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Committee Secretary
House of Representatives Standing Committee on Social Policy
and Legal Affairs
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Ask for: Brook Quinn
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Our Ref: A3798852

Dear Standing Committee on Social Policy and Legal Affairs members

Submission to the inquiry into online gambling and its impacts on those experiencing gambling harm

Hobsons Bay City Council welcomes the opportunity to provide input into the Standing Committee on Social Policy and Legal Affairs' Inquiry into online gambling and its impacts on those experiencing gambling harm.

Council has a long standing commitment to advocate and educate to reduce harm from gambling. This is outlined in our Problem Gambling on Electronic Gaming Machines Policy Statement 2015 (attached). Hobsons Bay is also a 'Leadership Council' with the Alliance for Gambling Reform, which campaigns for reforms to the gambling industry.

Harm caused by online gambling is a growing area of concern in our community. In the past financial year alone, it is estimated that \$2.5 billion was lost to sports and race betting in Victoria, with more than 80 per cent of the bets made online. At the same time, we have seen a 250 per cent increase in the number of gambling ads on Victorian free-to-air television between 2016 and 2021.

Action, investment and legislative reform from the Commonwealth Government is essential to protect communities from the harms associated with online gambling. Key recommendations in the attached submission include:

- a ban on gambling advertising, sponsorship and branding for all commercial media and within all major national sporting competitions
- a National Self-Exclusion Framework (as previously committed in the National Consumer Protection Framework for Online Wagering), alongside a universal pre-commitment system that applies to all online gambling providers
- funding for awareness campaigns to highlight the risks of gambling, similar to public health campaigns focussed on tobacco

We look forward to the reviewing the Committee's recommendations and to the Commonwealth Government's response. We also look forward to continuing to work collaboratively with all levels of government to prevent and reduce harm from gambling in local communities.

For further information, please contact Brook Quinn (Team Leader Social Planning) on 9932 1623 or at bquinn@hobsonsabay.vic.gov.au

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'P' followed by a long horizontal stroke.

Penelope Winslade
Director Sustainable Communities

Encl:

- Submission
- Copy of Council's Problem Gambling on Electronic Gaming Machines Policy Statement 2015

Inquiry into online gambling and its impacts on those experiencing gambling harm

Hobsons Bay City Council submission

Hobsons Bay City Council is concerned about the impact of online gambling on local communities, particularly vulnerable residents and households. It is estimated that \$2.5 billion was lost by Victorians on race and sports betting in 2021-22, a 50 per cent increase since 2019-20.¹

While electronic gaming machines (EGMs) continue to attract higher average daily losses in Victoria, spending on race and sports betting is now comparable. Local data is not available, but the surge in losses on online gambling in recent years (fuelled by widespread advertising) is causing harm in Hobsons Bay and across Australia.

Council's approach to reducing harm from gambling is outlined in its Problem Gambling on Electronic Gaming Machines Policy Statement 2015. The Policy Statement includes a commitment to advocate 'for increased research, data collection, and preventative interventions for online gambling'.² As such, Council welcomes the opportunity to provide a submission to the Inquiry into online gambling and its impacts on those experiencing gambling harm.

In preparing this submission, Council officers have focussed on the inquiry's Terms of Reference, published by the Standing Committee on Social Policy and Legal Affairs. The submission has also been shaped by Hobsons Bay's Council Plan 2021-25 and A Fairer Hobsons Bay for All 2019-23 policy, which outlines Council's commitment to building more inclusive, resilient, and healthy communities.

This submission contains ten recommendations and provides additional background and rationale through responses to three broad topic areas derived from the inquiry's Terms of Reference.

Gambling advertising and the normalisation of gambling in Australia

Despite the introduction of new rules in 2018, current gambling advertising restrictions are generally ineffective at limiting children's exposure to gambling products and services. The new rules banned gambling ads during live sport between 5am and 8.30pm, including during play, breaks, and five minutes either side of events.

However, data from 2021 found that there was a daily average of 948 gambling ads broadcast on free-to-air TV in Victoria, including 148 between 6pm and 8.30pm when many families watch television together.³ Research also shows that children have increased awareness of online gambling brands and companies through exposure from television and sporting matches.⁴ A similar study found that there was an increased awareness in children of gambling companies through sponsorships.⁵ It must also be noted that, despite the 'siren

¹ Estimate based on analysis of 2022-23 Victorian Budget Papers – see [2022-23 State Budget | Department of Treasury and Finance Victoria \(dtf.vic.gov.au\)](#)

² [Problem Gambling on EGMs Policy Statement - Hobsons Bay](#)

³ [948 gambling ads daily on Victorian free to air TV in 2021 \(responsiblegambling.vic.gov.au\)](#)

⁴ ["It's just everywhere!" Children and parents discuss the marketing of sports wagering in Australia \(wiley.com\)](#)

⁵ [Child and parent recall of gambling sponsorship in Australian sport \(responsiblegambling.vic.gov.au\)](#)

to siren' ban on gambling ads on live broadcasts, ads promoting gambling companies are still visible to viewers from signage around the ground, thereby reducing the impact of the advertising restrictions.

The growing presence of gambling advertising is likely to drive further increases in gambling among young people. A 2017 prevalence study of Victoria young people (between the ages of 12 and 17) found that almost one in three students had gambled, and six percent of students had gambled in the last month.⁶ This is concerning, given that online gambling is prohibited for people under the age of 18. It further highlights that gambling is becoming more normalised, accessible and available to young people, and that stronger regulation is needed to limit access to potentially harmful online gambling products.

Research also suggests that exposure to gambling advertisements is associated with increased losses from race or online betting. A 2018 report identified a range of promotional activities that encourage risky betting and increased losses, including direct messages from online gambling operators; advertisements on betting websites and apps; promotion of betting during events; stake-back offers; multi-bet offers; and inducements for rewards program points.⁷ Similar research also found that 'push marketing' or 'push notifications' from online gambling companies also lead to increased levels of harm.⁸ In February 2022, Sportsbet Pty. Ltd. was fined \$2.5 million and ordered to repay \$1.2 million for sending more than 150,000 marketing text messages and emails to over 37,000 customers.⁹

Therefore, there is a well-established evidence base to suggest that gambling advertisements and other associated inducements and communications are closely associated with increased gambling harm. Overwhelmingly, the access and exposure to online gambling companies through sport and associated sponsorships has further 'normalised' gambling in Australia, contributing to significant harm in local communities.

Recommendations

1. *That the Commonwealth Government urgently introduce a ban on gambling advertising, sponsorship and branding for all commercial media and within major national sporting competitions.*
2. *That the Commonwealth Government prohibit direct marketing of gambling products and inducements, including the use of push notifications from online gambling apps.*

Regulatory and legislative frameworks

The National Consumer Protection Framework for Online Wagering in Australia (the Framework) was introduced in 2018, following agreement between federal, state and territory governments. The Framework provides ten consumer protections measures, including prohibition of lines of credit, customer verification, restrictions on inducements, staff training and a national self-exclusion register.

While the Framework introduced important protections, further implementation and additional measures are required to more effectively prevent harm from gambling. For example, under the Framework, verification of customer identity must occur within 14 days of opening an

⁶ [The prevalence and correlates of gambling in secondary school students in Victoria, Australia, 2017 \(responsiblegambling.vic.gov.au\)](https://responsiblegambling.vic.gov.au)

⁷ [Effects of wagering marketing on vulnerable adults \(responsiblegambling.vic.gov.au\)](https://responsiblegambling.vic.gov.au)

⁸ [Direct messages received from wagering operators \(responsiblegambling.vic.gov.au\)](https://responsiblegambling.vic.gov.au)

⁹ [Unlawful spam costs Sportsbet \\$3.7 million in penalties and refunds | ACMA](https://www.acma.gov.au)

online gambling account. Within this timeframe, customers may deposit money and make bets but cannot withdraw any money until their identity has been verified. The Framework outlines an intention to further reduce this verification period to 72 hours (after a 12-month review) but it is unclear as to whether this has occurred. Similarly, restrictions on inducements do not extend to loyalty programs. As such, it is recommended that the Framework be reviewed and updated in light of new research and awareness of gambling harm as a public health issue to ensure that it is effectively meeting its aims of reducing harm from gambling.

These reforms should be implemented alongside the Framework's proposed National Self-Exclusion Register (NSER) to ensure that people opening new online gambling accounts have not already self-excluded. The NSER should be implemented with haste incorporating a requirement that it be linked to websites, apps and communications from online gambling companies. Additionally, registration should not have an expiry date, but rather individuals should be able to de-register with the advice of a health professional.

It is also recommended that a mandatory and binding universal pre-commitment system be introduced for online gambling that allows an individual to set spending limits, as already exists in Sweden.¹⁰ It also is known that gambling with borrowed money creates additional risk for harm.¹¹ As such, it is recommended that the use of credit cards on gambling products be banned, as an extension to existing prohibitions on lines of credit established through the Framework.

Online gambling companies are required to register in one jurisdiction in Australia, with many based in the Northern Territory. However, it is not clear where complaints made by someone from a different jurisdiction (e.g. Victoria) are considered and addressed. These (and other) challenges highlight the need for a national online gambling ombudsman to consistently monitor legislation across Australia.

It is also recommended that the definition of gambling services be extended to include 'loot boxes', social (online) casinos and other social gaming features that are available online. For example, there is growing concern about the accessibility of 'loot boxes' in many popular games, which feature in-game purchases with randomised outcomes. A study from 2020 showed that young adults are more likely to gamble if they are exposed to loot boxes and other in-game purchases.¹² Other social gaming elements should also be examined such as social casinos, e-sports and other online websites that promotes activity akin to gambling.

Recommendations

3. *That the National Consumer Protection Framework for Online Wagering be reviewed and updated, including preventing gambling activity until identification checks are complete and prohibition of loyalty programs and all lines of credit for online gambling.*
4. *That the National Self-Exclusion Framework be implemented with haste, alongside a universal pre-commitment system that applies to all online gambling providers.*
5. *That the Commonwealth Government establish an online gambling ombudsman to ensure consistency across jurisdictions.*

¹⁰ [Spelinspektionen](#) (Gambling Ordinance (2018:1475))

¹¹ [Gambling-related consumer credit use and debt problems: a brief review - ScienceDirect](#)

¹² [Loot boxes potentially groom young people for gambling \(nsw.gov.au\)](#)

6. *That the legislative definition of gambling services be extended to include loot boxes, social casinos and social gaming features.*

Harm prevention programs and awareness

Both harm minimisation and harm prevention measures can be improved to ensure that local communities are protected from harm. Stigma and shame often prevent those being harmed by gambling from seeking support. This is partially due to the way that the gambling industry frame harm prevention exclusively in terms of individual responsibility and behaviour. This is most clearly demonstrated by pervasive 'gamble responsibly' messages offered as part of gambling advertisements.

The Commonwealth Government has an opportunity to embrace a public health approach to addressing gambling harm that seeks also to address the key determinants of gambling harm, informed by a range of sociocultural, environmental, commercial and political factors. This approach was used successfully to prevent harm from tobacco, and offers the most effective method for reducing harm from gambling.

The Commonwealth Government can also do more to support the efforts of state, territory and local governments to increase awareness of gambling harm. It is recommended that the Commonwealth Government fund campaigns that highlight the risk of gambling focussed on reducing harm, similar to public health campaigns run on tobacco. The Commonwealth Government may also consider evaluating existing harm prevention and awareness programs conducted in various jurisdictions around Australia, and fund those that have appropriate public health messaging and are proven to be effective in reducing harm.

Finally, it is recommended that the Federal Government allocate more funding into research on the impacts of online gambling. Online gambling has emerged as an issue over the last few years, and there are many things we do not fully understand, including how it impacts different groups and long term impacts. In this context, it is critical to understand and respond to the perspectives of people with lived experience of harm from online gambling products. There is a lot more we can do to reduce harm from online gambling, but more work is required to fully understand what and how this may be achieved.

Recommendations:

7. *That the Commonwealth Government adopt a public health approach to addressing gambling harm, incorporating efforts to change the narrative and language in relation to the causes, impacts and responses to gambling harm.*
8. *That the Commonwealth Government fund awareness campaigns based on a public health approach to highlight the risks of gambling, similar to public health campaigns focussed on tobacco.*
9. *That the Commonwealth Government evaluate the effectiveness of harm prevention programs and provide funding for programs proven to be effective in reducing harm.*
10. *That the Commonwealth Government fund independent research into the impacts of online gambling, incorporating the perspectives of people with lived experience of harm.*