

2011

# An investigation of internet gambling in Australia

Sally M. Gainsbury  
*Southern Cross University*

Nerilee Hing  
*Southern Cross University*

Alex Blaszczyński  
*University of Sydney*

Robert Wood  
*University of Lethbridge*

---

## Publication details

Southern Cross University, *An investigation of internet gambling in Australia*, report prepared by S Gainsbury, N Hing, A Blaszczyński & R Wood 2011, Centre for Gambling Education and Research, Southern Cross University, Lismore, NSW.

ePublications@SCU is an electronic repository administered by Southern Cross University Library. Its goal is to capture and preserve the intellectual output of Southern Cross University authors and researchers, and to increase visibility and impact through open access to researchers around the world. For further information please contact [epubs@scu.edu.au](mailto:epubs@scu.edu.au).



## **An investigation of Internet gambling in Australia**

Sally Gainsbury, PhD, DCP, BPsych  
Centre for Gambling Education & Research  
Southern Cross University

Nerilee Hing, PhD, MAppSc, BBus  
Centre for Gambling Education & Research  
Southern Cross University

Alex Blaszczynski, PhD, MAPS, MACPA  
School of Psychology  
University of Sydney

Robert Wood, PhD, MA, BA(Hon)  
School of Graduate Studies  
University of Lethbridge



*Please address all correspondence to:*  
Dr. Sally Gainsbury  
Centre for Gambling Education and Research  
School of Tourism and Hospitality Management  
PO Box 157  
Southern Cross University  
Lismore NSW 2480  
Australia

Phone: 0421 520 819  
Email: sally.gainsbury@scu.edu.au

*This report is confidential and must not be distributed or made publically available. However, the report can be cited with the following reference:*

Gainsbury, S., Hing, N., Blaszczynski, A., & Wood, R. (2011). *An investigation of Internet gambling in Australia*. Lismore, NSW, Australia: Southern Cross University, Centre for Gambling Education & Research.

## **Acknowledgments**

Acknowledgments and thanks are due to Alex Russell (University of Sydney) for assistance with statistical analysis and Ethel Harris (University of Sydney) for assistance with IT support and technical developments of the online survey.

Grateful acknowledgments and thanks are due to the Menzies Foundation for providing Dr. Gainsbury with an Allied Health Sciences Grant to fund this research.

Additional thanks are made to the individuals and organisations that supported this research through placing advertisements and links to the online survey on their websites and all participants of the research.

## Executive Summary

The objective of the present study was to explore the characteristics of Internet gamblers in comparison to non-Internet gamblers to determine whether individuals using this medium represent a distinct sub-group of gamblers. This study aimed to further the understanding of the impact of Internet gambling in Australia and provide results that may guide key stake holders, including policy makers, regulators, researchers, treatment providers, and industry groups, in forming an appropriate response to Internet gambling.

The research design and methodology involved the placement of advertisements for, and links to, an online survey on relevant websites likely to be accessed by Australian gamblers. These included several large wagering sites, websites of land-based gambling operators, gamblers help and treatment sites, and websites of sporting codes. For a complete list of organisations that hosted advertisements and links see Appendix A. Advertisements were also placed on Facebook and linked to relevant searches on Google. Participants were recruited between December 2010 and August 2010 and participation was limited to Australians over the age of 18 who had participated in at least one form of gambling in the previous 12 months. Participants received no compensation for completing the survey. The survey was interactive, providing normative feedback on how participant's responses compared to others completing the survey.

The online survey included questions about participants' overall gambling, including Internet gambling. Participants also responded to questions about their attitudes towards gambling, their resistance to common gambling fallacies and completed a problem gambling scale (the Problem Gambling Severity Index, a section of the Canadian Problem Gambling Index [Ferris & Wynne, 2001]). Participants who appeared to be at risk of or experiencing gambling problems (received a score of 3-27 on the PGSI) completed further questions examining the impact of Internet gambling on these difficulties and all participants were asked basic demographic questions.

The online survey received responses from 7,331 respondents, of whom 4,724 completed the entire survey, for a completion rate of 64.4%. After removing participants who did not meet inclusion criteria, the remaining number of respondents was 6,682. Of these, 70.0% reported gambling online on at least one type of gambling in the past 12 months. These are referred to as Internet gamblers below. The obtained sample had substantially more men (86.3%) than women and all age groups were represented. The average age of participants was 45 years and ranged from 16 to 100 years.

It is important to note that this sample was not representative of the general population of gamblers or Internet gamblers. Participants self-selected to be involved in this study and were recruited from only a selection of wagering sites. Therefore, the sample is likely to be skewed towards those that use these particular wagering operators. The

following results apply only to this sample and may not accurately reflect broader patterns of Internet gambling behaviour.

The following findings were obtained:

- The Internet gamblers were more likely to have higher incomes, work full-time or be students, and tended to be married or live with their partner, whereas a higher proportion of non-Internet gamblers had never been married. Overall, the results suggest that Internet gamblers may not be a heterogeneous group and are not clearly defined based on demographic characteristics.
- Participation in online gambling was greatest for race wagering and sports betting with online poker, Internet casino games (gaming machines, blackjack and roulette), and online lottery used by a smaller proportion of gamblers.
- The Internet gamblers were more involved gamblers than the non-Internet gamblers; they tended to participate in significantly more different gambling forms and to gamble more frequently than non-Internet gamblers. No significant differences were found in expenditure, although there was extremely high variability in reported expenditure making it difficult to analyse this variable.
- The Internet gamblers had significantly more positive attitudes to gambling than the non-Internet gamblers. Internet gamblers were less likely to believe that the harms of gambling outweigh the benefits to society or that gambling is morally wrong than non-Internet gamblers. Internet gamblers were also more likely than non-Internet gamblers to indicate that all types of gambling should be legal.
- The vast majority (94%) of the Internet gamblers gambled online from home using computers to access online gambling. Mobile phones were the preferred mode of access for only 6% of Internet gamblers, although around one-fifth of online sports and race betting was typically done using mobile phones. The majority of online gambling appeared to occur in the afternoon or evening.
- Half of the Internet gamblers surveyed started gambling online prior to 2006, although trends suggest that there is an increasing number of people starting to gamble online each year.
- The main reported advantages of Internet gambling compared to land based gambling were not having to drive anywhere or leave the house, followed by 24 hour availability and convenience and the lack of crowds, unpleasant people and greater privacy and anonymity. Physical comfort was also an important factor. The first two advantages listed were also the most common responses as to why respondents started gambling on the Internet in the first place. The main perceived disadvantages of Internet gambling were that it is too convenient and that it is easier to spend more money. Approximately 15% of the Internet gamblers indicated that online gambling had a poorer social atmosphere and was more addictive than land-based gambling.
- The most popular reasons for choosing one Internet gambling site over another were: general reputations, payout rates, and monetary deposits being safe with wins paid out in a timely fashion. The most popular sites to buy Lottery tickets or to play online Keno were Australian-based sites, indicated as preferred sites by

92.5% of respondents who engaged in these forms of online gambling. Similarly, for those using online sports betting and race wagering, a preference was shown for Australian sites. However, this may also reflect the recruitment directly from several Australian wagering sites. For all other forms of online gambling, as there are no legal Australian sites that are available, participants used offshore sites.

- The Internet gamblers were more likely to be at low or moderate risk of gambling problems as compared to non-Internet gamblers. The non-Internet gamblers were more likely to fall into either the non-problem gambler or possible problem gambler category (PGSI 8+).
- Wagering was identified by over one-third of Internet problem gamblers as the main form of gambling that has contributed to their problematic gambling behaviour, although electronic gaming machines were nominated by almost one-fifth of Internet gamblers. For non-Internet problem gamblers, this pattern was reversed, with electronic gaming machines being more likely to contribute to problems followed by wagering. One-third of Internet problem gamblers reported that their problems were caused by gambling online, however one-quarter stated that their problems were based on land-based gambling.
- Compared to other Internet gamblers, problem Internet gamblers were slightly younger (mean age = 39 years), and more likely to be never married, have less formal education, and be unemployed or a student. Internet gamblers classified as problem gamblers also appeared to use land-based gambling significantly more than non-problem Internet gamblers.
- The Internet does appear to cause specific problems for some gamblers. The use of a credit card or Internet bank transfer was reported to increase the amount spent for just over half of problem Internet gamblers as compared to around one-in-ten non-problem Internet gamblers. Nearly 50% of the problem Internet gamblers reported disrupted sleep and one-third reported disrupted eating patterns as a result of Internet gambling.
- The problem Internet gamblers appeared to be more motivated by the availability and convenience of online gambling as well as its greater privacy and anonymity as compared to non-problem Internet gamblers. However, more than half of all problem Internet gamblers said that online gambling was too convenient and it was easier to spend more money online and over one-third stated that it was more addictive.
- Most respondents who provided feedback found the survey at least somewhat useful (72.2%), and 16.5% reported that they expected their gambling to decrease in next couple of months as a result of the information provided.

## Discussion

The findings of this study suggest that Internet gambling has been incorporated into the wider context of gambling in Australia. It is suggested that Internet gambling appeals to existing gamblers, particularly those who are heavily involved in many different types of gambling. Nonetheless, some of the advantages of online gambling described by Internet gamblers suggest that this mode may be adopted to replace land-based forms

of gambling or by those who would not frequent land-based venues and, as such, it may increase gambling in this population.

Results are consistent with international literature in suggesting that online gamblers are more likely to be male, have higher incomes, work full-time and are married or co-habiting. However, the results clearly indicate that Internet gamblers include a range of gamblers and that this medium of gambling is used by a heterogeneous group.

The finding that the majority of online gambling in Australia is on Australian sports and race wagering sites cannot be generalised given that the majority of participants were recruited from these sites. Further research is required to determine the extent to which Internet gamblers use Australian as compared to offshore gambling sites. However, it appears that a substantial proportion of gamblers use offshore casino games and poker sites, indicating that regulation prohibiting operators from providing these services to Australians is not effective in preventing online gambling. Although participation in other forms of online gambling appears relatively low at this time, if further legalisation of Internet gambling occurs and advertising of these services is permitted it is likely that these numbers will increase.

The survey results indicated that there has been an increasing take-up of Internet gambling in recent years. Mobile gambling is preferred by approximately 6% of Internet gamblers surveyed, although participants indicated that over one-fifth of sports and race betting was typically done using mobile phones. Therefore, although mobile betting is not the typically used mode of online gambling, it does account for a substantial proportion of bets placed. Given the increased marketing efforts of gambling operators and availability of apps and smart phone use in Australia, the popularity and use of mobile betting apps is likely to increase.

The main advantages cited of online gambling over existing land-based facilities relate to convenience and accessibility, which are clear benefits particularly in Australia where Internet access is fast, cheap and widely available and technological devices required to access online gambling sites are relatively inexpensive and owned by the majority of the population. Of interest, slightly less than one-third of Internet gamblers cited a preference of online gambling due to greater physical comfort and not having to be around other patrons. This indicates an aversion to land-based venues amongst some Internet gamblers, suggesting that this mode is attracting a new market of customers that may not otherwise participate in gambling. However, it is also possible that an introduction to gambling through online sites may encourage additional gambling through other forms, including land-based venues.

In terms of disadvantages, it appears that a substantial minority of Internet gamblers believe that the constant availability and ease of access of Internet gambling sites pose potential risks. In contrast to Internet gamblers who prefer the setting of online play, a proportion of Internet gamblers claimed that these sites have a poorer social atmosphere, suggesting that land-based gambling will continue to be an important outlet for betting for some Australians.

Although the majority of gamblers were betting on Australian-based regulated sites and in particular with large wagering operators that have established strong reputations and trust amongst customers, some consideration of potential risks should be held by online gamblers. The low level of customer concern about the use of online sites is somewhat troubling. Public education may be very useful in increasing public understanding of the legality of Internet gambling and the risks of playing on unregulated and offshore sites.

An important finding from the current study is that online gamblers were not more likely to be classified as problem gamblers than non-online gamblers. Internet gamblers do appear to be more likely to have low and moderate risk of gambling problems, which is not entirely surprising given their greater overall gambling involvement. However, any level of risk for gambling problems is cause for concern, particularly given that this group appears to be less likely to seek help.

Amongst Internet gamblers, online wagering was the most probable form of gambling to cause problems; however, land-based gambling was cited as the main cause of problems for a substantial proportion of Internet gamblers. This suggests existing problem gamblers may access online sites in addition to other gambling activities, which exacerbates existing difficulties and also that online gambling causes problems for a proportion of those who use this activity. This is a highly important area for future research as it has implications for Internet gambling policies as well as prevention, public education, and responsible gambling strategies.

The Internet gamblers classified as problem gamblers appear to be different from the profile of Internet gamblers in general. They are more likely to be younger, less educated, single and unemployed or students as compared to non-Internet gamblers. Regardless of the main cause of gambling problems, features of Internet gambling, including the use of electronic forms of payment and credit cards and the constant availability of gambling sites appear to be causing specific problems for Internet gamblers. The privacy of online gambling may enable problem gamblers to hide their gambling more easily and coupled with the greater preference for availability and convenience suggests that the Internet facilitates additional gambling.

## **Conclusions**

The current study indicates that gamblers who use interactive mediums to gamble are not a homogenous group, but do have some differences from non-Internet gamblers. The Internet gamblers surveyed appear to be more involved in many types of gambling and a substantial proportion also engage in land-based gambling. This suggests that Internet gambling may be used as an additional mode of access rather than replacing traditional land-based gambling. However, a proportion of people who adopt Internet gambling may prefer this medium due to an aversion to land-based gambling venues.

The Internet gamblers surveyed do not appear to have significantly higher rates of gambling problems. Amongst Internet gamblers who did report gambling problems, these are a result of both Internet and non-Internet gambling. This suggests that



Internet gambling may cause problems for some gamblers, and also exacerbate existing problems amongst gamblers that add online gambling to existing participation.

Strategies and tools are needed to assist online gamblers to control their access and use of Internet gambling sites. Online gambling sites should facilitate self-exclusion and operators should consider cooperating by facilitating self-exclusion from multiple sites to assist those with gambling problems. Furthermore, account information, including details of deposits and losses, should be easily accessible, clear and easy to understand to assist players to track their expenditure. Players should be prompted at regular intervals to set appropriate limits. Online gambling operators may also prompt account holders who have long and uninterrupted sessions to consider taking a break. The use of player account information can enable responsible gambling strategies to be highly effective as they can be customised as appropriate for individual players (Gainsbury, 2011). The positive impact of the current survey in providing participants with interactive feedback demonstrates how simple interventions can be effective in modifying gambling behaviour. Therefore, if appropriate tools are developed, Internet gambling sites can enhance the safety of their playing environment to encourage responsible gambling.

## Appendix A

### Organisations that hosted advertisements and provided links to the online survey

- Australasian Gaming Council
- Betchoice
- Betfair
- Clubs NSW
- Unitab
- SkyCity Adelaide
- Tabcorp
- Tote Tasmania
- Office of Liquor Gaming & Racing, NSW
- Office of Gaming & Racing, VIC
- Office for Problem Gambling, SA
- Department of Racing, Gaming and Liquor, WA
- Department of Health and Human Services, TAS
- Gambling and Racing Commission, ACT
- Centre for Gaming, Education & Research
- University of Sydney Gambling Treatment Clinic
- Gamblers Help Online
- Gamblers Help – Latrobe Community Health Service
- Gambling Help Network QLD
- Responsible Gambling Advocacy Centre
- Netball Australia