

# Gambling with our future

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CHRISTIAN INFLUENCE IN A SECULAR WORLD

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# Introduction

The Government is proposing what must surely be the most radical deregulation ever of Britain's gambling industry. The Gambling Bill is unprecedented in both its scope and aim of encouraging and facilitating gambling. Layers of sensible restrictions, which for years have controlled the worst excesses of casinos, betting shops and slot machines are to be swept away. This will lead to a massive proliferation of gambling of all forms, transforming beyond recognition the face of the UK gambling industry overnight. It will bring Las Vegas-style gambling to the UK, with only Northern Ireland exempt from its provisions.

For decades successive governments have adhered to the policy that demand for gambling should not be encouraged. This policy, enshrined in the 1968 Gaming Act, was underpinned by the view that while gambling should reluctantly be tolerated, it was essentially undesirable and should under no circumstances be encouraged.<sup>1</sup> The National Lottery breached this principle, but this Bill dramatically destroys it and represents a seismic break with longstanding public policy.

Now, under the guise of 'modernising' Britain's gambling laws, the Government declares "...gambling should be seen as part of the mainstream leisure industry, offering fun and attractive products in a regulated environment."<sup>2</sup> The Government thus simply dismisses existing protections as 'outdated'.<sup>3</sup>

Yet it is wrong to view gambling as a normal leisure activity. The idea that gambling is "just a bit of harmless fun" is a myth. Gambling is addictive and harmful, fuelling crime, poverty and family breakdown. It has serious consequences for the individual involved, the individual's family and society at large. The very fact that gambling requires the thorough, albeit substantially weakened, regulation found within the Bill is testimony to the fact that gambling is highly addictive and harmful.

A central argument on which the Government rests its defence is that deregulation will not increase problem gambling. In March 2004, The Secretary of State, the Rt Hon Tessa Jowell declared: "…I do not accept that it will lead to an increase in problem gambling…If this legislation gave rise to an increase in problem gambling then it would have failed and it would be bad legislation…"<sup>4</sup>

In light of this, the most condemning comment comes from the Joint Parliamentary Committee established to scrutinise the draft Bill. In the very opening page of its report, it stated: "Almost all of the evidence we have received points to the fact that this legislation would increase the number of people in the United Kingdom with a gambling problem."<sup>5</sup> Thus, on the basis of the Government's own criteria, the overwhelming evidence is that the draft Bill is 'bad legislation'.

Even countries that recently liberalised their gambling legislation, such as Australia, are now locked in a desperate battle to re-regulate and combat the social costs of problem gambling.<sup>6</sup>

The Government, ignoring this, argues it is providing greater choice for adult gamblers.<sup>7</sup> Yet there is no public demand for this. In fact, an NOP opinion poll shows the public overwhelmingly believe there are already enough opportunities to gamble in the UK.<sup>8</sup> The driving force is the gambling industry itself, which has lobbied long and hard for deregulation<sup>9</sup> and has made substantial financial donations to political parties.<sup>10</sup> Another factor, which the Government has already admitted, is the lure of vast tax revenues and investment.<sup>11</sup>

Although the Government has made certain concessions on the Bill already, most noticeably in placing an initial limit on the number of new casinos<sup>12</sup>, this does little to significantly alter a Bill whose entire *raisons d'être* is the development, growth and promotion of the gambling industry.

Indeed though the Secretary of State argues the Bill provides vital new protections,<sup>13</sup> the evidence overwhelmingly shows that the higher the availability of gambling, the higher the levels of addiction. To deregulate on the scale proposed is not 'a safe bet for success' as the Government boasts.<sup>14</sup> It is a recipe for disaster.

# Gambling Bill – The big issues

The Gambling Bill radically changes UK gambling legislation. The biggest changes include:

## **Slot machines**

 Creation of four new categories: A, B, C and D. Category A machines will be allowed unlimited stakes and prizes.<sup>15</sup> At present, £2,000 is the highest prize allowed.<sup>16</sup>

## Casinos

- Repealing the 24-hour membership rule between membership and play.<sup>17</sup> This will allow people to walk straight in off the street and gamble in casinos.
- Repealing the restrictions on opening new casinos. Casino operators will no longer have to prove unmet demand to gain a licence, or be restricted to the current 53 'permitted areas' within the UK.<sup>18</sup>
- Creation of three new categories of casino. The largest category, 'regional' casino, will allow huge Las Vegas-style casinos, of at least 5,000m<sup>2</sup> offering up to 1,250 unlimited prize slot

machines.<sup>19</sup> At present, casinos are limited to a maximum of 10 jackpot machines.<sup>20</sup> This limit, combined with the requirement to prove unmet demand, has acted to block the growth of larger casinos.

## **Betting and bookmakers**

- Repeal of 'demand test' in order to gain a licence.<sup>21</sup>
- Repealing the ban on betting tracks offering bets on non-race days.<sup>22</sup>
- Repeal of the prohibition on racing on Christmas and Good Friday.<sup>23</sup>

## **Remote gambling**

• Legitimising remote gambling (e.g. via the internet) by licensing it in Great Britain for the first time.<sup>24</sup>

## Advertising

• Relaxation of the general prohibitions on gambling advertising. This will, for instance, allow casinos to advertise for the first time.<sup>25</sup>

# How gambling damages our society

#### Gambling exploits the poor

In essence, gambling is not an activity of the rich. It is the poor, those with the least disposable income, who are disproportionately most affected. The dream of winning huge sums of money and escaping poverty is ruthlessly dangled before them. The vicious circle is that they end up losing what little they have, resulting in further poverty and further gambling in the hope of escape.

Results from the British Gambling Prevalence Survey in 2000 showed there were three-and-a-half times more problem gamblers among persons earning less than £15,600 compared to those earning £31,200 or above.<sup>26</sup> In 1999, the American National Research Council also concluded that pathological gambling (severe problem gambling) is found proportionately more often among the poor.<sup>27</sup> The American National Gambling Impact Study Commission found that lottery players with incomes below \$10,000 spend more than any other income group, while school dropouts spend four times as much as college graduates. <sup>28</sup>

## It can lead to addiction

Gambling offers the lure of winning huge sums of money in an instant. It also allows individuals to get into serious financial difficulty very quickly. Attempting to get out of these difficulties by 'chasing losses' makes gambling highly addictive.<sup>29</sup>

If a drug addict spends or steals money to buy drugs, they know they will never be able to replace the money. Yet gambling addicts, having spent or stolen money and lost it, will persuade themselves they need to spend or steal again in order to win back their losses. As the following testimony shows, in the person's own words, this vicious circle starts with even the smallest of bets:

"i started gambling when i was about 12, im now 21. During this period of self destruct my gambling has got progressively worse. I started out like most of us with small bets that i THOUGHT i could control, now im staring down the barrel of a gun on the brink of losing everything."<sup>30</sup>

The cycle of addiction is based on the nature of gambling being 'some you win, some you lose'. This is what psychiatrists call 'intermittent reinforcement' and is very addictive.<sup>31</sup> Thus, The Royal College of Psychiatrists states: "...vulnerability to pathological gambling is inherent in the very activity of gambling." <sup>32</sup>

## The link to crime

Gambling is associated with crime in two ways. Firstly, in relation to gambling addicts, who like drug addicts, steal to pay for their habit and secondly, in relation to the involvement of organised crime in the provision of gambling.

## Crime to fund gambling habit

The link between gambling and crime is borne out in the criminal justice system. The most recent Home Office research study into youth

crime concluded: "On the whole young people who gambled were more likely to be offenders than those who did not."<sup>33</sup> For males, the study showed a statistically significant link with serious or persistent offending between those who spent leisure time in amusement arcades and those who did not.<sup>34</sup> Evidence submitted to the Joint Committee reported that 20% of local youth offenders in the Blackpool social services area had a serious gambling dependency.<sup>35</sup>

In America, research found that the state of Wisconsin experienced an average of 5,300 additional major crimes a year due to the presence of casinos in that state.<sup>36</sup> Furthermore, the National Opinion Research Centre at the University of Chicago reported that 21.4% of pathological gamblers had been imprisoned at one point in their life.<sup>37</sup>

## Organised crime

The link between gambling and organised crime has always been a major concern to successive governments. Indeed, a core licensing objective of the Bill is "preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime..."<sup>38</sup>

Much of the existing legislation on gambling stems from the 1968 Gaming Act, which was introduced specifically to stop the spread of organised crime in gambling.<sup>39</sup> This was acknowledged by the Government's Gambling Review Report in 2001, which stated: "The Gaming Act 1968 was itself a response to widespread criminal involvement in gambling that occurred following the 1960 deregulation of casinos."<sup>40</sup>

Furthermore, a 1996 Home Office consultation paper said the 'demand criterion' for casinos had prevented a proliferation of casinos. It argued removing this test would lead to a rapid increase in casinos, which combined with competition encouraging casinos to break the

rules, "could mean organised crime would get a foothold."41

Such concerns were expressed in the Gambling Bill's Regulatory Impact Assessment: "There is a risk that increasing the opportunities to establish casinos could increase the risk of illegal gambling, criminal infiltration and money laundering into casinos."<sup>42</sup>

## Gambling corrupts young people

Younger people are particularly vulnerable to the lure of gambling. In general, they have not fully developed the maturity to properly consider the consequences of getting involved in gambling. Some forms of so-called 'soft gambling' (the lottery, scratch cards, and some milder slot machines) are freely available to under-18s. This sends out the message that gambling is just harmless fun. But that is far from the truth. It establishes young people on a path which can easily escalate to 'hard-core gambling' as soon as they turn 18. The Gordon House Association, a residential centre for gambling addicts, reported to the Joint Committee that over the past three years only 10.9% of their residents had been over 18 when they started gambling. More than a third started between the ages of eight to twelve.<sup>43</sup>

It has been reported that around one in twenty young people have shown signs of gambling dependency.<sup>44</sup> This results in serious interference with schoolwork, as well as increased truancy and behavioural problems.<sup>45</sup>

## **Gambling destroys lives**

Addictive gambling or 'problem gambling' destroys lives and families. The Joint Committee highlighted the potential harmful consequences of gambling. They include:

"...job loss, absenteeism, poor work/study performance, stress, depression and anxiety, suicide, poor health, financial hardship, debts, asset losses,

exposure to loan sharks, bankruptcy, resorting to theft, imprisonment, neglect of family, impacts on others, relationship breakdown, domestic or other violence, burdens on charities and burdens on the public purse."<sup>46</sup>

#### In June 2004, the Government stated:

"The Government does acknowledge, without any reservation, the destructive impact that problem gambling can have on individuals and families. Gambling brings with it self-evident public health risks."<sup>47</sup>

The following news article was reported in a national paper two months later. The article began:

"A man slashed his wrists at a casino after losing thousands of pounds during an early morning gambling session. Paramedics rushed to the scene after the 45-year-old man tried to kill himself... It is understood he made the suicide attempt in the toilets after losing £24,000."<sup>48</sup>

Gambling is not harmless fun. Gambling destroys lives.

# Problem gambling

#### What is it?

A widely accepted definition of problem gambling is: "...gambling to a degree that compromises, disrupts or damages family, personal, or recreational pursuits."<sup>49</sup> It is estimated that each problem gambler affects approximately 15 people's lives and costs the state £35,000.<sup>50</sup> The World Health Organisation recognises excessive gambling as a disorder.

"The disorder consists of frequent, repeated episodes of gambling which dominate the individual's life to the detriment of social, occupational, material, and family values and commitments. Those who suffer from this disorder may put their jobs at risk, acquire large debts, and lie or break the law to obtain money or evade payment of debts. They describe an intense urge to gamble, which is difficult to control..."<sup>51</sup>

Gambling can and does become an addiction every bit as powerful and difficult to break as alcohol addiction.<sup>52</sup> However, unlike alcohol abuse, the human body does not stop an addicted gambler and the addiction can remain hidden.

"An alcoholic's body will eventually stop the ingestion of alcohol and there will be physical signs to indicate their state...However a gambling addict can carry on indefinitely with no outward signs...Therefore the addiction can continue to an extreme state without being detected."<sup>53</sup>

## The extent of the current problem

The existing restrictive gambling regime in the United Kingdom has resulted in Britain having a relatively low number of problem gamblers compared to other countries. The most recent large-scale study into the extent of problem gambling in the United Kingdom, in 1999, suggested between 275,000 and 370,000 people in Britain aged 16 or over were problem gamblers.<sup>54</sup> This is between 0.6% and 0.8% of the adult population. In Australia, the rate is estimated to be 2.1%.<sup>55</sup>

The success of existing legislation in containing problem gambling was acknowledged in the Gaming Board for Great Britain's 1995-6 report. It stated:

"To a large degree, the extent, and potential adverse consequences, of problem gambling have been controlled in this country by the restrictive regime applied to gambling generally and to gaming in particular."<sup>56</sup>

Yet even without liberalisation, organisations helping problem gamblers are already reporting increases in problem gambling. The Gordon House Association, the country's only provider of specialist residential treatment for addicted gamblers, reported an increase of 56% in applications made to them during October-December 2003 compared to same period the year before.<sup>57</sup>

## The impact of the Bill on problem gambling

Following an intensive ten-month Parliamentary inquiry, which included over 170 submissions and 17 oral evidence sessions, deliberately drawn from the widest range of witnesses,<sup>58</sup> the Joint

Committee stated on the first page of its report:

"Almost all of the evidence we have received points to the fact that this legislation would increase the number of people in the United Kingdom with a gambling problem."<sup>59</sup>

Indeed, the evidence overwhelmingly points in the same direction, is formidable, and tallies with common sense. As opportunities to gamble increase, so does problem gambling. This was acknowledged by the Joint Committee, which stated:

"We would expect the draft Bill to lead to an increase in the prevalence of problem gambling, even if only as a result of an increase in the numbers of those who gamble."<sup>60</sup>

The Government's Gambling Review Report in 2001 came to the same conclusion. It stated:

"A central question for us has been whether increasing the availability of gambling will lead to an increase in the prevalence of problem gambling. The weight of evidence suggests that it will do so."<sup>61</sup>

In light of this, it is remarkable that the Secretary of State blatantly denies the Bill will lead to any increase in problem gambling.<sup>62</sup> The Parliamentary Under-Secretary of State, Lord McIntosh of Haringey perhaps gave a more honest assessment in oral evidence to the Joint Committee:

"Basically we acknowledge there is a risk, that the greater availability of gambling, which will certainly be [...] one of the effects of the Bill, involves a risk that the amount of gambling and therefore the amount of problem gambling will increase."<sup>63</sup>

Following publication of the initial draft Bill in 2003, NERA Economic Consultants predicted the legislation would result in up to one million problem gamblers in the UK, representing a three to fourfold increase from the current level."<sup>64</sup>

To try and allay such fears, in June 2004 the Government published a response to the Joint Committee, accepting many of its recommendations.<sup>65</sup> However, the Joint Committee's recommendations were extremely mild, with many significant concerns unaddressed. The Committee itself advocated that the Bill was both necessary and urgent.<sup>66</sup>

Thus, despite the apparent alliance between the Joint Committee and Government to present the final Bill as more cautious and responsible, in essence it remained the same as the draft Bill. Even taking into account the few modest changes that were accepted by the Government at the time, it was estimated the Bill could result in up to half a million casino-related problem gamblers alone by 2010, a fivefold increase from at present.<sup>67</sup>

Following widespread and sustained criticism of the Bill both in the media and during its Second Reading in November 2004, the Government was forced to make further concessions. In an attempt to face off the biggest criticisms of the Bill, related to the creation of Las Vegas-style 'regional' casinos, the Government agreed to *initially* limit the number of 'regional' casinos to eight.<sup>68</sup> In December 2004, the Government promised to place the same initial limit on 'small' and 'large' category casinos as well.<sup>69</sup>

However, the Bill still allows casinos to introduce thousands of new unlimited prize slot machines and to advertise for the first time, it abolishes the 24-hour membership requirement for casinos and, as well as abolishing the 'demand' test for new casinos and betting shops, it seeks to promote internet gambling.<sup>70</sup>

The Government states that before implementing the new regime it will carry out a national study into gambling participation and problem gambling, with further studies every three years. The Government promises: "If the evidence tells us that we need to be tougher to protect the public, then we will be."<sup>71</sup>

The evidence is already there. Although the Government has made some concessions, many significant concerns remain about the Bill.

# **Misleading arguments**

#### 'Only some people are vulnerable'

A wilfully naive fallacy, heavily promoted by the gambling industry itself, underpins the Government's approach to gambling reform. Simply put, the Government states there are two distinct and separate types of people – 'normal' adults, who are safe from the ravages of gambling addiction, and 'vulnerable' persons and children, who are at high risk of addiction or exploitation. Accordingly, The Government argues deregulation is fine as long as children and 'vulnerable' persons are protected.

"We only propose giving adults additional consumer choice where we can also protect children and vulnerable players."<sup>72</sup>

Clearly children are vulnerable and must be protected. It is equally true that there is a group of adults who are especially vulnerable. The group could well embrace young adults over 18, single people, poor people, unemployed people, disabled people, or those living close to casinos, arcades or bingo clubs or at the seaside.<sup>73</sup>

Yet this overall approach is disingenuous and simplistic as it ignores the reality of gambling. Gambling is potentially addictive to anyone, not just 'vulnerable' persons. This was raised by The Royal

## College of Psychiatrists:

"...the Government documents imply that, in addition to children, there are certain adults who are *especially vulnerable* to the effects of gambling. There is the suggestion that all adults who are liable to be exploited by gambling have some weakness, even before they come in contact with gambling. This is a notion that, for obvious reasons, is much favoured by commercial gambling interests. It enables them to argue that, as long as the "vulnerable" are protected, there is no particular danger to the rest."<sup>74</sup>

## The Royal College of Psychiatrists continued:

"It clearly is a fact that if the facilities for gambling in a population increase, the total amount of gambling also increases. This affects *all* individuals in that population and inevitably leads to an increase in the number of those who gamble to such a degree that damage results."<sup>75</sup>

## 'The Bill promotes social responsibility'

In anticipation of deregulation, both the Government and the gambling industry have strived to present a socially acceptable image of gambling. To this end, the notion of 'responsible gambling' or 'social responsibility' has been relentlessly emphasised. For example, responding to concerns that the draft Bill would increase problem gambling, the Government stated:

"We will put social responsibility at the heart of the new regime. Every operator will be required, as a condition of their license, to comply with Gambling Commission codes of practice on social responsibility."<sup>76</sup>

Equally, Gala, one of Britain's leading gaming operators, boasted in its submission to the Joint Committee: "Gala has no higher priority than corporate social responsibility and community involvement."<sup>77</sup>

This will undoubtedly be of little comfort to the families of gambling addicts whose losses have helped swell the industry's profits. However it is presented, the fact remains that the industry exists primarily to make as much money as it can from gamblers. Furthermore, the psychological effects on the gambler of commercial gambling inherently encourage the chasing of losses. Within such a context, the way in which 'social responsibility' is used is completely disingenuous.<sup>78</sup>

The implication of 'social responsibility' is that, if people are given sufficient information, they will be able to exercise an informed, free choice. Yet this negligently ignores the fact that problem gambling, like any addiction, ends up removing free choice.

The audacity of the Government's approach is crowned in its encouraging the gambling industry to contribute towards a fund for problem gamblers.<sup>79</sup> The current aim of £3 million pounds a year represents a mere 0.035% of the net £8.5 billion yearly spent on gambling in the UK.<sup>80</sup> It must surely be better to simply keep the restrictions that help protect people from problem gambling in the first place.

## 'The need to modernise'

Perhaps the most misleading argument is that deployed to justify the Bill itself. The Government repeatedly insists reform is needed to keep pace with technology in order to keep out crime and protect the vulnerable.<sup>81</sup> For instance, the Secretary of State stated:

"When gambling technology is developing so quickly, simply maintaining the status quo is not an option."  $^{\ensuremath{\mathsf{82}}}$ 

Indeed the Joint Committee even stated the motivation for reform came less from consumer demand than developments in technology.<sup>83</sup> Yet what has the arrival of the internet and other new products such as Fixed Odds Betting Terminals got to do with tearing up a plethora of unrelated laws, such as the demand test for new casinos or betting shops?

If technological developments are the principal reason for reform as argued, surely they can be addressed without repealing the vast majority of existing gambling legislation.

## Proposals: key concerns

#### **Slot machines**

The Government proposes to create a new categorisation of slot machines, comprising four categories A to D. The highest (Category A) will be allowed unlimited stakes and prize money. Under the proposals in the Bill, Category B will be divided into further sub-categories. The table on the next page summaries the proposal.<sup>84</sup>

#### Category A machines: unlimited stakes and prizes

At present the maximum slot machine stake allowed in Britain is 50p with a maximum prize of £2,000; casinos are limited to 10 of these 'jackpot' machines.<sup>85</sup> Therefore, allowing slot machines with *unlimited* stakes and prizes represents a massive deregulation.

Unlimited prize machines are extremely addictive and should remain illegal. Substantial evidence was given to the Joint Committee about their addictive nature. Summarising the evidence, the Joint Committee stated:

"All the evidence, both from prevalence studies and from reports of counselling services, suggests that high prize machine gambling is the

Category	Maximum stake	Maximum prize	Location(s)	Maximum number Per premises
A	Unlimited	Unlimited	Regional casinos	1,250
B1	£1	£2,000	All casinos	80 in small casinos; 150 in large casinos
B2 (Fixed Odds Betting Terminals)	£100 per game; £15 per chip	£500	As above, and also premises licensed for betting	4
B3	£1	£500	As above, plus Bingo clubs and adult gaming centres	4
B4	£1	£250	As above, plus Registered clubs and miners' welfare institutes	3
С	50p	£25	As above, plus premises licensed for alcohol	2, but may apply for more to local authority
D	10p (30p when non- exchangeable prizes)	£5 (cash or non cash)	As above, plus family entertainment centres and travelling fairs	

form of gambling most liable to be abused and most likely to increase the incidence of problem gambling. This is because the combination of rapidity of play and the possibility of winning substantial amounts of money makes it comparatively easy, both physically and psychologically, for gamblers to gamble more than they originally intended or can realistically afford."<sup>86</sup> Unlimited prize machines are what the gambling industry want most of all. Because they are addictive and cheap to run, they are extremely lucrative, generating up to 85% of casino earnings in a number of countries that allow them.<sup>87</sup>

### Quantity

Initially, the Government proposed allowing 'large' casinos unlimited numbers of Category 'A' machines. Following the Joint Committee's recommendation to cap the number allowed to prevent a damaging proliferation, the Government proposed to restrict category A machines to 'regional' casinos and to have a cap of 1,250 machines per regional casino.<sup>88</sup>

Whilst the cap covers 1,250 machines in total (from categories A–D), it is widely believed that regional casinos, seeking to maximise their profits, will overwhelmingly install Category A machines.

In introducing the 1,250 cap, the Government acknowledged a rapid uncontrolled increase in high prize machines could present too high a risk of stimulating problem gambling.<sup>89</sup> The Government Minister, Lord McIntosh of Haringey told the Joint Committee: "…we have to start from the fact that Category A machines…are completely new to this country…If we are going to introduce them, we have to do so with extreme care, until we know more about what the impact of them is going to be."<sup>90</sup>

Yet the Government indicated it expected between twenty to forty regional casinos.<sup>91</sup> Forty regional casinos would allow for 50,000 machines. Given there are approximately 976 jackpot machines in UK casinos at present,<sup>92</sup> this would represent a 5,000% increase.

The breathtaking inconsistency of the Government's supposedly 'cautious' approach was raised by even the gambling industry. The Casino Operators Association of the UK noted at the time: "This proposal is not a trial. It is full-scale implementation..."<sup>93</sup>

It was estimated that with a scenario of even thirty 'regional' casinos by 2010, this proposal alone could result in 246,000 people having a serious casino-related gambling problem, approximately two-and-a-half times more than at present.<sup>94</sup> This would be equivalent to more than five times the current number of heroin addicts in England and Wales.<sup>95</sup> Following the Second Reading, the Government promised to limit the initial number of regional casinos to eight. Yet even this would represent a staggering ten-fold increase in the total number of jackpot gaming machines in casinos.

Allowing regional casinos up to 1,250 slot machines will bring Las Vegas-style gambling to Britain. Whilst the biggest Las Vegas casinos, such as the MGM Grand, have more than double this number,<sup>96</sup> many other famous Las Vegas casinos have around the same number proposed by the Government. For example, the Plaza Hotel and Casino has 1,220<sup>97</sup> and the Las Vegas Hilton has only slightly more with 1,394.<sup>98</sup> Meanwhile, in Australia, Sydney's premier casino, the Star City Casino, boasting 1,500 machines<sup>99</sup> has only 250 more than the proposed limit. The current UK limit of jackpot machines per casino is 10.

#### Location

The Government has made contradictory statements about its policy towards the location of category A machines. On the one hand it has argued its policy was to *limit accessibility* rather than impose scarcity. It said restricting Category A machines to 'resort' or regional casinos would mean people would have to travel further to access them.<sup>100</sup>

Yet the Government has also stated:

"...restricting opportunities to gamble does not mean locating casinos in inaccessible or remote locations. Government policy is to locate major generators of travel demand, such as major leisure developments, in areas that are **highly accessible** and well served by public transport...we would

expect all town centre options...to be thoroughly assessed before less central sites were considered."<sup>101</sup> [Emphasis added]

When announcing the limits on the number of new casinos in December 2004, the Government was again very clear that some should be sited in "urban centres and seaside resorts in different parts of Britain."<sup>102</sup>

The Prime Minister has strongly asserted: "...the Bill will allow some of these large casino leisure complexes...in areas that will be regenerated with hundreds of millions of pounds of investment and thousands of jobs."<sup>103</sup> It thus appears that the aim is to use the new casinos to bring regeneration in urban centres.

Yet locating casinos in urban centres runs a great risk of increasing problem gambling, according to clear evidence cited by the Joint Committee. The Joint Committee drew attention to professional evidence that a key cause of problem gambling is the location of casinos in high streets and city centre locations.<sup>104</sup>

Locating casinos in urban centres shows that promoting 'economic regeneration' and limiting problem gambling are mutually exclusive aims.

## Casinos

Casinos are widely regarded as the 'hardcore' of the gambling industry.<sup>105</sup> The 1968 Gaming Act introduced substantial restrictions on casino gambling to protect the public. Virtually all of these are to be repealed.

## Repeal of the statutory membership requirement

The Bill removes the statutory membership requirement for casinos, <sup>106</sup> abolishing the 24-hour rule, which creates a statutory interval between membership and play. This will allow casinos to attract spontaneous,

walk-in customers. Previously casinos tended to operate as small members' clubs serving specific and often local social groups rather than the general public. The Bill completely changes this.

The 24-hour requirement is a vital protection preventing people walking in straight off the street to gamble. It provides a forced 'cooling off' period. It also prevents casinos being used as a tourist destination, something the Government now wants to promote.<sup>107</sup> Removing this requirement constitutes a complete break from the policy distinction between hard and soft gambling, effectively making gambling in a casino as easy as buying a lottery ticket. Until 1996 the statutory interval was 48 hours.<sup>108</sup>

Furthermore, 'self-banning', where a gambler asks a casino to ban them for a set period of time, is an effective way problem gamblers can protect themselves. This is acknowledged by the British Casino Association, which stated the majority of its members wish to retain a membership scheme.<sup>109</sup> If the membership requirement is removed it will make self-banning virtually impossible in casinos which do not run their own membership schemes. A membership requirement also acts as a vital safeguard against money laundering.<sup>110</sup>

## Repeal of 'demand test' and 'permitted areas' for new casinos

At present, casinos are restricted to 53 'permitted areas' within the United Kingdom. Within these permitted areas, casino operators have to prove 'unmet customer demand' to gain a licence. The Bill repeals both requirements.<sup>111</sup>

The Government argued this would not allow for an uncontrolled expansion in the quantity or intensity of gambling products available to the public.<sup>112</sup> Yet repealing these regulations will inevitably lead to a proliferation of casinos. At the end of March 2004 there were 131 casinos open in Great Britain.<sup>113</sup> Even modest estimates predicted the number of casinos would double as a result of the Bill.<sup>114</sup>

In placing an initial limit of 24 on the number of new casinos (eight 'regional', eight 'large' and eight 'small'), the Government has now attempted to address such concerns. However, the demand test is still to be repealed – even though it has succeeded in curbing the number of casinos in the United Kingdom for decades. Removing this sensible test will strip away a vital principle and safeguard.

There has already been widespread press coverage of both international and UK casino operators preparing to expand in the UK following deregulation.<sup>115</sup> For example, MGM Mirage has announced it has entered into joint partnership ventures representing an investment of over one billion pounds.<sup>116</sup>

Even before deregulation, the number of casinos is rapidly growing. In 2003 alone there were eight new casino licences granted in Stockport, Stoke on Trent, Bolton, Blackpool, Bristol, Wolverhampton, Newcastle and Walsall. The Gaming Board of Great Britain has stated it will now only object to new casino applications where it has reason to believe "problems of control" will result.<sup>117</sup> Instead of repealing the existing law, it needs to be enforced.

## Local communities sidelined

Although the Government proposes to give local authorities the power to refuse to issue any casino premises licences,<sup>118</sup> to exercise this power a local authority would be required to turn down all applications, regardless of the category. Thus, local authorities that wish to block only 'regional' casinos will be unable to do so and any 'blocking resolution' will automatically lapse after three years and need to be renewed. Furthermore, this provision is dependent on the local authority wishing to block applications in the first place. Given reports that local authorities are being offered tens of millions of pounds to approve planning applications,<sup>119</sup> this is not an adequate protection for local communities who do not want a huge casino nearby. Such concerns were acknowledged by the Secretary of State, Tessa Jowell, during the Second Reading:

"I understand the concerns...expressed about local authorities finding the development benefits too tempting, so I will listen closely to the argument that the power to consult on the licensing policy should be replaced with a duty."<sup>120</sup>

At the very minimum, local authorities should be required to consult on new casinos, with clear grounds for rejecting applications such as 'suitability of locality' as is the case in other areas of licensing law such as sex shop licensing.

(The above refers to England and Wales where a casino premises licence will be granted by the local authority; in Scotland premises licences will be granted by the licensing board. Clearly people in Scotland should have the same right to object.)

As a further incentive for casino operators, the Government has also proposed the general time limit on operating licences should be removed.<sup>121</sup> This will make it significantly harder for local people to campaign for the closure of any casino once granted a licence.

## Three new categories of casino

The Bill creates three new categories of casino, 'small', 'large' and 'regional'. Each category has a minimum size requirement. In addition, there will be a fourth class for existing casinos below the minimum size requirement of a small casino.<sup>122</sup> It is important to note the vast majority of existing casinos would not even qualify as 'small' casinos. Of the 131 casinos trading at March 2003, over 90% had less than the required size of gaming floor for a small casino under the Bill.<sup>123</sup>

Thus whilst much attention has been placed on 'regional' casinos, 'small' and 'large' casinos represent a giant leap in casino size in themselves. As the minister said, they: "...can offer eight to 15 times the maximum number of jackpot machines offered in casinos now... The facilities will be appreciably bigger and different from those now on offer."<sup>124</sup>

The Government placed an initial limit on the number of new casinos introduced by the Bill so that "the risk of an increase in problem gambling will be reduced..."<sup>125</sup> It proposed that the Gambling Commission would be asked to monitor any increase in problem gambling three years after the first premises licence was granted.

However, the minister himself pointed out that the limit was "a test rather than a permanent cap."<sup>126</sup> After this period the Government could pass a ministerial order allowing many more casinos to be established. Even if the Commission finds there has been an increase in problem gambling, the Bill does not permit the closure of the initial 24 casinos.<sup>127</sup> The purpose of the Bill remains the expansion of the gambling industry.

## Regional casinos

The flagship of deregulation will be the creation of huge resort-style casinos, comprising hotels, restaurants and entertainment facilities. The minimum size requirement of 5,000 square metres is larger than the average standard DIY chain store found in most British towns and cities.<sup>128</sup>

The Government sees such casinos as a means of regeneration and investment. However, the experience of cities in America, such as Atlantic City in New Jersey, showed the opposite happened, with businesses closing and, in 2002, the city's unemployment levels at more than two-and-a-half times the state average.<sup>129</sup>

Far from regenerating communities, casinos bring crime, addiction and poverty. This was underlined by the Gambling Bill's Regulatory Impact Assessment which stated: "A significant increase in the social costs associated with the gambling industry, including problem gambling, could negate many or all of the direct economic benefits of the Bill."<sup>130</sup>

## **Betting and bookmakers**

The Bill repeals the 'demand test' for licensing betting shops.<sup>131</sup> Removing this requirement could result in a proliferation of betting shops on the high street.<sup>132</sup> There would be little to stop the growth of streets dominated by betting shops.

Coupled with this is concern about Fixed Odds Betting Terminals (FOBTs). These allow people to play virtual casino games such as roulette and are highly addictive. Evidence was given to the Joint Committee from a problem gambler that "FOBTs are the crack cocaine of gambling."<sup>133</sup>

In 2002, high street betting shops started installing FOBTs, despite the Gaming Board and Government viewing this as illegal. However, a voluntary agreement was made, allowing betting shops to have a limited number each.<sup>134</sup> Now instead of banning these machines, the Government is to formally legalise this arrangement by classifying FOBTs as Category B2.<sup>135</sup> This will automatically entitle betting shops and premises licensed for betting to four machines. Such machines are highly profitable and removing the 'demand test' could see betting shops opening primarily to offer them.<sup>136</sup>

The Government is also proposing to repeal the ban on betting tracks offering bets on non-race days.<sup>137</sup> This can only stimulate and increase betting. GamCare, a help service for problem gamblers reported that in 2003 horse race betting was the biggest reason for first time and repeat callers to its helpline.<sup>138</sup>

In addition, the Government will repeal the ban on racing on Christmas Day and Good Friday.<sup>139</sup> This would greatly undermine

the special nature of these days. Surely 363 other days of the year are more than sufficient for racing to take place? Even one of the biggest racetrack operators, Racecourse Holdings Trust opposes the proposal for Christmas Day racing.<sup>140</sup>

## **Remote gambling and credit**

The Bill allows remote gambling to be licensed in the UK for the first time. <sup>141</sup> Remote gambling (e.g. internet, interactive TV) is extremely addictive. One study found that three-quarters of on-line gamblers were problem gamblers.<sup>142</sup> Remote gambling represents a quantum leap in accessibility, allowing people to gamble without even leaving their home. This is completely at odds with the Government's policy of 'destination' gambling.<sup>143</sup>

Yet the Government argues because on-line gambling is available on foreign websites, it is preferable to have a regulated UK market.<sup>144</sup> This is a lame argument, which the Government would not dream of adopting in other areas, e.g. for regulation of child pornography. Licensing UK sites will only legitimise and encourage on-line gambling.

On this issue the Government is going much further than America and Australia. In America domestic internet casinos are banned and offshore casinos barred from doing business with US residents.<sup>145</sup> Australia banned all domestic on-line gambling sites and all remote gambling advertising in 2001 to stop the spread of problem gambling.<sup>146</sup> An Australian Government review of the Act in 2004 reported it had successfully curbed on-line gambling, reducing the number of Australians who gambled on-line by over two-thirds.<sup>147</sup>

The difference in approach arises from a seismic difference in priorities. Whilst the UK Government argues legalisation is needed to protect UK customers, the real motive is brutally exposed in the Government's stated intention that Britain should become a world leader in on-line gambling.<sup>148</sup> It is estimated that by 2005 on-line gambling will generate a global turnover of \$30 billion.<sup>149</sup> Evidently the Government does not want to miss out.

Furthermore, credit card use is intrinsic to remote gambling. Not only do credit cards allow gamblers to spend more than they can afford, the absence of hard cash emptying from their pockets distances the gambler from the scale of their losses. On this basis, the Government states:

"...the Bill should expressly prohibit casino premises operators from providing credit on them. The circumstances in which casinos provide high risk gambling products lead us to the view that we do not believe that it would be appropriate, under any circumstances, for the operator to provide credit."<sup>150</sup>

It is thus a dangerous anomaly that the use of credit cards is to remain prohibited in casinos, yet is to be endorsed through licensed on-line casinos.

## Advertising

Currently there are many restrictions on gambling advertising. For example, casinos are unable to advertise and while betting companies may advertise in print, they may not advertise on TV or radio.<sup>151</sup> The Government's plan to repeal the general ban on gambling advertising represents another seismic shift in public policy.

The Government states: "It does not make sense to continue general prohibitions on advertising gambling if it is to be treated as a normal leisure activity (even if one that requires thorough regulation)."<sup>152</sup>

A similar argument, that it is irrational to ban the advertising of 'legitimate' business, was also put forward during the 1968 Gaming Bill debates. The then Labour Home Secretary, James Callaghan, replied that the fact something is legal: "... does not mean we should assist its propagation..." He added "...we do not believe that encouraging people to game by advertising on a substantial scale is socially desirable."<sup>153</sup>

Lifting restrictions on advertising will undoubtedly encourage gambling. That is its whole purpose. Whilst the Government proposes a new offence of inviting children to gamble,<sup>154</sup> many in the industry acknowledge the obvious – much of the advertising media cannot distinguish between adults and minors.<sup>155</sup> How much less can it distinguish between 'vulnerable' and 'non-vulnerable' adults?

## Children and young people

Protecting children from harm or exploitation of gambling is listed as a key licensing objective of the Bill<sup>156</sup> and the Government states it is "unwavering in its belief that gambling is for adults only...".<sup>157</sup> Yet several key proposals directly contradict this principle.

Young people aged 16 and 17 will continue be allowed to play the National Lottery and football pools and children under 16 will continue to be allowed to play gaming machines, albeit it only the new Category D machines.<sup>158</sup> Furthermore, in an attempt to give gambling a family friendly image, seaside arcades and amusement venues are to be called 'Family Entertainment Centres'.<sup>159</sup>

The Government states it considers these forms of gambling relatively low risk and is unaware of any support for banning all under-18 gambling solely for reasons of consistency.<sup>160</sup> Yet a recent NOP poll showed 82% of the population oppose children being allowed to play fruit machines.<sup>161</sup>

Allowing children to participate in perceived 'low risk' gambling dilutes the message to young people implying gambling is acceptable so long as the risk is low. But gaming machines are not low risk. According
to Jim Orford, Professor of Clinical and Community Psychology at the University of Birmingham, Britain is alone in allowing children to use gaming machines, something the Government's 2001 Gambling Review Body expressed unease about.<sup>162</sup> The Royal College of Psychiatrists stated to the Joint Committee:

"It has been firmly established that all gaming machines, regardless of the size of the stake or the amount of prize money, are unsuitable for children and young people."<sup>163</sup>

## Alcohol

Alcohol and gambling should never mix. Even the intake of a small quantity of alcohol can affect a person's ability to make judgements about risk, on which gambling is based. Alcohol also increases impulsivity, making the association between gambling and alcohol very hazardous.<sup>164</sup>

Despite the widespread public belief that the Bill allows alcohol to be consumed on the gaming floor of casinos, <sup>165</sup> without any publicity it appears the Government has already amended the law to sweep away this restriction.<sup>166</sup>

Under the Bill pubs and certain other alcohol licensed premises will be automatically entitled to have two gaming machines in either Category C or D.<sup>167</sup> The principle that alcohol and gambling do not mix is thus further undermined.

# Examples of deregulation

#### Australia

Until the 1980s legal gambling in Australia was mostly confined to lotteries and racing. Since then there has been a rapid liberalisation.<sup>168</sup> This resulted in such an escalation in gambling and its associated problems that both individual states and Federal Government are now introducing restrictive new laws and regulations.<sup>169</sup>

In 2003 the State of Victoria introduced legislation banning the advertising of gaming machines and gave greater powers to local government to control the number of poker machines.<sup>170</sup> States have also introduced caps on the number of game machines with South Australia moving to reduce them by a fifth.<sup>171</sup> At the Federal level, in 2001 the 'Interactive Gambling Act' banned all interactive gambling advertising and all Australian-based sites (e.g. internet gambling).<sup>172</sup>

The example of deregulation in Australia is a warning for the UK. The Government duly argues it is avoiding the mistakes made in Australia, where high stake gaming machines have invaded the high street.<sup>173</sup> This no doubt refers to its proposal to ban gaming machines from unlicensed premises such as fish and chip shops.<sup>174</sup>

Yet the increase in Australian problem gambling was linked to a proliferation of slot machines, especially those with unlimited prizes.<sup>175</sup> Lifting the ban on unlimited prize machines and allowing regional casinos 1,250, (which even with an initial limit of 8 regional casinos will likely introduce 10,000 unlimited prize machines), combined with allowing vastly easier access to casinos, and the fact that regional casinos are to be in city centre locations, is hardly avoiding such mistakes.

For example, in Victoria and New South Wales, increased accessibility to unlimited prize machines between 1996 and 1998 corresponded to an increased number of adults seeking help for problem gambling.<sup>176</sup> While the UK currently has a problem gambling rate of 0.6-0.8% of the adult population, it was predicted that introducing unlimited numbers of Category A machines would create a similar situation to Australia, where the rate is between 2-2.5%.<sup>177</sup> Even with the new limits on Category A machines, it is clear that such machines go hand in hand with problem gambling.

Above all, Australia shows how difficult it is to re-regulate an industry generating significant tax revenues. Either other taxes have to be raised or public expenditure significantly cut.<sup>178</sup> Commenting on the massive growth of gambling in Australia and the tax revenue it now provides, the Australian Centre for Gambling Research stated:

"It is difficult for Governments to turn the clock back and to confront the industry. We've let the genie out of the bottle..."  $^{179}$ 

## **United States of America**

Two decades ago, commercialised gambling existed in only two American states. Today it is the opposite – various forms of gambling exist in all but two states.<sup>180</sup> In 1962 Americans spent \$2 billion on legal and illegal bets. By 2000 the nation was betting \$866 billion, the

gambling industry's revenues having rocketed by 35,000%.181

Over the past thirty years the United States has been transformed from a nation in which legalised gambling was a limited and relatively rare phenomenon, into a country where gambling is common place and growing.<sup>182</sup> Americans now spend more on gambling than on recorded music, theme parks, video games, spectator sports and movie tickets combined.<sup>183</sup>

Today's generation is the first to have grown up amid legalised gambling in a social setting that not only permits but endorses gambling. This has resulted in large numbers of problem gamblers. The National Gambling Impact Study Commission estimated that problem gamblers comprise 2.5% of adults,<sup>184</sup> more than three times the current UK level. Yet with individual States having different gambling laws, levels of gambling addiction are as high as 7% in the States of Mississippi and Louisiana.<sup>185</sup>

Because gambling laws vary between states, the relationship between deregulation and problem gambling can be seen. Take, for instance, the results of seven surveys in Connecticut, Minnesota, Montana, North Dakota, South Dakota, Texas and Washington State. An analysis found prevalence rates of problem gambling were substantially lower in the Midwestern states where accessibility of gambling opportunities was lower than in the border states of Connecticut, Washington State and Texas.<sup>186</sup>

A further study was carried out by M Emerson and J.Clark Laundergan on gambling in Minnesota between 1990 and 1994. During those years there was rapid expansion of gambling opportunities, including the introduction of a lottery, and the expansion of bingo palaces into Las Vegas-style casinos. The survey found a much greater gambling participation in 1994 (41%) compared with 1990 (23%). The prevalence of problem gambling rose by 30% during that period.<sup>187</sup>

In America gambling liberalisation came not because the general public particularly wanted it, but because the interests of the gambling industry coincided with the needs of States to raise extra revenue.<sup>188</sup> State Governments shifted from being the gambling industry's regulators to its promoters.<sup>189</sup>

The gambling industry and State Governments generated campaigns to persuade people of the benefits and harmlessness of gambling, arguing it would create jobs and investment.<sup>190</sup> Such language is identical to that of the UK Government in pushing for reform.<sup>191</sup> The consequences for society of problem gambling will undoubtedly be the same too.

## UK: Failure of the 1960 Betting and Gaming Act

There is, of course, a precedent of gambling deregulation here in the United Kingdom. It is the 1960 Betting and Gaming Act.

The Act sought to liberalise the law on gambling whilst continuing to prohibit commercial exploitation.<sup>192</sup> After only eight years, the disastrous impact of liberalisation was all too apparent. The 1960 Act was repealed and replaced with the restrictive 1968 Gaming Act that exists today.

Addressing the House of Commons during the passage of the 1968 Gaming Bill, the then Home Secretary, James Callaghan stated:

"...the origin of this Bill is the failure of the Betting and Gaming Act, 1960, to achieve its purpose. That purpose was to prevent the exploitation of gaming by commercial interests...the Act precipitated the very evil it was meant to prevent".<sup>193</sup>

The 1960 liberalisation resulted in massive proliferation of casinos and crime. The Government's 2001 Gambling Review noted:

"By the mid-sixties, the development of commercial gaming was out of control. There were around 1,000 casinos operating in the UK.

Unscrupulous operators were taking advantage of customers, and criminal involvement in gambling was rife...The Gaming Act 1968 was passed to restore order."  $^{194}$ 

The 1968 Betting and Gaming Act was framed to curb all gaming liable to be commercially exploited or abused.<sup>195</sup> It enshrined the principle that gambling should not be promoted and only be allowed in response to public demand.

The Government's proposals obliterate these principles. If the Government truly wishes to protect the vulnerable, it should note the conclusion of the 1995-6 report from the Gaming Board for Great Britain:

"To a large degree, the extent, and potential adverse consequences, of problem gambling have been controlled in this country by the restrictive regime applied to gambling...Of especial relevance to this have been the principle that facilities should be no more than adequate to meet the unstimulated demand for them..."<sup>196</sup>

# Christian beliefs on gambling

Gambling is any activity in which wealth changes hands, mainly on the basis of chance and with risk to the gambler. Such activities include betting, fruit machines, lotteries, casino games, scratchcards and card games. Creative effort, useful skills, and responsible investment are not integral factors.

There are three legitimate ways in which wealth may change hands – by giving, by working for it, or by genuine exchange: anything else is virtual theft and so a breaking of the 8<sup>th</sup> commandment.<sup>197</sup> As has been said: "Gambling is a kind of theft by mutual agreement; but it is still theft, just as duelling, which is murder by mutual agreement, is still treated as murder."

Of the three impulses behind gambling – the desire for gain, the desire for a thrill and the desire for competition, the moral and ethical problems are focused on the desire for gain.

(1) Gambling directly appeals to covetousness and greed "which is idolatry" according to the Apostle Paul.<sup>198</sup> Gambling breaches the 1<sup>st</sup>, 2<sup>nd</sup>, 8<sup>th</sup> and 10<sup>th</sup> Commandments.<sup>199</sup> It enthrones personal desires in place of God. Jesus warned: "You cannot serve both God and

Money".  $^{200}$  A greedy and unrepentant person is an idolater who cannot obtain salvation.  $^{201}$ 

(2) Gambling directly depends on other people incurring financial loss. Jesus said that you should "do to others what you would have them do to you, for this sums up the Law and the Prophets."<sup>202</sup> But gambling depends on doing to others what we would *not* have them do to us. At that point no gambler desires the best for his fellow man. Instead he is indifferent to his fellow gamblers or wants them to lose so that he can win. In any honest business transaction it is the intention of both parties to benefit, yet with gambling the intention is to gain but the gain is at the other's expense. We are called to do good to all people, not to do harm.<sup>203</sup>

(3) Gambling denies the biblical work ethic which links honest labour with reward. The Apostle Paul said "He who has been stealing must steal no longer, but must work, doing something useful with his own hands, that he may have something to share with those in need".<sup>204</sup> Gambling holds out the dream that it is possible to get something for nothing. It can encourage laziness rather than work. Laziness is condemned in Scripture.<sup>205</sup>

(4) Gambling is a reckless use of resources. It undermines the creation mandate to be stewards of creation and to work.<sup>206</sup> The Bible teaches that all things belong to God <sup>207</sup> and that man will have to give an account for his stewardship of all that he has been given.<sup>208</sup>

(5) Rather than facing up to reality, gambling is a form of escapism. The gambling industry trades on people's vulnerability to temptation and relies on the fact that statistically it is the industry that wins practically

every time. Those who gamble often are not thinking rationally about risk. Instead they are thinking about luck and superstition. Chance is glorified and God's sovereignty denied.<sup>209</sup> Scripture makes clear that trust in God and trust in luck cannot co-exist.<sup>210</sup>

(6) There is evidence that gambling disproportionately affects the poor who face particular temptations because of their strained financial circumstances.<sup>211</sup> It is very wrong to exploit this vulnerability.

(7) Gambling is inherently addictive. As with alcohol or drug addiction, compulsive gamblers lose control of their lives. This is plainly contrary to the teaching of the Bible, which teaches us to be self-controlled.<sup>212</sup>

(8) Gambling is the very opposite of contentment.<sup>213</sup> Man's duty is to seek first God's Kingdom and trust that God will meet his needs.<sup>214</sup>

Mainstream Christian belief has always viewed gambling as incompatible with the Bible's teaching. Gambling was strongly opposed by Tertullian, Hugh Latimer, John Wesley, William Wilberforce, C H Spurgeon and William Temple. On this issue, Thomas Aquinas is not representative of mainstream Christian belief.

Gambling does not cease to be wrong because a proportion of the take is devoted to so-called good causes. Many are misled at this point, and persuaded of the legitimacy of the National Lottery, for example. The end does not justify the means.

# Conclusion

The scale of the proposed deregulation is truly breathtaking. It will turn Britain into one of the gambling capitals of the world, heralding a proliferation of addictive slot machines and betting shops, and casinos of a size never seen before in Britain. Gambling advertising will appear everywhere from street corners to television and gambling in a casino will become as easy as playing the National Lottery. As the Guardian newspaper has stated, "It will be a vast and irreversible culture change".<sup>215</sup>

Yet there is simply no public demand for such epic change. The vast majority (93%) consider there is already enough gambling available.<sup>216</sup> Demand for reform is overwhelmingly coming from the Government and the gambling industry itself.<sup>217</sup>

Gambling is highly addictive, harming not only the gambler but also many more through poverty, crime, family breakdown, suicide and lost time at work. Problem gambling is already increasing in the UK with an estimated 400,000 addicts.<sup>218</sup> The evidence overwhelmingly shows that removing the restrictions on gambling will inevitably increase the number of problem gamblers.<sup>219</sup>

The Government states the gambling industry is entitled to a regulatory framework that ensures continued growth. It also states it

will continue to put the interests of children and vulnerable players "first, second and third".<sup>220</sup> These two aims are mutually exclusive. The Government has to decide whether it wants to protect society or develop the gambling industry. It cannot do both.<sup>221</sup>

# Appendix: summary of important proposals

#### Casinos

- Repeal of statutory 24-hour membership requirement between membership and play
- Repeal of 'demand test' and 'permitted areas' restriction for new casino licences
- Allow jackpot slot machines with unlimited stakes and prizes in regional casinos
- Allow the linking of slot machines within a casino to enable larger prizes
- Allow casinos to advertise
- Creation of three new larger categories of casino, including Las Vegas-style casinos

## **Betting and Bookmakers**

- Repeal of 'demand' test for betting office licences
- Legally entitling betting offices to four Fixed Odds Betting Terminals
- Repeal of ban on betting tracks offering bets on non-race days

• Repeal of the prohibition on racing on Christmas and Good Friday

#### **Gaming machines**

 Creation of four new categories of gaming machines, category A, B, C and D. Certain gaming machines (category A) will have unlimited stakes and prizes for the first time.

#### Bingo

- Repeal the statutory 24-hour membership requirement between membership and play
- Repeal the limits on prizes for linked and multiple bingo and rollovers

#### Lotteries

- Legalising a new form of lottery the 'customer lottery'
- Lotteries run by societies and local authorities to be permitted to operate rollovers

#### **Remote gambling**

• Remote gambling (e.g. on the internet, mobile phones) will be licensed in Great Britain for the first time.

#### Advertising

• Relaxation of the general prohibitions on gambling advertising

#### Children and young people

• Creation of 'Family Entertainment Centres' – gambling centres for children and adults

• Allow under-18s to continue gambling on certain gaming machines, the National Lottery and football pools

### Gambling with credit cards

• With the exception of casinos and bingo operators, the Bill allows the Gambling Commission to decide whether gambling operators should be permitted to provide credit to customers.

## Alcohol

• Two gaming machines automatically allowed for pubs and certain other premises with an alcohol licence

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- <sup>16</sup> Gambling Bill: Regulatory Impact Assessment, Op cit, 2004, page 83, para.
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- <sup>21</sup> Gambling Bill, 24 November 2004
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Gambling with our future: The Government's Gambling Bill

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# Gambling with our future

## The Government's Gambling Bill

The Government is proposing what must surely be the most radical deregulation ever of Britain's gambling industry. The Gambling Bill is unprecedented in both its scope and aim of encouraging and facilitating gambling. Yet the evidence overwhelmingly shows the Bill will lead to a massive increase in problem gambling. Gambling is addictive and harmful, fuelling crime, poverty and family breakdown.

Although the Government has already made certain concessions on the Bill to allay fears, most noticeably in placing an initial limit on the number of new casinos, this does little to alter a Bill whose entire *raisons d'être* is the development, growth and promotion of the gambling industry.

The Government stresses the Bill will bring hundreds of millions of pounds of investment and new jobs. Yet the Bill's Regulatory Impact Assessment states: "A significant increase in the social costs associated with the gambling industry, including problem gambling, could negate many or all of the direct economic benefits of the Bill."

As this booklet shows, to deregulate on the scale proposed by the Government is not 'a safe bet for success' as the Government boasts, but a recipe for disaster.



