



**AUSTRALIAN
PRESS
COUNCIL**

**AUSTRALIAN PRESS COUNCIL
CONFERENCE PAPERS**

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**THE REPORTING OF
GAMBLING
ISSUES**

**Melbourne
28 May 1998**

Contents ...

Welcoming Address	
Professor Dennis Pearce	3
Introductory Address	
Terry McCrann	5
Addresses	
Rev. Tim Costello	7
Professor Robert Goodman	13
Professor Jan McMillen	18
Chair's Remarks & Intro to the Q & A.....	24
Q & A25	
Closing Address.....	33
About the Press Council	34

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Welcoming Address



Professor Dennis Pearce

I welcome you on behalf of the Australian Press Council. My name is Dennis Pearce, and I am Chair of the Council and have been so just recently, since November.

The Press Council, of course, lost its principal public relations officer with the removal of a certain person from the 9.15 slot on ABC TV on Monday nights, and so it is probably desirable for me to just to say a brief word about the Council because many of you may not know the details of how it functions.

It was established in 1976. It is quite a large body of 21 people, 10 of whom are industry representatives, 7 who represent the public generally, 2 are journalist members, there is an editorial member and then there is the chairman, making 21 in all. The Council is primarily concerned with dealing with complaints by members of the public who are concerned about issues which appear in the print media and we get about 400 complaints each year. Of those, 80% are dealt with by negotiation and mediation, and the other 20% proceed to be dealt with by the full Council as an adjudication process, where the Council comes to a conclusion as to whether it thinks that there has been a breach of its principles. If it does and even if it doesn't, it prepares a short judgment and that judgment is then given to the newspaper concerned and it's published by that newspaper. All adjudications are published. I think that is important because we are often accused of being toothless tigers by our former public relations officer, and the description I think is unfair because it is quite clear that newspapers do take the actions of the Council seriously. Indeed any journalists or editors who have appeared before the Council usually describe it as a somewhat unnerving experience. We think that's good.

The Council has also a wider brief to consider broad issues of freedom of the press. It makes fairly frequent submissions to government and to other bodies on a diversity of topics that impinge on the activities of the press. This includes matters relating to defamation, contempt of court, privacy and generally the almost continuing efforts that seem to cross people's minds, that there should be controls imposed on the press. This usually means that it is the proposed adoption of a mechanism that allows them to say what the press will publish.

As part of that approach of covering broader media issues, it has been the practice of the Council for some time to have public forums to discuss broad general issues. That is indeed the purpose of tonight's gathering, which will deal with the reporting of gambling issues, as you would have seen in our handout.

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PRESS COUNCIL PRIZE

But before proceeding with that, I have a very pleasant task in that the Council also offers annual prizes for essays written by students at the tertiary and at the secondary level on matters pertaining to the press. This year's prize topic was for the general subject "Newspapers, a matter of taste?", a good challenging topic I think you would agree. Now, our two prize winners are here tonight. First, Monica Jackson who was the winner of the tertiary section prize and was, at that time, a graduate student at the School of Journalism at Monash University, doing her Master's degree which she has now completed and is about to commence doing a PhD. Monica is here in the second row, and we welcome y I tg, to

Terry McCrann

Thank you very much Dennis. Good evening ladies and gentlemen. I apologise if we kicked off a little later than intended. It took me a while to come across to this part of town. It probably would have been slightly more convenient if we'd held this somewhere on Southbank – there are plenty of “interesting” places over there.

Let me welcome you to what should be a thought-provoking and, I trust, entertaining and useful evening. And from looking at the audience, quite an intimate one too, so that should be of great benefit. At the very least it has to be better than spending two hours in front of a poker machine.

I should say in passing that I was actually the second choice as chairman tonight, as the person first thought of, who has a great interest in both gambling and media, was unavailable. As I understand it, Jeff will be taking Neil Mitchell to a make-up dinner tonight.

Nevertheless, we have three very good guests to bounce the topic around. Some might even suggest that Jeff's absence may allow for a more fruitful exchange, although far be it for me as a substitute chairman to suggest that.

I intend to say only a few words at the start. I reserve my right as chairman to come back at the end. We will be throwing it open to our guests who will each speak for about 10 to 15 minutes.

First, and most importantly, let me re-emphasise that tonight is under the auspices of the Australian Press Council. The Council normally meets in Sydney. We are lucky that it is an occasion where it meets in Melbourne, and when it does, as Dennis indicated, it usually holds a public meeting to promote discussion of an important issue.

And I might note in passing that this, thank goodness, is my first contact with the Press Council.

As the flier notes, the discussion is intended to be primarily about the **reporting** of gambling issues. Now, I am not so silly as to suggest the speakers will stick strictly and entirely to that narrow topic. To me that would be like asking Peter Costello to stick to the numbers and just the numbers when he talks about the budget or the economy in Parliament.

Indeed I, for example, intend briefly to raise a number of issues for starters. Clearly, a key issue in the reporting of gambling is the interplay between gambling and politics. And so, reverberates on the reporting of both, and I am sure some of our speakers are going to touch on that.

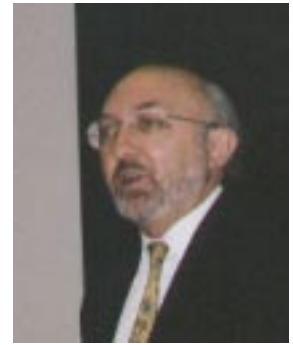
Then there is the interplay between gambling and what is called public policy. As well also, political policy, which are obviously not quite the same thing.

And I might note as a starter, that all the big decisions in relation to gambling in this State were made, although this discussion is not obviously restricted just to this state, by the Labor Government: pokies, the casino and the licenses that were awarded to TAB and Tatts.

And I think in terms of the reporting of those issues they slip by somewhat because we were all focused in those days on the bigger financial issues facing the state.

Going forward, and I will be interested hear what the speakers have to say about that, are issues like the next casino or casinos, and the next 50,000 machines and reporting about all those issues in a political context is certainly going to be a challenge.

Let me leave you with the question which is probably the one that is in all your minds, “Are we in the media



Introductory Address



hostage to the gambling interests?" I am sure the speakers are going to address that issue and I may have something to say in response.

The speakers will be, in order, Tim Costello, our guest Bob Goodman from the United States, and Jan McMillen finally.

Tim Costello is a late baby-boomer, he was born in the middle of the 1950s, and the title which he operates under really doesn't do him justice, and certainly doesn't express his importance and relevance in the community: the Director of the Urban Mission Unit at the Collins Street Baptist Church. Tim has had a varied career. After studying law at Monash in the '70s, he worked as a solicitor specialising in family and criminal law, and since 1998 he has been a part-time lecturer in urban mythology and ethics at Whittey Seminary in Melbourne. He has written a book on affordable housing, he was a city councillor in St Kilda for a period, he was Mayor of St Kilda subsequently, and he has a very prominent member in the Melbourne community. So I will now ask Tim to kick off the discussion tonight. Thank you.

The Rev. Tim Costello

Well thanks for the opportunity to address you and for those who have come out I hope this is a stimulating night. I have been hearing from Robert about his meeting with the Premier which I am sure he might refer to in his address. I was reminded as he was talking of the first meeting we had with the Minister for Finance and Gaming, Roger Hallam. As I have said on a number of occasions, it is no accident the portfolio is Finance and Gaming, because those two now go together in this State, with nearly 15% recurrent revenue coming from gaming. I remember showing Minister Hallam the map of Victoria, where the pokies were, and a map of Melbourne and saying, isn't it obvious? They are infesting the poorest areas, transferring wealth from there, because many people who are poor do regard gambling as their form of investment. They would be smarter to buy TAB or Tatts shares, not Crown shares I should add, but the others, than put the money down the pokies. Surely this is an argument for the cutting of the pokies in the poorer areas. To have regional caps. And Minister Hallam was deeply shocked. He showed it in his facial expressions, in fact I thought perhaps I'd weed on the carpet in public or done something disgraceful, he was so shocked. And he said, "This government does not believe in interfering with the market, we believe the market rules." And I said to him well, Minister, it seems to me your approach to gaming and to government is Jeffersonian - I was quoting Thomas Jefferson - and I quoted him, who said, "A government which governs least, governs best". And he raised an eyebrow and he said, "Did Jeff really say that?" I said, "No, another great statesman actually Minister." There have been a few laughs along the way, but not too many.

I have basically looked at The Age which is the paper I guess I know best, apologies to Terry, in critiquing the media's role on gambling. Starting with an overview of that from October 1994, we in the church started rather ignominiously. There were some mentions of our concerns but always near the end of articles, and the comments were about us rather than by us. The churches, you know, are concerned Certain political and business leaders were describing us as narrow, predictable, irresponsible and even self-centred. I am not quite sure why, but we were self-centred. And of course the word that came up most was the word, "wowser", which, as many of you would know, is quite an important term if you can rehabilitate it - it actually is an acronym meaning We Only Want Social Evils Remedied, not that that's the meaning understood today.

By October 1995 we'd achieved some respectability with The Age editorial being quite critical of the Gaming Authority's tardy social impact surveys and pointing out that the Authority's chairman hadn't consulted churches and community groups about increases in the gaming tables and a range of other issues. There was very important Saturday reflection about October 1995 called "Listen to the Church", and clearly we had a voice. Now pieces about the casino and certainly the rally that we ran on the 10th of December 1995 started to see the churches' presence becoming more than a few paragraphs and actually being steadily reported as the opposition.

First Speech



page of *The Age*. It has been a long time since the front page of *The Age* had printed a prayer, and it really was a very powerful prayer of about 70 words, eloquent and direct and simple, raising concerns about the gaming-led recovery. It was an interesting little media bit that because Premier Kennett said on 3AW, his preferred outlet, that he noticed the only church leader he really respected in Melbourne wasn't there at that rally, Archbishop Little. And he said of me, of course, I am not really a minister. He said I hide behind the cloth. And added Victorians would see me running in the next state election. So he had a fairly clear view that I was a charlatan.

Archbishop Little, you might remember, was rather embarrassed about this praise from the Premier, and on Christmas Day, 15 days after our rally actually in the Christmas Day Mass, said the Catholic Church and Christians wouldn't bow to secular icons of the casino, and he added the Grand Prix. None of us had mentioned the Grand Prix.

Well, the Premier went really into a rage. He was meant to be on holidays because it was now Boxing Day that this was reported in the press, front page comments of Archbishop Little's Mass. Gude was meant to be Acting Premier, but didn't know whether he was acting or not because the Premier stayed around and he really went bananas. He mainly focused his attack on me again rather than Archbishop Little, but there was a wonderful interview on Channel 7 that night where they played the 3AW text - I had rung them and suggested they might find that - of the Premier praising Archbishop Little as the only outstanding church leader. They said, "Premier, you said he is outstanding, what do you say now? He has criticised the casino and the Grand Prix - secular

icons," and the Premier shook his head and he said, "Poor Frank" - that's the Archbishop's name. "Even Frank himself wouldn't know why he said those things". It's pretty extraordinary when you think about it, isn't it?

That rally, by the way, with other pressures, led to the capping of the number of poker machines, to prohibiting pokies going into shopping centres, which they were entering in Victoria, unlike anywhere else in Australia, and it saw the beginning of pressure for some harm-minimisation gambling ads to come in, so it was a significant rally. On the first of December 1996, Michael Gawenda of *The Age* wrote a piece and I will quote just a bit of it, "Those religious leaders who are concerned about the impact of the Crown Casino, in particular of gaming in general on the life of Melbourne, need to answer these questions. Why is it that Melburnians have taken to the casino in such unprecedented numbers, and what is the moral and theological basis for their objections to what many church leaders call the casino culture in Victoria? Mr Kennett must also know" ... (and I'm leaving out some paragraphs here) ... "that his argument that religious leaders ought to stick to tending to the spiritual needs of their flock and not get involved in political controversies won't wash. He must tackle the substance of the accusations being made against his government, especially when it comes to gambling and its impact on the community." But he went on to say this, and it was a very interesting point, he said, "Given the strength of opposition to the casino and to the growth of gaming in Victoria and the fact that the churches rather than the Labor Party are challenging the Kennett Government in this area, church leaders have a responsibility to counter the Premier's views and

arguments head-on. They have to be clear about the basis on which they are opposed to the growing gambling culture in this state.” Gawenda said, and I am skipping ahead for time, “What’s more, for churches to say that a small or a more discreet casino could be allowed does nothing to attract your average Melburnian, instead it’s just there to fleece hapless tourists. What would be acceptable is surely saying, sinning is acceptable in small, discreet doses. The churches, in other words, must have a clear moral position on gambling. Is it a moral problem, or isn’t it? If it is, how do they suggest we deal with the fact that so many people are doing it, and how do we persuade them that for their moral health they ought to stop?” And then he said of me that, “The moral dimension is important and one that church leaders cannot avoid. When they do, they seem to end up hopelessly confused. For instance, once of the leading casino critics the Rev Tim Costello told *The Age* last week that because gambling caused severe social problems, it was a much more serious problem than legalised prostitution. This seems to me to be a startling proposition coming from a church leader. On what basis does he make it? From a moral point of view, surely the fact that thousands of women in this state are selling their bodies to tens of thousands of men each week in Melbourne is a moral issue of huge proportions, with widespread if hidden consequences”.

Now I quote that at length because what I in fact said to *The Age* was the brothel industry is legal. It is regarded as part of the leisure and entertainment industry, just like gambling. Would the Premier call for a brothel-led recovery?

Now I was deliberately not, and have refused to, as most church leaders have, there are some who would say all gambling is morally wrong, but I have

certainly not ever held that view. I didn’t buy into this argument of Gawenda’s which is how the media constantly wanted the churches to react - to come out and say it’s a sin. Wonderful headline. I have a flutter on the Melbourne Cup, most Australians can gamble without it hurting them, most play bingo or bought raffles, or indulge in the stock market. Clearly, to buy into this argument that this is morally wrong would be to be placed in a corner and put right out of the argument all together. The churches deliberately argued in terms of the social consequences, and particularly the cultural consequences. The media’s attempt in this respect - Gawenda’s attempt - to particularly say stop moaning about the social consequences, give us a moral argument, would have been the end of us having a say here.

Unless you think I am being too unfair on Michael Gawenda, I should add that by May 1997 he had penned a brilliant piece about the cultural shift from the MCG to the Crystal Club Lounge and Planet Hollywood down at Crown. He pondered whether I might have been right about the deceit of marketing a casino as an entertainment complex. He picked up, and I think this is one of the main reflections I want to make, that the churches weren’t prepared to simply say this is a moral issue and it is wrong, therefore stop it. Neither were we prepared to say it is only an issue of problem gamblers, which was always the press’ concern, “Tell me how many, and how much money it is to fix the problem gamblers, and then the issue’s over.” We were actually saying there’s a shift of culture that occurs here. As you expand gambling you will continue to expand the number of problem gamblers, and what’s more you will actually shift the nature of

hope. In a culture which is poised on a knife-edge often of anxiety and insecurity, where the worst thing that can be said is "You're a loser", and the only socially significant thing that can be said about you is "You're a winner" - and it's interesting Crown's logo is 'At Crown Everybody's a Winner'. Curious, I only actually meet the losers. But according to the ad everybody is a winner. In that sort of culture you have a cultural shift which I have likened to going into swim at the beach, leaving your towels on the beach, being caught by a rip, carried downstream or down the shore without even knowing, and when you stagger out you are amazed to see where your towels are.

Let me start to pull this together and wind up, because I've only got ten minutes and I am very glad that I've only got that time because Robert Goodman, at our invitation, has been able to share this platform.

It seems to me that the cultural shift was picked up by Michael Gawenda and it is a much more sophisticated and a harder argument to run, to say that when young people now regard all of their sporting heroes down at the Casino, when they are trying to sneak in to a Casino like we once tried to sneak into a pub, the Brownlow, the Logies, everything good that happens in Melbourne happens at Crown. And it sponsors the Footie Show, In Melbourne Tonight, and it captures the culture. We, because of that cultural shift are creating a situation for far greater numbers of problem gamblers, far greater levels of addiction and crushing the nature of hope. You might have heard me say this before, but I say it again, because often the media can't and doesn't pick this up. When I represent poor kids - because my legal practice is in St Kilda - at the Melbourne Children's Court, the kids have stole a Nike because they want to belong and their mums, single parents, can't afford

Nike and yet, as we know, brand is about community and belonging today. I hear Magistrates say to kids "Don't take short-cuts, don't try and get something for nothing", and there right opposite the Children's Court, in its tiny little shoebox, is two city blocks of this entertainment palace called Crown Casino, built on the values that say - take a short cut, try and get something for nothing. I say the problem with our young people is not that they don't have their parent's values, the problem is they do. And it is those values and that cultural shift, which is very profound, that not all the media has been able to pick up. Of course the TV media can only ever speak in terms of opposition or polarised positions. The most wonderful TV interview I've ever done was when the Christian Television, of which I am a director, made an ad showing a person losing at a casino. Channel 7 and 10 which give the Christian Television ads free time said, "Yeah, we'll run it." Channel 9 refused, so we did a press conference, and it's the only press conference I've been at where all the cameras were focused, not on us, but upon the Channel 9 interviewer who had to turn up because it was a big story. *A Current Affair* agreed to do an interview with me on it and privately said we agree with you, and then rang to say, look we don't think we are going to be running the story tonight. And I said, "Oh that's going to be a bigger story isn't it?" And so they decided and they rang back and said they would run the story. They ran it last. They had me cut because I kept saying, "Channel 9, why won't you run this ad? - 7 and 10 are." They cut it all out on the grounds they said that on their network they couldn't admit to there being other networks. So I was cut, 7 and 10. So if you watched the story, what I said was virtually incomprehensible. And then they went

to the Managing Director of Channel 9 here and they had him saying, "Look, we do great things for the churches. They have tried to frame us. They have tried to set us up." And the story finished by him saying, "I am a Christian. We down here at Channel 9 are prepared to forgive the churches for what they have done to us." That's how it finished. Convincing me that *Frontline* is not humour - *Frontline* is documentary.

OK, my time's just gone. One last comment. I think the shift from simply focusing on a problem gambler and simply blaming people is a shift that only some media outlets have made. I regret to say that though Terry McCrann has been fantastic in his reporting in business analysis, and Greg Tom of the Herald Sun has been, I can't say the editorials of the Herald Sun have been. Just on May the 11th 1998, the Herald Sun with its heading editorial, "Gambling on the Future", said this: "Victorians wish Lloyd Williams well. His enthusiasm has breathed new life into the city, created jobs for 9,000 people, provided a new direction for young people looking to begin their careers. For this Crown management deserves our praise. Embittered gamblers who frittered away their money cannot expect sympathy. We are a mature society well able to decide how we spend our money. The choice is ours whether or not to gamble. The Herald Sun congratulates the casino on the first year of its new building. We wish Mr Williams better luck in the months ahead." I have to say the Herald Sun which often runs front pages with Lloyd Williams always has huge ads - Crown's \$150,000 grab for cash, taking it on again. I have to say the Herald Sun should know, as everybody knows in this society, that ads determine behaviour. Ads tell us we are

dissatisfied with our lives, and we should be. We are missing out. That there is, and there has been shown a direct proportional relationship between the amount of money you spend and how you effect people's behaviour. And when Crown spends \$20 million a year, and the Herald Sun would be one of its biggest accounts, as would Neil Mitchell. I have to say, though Neil has given me quite a good run, leading up to Crown Casino he wouldn't have me on. He had been calling me the conscious of Melbourne, and I rang and rang and rang and said I would like to say something about Crown's opening, and he wouldn't have me on. I criticised him on 3LO and his producer rang me and said, "How dare you criticise us on a radio station no-one listens to?" And I said, "Well, you're listening, can I come in?" He said, "Yes - we'll actually have you in but not until after Crown's opened." Well, when I came in 3AW were broadcasting from Crown Casino - there is a studio there. Neil was quite hot under the collar, he said - "So, it is a conspiracy. It is a conspiracy between Crown and government and us here at 3AW, is it?" And I said, "No it is not a conspiracy. It's a convergence of financial interests. It is very powerful. And when there is this much money involved there will be a very uniform view put out." And he sort of hit the roof and said, "No-one buys me." (This was off air.) And I said, "Look Neil, when there is this much money involved it would be hard to know even when you have been bought." That's my view. There is simply so much money here at stake. And with advertising targeting people. Let me finish by saying this, a mother rang me last week. Her husband had lost nearly \$40,000 at Crown. She had finally got him help and he'd stayed away for nearly two months. Crown's tracking

is so good, and there may be Crown representatives here tonight so they can tell me if I am wrong, that they had sent all sorts of inducements to join certain reserved sections. She rang up in tears saying, "I rang Crown, I pleaded with

Professor Robert Goodman

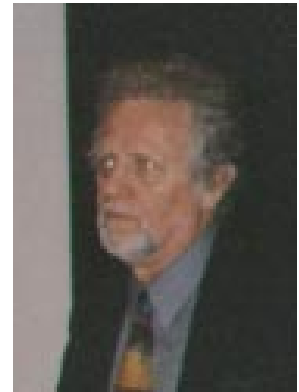
Thank you Terry. I will try to address the question you asked about whether there is going to be a cap on gambling and whether you are going to have 50,000 machines or more. Not that I am an authority on it, but at least I spoke to someone today who seemed to have an opinion on it.

There are a number of issues here and first I have to tell you that I was asked at the last minute to come here and speak on this issue and I was told that there was a good number of people in the press. I assume there are a number of people in the press here - people who are journalists and perhaps TV media. So I guess I should tell a few press stories when I begin, but I'll kind of ramble on about some of the issues that were mentioned here.

I hear talk about less interference of government in that we ought to let the market rule and that somehow the introduction of gambling is supporting that particular position. The idea is that it's only people who make decisions about gambling and that using gambling as tax policy means that it is tax only on the willing. You mentioned Thomas Jefferson. He is the person who is usually quoted that way and Thomas Jefferson over and over again is used to support the position of the government getting into the gambling business and using it as a source of revenue. The problem with that particular thing I should say is like a lot of things that happen, and I know the press is usually criticised for this, is a quote out of context. People never say, when they quote Thomas Jefferson about this, the unique circumstance in which he used that expression. It turns out - many of you may know this - Thomas Jefferson in later life was having a lot of financial problems. Unfortunately for this great statesman he had come to the end of his years and found himself in a very difficult

financial situation. Since Thomas Jefferson lived in the State of Virginia - the practice in the State of Virginia was if you had a significant amount of property and you wanted to sell it, one of the ways you could sell it was to use the lottery. But in order to use the lottery you had to have government's permission. And so he tried to sell his property and he couldn't sell it, and then went to the legislature and pleaded with the legislature to allow him to sell his property through a lottery. One of the arguments he made was that it was a tax only on the willing. And that argument has been extended now by people who promote state lotteries and other forms of government gambling, to say that Thomas Jefferson was really in favour of government lotteries. Anyway that's just a side note on that idea. But I will get back to this idea of freedom of choice.

In our research one of the first things we did was to try to figure out where the expansion of gambling was coming from. It is pretty clear that all of this happened around the late 1980s and the beginning of the 1990s. One of the first things we did was to try to see what groups were advocating the expansion of gambling. There was not a single group in the entire United States, of what might be called a community organisation, a grass roots organisation, not funded by the gambling industry - that was asking for more gambling. Not a single group. No people saying, "We're being denied the opportunity to gamble." Now this is a very important thing because again, over and over, you will hear policy makers, legislators, business people in the gambling industry saying this is about freedom of choice. In fact it is often compared to Prohibition. "It is the same thing as Prohibition." You know,



Second Speech



trying to stop people from drinking led to all this crime, people came back and demanded that you get rid of Prohibition and so we got rid of Prohibition in the United States. So this is supposed to be the same thing. It is not the same thing.

I gamble, I have ample opportunities to gamble, many people have ample opportunities to gamble. The issue here is public policy, pure and simple. The role of government in the sponsorship and expansion of gambling. And I think, as any public policy, it needs to be treated in a democratic form, it needs to be debated, one needs to look at costs and benefits - if you were to decide that you wanted to take a particular industry, the milk industry for example, give it an exclusive franchise to operate, give it special infrastructure, create a tax situation where you ask the milk industry to give you a certain portion of its revenues, and you said to the milk industry, we're not going to let anybody in this area to sell milk. So, what would you do? You would look at the economic impacts. How does that affect other businesses? How does it affect other milk businesses? How does it affect other businesses in your community?

With gambling we have another problem. It is not the same as the milk business. Some people get addicted to drinking milk but it is not that costly. And every time I raise this argument somebody in the gambling industry says, "You know this is the entertainment business, same as any other entertainment business. It is just like going to the theatre." Well, some people may get addicted to going to the theatre, but it doesn't cost other people a lot of money and that's one of the critical issues.

There is a lot of debate especially among researchers - what's the

prevalence of problem gambling? In this state a recent report I read said it was about one per cent. In the United States people throw out figures 4 or 5%. We've seen figures in Louisiana 7%. Take your pick. The point is not the prevalence rate, it is the impact of the prevalence rate on other people, people who don't gamble. I think that is a very misunderstood idea. What is the impact of people who have a particular behavioural predisposition, some people might even call it genetic, whatever, to behave in such a way that they harm themselves, but also harm other people. Now the harm I am talking about is economic harm. When you have problem gamblers they abuse their spouses, they abuse their children, they have a very high prevalence of suicide and that is a terrible human tragedy. But to be quite honest with you, and I am not being cynical now, I am just observing what happens - I don't think politicians and policy makers make decisions based on those particular ideas. They often make decisions based on financial impacts. How does it affect their constituents? What is it going to mean in terms of votes? So here you have this very small percentage, whether it is 1% or 7% or whatever, big deal from a political point of view. The big deal is from the impact on this larger constituency.

When I started researching this I wanted to know what kind of other addictions there were. So I looked at crack cocaine. It turns out in the United States less than 2% of the population have either tried crack cocaine or addicted to it. We have multi-million dollar programs to try to eradicate crack cocaine. If those 2% stayed to themselves and did whatever they did and harmed themselves I don't think we would have that kind of program. It is because of the impact of the crack cocaine users on other people - the way

they behave: they tend to be violent, for example. They steal money. They do all sorts of things that people don't like. Same sort of things happen with problem gamblers. And this is the bottom line issue. There are two bottom line issues in this controversy. One is the impact of problem gamblers on other people. The second is the nature of government.

What happens when government sees itself essentially as a partner with a business that is potentially harmful to a significant number of people? What happens if government not only allows that to occur, but actually promotes that activity? If government is promoting an activity potentially harmful to a significant number of people which have in turn a major economic impact on other people, that is a serious issue of public policy. That is a fundamental shift in the nature of government. At least, since the 1930s, in my country government has moved in a direction of trying to protect people's interests. We have social security, we have governments that protect workers' health and safety, we have law enforcement officials that protect people against crime, we protect people against the degradation of the environment. So government has been moving in a direction of regulating activities, and all of a sudden government decides on this particular activity it's going to promote it. So this role of regulator/promoter becomes very fuzzy. And that's a fundamental shift. And that leads to all kinds of complications. So there are these two issues. The impact of the activity on other people and the shift in government. So what's the impact on other people? Why be concerned about it?

We have a small percentage of people. What do they do? They gamble, they can't control their

gambling. The substance they abuse is money. The more they abuse it the less they have. The less they have the more they need to get it. How do they get it? They borrow it from friends, they borrow it from relatives. The friends and relatives get wise, they don't keep lending them money, so they borrow on their credit cards. They lose their credit cards. They commit credit card fraud. They write bad cheques. They embezzle money where they work. They steal. They do things that put them in the criminal justice system. They sometimes wind up in jail. What does that mean? It means a lot of money being lost to other businesses, a lot of people not getting paid back debts, government now having to process people through the criminal justice system, paying for people in jail. There is not much data on that unfortunately. We have some data on it. By our own ball park figures, and I don't think they are the best data, I think we need better data, but, by our own ball park figures, we calculated in the State of Iowa, a 1% increase in problem gambling - that's a very small state I should say, only about 2 million people - would lead to approximately \$150 million a year in these costs. If you do it in California, a much bigger state, you are looking at about \$150 billion a year. That's a lot of money.

So now you have this activity that's bringing in money, hundreds of millions of dollars, billions of dollars, and on and on. Politicians, research reports done by the gambling industry, they will predict to the dollar what the income side of the equation will be. What about the other stuff? What about these costs? They'll predict how many workers you will hire in the casinos. What about the workers who lose their jobs? These are all the kind of costs that you need to calculate. The researchers for the gambling industry

say those costs are very difficult to calculate. The other costs are easy to calculate. I say, "Think about it." Think if you had your own tax accountant and she said to you, your income is very easy to calculate. Your expenses are hard. When I send in your tax form I am sending in your income. How long are you going to keep the tax accountant? So this is the kind of research we have and one of the things we have been trying to do is improve the research. We now have in the United States a National Gambling Impact Study Commission. The hope is that that Commission which has about \$4.5 million to study the impacts of gambling in the United States, will have a more accurate picture. It may be that this is a great benefit, bringing in revenues and having very little cost. I tend to doubt it, based on the existing research. I think it's going to prove to be that the cost is actually underestimated. But, we will have a better index and that's the sort of thing that needs to be done. But we didn't do that unfortunately. Governments, both in my country and here, rushed in to expand gambling. They think it was a panacea for unemployment, for economic decline. The impetus behind it, the thought behind it, I think, was quite admirable: politicians trying to protect the interest of their constituents. Trying to bring new economic development in. I think that's very important. And I think that's commendable. What's not commendable is to do that without understanding what the impacts will be. Without understanding what the effects will be on families, what the effects will be on the economy, what the effects will be on suicide. We now have research in the United States that indicates that communities that have casinos have much higher suicide rates than communities that don't have casinos. We have research that

indicates that communities that have casinos have a 20% higher bankruptcy rate. Is the research accurate? It is the best we have now. We ought to do better. But we know there is a problem, and you don't go ahead with public policy that involves billions of dollars, millions of lives, shifts in the nature of government, without any serious impact analysis. We have come to the point where we don't put in a factory that could potentially pollute the environment without doing what we call in the United States, an environmental impact study. We've gotten to that point with the environment. We haven't gotten to that point with gambling.

And I want to get back to this monopoly enterprise because we heard talk of free enterprise. Let the market decide. How does the market decide if you take a particular industry? You take a casino like Crown Casino, put it in an area and then say because we would like to siphon off some of those revenues for government. Nobody else is allowed to do it. What kind of free market is that? And if you did have a free market, what kind of problems would you create? We don't have a free market in activities. At least that has been our record so far. We don't tend to have a free market in activities that can be potentially harmful to people. We tend to want to regulate it. And the idea that you might want to regulate the gambling industry and restrict who operates it, that's not a bad idea. But let's not talk about it as free market. That's not a free market. Now should it be gambling? That's another issue for public policy. And I am rambling on too much, and I should cut off, and I will. And I won't talk about the press stories. I was going to talk about how to set the betting line on sports events and why we do it, and why the press is interested in that, and why newspapers

run those betting lines. But, if one talks about helping business, creating jobs, bringing in new revenues, why do we pick the gambling industry?

Why did we suddenly discover the gambling industry as this great source of new revenue, as a way to create jobs? And I say this because at one point I debated the Mayor of Fall River in the east of Massachusetts, basically in the fishing community, actually next to New Bedford which is even a larger fishing community. There has been a lot of controversy and they tried to put in a casino in that area, and there is an enormous amount of lobbying by the gambling industry to try to get a casino in that area. The legislature eventually turned it down. But in that debate the Mayor was talking about all the benefits and I am sure you've heard these arguments: the jobs; the money; the need; economic decline, we've got to put people back to work; etc. etc. And I said, I think what you're doing is really good. I think it is a terrific idea. You are singling out an industry, you're going to help it, you're going to create jobs, you are going to give it special privileges. I said, why did you pick gambling? The problem here is the decline of the fishing industry. New Bedford and that area is the largest fishing port in New England. The problem is they over-fished Georges Bank. They gave government loans so they could expand the fishing fleets. They have sonar so they can get the fish quickly and in a ten year period they decimated the fish in that area. So I said, why don't you address the fishing industry? Why don't you give them special privileges? Why don't you limit the boats that go out? Why don't you give them a monopoly? Why don't you share revenues with them? Why don't you save an industry that has developed over centuries that will be destroyed if you support gambling

here and you put fishermen into dealers' jobs? What do you think will happen to the whole infrastructure of fishing which is potentially at risk? So I think we are talking about a new kind of public policy, dealing with a partnership between business and government. It may be an interesting policy, it may be a very important policy, it may be that we need it. But I think we ought to expand the debate and I think we ought to look seriously at both the costs and impacts of gambling.

Thank you.

Terry McCrann

Thank you very much Robert. It seems strange that I would say this, but I think we now come to the facts.

Certainly, Professor Jan McMillen is the person to give us the facts on gambling. She wears two hats in her life. One is a researcher into gambling and gaming, and one as a regulator. She spent two years as a member of the Gaming Commission in Victoria and has been on the Queensland Gaming Commission since 1991. In January 1997 she was appointed Australia's first Professor of Gaming at the University of Western Sydney Macarthur, and is also the Executive Director of the Australian Institute of Gambling Research which is the same hat that our previous speaker was wearing. Her current research includes a three year study of the impacts of the Brisbane and Cairns casinos, a similar study for New Zealand casinos, and developing very importantly a responsible gaming management program for New South Wales clubs. Jan.



Professor Jan McMillen

I will try not to talk too long. I have a tendency to do this. It is an occupational hazard I am afraid. So I will try and skate over the issues and I am mainly going to concentrate on the press. And it is not drawn from research, I must stress this, my comments are purely from personal experience. But like Tim and Robert, I am going to talk about the issue of public policy and the role of the press in shaping that policy.

I am going to start by asking what should the role of the press be? There is a debate about that of course. I argue the press should interpret and comment fairly on the basis of fact on contemporary issues. So it really is about both commenting and facilitating public debate. And given that's my criteria for assessing what the press does, I would argue that it must be informed and balanced commentary. And I don't think the Australian press scores very highly in that regard, so this address is going to be a bit of a rap over the knuckles.

I understand this is a difficult area for the press to comment on because there is so little reliable information available, as Robert has pointed out about the United States as well. But the press does have a very important role in the dissemination of information and on stimulating debate. That is an old debate and you people who have sat through undergraduate lectures on the press before will recognise a lot of this. My concern is the role of the press in setting the agenda on gambling policy. And I'm going to argue that the press have played a constructive role, particularly in recent years. They are of key strategic, political importance in the role of policy development. Tim and Robert have already identified two key issues where the press has already stimulated debate. The first one was problem gambling, and I'll talk about

that in a minute. The press is certainly putting pressure on both government and on industry to change policy, to change industry practice. So that's very constructive. And also there has been debate about the role of government in the expansion of gambling. I think that debate is long overdue. Just what should the role of government be, and where does the responsibility of government lie? It should be said that debate is probably more refined, and further down the track, in Victoria than in other states. There is silence on that issue in the other states. Terry McCrann's work on tax I think is also a useful contribution: tax and the role of government and the reliance of government on gambling taxes has become a very important current issue. But I would just like to point out that both those issues are new issues. We have had gambling since white settlement, with legalised gambling since the very early 19th century, and those issues weren't raised in the press until recently. There have always been people with problems with gambling, and yet problem gambling has emerged only in the last five years as a recognisable, identifiable and debated policy issue. Why?

Let me take you back to when I first started to work in this area. I looked for research in the area and there was none. This was in the 1980s, not that long ago. There was no real research on gambling. My sole source of information was the media, and I spent many long hours sifting through media files. And there was very little. We've always had very substantial sections of our press devoted to the racing form guide. In fact I think it was the only thing my father ever read, so it has always been there. But in terms of media commentary, there was very little. What the press focussed on in the 1980s was organised crime.

Third Speech

Gambling was associated with criminal activity and, at that time, if you think of the context, it was the emergence of casinos and there was a debate about the introduction of casinos. It wasn't just about casinos, however. Concern about crime focussed on the racing industry and the club industry in New South Wales. So crime was the big issue. Crime and a certain amount of political corruption. But very little else. So there was a clear agenda in the media's interpretation. The source of their information, particularly on casinos, relied on populist commentary from the United States. And the Australian media just absorbed that, translated it into the Australian context and assumed that what was happening in the United States was going to happen in Australia. And they had a field day. Great headlines. Casinos became a buzz word: good copy. And it was always associated with crime. But there was no systematic investigative journalism about what was going on. What disturbed me as I started to actually dig for information was that at the time Australia was making very significant steps forward in the regulation of casinos. We were not going down the American path. We developed a quite distinctive regulatory regime which, in effect, removed the criminal element from casinos. I have yet to find a media commentary which explains those advances and that achievement. The organised crime issue just seemed to disappear over time. But nowhere did someone from the press pick up the issue that Australia has developed what is noted all over the world as perhaps the best regulatory regime over casinos. I think that is negligent. It is no good just running with the bad stories, the press has a responsibility to also identify policy achievements, and they didn't do it on that issue, and I still

think they're not doing it.

So, in effect what I tried to demonstrate with that story is that the press act as gate-keepers. They pride themselves on this role, and they do it in several ways. They identify and control what is reported and what isn't, for instance their neglect of achievements in casino regulation. The lack of corruption is not news. And they haven't run with it, it's not newsworthy. The press has decided it's not newsworthy. They determine how much space will be given to certain items, and which issues will be given more space than others. They decide which item will be on the front page, which will be the lead item, and also what the headlines will be. I'll get to headlines in a minute, I've got a particular axe to grind with sub-editors. The press determine what new issues will be followed, and pursued and what's stale news. Corruption, organised crime is old news - they couldn't get any more out of that - problem gambling, tax, the role of government are the new stories on the block.

A lot of what is reported is shaped by journalist's work practices. I don't need to tell you people in the press just what pressure you work under, the difficulties and constraints which operate. You've got daily deadlines, very tight routines and what becomes news often is shaped by your contacts and the other people who provide you with information. So let's have a look at who the other contributors are, and how the press uses them.

Let's start with the industry. Tim has already pointed out that particularly the casino industry has huge resources and is able to hire sophisticated public relations experts to promote their industry, to tell the good news. So there is a lot of publicity about winners in gambling venues, a lot of publicity

about their contributions to public works. Mostly good news. They are selling themselves as a product. The government also uses and manipulates the press. You in the press will be very aware that policy processes often are staged to use you more effectively; the timing of press releases, leaking of documents for political advantage - it's very much about politics. So the press has a key role which is recognised by government and by opposition.

The public, the community, as Robert mentioned, is the silent voice in a lot of this. Very rarely do you see, as Robert quite rightly pointed out, any organised community voice. The Inter-Church Task Force is quite unique in Australia. There is no other body in any other state as well organised and as articulate, who is able to capture the press and has access to the press in the way that that group does. But the public can and should make a contributing role. The community is pretty marginal to public debate on gambling at the moment. They are also marginalised by the fact that in the main they are excluded from information, they simply don't know what's going on. So in a way they are dependent on the press for their knowledge of what's happening with gambling.

The fourth group is the organised interest groups. I've already mentioned the Inter-Church Task Force here in Victoria. The only other comparable 'interest group' is an individual from South Australia, Nick Zenophon, who managed to get elected to the South Australian parliament. Now those two examples are very articulate, well organised focused groups that are able to use the media to their own advantage. And the press to a large extent has become dependent on quotable quotes from Tim and from Nick Zenophon for a regular diet of

comments and commentary. Through these notable individuals, the community appears to engage in public debate. But keep in mind these groups have their own particular interests, they are promoting a particular point of view, to create a climate of opinion if you like to which government must respond and hopefully, the industry will respond as well. The difficulty is that it sounds very democratic, but the bulk of the population, the majority of the community, is in fact excluded. There are huge numbers of people who have an interest in what's happening with gambling, but they don't have the resources, they don't have the organisational framework and often they are not articulate. Obvious examples are indigenous people and ethnic communities who do not have the same access and aren't able to use the press. I don't think the press seek them out. I am most critical of the lack of an active role by the press to broaden their view beyond the most convenient and conventional.

I should qualify all this by saying I don't think the press shape the public agenda, or the policy agenda on their own. People aren't passive and you people who have done media studies know this. Audiences interpret, digest and deconstruct messages from the press. But the press does focus attention on what they think are the key issues, and unfortunately the issues are very selective. These issues are then pushed to the top of the policy agenda. So the policy agenda doesn't tend to merge from the community in gambling, it is emerging from the key elite groups who are manipulating the policy agenda and the public information process. I applaud the focus on problem gambling and I must say that repeatedly. It is a very important issue and it is long overdue for attention. Just as importantly, the

role of government should be subject to critical scrutiny more than it is. We must hold governments accountable for their action, and ask them who are they representing. So keep probing on those issues.

What concerns me is that casinos have become the bad boy on the block. I am not going soft on casinos, but they are subject to a disproportionate amount of critical public scrutiny. Casinos are a part of the gambling industry, and I would urge the press to focus their critical gaze on the rest of the industry as well. The same sorts of questions need to be asked of every sector of the gambling industry. We have privatised gambling in this country. Twenty years ago gambling was run for public good, for community purposes. Now it is primarily run for profit, and as a secondary objective for government revenue. The public are entitled to know what's going on and what they are getting out of it. So, please broaden your focus. Don't just focus on casinos, look at the rest of the gambling industry. It is by far the biggest industry in Australia and it's growing at an astronomical rate. The rest of the industry isn't standing still while the casinos steal their market. They are also expanding.

The other thing that concerns me is there is still a fairly simplistic tendency to structure the debate in terms of sinners and saviours, heroes and villains. The situation is much more complex than that. The press, of all the media forms, has the opportunity to engage in detailed and informed policy debate. With very few exceptions they are not doing it. I am arguing that the focus on key social and political issues is constructive, but it lacks balance. The debate has become over-simplified and exaggerated, and we run the risk of over-reacting, of slipping into what I

think is a middle-class moral panic. Australia deserves better than that. We haven't had the polarised debate that existed in the United States and I think it would be a tragedy if that occurred. I think the press have a key role in opening the process up to community education, for the press to be more responsible, more even-handed. Let's aim to improve public policy rather than slamming the industry, or anybody else for that matter.

I can show you some examples.

[Overhead slide of NT News article not provided]

I looked at the Press Council's own guidelines, and if you look at their fifth principle, it says that a publication should make fact and opinion clearly distinguishable. Now I think if you have a look at most, a lot of media commentary on gambling there is very little clear distinction between fact and opinion. Opinion is presented as fact. The principles also say that publications should also not distort the facts in text, headlines, pictures, billboards or posters. I don't know who trains the sub-editors in this country. That article - that is the headline, "More Northern Territory Gamblers Seek Addict Help". The article actually says the reverse. The Northern Territory has less than 600 machines through the whole Territory, and they've improved support services. When the reporter interviewed the director of those support services, he said that they had had a decline in the number of people reporting with machine-related problems over the last twelve months. I don't know where the sub-editor got that headline from. You people who sit down and write these long lengthy press articles, know that most of the readers don't read them, they look at the headlines. This headline is misinformation and such practices should be stopped.

Talking of the Northern Territory, another pet gripe is an unfortunate tendency to extrapolate from Victoria to the rest of Australia. I get very concerned about this. Victoria has, because of the activities of the Inter-Church Task Force and a very active interested and assertive media, done a lot more exploratory work on the impacts of gambling and raised a lot of important issues. Unfortunately, the provincial press tend to let the Victorian press do their work for them; just adapt a story to their local circumstances, and assume that what's happening in Victoria is happening in Queensland, the Northern Territory or Western Australia. It ain't so! Victoria is different. So, if any of you can get a message out to your provincial press colleagues, please tell them to do their own investigation and to look at what's happening in their own locality. One of the intriguing things about Australia is that we have quite different gambling policies from one state to another. The press should be investigating what policy works and what policy doesn't. And they are not going to do that if they sit at their desk and their computer and just take things off the AAP line, and put their own local twist to it.

Can I just say who I think is doing a good job. I think the business press is doing a great job. At long last we recognise that this is an industry, and so *Business Review Weekly*, *The Australian*, Terry McCrann's work, the *Australian Financial Review* are all giving good reporting on the gambling industry, and the commercial aspects of it. I welcome that. Some of the local press, *The Age*, *The Herald Sun*, to some extent, and certainly *The Sydney Morning Herald* are also producing quality reports. But as I said I think that when you go further afield there are a lot of questions to be asked about the regional and provincial press.

There is a strong centralisation of the agenda setting process which I think overlooks the regional diversity and difference which is the reality of Australia.

A third problem is a tendency to sensationalise and over-generalise. As I have already pointed out there is a lot of extrapolation from Victoria to other states, there is also a tendency to extrapolate from the United States to Australia. Australia is a very different policy environment to the United States. Very different, as I hope Robert will find out during his visit. A lot of the conclusions that he has drawn in his book cannot be applied to Australia. It is quite inappropriate.

And one final thing: I know every morning when I pick up a newspaper I can absolutely depend that there will be a story that is focusing on the exceptional case. The normal is boring and not newsworthy. Policy development is boring and not newsworthy. So what the press focuses on is the shock/horror/scandal case, and that's a misrepresentation of reality.

So what I would like to argue is that the press needs to be more alert, more pro-active, take a more investigative role and not just sit back and wait for the information to come from the same people they've relied on in the past. They are missing some important policy shifts. I'll give you two examples. Terry mentioned that there was very little debate when Victoria legalised casinos and poker machines. I was around at that time and I know that Victoria was overwhelmed by other issues, so that gambling was pushed into the back pages. But there is still a silence on some very important changes that are occurring in this country. Queensland and the Northern Territory have just legalised what is fundamentally the world's first

Internet and interactive gambling legislation. The United States is trying to prohibit it. I looked for media comments on that - I was in the House when the Queensland legislation was passed. I didn't make one half inch in the *Courier-Mail*. Now this is world first legislation and the press missed it. And it is very difficult to get the press to wake up to the fact that that's happened. New South Wales has appointed a comprehensive inquiry into gambling. It got an inch in *The Sydney Morning Herald*. We all heard about the Federal Productivity Commission Inquiry, however.

Where is the focus of the press on competition policy? Robert has mentioned this movement towards letting the market decide gambling policy. One of the fundamental threats to good regulation, I would argue in this country at the moment, is competition policy and the fact that it

could absolutely invert the principles which has led to good regulation. The press are missing this important policy shift, so there has been almost no public debate on the issue.

I am conscious of the constraints on what you do. I know there are subtle pressures which create daily problems, and I'm conscious of the effects of cross-ownership between media and gambling operators and I worry about that. I know there are difficulties with Freedom of Information. It is very easy for the industry and government to hide behind confidential information and not release it to the press, and I understand the power of stopper writs and defamation laws. But I urge you to be a bit more courageous than you have been in the past, broaden your vision, sharpen your pencils and get out there and start stirring the pot.

Thank you very much.



Jan McMillen, Robert Goodman and Tim Costello at the meeting

Chair's Remarks & Intro to the Q & A

Terry McCrann

Now, I am not intending to say a lot of words at this point. The object of the evening is to hear our three speakers and allow you to interact with them. I would just make a couple of comments while you are thinking of some questions, and I would ask when you ask a question or make a comment, could you please state your name and any relevant affiliation - whether journalist, media, gambling or whatever.

Tim, I was intrigued by your Jeffersonian quote. If I could respond with a Nixonian one, that maybe you won't have *The Age* to kick around much longer if the circulation keeps falling.

Unlike Jeff, I certainly don't start from the presumption that church leaders should stay out of the debate, either in terms of public policy issues in the broad, or moral issues in the specific.

I would just like to make two points. One, to re-emphasise the point that although Jeff is identified in Victoria as the King of Gambling, or the Associate King of Gambling, with Lloyd Williams being the other one, in fact it all pre-dates him. In fact, if anything, Jeff has reduced the amount of gambling access in Victoria.

If we go back to the election in 1992, the Casino tender process was in train, the poker machine legislation had been initiated by the previous government, and in fact it was intended there be 45,000 poker machines. Jeff has brought that back to 27,000. I criticised that for the sort of issues that Robert raised in terms of monopolies and public policy - it can be seen to make the Casino's access to machines more valuable.

But the one area where he has increased gambling is the number of tables at the Casino. And in the context of the Casino's international strategy,

that really wasn't directed at the local market. So, I think that Jeff is unfairly blamed. I mean the Casino is a very prominent part of Melbourne, but in terms of the overall growth of gambling in the state, don't blame Jeff. And I think also, if I can extend that to the media, that I was intrigued by Jan's comments about the media and understandably she did focus specifically in terms of the media as part of the debate. The other aspect of the media is that it is simply there as a reporter on life in the city, in the state, in the country.

A lot of the things that the media are criticised for in relation to gambling, is essentially criticising the media for reporting things which you don't want them to report.

If I can draw a parallel with the Grand Prix, a lot of people in Albert Park get very upset when the media gives the Grand Prix the sort of publicity it does running into March. To suggest that the media should somehow abstract itself from reporting that glitz and glamour of gambling in and around the Casino as it is projected, and the associated glitz and glamour - not so much the gambling itself - I think is to miss the point about the role of the media.

Q & A

Royce MILLER

I hate to do this really, but I've got a deadline to meet and if I don't get a response to this I am in trouble. My name is Royce Miller and I'm with the ABC this evening. The Premier today, I think probably post his discussions with Mr Goodman, was talking about the possibility of a second casino in Victoria. I was really interested in Tim's view of that. There is some talk also of more poker machines. So, Tim I was wondering if you had any thoughts about that.

Rev Tim COSTELLO

I think the Premier fears that if he reviews the legislation that requires a second casino he will be blamed for favouring his mates, Lloyd and Ron, but I am one who would actually say the legislation that required now a second casino was drafted a long time ago. It needs to be reviewed because the expansion of gaming in this state, where we have gone from the least gambling state to the greatest in five short years, really requires a re-think of that so that church leaders, welfare leaders, business leaders, community leaders can think about whether it is wise to expand gambling, which is what a second casino in my view will do. It is not simply a limited circle and therefore it will be half of Crown's clients going up to Bendigo or wherever it is. It will expand gaming, it will expand the problems and therefore I would say governments can change legislation and in this instance he shouldn't be bound by it, and he should call a consultation to look at the realities in the state now and perhaps change this legislation and not have a second casino.

Prof Robert GOODMAN

I just thought I would comment on what was said during the meeting I had with the Premier. He said that he was going to put a cap on gambling. I mentioned the concern that has happened in many states where gambling comes in, regulations are put in place, limits are put on and then

there is enormous pressure to use the gambling to expand. He felt he could control it. The experience in the United States is that legislators haven't been able to control it. In this state you have, if the numbers are correct, 15% approximately of your state revenue coming out of gambling. I don't know of any state in the United States, including New Jersey which has a lottery and approximately twelve major casinos and horse racing, only gets 6% of its revenue out of gambling. So other than Nevada, in the United States, I don't know any state that his getting that much revenue. It seems to be that when you are that dependent on gambling revenue, you are moving in the direction of government becoming addicted to that source of revenue. There has been enormous political backlash against that in the United States. I know Jan said I shouldn't use the experience of the United States here, but I have seen it happen so many times, in so many different contexts. I am not talking about one state. I am talking probably about 25 states now, where that same process has repeated itself. We will regulate it, we will limit it, and then as soon as the revenue starts to fall, enormous political pressure to expand it, to get rid of regulations. I could give you example after example of how regulations that were firmly put in place - we will never change this, it is

written in stone - they are all gone, and gambling has expanded. The only thing that stopped it really was not the politicians but the groundswell from civic groups and lots of other organisations that put pressure on legislators to stop it.

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Professor Jan McMILLEN

Can I just say I think it would be very wise for Australian states to hold fire until the Productivity Commission has finished its investigations? I think state governments are in a fairly(difeT7fairIT

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Q

David McNICOLL

My name is McNicoll, I'm a journalist. First of all, the comments about the Sydney papers. The Sydney papers gave considerable prominence, considerable prominence, to the government's decision to hold an inquiry. So any suggestion that they only gave an inch is absolute nonsense. Secondly, casinos. They have been talked of this afternoon as though they are some enormous growth thing. They are actually, in my view, in very serious decline. The Darwin Casino is on its uppers, just about out of business. Burswood in Perth is just going. Adelaide is sick. You know what all the trouble is here. Jupiters is just making a bit of money. Townsville is broke. Cairns is in terrible trouble. So, all these casinos, they are practically finished. So I don't regard the casinos at the moment as being at all a healthy proposition. The other thing is that I think that the public, the gambling public, what they need to know - and it's never brought to them - is that they have no chances in a casino. If you give somebody an enormous pot of coins, and say start putting those into a poker machine, and he puts it in, eventually the poker machine takes the lot and they get nothing.

I happen to be a life-long gambler and I am very interested in this subject, and

I know a bit about it. And I have discussed it with the people who run casinos. They say that the big source of revenue is the Keno. That is the one for the suckers. The second one is the poker machines, then the roulette. The only chance you have in a casino is blackjack. If you have an extra-retentive memory, and a degree of numeracy, you can do very well.

I have a very great friend, a close friend of mine, who is a great gambler. He has had considerable success at casinos. But he happens to have this incredible numeracy and this incredible retentive memory. But, even so, he has been requested by two or three casinos in Vegas to go somewhere else. Anyway, they are the points I would like to make. I don't think it is a very prosperous situation at the moment, so I wouldn't worry too much.

Terry McCrann

Thank you David, I presume your friend is initialled KP. Perhaps we can ask Jan to respond to that, the decline of casinos.

A

Prof Jan McMILLEN

Yes, you're quite right, casinos are in a very unstable market. There is a lot of uncertainty there at the moment. It was fine in what I call the second wave - up till the 1990s, when we only had eight casinos, because

fundamentally at that stage most of them were operating for instance without competition from gaming machines. It was in the 1990s when gaming machines kicked into the local market in Victoria, Queensland and South Australia. They started to erode the markets of their local casinos. We have also, of course, seen the effects - although some people will dispute this - of global changes and the decline of the Asian market. What has happened with casinos, they have divided into two groups: half of them have decided not to pursue tourists at all, and to pull out of the junket market. So they've just become large glorified clubs, and competing with the club market quite openly. But there is a handful - Sydney, Brisbane, Perth, Jupiters - who are still competing for the junket market, with the potential of bringing in export dollars. They are the ones with the large asset reserves. It is a very unstable and dynamic market.



Max LITTO TwAuNI

win \$600,000 for a \$1 bet. Yet I could prove that it wasn't a \$1 bet, it was actually a \$3 bet, cause I went into the casino to find out why this jackpot in the poker machine hadn't gone off, and I am reading the machine and it says for a dollar you can win the middle line, two dollars you can win the middle and the top line, but to win that big jackpot of \$600,000 you had to play \$3 which gives you the bottom line as well. But in the papers, as you might know, it advertises for \$1 you can win that prize. The main point I want to find out is how come I can't advertise the truth, but casinos and small people can advertise lies all the time.

A

Rev. Tim COSTELLO

I think this is illustrating my point that there is just so much money involved here. People in Victoria know the *Geelong Advertiser* story where a hairdresser was putting an ad in showing a woman looking bedraggled, saying next time you go to play the pokies wouldn't you like your hair to look good. The pokies club took such an exception that they threatened to close down all their advertising with *Geelong Advertiser* unless that ad was withdrawn. And it happened.

At every level the Advertising Standards Council has been very weak on this issue. We took the question of the TAB investment, you know a person in a pub says I've got a 10% investment with BHP,

I've got 8% CRA. The bloke says I had a 200% investment TAB. We said, look, this is not really a proper use of the word investment. We went up to the Advertising Standards Council and they threw us out. They said, oh, no everybody sort of knows what it's about. At every level the industry, because there is so much money involved here, is actually winning. I think the Advertising Standards Council needs to find some backbone on these issues.

Q

Jack HERMAN

I am the Executive Secretary of the Australian Press Council. Just to clarify a point, the Advertising Standards Council no longer exists. An Advertising Standards Board has now been established by the industry to deal with complaints.

Q

Peter COSTIGAN

I am Peter Costigan, a freelance journalist. Whoever would like to answer this, should the press when they are doing stories on the gambling industry, should they be particularly cautious about research, in view of the fact that most of the research especially about problem gambling comes from either those groups which are usually morally opposed to gambling to start with, or those groups which are in the social services industry?

A Rev. Tim COSTELLO

The question of where do you find facts and objective knowledge is really a critical question. I take a little bit of exception to Jan's statement that here in Victoria we, in the Inter-Church Gambling Taskforce, just have a axe to grind (Prof McMillen interjects) - well, maybe I misheard you - because the industry funds, I think it is fair to say, part of your Chair, Jan. The industry funds just about everything in terms of research. It's David versus Goliath here. And therefore, when you suggest that there might be bias on the part of the welfare agencies, who are the Salvos who certainly morally against it, but most of the other agencies, G-Line and other break-even agencies, don't have any moral claim. I have tried to say tonight Peter that I don't have a prohibitionist bone. I didn't get involved in this until I heard the Premier say, when he opened the interim casino, "This Casino represents the new spirit of Victoria." I didn't write any objections against pokies coming into Victoria, or into the casino. It was when he said those words - I was watching on TV - something within me said, wait a minute, this is out of control. And I take Terry's point that it was a Labor Government also that brought it in, although I would say to Terry the Premier, who was then Leader of the Opposition, was quite clear in saying to Kirner there will be bi-partisan support on this. And so, unlike John Cain who had said no after

the Xavier Connor report, there was a clear push and when Terry says the Premier hasn't really expanded it, I'd take issue there. The Casino is three times bigger than what it should have been, and I think that is an example of the blindness that comes over you commercially when you believe you've got government patronage. Because you've got the best salesperson in Australia in the Premier promoting it, you actually make foolish decisions. As we know, Lloyd spent at least half a billion too much, which I think is a particular blindness that comes out of political patronage. But, of course the figures from church groups can be held to be suspect, or the social welfare industry. But you have to say on this that the figures that come out of the gaming industry are much more suspect because they are much more self-serving. That would be my view, and there is far more money involved there.

Terry McCrann

Jan, would you like to...

A Prof Jan MCMILLEN

Absolutely. Tim, I didn't say you had an axe to grind at all. I said you had particularly interests that you were promoting. I stand by that. We all have, and I think that's the point. No research is value-free. I think that we should make our values quite explicit. In answer to the question, I think we should be suspicious of all research. I think that funding and sponsorship should be

declared up-front and taken into account so the people can make their own judgment about it. We do need more research and we need more debate about what qualifies as good research. At present we can't get agreement on anything. I can't get two economists to agree. I think that's healthy. But I think we need the debate opened up a bit and not have to rely on one source of information only. We need a diversified set of views.

A

Prof Robert GOODMAN

I think the bottom line issue here is that it is a David and Goliath story. In the United States, again, once the gambling industry realised that there were legislators, and the public was seriously looking at it, they decided to form their own research organisation with initial funds of \$3.2 million. They established something called the National Centre for Responsible Gambling, basically to create research to show that the industry was a benefit. I think the bottom line issue is that reporters ought to realise who is doing the research and why it is being done. I agree with Jan, there is no objective research in that sense, but clearly if you have people with that amount of money, they are going to get you a lot of numbers. I've looked at this document here - someone gave me this when I came - I've seen this document over and over again in various forms, this is something called *Victorian Casino & Gaming Association*,

consultants Arthur Andersen. I look at the numbers in here. They are contradictory. When you look at it it says there is only 1% of the people are problem gamblers, and then it says somewhere else that something like 40% of the people answered that they knew someone who had a problem. And they come up with the idea that it is only 1%. How could that be? One per cent of problem gamblers, when 40% of people surveyed that they knew someone who was a problem gambler. Now, there may be a lot of double counting there, but clearly there is something going on here. I don't know how much this cost, hundreds of thousands of dollars maybe.

If you have the kind of money that the gambling industry has, it is not that difficult to look at problem gambling. There are case studies of people who have problems. They embezzle a certain amount of money. They go into bankruptcy for a certain amount of money. They are in jail for a certain amount of money. We know how much time it costs to keep someone in jail. We've done all sorts of studies that look at this sort of thing, and if you've got the money you can do it. But the bottom line is that if someone doesn't want to know they are going to produce this kind of report. I mean, that is what you have to look at. What is the researcher trying to tell you? And then you want to look at the data to see if he is proving that or if he contradicts himself.

Q

Lloyd WHISH-WILSON

My name is Lloyd Whish-Wilson, a member of the Press Council from Tasmania. We've talked a lot about the increased revenue to governments and increased turnover in gambling. What we haven't talked about is where the money actually comes from in the first place. I want to ask Jan if there has been any reliable research done about where the money that is now going through the various state government coffers, and the increases we've seen, has actually come from and what impact that has had within the various communities?

As someone who works in regional communities, rather than the big cities, it seems apparent that there has been quite an impact within those communities of the growth of poker machines and various other forms of gambling. It is not so apparent in the cities, where you have a critical mass. I just wondered if there is any research, Jan, or has there been any reliable research done?

A

Prof Jan MCMILLEN

I think it needs to be acknowledged that probably the most research, and the most reliable research, has been done here in Victoria. It was done because the previous Labor Government not only introduced casinos and poker machines, they legislated that research had to be conducted into its impacts. As Robert has quite rightly pointed out, most researchers hunt around for funding.

They are very dependent on the funding that is available. We've got one independent funding agency for University research in this country. Until 1995, when I got two large grants from the Australian Research Council, people who put in for research for gambling studies were not successful. It wasn't seen as legitimate academic enquiry. So, regarding research into regional impacts - probably the best work has been done here by the VCGA, but in other states it hasn't been done at all. That's what worries me about the tendency of the press to extrapolate from Victoria to the rest of the nation. Regional communities in Western Australia and the Northern Territory and Queensland are very different from regional communities in Victoria. But in principle, I agree with you. Simple observation would tell you that the impacts have been profound on those regional communities.

For example, I am doing a study of the impacts of the Brisbane and Cairns Casinos. They are quite different economies: one is a very large, diversified city; and the other one a small provincial city with a narrow economic base dependent on tourism. You don't need to be a rocket scientist to know that the impact of the Cairns Casino has been much more acutely felt in Cairns than the impacts of the Treasury Casino on Brisbane. I think you are right, we need more regional research.

Closing Remarks

Terry McCrann

Thank you for coming tonight. And thank you to our three speakers for providing a very illuminating insight into some of the issues in relation to gambling.

I don't think we've arrived at any solutions, we've created more questions. I am sure there is going to be a lot more media interest in gambling and interest in the media's interest in gambling going forward.

So, thank you again for coming, and thank you to our speakers.

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