By Noel Preston
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In an earlier piece critical of the social impact of gambling in Australia, I wrote: “Gambling creates a thirst for itself in the individual and spreads like a bushfire throughout the nation...Where is it all to end? Every added gambling facility has an effect like a rotten apple in a case...Australia faces a major problem in trying to stop a spreading contagion.

In fact I wrote this in an essay during my final year at Secondary School in 1959 – when there were hardly any pokies (or Electronic Gaming Machines as they are properly known). Fifty two years later my schoolboy forecast sounds contemporary as the Australian community debates policy proposals, spear-headed by Independent MP Andrew Wilkie, to limit the harmful impacts of pokies.

As the tone of the extract from my essay suggests, I have never been much of a gambler. However, for seven years till 2010, I was a community member of the Queensland Government’s Responsible Gambling Advisory Committee, a body charged with the duty of monitoring Queensland’s extensive gambling industry and promoting initiatives to encourage so called ‘responsible gambling’.

The implementation of Queensland's responsible gambling strategies - relying on a Code of Conduct, some in house research, assorted education initiatives, and facilitating ongoing conversation between most stakeholders - has had a limited effect. At the end of the day it is a weak harm minimisation initiative. Much sterner medicine needs to be applied if the corrosive effects of the omnipresent pokies in clubs and pubs (let alone in casinos) are to be tackled.

The community recognises this and so do most politicians. Former Queensland Premier Wayne Goss gave voice to this opinion when asked a few years ago what he most regretted doing when he was in government. His straightforward reply was, “legislating for the introduction of poker machines in pubs and clubs”. If with hindsight, his government’s error in the case of clubs, is regrettable, the installation of pokies in Queensland hotels was always indefensible.

But is the current scale of the problem, on a cost benefit calculus, one that warrants drastic action?

After all, we know that most Australians gamble within their means and for entertainment. We also know that the budgets of our state governments (with the exception of Western Australia, the only state jurisdiction without pokies) are significantly augmented by gambling revenue. At the same time many clubs provide significant benefits to their local communities through charitable gifts, facilities for entertainment at subsidised prices as well as employment. By the way, for casinos, instituting ‘responsible gambling’ measures represents a cost they can easily absorb. Hence we hear little from them in the current public debate.

As we also know, there is another side to the story. The Productivity Commission has looked at both sides of the story twice in the last decade or so. In both Reports the Commission confirms that over 40 per cent of the revenue from poker machines comes from Australia’s problem gamblers who now number around 115,000 and whose addiction is overwhelmingly played out through pokies. The Commission Report also reminds us that Australia tops the international list of per capita gambling. Moreover, the poker machines we have installed are overwhelmingly high intensity machines, not generally the case overseas. This means the Australian gambling public are exposed to a very powerful instrument of potential addiction.

But how is the downside of gambling's cost to be measured?

One fascinating measure reported by researchers is that gambling is the most common reason for fraud with an average loss of $1.1 million per incident. Essentially however, it is the sad story of misery which gambling addiction wreaks on addicts themselves and their families – altogether around one million Australians - while other harmful effects ripple across our communities. Financial devastation, family breakdown, crime, suicide, homelessness, disadvantage to innocent children are part of that story, creating a huge cost to our welfare systems, which, of course
is a cost to all taxpayers.

The story of problem gambling in Australia has a significant post script often ignored: beyond the addicts there are those who waste money they cannot really afford, while there is also a category of ‘at risk’ gamblers who are flirting with the possibility that their gambling habit will escalate to a hopeless addiction.

In all sorts of forums, all stakeholders in the gambling industry declare they are ready to address the problem gambler problem, and in many cases they can genuinely claim they are already onto the case. After all, isn't that why we hear and see the slogan all the time, “Gamble Responsibly”! But the steps they resist tenaciously are those that threaten their bottom line. This is hardly surprising as many clubs derive more than 70 per cent of their revenue from gambling, while the take for state governments can be as high as 17 per cent of the revenue they raise.

With such a conflict of interest, state governments and clubs are most unlikely to lead the way in significant gambling reform. It also explains why, in the current campaign against Mandatory Pre-Commitment (MPC), clubs overstate the negative impacts virtually proclaiming the world (as they know it) will end.

In a futile endeavour to take the high moral ground over the MPC proposals, Clubs Australia resorts to arguments about democratic rights and assaults on the freedom of the individual. They allege their opponents are turning Australia into a nanny state, blindly ignoring the fact that the state often creates regulations limiting freedoms, in the interests of the community, from compulsory seatbelts in cars to curtailing the availability of harmful substances.

So thank heavens for Andrew Wilkie MP and Senator Nick Xenophon, and the Australian Churches Task Group with spokespersons like Reverend Tim Costello, who have created a climate in which politicians on both sides of politics can entertain courageous actions to limit the damage of the poker machine industry, building on the data and recommendations of the Productivity Commission. Well done to the Gillard government in signalling it will stand up for reasonable legislation (which takes into consideration local impacts) to implement MPC.

Sadly, the Opposition leader has seemingly come to a different conclusion, one that smells of political expediency rather than moral leadership in the national interest. However, maybe the right decision will also be the politically correct view if the result of a poll announced last July is accurate. Australian National University researchers found that 74 per cent of respondents agreed with the proposition that “people should be limited to spending an amount they nominate before they start gambling”.

Apparently, the public has sound instincts on this issue, for MPC is premised on the common sense view that once gamblers are ‘in the zone’, mesmerised by all the bells and whistles of the gaming room, they are less likely to make safe choices. In a recent article in the respected medical journal *Lancet* Dr David Hodgins of the University of Calgary gave support to the anticipated Australian MPC initiative adding that it is likely to give problem and at risk gamblers some defence against their vulnerability to myths like the belief that the only way to recover losses is to continue gambling or the belief that a win is due after several losses.

While it is arguable that MPC will not “cure” entrenched problem gambling, its impact on the bottom line of big clubs, especially in large urban centres, is likely to expose those clubs who, unjustifiably, rely on problem gamblers to maintain their operations.

There is no suggestion of a prohibitionist approach here. However, reducing the sheer volume of gambling in the community has to be helpful, but it is a lesson we learn slowly. If Mr Wilkie and Co. have a win this time there are plenty of other challenges awaiting them: internet gambling and escalating sports betting for a start. Come to think of it, my schoolboy essay has not really dated: Australia faces a major problem in trying to stop a contagion.

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