

Senate Environment and Communications Legislation Committee

Public Hearing – 10 September 2021
ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Hearing 10 September 2021 - Inquiry into the Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020.

Question reference number: IQ21-000116

Senator: Anne Urquhart

Type of Question: Spoken. **Hansard Page/s:**

Date set by the Committee for the return of answer: 29 September 2021

Question:

Senator URQUHART: The ACMA says that it has observed that illegal gambling providers are increasingly using third-party payment processes to mask their gambling services and that the merchant category code can reflect services other than gambling. Does this mean then that people on the cashless debit card would be able to use these services in order to gamble online?

Ms Hefren-Webb: My understanding—and Mary might be able to add to this—is that the ability to do online transactions with the cashless debit card is monitored fairly closely.

Senator URQUHART: That actually wasn't my question. My question was: does that mean that people on the cashless debit card would be able to use these services—that is, third-party services—in order to gamble online?

Ms Hefren-Webb: I'm trying to understand if you've got a specific example—

Senator URQUHART: No, it's a question.

Ms Hefren-Webb: because I don't think it's something I can answer yes or not to. Mary, can you talk a bit about that?

Ms McLarty: Yes I can. As Liz mentioned, we monitor the data very closely, and, if this type of thing were happening, we would be able to identify it. It hasn't come to my attention that we've got this issue, but I can certainly take it on notice. As I said, it's not something that's come to my attention that we have the issue, and we do monitor fairly closely and analyse.

Senator URQUHART: If you could take that on notice, that would be great. Can or does the DSS regulate third-party payment processes? Do you regulate who processes those third-party payments?

Ms Hefren-Webb: No, we don't regulate third-party payment processes. I'm just trying to understand the context of the question. If an overseas gambling provider somehow managed to have a merchant category code that made it look like they were selling clothes or something like that, we don't have any ability to regulate that. So we are dependent on what I suppose you'd call the fidelity of the merchant category codes, but, as Ms McLarty mentioned, when we see a pattern of unusual transactions, we do follow up and look at individual cases, and we may deregister a particular merchant on that basis.

Senator URQUHART: So if you don't monitor the third-party payment processes, what impact will that have on the government's ability to, say, control what people purchase with the cashless debit card?

Ms Hefren-Webb: Sorry, I thought you asked if we regulate them—not monitor them? Maybe I misheard your question?

Senator URQUHART: I did say regulate.

Ms Hefren-Webb: We don't have any powers to regulate, but we do monitor. If someone has a high volume of overseas transactions on their cashless debit card, we would inquire about the nature of those transactions and attempt to understand if it was an attempt to circumvent the provisions of the cashless debit card.

Answer:

The department undertakes regular monitoring of transactions. If the department detects circumvention behaviour, including a merchant using the incorrect category code, the department can block this merchant from accepting the Cashless Debit Card.