opened on 30 June 1994. Australia – and especially its state governments, encouraged by big business has embraced gambling with particular fervour. Where other countries restrict access – by placing casinos away from cities, confining access to tourists or charging high entry fees and the like – Australia has allowed casinos in its main population centres, and with unrestricted access. When Sydney’s casino now under construction opens, there will be casinos in every state, providing easy access, usually 24 hours a day, for 90% of the nation’s population. This has led to profound changes in the way Australians gamble.

In 1993, the latest year for which figures are available, Australians lost about \$6 billion gambling on racing, gaming machines and lotteries in an industry that has an annual turnover of about \$40 billion. Gaming machines’ share of gambling revenue has grown rapidly; while the share of traditionally male pursuits such as racing has dropped dramatically. Tasmanian Gaming Commission figures for Victoria show that in 1972, 87% or \$77 million of the money Victorians spent on gambling went on racing. By 1992 racing spending had grown to \$414 million but was only 37% of total gambling spending.

Different forms of gambling vary in their impact and – according to Dr Jan McMillen, chairwoman of the Brisbane-based Australian Institute for Gambling Research and Professor of Economics and Public Policy at the Queensland University of Technology – two of the key factors governing the impact are the accessibility and frequency of the form of gambling. ‘Lottery tickets, which people might buy once a week, have minimal social impact. It can even be positive – people form syndicates and buy tickets as a family.’

The TAB is much more significant. ‘There are TAB’s in big shopping centres, and with racing held regularly around the nation and interstate and even international betting you can bet nearly every day. Of the people who present for problem gambling, many are TAB bettors, and these are mainly male.’

Jan McMillen says. 'The big difference in Australia in the past 10 years is the development of gaming (ie poker machines and casinos). Operators can predict profit margins, so it is very attractive to private enterprise. They are guaranteed a profit, and they're not taking a risk, like bookies are. That has opened the way for a new generation of gambling and women gamblers, and because it is repetitive it is doubly dangerous.'

Where with Tattslotto people usually buy one entry at a fixed price, they go to casinos with \$50 or \$100 or whatever in their pockets and stay there for hours. 'Suddenly, for the first time, Australia is going to have gaming available all the time. That does have an impact on household expenditure. It's moved right into the middle of mainstream recreation and leisure.'

International gambling expert Professor Robert Goodman notes that rich and poor people tend to show a distinct difference in attitudes towards gambling. 'The poor tend to see it as an investment which could transform their lives; the rich see it as entertainment which is fun and games.'

This paper does not claim to be exhaustive or authoritative. There are many aspects it does not even contemplate, such as 'legitimate' and 'necessary' gambling on the stock and financial markets. There may sometimes be a fine line between sensible capital investment and greedy speculation. To someone who's not an expert, currency or futures speculation can seem as much a gamble as blackjack or roulette. Nor are simple 'moral' concerns addressed, because they belong more to the realm of the companion paper providing a theological analysis, though they most certainly have social implications.

## **Gambling and the State**

Governments face three main areas of difficulty with gambling policies: economic, social and regulatory, Dr Jan McMillen of the Australian Gambling Research Institute noted in a paper presented at the Queensland economic and social policy conference in Brisbane in April 1994. In the economic domain, promoting some forms of gambling (racing, casinos, poker machines) offers governments an attractive and highly visible way to show that they will act positively to sustain regional economic growth, at the same time providing an important source of revenue. Against that, as elected representatives of the public they must not appear either too self-interested and opportunistic or susceptible to pressures from vested interests.

In the social domain, issues of public morality and social justice have always been central to debates over legalised gambling, although Australian society has traditionally been much more receptive to legalised gambling than Britain, the United States or Canada. Gambling revenue has funded community services and facilities, and this has begun to include money set aside for programs concerned with problem gambling. The Queensland Government runs Break Even Centres across the state, offering social and financial counselling, and the Victorian Government ear-marked \$4 million for 1994-95. Governments have also had a role in moderating the profit-seeking of gambling operators by prescribing high rates of return to gamblers.

The regulatory dilemma has been a particular concern of gambling policy. The state backed some forms of legal gambling, notably TAB off-course betting, largely to try to curb illegal gambling. Then, as guardians of the public interest, governments must maintain the integrity of the gambling activities they have legalised. Casinos in particular have long been linked with criminal activity – against the natural antagonism of gambling management to any government intervention.

Victoria and Queensland's introduction in 1992 of electronic gaming machines was a radical reversal of policy by two states which previously insisted that the social and regulatory risks outweighed any possible economic benefits. Jan McMillen, in a paper presented to the ninth international conference on gambling and risk-taking in Las Vegas in June 1994, wrote that two views of the state's role in gambling have dominated Australian analysis: the liberal notion that legalised gambling is an egalitarian expression of popular demand, and, more recently, the idea that the state has legalised gambling as a 'milch cow'. 'Gambling of very diverse sorts are affected by the complex and interrelated objectives of industry, government and community, specifically the need for gambling to be both socially legitimate and economically profitable.\* As noted above, revenue from lotteries was used in ways which fostered public conceptions of social welfare – for hospitals, housing, cultural and sporting projects – which gave gambling a legitimacy in Australia not found elsewhere.

But this principle requiring a nexus between gambling and social welfare has come under commercial and political pressure, especially in the past two decades, McMillen says. Since the 1970s, social objectives have lost ground to the perceived potential for gambling to stimulate general economic development. This is shown in the way all states have introduced casinos as part of a competitive emphasis on tourism to revitalise stagnating regional economies. Three marked policy changes since the 1970s have encouraged gambling: a shift in emphasis from betting (TAB) to gaming (lotteries, poker machines, casinos); a pronounced trend away from state-operated gambling (state lotteries, TAB) towards gambling owned and operated by large commercial corporations; and the shift in policy priorities from social welfare to economic goals.

McMillen identifies two reasons why economic goals overtook social policies: the continuing fiscal pressures facing governments and the access of private developers to the policy-making process. In an interview, she said: 'There are several pressures on governments to expand gaming. Revenue is one. The recession has weakened their revenue base and the Commonwealth has turned off the tap. They have to raise money somewhere, and have said they will not raise taxes. Gaming is a form of tax-raising, but it's regressive ... Gaming has been extraordinarily attractive to private industry with surplus revenue because it's a guaranteed profit. There are some surprising shareholders in gambling, including unions and superannuation funds. In every state the government resisted casinos, while private enterprise pushed it.\*

Considerable media attention has been devoted to the relationships between the Premier, Jeff Kennett, Ron Walker (honorary federal treasurer of the Liberal Party, co-founder and joint managing director of Hudson Conway, which is the developer and largest investor in Crown Casino, a director of Crown Casino, and chairman of the Melbourne Major Events Committee, which brought the Grand Prix to the city) and Lloyd Williams (chairman of Crown Casino and chief executive of Hudson Conway). Many Victorians who favour gambling have been concerned at the perceived close links between the government and the casino. A small but significant example was mentioned by John Silvester in 'The Sunday Age' in September 1994: that travellers arriving at Melbourne Airport were greeted by a sign advertising the casino which included the official Government logo. 'The Government defended this unusual move, claiming the logo had been used because the sign was owned by the state but paid for by Crown,\* Silvester wrote. Paul K, a counsellor with Gamblers Anonymous, said an English journalist he spoke to had been horrified at how involved the government was in the promotion of gambling in Victoria.

Nigel Kent-Lemon, a British casino owner and expert on international gambling trends, told a national gambling conference in Melbourne late last year that governments throughout the world were increasing their tax revenue base by encouraging more gambling and gaming. But he warned that if the Victorian Government's funding programs became too linked to the health of the casino its ability to make

independent decisions about the casino might be impaired. 'It's a worry; not because of corruption, but because of the danger a government might take a different point of view from the one it should, or not take any draconian measures when they might be necessary, because it effectively has become a partner in the casino,\* Mr Kent-Lemon said.

Bishop Michael Challen, chairman of the Anglican Church's Social Responsibilities Committee, made the same warning in May 1994. Calling the increasing dependence on gambling revenue 'dangerous and flawed\*', he doubted that the government would have the courage or capacity to tackle corruption in the gambling industry if it relied too heavily on gambling for revenue. 'The big danger is that the government is making itself dependent on structural gambling as an ongoing form of revenue. The more the government locks itself into that income, the more difficult it will be to set limits and constraints on gambling ... History indicates that organisations responsible for gambling have powerful vested interests, and the question is then whether the regulatory authority or the government itself will have effective power or the courage to bring about change if research shows it is necessary to do so.\*

## The 'Benefits\* of Gambling

The gambling industry claims it brings many benefits, almost exclusively economic, apart from those of providing a greater range of leisure options.

Gambling revenue is undeniably of increasing importance to the state. Jan McMillen has written that changes in Commonwealth-state financial arrangements since federation have been a significant influence on this growing importance, as the balance has shifted in favour of the Commonwealth and eroded the revenue and financial autonomy of the states.

The Tasmanian Gaming Commission's Australian Gambling Statistics 1973-1993 shows how Victoria's gambling turnover and taxes have rocketed in recent years:

| YEAR     | Gambling Turnover (\$m) | Percentage increase | Tax Yield (\$m) | Percentage increase |
|----------|-------------------------|---------------------|-----------------|---------------------|
| 1988-89  | 3,558                   |                     | 412             |                     |
| 1991-92  | 4,234                   | 19% §               | 513             | 24.5% §             |
| 1992-93* | 6,787                   | 60.3%               | 600             | 17%                 |
| 1993-94  | 11,158                  | 64.4%               | 768             | 28%                 |

(\* In 1992 Poker machines were legalised. § Increase over 3 years.)

According to state budget papers, taxes from gambling are expected to rise another 13.7% in 1994-95, outstripping the rate of growth from other revenue sources such as payroll tax (5.9%), motor vehicle taxes (8.8%) and financial institutions duty (4.1%). The budget papers show that tax income from private lotteries will rise \$11 million to \$291.8 million, electronic gaming machines from \$258.8 million to \$351.9 million, and the casino from nothing to \$55.6 million. Some of this, however, will be at the expense of racing, from which tax revenue is expected to drop from \$210.7 million to \$147.9 million. Gambling revenue will account for some 12% of Victoria's total tax earnings, with nearly five cents in every tax dollar coming from electronic gaming machines. Lotteries are a generous contributor, with

nearly 35% of turnover ending in state treasuries (Australians spent about \$2.8 billion on lotteries in 1993-94), plus unclaimed prizes, which return to consolidated revenue at the end of each financial year.

Gambling also offers important political advantages: the revenue it brings can keep down other forms of state taxation. As an indirect tax, it is both voluntary and invisible, easy to collect and almost impossible to evade; nor does it need annual legislative approval as part of the government's budgetary program. 'Gambling plays an important part in giving the impression of a "low-tax" minimalist state which places greater reliance on private enterprise,\* Jan McMillen writes. Further, taxing gambling does not bring the public hostility that accompany tax increase on alcohol or cigarettes, nor the organised political opposition of other forms of industry taxation.

Besides tax revenue, gambling is said to stimulate other economic activity, such as employment and building. The cost of building the permanent Crown Casino, with its 1000-bedroom hotel, restaurants and other facilities, is constantly being revised upwards but is now about \$1000 million. The temporary casino alone has provided some 2700 jobs.

The Victorian Casino and Gaming Authority released a report in September 1994 on the first 13 months of electronic gaming machines in the state (to September 1993, and thus not including the casino) based on replies to a questionnaire by more than 80% of gaming venues. It found that the income of all venues operating gaming equipment had risen since their introduction, ranging from an average of 12% in hotels to 128% among RSL clubs. Ninety per cent of venues reported that they had employed more people and, based on a calculation of the total number of hours being worked by staff in all venues, the authority estimates that the equivalent of 1553 new full-time jobs have been created. In the same time, clubs and hotels spent \$31.7 million on new building works and facilities (73% by clubs), with an average investment of \$186,499. At the time of the report, another \$6.5 million in improvements were under way and \$27.2 million planned. Membership of clubs licensed to operate gaming machines rose by an average of 54%, with the increase highest in country areas, which the authority attributed to a lack of other entertainment opportunities. Some 57% of the venues indicated they had contributed to the community, mainly to local sporting groups, hospitals and schools, though the Royal Children's Hospital featured strongly.

The authority noted that the money spent on gaming in Victorian clubs and hotels did not seem to have been at the expense of other activities within those venues. 'Excluding gaming, the proportions spent in other areas (bar, meals, entertainment, bottle shop, etc) have remained similar, with modest increases in the total amounts

At the time of this survey, it was clear that a great deal of further investment was either in progress, or planned for the coming year. This suggests that gaming activities are still in a rapid growth phase, continuing for some time to come.\*

The report of the first year of the study into the social and economic impact of the introduction of gaming machines to Queensland clubs and hotels (February 1995) said a preliminary cost/benefit analysis indicated that the state gained an extra \$4.50 in gross state product for every dollar the government spent in providing gaming machines. In July 1993 Queensland licensed clubs reported \$60 million of building projects and improvements completed or in progress, with another \$165 million planned. Club membership had increased notably, with more families, women and older people joining.

The Queensland report was cautious about employment. 'The overall quantity of jobs directly attributable to the introduction of machine gaming is relatively modest, probably amounting to a gross increase of approximately 2,000 in clubs and hotels and an equivalent number in ancillary employment between 1992 and 1994. ... In general, clubs and hotels are major providers of employment for the younger age groups, but this is overwhelmingly part-time employment for young women. Almost 80%

of part-time employees are women who are significantly under-represented among full-time workers and in managerial jobs. Part-time employment accounts for about 65% of the newly created jobs in clubs and hotels, with the great majority of persons employed on a casual basis.\*

In New South Wales, by the late 1980s, there were 1,570 registered clubs offering gamblers access to 54,000 machines and 9,000 draw poker machines, making the club industry the largest provider of leisure in the state. According to Jan McMillen, 'the income-earning capacity of poker machines has enabled some large registered clubs to assume many of the functions of local government\*'. They have built and maintained public facilities such as sporting complexes and community halls and given money to community programs which otherwise would have been the responsibility of local government. 'Research has shown that club patrons also derive considerable benefit from the social relationships and interactions associated with this form of gambling.\*

Traditionally, governments have spent gambling revenue on public projects – particularly, according to Jan McMillen, on projects which foster public conceptions of social welfare, such as hospitals, housing, cultural and sporting projects. The Sydney Opera House was funded by a state lottery. In Victoria, much of the government\*s revenue from the casino will go into the Agenda 21 Program on Public Works, which includes a \$250 million statue museum, \$150 million exhibition centre and a \$52 million Melbourne Sports and Aquatic Centre at Albert Park, \$25 million on the construction of the Grand Prix track and \$20 million on enhancements to Albert Park. But these, too, have their critics. Figures show that poorer Melburnians (those who typically gamble at the casino) are contributing more than their share of the community\*s wealth to the casino\*s coffers, which suggests they are also sharing a disproportionate burden of the cost of capital works outside their localities. As John Silvester observed in 'The Sunday Age\*' in September 1994: 'For Crown it makes greater financial sense to have its taxes spent on tourist-type developments than on schools and hospitals in the suburbs. The new exhibition centre is next door to Crown\*s Southbank development, and will be a big bonus for Crown, drawing people to the area and helping it bid for big conferences.\* The benefits Jan McMillen identifies are economic activity – building, employment, increased business for restaurants – and the development of community clubs. In Queensland, unlike Victoria, the government buys the gaming machines and allocates them to venues, and a deliberate attempt has been made to foster community clubs rather than private profit. 'In Queensland, clubs were little more than tin sheds, and machines were introduced to help improve the facilities. This has seen the development from nothing of strong, well-resourced social and community clubs which build swimming pools, sponsor children\*s sports, set up cheap restaurants etc. That is an important and beneficial social impact,\* she says.

She also identifies as a social benefit of small-scale gambling, such as lotteries, the community spirit that can develop when people form syndicates at work or in the family to buy weekly tickets.

## **Negative Effects: Addiction**

One Monday morning James stopped shaving, went down on his knees by the bed and said to his wife: 'I've done this stupid thing.\* He\*d taken all the petty cash from work and had a splurge on 'a real good thing.\* The horse lost by a short half-head. Would she sign a withdrawal so he could get the money out of the bank and replace the cash before his boss found out?

She agreed, even though he\*d promised her long ago he\*d never have another bet. What she didn't know was that he had asked her for twice as much as he actually needed, so he could put the rest on

another 'real good thing.\* 'I was heartbroken – tears streaming down my face, covered in shaving cream,\* he says. 'But even then I was a con man.\*

James has done a lot of things like that. He calls himself a compulsive gambler. He hasn't had a bet for 15 years, but he doesn't believe he's cured. 'I'm just inactive,\* he says. Like a volcano.

James grew up in a betting family. His father was once an SP bookie. For James' ninth birthday, his brother gave him a racing game with horses he could move around on strings. 'I used to get the family around on Sunday afternoon and clear the table and take bets, a penny, threepence...\*

When he left school at 16, he had plans to become an accountant, but he dropped out of night school when he found that classes clashed with the dogs on Monday and Tuesday nights. 'Most of my money went on greyhounds, horse racing, harness racing, cards, as often as I could get a game together,\* he says. 'Occasionally I travelled to the border and played the poker machines. It didn't matter what I played as long as I could bet.\*

He rang his girlfriend after a big win on the dogs one night and asked her if she wanted to get engaged. 'We went out Saturday morning and bought the ring, because I knew if I left it any longer I wouldn't have the money. If I won, I had to go back to get more. If I lost, I had to keep chasing it as well.\*

They married two years later, on the money his girlfriend saved. Three months after their marriage, his wife had a nervous breakdown. For a while, things improved. But then James was charged with stealing from the company he worked for. The hardest part was telling his wife, who was expecting their first child. 'That really shook her up. She believed the reason I'd done this wasn't to gamble, it was the financial pressure we were under with her being ill. You'll take any avenue to get out from under yourself.\*

James stole again, and was dismissed from another job. This time he told his wife he'd had a clash with the boss. 'If she'd got hold of that bloke she would have torn him from limb to limb because of the story I fed her,\* he says. Within three years, James had reached the stage where he blamed his wife and children, a girl of three and a baby boy. 'They put restrictions on me, I couldn't gamble the way I wanted to, so I couldn't win. They forced me into stealing, taking out loans.\* One night he told his wife she was 'a nagging old bitch\* and walked out on her. 'I had no feelings,\* he says. 'I was nothing.\*

He stayed away for five days, the most miserable of his life. Then his wife asked him back. 'I just jumped in the car and went back. I made all the promises in the world. Again.

'My family found out I'd been milking my mother dry, getting her to put a few bets on the tote for me from her pension. They disowned me.\* He had to sell the house to pay his debts. To make his wife think he'd stopped he brought his pay home and gambled with anything he could borrow or steal. Once he turned the house upside down looking for the rent money, even searching through the kids' sandpit. All the time he knew he'd taken it himself. 'I rehearsed my lies. A lot of the time I believed them myself.\*

His wife made him see a doctor, who referred him to a psychiatrist. 'I sat in his room and said: "You're doing wonders for me, I haven't had a bet". I was gambling as much as ever and paying \$60 a week to lie to him, same as I was lying to everybody else.

He was betting now in complete secrecy, driving to different suburbs to place his bets and hiding behind pie stands at the race-course in case he bumped into someone he knew. One morning he thought that if he continued this way, he'd end up a lonely old man. To a man who had always had family, it was a horrible thought. It didn't stop him betting, but it made him confess to his wife once more. This time she'd seen an advertisement for Gamblers Anonymous. He went to his first meeting in 1979. 'There were five other chaps there. When they got up to speak, it was just as if they were talking about me. Suddenly I felt I'd found somewhere I belonged. I wasn't the only one who did these stupid things.\*

James has times when he thinks about having a bet. Once he had a long break from work after surgery. 'I used to walk up the street and think, "I could walk into the newsagent and have a scratch, nobody would know."' It was just the fact I'd been around Gamblers Anonymous so long that made me able to resist.\*

The case study above is taken from an article on gambling addiction by Jane Sullivan in 'The Age' (29 October 1994). Other case studies tell similar stories of uncontrollable urges that ruin lives and drag others – wives, children, friends, colleagues, employers – into a morass of misery. According to Paul K, a counsellor with Gamblers Anonymous (counsellors do not reveal their surnames), gambling addiction is an illness, 'an addictive compulsive behaviour illness, like alcohol or nicotine addiction.\* No-one knows how widespread it is, but the commonly accepted figure is 1 or 2% of the population – some 200,000 to 400,000 Australians. Paul distinguishes between recreational gambling – the category most fall into – and compulsive. 'If you turn compulsive, this is when you start to get into trouble.\* Just as narcotics addicts follow a trail from user to abuser to addict, so gambling addicts follow stages: first occasional, then recreational, followed by heavy, then compulsive.

Do gamblers turn to Gamblers Anonymous only when they hit rock bottom? 'In a way we are a last step. What do you call rock bottom? For each it's different. For some it's enough to have marriage problems or to lose a large sum.\*

The executive director of the Victorian Council on Compulsive Gambling, Rob Wootton, estimates that each compulsive gambler seriously affects seven to 13 people around him or her. Paul K notes that 'the compulsive gambler affects the people he works with, his employer, his family, social life. It may lead to criminal activity, and people get into legal problems. Some gamblers harm only themselves, others harm everyone around them. It may be physical violence; more often it is emotional violence.\* Rob Wootton suggests that 'in many cases, desperation leads to crime. About 55% of compulsive gamblers engage in criminal activity, be it fraud, theft, burglary etc.\* Another published estimate is 60% of which 20% is serious enough to be charged – for offences ranging from theft to armed robbery and even murder. Marriages are an obvious casualty of addiction, and according to one study the separation rate for compulsive gamblers is about 50%. The recently published report on the first year of the study into the social and economic impact of the introduction of gaming machines to Queensland clubs and hotels found that 45% of male problem gamblers had either lost working time or been sacked as a result of gambling; 31 % of men and 22% of women had been involved in theft, misappropriation of money or other illegal activity which was gambling-related. Men still found betting (the TAB) the biggest thrill (more than 60%) with compulsive gamblers spending an average of \$724 and 16 hours a week, compiling an average debt of \$33,000.

## **Women**

As noted above, the greatly increased access to gambling has introduced new sources of problem gamblers, notably women, who did not figure largely in Victorian and Queensland figures before the introduction of poker machines in 1992. The Queensland impact report noted that 70% of women problem gamblers said poker machines were their preferred form of gambling, and that on average they spent \$323 and 13 hours a week on machines. The average debt was \$4,000. The same study found that only six per cent of those who gambled on pokies diverted the money from other forms of gambling; a quarter took the money from household budgets and 16% dipped into savings, which provides statistical proof of an association between playing poker machines and economic difficulty.

Anecdotal evidence in Victoria suggests the same trend. Gamblers Anonymous said that three months after Crown Casino opened, the number of women seeking help rose to 20% of the 100 or so calls a week for help, while the Victorian Council on Compulsive Gambling reported a rise from three per cent to 15. Paul K of Gamblers Anonymous says women gamble for different reasons than men. 'Women go to the pokies for a day out without being hassled by men. Before, if women went to the pub by themselves men assumed they wanted to be picked up.\* Rob Wootton says the main reason for the rise is the availability of the pokies. 'Access is a big factor. Women who may have gone over the border three times a year to play the pokies now have them down the road. Rather than a novelty it becomes a habit. It took between six and eight months after poker machines came in before Gamblers Anonymous and other organisations started to see those people affected by them. The same is going to apply to the casino, I suspect,\* he said in October 1994.

Research by AMR Quantum found that 64% of poker machine gamblers in Victoria are women, 45% of them aged under 34. But the biggest spenders and most regular bettors are women over 55 who are not working and are on a low income. The gambling research institute's Jan McMillen says the only respectable wager for a woman after World War II was on welfare, such as school raffles or church bingo. 'Women rationalised buying raffle tickets by saying the money was going to a good cause.\* Now gambling has become a social activity. 'They go with their friends and have something to eat and drink, gambling venues became a meeting place for a lot of women, certainly older women.\* The Office of the Status of Women found in research in 1993 that women control 70% of household expenditure, or some \$2.5 billion a week. Yet the links between this spending power and women's increased participation in gambling – and what it might mean for society and the economy – have not yet been explored.

## **Melbourne's Casino – the Down Side**

Beyond question, the opening of the Crown Casino in Melbourne has had a colossal impact on the city and changed the way people gamble. The temporary casino opened at its World Trade Centre site on 30 June 1994 with some 1,200 gaming machines and 130 gaming tables. Within five months it had been extended, with a double-storey area adding another 50 tables, or 500 'gambling positions.\* In its first 10 weeks, more than 1.6 million people passed through its portals, more than double the company's predictions. In its first 12 months, more than \$3 billion will be turned over at the casino – more than \$1,000 for every Victorian adult – yielding \$55.6 million in tax to the Government. Economically, Crown would classify itself as a success, and the Premier, Jeff Kennett, has been publicly jubilant.

Not all Victorians are rejoicing, though. According to counsellor Paul K of Gamblers Anonymous, telephone inquiries have doubled – to about 100 a week – since the casino opened. Other counselling services, such as Gambling Line and Life Line, have noted similar increases, he says. When 'James\* (the addicted gambler cited above) joined Gamblers Anonymous in 1979 there were only three branches in the whole state, which he says were lucky to get 16 people to a meeting. In February 1995 this had risen to 25 meetings a week in metropolitan Melbourne and five in the country, according to Paul K, and it is still increasing.

'The casino is a big problem. This is my personal view – Gamblers Anonymous makes no official statement. Some people go in the morning and don't leave until 3 the next morning, having lost everything they own. It used to take 10 years with the horses for people to lose their money and their marriage; with pokies it takes an average of three years. With the casino it's down to three months! It takes about three months for the casino to clean up clientele. I was a compulsive gambler on the horses,

but I had to go to the track – I didn't like the TAB – and I had access only to what I had in my wallet. With the pokies the problem is that they are around the corner 24 hours a day. The casino is even worse – they have big tables, the girls are attractive and treat the gamblers as private clientele, people go there and think they are James Bond.\*

Nor are the economic benefits as straightforward as they seem. Crown acknowledges that the vast majority of money spent at the casino is coming from the pockets of local residents. This means the money is being diverted from other forms of spending, rather than bringing 'new' money into the economy. International specialist Professor Robert Goodman, the author of 'Legalised Gambling as a Strategy for Economic Development,\* says casinos can siphon money from existing venues, including restaurants, hotels, theatres and other forms of leisure activity. He says a large percentage of a casino's revenue must be drawn from outside the local community if it is to generate long-term employment and create new wealth. Jan McMillen agrees: 'Casinos must have a social and economic benefit to the nation, and the way to do that is to treat it as an export industry. Only five to 10 per cent is coming from overseas; the bulk is from the local citizens.\*

Australia is unique in siting its casinos in major population centres, then not putting any restriction on entry, she says. 'In Europe you have to pay an entry fee, or they are restricted to tourists; in America until recently you had to get on a train or bus.\* When the Sydney Casino opens, there will be casinos in every state and 90% of the Australian population will have relatively easy access to gaming 24 hours a day. A world expert on gambling and the law, Professor Nelson Rose, told a national gaming conference in Melbourne in November 1994 that Australia was leading the world by putting casinos in its major cities, especially where there was already a strong horse-racing and poker-machine ethos. 'And it is a danger. History shows that where a casino caters more to the local population than tourists, the city becomes impoverished and the casino is inevitably closed after a few decades,\* Professor Rose said.

## **Other Social Aspects:**

### **Losers**

The one obvious fact you will never learn from the gambling industry's copious and glamorous advertising is that in order for there to be winners there must be losers. In fact, many more losers than winners. In 1993, the last year for which figures are available, Australians lost about \$6 billion gambling on racing, gaming and lotteries. Cliff Barclay, of the Uniting Church's justice and social responsibility unit, put it poignantly in a letter to 'The Age\*' in July 1994: 'The hype, glamour and excitement of the casino are only part of the story, and unfortunately it is not the biggest part ... You see, the real story of the casino is that most people lose. Casinos make money because most people lose. The glitz, the glamour and the classy facade are all paid for by the losers. The promise of riches is a lie because most people lose. They have to. The truth of the matter is that casinos are places for losers.

'We have a new society now, more exciting and more profitable, but what are its values? One winner is worth 20 losers. Who cares if people lose their house on a spin ? They shouldn't have bet. Money is something to win, rather than earn and save. Don't mind the children, they can wait in the car. Better still, give them a creche with toys so they can play in the casino too.\*

Anecdotal evidence abounds. Pawnbrokers report a boom in business from July 1994, and taxi drivers tell of taking clients from the casino home and back to get more money, of taking goods to second-hand dealers on the way to the casino – often the very goods, including televisions and stereos, that the grateful casino has given gamblers as a reward for a high betting turnover. Many taxi drivers refuse to take passengers from the casino because they are tired of arriving at the destination only to be told the passenger has lost all his money or to have the passenger ‘do a runner.’\*

## **Domestic Violence**

Aid groups report marital conflict and domestic violence has increased since electronic gaming was introduced to Victoria. One study suggests only half the marriages of compulsive gamblers survive. Dame Phyllis Frost, head of the Victorian Relief Committee, said in May 1994 – even before the casino opened – that gambling in Victoria was out of control, and that the committee had reached desperation point in trying to deal with spouses of addicted gamblers needing help to feed their families. ‘It’s just gone mad when even restaurants here are advertising that they have Tabarets. It’s all gone crazy, it’s out of control and it’s absolutely wrong. I am very worried, because it always hits the same people. People are being paid on Thursday, putting it down the slot on Thursday night and coming to us on Friday. We have to do something. It is desperate.’\*

John Silvester quoted Phong Nguyen, the director of the Indochinese Mutual Assistance Association in Springvale, Melbourne, as saying the casino had devastated large numbers of Cambodian and Vietnamese families. ‘These are the people who can least afford to gamble.’\* He blamed an increase in domestic violence in the community on compulsive gambling, adding: ‘There is clear evidence that it is a growing problem.’\*

Jan McMillen referred to residual social problems of increased crime and domestic violence because of financial pressures, but said: ‘We don’t know the extent. Women in families are often the moral guardians and the ones who try to keep the finances in order. These questions really need to be researched.’\*

## **The Asian Community**

Melbourne’s Asian community in particular seems to have embraced Crown. Casinos across Australia court wealthy Asian gamblers, offering incentives including free travel and accommodation. And within a month of Melbourne’s casino opening it reportedly put paid to that previous manifestation of the Asian love of gambling, the illegal floating fan tan and domino game. Where once huge gambling establishments would spring up behind any tiny lane running off Chinatown’s main drag, the old upstairs warehouses now remain unused. Once impossible to suppress, the illegal clubs are not being reopened any more because the casino is proving more popular.\*

Yet, as Penny Debelles reported in ‘The Age’\* in October 1994, in the three months since the Crown Casino opened, the image of Melbourne’s Asian community has been tarnished. ‘In the opening weekend, the faces of Asian children left in the car park while their parents gambled were splashed around the media. Inside, the number of Asians around some tables was put as high as 80%. Last month a Springvale social worker, Phong Nguyen described the emergence of related social problems –

marriage breakdown, domestic violence, child neglect and suicide. Since then Mr Nguyen, the director of the Springvale Indochinese Mutual Assistance Association, has been silenced by the Vietnamese Community in Australia (Victoria). Asian gambling, they insist, is no worse than the community as a whole and where problems arise they will handle it. No-one likes to talk much about the Asian community's love affair with Crown Casino because to do so risks making generalisations that are incomplete, insensitive and racist,\* DeBelle wrote.

But Asian gambling is without doubt having a social and personal impact that is out of proportion to the representation of Asians in the general population. Asians make up less than 5% of Victoria's population, yet represent a minimum of 30% of people gambling at the casino. At the very least, their exposure to the hazards of gambling is greater by the same degree.

Crown Casino is highly alert to the Asian market and has gone out of its way to welcome Asians. Advertisements in the Vietnamese weekly 'Tivi Tuan San' appeal to the glamour of gambling, offering the punters the chance to become '007 James Bond.\* When the casino was built, a feng shui expert was brought in to make sure the spirits would be pleased with the way the casino was laid out. There are no white napkins, an omen of death, and no gambling 'books' because the Chinese word for books means bad luck.

Evidence about the casino's impact on the Asian community is so far anecdotal. Some Vietnamese restaurants complain of a drop in trade, blaming the casino. In Adelaide, which has had a casino since the late '80s and where some Indochinese people are said to have lost their houses and their livelihood, conventional gambling support programs have been of virtually no use. Adelaide Gamblers Anonymous counsellor Vin Glenn, says in the seven years the casino has been open he knows of no south-east Asian who has joined.

## **Crime**

Gambling – and especially casinos – have long been linked with crime in the public perception. In Victoria this fear long delayed approval for casinos. In 1983 separate commissions of inquiry investigated poker machines and casinos. Jan McMillen writes: 'Protestant churches and welfare groups, in particular, presented a well-organised and determined case against poker machine legalisation, arguing that further expansion of gambling would bring limited economic benefits but considerable harmful social effects. Drawing on evidence from NSW clubs, they argued that poker machines had increased gambling problems, social disorder and organised crime. This argument received considerable support from within the government itself, with police representatives expressing grave doubts that measures to eliminate criminal influence from the industry would be effective.\*

Police report that the crime rate has risen since the casino opened, but this is not unexpected considering that nearly 30,000 people a day attend the complex. The number of car thefts and thefts from cars has risen, but crimes of violence have not risen significantly.

However, overseas trends indicate Victoria can expect a leap in white-collar crime, including frauds and thefts from businesses, due to problem gamblers. Research by the University of New Orleans in the United States estimated that the work of processing alleged offenders linked to the new casino there would cost the Louisiana criminal justice system an extra \$5 million a year, not counting the cost of keeping people in prison. International specialist Professor Robert Goodman, the author of 'Legalised Gambling as a Strategy for Economic Development,\* reported that in the three years after its first casino opened, Atlantic City went from being the 50th most crime-ridden place, per capita, in the United

States, to the most. 'Pathological gamblers tend to engage in forgery, theft, embezzlement, drug dealing and property crimes to pay off gambling debts. They are responsible for an estimated \$1.3 billion worth of insurance-related fraud per year.\* Welfare groups say more than 50% of compulsive gamblers resort to some form of criminal activity.

In Melbourne, known criminals, not surprisingly, are often seen in the casino.

Victoria Police assistant commissioner (crime) Neil O'Loughlin told the international conference on gambling in Melbourne in November 1994 that hardened Australian criminals such as armed robbers and bank robbers as well as amateur card sharps and international casino cheats were trying to 'test the system\* at the Crown Casino. He said the combined surveillance and security system was working well in combating most serious crime, but the sheer number of casino patrons, as well as the incidence of crime, forced the Victoria Police to increase the size of its special casino crime unit from 11 to 16 officers. In the first three months, the police unit dealt with 64 thefts, 18 assaults, 29 cases of deception and 99 miscellaneous offences including drunkenness and the leaving of children in parked cars. The joint casino surveillance systems had also detected an international team of casino cheats, who had been moved on.

Melbourne crime researcher and writer Tom Noble says that casinos have always been attractive for laundering money gained through crime. 'You come in with, say, \$20,000 from drug dealing, get several people to spend it on chips, have a couple of bets, then cash it in. There are no records, and no tax on winnings from gambling.\* Prostitutes naturally find the casino an attractive and lucrative place to find clients, and local brothels accept casino gambling chips as money.

Noble says gambling has traditionally been a plank for organised crime because it is seen as 'victimless\* crime – as prostitution is also seen these days – it requires muscle to protect the enterprise, and also to collect money from debtors. But the casino has reduced illegal gambling, virtually closing the long-running illegal games in Chinatown.

## **Retail**

If, as noted earlier, most of the money being spent at the casino is from Victorians, it must be at the expense of other leisure and spending options within the state. Richard Frank, president of the Restaurant and Catering Association of Victoria, says that many Melbourne restaurants have certainly noticed a negative impact, though newspapers report that pawnbrokers and city brothels have gained considerable business since Crown Casino opened. Again, most evidence is anecdotal, but retail figures released by the Australian Bureau of Statistics in December suggest that there are reasonable grounds for fears that Victoria\*s gambling boom is to blame for a decline in large sections of Victorian retailing. Despite a general economic recovery in the second half of 1994, many retailers complained of a dramatic drop in sales. The figures for the year to 31 October showed a 4.3% drop in turnover in clothing and softgoods on the previous year. Household goods, including electrical goods, whitegoods and furniture, dropped 9.7%. The national average was a rise of 3.8% and 0.6% respectively for those categories. At the same time, turnover in Victorian clubs and hotels (not including the casino) jumped 19%, a large proportion of which was due to gaming revenue.

Accounting firm Ernst and Young partner Michael Brennan told the 'Herald-Sun\*: 'We understand sales of brown goods (electrical goods) are down 25% and the jewellery sector is down 29% since in their respective social impact studies. If research shows that the apparent beneficial aspect of gaming machine policy (employment, club development and autonomy, decentralisation of revenues) are offset by

negative impacts (impacts on charities, spread of “problem” gambling and social disruption, the loss of state income through imports of equipment), it is likely that there will be intense debate on how far governments are prepared to steer development and intervene to rectify adverse social effects and inequities.\*

– Barney Zwartz

## Afterword

We can and should blame our governments for introducing and maintaining our present socially harmful and impoverishing gambling policy. But you and I, the citizens of Victoria, are the users and have the final say with our feet. You decide where the buck stops – with you or the government.

Gambling is based on luck and losers. We want your life to be based on God and for you to be a real winner both now and eternally.

Friend, please take the warning which this book represents, for gambling will cost you, in relation to both God and yourself. Indeed behind this book is a double concern:

First, for God. Gambling is defiant of Him. Gambling ignores Him. It is saying that He doesn't exist, or doesn't matter, that luck rules, not God.

Secondly, for you. By holding the attitudes that gambling engenders, you put yourself at an even greater distance from God. As gambling denies Him, so it also denies you a healthy attitude toward Him.

Finally, we need to repent of the way we have treated God and plead with Him for mercy on our lives. God's kindness and mercy are given to us in His Son, the Lord Jesus Christ. We earnestly encourage you to come to the Lord Jesus Christ and to read about Him in the Bible. Our 'Recovery\*' comes from Him.

A Gambling Led Recovery? No! A Christ Led Recovery – Yes!

– (Rev) Greg Fraser Convenor

Church and Nation Committee

Presbyterian Church of Victoria