

Inquiry into the Interactive Gambling Amendment Bill 2016 [Provisions]

Written Questions on Notice

Canberra, 28 November 2016

Australian Hotels Association

Senator Kimberley Kitching asked:

1. Wagering via credit card has been highlighted by the AHA. Is it not true that funding an account via this method allows the tracking of money by law enforcement agencies and assists in the fight against money laundering? Can you please detail the measures in place to stop money laundering via anonymous cash betting in venues?

Response

The question is in two parts.

Is it not true that funding an account via this method allows the tracking of money by law enforcement agencies and assists in the fight against money laundering?

With respect, the question is based on a premise that borrowing money to gamble enables better tracking of money by law enforcement agencies, and therefore on that basis should be preferred to betting by money that is not borrowed, i.e. cash.

Unfortunately, that premise ignores the significant harm minimisation issues associated with borrowing money to gamble.

“ There is strong evidential support for the view that moderate risk and problem gamblers are much more likely to use credit cards and access credit accounts than other gamblers for the purpose of gambling. These gamblers are thus at risk of accumulating losses and of being placed in a position where they are unable to manage their financial affairs appropriately. There is thus a prima facie case for having credit restrictions”.

Reference: Productivity Commission (2010) Gambling, Report no. 50,
Canberra p 13.40

Can you please detail the measures in place to stop money laundering via anonymous cash betting in venues?

Anonymous cash betting that does not generate a paper trail does not have any benefit to an individual seeking to engage in money laundering.

The measures in place to stop money laundering are regulated by Austrac under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. A link to the Austrac compliance guide is set out below.

<http://www.austrac.gov.au/businesses/obligations-and-compliance/austrac-compliance-guide>