

27th February 2013

Ms Lyn Beverley
Committee Secretary
Joint Select Committee on Gambling
Department of the Senate
Parliament House
Canberra

Dear Ms Beverley,

This submission is written on behalf of the federation of Relationships Australia organisations. Four of our member organisations, namely Relationships Australia Queensland, South Australia, Victoria and Tasmania, provide specialist counselling and support for problem gamblers and their families. This submission takes into account their views in particular.

All Relationships Australia organisations provide a range of services including relationship counselling, family support and family dispute resolution. Services are funded by the Commonwealth Departments of Attorney-General, and Families, Housing, Community Services and Indigenous Affairs, as well as State and Territory Governments. Gambling support programs in the above four jurisdictions are funded by their respective State Governments.

We are committed to social justice and inclusion, and respect the rights of all people, in all their diversity, to live with dignity and safety, and to enjoy healthy relationships.

Submission

Relationships Australia provides specialist gambling support services in four states, and deals indirectly with the consequences of problem gambling when providing counselling and mediation services in all states and territories.

Regular gambling may lead to problem gambling for a significant proportion of participants, and the broad accessibility of gambling opportunities contributes to the development of problem gambling. The effects of problem gambling can include major financial losses, negative impacts on intimate and family relationships, friendships, employment and health, including mental health.

Growth and normalisation of sports betting

Sports betting is a growing industry. The spread of gambling into sport and the proliferation of gambling advertising have had the effect of normalising it. Gambling sponsorship of sport has grown enormously: "... lucrative gambling contracts and sponsorship of sporting clubs and television broadcasts is now replacing alcohol and tobacco sponsorship."¹ One estimate is that sports betting turnover is growing at a rate of 13% a year.² Sports betting expenditure has experienced a rapid growth since the 1990s compared to race wagering, which has remained relatively stable³. The Australian Gambling Statistics reported that in 2008-09, the total sports betting expenditure was \$221.5 million, increasing from \$149.8 million in 2003-04 (AGS). Independent researchers have also found an increase in sports betting. Roy Morgan research reported that from 2002 to 2011, Australian adults' expenditure on racing remained fairly constant (\$2.7 billion to \$2.6 billion), whereas sports betting expenditure increase from \$0.4 billion to \$0.8 billion⁴. Furthermore, IBISWorld reported that sports betting expenditure has grown by approximately 12% per year in the past 5 years, compared to .5% on race wagering⁵. Gambling advertising and promotion is now integrated into sports reporting, in many media.

Although sports gambling is still a relatively small part of the gambling industry, it is growing faster than other forms and reaches a new, often younger, mainly male audience. Gambling advertising, with its use of energetic, positive, engaging language and messages of hope, appeals to the most vulnerable.

There are a number of attractions particular to sports betting. It is social and group-orientated in nature and peer pressure may contribute to the onset of gambling and gambling at a greater frequency or amount wagered. Second, faithfully following a team may increase the frequency that a participant bets on a particular sport. Third, knowledge of a game may lead to belief that one can predict the outcome of a game and the gambler places bets accordingly. The highly social aspect of sports betting probably contributes to the rapid uptake of this newly emerging form of gambling.

A Relationships Australia client, "George", describes the hold sports gambling had on him when he changed from being an occasional gambler at the age of 24:

"Having conducted some research on the basic principles of sports betting and motivated by the challenges and rewards, I devised betting strategies and systems which I thereafter employed. I undertook an intense gambling stint, which for a period of approximately 18 months, utilized the most part of my wages and what subjectively was an exorbitant amount of unsecured loans from financial institutions. This period of time had an extreme and largely adverse impact on my life.

¹ Sally Gainsbury and Alex Blaszczynski quoted in "Stakes are high in sport's great gamble." Colin Kruger, brisbanetimes.com.au 16/02/2013

² "Love a punt a bit of a myth, but those that do make it huge" Malcolm Maiden. *The Sydney Morning Herald*, 16/02/2013

³ Productivity Commission Inquiry Report, *Gambling*. 2010

⁴ Roy Morgan research, "Australians spent \$18.5 billion on gambling in the 12 months to September 2011; Spending on pokies falls to \$11.2 billion", Media Release, 24 November 2011, <http://www.roymorgan.com/news/press-releases/2011/1489/>

⁵ University of Sydney Gambling Treatment Centre

“Online sports betting caused me extreme financial hardship. ...I felt like I existed, but not that I was in fact living.

“Financial hardship intrinsically caused feelings of low self-esteem and depression. Gambling effectively affected my emotional wellbeing. And time was one of the most precious gifts of which online sports betting stripped me. I would gamble for many hours. I would gamble at work. I would gamble at home, from 6pm to as late as 4am. I would gamble on weekends. I would gamble no matter where I was or what I was doing. As long as there was a computer nearby, or a telephone to use, I could and would gamble.”

George had played sport himself, but no longer had the time or motivation to participate.

Impact on children and young people

The normalising of sports betting has the strong possibility of creating gambling patterns in young people, especially males, who follow a sport. AFL football is one of the top three television programs watched by children under 14 years old.⁶ Males are three times more likely to gamble than females, so the impact of sports betting cannot be ignored. It has already had the impact of removing the fun and exuberance of following a team on some people whose concern has shifted to betting and winning on multiple occasions during a game. Young people have witnessed the normalisation of sports betting, and, for some, the innocent stakeless wager with a parent over which team will win, will have turned into a regular online bet, albeit starting with small stakes.

Young people are technologically savvy and the group most likely to adopt new ways of doing things. Mobile devices make gambling instantly available wherever a person is, at any time of the day or night. As Sally Gainsbury points out, both Australian and international studies show that internet gamblers are more likely to be young.⁷

Research suggests that up to 80% of adolescents will have engaged in gambling by the time they are 18, with up to 8% categorised as problem gamblers and up to 15% at risk of developing problem gambling behaviours.⁸

As the report of the last inquiry points out, we do not yet know the long-term effect on children of the level of exposure to sports gambling. However, “There is now substantial evidence that there is a moderate risk associated with parental gambling problems, with research findings consistently indicating that children of problem gamblers are 2 to 4 times more likely to develop gambling problems themselves than the children of non-problem gamblers. The magnitude of risk associated with parental problem gambling for the development of offspring gambling problems is substantial enough to warrant clinical and policy responses.”⁹

⁶ Australian Communications and Media Authority. Quoted in Thomas, Lewis, Duong and McLeod.

⁷ Response to the Productivity Commission Inquiry Report into Gambling, p5; Journal of National Association of Gambling Studies Vol. 22 Nov 2010

⁸ Thomas, S; Lewis, S; Duong, J and McLeod, C. *Sports betting marketing during sporting events: a stadium and broadcast census of Australian Football League matches*. Australian and New Zealand Journal of Public Health, 2012 vol.36 No.2

⁹ Dowling, N, Jackson, A, Thomas, S and Frydenberg, E. *Children at Risk of Developing Problem Gambling*. Report to Gambling Research Australia, May 2010.

In spite of lack of evidence, it is reasonable to surmise that early and frequent exposure to sports betting is likely to have significant influence on the gambling habits, and therefore future wellbeing, of young people.

There is a growing groundswell of concern in the media and by politicians and public figures about this: "Should you be able to market an adult product at what is essentially a family event with so many passionate and impressionable children in attendance?"¹⁰ Western Australia's Premier, Colin Barnett, "urged children to revere their sporting heroes and remember that sport was ultimately about fun."¹¹

Relationships Australia sees the benefit of encouraging all young people, especially some more at risk – such as Aboriginal and humanitarian entrant/migrant young people – to play sport. We can also see danger in allowing gambling agencies to sponsor such sports and offer inducements to young players who are already at higher risk of developing gambling problems.

In New Zealand a study was undertaken to "identify Internet-based evidence of sports sponsorship at the national level and at the regional and club level in one specific region (Wellington). The top eight sports for 5-17-year-olds were selected and products and services of sponsors were classified in terms of potential public health impact (using a conservative approach). This study found that the sponsorship of popular sports for young people is dominated by "unhealthy" sponsorship (ie predominantly gambling, alcohol and unhealthy food) relative to "healthy" sponsorship."¹²

Relationships Australia is particularly concerned about the long-term impact of sports betting on the future of Australia's young people.

Support for regulation

Recent reports about drug-taking by sporting figures, possible match-fixing and links to organised crime increase the anxiety of those who are already concerned about the growth of sports gambling in Australia.

The Reverend Tim Costello comments: "There's no question that if the bets get big enough, people will start throwing games. When there's so much money at stake, the corruption follows inexorably. While gambling is a part of life, there's a vice dimension that drops, compromises and changes what should be family and children's passions. To literally hand it over to gambling organisations is a profound shift in what sport has previously been about."¹³

¹⁰ "Stakes are high in sport's great gamble." Colin Kruger, brisbanetimes.com.au 16/02/2013

¹¹ "Premier Colin Barnett calls for tighter sports gambling laws", Trevor Paddenburg, *The Australian, The Sunday Times*. 09/02/13

¹² Anthony Maher, Nick Wilson, Louise Signal, and George Thomson, "Patterns of sports sponsorship by gambling, alcohol and food companies: an Internet survey" *BMC Public Health*. 2006; 6: 95. Published online 2006 April 11. doi: 10.1186/1471-2458-6-95 PMID: PMC1459130

¹³ Reverend Tim Costello quoted in "Caught in the game: The Rise of the Sports Betting Industry". Jonathon Horn, *The Monthly*, November 2011.

During a recent interview, Chris Eaton, director of sport integrity at the International Centre for Sports Security, stated that "...crime gangs have one particular purpose, one primary purpose that is, to create betting frauds out of a manipulated match result or a sporting outcome.

"...the primary crime they're committing is the betting fraud, not the match fixing. The match fixing is the product of the betting fraud ... for the most part the betting fraud is committed offshore from Australia anyway.

"...they're recruiting anyone who can help them to fix a match. The fact is the key people to corrupting sport today are the administrators of sport and the referees and umpires.

"...the governments need to get their act together. The fact is no sport is immune. You need to have an independent mechanism, certainly a 'spans across border' mechanism, intelligence driven, so that you can prepare sports and prepare the police and prepare in fact the betting organisations, the legitimate ones to protect themselves."¹⁴

Nothing is to be gained by driving gambling underground, but as the sports gambling industry is growing at a rapid rate, could be susceptible to organised crime, and provides many and diverse opportunities for gambling to a large number of people, it needs ongoing scrutiny and regulation. People are not born problem gamblers: they develop gambling problems as a consequence of their experiences and opportunities. Tom Waterhouse advertising offers "...any sport, any bet type, and any time."

So pervasive is the language of betting that ABC TV's *Media Watch* devoted time to discussing how the media have incorporated betting idiom into covering events not normally associated with betting.¹⁵

Sports betting advertising uses celebrities to endorse betting products, and has a history of blurring the lines between freely-given endorsement and advertising. It also creates a sense of urgency with statements like "call now" and "bet now", so many gamblers do not stop to think about the consequences of what they do.

There is some possibility that over-saturation of gambling promotion and advertising could harm the sports industry - the overall cost of a family outing to a live sporting event might become prohibitive if fans are unable to resist the enticement to gamble at the venue. Colin Kruger reports that, (during 2010) "AFL and NRL game broadcasts became so heavily saturated with commentary on sports odds, and sponsored commentary, that even some of the sports betting operators admitted that it had gone too far."¹⁶

Sports betting is made more powerful by online betting. Gamblers can use off-shore gambling services to get around Australian regulation.

¹⁴ Chris Eaton, director of sport integrity at the International Centre for Sports Security, a former officer with the Australian Federal Police: ABC Lateline, 08/02/2013

¹⁵ ABC TV *Media Watch*, 25/02/2013.

¹⁶ "Stakes are high in sport's great gamble." Colin Kruger, brisbanetimes.com.au 16/02/2013

Attempts in hand to further regulate the industry - to curb the promotion of live odds at matches and on broadcasts - are likely to have limited effect. Many sporting codes and individual clubs are reliant on official partnerships and sponsorships from betting agencies. The gambling industry is powerful. It generates jobs and provides high levels of revenue to state governments, and it argues that it is already well-regulated. Gambling agency sponsorship of a club is sometimes contingent on accessing supporter data-bases.¹⁷

Advertising and promotion of betting have been integrated into games. In 2011 a study of four live AFL matches in Victoria and eight broadcast matches looked at the following categories of gambling advertising and promotion used during the matches:

For live matches, nine wagering brands were marketed across two stadiums, in a variety of ways:

1. *Fixed advertising:* Advertising on static billboards and banners within the stadium, within the stadium concourse and outside the venue.
2. *Dynamic advertising:* Advertising on revolving or electronic banners within the stadium.
3. *Scoreboard advertising:* Advertising that appeared on electronic scoreboards at each stadium, including: a) logos; b) paid commercials; and c) goal replay sponsorship.
4. *Integrated advertising:* Verbal sponsored updates of match odds.
5. *Team sponsorship:* Including logos on players' uniforms, run-through and team banners, fan uniforms and merchandise within stores.

For the broadcast census, seven wagering brands were marketed through:

1. *Fixed advertising:* Sports betting advertising on static banners within the stadium.
2. *Dynamic advertising:* Sports betting advertising on revolving or electronic banners within the stadium.
3. *Commercial break advertising:* Sports betting advertisements that appeared during commercial breaks.
4. *Integrated advertising:* Live odds announcements, popups and pull-through banners; and broadcast sponsorship announcements.
5. *Team sponsorship:* Logos on players' uniforms, logos within locker rooms, and team banners.¹⁸

The three main themes that emerged from the analysis of the data were related to the way in which marketing strategies a) embed themselves within the game b) aligned themselves with the fans' overall experience of the games; and c) encouraged them to bet during the game.¹⁹

Such saturation and variety means that gambling advertising and promotion are inescapable at sporting venues and during broadcasts of matches. Harm minimisation and help-seeking messages were not prominent: "While all these commercials contained a slogan about problem gambling, visibility varied between stadiums and broadcast. At stadiums, problem gambling statements were impossible to read with any detail. During broadcasts, Gambler's Help statements were clearer on advertisements, although there was still variability during different commercial advertisements."²⁰

¹⁷"Stakes are high in sport's great gamble." Colin Kruger, brisbanetimes.com.au 16/02/2013

¹⁸ Thomas, S; Lewis, S Duong, J and McLeod, C. *Sports betting marketing during sporting events: a stadium and broadcast census of Australian Football League matches.* Australian and New Zealand Journal of Public Health, 2012 vol.36 No.2

¹⁹ *ibid*

²⁰ *ibid*

Recommendations

Relationships Australia's expertise is relationships – couple, family, friendship, workplace and community. We provide some specialist programs, including support for problem gamblers. We are concerned about the growth of sports gambling as it encourages gambling in new areas. We know that for some individuals, casual gambling will turn into problem gambling. Problem gambling almost invariably leads to conflicted and often fractured relationships, and other problems including major financial hardship and threats to health and employment.

We are particularly concerned about the impact of sports gambling on children and young people and the lack of research and data available about that impact.

We recommend that:

- funding from gambling taxes be used for more extensive research into the impact of sports gambling advertising and sponsorship, including the impact on children and the link between people seeking help as a result of problem gambling and the starting point of their addiction.
- better data be collected about all aspects of the gambling industry
- consistent, national regulation of the gambling industry and consistent regulation of the nature and conditions for sports gambling advertising and sponsorship be imposed across Australia. Regulation of advertising has precedents in tobacco and alcohol marketing in Australia.
- merchandising aimed at children, young people and families exclude gambling agency messages and logos
- gambling inducements not be aimed at children, young people and families
- advertising, sponsorships and promotional messages are consistent with Responsible Gambling practices
- gambling agencies not be allowed to sponsor junior sport unless the sponsorship comes via a percentage of profits given to amateur sporting bodies, without promotional rights
- the Advertising Council of Australia, the broadcasting, gambling and sporting industries work together in ways that promote healthy involvement in sport and minimise harm to supporters, especially children and young people
- sporting codes and clubs do not share supporter data bases with gambling services and sponsors without express permission to do so from each supporter (opt in, not out)
- where technologically possible, checks and delays are built into the betting process prior to agreement to placing a bet
- betting agencies be required to demonstrate how they exclude under-age customers
- taxes from gambling funds be used in part for carefully researched gambling awareness community education programs directed at young people involved in sport as players and fans – such programs to be designed to reach the group and not to sound like parental 'lectures'
- hand-in-hand with education programs, early intervention programs are made available to help all gamblers, especially young people, identify that they have a gambling problem and receive appropriate and timely support

- warning and help messages are given significantly more prominence in every form of advertising and promotion – whether at live venues, during broadcasts, in print media, online, and during telephone betting.

Thank you for the opportunity to feed our views into your deliberations on this significant issue.

Yours sincerely,

Alison Brook
National Executive Officer