

STANDING COMMITTEE ON SOCIAL POLICY AND LEGAL AFFAIRS

Inquiry into online gambling and its impacts on those experiencing gambling harm

Additional information for the Committee's Consideration

Australian Gambling Research Centre, Australian Institute of Family Studies

27 April 2023

1. What has been the impact on lottery spending from the UK's ban on gambling with credit cards?

Mr CONAGHAN: Do you know whether there has been a significant decrease in the purchase of lottery items in the UK because of that?

Dr Jenkinson: I don't, I'm sorry. I'm happy to look into that for you and see if there is any evidence.

Mr CONAGHAN: That would be very interesting and helpful, if you could do that.

AIFS Response:

- a. In the United Kingdom gambling with a credit card has been banned since 14 April 2020. The ban covers all forms of land-based and online gambling in the UK, with the exception of 'non-remote lotteries' (where payment is made face-to face with retailers) which are specifically exempt from the ban due to the non-gambling Merchant Category Code of the retailer. The interim evaluation of the UK credit card ban (released on 2 November 2021), did not examine whether there had been decreases in the purchase of lottery items due to the ban, but the full evaluation is scheduled for early 2023 (it is possible further detail may be available then). The interim evaluation found that, *'The Gambling Commission's credit card ban indicates the action is popular among consumers and has not resulted in harmful unintended consequences'*. Further information is available at: <https://www.gamblingcommission.gov.uk/news/article/gambling-commission-publishes-interim-evaluation-on-the-successful> and <https://www.gamblingcommission.gov.uk/report/prohibition-of-gambling-on-credit-cards>
- b. In 2020 Gambling Research Exchange Ontario (GREO) released a report summarising the evidence (available at that time) on the effectiveness and considerations of implementing a ban or restrictions on the use of credit cards to gamble, which currently vary between countries. The report can be accessed at: [GREO_04_2020_CreditCardRER_Final.indd](#)

2. How does advertising exposure impact behaviour among different age groups and genders?

Mr CONAGHAN: Did the survey or the questions take a deep dive into what you've just said, such as it caused one in five people to commence gambling? Are you able to say whether they were young men? Are you able to say whether they were in an age bracket? Or didn't it go in depth?

Dr Jenkinson: We are able to. We've done some breakdowns by both age and gender, so looking at the behaviours I've just mentioned across both age and gender. We've also looked at the different platforms that people were exposed to advertising on, so TV, social media et cetera. We do have that data. If you have any specific questions, I could talk to some of it now or, again, I'm happy to pull out any additional data that might be helpful for your inquiry.

Mr CONAGHAN: I'm just interested in that 20 per cent number—somebody who sees a gambling ad and decides to commence gambling for the very first time—because that's quite high. Would I be out of line saying that is a male between 18 and 25?

Dr Jenkinson: Men, but also young women. We found that it was around one-third of young men aged 18 to 34, and it was just over one-quarter of young women. When we started to tease it, to get into it a little bit more and look at the different platforms, we actually found that one in five young women and one in seven young men bet for the first time after seeing or hearing an ad on TV, so we have this data on young women now as well. Certainly, it is young men who gamble more, they spend more, they're more at risk of harm. But in this survey, we are seeing similar numbers and proportions of young women engaging in this riskier behaviour and experiencing harm.

Mr CONAGHAN: Wow, that's really interesting. I will take you up on your offer to provide that detail to the committee.

AIFS Response:

- a. The research snapshot published by the Australian Gambling Research Centre at the Australian Institute of Family Studies (2023) *Exposure and impact of sports and race betting advertising in Australia*, highlights how exposure to wagering advertising affects gambling behaviours among different age groups and genders. [AGRC Snapshot: Exposure and impact of sports and race betting advertising in Australia \(aifs.gov.au\)](https://aifs.gov.au/agrc/snapshot-exposure-and-impact-of-sports-and-race-betting-advertising-in-australia). Some findings relevant to the question asked by Mr Conaghan are summarised in Table 1 (page 5). These findings are based on any exposure (i.e., across any platform, including interactive/online and traditional advertising platforms).

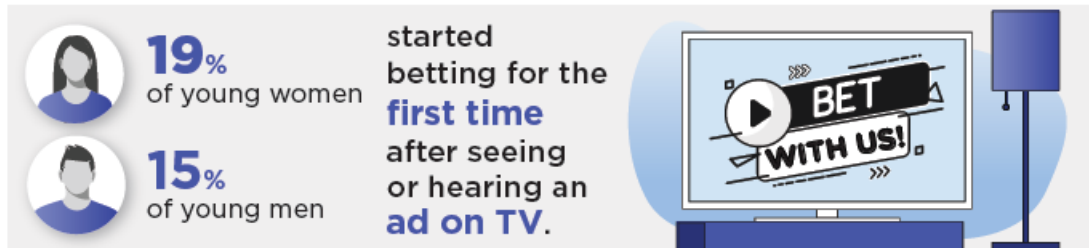
Table 1: Proportion of sports and race bettors who were prompted to change their betting behaviour in response to seeing or hearing wagering advertising in the past 12 months

		Prompted to start betting for the first time (%)	Prompted to change what I bet on, or to try a new form of betting (%)	Prompted to place bets on impulse (%)	Prompted to increase my betting (%)
Male	18–34 (<i>n</i> = 194)	32	42	41	48
	35–54 (<i>n</i> = 169)	22	30	32	39
	55+ (<i>n</i> = 120)	6	9	16	16
Female	18–34 (<i>n</i> = 109)	28	41	39	49
	35–54 (<i>n</i> = 104)	19	21	22	33
	55+ (<i>n</i> = 73)	4	4	7	4
At-risk gambling	Not at-risk (<i>n</i> = 292)	6	6	10	10
	At-risk (<i>n</i> = 478)	30	41	40	50
Total	(<i>n</i> = 770)	21	28	29	34

- b. We also examined where and how frequently different sub-populations are exposed to wagering advertising across different platforms:
 - Young people (aged 18–34 years) were more likely to be exposed to wagering advertising in ‘interactive media’ (e.g. social media, online), and people aged 55+ years in ‘traditional media’ (e.g. TV, radio, print media)
 - Key findings on how exposure across different platforms influenced behaviour among young people (aged 18–34 years) is provided in the image below (taken from page 6 of the snapshot).

While young men and women reported being influenced to a similar extent by any wagering advertising, there were differences across advertising platforms. For example, we found that:

- Among young men (aged 18–34 years):
 - one in seven (15%) started betting for the first time after seeing or hearing wagering ads on TV
 - one in five increased their betting in response to ads on TV (20%) and social media (20%).



- Among young women (aged 18–34 years):
 - one in five (19%) started betting for the first time after seeing or hearing wagering ads on TV
 - one in five increased their betting in response to ads on TV (19%), streamed content (22%), online (22%) and in direct messages (23%).

3. What is the link between simulated gambling games and real money gambling?

Mr CONAGHAN: Thank you for that. The chair or Ms Chaney might want to expand on that. I'm noting the time, so I just have one more question. I'm sorry, I don't know who said it, but it's in relation to how you've established a direct link between loot box gambling and real online gambling. Can you just explain how you've established that direct link, what data you have and how it was reported.

Dr Jenkinson: This was some analysis we did of a longitudinal study of Australian children. This is a study that AIFS manages. It's been going for around 20 years. We looked at young people at age 16 and 17 and then we followed up with them two years later when they turned 18 and 19. So it was the same young people. When they were 16 and 17, we looked at their video-gaming behaviours. That was around their frequency of video gaming. But we also looked at some specific products, some types of games, and some of those were simulated gambling games or social casino games. What we found was that young people who were playing those simulated gambling games at 16 or 17 were significantly more likely to be gambling with real money when they turned 18 or 19. So there was this really strong causal link. Adolescents who had played simulated gambling games had a 40-percentage-point higher probability of spending real money on gambling at 18 or 19.

Mr CONAGHAN: That's very interesting. You're the first organisation to give evidence with data backing up that link. I'd be very interested—and I think the committee would be very interested—to see that data if you could provide it for us.

Dr Jenkinson: Absolutely. I can forward that to you. Thank you.

Mr CONAGHAN: No, thank you very much.

CHAIR: Are you able to say whether that link is causal or just correlation?

Dr Jenkinson: This is a causal link. One of our team members did some very sophisticated analysis. This is a causal link. He controlled for a number of other factors.

AIFS Response:

- a. The research snapshot published by the AGRC at AIFS (2022) *What is the link between video gaming and gambling?*, used sophisticated statistical modelling (causal analyses) to examine links between video gaming and real money gambling. We found that young people who played simulated gambling games during adolescence (aged 16–17) had a 40 percentage points higher probability of spending real money on gambling as young adults (aged 18–19). By product, we found a higher probability of 29 percentage points for betting on horse or dog racing, of 26 percentage points for gambling on casino table games, and of 21 percentage points for betting on sports as young adults. Findings and further details about the statistical techniques used can be

found at: [What is the link between video gaming and gambling?: Snapshot Series - Issue 7 | Growing Up in Australia](#)

- b. Another evidence review conducted by the AGRC at AIFS (2022) examined the research literature from the last 10 years on the harms associated with simulated gambling, loot boxes and other in-game purchases in video games. [Harms associated with loot boxes and simulated gambling in video games | Australian Institute of Family Studies \(aifs.gov.au\)](#) The review found reliable evidence that:
- Loot box engagement, including viewing, opening, and especially purchasing, was associated with at-risk/problem gambling and internet gaming disorder.
 - Simulated gambling engagement, especially in-game purchasing in social casino games, was associated with at-risk/problem gambling.
 - Other in-game purchasing (not including expenditure on loot boxes or in simulated gambling games) was associated with at-risk/problem gambling.

4. What did you find about exposure to wagering advertising online?

CHAIR: The research that you've got about the impact of ads on young people, that you spoke about to Mr Conaghan, is about ads on TV. Do you have similar research about exposure to ads online?

Dr Jenkinson: We do, yes. We can provide that. What we've found is that certainly exposure to ads on TV is leading to riskier behaviour, but for young people we find that exposure across the interactive or online platforms is associated with higher levels of riskier behaviour, so the social media exposure, the streamed content, the direct messages. Certainly that is a concern. There is discussion around the point that the restrictions would need to look across platforms. We would need to be looking at all platforms.

AIFS Response:

- a. As stated in our response to question #2 (see above), the research snapshot published by the AGRC (2023) *Exposure and impact of sports and race betting advertising in Australia*, highlights how exposure to wagering advertising affects gambling behaviour, including how this differs across different types of advertising platforms and frequency of exposure. [AGRC Snapshot: Exposure and impact of sports and race betting advertising in Australia \(aifs.gov.au\)](#) Some additional findings relevant to the Chair's question are as follows (pages 3 and 4 of the snapshot):
- Australians who were exposed to wagering advertising weekly or more often on any media platform, but especially via interactive/online media platforms (e.g. social media, streamed content), were much more likely to have spent money gambling on sports and racing (horse, greyhound and harness), compared to those who were exposed to advertising less than weekly.
 - Higher levels of at-risk gambling were found among sports and race bettors who were regularly exposed to wagering advertising via online/interactive modes (e.g. betting affiliates, direct messages, social media, online).