

Australia: Victorian Labor government scraps gambling research

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The Labor government in Victoria, Australia's second most populous state, announced in late May that it was axing research into the links between gambling and crime and depression, as well as how to better detect "problem" gamblers. This amounts to yet another confirmation that, at the state government level, Australia's mainstream political parties have become addicted to gaming revenue, largely obtained at the expense of ordinary working people.

The shutting down of potentially unfavourable research began late last year when Premier Steve Bracks' government scrapped the nominally independent Gambling Review Panel (GRP)—which Labor itself had created in 2000—and replaced it with an internal Ministerial Advisory Committee (MAC).

As recently as the 2002 state election, the Bracks Labor government lauded the GRP for "conducting the most extensive gambling research ever undertaken in Victoria into the social and economic impact of gambling, the causes of problem gambling and strategies to minimise harm from gambling".

Last year the GRP released a survey showing substantial community concern with the social impact of gambling and strong support for cutting the number of Electronic Gaming Machines (EGMs), more commonly known as poker machines or "pokies" in the Australian vernacular. Some 85 percent of respondents believed that gambling was a serious social problem and 73 percent said the number of EGMs should be reduced.

An earlier GRP report published in 2003, entitled "Study of Clients of Problem Gambling Services" pointed to the social misery caused for people whose lives were severely affected by gambling addiction. The study found the effects included financial problems, family breakdown, failing health, increased substance abuse, psychological disorders such as Attention Deficit Disorder and Obsessive Compulsive Disorder and suicide

attempts.

The head of the GRP, Deakin University professor Linda Hancock, indicated that the body would conduct new research into gambling's social context, rather than treating it as the result of individual failings. One study planned to compare similar suburbs in Perth (without EGMs) and Melbourne (with EGMs).

Any serious investigation of the social impact of the gambling policies pursued by successive state governments would reveal that EGMs have been allowed to proliferate in the most disadvantaged areas. For example, the state's poorest municipality—Greater Dandenong—has 1078 EGMs in a population of 126,800, while the state's richest municipality—Boroondara has only 230 EGMs in a population of 158,600. The aim has been to exploit the poorest sections of the working class, who are lured into hopes that a large win on a poker machine will solve their worsening financial difficulties.

The government insisted the GRP's findings were "out of date and ill-informed", but recent reports have highlighted the underlying social pattern. Victorian Commission for Gambling Regulation statistics showed that in 2003-04, residents in Maribyrnong—another one of the state's poorest municipalities—spent an average per adult of \$905 per year on the pokies, compared to the state average of \$600. The results reinforced findings by the Productivity Commission in the late 1990s that the highest users of EGMs were those with low incomes, ranging from \$24,000 to \$35,000 per annum.

The government had claimed that its bans on smoking in gaming venues, imposed in 2002, had reduced gaming revenues. But the May 4 state budget revealed that the downturn was short-lived. While taxation from gambling had dropped from \$1.524 billion in 1999-2000 to \$1.371 billion in 2003-04, it was estimated to reach \$1.606 billion by 2007-08.

The Victorian Auditor-General's office recently

reported that 8.5 percent of the state's revenue in 2003-04 came from EGMs, showing how reliant the government remains on such income. And this continues a decade-long trend. A report by the Centre for Gambling Research at the Australian National University in 2004 stated that real per capita expenditure on gambling in Victoria had increased from \$432.03 in 1992-93 to \$1,133.25 in 2002-03.

In the early 1990s, the Kirner Labor government first mooted pokies and a casino as an answer to the state's ailing finances. That government was defeated in a landslide in 1992, but the incoming Liberal (conservative) Kennett government proceeded with the expansion of gambling, including the construction of a casino in the city centre.

Aware of public hostility to gambling's social impact, the Labor party portrayed itself as an alternative to the Kennett government in the lead up to the 1999 state election and promised it would reduce the state's dependence on gaming revenue. Nevertheless, its policy stated: "Labor is not opposed to gambling or the casino industry in Victoria, it was a Labor Government that first recognised the potential benefits of these industries and laid down a basic framework for their introduction and development."

On the one hand, Labor appealed to the community opposition to the seemingly unstoppable expansion of gambling with vague promises to take control of it. On the other, it reassured Tabcorp and Tattersalls, the two corporations that dominate the state's 30,000 EGMs, that their revenue levels would not be adversely affected. To protect their investments, Tabcorp and Tattersalls have donated substantially to Labor's Victorian branch—each giving \$30,000 in the 2002-03 financial year.

The two-faced nature of Labor's gaming policy is illustrated by an excerpt from its 2002 election platform: "The Bracks Government inherited a system of gaming in Victoria that saw gaming machine applications cloaked in secrecy and local communities having little say in decisions about gaming machine applications. That has changed."

The truth is very different. The *Melbourne Age* reported on April 9 this year that councillors in the City of Greater Dandenong had passed a motion urging the government to reduce EGM numbers in their area due to the "destructive consequences" the machines were having in the community.

A report on the council's web site noted that its residents had lost \$999 million to EGMs from 1992-93 to

2002-03. In 2002-03, on average \$962 per adult was lost on EGMs (the 4th highest average in the state) while in Boroondara just \$150 per adult was lost.

The government rejected the council's request. In fact, according to Victorian Local Governance Association executive director Andrew Rowe, it plans to "introduce legislation allowing gaming venues that were yet to reach their quota of machines to introduce up to four new ones without [local] council approval."

Maribyrnong councillor and former mayor Gerard White told the WSW: "Councils have no greater control over pokie machines under this government than the last one."

White exposed the fallacy of the government's policy to cap the number of EGMs in particular sections of the state. While the policy had limited the number of EGMs in the Maribyrnong area, for example, it had not stopped Tabcorp and Tattersalls from putting the majority of machines in the poorest sections of the area.

Recent newspaper reports have also revealed that the agencies that are supposed to cope with those people who have been severely affected by gambling are struggling, due to a lack of government funding and the sheer weight of numbers seeking help.

One report in April showed that problem gamblers were waiting months for assistance from the major counselling body, Gamblers Help Southern. Yet, further staff cutbacks were likely without increased government funding. Another report quoted a Salvation Army spokesman saying that his organisation saw over 1,000 people a week who had suffered financial and emotional distress, directly or indirectly, because of gambling.

In response to these revelations, the Bracks government claims that it has increased funding to around \$20 million annually—a pitiful figure compared with the bonanza that it receives in gaming taxes.



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