



25 June 2021

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

Sent via email: corporations.joint@aph.gov.au

Dear Committee,

Submission to Regulation of the use of financial services such as credit cards and digital wallets for online gambling in Australia

We write to provide comment to the *Regulation of the use of financial services such as credit cards and digital wallets for online gambling in Australia* consultation.

Suicide Prevention Australia is the national peak body for suicide prevention, we have over 300 members including the largest, and many of the smallest, suicide prevention and mental health organisations across Australia.

We welcome the opportunity to submit to consultation on stronger regulations of the use of financial services for online gambling and commend the Commonwealth Government for recognising the need for legislative reform in problem gambling to enhance protections of the health and wellbeing of Australians who gamble.

A YouGov survey conducted in 2019 found 81% of Australians thought gambling on credit cards should be restricted or banned, and 54% agreed the use of credit cards to place bets or gamble should be banned.¹

As detailed below problem gambling is a risk factor for suicide, we therefore strongly support rigorous regulation of online gambling in Australia and believe all use of credit for gambling purposes which can lead to gambling beyond one's means should be banned.

Links between gambling and suicide

Currently the evidence on the relationship between gambling and suicide is not comprehensive. However, we do know that gambling leads to financial distress, unemployment, and relationship breakdown: all established risk factors for distress and, sadly, suicide.

The 2015 HILDA Survey found that of the 6.8 million regular gamblers (39% of Australian adults) who lost an estimated \$8.6 billion, people experiencing gambling-related problems accounted for almost half (42% or \$3.63b) of the total expenditure that year².

The rates of Australians using the internet to gamble is increasing (34% in 2018 from 16% in 2012)³. The use of credit in gambling creates a perilous avenue for people who gamble to do so anywhere anytime, with research

¹ Australian Banking Association. (2020). Every customer counts, Consultation report – use of credit cards for gambling transactions, available at: https://www.ausbanking.org.au/wp-content/uploads/2020/12/Every-Customer-Counts_Consultation-Report-Use-of-Credit-Cards-for-Gambling-Transactions.pdf.

² Armstrong, A., & Carroll, M. (2017). *Gambling activity in Australia: Findings from wave 15 of the Household, Income and Labour Dynamics in Australia (HILDA) Survey*. Australian Government, Australian Institute of Family Studies, Australian Gambling Research Centre.

³ Ibid.



indicating “for some internet gamblers, this medium appears to significantly contribute to gambling problems”^{4,5}.

Key risk factors for suicide such as financial distress and unemployment were found to be overrepresented sociodemographic characteristics among people who experience problems with their gambling i.e. had low incomes, unemployed, and live in low socioeconomic areas⁶.

Protective factors for suicide such as social support and connectedness in stable relationships, physical health, and employment⁷ are compromised by the financial harms associated with problem gambling (e.g. bankruptcy, inability to afford life essentials such as food, either losing or selling off assets to cover gambling debts or continue gambling, and job loss)⁸ leaving people vulnerable to risk factors of suicide. Of the population in Australia who are homeless, research indicates that between 15-20% are homeless due to a gambling addiction⁹.

Research has further found almost 1 in 5 people presenting with suicidality also experience problems with their gambling¹⁰. These include 76% experiencing depression and anxiety, 57% with alcohol problems, and 24% with substance use problems¹¹.

Paul was a 32-year-old tradie, who prior to losing his job he was a responsible gambler. Once he lost his job, he spent his entire Newstart payments on gambling. He asked for financial counselling services. The bank repossessed his home without notifying his financial counsellor, and he suicided. People in trouble can't always get out of deep depression.*

Reported by frontline worker at Suicide Prevention Australia's Policy Roundtable on Problem Gambling & Suicide held 20 October 2020.

**Name changed to protect privacy*

Further action is needed

While we welcome stronger regulation of online gambling, we believe the Commonwealth Government should go further in reducing potential harms to the lives of Australians who engage in online gambling.

On 20 October 2020 we, in partnership with Financial Counselling Australia, held a policy roundtable on problem gambling and suicide which aimed to identify the key issues in gambling and suicide, and workshop pathways for reform. The roundtable was attended by 49 representatives from the gambling industry, government, banks, financial counsellors, therapeutic gambling counsellors, policy makers, coroner's courts, the suicide prevention sector, and people with lived experience.

Our brief submission will highlight recommendations from our policy roundtable along with relevant evidence for your consideration.

⁴ Ibid.

⁵ Gainsbury, S. M. (2015) Online Gambling Addiction: The relationship between internet gambling and disordered gambling, *Current Addiction Reports*, Vol. 2:2, available online at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4610999/>.

⁶ Ibid.

⁷ Life in Mind. (2020). Risk and protective factors for suicide, *Everymind*, available at: <https://lifeinmind.org.au/about-suicide/suicide-across-the-lifespan/risk-and-protective-factors>.

⁸ Browne, M., Rockloff, M., Hing, N., Russell, A., Murray Boyle, C. & Rawat, V. (2019). NSW Gambling Survey 2019, *NSW Government, NSW Responsible Gambling Fund*, available at: https://www.responsiblegambling.nsw.gov.au/_data/assets/pdf_file/0007/280537/NSW-Gambling-Survey-2019-report-FINAL-AMENDED-Mar-2020.pdf.

⁹ Ibid.

¹⁰ De Castella, A., Bolding, P., Lee, A., Cosic, S., & Kulkarni, J. (2011). *Problem gambling in people presenting to a public mental health service: Final report*. Melbourne: State Government of Victoria, Monash University.

¹¹ Ibid.

The need for stronger regulation of the gambling industry

Our roundtable identified the need for greater regulation of the gambling industry across jurisdictions in Australia. In particular, the need for restrictions on gambling companies use of personal information to target gamblers by offering incentives to gamble.

Financial Counselling Australia's report into the impact of uncontrolled sports betting identified betting companies share client data among each other¹². For example, when a client ceases gambling with one company, the company trades client lists with another company who then offers targeted incentives or enticements to the person so they begin gambling again with a new company¹³.

One participant at our roundtable was asked whether he would ever recover from his experiences with problem gambling, he responded:

There is no regulation it's as if they've opened up a highway and said gamble as much as you want and no one stops me. My first bet might be \$100 and my next one might be \$30,000 and no one says that should be an issue.

I seek a lot of help every day, it's very difficult when I still get calls from VIP managers asking if I would like to open an account. It's beyond me that I still get that.

The issue of data sharing and incentives has a significant impact on Australians who gamble as problem gamblers are being actively incentivised to resume their problematic behaviours, which can extend to resuming other forms of gambling e.g. electronic gaming machines.

Gambling companies are further not required to conduct financial risk assessments on clients prior to opening an account with the company. One participant at our roundtable shared how he would take out multiple credit cards and gamble 100% of the credit on each card, resulting in insurmountable debt.

We believe the Commonwealth Government should ban the use of all forms of credit for online gambling can go further in regulating the gambling industry to protect Australians.

The need for a ban on gambling advertising

Of key concern among participants at our policy roundtable is the normalisation of gambling in Australian society due to gambling advertisements. This concern was mirrored by almost half of participants in the Australian Gambling Research Centre study into gambling behaviour during the COVID-19 pandemic who stated the change they most want to see is a reduction in 'gambling promotion and advertisements – especially related to sports betting advertising'¹⁴.

A study commissioned by the Victorian Responsible Gambling Foundation on young men and their gambling behaviours found on average participants had 4 separate accounts with online betting companies, and that gambling uptake was driven by promotions from betting companies¹⁵. Australia needs national bans on gambling advertisements and inducements to gamble to reduce the harms of gambling. In addition to banning gambling advertisements, a stronger comprehensive campaign on support services for gambling help over and above what already exists is needed.

¹² Financial Counselling Australia. (2015). A report: Duds, Mugs and the A-list – The impact of uncontrolled sports betting, *Financial Counselling Australia*.

¹³ Ibid.

¹⁴ Jenkinson, R., Sakata, K., Khokhar, T., Tajin, R., & Jatkar, U. (2020). *Gambling in Australia during COVID-19*. Australian Government, Australian Gambling Research Centre.

¹⁵ Jenkinson, R., de Lacy-Vawdon, C., & Carroll, M. (2018). *Weighing up the odds: young men, sports and betting*. Victorian Responsible Gambling Foundation

Conclusion


Relying on corporate social responsibility in circumstances where financial incentive exists for operators to not intervene is ineffective and unconscionable. Without stronger industry regulation, harm minimisation strategies are weakened in their ability to reduce harm among people who are either current problem gamblers or are at risk of becoming a problem gambler.

Recommendations

- **Ban the use of all forms of credit in online gambling in Australia.**
- **Strengthen privacy regulations for people who gamble to prohibit companies from sharing or selling client contact data among the industry.**
- **Require gambling company operators to conduct financial risk assessments.**
- **Ban all gambling advertisements and inducements to gamble in Australia.**
- **Strengthen campaigns on gambling support services to be more comprehensive.**

Once again, we commend legislative reform at the federal level to reduce harm and enhance protections of the health and wellbeing of people who gamble.

Yours sincerely


Nieves Murray
Chief Executive Officer
Suicide Prevention Australia