



### The changing gambling environment

Victoria's gambling environment is made up of the laws and regulations (state and federal) that govern what gambling can take place, the businesses that offer gambling and their regulatory bodies.

Gambling is available to Victorians in land-based clubs, hotels, newsagencies, racetracks and the casino. Gambling via lotteries, racing and sportsbetting are also available online from Australian companies. An even wider range of gambling from offshore providers is also available online.

#### **Changes in gambling – more visibility, more accessibility, new markets**

The growth of the online gambling industry, combined with technological innovations like smart phones, has radically altered the Victorian gambling environment. An increasing number of Victorians can now access gambling online compared to five to 10 years ago.

Although gambling on pokies has decreased, participation in new forms of gambling like sportsbetting, has been growing quickly.

There have been two important changes which have fuelled this increase in sportsbetting:

- increasing access to gambling due to the internet and
- a reduction in advertising restrictions for sports betting and wagering.

These changes have coincided with the development of more gambling products and the establishment of more online gambling sites. People now live in an environment where gambling is both more visible and more accessible. This new environment is the norm for those aged 18 years and under.

Punters can now place bets 24 hours a day, seven days a week, from home, 'on the go' and even from work.<sup>1</sup>

While the online gambling market has been expanding, the number of people gambling at land-based venues has fallen. The Productivity Commission found the number of people playing the pokies fell by more than 50 per cent between 1999 and 2009. However, the amount being spent decreased by just 15-

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<sup>1</sup> Fenge, E. & Zyngier, J. (2014). *Gambling and the workplace: the issue, its impacts and actions for employers*, Victorian Responsible Gambling Foundation, p. 6.

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20 per cent.<sup>2</sup> There has also been no significant drop in problem gambling recorded despite the fall in participation and revenue.

### **Sports betting**

Since 2008, sportsbetting has been growing steadily while sportsbetting advertising has increased dramatically. Spending on gambling advertising in broadcast media in Australia reached \$135 million in 2013 with \$14.8 million spent in Victoria.<sup>3</sup>

Monitoring firm Ebiquity reported broadcast gambling advertising in Australia increased 251 per cent in a twelve month period between August 2013 and August 2014, when a ban on live odds advertising came into force.<sup>4</sup> An average of 65 ads a day were aired between January and October 2013, increasing to 154 ads a day between January and October 2014.

Advertising is particularly prominent both at sporting events and in television broadcasts. A study of exposure to gambling ads at AFL matches in 2011 showed fans at the game could expect to see or hear between 20 and 50 minutes of dynamic in-game advertising in addition to scoreboard and round-the-ground advertising for gambling,<sup>5</sup>

Meanwhile, sports betting expenditure (i.e. losses) in Victoria has more than tripled since 2008-2009 from \$48 million to \$160 million.<sup>6</sup>

### **Online gambling**

Technological change plus changes in regulatory jurisdictions have driven the growth of online gambling.

As internet access and its use grew in the 2000s, the betting industry began to offer more products online and spent an increasing amount of money on advertising. This was in part made possible by the High Court decision in *Betfair v Western Australia*.<sup>7</sup> In this 2008 decision, the court ruled that free trade provisions in section 92 of the Australian constitution meant states could not impose restrictions on gambling offered over the internet from other states or territories.

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<sup>2</sup> See Productivity Commission. (1999). *Inquiry report on Australia's Gambling Industries*; Department of Justice. (2009). *A study of gambling in Victoria: problem gambling from a public health perspective*; Productivity Commission. (2010). *Gambling*.

<sup>3</sup> Foundation commissioned research, May 2014

<sup>4</sup> Schetzer A, [Gambling ads soar following ACMA 2013 live odds ban](#) *Sunday Age* November 15, 2014

<sup>5</sup> Thomas SL. et.al. (2012). 'Sports betting marketing during sporting events: a stadium and broadcast census of Australian Football League matches,' *Australian and New Zealand Journal of Public Health* Vol.36 No.2

<sup>6</sup> Government Statistician. (2014). *Australian Gambling Statistics 30<sup>th</sup> edition*, Department of Treasury and Trade, State of Queensland. Note these figures are an underestimate, since they do not include spend by Victorians using Northern Territory based bookmakers

<sup>7</sup> *Betfair Pty Ltd v Western Australia* [2008] HCA 11

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Smartphones were introduced in 2007 and tablet use took off in 2010. These new devices were accompanied by the expansion of 3G and then 4G data networks, and an explosion in Wi-Fi hotspots. This has enabled a rapid expansion of gambling via the internet – thousands of new gambling sites have been created in the last few years and hundreds of new gambling apps have been developed.

In 2011, the majority of online gamblers (87.1 per cent) were still using a computer to access online gambling activities, with 9.5 per cent using a mobile phone and 2.5 per cent using a tablet.<sup>8</sup> However, it should be noted that by 2012-2013 one third of the 6.8 million Australian households with broadband were using smart phones for internet access.

The foundation estimates at the end of 2014 there were 13 Australian bookmaker apps available and another 70 apps supporting online wagering.

Online gambling offers new events to bet on and new types of bets. For example, punters can now place [micro-bets](#) on particular parts or aspects of a game like who will win the next point in a tennis match or who will score the next try in a rugby game.

In addition to new types of bets, there are thousands of gambling sites offering games that used to be exclusively played in casinos. For example, punters can now play poker, roulette and blackjack online. In their traditional forms these games are associated with more risks of problem gambling, however it is not yet clear whether the virtual versions are similarly risky.

### **Land-based versus online gambling**

Despite these changes, in-venue land-based gambling activities are still the most popular forms of gambling in Australia. Indeed, 81 per cent of online gamblers are also land-based gamblers. However, 78 per cent of gamblers use online gambling outlets for at least half of their gambling activities.<sup>9</sup>

Although the two most popular online gambling activities are wagering on sports and betting on races, punters place bets in traditional land-based gambling venues as well as online. Only 55 per cent of online sports bettors and 39 per cent of online race bettors only placed their bets online.<sup>10</sup>

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<sup>8</sup> Gainsbury, S., Russell, A., Hing, N., Wood, R., Lubman, D. & Blaszczynski, A. (2013). 'How the internet is changing gambling: findings from an Australian prevalence survey,' *Journal of Gambling Studies*, online first 11 August 2013.

<sup>9</sup> Hing, N., Gainsbury, S., Blaszczynski, A., Wood, R., Lubman, D. and Russell, A. (2014) *Interactive Gambling*. Gambling Research Australia. pp. xxiv.

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<sup>10</sup> Ibid.