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**Submission to the Inquiry into the Interactive Gambling  
Amendment (Sports Betting Reform) Bill 2015**

The Australian Psychological Society (APS) welcomes the invitation to respond to this Inquiry into the Interactive Gambling Amendment (Sports Betting Reform) Bill 2015.

The APS is the premier professional association for psychologists in Australia, representing more than 22,000 members. Psychology is a discipline that systematically addresses the many facets of human experience and functioning at individual, family and societal levels. A key goal of the APS is to actively contribute psychological knowledge for the promotion and enhancement of community wellbeing.

The APS acknowledges that gambling-related harm is a significant individual, community and public health issue. We commend the Australian Government for its focus on reducing harm to community members at a time of rapid technological advances in gambling industries. However, given the current lack of evidence regarding prevalence, harm and associated policy responses in relation to online gaming, a cautious approach that prioritises consumer protection is warranted until further evidence becomes available.

We would be happy to appear as a witness and/or provide further comment on this Bill if required; for further information about our submission please contact me

Yours sincerely,

Heather Gridley  
Manager, Public Interest  
Australian Psychological Society

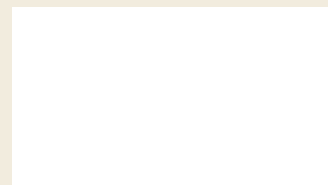


# Submission to Interactive Gambling Amendment (Sports Betting Reform) Bill 2015

Australian Psychological Society

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February 2016



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## **Executive Summary and Recommendations**

Gambling is an activity that can cause considerable harm to individuals, families and communities. It is essential that gambling and gambling-related harm are well understood, and that the regulation of gambling – at individual, community, industry and government levels – is well informed.

The current legislation on interactive gambling is over a decade old. This means it is unlikely to have embraced the latest evidence, nor taken account of the rapid technological advances.

The past decade has seen a burgeoning of more sophisticated ways to gamble, including access to 24-hour gambling through the internet, mobile phone technology and interactive television platforms. Participation in sports betting has increased exponentially over this time period, and this is in part due to the growth in online gambling. With such rapid changes in technology, it is important that legislation reflects these changes and takes account of how these sites operate.

Internet access poses unique problems for national regulation and regulation of access, particularly by minors. The recognition of problems associated with youth gambling has been demonstrated by laws prohibiting minors from engaging in gambling activities. However, this needs to be supported by appropriate and responsive legislation that regulates online gambling opportunities, particularly sports betting.

### **Recommendations:**

The Australian Psychological Society (APS) supports the intent of this Bill to ensure that consumers, particularly minors, are protected from gambling-related harm by the appropriate regulation of online sports betting.

The APS recommends that:

- any reforms to interactive gambling policy and regulation take account of the diversity among interactive gamblers, instead of treating them as a homogenous group
- children and young people are protected from exposure to internet gambling and online gambling advertising. This may mean further strengthening the Interactive Gambling Act (IGA) and providing education about risks of gambling and potential harms, within a cyber-safety framework
- further independent research is supported to investigate the participation in, and impact of interactive and online gambling,

particularly to monitor and assess any harm caused by such gambling. The outcomes of this research should inform appropriate policy responses, industry regulations, and public health measures.

- the Government take a gradual, staged approach to regulation which includes a rigorous, independent evaluation so that consumer protection mechanisms can be adequately established before regulation is more widely implemented. The APS endorses the findings and recommendations of the two Productivity Commission Reports into Gambling (1999, 2010) in relation to Online Gaming and the Interactive Gambling Act.
- the need to ensure principles of harm minimisation and consumer protection are placed at the centre of any reform, and that potential gains in tax revenue are not the driving force behind these changes.
- in addition to independent experts to guide appropriate strategy and evaluation, consumers and the broader community are enabled to be actively involved in any gambling-related policy response.
- any changes in legislation and policy carefully address and reduce gambling-related harm for those who may be at risk of problematic gambling.

## **1. Introduction**

The Australian Psychological Society (APS) welcomes the opportunity to make a submission in relation to the Interactive Gambling Amendment (Sports Betting Reform) Bill 2015.

Gambling is an activity that has an impact on most Australians. It is embedded within our society as a part of mainstream culture through the entertainment, leisure, sport and tourism industries, and is a significant source of revenue to governments and private enterprise.

Gambling is also an activity that can cause considerable harm to individuals, families and communities. Gambling is a significant public health concern associated not only with financial losses but depression, self-harm and anxiety. Moreover, it is estimated that for every one person with a gambling problem, five to ten other people are affected by it.

Gambling problems have been recognised for centuries, and their prevalence appears to have increased since gambling was legalised and commercialised in many countries (Shaffer & Hall, 2001). Increased availability of gambling opportunities typically results in a simultaneous increase in gambling behaviour and problem gambling (Productivity Commission, 2010). Constant availability of gambling from any location, accompanied by increases in advertising, may normalise this activity, resulting in increased participation and less perception of potential harm, which is of particular concern in relation to adolescents, who are highly influenced by advertising (Monaghan, Derevensky, & Sklar, 2008).

There is an urgent need to look at the impact of gambling on society as a whole, and what can be done to reduce the potential for gambling-related harm. The APS has consequently developed a number of resources, including a Position Statement (2012) and Review Paper (2010), based on major developments in understanding gambling from a psychological perspective (see end of this submission for details).

It is essential that gambling and gambling-related harm are well understood, and that the regulation of gambling – at individual, community, industry and government levels – is well informed. Psychology, as a science and profession, has much to contribute to understanding gambling from the perspectives of theory, research and practice.

The APS recognises that there are many causes and consequences of gambling-related harm. Effective interventions therefore need to both reduce the potential for harm to the individual and his or her family, and address broader social, community, political and economic factors (APS, 2012). The evidence shows strong consumer protection measures are needed to help

people manage their gambling. Governments need to exercise their social responsibility to protect the public from gambling products that cause harm.

## **2. The Interactive Gambling Amendment (Sports Betting Reform) Bill 2015**

The Interactive Gambling Amendment (Sports Betting Reform) Bill 2015 proposes to implement harm minimisation measures to help individuals who are engaged in online sports betting to better control their gambling. Specifically it does this by enabling gamblers to self-exclude from online wagering services and set limits on monthly and yearly betting budgets, as well as imposing bans on gambling advertisements during G-rated television programs and sports broadcasts.

The purpose of this Bill is to amend the Interactive Gambling Act 2001 ('the Act') in relation to online sports betting. The popularity of sports betting has grown exponentially over recent years. It is the only form of gambling that has seen an increase in participation over the past decade (Gainsbury et al., 2015a). Furthermore, expenditure on sports betting doubled between 2005-2006 and 2011-2012 (Hing, 2014). This has been largely attributed to the ease with which individuals can now place bets online.

The Bill inserts a new definition into the Act to encompass websites through which individuals can place bets on sporting events. In the Bill, these are known as 'restricted wagering services'. Services which are captured by this definition will be subject to obligations and prohibitions as well as penalties under the provisions of this Bill.

The Bill also establishes an Interactive Gambling Regulator who will monitor and enforce the compliance of restricted wagering services with the Act. A National Self-exclusion Register for those who wish to bar themselves from accessing online sports betting is also established.

## **3. Responding to the Bill**

The APS response to this Bill draws on the research and practice of psychologists working in the gambling counselling services field, as well as on psychological research on gaming, gambling and gambling-related harm.

This research highlights the increasing concerns about the prevalence and harm associated with interactive gambling, within a context of increasing normalisation of gambling in the wider community.

The APS cannot comment on the legal aspects of the Bill, but this submission does draw on the available evidence to provide recommendations with the aim of enhancing individual and community-wide mental health and wellbeing and reducing gambling-related harm.

#### **4. Current Legislation**

On the whole, gambling is a highly regulated industry. All State and Territory Governments have introduced legislated measures to encourage responsible gambling and thereby reduce the potential harms associated with gambling. However these measures primarily apply to land-based gambling, and include requirements for staff training, self-exclusion policies, limits on operating hours and machine numbers, advertising restrictions, limits on game design parameters, and the provision of safe-gaming messages (Delfabbro & LeCouteur, 2009). Industry compliance with these provisions is monitored, although the quality of this enforcement and degree of industry collaboration vary significantly between jurisdictions and between venues (Breen, Buultjens & Hing, 2006). Importantly, the Productivity Commission (2009) notes that venues have 'muted incentives' to address the problems faced by consumers, as this would mean lower profits.

Similar measures, and related enforcement, which are tailored and responsive to the online gambling environment, are likely to be required.

#### ***Interactive Gambling Act***

Internet gambling in the form of gambling on interactive gambling sites (e.g., online casinos) is not legal in Australia under the Interactive Gambling Act 2001, but use of the internet as a vehicle to place bets on approved forms of gambling, such as sporting events and wagering (but not including in-play betting) is allowed (Australian Gaming Council, 2008/09). This has created an environment where internet gambling is only partially legalised, and more than 2,200 offshore interactive gambling and wagering sites provide services to Australians in contravention of federal laws (Gainsbury & Wood, 2011).

The current legislation is over a decade old. The past decade has seen a burgeoning of more sophisticated ways to gamble, including access to 24-hour gambling through the internet, mobile phone technology and interactive television platforms. With such rapid changes in technology, it is important that legislation reflects these changes and takes account of how these sites operate. Internet access poses unique problems for national regulation and regulation of access, particularly by minors (APS, 2010). The recognition of problems associated with youth gambling has been demonstrated by laws prohibiting minors from engaging in gambling activities (Monaghan,

Derevensky, & Sklar, 2009). However, this recognition needs to be supported by appropriate and responsive legislation that regulates online gambling opportunities.

Internationally, an increasing number of jurisdictions are legalising and regulating interactive gambling in recognition of the difficulties associated with enforcing prohibition and the benefits of regulation (Gainsbury & Wood, 2011). These benefits include requiring harm minimisation measures and taxation revenue.

## **5. Growth of internet (interactive) gambling**

Internet and wireless-based gambling is increasing in Australia as it is all over the world (Australian Gaming Council, 2008). Expenditure via this interactive mode of gambling represents approximately 10% of the global gambling market (Global Betting and Gaming Consultants, 2011; PricewaterhouseCoopers, 2011). Australia's land-based gambling expenditure reportedly declined in 2012; however, interactive gambling options are growing in popularity with approximately AUD\$1.1 billion per year being gambled on regulated sites (Roy Morgan, 2012), indicating that it may be replacing traditional in-venue gambling (Gainsbury et al, 2015a).

The Productivity Commission (2010) estimated that between 0.1% and 4.3% of adults gamble online each year. Although the prevalence of interactive gambling appears to be relatively low compared to other forms of gambling, participation appears to be increasing rapidly, growing at 17% per annum from 2004 to 2011 (H2 Gambling Capital, 2012). The prevalence of interactive gambling was found to be substantially higher than previous estimates, confirming reports of increased participation through regulated and offshore sites (Gainsbury et al, 2015a).

Gambling environments have evolved over recent years and internet gambling's popularity is linked to its accessibility and capacity for bets to be placed via multiple devices (computers, mobiles, tablets, other wireless devices) from almost any location, at any time (Gainsbury, Wood, Russell, Hing, & Blaszczynski, 2012). Increasing use and access to technology means easier access to online gambling, particularly via the use of smartphones.

The impact of expanding online gambling access (via regulated interactive gambling) on the existing land-based gambling industry has been a common concern (Gainsbury & Wood, 2011). To date, international studies suggest that legalisation and regulation of interactive gambling does not appear to generate large increases in internet gambling or overall gambling



participation (Humphreys & Perez, 2012; Philander & Fiedler, 2012; Wardle et al., 2011; cited in Gainsbury et al., 2015a).

In a review of the literature, Gainsbury and colleagues (2015b) highlighted that the majority of interactive gamblers are also land-based gamblers. Given that the majority of participants started gambling online within the last five years, the impacts of this shift in participation (from land-based to interactive) are yet to be fully understood. However, it is known that two-fifths of interactive gamblers report a preference for non-interactive forms, indicating that despite the advantages of this mode of access, land-based gambling venues still serve an important function for players (Gainsbury, Russell, Blaszczynski & Hing, 2015b). This led the authors to conclude that the greater gambling versatility may mean that the convenience and ease of access through the internet facilitates increased involvement in multiple forms of gambling, or alternatively, that gamblers who use interactive modes are more likely to be more highly involved in gambling overall.

*Recommendation:*

The APS recommends that any reforms to interactive gambling policy and regulation take account of the diversity among Interactive gamblers, instead of treating them as a homogenous group.

## **6. Harms associated with online gambling**

The Productivity Commission (2010) estimated that between one and four percent of Australians gamble through interactive mediums, but noted that the definition of gambling online is problematic and may not adequately distinguish between those who have ever gambled and regular, potentially problematic gamblers.

Prevalence studies suggest that people who have gambled online at some stage in the past tend, on average, to have considerably higher rates of problem gambling than people who have never gambled online (Wood & Williams, 2009) and that people who gamble on the internet are likely to have a gambling problem (Ladd & Petry, 2002). Together with findings from longitudinal studies, Wood and colleagues (2012) concluded that while many problem gamblers gravitate to internet gambling, internet gambling more commonly precedes or co-occurs with problem gambling.

Another more recent prevalence study of 15,006 gamblers found that problem gambling rates were three times higher among internet than non-internet gamblers (Gainsbury et al., 2014). These higher rates of gambling problems amongst internet gamblers, as compared to non-internet gamblers, have been purported to be a result of the interactive nature of the gambling.

However, with the benefit of further research, it appears that this explanation may be somewhat misleading. More than half of internet problem and at-risk gamblers in this study indicated that their problems were related to land-based gambling forms, specifically Electronic Gaming Machines, and just over half had problems before they ever gambled online (Gainsbury et al., 2015b).

In an online survey of 4,594 respondents, it was found that 'mixed-mode' gamblers (internet and land-based) engaged in the greatest variety of gambling forms, had the highest average problem gambling severity scores, and were more likely to attribute problems to sports betting than the other groups (Gainsbury et al., 2015b).

Gainsbury and colleagues (2016) have also suggested that the mode of accessing internet gambling may be related to subsequent harms. Specifically, they found that gamblers who prefer to gamble online using computers had lower rates of gambling problems as compared to those using mobile and supplementary devices. Furthermore, Hing et al. (2015) found that the most frequently identified aspects of internet gambling leading to impaired control were use of digital money, access to credit, lack of scrutiny and ready accessibility. Participants were reported to use a range of self-limiting strategies with variable success.

In summary, while online gaming has several features that may mitigate its harm, as outlined by the Productivity Commission (2010), the principle 'vulnerable offline, vulnerable online' applies nonetheless, and it is imperative that groups who are already disadvantaged and vulnerable are protected from possible harms caused by online gambling.

### ***Online Sports Betting***

Between 1998/9 and 2011, participation by Australian adults in all gambling activities decreased with the exception of sports betting which more than doubled in popularity (Gainsbury et al., 2015a). The growth of sports betting can partly be attributed to the growth of online gambling (Hing, 2014). The most popular forms of internet gambling in Australia are sports and race wagering (Gainsbury et al., 2016), with half of all sports betting now conducted online (Hing, 2014).

In 2013, a survey of 6,682 gamblers found problem internet gamblers were more likely to bet on sports and on a greater number of forms than problem land-based gamblers (Gainsbury, Russell, Hing, Wood, & Blaszczynski, 2013). A later study sought to distinguish between those who only gambled on the internet and those who gambled on both online and land-based forms (mixed-mode). The research found that internet-only gamblers were more likely to report that sports betting made the largest contribution to their

gambling problems compared to mixed-mode and land-based gamblers. Mixed-mode gamblers were significantly more likely to state that sports betting contributed to their problems compared to land-based gamblers (Gainsbury et al., 2015b).

The research team concluded that participation in sports and race betting in its online mode appeared connected to problems, as internet-only and mixed-mode gamblers had substantially higher rates of problems related to these forms of gambling than land-based gamblers. This was found to be consistent with research showing that problem internet gamblers were more likely to bet on sports, although only mixed-mode gamblers were more likely to gamble on multiple forms [of sport] (Gainsbury et al., 2013). Land-based gamblers were also less likely to bet frequently on sports and races, suggesting that the availability and convenience of betting on these events using interactive modes facilitated more frequent betting and related problems (Gainsbury et al.).

Gainsbury et al. (2016) concluded that there was an interaction between overall participation in various forms of gambling with mode of access. Online gamblers with problems, for example, appeared to be associated with sports and race betting. Gamblers who used both online and land-based forms attributed their problems to both electronic gaming machines and race betting, with sports betting also causing problems for those who use both modes of access.

Financial Counselling Australia (FCA, 2015) recently released a report documenting a number of concerning practices in the sports betting industry, particularly in relation to the provision of unregulated credit. This has led to an increasing number of clients who have experienced significant losses, including their savings and family homes (some of which are illustrated as case studies). The report also noted that sports betting companies are exchanging customer account data, contrary to privacy legislation, in order to keep people gambling after they attempt to stop.

The losses associated with electronic gaming machines are well known. However, the FCA (2015, p.19) report indicated that potential losses via online sports betting are even larger: "Betting on the pokies seems relatively small fry compared to the accessibility and huge losses that financial counsellors are seeing with sports betting. You can't put \$250,000 into a slot machine in one sitting, but you can put that into an online sports betting event with the press of a finger. If this is the future of gambling, it is indeed frightening."

From a psychological perspective, the environmental conditions in gaming venues and the design of the games themselves make it difficult for people

to make informed choices about how much they spend and how long they play. This is likely to be the same for the experience of online sports betting, with gamblers having “a propensity to succumb to the marketing psychology of sports betting businesses” (FCA, 2015, p.16).

Furthermore, the ethics of sports betting companies was called into question: “The test for providing credit is ‘will the company get paid?’ rather than whether the customer will experience ‘undue hardship’ in making the repayments. No one looks at the customer’s income or expenses. There is no consideration of the person’s circumstances, their capacity to repay or wellbeing.” (FCA, 2015, p.11)

The Australian Wagering Council (2015) defends inaction on the basis that only 0.5-1% of the Australian population are ‘problem gamblers’, and that the majority of problem gamblers are linked to poker machines. However, with the rise of technological advances, it is likely that the evidence is not yet available to fully document harm in that area. Furthermore, despite being a small percentage, the number of people affected is still large, particularly if the additional five to ten other people who are reported to also be affected are factored in (Productivity Commission, 2009).

## **7. Young people and online sports betting**

Given their familiarity with internet technology and use in all aspects of their lives, young people have been singled out by researchers as a group who may be potentially at risk of online gambling-related harm.

The prevalence of interactive gambling among young people is difficult to estimate, as individuals under the age of 18 are often not included in population surveys and young adults increasingly use mobile phones, rather than landlines, making it difficult to capture this population in telephone surveys. But some research has found a substantial proportion of secondary students who indicate that they gamble online (Delfabbro, Lahn & Grabosky, 2005).

Young people may be more at risk in online gaming environments than in land-based environments. While checks for age appropriateness are conducted online, they can be more easily faked with false identification documents. Moreover, increasingly, gambling can be undertaken via mobile phone technology and in isolation from others, which magnifies the risk for young people lacking adult supervision.

While digital technology is an important tool, especially for young people, adolescence is also a particularly vulnerable developmental stage. For example, development of attitudes and entrenched behaviour toward

internet gambling among adolescents has implications for longer-term involvement in adulthood and chronicity of problems affecting families and the broader community (Gainsbury & Blaszczynski, 2011a).

In addition to increased risks regarding the interactive nature of gambling, people aged 18 to 24 also have higher rates of participation in sports betting than other adults (Victorian Responsible Gambling Foundation, 2013).

The integration of sports-betting advertising in television broadcasts and prominent display of internet signs on playing grounds contributes substantially to the normalisation of gambling as an integral component of sporting activities, particularly influencing the attitudes of children and young people (Gainsbury & Blaszczynski, 2011a). Other research indicates that young people may be more susceptible to gambling advertising than adults (Lamont, Hing & Gainsbury, 2011).

Young people are the next generation of gamblers and it is inevitable that they will be targeted by increasingly sophisticated strategies to participate (regardless of what the current research shows). Their potential vulnerability, at a point in time when mental health issues are the most prevalent, and life time costs of gambling addiction from an early age so high, that this should warrant a conservative approach in drawing up legislation that protects their interests as a priority.

Adolescents and young adults should be the focus of targeted prevention programs, and consideration should be given to regulating the burgeoning advertising of gambling so that it does not target this vulnerable group, either deliberately or inadvertently (APS Submission, Interactive Gambling Amendment, May 2013). The impact of increasing internet gambling opportunities on this group warrants attention, and research into the impacts on them of online gambling and gambling advertising should be prioritised.

*Recommendation:*

The APS recommends that children and young people are protected from exposure to internet gambling and online gambling advertising. This may mean further strengthening the Interactive Gambling Act and providing education about risks of gambling and potential harms, within a cyber-safety framework.

**8. A need for further evidence**

A few years ago, the APS was concerned about the lack of research into the prevalence and impact of online gambling, particularly within the Australian context. As noted by Gainsbury and Blaszczynski (2011a), the interactive gambling literature was characterised by a few, small-scale studies that

often had methodological issues such as the use of non-representative, self-selected samples, which limited the validity of results. Furthermore, the findings became rapidly outdated as result of constant changes in technology and the market. In addition, very little research directly examined interactive gambling in Australia. Consequently, there was little information about the demographics of users, extent of use and/or impact of online gambling in Australia, which made it difficult to develop appropriate policy responses.

While the evidence is certainly increasing, there are still gaps in our knowledge. Therefore despite its importance to Australia as a potential significant public health and wellbeing issue, our knowledge of internet gambling remains limited. While psychology is contributing to a growing evidence base, further research is needed in many areas. Ongoing research into the prevalence of online gambling is required given the rapid shift in online technologies. For example, the implications of increased mobile gambling and betting in both legal and illegal forms are currently unknown, and the influence of saturated, integrated and impulse gambling marketing strategies during sporting matches is only beginning to be understood (e.g. Thomas, Lewis, Duong & McLeod, 2012).

Importantly, longitudinal studies of developmental trends in gambling participation are required to describe its natural history, which would enable better understanding of risk and protective factors for problem gambling and the relationship between exposure and harm. Accurate data on the prevalence and impact of gambling among high risk groups such as Indigenous communities, rural and remote communities and young people are urgently needed. The complex interplay of individual and environmental factors needs to be better understood (Rickwood, Blaszczynski, Delfabbro, Dowling & Heading, 2010).

Gambling is becoming more diverse, with betting on non-sports events such as video games, and use of mobile devices. Specific research is needed to examine the continually changing online gambling environment and its impact on specific populations (e.g., people with mental health disorders).

Furthermore, given the conflict of interest confronting governments as legislator, regulator and beneficiary of gambling policies, it is strongly recommended that monitoring and evaluation of the impact of government policies is carried out by independent researchers and institutions.

*Recommendation:*

The APS recommends that further independent research is undertaken to investigate the participation in, and impact of interactive and online gambling, particularly to monitor and assess any harm caused by this

form of gambling. The outcomes of this research should inform appropriate policy responses.

## **9. A way forward**

While online gambling is likely to impact on a growing minority of Australians, the exact nature, extent and harm caused by this form of gambling remains largely unknown. As previously mentioned, we have yet to see a significant rise in online gambling away from land-based. Furthermore, all activities are currently moving online, so gambling isn't necessarily a special case. However, this does not warrant complacency, particularly given the exponential increases in sports betting (both on and offline).

In acknowledgement of what remains unknown, a precautionary and public health approach appears to offer the most potential for minimising harm and reducing risk. A public health perspective takes the position that prevention of health problems and reduction of harm can be more effective in maintaining community and individual wellbeing than individually focused tertiary treatment initiatives (Dickson, Derensky & Gupta, 2008). This perspective takes into account risk and quality of life issues for the community by addressing biological, behavioural, socioeconomic, cultural and public policy determinants of gambling (Korn & Shaffer, 1999).

As outlined in our Position Statement (2012), the APS endorses a public health framework that takes into account how gambling technologies and other aspects of the gambling environment and regulatory system can lead to harmful outcomes for gamblers (Dickerson, 2003). Such a framework would incorporate strong consumer protection measures. The APS also acknowledges that there is a tension for governments in terms of balancing the goal of preventing and reducing harm with potential restrictions to gambling as an entertainment for consumers and concomitant reductions in gambling revenue (Adams, 2009). This tension highlights the need for independent research and independent industry regulation to inform decision-making in relation to gambling-related policy.

### **Regulation**

While the APS commends the Government for its focus on reducing harm to problem gamblers and those at risk of becoming problem gamblers, we urge it to follow the recommendations of the Productivity Commission (2010) in taking a gradual, staged approach to regulation which includes a rigorous, independent evaluation so that consumer protection mechanisms can be adequately established before regulation is more widely implemented.

Regulated access has face validity (benefits that seem intrinsically like a good idea) in that it may divert consumers from unsafe sites to ones that

meet stringent Australian probity (although we do not currently have evidence that this will necessarily be the case), and may increase competition in the gambling industry. While regulated sites are important to allow Australians the option of using a site that has at least some consumer protections, these need to be greatly strengthened. Currently many offshore sites have greater consumer protection policies than Australian sites.

However, there are also risks with regulation. One main impact of regulation is advertising. This has really driven the increase in online sports betting and saturated the market with gambling advertisements and promotions. As outlined by the Productivity Commission (2010), regulation also potentially gives legitimacy to online gambling and could lead to a larger group of people participating in online gambling (although this has not yet been demonstrated). The experience of the rapid liberalisation of gaming machines in the 1990s in states such as Victoria, and in essence the normalisation of gambling, provides an important lesson that we may not want to repeat.

Problem gamblers still have the option of playing offshore to bypass the restraining influence of harm minimisation features, and while regulatory measures hold face validity, we caution rushing to implement measures until further research is available to inform policies that truly minimise harm. In other words, legalisation, however it is regulated, risks amplifying gambling participation in all its forms. This confirms the need for improved consumer protection and responsible gambling standards so that onshore sites provide a safer gambling experience than offshore sites, which is currently not necessarily the case.

Of particular significance in any policy response is the involvement of consumers and the broader community. The opportunity for the public to provide input to numerous public inquiries has been an important step. However, consumers should also have input into the development of policies designed to reduce gambling related harm (such as the Joint Working Party to develop the minimum standards) and be involved in the evaluation and review of interventions to prevent and minimise such harm. After all, gamblers themselves are likely to have important contributions in relation to what interventions may or may not work. As concluded in a qualitative study with internet gamblers, most participants thought that more comprehensive responsible gambling measures were required of internet gambling operators (Hing et al., 2015). While consumers may not understand all the complexities of how gambling problems develop and the best ways to address these challenges, input from social scientists, health professionals and other experts can address this gap.



## *Recommendations*

The APS endorses the findings and recommendations of the two Productivity Commission Reports into Gambling (1999, 2010) in relation to Online Gaming and the Interactive Gambling Act, and in particular urges the government to take a gradual, staged approach to regulation which includes a rigorous, independent evaluation so that consumer protection mechanisms can be adequately established before regulation is more widely implemented.

The APS emphasises the need to ensure principles of harm minimisation and consumer protection are at the centre of any reform, and that potential gains in tax revenue are not the driving force behind these changes.

The APS recommends that, in addition to independent experts to guide appropriate strategy and evaluation, consumers and the broader community are enabled to be actively involved in any gambling-related policy response.

## **Gambling Reform**

In general, the APS urges State and Federal governments and industry to adopt policies that are well-informed, are based on independent research, and seek to protect the most vulnerable from gambling-related harm (APS, 2012). In particular, the APS supports the strengthening of consumer protection measures, including the full provision of product information necessary to assist consumer decision-making.

Financial Counselling Australia (FCA) proposes that the strongest sports betting reform would be to prohibit credit for gambling purposes. Additional suggestions for reform outlined by FCA (p.4), which closely align with the proposed amendments in the Bill, include:

- a requirement for customers to nominate a 'maximum' bet amount (and not allowing this amount to be changed quickly) when setting up a sports betting account
- banning advertising links between payday lending sites and sports betting sites
- requiring sports betting companies to issue regular paper statements
- setting up a national register for people who want to self-exclude.

The APS supports these proposals for reform which are based on the direct experience of sports gambling-related harm as witnessed by financial counsellors, and agrees moreover that a maximum bet amount should be mandatory. However, the APS notes that there are privacy issues in relation to the issuing of paper statements which the FCA report does not acknowledge. Further, many industries now use online-only communication to minimise environmental impacts, so regular online statements with comprehensible information on expenditure over set time periods are advised.

While the APS agrees with the Australian Wagering Council (2015, Media Statement) that future policies developed to regulate the wagering industry should be evidence-based, the current lack of existing strong evidence should not be a reason to delay immediate action especially given strong anecdotal evidence of significant harm. A cautious approach grounded in consumer protection is warranted until further evidence becomes available.

*Recommendation:*

The APS recommends that any changes in legislation and policy carefully address and reduce gambling-related harm for those who may be at risk of problematic gambling.

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## **About the Australian Psychological Society**

The APS is the premier professional association for psychologists in Australia, representing more than 22,000 members. Psychology is a discipline that systematically addresses the many facets of human experience and functioning at individual, family and societal levels. Psychology covers many highly specialised areas, but all psychologists share foundational training in human development and the constructs of healthy functioning. A key goal of the APS is to actively contribute psychological knowledge for the promotion and enhancement of community wellbeing.

Psychologists apply their skills and knowledge to enhance understandings of the individual, family and systemic issues that contribute to social problems, and to find better ways of addressing such problems. Psychology in the Public Interest is the section of the APS dedicated to the application and communication of psychological knowledge to enhance community wellbeing and promote equitable and just treatment of all segments of society.

## **APS Gambling-related Harm Resources**

Resources and information about gambling-related harm can be accessed at the APS webpage: <http://www.psychology.org.au/Content.aspx?ID=5218>

## **Publications**

- 2012 [Position Statement on Gambling-related Harm](#)
- 2010 Review Paper - [The Psychology of Gambling](#)

## ***InPsych (bimonthly bulletin)***

- [APS cites psychological science at climate, marriage equality and gambling inquiries](#) (June 2012)
- [Special report: The psychology of gambling](#) (December 2010)
- [How psychologists are helping problem gamblers](#) (October 2003)

## **Submissions**

- [Interactive Gambling Amendment \(Virtual Credits\) Bill](#) (May 2013)
- [Inquiry into Advertising and Promotion of Gambling in Sport](#) (March 2013)
- [National Gambling Reform Bill 2012 and other related Bills](#) (November 2012)
- [Submission to the Australian Government, Department of Broadband, Communications and the Digital Economy's Interim Report of the Review of the Interactive Gambling Act 2001](#) (2012)
- [Inquiry into the prevention and treatment of problem gambling](#) (April 2012)