

CONSEIL DU JEU RESPONSABLE



RESPONSIBLE GAMBLING COUNCIL

Canada House of Commons Bill C-218: An Act to amend the Criminal Code

Submission to the Standing Committee on Justice and Human Rights

February 2021



Safe and Regulated Sports Betting

It is estimated that Canadians spend upwards of \$14 billion every year on illegal or offshore single-event sports wagering¹ – betting that is being done outside of any Canadian regulations or safeguards. Bill C-218 An Act to Amend the Criminal Code, if passed, would allow for the removal of restrictions on single-event sports betting and essentially enable the provinces and territories to implement a regulated sports betting market. With the legalization of single event sports betting comes an opportunity to have a positive and significant impact on reducing the harms that sports wagering can cause to individuals, families and society.

Canada is a leader in responsible gambling due to the strong regulatory framework employed across our provinces and territories for legalized land-based and online gambling. Consumer safety and clear accountabilities are at the forefront of this practice. Canada's approach to preventing gambling harms as a public health issue has led to the creation of a safe, sustainable gambling industry.

The Responsible Gambling Council (RGC) believes that it is in the best interest of Canadians and Canadian society as a whole that Bill C-218 should be passed to allow for a robust, regulatory framework to be put place for single-event sports betting. Such a framework would establish the guardrails for operators to deliver within, and be accountable, as they operate in Canada. Coupled with this, we believe it is imperative that consumer protection be a priority within the regulations. Consumer prevention education programming and capacity building among allied professionals should be at the forefront of a successful consumer protection strategy.

It is through this lens that RGC is compelled to participate in the House of Commons' Standing Committee on Justice and Human Rights panel discussion on Bill C-218, An Act to Amend the Criminal Code. The Responsible Gambling Council makes the following two recommendations:

Recommendations

1. The legalization of single-event sports betting includes a robust regulatory framework that requires provincial regulators and operators to prioritize and integrate consumer protection within their strategy; including adherence and accountability to the highest standard of responsible gambling.
2. The federal government continues to champion the prevention of addictions and preservation of individual's mental health and well-being, in accordance with Canada's Mental Health Commission Strategy. This can be achieved by prioritizing consumer safety and supporting the provincial authorities to develop comprehensive responsible gambling strategies and build their capacity to support individuals, when they introduce legalized sports betting.

¹ *Canadian Gaming Association Urges Quick Action on Legislation for Sports Betting*, Canadian Gaming Association, November 3, 2020.

Online Gambling and Sports Betting Evidence

RG Implications for Sports Betting

Over the last few years, sports betting has grown in popularity and with it, the body of evidence to suggest who is at risk, what are the issues associated with sports betting, and how to support a safer sports betting industry.

Youth² and young adults³, especially young males, are considered to be at-risk for developing gambling problems associated with sports betting and experiencing harms. In fact, young adult males with high levels of education and those working or studying full-time have an elevated risk for problem gambling⁴. Frequent exposure to live and televised sports, exposure to persistent advertising, higher peer pressure from friends and family, and gravitating towards friendship groups which support gambling activities are associated with experiencing gambling related harms.

Sports betting differs from other forms of gambling, due to the nature of the activity, and the fact that the inclusion of sports normalizes the gambling activity. Added to this, sports betting has the added complexity of emotion tied into the gambling experience. Unlike traditional gambling that has financial reward as a motivator, sports betting adds the emotion of the game – a favourite athlete or team – to the wager considerations. The emotion associated with the heat of the moment game play can make informed decision making about spend and time spent playing more difficult.

The legalization of sports betting will present the risk of an increase in marketing and advertising that can also have a negative impact particularly on vulnerable populations. Youth in Australia were found to have a very high level of gambling advertisement recall and understanding of how to place bets, as well as heightened levels of gambling intention with increased familiarity⁵. Some countries like Belgium and Australia have restricted gambling advertising through target restrictions i.e. children, time of day restrictions and/or in-game advertising to minimize the impact of advertising on vulnerable populations.

Online Gambling & COVID-19

In April 2020, the RGC's Centre for the Advancement of Best Practices launched a provincial Online Gambling and COVID-19 study to better understand the impact of the COVID-19 pandemic on the gambling behaviour of Ontarians. In particular, RGC wanted to understand gambling behaviours, mental health, substance use, and online behavioural risk factors during

² Elton-Marshall, Leatherdale & Turner, 2016, Marchica et al, 2017, Zhao, Marchica, Deverensky & Ivoska, 2018

³ Abbott et al., 2016; Hing, Russell, & Browne, 2017; Hing, Russell, Vitartas, & Lamont, 2016; Lamont & Hing, 2018; Nower et al., 2018; Russell, Hing, Li, & Vitartas, 2018

⁴ Hing et al., 2016

⁵ Lamont & Hing, 2018; Lopez-Gonzalez, Estévez, & Griffiths, 2017; Lopez-Gonzalez & Griffiths, 2018b; Nyemcsok et al., 2018; Thomas et al., 2016

the period of time when Ontario was in the early stages of the emergency response measures. Since April, we have conducted two additional waves of the study: Wave 2 in August 2020 and Wave 3 in December 2020. Our findings revealed:

- More than half of Ontarians who gamble (54 per cent) said they gambled online since COVID-19 emergency measures were instituted;
- A third of online gamblers surveyed said COVID-19 influenced them to gamble online;
- Among all online gamblers surveyed, 21 per cent were identified as moderate to high risk gamblers;
- Gambling risk appears to be increasing nominally
 - High risk gambling status continues to be associated with online gambling during the pandemic, elevated mental health concerns, negative financial impacts, and substance misuse;
- Key at-risk groups for online gambling include young adults and some ethno-cultural groups who also experience other comorbid behaviours and health outcomes;
- 1 in 5 spend more time and money when they gamble during sporting events;
- Sizeable percentages have increased their time spent, money spent, and intoxicated gambling online past 3 months; and
- Over 1 in 10 intend to gamble online post COVID-19; 5% intend to increase their online gambling.

The study clearly underscores that COVID-19 has had an impact on people's gambling habits and that prevention safeguards need to be prioritized as the government seeks to provide broader exposure and access to gambling through the legalization of single event sports betting.

Recommendation Detail

Regulatory Framework

The legalization of single-event sports betting includes a robust regulatory framework that requires provincial regulators and operators to prioritize and integrate consumer protection within their strategy; including adherence and accountability to the highest standard of responsible gambling.

Canada is considered a global leader in responsible gambling, specifically through its robust standards and strong regulatory frameworks. In 2021, Ontario is set to expand regulated online gambling and it is anticipated that other jurisdictions in Canada will follow this lead. The expansion of regulated online gambling will mean the introduction of new operators into Canada, bringing with them a range of platforms and approaches to responsible gambling, each with varying degrees of effectiveness. This fragmented approach could result in gaps and ultimately higher rates of gambling harms across the country. It is crucial, therefore, that the federal government support the provincial authorities in establishing and implementing the highest standard for responsible play across all online gambling (including sport betting) platforms.

Upon the creation of a national standard for sports betting, it will be imperative that to maintain this standard, provincial regulators be required to hold operators accountable for its implementation. This can be accomplished through a requirement that regulators across Canada require operators to participate in an accreditation process to evaluate the quality of their RG program and commitment to player protection.

The RG Check iGaming Accreditation was developed by the RGC in 2014 to assist online gambling operators in achieving the highest possible level of responsible gambling standards. The RG Check iGaming Accreditation is based on 9 standards, 48 criteria, and hundreds of metrics that help measure the scope and effectiveness of RG programs in place. RG Check is a rigorous, objective, proven, reliable, transparent and respected Canadian responsible gambling accreditation program that has been executed by both land based and online operators. There is no cost to government to mandate this program - the cost is absorbed by the operator - and would provide confirmation that a gambling operator is doing it right, and the proof regulators and governments need to ensure that standards are being upheld, and facilitates a continuous improvement process.

Consumer Protection

The federal government continues to champion the prevention of addictions and preservation of individual's mental health and well-being, in accordance with Canada's Mental Health Commission Strategy. This can be achieved by prioritizing consumer safety and supporting the provincial authorities to develop comprehensive responsible gambling strategies and build their capacity to support individuals, when they introduce legalized sports betting.

RGC is an independent, non-profit organization, neutral in our position on the existence of gambling. For 35 years, RGC's mission has been to prevent problem gambling and reduce its impacts. We believe that gambling is for entertainment and when balanced with other activities, provides minimal risk. Gambling should never come at a human cost. Most Canadians who gamble do so within their means and without harm. However, we also know that some people are more vulnerable than others to develop high risk gambling behaviours and experience harms due to co-morbid conditions, their personal circumstances and beliefs.

We believe that with the legalization of sports betting, the provinces and territories will need to take a public health approach to preventing gambling harms, with a particular focus on high risk populations, including youth, young adults, First Nations, individuals with mental health issues, and seniors.

Live action sports betting has been shown to be a significant independent predictor of at-risk gambling⁶. Marketing and advertising practices that appeal to at-risk gamblers, promote gambling

⁶ Sports betting does not include single event wagers in this Statistics Canada definition. It includes horse race betting, sports lottery tickets, fantasy sports, bets between friends

inducements and bonus incentives, and normalization in sports broadcasting with celebrity endorsements have been identified as risk factors⁷.

To support the adoption of a safer sports betting industry, the provinces and territories will need to take a prevention focused approach that engages a wide range of stakeholders from health care, mental health, social services, education, finance, academic and law enforcement sectors. Establishing strong prevention practices at the onset will protect the provinces and territories against the longer-term, more expensive costs of job-loss, social assistance, criminal justice and health care that are associated with problem gambling.

RGC works with regulators and operators, in Canada and globally, to support them in the development and implementation of a robust responsible gambling culture. Canadian regulators take a public health approach to harm prevention working with and engaging a wide range of stakeholders to create a holistic approach to consumer protection. They understand that a regulatory framework must include responsible gambling standards to mitigate the risks associated with gambling. Regulators work with RGC and others in the responsible gambling sector to study, measure, evaluate and update their responsible gambling standards on a continuous basis to keep up with the velocity of change. This work will be more important than ever if the amendment is passed.

Holding operators accountable for the implementation of responsible gambling standards is a key function of regulators. Requiring operators to implement all the proven responsible gambling best practices, resources and tools is essential for an effective consumer protection strategy.

Conclusion

RGC would be pleased to work with the Government and the provincial authorities to establish a strong, evidence informed regulatory framework that prioritizes consumer safety. As is common in jurisdictions like the United Kingdom, we would encourage the government to work with RGC and the industry to establish shared key performance indicators that can be used to measure and communicate the achievement of our mutual objectives for the legalization of single event sports betting.

For more information:

SHELLEY WHITE

Chief Executive Officer
411 Richmond Street East, Suite 205
Toronto, ON, M5A 3S5
t: 416-490-2060
e: ShelleyW@RGCO.org

⁷ Hing N, Lamont M, Vitartas P, Fink E. Sports bettors' Responses to Sports-Embedded Gambling Promotions: Implications for Compulsive Consumption.

Responsible Gambling Council Canada

The Responsible Gambling Council (RGC) is an independent non-profit organization dedicated to problem gambling prevention.

For over 35 years, RGC has worked to reduce gambling risk by creating and delivering innovative awareness and information programs in Ontario and beyond. We promote the adoption of improved play safeguards through best practices research, standards development and the RG Check accreditation program.

RGC is committed to bringing together all sides (operators, regulators, academics, treatment and community agencies) to ensure sustainable gambling spaces are in place and to help those at risk because we believe gambling should never come at a human cost.

RGC. All in for Safer Gambling

www.responsiblegambling.org



411 Richmond Street East, Suite 205,
Toronto, ON, Canada M5A 3S5
ResponsibleGambling.org

