

Committee Secretary  
Joint Select Committee on Gambling Reform  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia  
[gamblingreform@aph.gov.au](mailto:gamblingreform@aph.gov.au)

**Inquiry into interactive and online gambling  
and gambling advertising**

**Submission from the Social Issues Executive,  
Anglican Church, Diocese of Sydney**

Thank you for the opportunity to make a submission to this inquiry. We write on behalf of the Social Issues Executive (SIE) which has been appointed by the Anglican Diocese of Sydney to advise the Diocese and comment on public policy issues for the purpose of helping the Diocese contribute to public governance.

In general, our submission supports previous public commitments by the Australian Government to oppose liberalisation of the *Interactive Gambling Act 2001*, opposes advertising gaming odds during public sports broadcasts, and calls for further research to understand how online and interactive gaming and wagering may be related to and affect problem gambling.

We are pleased to comment on the prevalence of interactive and online gambling in Australia and the adequacy of the *Interactive Gambling Act 2001* to effectively deal with its social and economic impacts, with particular reference to:

***(a) the recent growth in interactive sports betting and the changes in online wagering due to new technologies;***

Australians have developed a cultural appreciation for an occasional 'flutter among mates'. While this kind of casual wagering and betting is of no concern, we believe that new technology presents possibilities for casual wagering and betting that have not been considered.

The proliferation of online betting identified by the Productivity Commission takes wagering and betting out of a social context and places it in an anonymous, individual context, opening the way for problem gambling at levels unforeseen to date. We are particularly concerned that the anonymity of online betting means there is less

external restraint arising from social interaction. In this sense, changes in sports betting and online betting due to new technology incur less social accountability, placing people at increased risk of developing behaviours that are not mediated by a public, social context.

***(b) the development of new technologies, including mobile phones, smart phones and interactive television, that increase the risk and incidence of problem gambling;***

There is little evidence to link the development of new technologies with an increased risk and incidence of problem gambling. However, the lack of empirical data does not in our view preclude or invalidate concerns about the potential for new gaming technologies to encourage behaviour that increases the risk of problem gambling.

Interactive gaming technologies that can be accessed in the privacy of one's home establish a cultural context that normalises regular, interactive gambling without the social or relational accountability of traditional gaming contexts. The SIE is concerned that this normalisation of and increased access to interactive gaming in private, familial and everyday contexts will make it very difficult for existing problem gamblers to break behaviours and distance themselves from contexts that feed a desire to gamble. We are also concerned that interactive gaming will become a 'stepping stone' into other forms of gaming and a catalyst for behaviours that underlie problem gambling.

***(c) the relative regulatory frameworks of online and non-online gambling;***

The SIE agrees with the Productivity Commission's assessment of the risks to consumers of foreign-operated online gaming. However the Commission did not quantify these risks, the extent of consumer losses due to unethical or deceptive practices by online gaming operators, or the particular online sources that drive these problems.

The SIE believes there is neither an evidence-based case nor a compelling normative basis for liberalising current Australian regulatory and legislative frameworks pertaining to online gaming. Liberalisation of these frameworks, as proposed by the Productivity Commission would send the wrong message to the Australian community – it would be perceived as a public endorsement of online gaming. There is also no guarantee that it would prevent fraudulent

activity by domestic online gaming sites or dissuade consumers from accessing foreign-operated sites.

Most importantly though, the SIE is concerned that liberalisation would have the effect of legalising greater integration of online gaming with other forms of betting and wagering. The possible tax revenue forgone by not pursuing liberalisation is an acceptable cost to bear to protect Australians' social welfare from accelerated development of further avenues for gaming.

***(d) inducements to bet on sporting events online;***

As mentioned, the SIE is concerned with any shifts towards anonymous, individual gambling contexts which lack social accountability and which make it more difficult for problem gamblers to separate themselves from situations in which problem gambling behaviours can be exercised. Inducements to bet online are thus a cause for concern as they promote this shift and endorse gambling opportunities for individuals that are not mediated by a social context.

***(e) the risk of match-fixing in sports as a result of the types of bets available online, and whether certain types of bets should be prohibited, such as spot-betting in sports which may expose sports to corruption;***

Institutionalized 'spot betting' brings a collective 'third party' into a sports game, creating formal and entrenched interests in the outcome. These practices ultimately compromise the integrity of the outcome, and of the sport as a whole.

Although it is understandable that individuals enjoy the practice of spot-betting, the coalescence of these bets finally serves the interests of bookies, not the integrity of the sport. As past and current experience in football and cricket has shown, there is the risk of a corrupting influence on players and on the sport itself. Although it is harder to corrupt an entire team than individuals within the team, proliferation of spot-betting may create incentives that invite the collusion of a whole team.

The SIE recommends that spot-betting on the outcomes of sport matches be banned to preserve the integrity of the sport as a whole and protect players from interests which may pressure them to collude in

match-fixing. This would not preclude people from placing fixed bets on the outcomes of sports matches.

***(f) the impact of betting exchanges, including the ability to bet on losing outcomes;***

The SIE has no comment.

***(g) the implications of betting on political events, particularly election outcomes;***

The SIE believes that betting on political events and outcomes diminishes public engagement with substantive policy issues and distorts community expectations of the political process by reducing it to a mechanism for speculative gain.

The potential for betting on political events to have serious ramifications on governance should not be underestimated. In particular it may promote lobbying for the purpose of achieving speculative gain. Such a development would subvert the purposes of political events, processes and outcomes, which should be directed by and for the public interest. In the extreme, betting on political outcomes may encourage corruption of the democratic process to achieve speculative gain from political events.

There is also potential for betting on political events to be viewed as a broader endorsement of speculative behaviours. The more that speculative behaviour becomes socially and culturally engrained, the more difficult it becomes for individuals to identify particular patterns of unhelpful behaviour, such as relying on betting and wagering to derive satisfaction and significance from events. Conceivably, a widespread betting culture could distort our view of reality.

***(h) appropriate regulation, including codes of disclosure, for persons betting on events over which they have some participation or special knowledge, including match-fixing of sporting events;***

It seems obvious that appropriate regulation pertaining to people with vested interest and influence should be an aspect of all our cultural activities, not only gambling. We see no good reason for such regulation to be absent from gaming-related activities.

***(i) any other related matters***

It is incumbent on Government to consider how changing regulation of online gaming may affect the social understanding and acceptance of gaming more generally. The effects of liberalising the *Interactive Gambling Act*, gambling advertising regulations and airing of gaming odds in public broadcasts must all thus be carefully considered.

While there is little evidence about the frequency of use of online gaming, the amount of financial loss and the extent to which online gaming contributes to problem gambling, it should not be presumed that liberalisation of domestic laws is sufficiently justified by perceived increased consumer protection and tax revenue advantages.

The SIE notes that problem gambling is often discussed in the context of Electronic Gaming Machines. These discussions overlook how online gaming may contribute to gambling addiction. For this reason, the SIE suggests more research should be commissioned on the extent to which online gaming and other forms of wagering and betting are related to problem gambling and the development of behaviours that may lead to problem gambling.

As UQ academic Fiona Nicoll recently put it, now we are 'likely to encounter a typical Australian gambler at a computer terminal at work or at home playing poker on an overseas website with people from all over the world and dreaming of one day going professional' – a practice that has moved a long way from an occasional flutter among mates. She believes that the task of regulators is 'to establish more or less safe and ethical ways to participate in the everyday games of sport, leisure, entertainment, resort tourism and finance to which gambling has become increasingly central.'<sup>1</sup>

***... the level of gambling advertising; the display of betting odds at venues and during match broadcasts; commentators referring to the odds; and the general impact of gambling advertising on sport.***

The SIE notes the distinct rise of gambling odds and spot-betting being promoted in sports broadcasts. We welcome recent calls by the

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<sup>1</sup> Fiona Nicoll, 'Gambling in Australian culture: more than just a day at the races,' *The Conversation* June 27 2011, <http://theconversation.edu.au/gambling-in-australian-culture-more-than-just-a-day-at-the-races-1706> (accessed 29 June).

Australian Government for media outlets to cease advertising betting odds in sport broadcasts.

While the Government has given industry an opportunity to self-regulate, the SIE believes a formal ban should be implemented on advertising gaming and betting at sports events, particularly spot-betting.

Widespread advertising and mentions of gaming odds often occurs in prime time television broadcasts when children and young people are watching sport events, often in a family or community context. This establishes gaming and betting as a cultural norm among younger people. For this reason the SIE also recommends that advertising and mentions of wagering and betting on public broadcasts should not be allowed at times or on programs that are likely to have a high viewing audience among children and families.

Liberalisation of the *Interactive Gambling Act* risks creating a new and hidden underclass of problem gamblers. At worst, it may entrench a widespread gambling culture that robs us of our capacity to see events as meaningful in themselves, apart from the winnings they accrue.

We urge the Committee to pursue a cautious and careful approach.

**Rev. Dr Andrew Cameron**

**Angus Belling**

Social Issues Executive, Anglican Church Diocese of Sydney  
1 King Street, Newtown, NSW 2042

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