

# Online Gambling Inducements Policy

JULY 2024

## Recommendation

*The Alliance for Gambling Reform calls on the Australian Government to immediately ban all forms of online gambling inducements and inducement advertising, including direct messaging to customers.*

### Alliance for Gambling Reform

The Alliance is the only national peak body working to reduce gambling harm. We have over 60 supporting organisations in our network and 23 leadership local councils in Victoria who have an interest in reducing the exponential level of gambling harm in Australia.



ALLIANCE FOR  
GAMBLING REFORM

We are a registered health promotion charity and are 100% funded by donations from individuals, foundations, trusts, local government and other sources that do not have ties to the gambling industry. We are not affiliated with any political party.

The Alliance for Gambling Reform has long advocated for public health reforms that are evidence-based and community-backed with the sole purpose of reducing and preventing gambling harm in Australia. Online gambling is increasingly becoming one of the biggest health issues we are facing as a country.

## Executive summary

Inducements are an increasingly pervasive feature of online gambling in Australia. They are most commonly associated with sports betting and take many forms including refund or stake-back offers, sign-up offers, providing a bonus or better odds, multibet offers, or winnings paid on losing bets.

The common feature of these inducements is that they are designed to lead the customer to believe that they are taking a “safer” bet, and that winning is more likely, whereas in fact they lure customers to continue betting, to bet more intensively, and to lose more. As well as being advertised through traditional broadcast media, tailored offers are often made through direct communications to gamblers, reducing opportunities for scrutiny.

This paper presents solid evidence from recent research, showing that online gambling inducements cause significant harm:

- Inducements often lead to increased, more impulsive, and more risky betting, as well as strong temptations to drop resolutions around controlled gambling in treatment-seeking gamblers.
- Gamblers tend to underestimate the true cost of wagering inducements and overestimate the potential benefits.
- Gamblers experiencing or at risk of gambling harm are particularly vulnerable to harm from inducements.
- Online gambling inducements increase the likelihood of gamblers developing “chasing” behaviour and experiencing perceived loss of control, both of which are known to be central to the development of gambling addictions.
- Direct messaging to gamblers via e-mails, texts, and phone calls from gambling operators is particularly implicated in influencing higher risk gambling.

The Federal Parliamentary Inquiry into Online Gambling (June 2023), found that inducements significantly contribute to gambling harm, and that “banning inducements and inducement advertising is a key measure for reducing online gambling harm and ensuring that one of the significant incubators of gambling harm, VIP programs, have no place in Australia.”

The Alliance for Gambling Reform concurs with this finding.

## Introduction

The Alliance for Gambling Reform (“the Alliance”) is the national peak body working to reduce gambling harm. As a charity with over 60 supporting organisations in our network, we advocate for evidence-based and community-backed public health reforms which will prevent and reduce the harms caused by gambling.

Australians lose over \$25 billion each year to gambling, the highest per capita spend in the world. These losses are disproportionately experienced by the people who can least afford it: people living with financial and other forms of stress, and people with mental health issues and addiction problems. Gambling harm is a massive public health issue, linked to poor physical and mental health, poverty and homelessness, criminal activity, family violence, and suicide.

The Alliance is extremely concerned about the rapidly increasing harms caused by online gambling. The internet is recognised as a risk factor for problem gambling due to its high accessibility, anonymity, high frequency of gambling outcomes, and digital payment modes. Online gamblers experience higher risk for, and higher severity, of gambling problems, compared to offline gamblers<sup>1</sup>.

The Alliance’s concerns have been borne out by the findings of the Federal Parliamentary Inquiry into Online Gambling and its impacts on those experiencing gambling harm, chaired by the late Peta Murphy MP. The report from this inquiry, *You win some, you lose more*<sup>2</sup>, was tabled on 28 June 2023.

The Inquiry found that the growing links between sport and gambling are causing increasingly widespread and serious harm to individuals, families, and communities.

The Inquiry reported that the participation of Australians in online gambling is rapidly increasing; that repeated gambling can cause changes to the brain which are similar to those observed in addiction to psychoactive substances; and that Australians who gamble online are significantly more likely to report experiencing harm than those who engage in other modes of gambling. The Inquiry raised particular concerns about online gambling inducements, which are outlined later in this paper.

The Alliance shares the concerns highlighted by the Parliamentary Committee in the Inquiry report, including the concerns raised about inducements to entice members of the public to gamble online.

This policy paper has been developed to summarise key evidence regarding the impact of online gambling inducements on gambling harm, and to articulate the Alliance’s strong stance opposing all forms of inducements for online gambling.

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<sup>1</sup> Challet-Bujou et al, 2020.

<sup>2</sup> Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023.

# Background

## What are online gambling inducements?

Inducements in the online gambling context feature the same intent as VIP/rewards programs in land-based gambling settings (for example, casinos and clubs), which encourage people to gamble more often in a particular venue, and/or spend more on gambling. Research shows that participation in these programs is often linked to more frequent gambling, longer gambling sessions, and higher spending on gambling. In addition, several studies indicate a connection between people being enrolled in a loyalty program or having VIP status and experiencing gambling-related harms<sup>3</sup>.

In the online gambling context, inducements are marketing tools implemented by online gambling operators to retain or attract consumers, and also to encourage existing customers to gamble. They offer gamblers incentives to bet, provided that they perform certain betting-related activities<sup>4</sup>. The “rewards” may also be distributed in a form that encourages further gambling. For example, an inducement that “in case of a losing bet, you will be reimbursed”, will often carry conditions such as the refunded money being within a predefined limit, paid into the game account and not eligible for a cash out<sup>5</sup>.

Inducements aim to improve commercial outcomes for the gambling operator, by recruiting, registering, and retaining customers, as well as triggering additional sales, prompting brand switching, accelerating buying, intensifying purchasing, and encouraging riskier bets<sup>6</sup>.

Online gambling inducements occur across gambling types but are most commonly associated with sports betting and racing. In addition to being advertised through traditional broadcast media, offers are often disseminated digitally through mobile and social media sources that do not typically adhere to established advertising restrictions.

Online gambling inducements have been described as “increasingly complicated”, and “pervasively advertised”<sup>7</sup>.

Online marketing to individuals is not transparent, as the content delivered to one person will often be completely different to another, making consistent enforcement of advertising standards and National Consumer Protection Framework (NCPF) requirements virtually impossible. Efforts to trace such advertising are being undertaken by the likes of The Australian Ad Observatory project at the ARC Centre of Excellence for Automated Decision Making and Society (ADM+S). Launched in 2021, the project has pioneered a way to observe the targeting of social media advertising across populations of users.

The Ad Observatory has generated the largest known collection of targeted ads that people encounter on Facebook in Australia – 328,107 unique ads from 1909 participants – and built world first research infrastructure that involved citizens in doing so<sup>8</sup>. ADM+S Researchers are exploring a series of questions about the targeting of gambling ads, including the rhythm of ad buys (around sporting events, tax refund day, and typical pay days), patterns of demographic targeting, ads that contain gambling content (including cryptocurrency scams and “social” gambling apps) and other types of ads received by those who receive gambling ads<sup>9</sup>.

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<sup>3</sup> <https://iaagr.org/industry-news/loyalty-and-vip-programs-and-safer-gambling/>

<sup>4</sup> Challet-Bujou et al, 2020; Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, p.72.

<sup>5</sup> Balem et al, 2022.

<sup>6</sup> Browne et al, 2019.

<sup>7</sup> Torrance et al, 2021.

<sup>8</sup> [Australian Ad Observatory: Key Insights and Future Plans - ADM+S Centre.](#)

<sup>9</sup> [Gambling Advertising - ADM+S Centre.](#)

An audit in 2015 identified 15 generic types of wagering inducements offered among 30 major wagering brands accessible to Australian residents. The most common offers included refund/stake-back offers, sign-up offers, providing a bonus or better odds, multibet offers, or winnings paid on losing bets<sup>10</sup>. Frequently, rewards must be redeemed in a form that encourages betting and aim to trigger specific consumer responses, such as inducing an immediate sale, retaining consumers, prompting brand switching, and intensifying gambling<sup>10</sup>.

“Risk free” bets that offer a refund under certain conditions are a highly enticing form of inducement. Sign-up and refer-a-friend offers not only entice new users, but also encourage the creation of additional betting accounts, and the encouragement of volume purchasing through multibets<sup>11</sup>.

It has been noted that while inducements may offer various incentives to bet, their common feature is that they are designed to lead the customer to believe that they are taking a “safer” bet, and that winning is more likely. However, these “rewards” are often only able to be redeemed in a way that encourages further betting, and are subject to various terms and conditions, which tend to be difficult to find and understand for the average consumer. The awareness of the conditions for some consumers only comes after attempting to redeem the proffered rewards. Contrary to the marketing messages, and the interpretation by gamblers, that inducements offer a prudent way to bet, evidence suggests that uptake of inducement offers is actually associated with more harmful betting behaviours. These harmful behaviours include intensified purchasing of the wagering product, placing of riskier bets, chasing losses, and underestimation of gambling problems<sup>12</sup>.

## Current controls on inducements in Australia

The NCPF introduced the following restrictions on inducements:

- The offer of any credit, voucher, reward, or other benefit as an incentive to open an account or refer another person to open an account is prohibited.
- Any credit, voucher, reward, or other benefit (that is directed at encouraging customers to gamble) that is not part of an approved loyalty program must not be offered in a jurisdiction that only permits such inducements as part of an approved loyalty program.
- Winnings from a complementary betting credit or token (i.e. bonus bet) must be able to be withdrawn without being subject to any turnover requirements.
- All direct marketing to customers may only be sent to customers who provide their express consent to receive this material.<sup>13</sup>

However, the Parliamentary Inquiry into online gambling heard that these restrictions do not go far enough to prevent harm and noted that “marketing naturally flows to the unregulated gaps”. Evidence was presented that:

- Restrictions on incentives to open an account are being circumvented by incentives being provided just after a person’s account has been opened.
- The prohibitions on referring another person to open an account are being bypassed by gambling affiliates, such as tipping sites and sport streaming services. It was claimed that affiliates “receive a trailing commission on the referred person’s future net losses”, and that “there are affiliate staff employed by gambling operators on a commission basis, who use

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<sup>10</sup> Cited by Browne et al, 2019.

<sup>11</sup> Cited by Challet-Bujou et al, 2020.

<sup>12</sup> Cited by Browne et al, 2019.

<sup>13</sup> Lole et al, 2020.

personal outreach to gamblers who are customers or former customers of other operators, and they offer inducements to ‘bring them over’”.

- The requirement for consent to marketing is being undermined by online gambling operators pre-ticking consent boxes, not requesting consent at sign up, or providing inducements to those who do not complete the sign-up process and do not verify their age and identity.
- There is inconsistency in how the states and territories regulate inducements.
- The measures still allow advertising that contains inducements to participate in gambling or to bet a certain way.
- There is a need for consistency across jurisdictions and coverage of broadcasters, social media platforms and influencers, among others.<sup>14</sup>

## Key issues

### The harms caused by online gambling inducements

There is a growing evidence-base for the specific harms caused by online gambling inducements. The latest research indicates:

**Inducements often lead to increased, more impulsive, and more risky betting, as well as strong temptations to drop resolutions around controlled gambling in treatment-seeking gamblers.**

For example:

- A survey of over 1,800 Australian sports bettors found that more frequent users of wagering inducements had a greater tendency to place impulse in-play bets, particularly people experiencing gambling harm, and frequent sports viewers<sup>15</sup>.
- Another recent Australian study measured the effects of regular exposure to different forms of gambling marketing on some 600 race and sports bettors. It found that exposure to advertising and inducements was reliably linked to a greater likelihood of betting, higher intended and actual betting expenditure, and spending more than intended. “Push” messaging and inducements that convey the impression of reduced risk (stake-back inducements and multibet offers) were particularly influential, as well as brands promoted during events and advertisements on betting websites and apps. The authors noted that “the appeal of these forms of messaging is based on conveying the impression of reduced risk, but they actually increase losses by encouraging increased betting expenditure”<sup>16</sup>.

**Gamblers tend to underestimate the true cost of wagering inducements and overestimate the potential benefits.**

- Wagering inducements often conceptualized as “safety bets” or “free money”, which may cause gamblers to change their gambling habits so they can obtain them<sup>17</sup>.
- A recent study has demonstrated that gamblers tend to underestimate the true cost of bonus bets, which often have conditions of use that require additional gambling expenditures from gamblers, which are not always clearly stated in advertisements or well understood by gamblers<sup>18</sup>.

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<sup>14</sup> [https://www.dss.gov.au/sites/default/files/documents/08\\_2020/ncpow-fact-sheet28-august-2020.pdf](https://www.dss.gov.au/sites/default/files/documents/08_2020/ncpow-fact-sheet28-august-2020.pdf); Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, pp 74-5.

<sup>15</sup> Cited by Browne et al, 2019.

<sup>16</sup> Browne et al, 2019.

<sup>17</sup> Balem et al, 2022.

<sup>18</sup> Cited by Challet-Bujou et al, 2020.

- Another study found that gamblers, particularly adolescents and young adults who are predisposed to engage in high-risk, high-reward behaviours, perceive inducements in unrealistically positive ways: “The stake-back inducement was perceived as a means to minimise losses, the signup inducement as a method to facilitate gambling with less money, the increased odds inducement as a strategy to increase the amount of money one can win, and the bonus bet inducement as a way to both reduce betting costs and increase winnings”. 50.8% of young people in the study considered the increased odds incentive as a means to increase their earnings, and 37.7% reported that the promotion increased their chances of winning<sup>19</sup>.
- It has also been noted that the fine print accompanying such offers often includes conditions that diminish their appeal. For example, the fine print of the stake-back promotion stipulates that the stake-back will be provided as bet credits that must be wagered before the bettor can withdraw them, and only the winnings from that wager can be converted into withdrawable credits. Consequently, the stake-back entails more risk than it initially appears. It has further been noted that the majority of online gamblers surveyed do not read all the terms and conditions of such promotions<sup>20</sup>.
- Research has identified that the complexity of offers can make it extremely difficult for gamblers to understand their costs and benefits. For example, a particular sign-up incentive offered bettors a 100% matched bonus up to \$200 on the condition that they deposited \$20 upon opening a new betting account. The conditions also stipulated that bettors needed to stake the deposit amount combined with the amount equivalent to the bonus bet at odds of 1.5 or greater. Bettors were required to do this three times over 3 months: “These play-through requirements meant that it would cost bettors \$1000 of their own money for a chance to win from a \$200 bonus bet”<sup>21</sup>.
- A September 2023 article in the Guardian Australia gave a clear example of inducements being promoted despite extremely poor outcomes and likelihood of winning for those placing a bet. The likelihood of success is not communicated via the promotion in a way that allows the consumer to recognise that they are far more likely to lose, leading them to potentially overestimate the benefits of the bet.

“The AFL has been promoting bets that have an 85% fail rate while taking a cut of the losses, drawing criticism from politicians and harm reduction advocates who want such ads banned.

Sportsbet suggests same-game multis during televised coverage, in segments hosted by the former AFL star Nathan Brown. These bets allow gambling on a combination of outcomes such as possessions and goal scorers, and all must succeed before money is paid out.

Analysis of the offers promoted by Sportsbet over 90 matches since 23 June reveals punters would have won on 17 occasions, but the betting agency would have profited on 73 games.

The win-loss ratio was first reported by an anonymous social media account called TrackMyBrown on Twitter, which has been monitoring results since round 15. The ratio has been independently verified by Guardian Australia.”<sup>22</sup>

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<sup>19</sup> Di Censo et al, 2023.

<sup>20</sup> Di Censo et al, 2023.

<sup>21</sup> Hing et al, cited by Torrance et al, 2021.

<sup>22</sup> [AFL criticised for promoting series of bets that have 85% loss rate for gamblers | Gambling | The Guardian.](#)

## **Gamblers experiencing or at risk of gambling harm are particularly vulnerable to harm from inducements.**

- A recent French study based on large-scale surveys of gamblers found that the use of wagering inducements was associated with an increase of gambling intensity, gambling frequency and at-risk gambling behaviours; and critically, this effect was stronger for at-risk gamblers. At-risk gamblers appeared to be more vulnerable to inducements, possibly because at-risk gamblers tend to possess certain psychological characteristics including “delay discounting” (immediate rewards are valued more than delayed gratification); and it is also hypothesised that at-risk gamblers may conceptualize inducements as the recognition that they are good, competent, experienced gamblers, rather than as a marketing strategy, leading to an increase in at-risk behaviours. The study concluded that inducements may represent a serious risk factor for developing or exacerbating gambling problems<sup>23</sup>.
- A study tracking eye movement and electrodermal activity of gamblers whilst viewing gambling advertising focusing on inducements, found that increased electrodermal activity was associated with greater severity of gambling-related harm, as well as greater ratings of desire for most advertisements. Rating of desire was, likewise, positively associated with gambling-related harm. The researchers concluded that for individuals already at risk of gambling problems, exposure to these advertisements, especially those offering what is perceived to be safer betting options that minimise financial losses, may exacerbate existing harms<sup>24</sup>.
- Other research suggests that younger men, gamblers with low socioeconomic backgrounds and gamblers experiencing harm mainly focus on the benefits associated with the incentives but do not take into account their long-term risks. They described the impact on their gambling behaviour (shift toward online activities, opening new accounts, or gambling on multiple websites) but many considered incentives as “no lose” benefits, and this was particularly true for gamblers experiencing harm<sup>25</sup>.

## **Online gambling inducements can increase the likelihood of people developing behaviours which are likely to result in gambling harm, including developing gambling addictions.**

- Research indicates a link between inducements and gambler engagement in “**chasing**” **behaviour**. Loss-chasing, the tendency to continue and/or intensify gambling following losses, is a key clinical symptom in gambling disorder and a central feature in gambling harm, a characterisation which has been endorsed by gamblers who have experienced harm<sup>26</sup>. Loss chasing has been described as the most significant step in the development of gambling disorders, and the French study cited earlier found that the probability of engaging in chasing behaviours is multiplied by more than three times for non-at-risk gamblers engaged in sports betting, horse race betting and poker and up to 4.63 times for at-risk gamblers<sup>27</sup>.
- Challet-Bujou et al’s study of the impact of wagering inducements on objective (money wagered and time spent gambling during the gambling session) and subjective (cognitive distortions, enjoyment of gambling, loss of control, and respect of usual gambling habits) gambling endpoints, found that inducements increased money wagered, gambling-related expectancies and **perceived loss of control**. This loss of control has been identified as “one of the key symptoms of addiction”. The authors note that in a gambling session, this effect on the loss of

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<sup>23</sup> Balem et al, 2022.

<sup>24</sup> Lole et al, 2020.

<sup>25</sup> Challet-Bujou et al, 2020.

<sup>26</sup> Banerjee et al, 2023.

<sup>27</sup> Balem et al, 2022.



control could lead gamblers to experiment with more risky or unusual gambling options or to bet more than intended, which may “induce more damage, particularly for excessive gamblers”<sup>28</sup>.

**Direct messaging to gamblers via e-mails, texts, and phone calls from gambling operators is particularly implicated in influencing higher intensity gambling.**

- It is recognised that young people today have grown up during the era of the internet and social media; they are highly engaged with digital technology and spend more time on the internet and on social media than other generations. Due to its highly personalised nature, internet advertising is considerably more advanced than traditional forms of advertising. Online behavioural advertising tailors advertisements based on an individual’s previous online behaviour, ascertained through tracking cookies. The adoption of this data-driven marketing approach has resulted in the dissemination of highly personalised and relevant promotional content to consumers, which has been demonstrated to possess a greater capacity for capturing consumers’ attention relative to non-personalised promotional content<sup>29</sup>.
- Various research has demonstrated a relationship between receiving text message advertisements and the likelihood, frequency and monetary value of betting behaviour<sup>30</sup>.
- An Australian study found that the majority of these direct messages promote specific wagering inducements, and gamblers reported that “this marketing is intense and particularly influential on their betting, encouraging them to bet and to spend more on betting”, often more than intended<sup>31</sup>.

## Findings of the Parliamentary Inquiry into Online Gambling

After being provided with evidence from both expert informants and people who have experienced gambling harm, as well as from gambling industry operators, the Parliamentary Inquiry into online gambling concluded that inducements are effective in marketing gambling, especially to young people, “because they encourage a belief that gambling isn’t risky and that gamblers are minimising losses. However, inducements do the opposite; they increase losses by encouraging riskier bets and increased betting expenditure, and draw gamblers’ attention away from harm minimisation messages.”<sup>32</sup>

The Committee also heard evidence that high value customers are individually case managed and encouraged to gamble more through personalised inducements, even when the person gambling is experiencing gambling harm:

“Consumers can currently self-exclude from receiving marketing messages through registers operated by state and territory governments and individual wagering providers. The Committee heard from several Australians who, after experiencing severe gambling harm, voluntarily closed their online betting accounts. Despite this, they were targeted with inducements, including from betting companies with which they had no prior association. The personal details of these vulnerable customers, who had clearly demonstrated high-risk gambling behaviours, were shared with competitors when staff changed jobs. Those customers were then offered inducements to gamble with the new companies, which contributed to the escalation of the customers’ gambling harm.”<sup>33</sup>

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<sup>28</sup> Challet-Bujou et al, 2020.

<sup>29</sup> Di Censo et al, 2023.

<sup>30</sup> Cited by Di Censo et al, 2023.

<sup>31</sup> Browne et al, 2019.

<sup>32</sup> Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, p.72.

<sup>33</sup> Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, pp.72-3.

This was the experience of consumer Mark Kempster, who was emailed inducements despite being on a self-exclusion register.

“It is near-on impossible for someone battling problem gambling to not be sucked in by these inducements,” Kempster said. “They knock the person who is trying to head down the right path straight back down the wrong path again.”<sup>34</sup>

The Inquiry found there was strong support for greater restrictions on direct marketing of inducements and inducement advertising. For example, Suicide Prevention Australia said: “Inducements to gamble and unsolicited credit offered by gambling companies that incentivise people to gamble pose harm to people unable to control their gambling habits in a safe manner. Stronger consumer protections are required to minimise harm to gamblers and ensure that those who self-exclude are not then drawn back into gambling by another company”<sup>35</sup>.

While the online gambling industry argued before the Inquiry that offering and marketing inducements is simply a form of provider and product differentiation being offered to “responsible adults engaging in a form of entertainment”, the Inquiry found that in fact inducements are significantly adding to the burden of gambling harm:

“An industry that encourages losses from people who cannot afford to lose while banning people who win deserves to be called out. While inducements, inducement advertising and VIP programs are used by online [gambling operators] to attract customers and develop market share, they can also do this by offering fair value and showing that they care for their customers. The Committee notes that inducements and VIP programs are also used to entice individuals to return to betting after a time out, or to continue to bet and lose. There is no doubt that banning inducements and inducement advertising is a key measure for reducing online gambling harm and ensuring that one of the significant incubators of gambling harm, VIP programs, have no place in Australia.”<sup>36</sup>

Based on its exhaustive investigations, the Committee recommended “that the Australian Government prohibit all online gambling inducements and inducement advertising, and that it do so without delay” [Recommendation 16]<sup>37</sup>.

Some commentary from industry since the Federal Inquiry recommendation to ban all inducements claims that to do so would have a much deeper impact than just a blanket advertising ban.

“The impact of brand advertising is very long-term and hard to measure, whereas inducements have a direct response,” said one insider not authorised to comment publicly.

Mitch Reid, the head of regulation and compliance at Palmerbet, said the advertising ban was not the inquiry’s most significant recommendation.

“Banning inducements would have an immediate impact, given the importance they have to the ecosystem of the industry, and the amount they ultimately contribute to prize money, wages, animal welfare and the integrity functions for racing and sport,” Reid said.<sup>38</sup>

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<sup>34</sup> [Federal ban on gambling inducements would have greater impact than ad restrictions, insiders say | Gambling | The Guardian](#)

<sup>35</sup> Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, pp.75-6.

<sup>36</sup> Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, p.92.

<sup>37</sup> Parliament of Australia, House of Representatives Standing Committee on Social Policy and Legal Affairs, June 2023, p.92.

<sup>38</sup> [Federal ban on gambling inducements would have greater impact than ad restrictions, insiders say | Gambling | The Guardian](#)

A widely reported letter by Greyhound Racing NSW to members said:

“Greyhound Racing New South Wales understands an immediate ban on inducements would lead to an approximately 33% reduction in racing and sport turnover from the two largest wagering service providers, Entain and Sportsbet,” a letter from the NSW organisation said.<sup>39</sup>

“The animal welfare implications alone are huge.”<sup>40</sup>

The letter estimated a ban on gambling inducements would take more than \$20m a year out of the NSW greyhound racing industry. When contacted for comment, GRNSW said that figure came after conversations with its wagering partners.<sup>41</sup>

These responses in alone demonstrate the significant financial impact inducements have on the amount of money being gambled in Australia, creating an economic cycle geared around fleecing the average consumer and doing incredible amounts of social harm in the process.

Based on our assessment of the evidence, along with the input we have received from our members with lived experience of gambling harm, and the submissions and representations presented to the Parliamentary Inquiry, the Alliance strongly supports the Committee’s recommendation and takes an aligned position.

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<sup>39</sup> [Lobbyists lining up to put their case to minister over Australia-wide ban on gambling ads | Gambling | The Guardian](#)

<sup>40</sup> [NSW greyhound industry claims ban on gambling ads would result in dogs suffering | Greyhound racing | The Guardian](#)

<sup>41</sup> [NSW greyhound industry claims ban on gambling ads would result in dogs suffering | Greyhound racing | The Guardian](#)

## Conclusion

This paper has presented a snapshot of the raft of evidence that online gambling inducements are becoming increasingly pervasive, and are increasingly causing harm, particularly to at-risk members of our community.

It is clear that despite gamblers' perceptions that inducements offer "safer" betting, they in fact often lead to increased, more impulsive, and more risky betting, as well as strong temptations to drop resolutions around controlled gambling in treatment-seeking gamblers. Gamblers tend to underestimate the true cost of wagering inducements and overestimate the potential benefits; and gamblers experiencing or at risk of gambling harm are particularly vulnerable to increased harm from inducements. It is especially concerning that online gambling inducements increase the likelihood of gamblers developing "chasing" behaviour and experiencing perceived loss of control, both of which are known to be central to the development of gambling addictions. We have also identified that directly messaging gamblers with inducement offers can result in higher risk gambling.

It is clear that these harms are not being effectively mitigated by current controls, and that strong measures are urgently needed.

In alignment with the position taken by the Parliamentary Inquiry into Online Gambling (2023) the Alliance for Gambling Reform calls on the Australian Government to immediately ban all forms of online gambling inducements and inducement advertising, including direct messaging to customers.



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