



Committee Secretary
Senate Standing Committees on Environment and Communications
Parliament House
PO Box 6100
Canberra ACT 2600

Via email: ec.sen@aph.gov.au

Dear Committee Secretary

Submission: Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020

The Canberra Gambling Reform Alliance (CGRA) welcomes the opportunity to make a submission to the Senate Standing Committees on Environment and Communications Inquiry into the Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020.

About CGRA

The CGRA is a coalition of organisations that advocates for strong action to reduce gambling harm in the Canberra community. The CGRA is made up of of organisations including Anglicare NSW South, NSW West and ACT, the Hope Project, the ACT Council of Social Service, the Youth Coalition of the ACT, ACT Shelter, Public Health Association Australia and Communities@Work.

Scope of the inquiry

The Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020 would prevent online gambling service providers from accepting payments by credit card (either directly or indirectly), create a criminal offence and civil penalty provision for a person who accepts, facilitates or promotes credit card payments for interactive gambling services, and provides for the Australian Communications and Media Authority to enforce and review the new requirements.

Recommendation

CGRA supports the Bill in its current form.

To reduce gambling harm in Australia, CGRA urges all Member and Senators of the Australia Parliament to support the Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020.

Background

Australian governments have already recognised that, to reduce gambling harm in our community, the use of credit cards for gambling should be restricted. Access to funds through credit cards is restricted in gaming lounges in the ACT for people using Electronic Gaming Machines and in casinos. Further, in February 2018, the Federal Government prohibited online gambling operators from offering credit to gamblers as part of the National Consumer Protection Framework for Online Wagering. In Australia, some financial institutions do not permit gambling on credit cards.¹

The Australian Banking Association (ABA) has recognised that the use of credit products to finance gambling is of concern. The ABA explains that:

Credit products are intended to finance purchases, rather than provide ready access to cash. Under the terms and conditions of credit cards, gambling transactions are treated as cash advances as they are a cash equivalent. Cash advances attract a higher interest rate, an additional fee and are not eligible for interest free periods.

Access to credit for gambling can create a unique harm whereby large amounts of debt can be accumulated in a limited period. For people with a gambling addiction, a credit card can lead to severe financial stress for the individual and their family.²

The interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020 would bring the rules governing the use of credit cards for online gambling in line with rules for EGMs. It would also bring Australia in line with other jurisdictions such as the United Kingdom and the United States.

Australians are ranked number one in the world in terms of gambling losses. This level of harm cannot be sustained by our community. The capacity to gamble using credit cards further compounds Australians' risks from gambling given the ease of access to debt and the high interest rates charged on cash advances through credit cards.

¹ Australian Banking Association, *Consultation Paper: Use of credit cards for gambling transactions*, <https://www.ausbanking.org.au/wp-content/uploads/2019/12/Consultation-Paper-Credit-Cards-and-Gambling.pdf> (accessed 28 April 2021)

² *Ibid.*

As highlighted by the ABA:

*Online gambling creates an environment in which people can gamble at any time, in any place, and in a 'cashless' way which can distance the person gambling from the money which is being spent. For those who experience problem gambling this can be a particularly dangerous set of circumstances.*³

Further, and as highlighted in the Bill's explanatory memorandum:

People who experience gambling harm are heavy users of credit cards. The Productivity Commission's 2010 inquiry into gambling found that people who identified as problem gamblers were four times more likely to use credit cards to obtain cash to gamble than those in the still problematic category of low-risk gamblers.

Gambling harm affects Australians of all backgrounds. People impacted by gambling harm can be your neighbours, co-workers, parents, children and people you see every day.

However, people experiencing domestic and family violence, older people, people with disability, people from culturally and linguistically diverse backgrounds and Aboriginal and / or Torres Strait Islander may be at higher risk of gambling harm.

While many of us think that we are not impacted by gambling harm, once we start talking to the people we love, we realise that this is a much bigger issue than those with vested interests would like us to believe. A recent estimate notes that, 'each high risk gambler affects 6 others (on average), each moderate risk gambler 3 others, an each low risk gambler another person. Those adversely affected include children, other family, friends and employers.'⁴

The social cost of problem gambling in Australia over one year has been estimated to be between \$4.7 and \$8.4 billion. The social (non-financial) costs per problem gambler were estimated to be between \$10,000 and \$30,000.⁵ In

³ Australian Banking Association, *Consultation Paper: Use of credit cards for gambling transactions*, <https://www.ausbanking.org.au/wp-content/uploads/2019/12/Consultation-Paper-Credit-Cards-and-Gambling.pdf> (accessed 28 April 2021)

⁴ C Livingstone, *A blueprint for preventing and minimising harm from electronic gaming machines in the ACT*, Gambling and Social Determinants Unit, School of Public Health and Preventative Medicine, Monash University, Melbourne, 2018.

⁵ Productivity Commission, *Gambling. Productivity Commission Inquiry Report. Volume 1.*, Report no. 50, Productivity Commission, Canberra, 2010, p.48 & p.6.34 <https://www.pc.gov.au/inquiries/completed/gambling-2010/report/gambling-report-volume1.pdf>

the ACT total gambling losses in the ACT in 2017-18 amounted to \$242.7 million or \$749 per capita.⁶

This Bill creates an opportunity to reduce gambling harm resulting from online gambling. We urge the committee and all members and senators of the Australia parliament to support this important Bill.

CGRA would welcome the opportunity to discuss this submission further with the committee.

Yours sincerely

Jeremy Halcrow
Chief Executive Officer Anglicare ACT
Co-Chair CGRA

Kate Seselja
Founder, The Hope Project
Co-Chair CGRA

29 April 2021

⁶ Queensland Government Statistician's Office, Queensland Treasury, *Australian Gambling Statistics 1991-92 to 2017-18, 35th edition, State Tables*, Queensland Government Statistician's Office, Queensland Treasury, Brisbane, 2019, Table ACT 51 p. 425 & Table ACT 53 p. 427, <https://www.qgso.qld.gov.au/issues/2646/australian-gambling-statistics-35th-edn-1992-93-2017-18.pdf>