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Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Inquiry into interactive and online gambling and gambling advertising

The Australian Christian Lobby (ACL) welcomes this opportunity to comment on the inquiry into interactive and online gambling and advertising.

ACL acknowledges that gambling, in its various forms, is a popular recreational pursuit in Australia.

Despite this, gambling does become a serious problem for a large number of regular people in the society. The Productivity Commission Inquiry Report on Gambling estimated that there are 115,000 problem gamblers in Australia, with a further 280,000 at “moderate risk” of developing gambling problems.¹ A significant majority of these individuals have problems primarily with poker machines, and as such the ACL welcomes and commends the recommendations made by the Joint Select Committee on Gambling Reform in their First Report.²

Online and interactive gambling

ACL notes the issues raised in the Productivity Commission’s Report in relation to online gambling. In particular, some of the risks associated with online as opposed to physical gambling venues (“offline gambling”) include:

- a) the ease of access;
- b) the use of credit cards;

¹ Productivity Commission (2010), *Gambling*, p 2,
http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

² Parliamentary Joint Select Committee on Gambling Reform (May 2011), *First Report*, p xv,
http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

- c) a potentially more socially isolating environment;
- d) decreased ability of providers to monitor gambler's behaviour;
- e) greater risk to young people.³

In relation to a), there is greater ease of access in at least two ways: there are no geographical barriers, beyond any barriers to internet access; and there are no time restraints, as there are for any forms of gambling other than 24-hour casinos. This means that just about anyone in the entire country, from anywhere in the country, has access at any time of day, every day. Even those who live close to casinos, for example, are still physically required to enter, and leave, the casino. This physical requirement does not exist in the online gambling context. This can allow for a much wider reach and greater frequency of gambling and may increase the rates of problem gambling.

The other risks are important policy concerns which deserve consideration in the context of online gambling. Even though, in comparison to offline gambling, there may be some perceived benefits to some of the particular characteristics of online gambling, the same characteristics may pose threats.

Though the use of credit cards may force gamblers to confront the losses they have incurred,⁴ they may also "magnify the financial harms from excessive gambling".⁵ Rather than merely putting the money they have through a slot machine, for example, problem gamblers may accumulate large debts on credit which they have no means of repaying. Not only can problem gamblers lose what they do have, online there is the potential to end up deeply in debt.

Certain online gambling activities may have a strong social element, while others may be more socially isolating than offline gambling.⁶ In these situations gamblers may be more likely to lose track of the time and money spent gambling. There is the potential both that more people may be in danger of developing gambling problems, and that those problems may be exacerbated for existing problem gamblers.

Online gambling providers may be less able to monitor the activities of gamblers, but providers may also be "better equipped to monitor spending patterns than venue based gambling, due to the predominance of account based betting".⁷ A regulatory framework should include provisions to allow and encourage online providers to maximise the potential benefits that online technology can bring. Monitoring and tracking accounts and identifying patterns in habits for signs of a developing problem could alleviate some of the risks inherent in online gambling and protect those at risk.

Perhaps of greatest concern is that online gambling may pose a greater risk to young people. Particularly with a growing trend of pervasive online gambling advertising, both online and offline, gambling is an increasingly visible part of the culture, which will naturally heighten the curiosity of

³ Productivity Commission (2010), *Gambling*, p 15.7, http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

⁴ Productivity Commission (2010), *Gambling*, p 15.9, http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

⁵ Productivity Commission (2010), *Gambling*, p 15.8, http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

⁶ Productivity Commission (2010), *Gambling*, p 15.8, http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

⁷ Productivity Commission (2010), *Gambling*, p 15.8, http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/report/report.pdf

children. Offline gambling is easily restricted to adults, but age-restricted areas in offline gambling venues are inapplicable online. Although the predominance of credit cards in online gambling may mitigate against this risk, even stringent age-verification can be circumvented by a child using an adult's credit card.

All these risks must be carefully considered by the government in its approach to online gambling regulation.

The protection of children online is of paramount importance, so it is essential that age verification is effective, stringent, and enforced.

ACL also recommends that strategies be put in place which allow and encourage the electronic monitoring of accounts and spending patterns in order to identify problem gamblers. As one way of mitigating the potential risks inherent online, the benefits that come with electronic accounts should be exploited to their full potential, subject to appropriate privacy provisions being maintained.

ACL recommends that information regarding counselling services be made prominently available on gambling websites.

Advertising

ACL commends the Government for signalling its intent to regulate gambling advertising during sport broadcasting. Communications Minister Stephen Conroy described as “a very insidious culture” the growing trend of sporting commentators promoting wagering on sport and presenting live betting odds.⁸

Sport is an important part of Australian culture and is widely followed by families and children. Encouraging gambling and normalising it as an inherent characteristic of sport presents an unhealthy image of sport to young fans. Such frequent promotion of gambling is unnecessary and creates an unwelcome sporting environment for families who do not desire gambling as a part of their sporting experiences.

As well as unnecessary messages about the place of gambling in sport, this provides an unhealthy culture within sport itself. In the light of some prominent recent controversies involving match fixing and a growing problem of betting scandals within sport, addressing gambling advertising in sport is timely, and regulation would be welcome in addressing some unhealthy trends.

In addition to the promotion by commentators and at grounds during the game, sport teams are commonly sponsored by gambling providers – for example, the NRL's Canberra Raiders are sponsored by prominent poker machine venue the Tradies Club, while the Manly Sea Eagles in the NRL and the St Kilda Saints in the AFL are sponsored by Centrebet.⁹

Although prohibiting the promotion of gambling odds by commentators is a positive start, further regulation of other forms of gambling advertising in sport would be an appropriate additional measure to further limit the potential harms of gambling. This would be consistent with the policy

⁸ Packham, B (27 May, 2011), 'Promoting live betting odds to be banned, but no end in sight to pokies standoff', *The Australian*, <http://www.theaustralian.com.au/business/industry-sectors/live-betting-odds-to-be-banned-but-canberra-fails-to-resolve-pokies-impasse-with-states/story-e6frg98o-1226064170151>

⁹ Farmer, R (30 May, 2011), 'Last Bets: regulating gambling's grip on sport', *Crikey*, <http://www.crikey.com.au/2011/05/30/last-bets-regulating-gamblings-grip-on-sport/>

behind the current move, and would help to slow the growing view of gambling as an inherent feature of sport.

ACL recommends that, in addition to advertising during broadcasting, the government regulate the broader advertising methods of gambling companies, particularly sponsorship of sporting teams, venues, and competitions.

Recommendations

ACL makes the following recommendations:

1. *That there be no expansion of online gambling in Australia.*

If gambling regulations are liberalised, ACL makes the following recommendations:

2. *That, if online gambling regulations are liberalised, they encourage utilisation of electronic technologies such as account monitoring to their full potential in order to minimise potential risks for problem gamblers and identify problem gamblers.*
3. *That stringent and effective age verification methods be developed and enforced.*
4. *That counselling services for problem or at-risk gamblers be made available on gambling websites, displayed prominently.*

In relation to advertising for online gambling, ACL makes the following recommendations:

5. *That gambling advertising, including promotion by commentators, during sports broadcasts be banned.*
6. *That, consistent with the curtailing of gambling advertising during sport broadcasting, the government also target other gambling advertising associated with sport, including corporate sponsorship.*

Yours sincerely,

Lyle Shelton
Chief of Staff