

BRIEFING NOTES ON GAMBLING BILL

PRODUCED BY QUAKER ACTION ON ALCOHOL AND DRUGS (QAAD) OCTOBER, 2004

The Gambling Bill has been presented to Parliament and will have its second reading on 1st November. Concern is increasing about the Bill and contact with MPs is likely to be helpful – particularly if MPs are asked to raise the issue with Tessa Jowell, the Secretary of State with responsibility for the Bill.

The first two sections of this briefing give Friends background information about the Bill and some of its contents. Section three outlines particular areas of concern that Friends may wish to consider raising with MPs. Section four gives additional information on the government's philosophy for the Bill, and contains quotations from government policy statements: they are included in case you find them useful to quote in correspondence.

1. The Gambling Bill: general background

1.1. The Gambling Bill is the result of a lengthy period of review and consultation, including pre-legislative scrutiny by a Joint Select Committee of the House of Commons and the House of Lords. QAAD was one of the faith-based groups that gave written and oral evidence.

1.2. **The Bill removes some existing limitations on the expansion of gambling industry.** Current legislation (The Betting and Gaming Act, 1968) is based on the principle of 'unstimulated demand,' which prevented the gambling industry from advertising and using other methods to increase custom. The proposed legislation dispenses with this principle, and will thus allow a substantial increase in gambling outlets, subject to various regulations.

1.3. **The Bill increases some protections.** The Bill introduces a new and welcome principle of 'social responsibility.' Internet gambling will be regulated, and a new Gambling Commission will monitor a licensing system designed to ensure gambling is responsible and free from crime. A new, industry-financed body called the 'Responsibility in Gambling Trust' (RIGT) will develop codes to protect children and the vulnerable from being harmed or exploited by gambling. It is positive that the government has increased many precautions during the consultation period, but QAAD, other faith-based groups, and some leading academics believe that problem gambling is still likely to rise if the Bill is enacted in this form.

2. Important features of the Bill.

2.1. The Bill proposes three types of casino – regional, large and small. Regional casinos will involve extremely big complexes, required to house many other leisure facilities as well as gambling. Children will be allowed in the non-gambling areas. These casinos will be planned at regional level with reference to regeneration or tourism, and will be able to contain every type of gambling. Large casinos will not have the same range of other leisure facilities, and will be allowed a maximum of 150 slot machines. Small casinos will be allowed up to 80. Children will not be allowed in large or small casinos. There will also be three premises licensed for slot machine play: Adult (Only) Gaming Centres, and two types of 'Family Entertainment Centres,' which will allow children in all/part of the premises.

2.2. Slot machines, which have features associated with high rates of problem play, are split into a four-tier classification. Category 'A' is a new type of machine to the UK, which will have unlimited prizes (£1 million is mentioned): these will be confined to regional casinos. Category B were originally proposed as having maximum £1 stakes and £500 prizes, while Category C will have maximum stakes and prizes of 50p and £25 respectively. Category D machines have stakes of 10p and a maximum prize of £5; will be classed as 'Amusement With Prizes,' and children will be able to play them in designated locations.

3. Concerns/areas Friends may wish to consider raising with MPs

3.1. There is no evidence of a public wish for expansion, and harms are likely to outweigh benefits:

- The government sees moral objections to gambling as being a minority view - but there is no evidence that the public wish for more gambling opportunities or see expansion as desirable. A 2003 survey¹ showed that 93% of adults thought there were already sufficient opportunities to gamble. While two thirds of the population play the Lottery during a year, most other forms of gambling are minority pursuits. (22% play scratch-cards during a year, 14% play slot machines, and 13% bet on horse racing.²) Increases in gambling availability would be market-led rather than consumer-led.
- Studies show an increase in gambling is associated with a rise in problem gambling³. Professor Orford, a leading academic, stated in written evidence to the Joint Parliamentary Committee on the Draft Gambling Bill: 'There is strong evidence that greater availability of opportunities to gamble leads to an increase in the prevalence of problem gambling'. (Evidence 47, Memorandum DGB 35). There are already about a third of a million problem gamblers in Britain, even under present laws.
- Professor Orford also states in written evidence: 'there is good evidence that an increase in problem gambling bears most heavily upon those on smaller incomes...' Debt is an important factor: Gamcare, for example, states that amongst those ringing their help-line, the average debt is £19,000 per year (nearly four times the average unsecured household debt). Gordon House, the residential treatment unit for problem gamblers, estimates that 10 -15 people are adversely affected by any problem gambler –family effects are often significant.
- Economic regeneration is one of the stated benefits of expansion, but there is some debate about this. There is some evidence that the larger casinos can simply replace smaller local businesses. The Joint Parliamentary Committee concluded 'once account has been taken of the potential for substitution between sectors of the gambling industry...we conclude that the overall net benefit could be smaller than has been estimated.'⁴ While national tax revenues are likely to be significant, economic benefits to local communities are less proven.
- The social responsibility aspects of the Bill are extremely valuable, but need not be tied to the elements of gambling expansion that risk harm. Though it is positive that prevalence studies will pick up increased gambling problems (see 4.4.), such problems would be difficult to reverse once they have occurred.

3.2. The Bill allows continued gambling by children - an anomaly that should not continue.

- The fact that this Bill will allow continued gambling by children is inconsistent with the government's own policy statements (see quotations in 4.4 and 4.5). Britain is the only EU jurisdiction that allows children's gambling.

¹ Figures from an NOP poll commissioned by The Salvation Army, conducted by telephone between 28-30 November 2003 amongst a nationally representative sample of 973 adults aged 18 and over.

² Sproston, K. Erens, B. and Orford, J. (2000) *Gambling Behaviour in Britain :Results from the British Gambling Prevalence Study*, London: National Centre for Social Research.

³ Evidence summarized in Chapter 3 of ' *Gambling and Problem Gambling in Britain*' (2003) Orford, J. Sproston, K. Erens, B, White, C. and Mitchell, L. Brunner Routledge, Hove.

⁴ Paragraph 652, Report of the Joint Committee on the Draft Gambling Bill, April 2004, London.

- There is already strong evidence that children who play slot machines have higher rates of problem gambling than do adults.¹ There is also evidence that those who start gambling early are more likely to develop gambling problems later.² The three independent experts who gave evidence to the Parliamentary Joint Select Committee (Professor Griffiths, Professor Orford, and Dr Moran) all indicated that despite low stakes and prizes, Category D machines are gambling (not ‘amusement’) and that continued access by children to slot machines is not justified. Dr Moran said ‘...the government now has a responsibility to protect young people which 20 or 30 years ago was not so clear. It is clear now.’ (Oral Evidence 56, 8th January, 2004)

3.3. The following specific points are of strong concern as regards problem gambling:

- **The number and siting of regional casinos.** Regional casinos will be allowed in town centres, close to housing, or could be developed with housing. This would put the greatest variety and concentration of gambling opportunities - including the most high-risk - in centres where the population lives and works, and thus allow easier accessibility. This subordinates the precautionary principle (see 4.4) to regeneration (4.6). Regional casinos should *not* be sited in town centre locations or near to housing (see quotations in sections 4.2. and 4.3). The total numbers of regional casinos should be severely limited until their impact on problem gambling is researched.
- **Casinos should be in a planning category of their own, because of their social impact (NB this point has been agreed by government)**
- **The number of Category A machines should be much reduced.** These machines are new to this country and recognised by the government as likely to be high-risk. Allowing up to 1,250 in regional casinos – particularly if these casinos are readily accessible – is simply too many. This is the case even if ‘only’ 20-35 regional casinos are developed (as the government suggests), and even if casinos do not take up their full quota. Wider expansion should only take place *after* research into their effects, if it is safe to do so - not before (see 4.2. and 4.4).
- **Category B machines and large casinos are also of concern.** The latest government document says Category B machines would be allowed to have different stakes and prize limits in different gambling premises. Category B machines will be more widely available (e.g. in betting shops and adult gaming centres as well as large and small casinos) Variations in stake/prize would be likely to make medium-sized casinos more economically attractive in some areas, and thus encourage proliferation (see 4.2 and 4.4.) Raising stakes and prizes would further increase the dependency potential of these machines. This should not occur.
- **Help and treatment for problem gambling needs to be increased** Treatment for problem gambling now is grossly inadequate. This needs to be addressed regardless of changes in the law. The £3 million suggested for the Responsibility in Gambling Trust to assist problem gamblers should be tripled (affordable in view of profits).

¹ Fisher, S. (1999) ‘A prevalence study of gambling and Problem Gambling in British Adolescents’ *Addiction Research*, 7:509-288; Griffiths, M. (1993) ‘Fruit machine addiction in adolescents: a case study’ *Journal of Gambling Studies*, 9: 387-399

² Fisher, S. (1996) ‘Gambling and Problem Gambling Among Casino Patrons’ in *Pathological Gambling: A Critical Review*, Washington DC: National Academy Press; Gupta, R., & Derevensky, J. L. (1998). Adolescent gambling behavior: A prevalence study and examination of the correlates associated with problem gambling. *Journal of Gambling Studies*, 14 (4), 319-345

4. Some stated aims and principles of the Bill

4.1. **Moral neutrality towards gambling.** The government's perspective is that previous legislation was rooted in a moral objection to gambling – an attitude it believes is no longer widely shared in society (noting, for example, that two out of three people play the National Lottery). It sees the new law as reflecting changed attitudes in society towards gambling, and enabling more consumer choice.

4.2. **Community impact and local choice.** The government accepts that a proliferation of gambling could change the character of local communities, and that this may not reflect local wishes. The sizes of casino proposed by the Bill are aimed at preventing a proliferation of small to medium gambling outlets, and it is very positive that the Bill also allows Local Authorities to refuse gambling premises. Policy guidelines state: 'How many new gambling outlets there are will ultimately depend upon the market demand for them. But the Government is keenly aware of the general view that the degree of liberalisation proposed by the Bill, whatever the prevailing market conditions, **should not be allowed to lead to an undesirably large proliferation of gambling premises or to permit gambling to become a predominating feature of town centres**¹.'

4.3. **Gambling will not 'invade normal social spaces'**². The government seems to accept the broad principle that gambling should take place largely in dedicated premises, and should be an activity that people undertake as a conscious choice: 'It is a very important principle of the Bill that consumers should be in a position to know when they are entering gambling premises, and know what to expect on those premises. It is essential, too, that **people who do not want to be involved in gambling, for whatever reason, can continue to be undisturbed by it in their daily lives**.'³ Closely linked to this is evidence that the government also seems to have noted, which indicates that casual opportunities to gamble are likely to increase the risks of problem gambling. Thus, the government states '**...the Government is mindful too of the negative impacts that could also be associated with the widespread availability of high-prize gambling in readily accessible locations**.'⁴

4.4. **A precautionary approach to harms.** The government accepts the risks involved in gambling: 'Our guiding principle is that **opportunities to gamble should only be permitted where Parliament and the public can be confident that protective measures can be put in place to deal effectively with the risks**.'⁵ Tessa Jowell states: '**we will continue to put the interests of children and vulnerable players first, second and third**.'⁶ The precautionary principle has led the government to put more restrictions on those forms of gambling which evidence suggests are most likely to result in high levels of problem play. It has also promised three-year prevalence studies of problem gambling rates, and prompt action on any form of gambling that seems to be causing an escalation in these.

4.5. **The protection of children.** Tessa Jowell states that '**Gambling and children do not mix**.'⁷ The Policy to the Bill says '**The Government is unwavering in its belief that gambling is for adults only**.'⁸

4.6. **Gambling development to assist regeneration** The government states: 'In proposing modernisation of the law, the Government wants to make it possible for different parts of the country to consider how gambling developments might play a role in securing economic benefits for their area.'

For further information or discussion on QAAD's briefing notes, please contact Helena Chambers, 10, Mandalay Drive, Norton, Gloucestershire GL2 9LD Telephone 01452 730368

¹ Draft Gambling Bill: The Policy. DCMS, November, 2003, Section 5.4.

² Draft Gambling Bill: The Policy. DCMS, November, 2003, Section 5.2.

³ Draft Gambling Bill: The Policy. DCMS, November, 2003 Section 5.5.

⁴ Draft Gambling Bill: The Policy. DCMS, November, 2003 Section 5.11.

⁵ Introduction to the Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, June 2004

⁶ Tessa Jowell's Introduction to the Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, June 2004

⁷ Tessa Jowell's Foreword to Draft Gambling Bill: The Policy. DCMS, November, 2003

⁸ Draft Gambling Bill: The Policy. DCMS, November, 2003, section 6.23