



**Submission to the
Inquiry into the prevalence of interactive and online gambling in
Australia and gambling advertising**

June 2011

For more information about this submission please contact:

Dr Chris Jones
Chief Executive Officer
GPO Box 1620, Hobart TAS 7001
Phone: (03) 6231 9602
Email: c.jones@anglicare-tas.org.au

About Anglicare

Anglicare Tasmania welcomes the opportunity to provide a submission to the Inquiry into the prevalence of interactive and online gambling in Australia and gambling advertising.

Anglicare is the largest community service organisation in Tasmania, with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport and Burnie and a range of outreach programs in rural areas. Anglicare provides emergency relief and crisis services, counselling and family support, accommodation support, employment services, mental health services, acquired injury, disability and aged care services and alcohol and other drug services. In addition, Anglicare's Social Action and Research Centre conducts research, policy and advocacy work with a focus on the needs and concerns of Tasmanians on a low income.

Our counselling and family support program runs Gamblers Help, which is funded by the Community Support Levy and administered by the Tasmanian Department of Health and Human Services, to provide personal and financial counselling, emergency relief and exclusions from gambling for people with a gambling problem and their families as well as providing venue support, group support, community education and community development to help reduce gambling problems. Our workers frequently report their frustrations in trying to provide support to people in a regulatory environment that fails to provide adequate protection to their clients. The majority of our clients report gambling problems due to their use of poker machines; however we also have clients with problems with online gambling. Gamblers Help clients tell our workers that the gambling environment, including advertising, inducements and player loyalty schemes encourage them to gamble.

In addition, most of our services experience the impacts of gambling problems. We see families break down, individuals in crisis and people unable to afford to eat or to heat their homes because of a gambling problem in the family.

Anglicare's recent research work on gambling includes *House of Cards* (Law 2005), which looked at the impacts on low income Tasmanians who have a gambling problem in the family and *Nothing Left to Lose* (Law 2010), which looked at cases in the Supreme Court where the defendant had a gambling problem.

Part 1 Background

In 2001, the *Interactive Gambling Act* was introduced to ban the provision or advertisement by Australian companies to Australians of online casino games, poker machines and bingo. The Act permitted online wagering on races, sports and the outcome of events.

In February 2006, Betfair was granted a licence to operate online wagering from Tasmania. Player expenditure on online wagering in Tasmania is not publicly available; however, it constitutes a small but growing proportion of the total gambling taxation and fees collected by the Tasmanian Government.

In 2009-10 online wagering taxation and fees brought in \$6.7 million with an additional \$465,500 in licence fees (Tasmanian Gaming Commission 2010). In September 2010, the Parliament granted a reduction in Betfair's tax rate, from 15% of commission received for events held in Australia and 10% for events held outside Australia to 5%, which will reduce state revenue by approximately \$5-7 million a year for the next 4 years (Brown 2010).

In July 2009, TOTE Tasmania was regulated by the Tasmanian Government, which provided \$6 million for its wagering levy.

Anglicare notes that the provision of odds for sports betting during the reporting of sports events has become a usual feature for television, radio and newspaper.

Because roughly 75% of all gambling expenditure is spent on poker machines (Tasmanian Gaming Commission 2010), Anglicare's research and advocacy work has focussed on how to reduce the harm caused by these machines. However, Anglicare notes that gambling online using computers and phones for wagering on races and sports are all growing in popularity.

Government studies of online gambling

The first Social and Economic Impact Study (2008) Tasmania's first Social and Economic Impact Study (SEIS) looked at internet gambling in 2008. While the sample size for people using internet gambling was small, the study found that the most likely demographics to use internet gambling were males, less than 29 years old and on a higher income (above \$70,000) (Department of Treasury and Finance 2008). The SEIS also found that young people earning between \$20,000 and \$50,000 were most likely to place sports bets (ibid).

The Productivity Commission's Inquiry Report into Gambling (2010) The Productivity Commission's inquiry into gambling noted the increased popularity of the internet for a range of activities including internet gambling. The Productivity Commission points to the ease of access to online gambling allowing greater frequency of use, which could increase the prevalence of problem gambling for this form of gambling (Productivity Commission 2010). Further, credit cards are the primary means of payment for online gambling, which could "magnify the financial harms from excessive gambling" (Productivity Commission 2010, p.15.8).

The Commission's 1999 report recommended 'managed liberalisation' nationally of online gambling "with tight regulation of licensed sites to ensure integrity and consumer protection" (Productivity Commission 2010, p.15.4). This approach is also supported in its 2010 report in which it recommends a gradual and partial approach to permit online poker and create a regulatory body to oversee the provision of harm minimisation measures.

An Exploratory Investigation of Online Gambling Amongst University Students in Tasmania (2010) This study found a higher proportion of people surveyed with a gambling problem (10.8%) or at moderate risk of having a gambling problem (15.5%) than is reported by the Tasmanian Government for gambling in general (Ly 2010, Department of Treasury and Finance 2008). The study shows that the participants' use of online gambling was even more intense than the SEIS found for the use of poker machines:

- 38.5% of the online gambling study participants gambled at least once a week compared to 1.5% of the SEIS study participants gambling weekly on poker machines; and
- 40% of the online gambling study participants gambled for more than one hour in most sessions whereas the SEIS found that only 10% of participants gambled for more than an hour in their last visit to a venue (Ly 2010, Department of Treasury and Finance 2008).

Part 2 Recommendations

Anglicare recommends that there be strong and effective consumer protection for everyone who gambles, whether they gamble online or in a venue. Anglicare recommends that consumer protection measures must be implemented at a nation-wide level and consistent for all types of gambling.

However, if an online gambling site is provided by an overseas company it is not possible for the Australian Government to provide the same level of consumer protection as the Government cannot control the contents of overseas websites. For this reason Anglicare recommends that all Australian-based sites are required to conform to a minimum mandated level of consumer protection and to carry a 'stamp' to say that the site is regulated in Australia. This would allow the consumer to then choose whether they wanted the consumer protection offered by the Australian Government or were willing to risk an unregulated site.

Anglicare recommends the following consumer protection measures for all Australian online gambling sites:

- Pre-commitment scheme
- Activity information provided to the online gambling account holder for the life of an account
- Effective self exclusion measures
- Pop up messages at least once every 30 minutes that states the amount of time played and money lost in the current session
- Pop up messages within the first 15 minutes of logging into the site that provides information about gambling problems and how to seek help
- Links to problem gambling tests
- Links to Australian-based counselling services – face to face and online
- Forced breaks in play at least once every hour
- Effective measures to prevent underage access
- Information to parents and guardians who wish to install a filter to restrict access on their home computer

All consumer protection measures must be easy to find on the website and in a font size that is easy to read.

In addition, as the prevalence of online gambling grows, the Australian Government should invest in appropriate levels of online advertising and education that explains the risks of gambling online and how to seek help. Anglicare also recommends the Government invests in a website that focuses on online gambling modelled on the www.cybersmart.gov.au website.

Anglicare also recommends that the promotion of odds for sports betting be prohibited from sports “reporting” and restricted to paid advertisements.

Anglicare does not have a view as to whether online poker should be permitted as recommended by the Productivity Commission.

References

Brown, D 2010, ‘\$8m jump in Betfair deal: Libs’, *Mercury*, 26 August, viewed 17 June 2011, <http://www.themercury.com.au/article/2010/08/26/168511_print.html>

Department of Treasury and Finance 2008, *Social and economic impact study into gambling in Tasmania: Volume 2: The prevalence study*, report prepared by The South Australian Centre for Economic Studies & The School of Psychology (University of Adelaide) with assistance of Harrison Health Research (Adelaide), Department of Treasury and Finance, Hobart.

Law, M 2005, *House of cards: problem gambling and low income earners in Tasmania*, Social Action and Research Centre, Anglicare Tasmania, Hobart.

Law, M 2010, *Nothing left to lose*, Social Action and Research Centre, Anglicare Tasmania, Hobart.

Ly, C 2010, *An exploratory investigation of online gambling amongst university students in Tasmania*, Gambling Support Bureau, Department of Health and Human Services, Hobart.

Productivity Commission 2010, *Gambling*, Report No 50 Volume 2, Canberra.

Tasmanian Gaming Commission, *2009-10 Annual Report*, Department of Treasury and Finance, Hobart.