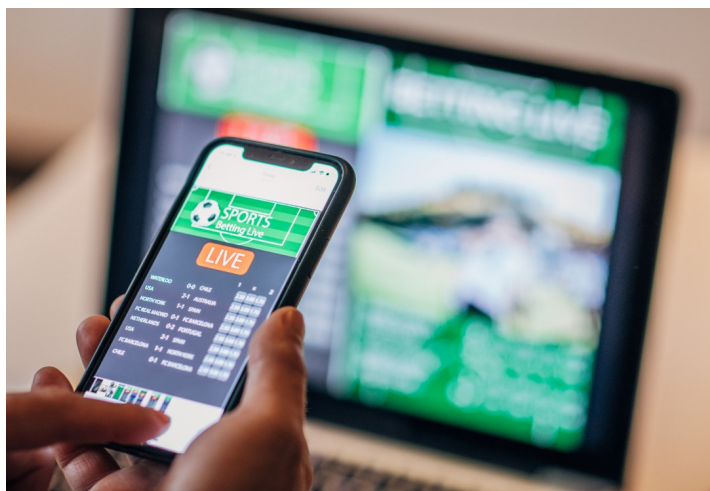# Fact Sheet:
Online gambling

PGF GROUP
Healthy and resilient communities in a just society

Online gambling refers to internet gambling, internet TV gambling and gambling on mobile devices.

Under the Gambling Act (2003) the only operators permitted to offer online gambling within New Zealand are the TAB and Lotto NZ.

It is not illegal, however, for anyone in NZ to gamble on overseas-based gambling websites. What people often don't know is that if something goes wrong while gambling on an overseas site (e.g. not being able to access your winnings), then you are not protected by NZ law.

According to Statista, the size of the global online gambling and betting industry amounted to $61.5 billion U.S. dollars in 2021. This has been forecast to rise to $114.4 billion U.S. dollars by 2028.

Participation by New Zealanders in offshore online gambling has increased from roughly 40,000 in 2009 to 70,000 in 2019, the equivalent of 1.7% of the working population.

Risks of online gambling

- Speed of play
- 24/7 access
- Products are even more addictive
- Poor tools to stop underage gamblers
- Lack of safeguards to protect players
- The ease of hiding a gambling problem
- Being lured by "free" gambling sites
- Use of tokens hides fact that real money is being wagered

Data shows that men across all age groups gamble on overseas websites more than women.

However other research also showed that younger males, Asian and Māori are more likely to have participated in overseas gambling and are more likely to be considering this form of gambling.

Problem gambling rates among those who gamble on the internet are 10 times higher than that of the general population.

The most popular form of offshore online gambling (based on expenditure) is online casinos, followed by sites that offer a combination of gambling.

Speed of play

Speed of play is one of the most concerning aspects of online gambling. Whether it is online pokies, online scratchies, virtual table games, or even online sport wagering, you can play more games in a short period of time.

And that means you have to pay more frequently to keep the play going – so you lose more money. The speed of these games requires full concentration, and that makes it easy to lose track of how long you've been playing.

The faster you play, the more you lose.

Whai Āwhina? Need help?

We provide free and confidential counselling and support services throughout Aotearoa New Zealand for anyone impacted by gambling harm. No judgement, only support.

0800 664 262
www.pgf.nz

Online gambling products have the potential to be very harmful

24/7 Access

The Internet brings a form of gambling that never stops right into our homes and into our pockets via our smartphones.

People who may have found casinos or other gambling venues inaccessible now have unlimited access to lottery sites, casino sites, and poker sites.

For those already at risk of boredom or loneliness, having 24/7 access to electronic gambling sites puts them at even greater risk of developing gambling problems.

More addictive products

The Australian Productivity Commission puts the different types of online gambling products into the following groups:
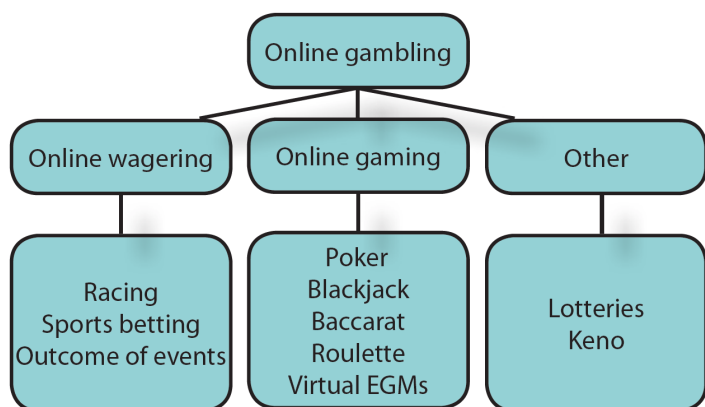
The differences between these groups are far less than the differences between their offline counterparts.

This is because of the speed of play, the repetitive nature, and the intermittent reinforcement with colour and sound.

Underage gamblers

Although operators claim they prioritise the prevention of underage gambling through "sophisticated age verification techniques" the fact is these are easily circumvented by children as these products are continuously streaming into homes or mobile devices.

Lack of safeguards

Online gambling can create huge regulatory problems as there are no national boundaries. The remote gambling environment makes it hard to police and that leaves it open for gambling operators to be less than scrupulous in making sure their sites abide by local gambling laws.

Hiding your gambling

Online gambling takes gambling out of casinos, bars and clubs and moves it into the home. This allows problem gamblers to become even more anonymous and asocial.

Staff in physical venues are required to have host responsibility training to identify and help people who may be at risk of developing problems with gambling. No such host responsibility exists with online gambling.

Virtual versus real gambling

'Practice sites' offer free games and free trials, with pop-up messages linked to pay sites. Practice sites tend to allow more winning streaks, but once a gambler plays for real money the odds are considerably reduced.

Practice sites are increasingly offering 'play for free, win for real' options. This means they can use the 'money' they win on the free sites to bet on the real gambling sites, slowly pulling them in until they start to spend their own money.

Sources:

Statista Research Department. (2022, July) Global online gambling and betting industry market size 2021-2028. https://www.statista.com/statistics/270728/market-volume-of-online-gaming-worldwide/

Department of Internal Affairs. 2019. Online Gambling in New Zealand Public Discussion Document. NZ. https://www.dia.govt.nz/diawebsite.nsf/Files/Online-Gambling-Consultation/$file/Online-Gambling-in-New-Zealand-Discussion-Document.pdf

Malatest International (2021, April) Final Report: Gambling Harm Needs Assessment 2021 https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf

Colmar Brunton. 2010. End of Year Reporting of Online Gambling Figures. Presentation for The New Zealand Lotteries Commission.

Health Sponsorship Council. 2010. A Bet on the Net- Internet gambling in NZ- Preliminary Findings.

Francis Group. 2009. Informing the 2009 problem gambling needs assessment: Report for the Ministry of Health. Wtn:MOH.

UK Gambling Commission. 2008. Internet gambling: a secondary analysis of findings from the 2007 British Gambling Prevalence Survey.

Sally Monaghan (2009) Editorial. Internet gambling—not just a fad. International Gambling Studies, 9:1: 1-4.

Walker, TC. 2003. The online gambling market research handbook.

Wood. R.T. & Williams, R.J. (2009, January). Internet gambling: Prevalence, patterns, problems, and policy options.

F. Healey. Gambling online: A psychological approach to engineering interactive gaming systems. London: Amberlight

Productivity Commission. 2010. Gambling, Report no. 50, Canberra.

Devlin, M. (2011). A Bet on the 'Net - Internet Gambling in New Zealand. Preliminary Findings. Wellington: Health Sponsorship Council.