



A better bet: How Australia should prevent gambling harm

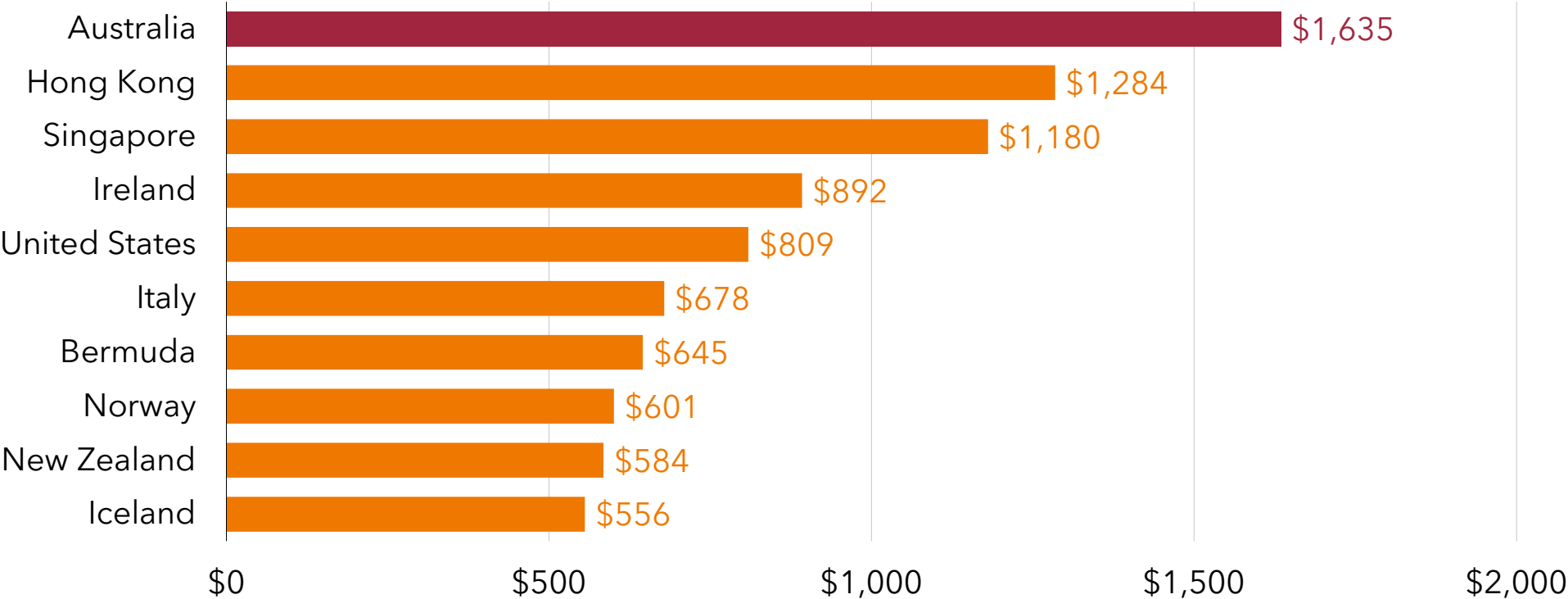
Briefing pack

September 2024

GRATTAN
Institute

Australia leads the world in gambling losses

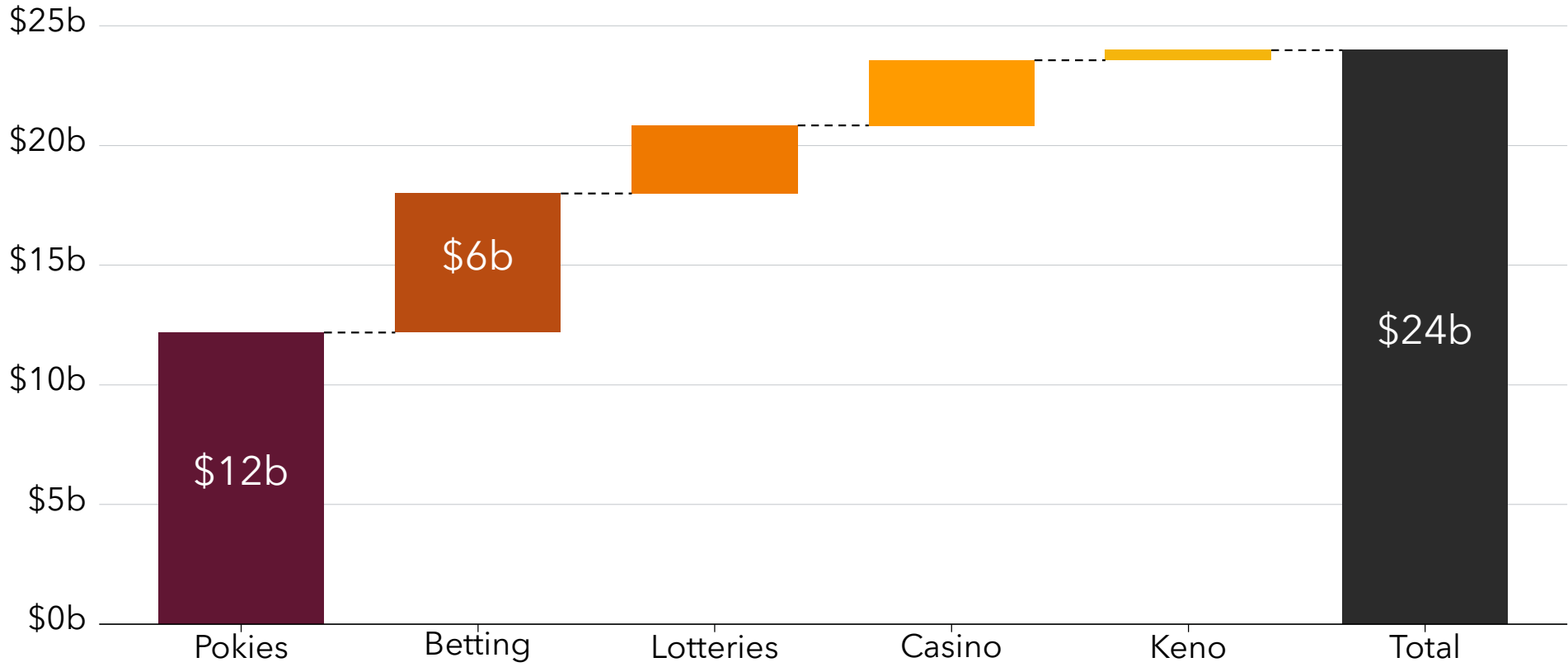
Gambling losses per adult in 2022, AUD



Source: H2 Gambling Capital.

Australians lose \$24 billion a year, mostly on pokies and betting

Total losses by gambling type, 2020-21

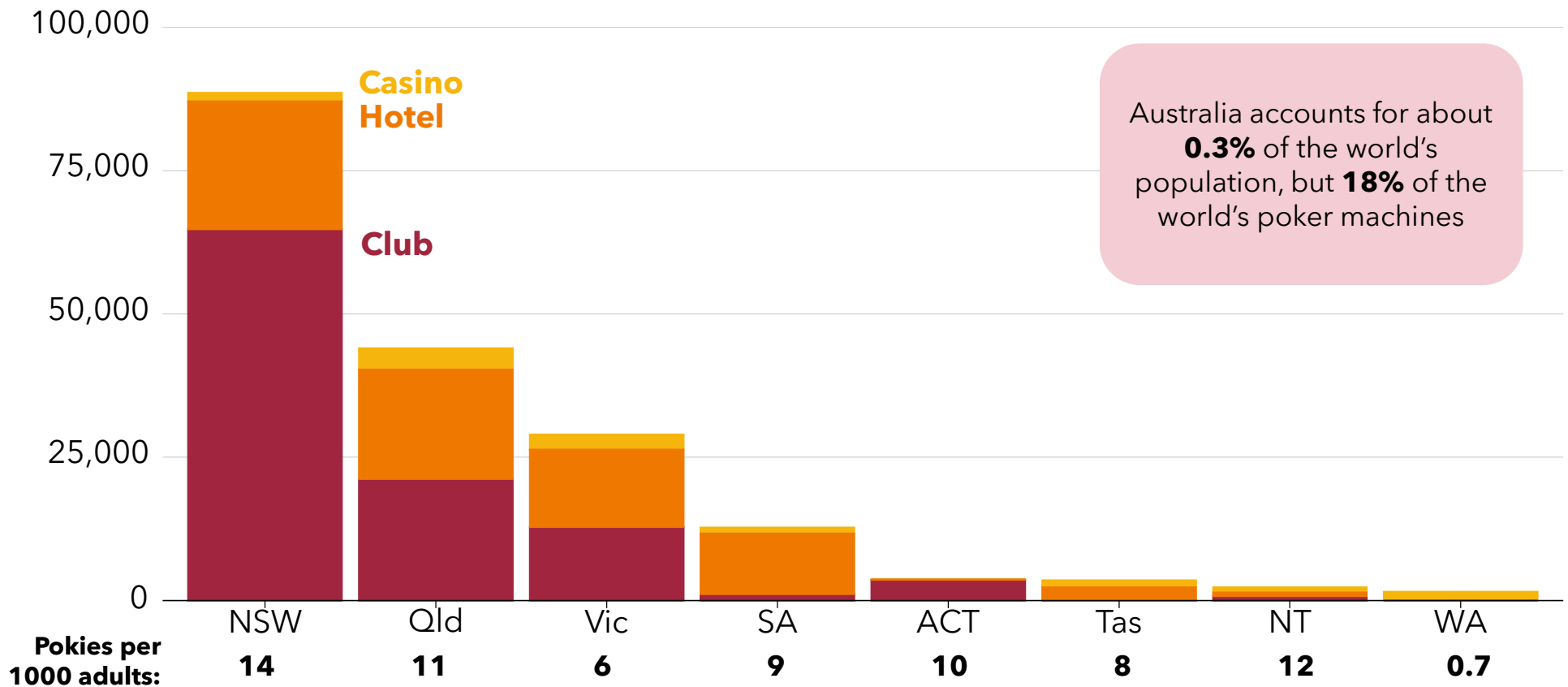


Notes: \$45 million spent on minor gaming and \$11 million spent on interactive gaming are not shown.

Source: Queensland Government Statistician's Office (2023).

Pokies are everywhere, particularly in NSW

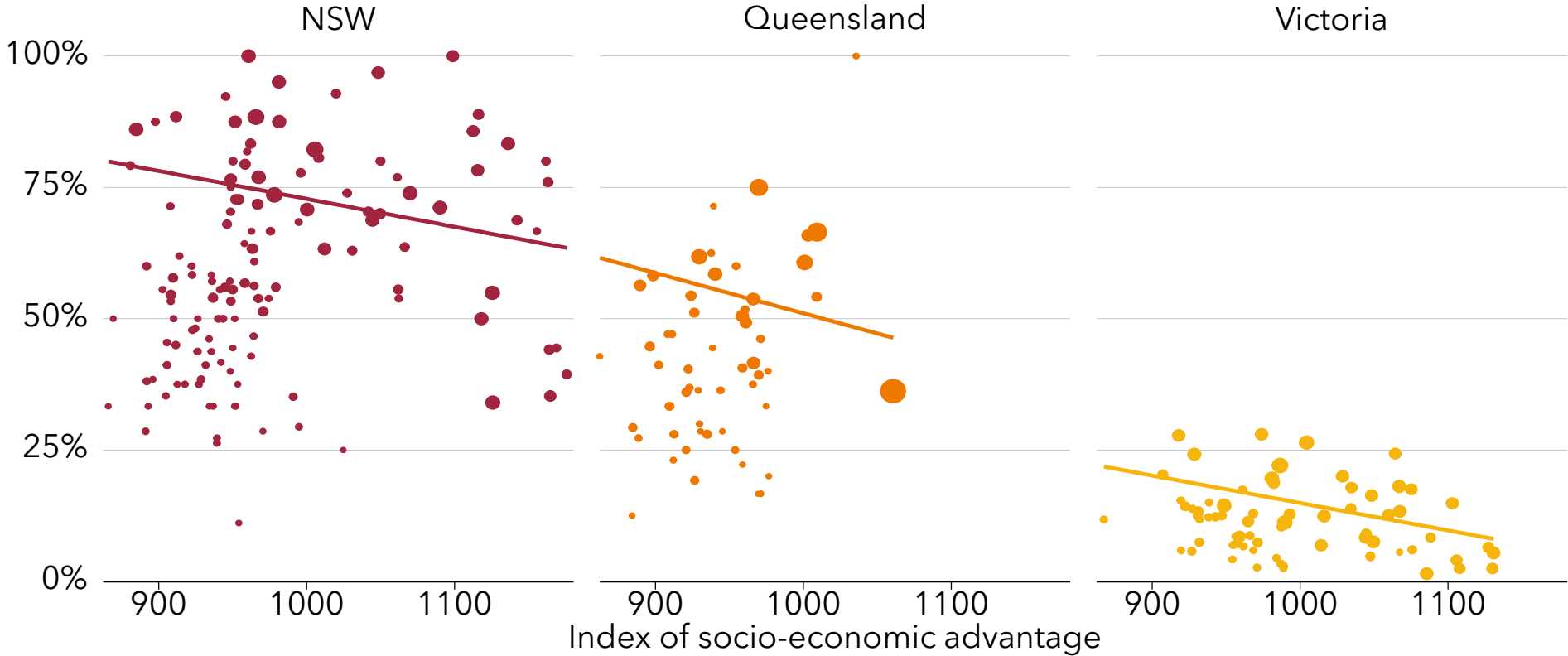
Number of pokies, as at 30 June 2021



Source: Queensland Government Statistician's Office (2023).

In some communities, particularly poorer communities, it's difficult to find venues without pokies

Proportion of pubs and clubs in local government area that have pokies

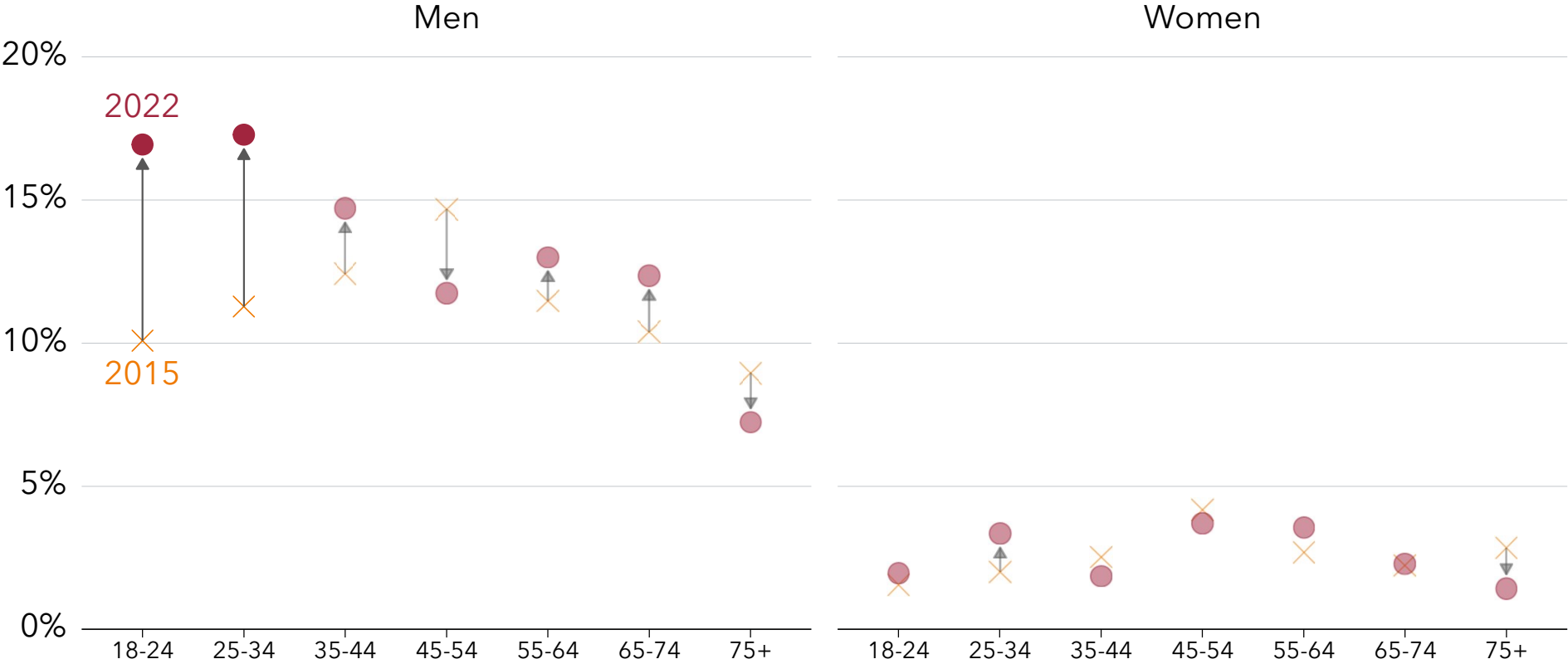


Notes: Each point represents one local government area. The bigger the point, the bigger the population of the local government area.

Source: ABS (2022), ABS (2023), Liquor Control Victoria (2024), Queensland Office of Liquor and Gaming Regulation (2024) and NSW Liquor & Gaming (2024).

Young men have led the rise in betting

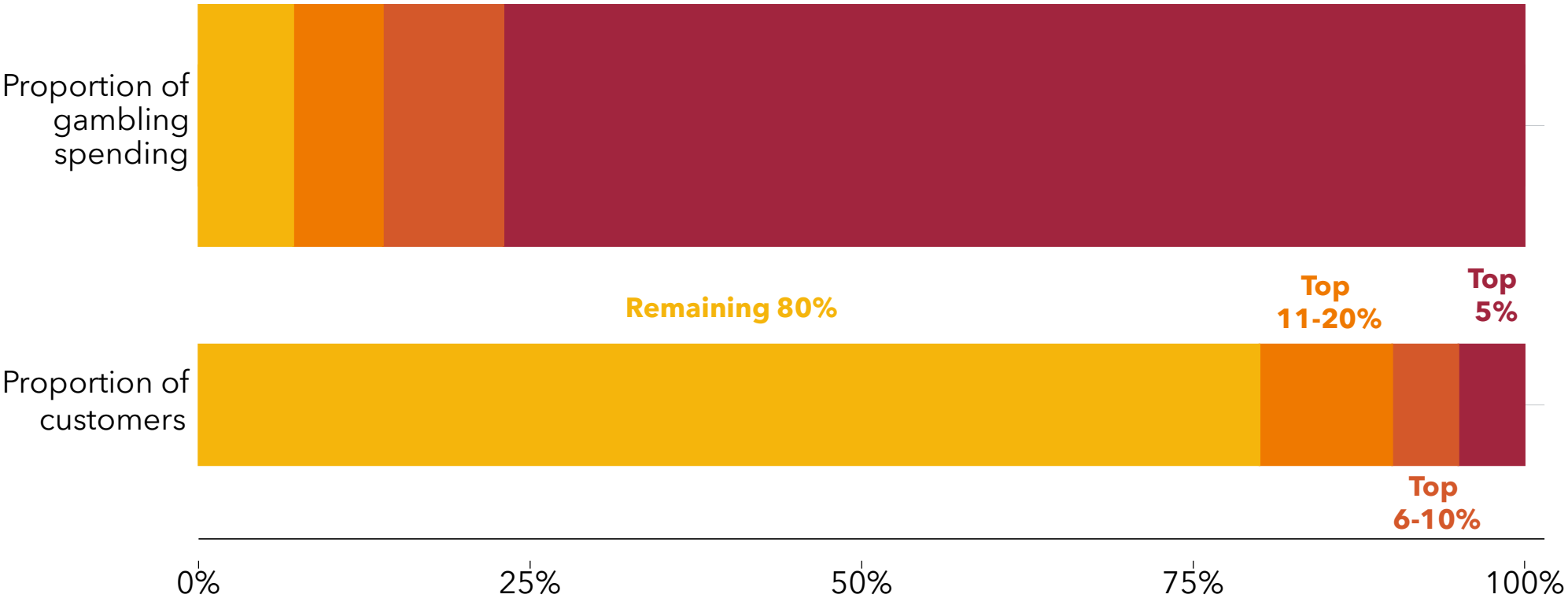
Proportion of age group that places a bet in a regular month



Source: Melbourne Institute for Applied Economic and Social Research (2023).

Gambling spending is highly concentrated: a few bear the brunt of losses

Debit card gambling spending, among customers with at least one gambling transaction



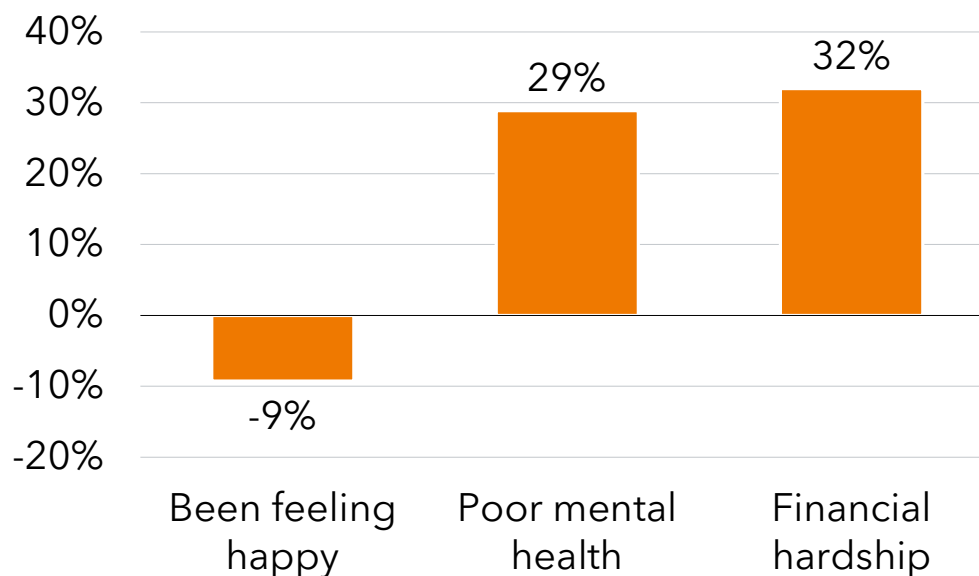
Notes: This figure is based on consumer debit card transactions data from a bank, covering the year to 19 May 2024. Transactions are classified according to merchant category code. Gambling transactions include lottery, casino, racing, and betting transactions. Spending on pokies is not captured in the debit card data.

But gambling harm ripples through our communities

- Gambling causes financial and mental distress
 - In 2022, about 338,000 people suffered acute gambling harm
- Family members, friends, and colleagues can also suffer as a result of someone else's gambling
 - About 700,000 people live with someone experiencing serious gambling harm
 - Gambling is linked to domestic and family violence
- The broader community also bears the costs of crime, health care, job losses, and other issues related to gambling

More gambling is associated with worse mental and financial health

Change in probability of outcome for people living within 250m of venue with pokies, relative to people living more than 2km from venue with pokies



Notes: Controls for neighbourhood fixed effects, area-level covariates and individual covariates.
Source: Badji, Black & Johnston (2023)

Our roadmap to prevent gambling harm

Time →

Reduce exposure

- Ban gambling ads and inducements
- Rein in pokies numbers over time
- Warnings on games

Mandatory pre-commitment with max limits for pokies & online betting

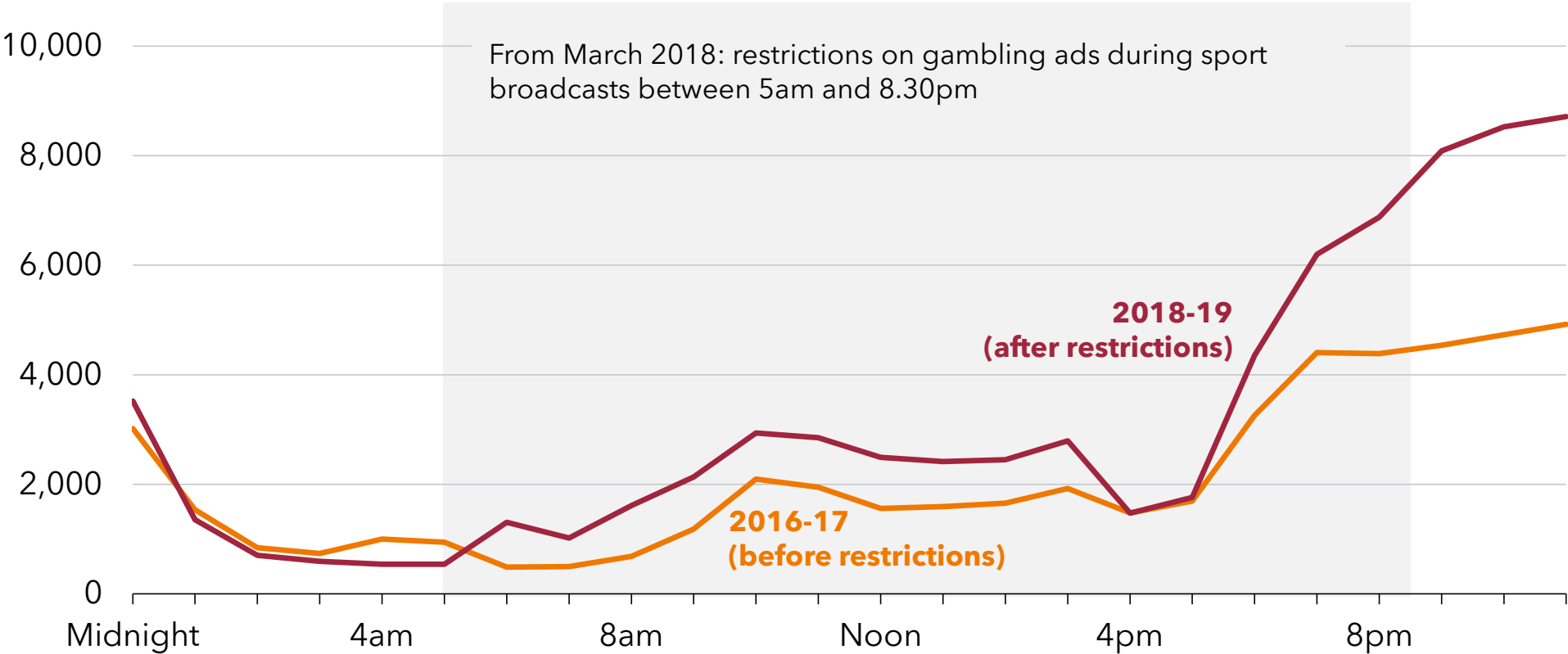
- Online gambling pre-commitment system
- State-wide pokies pre-commitment schemes
- Investigate the feasibility of a single universal system

Improve gambling support services

- Build the evidence base
- Invest in the gaps

Ban all gambling advertising: a partial ban won't do enough to reduce exposure

Number of gambling ads on TV between April and June, by time of broadcast



Notes: Combined number of ads across metro and regional TV markets. The restrictions between 5am and 8.30pm ban gambling advertising during play and five minutes either side of the coverage of the live sporting event.

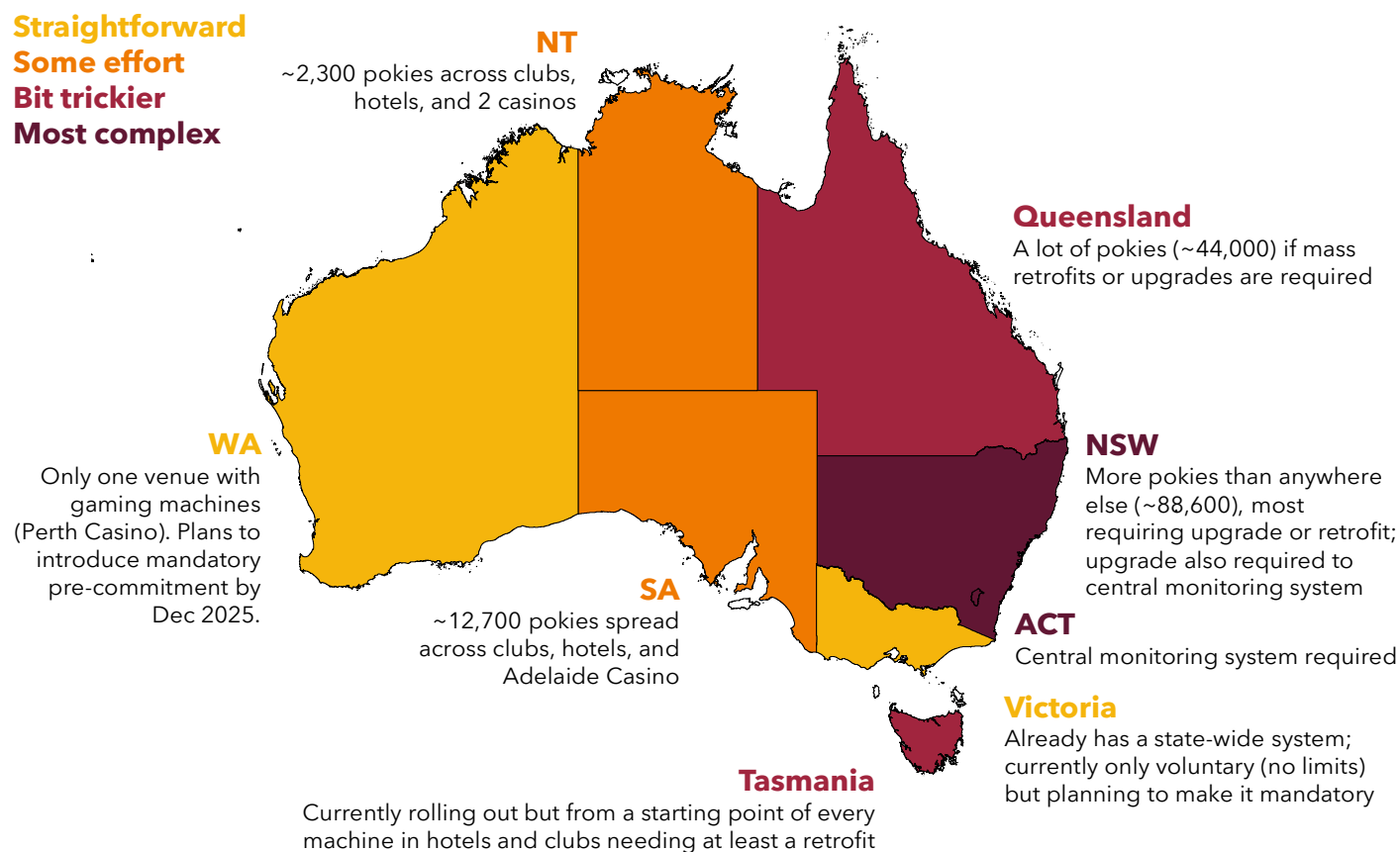
Source: Australian Communications and Media Authority (2019).

We also need a ‘seatbelt’ on the most dangerous gambling products

A national pre-commitment system for **online gambling** and state-based schemes for **pokies**, with the following features:

- 1. Everyone chooses their limits** before they gamble
- 2. Regulated upper limits** on losses: e.g. \$100 a day, \$500 a month, and \$5000 a year (as per Tasmania’s pokies scheme under development)
- 3. Must be mandatory** (voluntary schemes don’t work)
- 4. Gamblers can lower their limits anytime**
- 5. Gamblers can raise their limits with a delay** (up to the regulated upper limit, or subject to an affordability check)
- 6. Option to self-exclude** completely

Different states have different starting points when it comes to rolling out pokies pre-commitment



Note: Numbers are gaming machines in operation as at 30 June 2021.

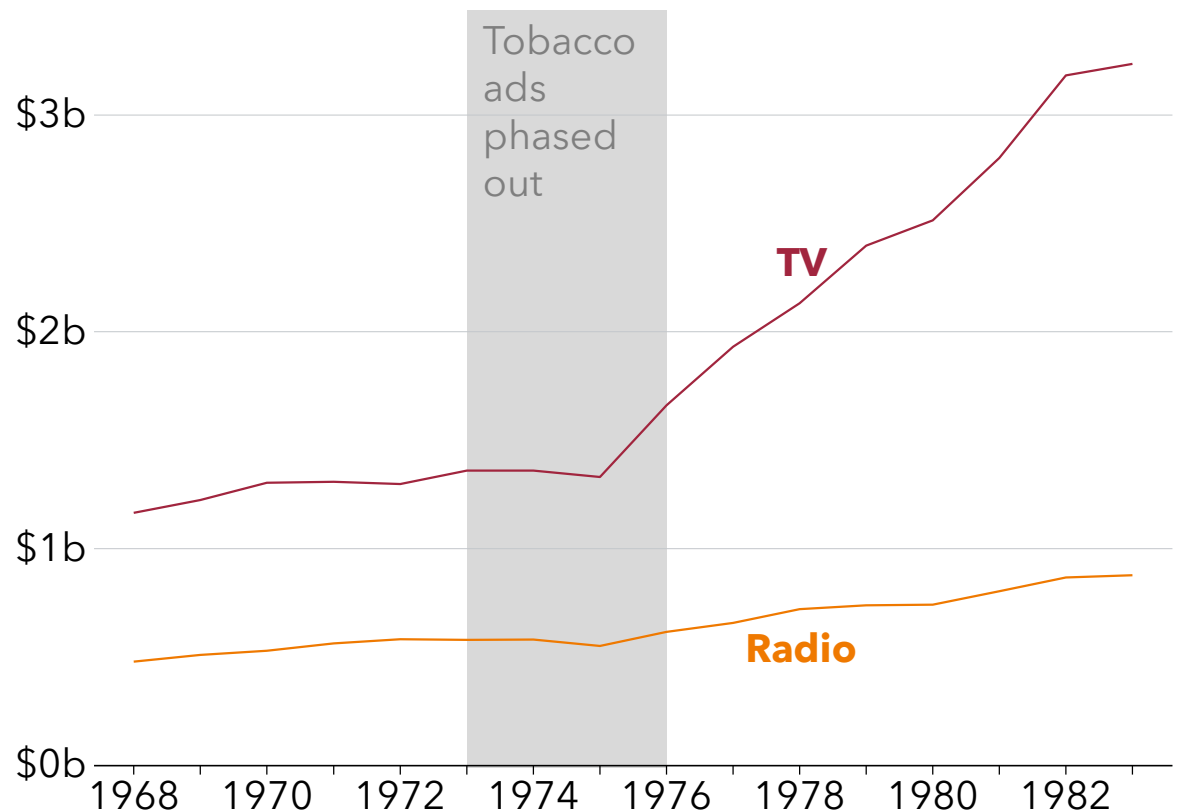
Sources: Queensland Government Statistician's Office (2023) and expert consultation.

Sport, and free-to-air TV, will survive without gambling ads

- Advertising spots and sport sponsorships are expensive because they are valuable
- Gambling advertising is visible, but not irreplaceable: other advertisers would emerge
- Sport and TV companies adapted to the tobacco ad ban

Broadcasters' revenue didn't decline after tobacco ads were banned

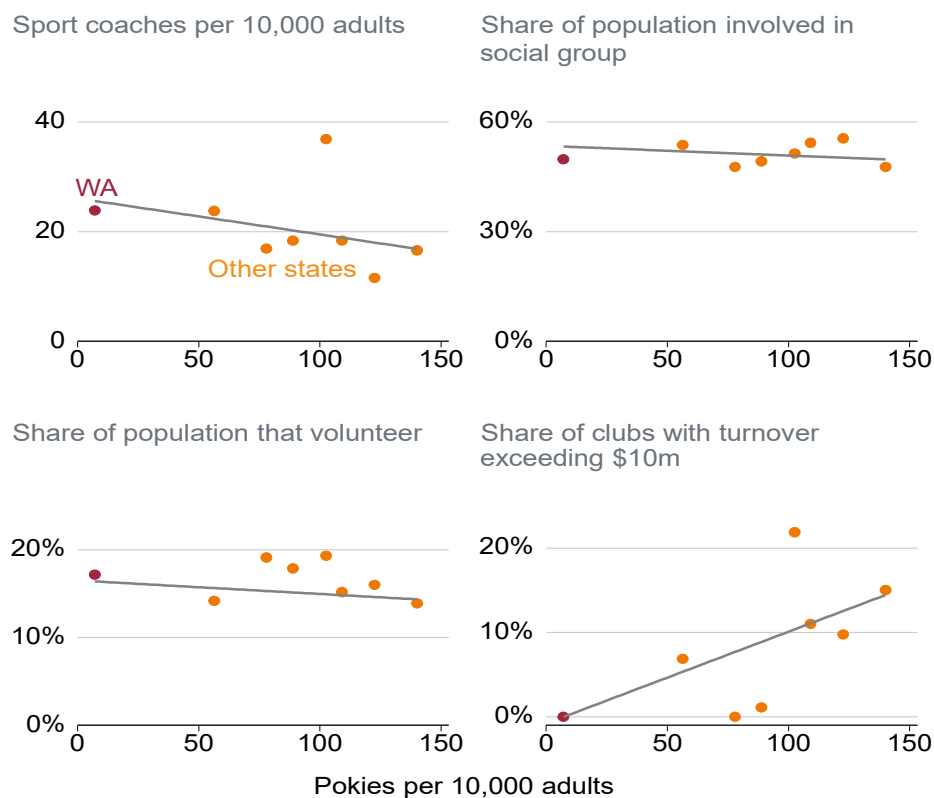
Commercial broadcasting revenue, 2024 dollars



Clubs can still serve their communities with less pokies revenue

- Clubs can still offer social connection and entertainment with less pokies revenue (WA clubs are prolific, despite being pokies-free)
- Sports coaches, volunteering, and social connection don't increase with pokies numbers - only club turnover
- Job transitions can be managed smoothly: very few people are employed in gambling-specific jobs; hospitality is a high-turnover industry with highly transferable skills
- Club community grants are small and mostly to themselves

Club turnover, but not sport or social connection, increases with pokies prevalence



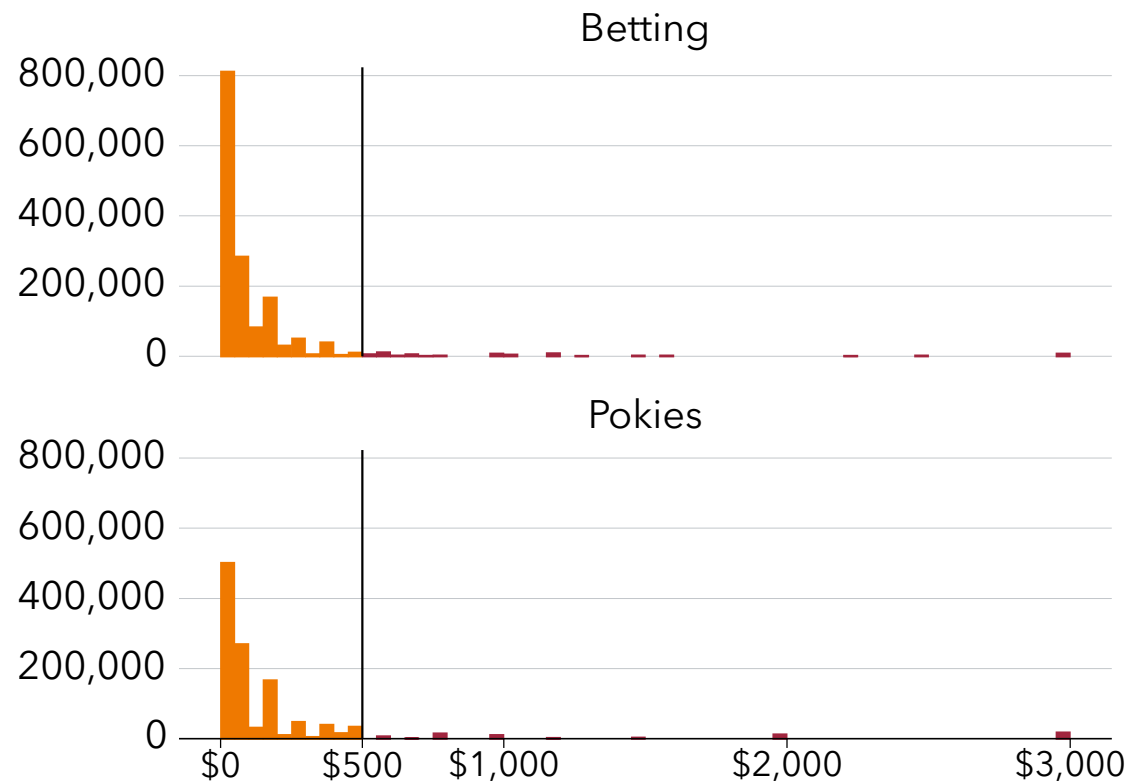
Note: Each point represents one state. Sources: Queensland Government Statistician's Office (2023); ABS (2019, 2022, 2023)

Most people will be unaffected by our proposed reforms

- Pre-commitment for pokies would be a small, one-off hassle - like signing up for a library card
- For online gamblers, who must already prove their identity to create an account, it should add little to the sign-up process
- Most gamblers' spending will be unaffected by our proposed maximum loss limit of \$500 a month

The vast majority of gamblers spend less than \$500 a month

Number of people by reported monthly gambling spending, 2022



Notes: Only people with non-zero spending are shown. Source: Melbourne Institute for Applied Economic and Social Research (2023).

The risk from legal gambling is bigger than the risk from illegal gambling

Mass exodus to offshore providers very unlikely

- Pre-commitment adds only small frictions
- Most people's spending unaffected by maximum limits
- Legal websites still available

For heavy gamblers, legal websites not much safer

- Some people in the grip of addiction may seek out unlicensed websites in a deliberate attempt to circumvent limits
- But legal websites not much safer in this situation - current consumer protection safeguards are weak

Better ways to target illegal gambling without compromising protection

- Governments should focus on making legal platforms safer, blocking illegal platforms (including more tools for ACMA if needed), and ensuring that people suffering harm can access good support services

Australia has an opportunity for multi-jurisdiction, multi-partisan reform to prevent gambling harm

Recommendations

Reduce people's exposure to gambling

1. Ban all gambling advertising, direct marketing, and inducements.
2. Reduce pokies numbers in each state over time.
3. Add a gambling warning label to games that include gambling-like features, such as loot boxes and social casinos.

Roll out mandatory pre-commitment with maximum loss limits

4. Establish a national mandatory pre-commitment system for all online gambling, with daily, monthly, and annual limits on losses.
5. In each state, introduce a state-wide mandatory pre-commitment scheme for pokies, with daily, monthly, and annual limits on losses.
6. Investigate the feasibility of a single universal mandatory pre-commitment system across all forms of gambling.

Improve gambling support services

7. Make treatment and support services a responsibility of health ministers, and commission a national review of services.
8. Invest in any necessary service improvements and research gaps.

Strength in numbers:

- Every jurisdiction has work to do
- Coordinating reform across jurisdictions makes the changes simpler for Australians to navigate and strengthens governments to withstand vested interest pushback
- A National Taskforce should implement this roadmap to prevent gambling harm