

IBUS MEDIA LIMITED

JOINT SELECT COMMITTEE ON GAMBLING REFORM

**INQUIRY INTO THE PREVENTION AND TREATMENT OF PROBLEM
GAMBLING**

MARCH 2012

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1. Executive Summary

- 1.1 Online poker has experienced tremendous growth due to the increase in participation globally, in the game of poker. Online poker can be distinguished from other forms of gaming due to the significant level of skill involved in the game, its recreational and entertainment value and the social aspect of peer-to-peer online games. Clearly, the playing of online poker is a popular pastime in Australia despite the prohibitions contained in the *Interactive Gambling Act 2001*, which has resulted in Australians being only able to use the services of offshore poker operators to play online poker.
- 1.2 The harm minimisation measures and strategies which are readily available online are far broader and far more responsive than the harm minimisation strategies available in respect of traditional offline or terrestrial gaming activities. This can be illustrated with reference to the harm minimisation tools and strategies which are utilised widely in the online poker space and which are a regulatory requirement in many of the jurisdictions in which online poker operators are licensed. Such measures have been readily accepted by players.
- 1.3 The Productivity Commission's Inquiry Report: Gambling released on 23 June 2010 (**PC Report**) recognised that online poker may be readily distinguished from other online casino-type games. The Productivity Commission considered that online poker presented the least risk to consumers of all online games.
- 1.4 Both the Productivity Commission and the Chair of the Joint Select Committee on Gambling Reform have concluded that online poker should be permitted in Australia with any proposed regulatory system ensuring high standards of harm minimisation. Among the high standards of harm minimisation recommended by the Productivity Commission as part of any new regime for the regulation of online gaming mandate were:
 - *prominently displayed information on account activity, as well as information on problem gambling and links to problem gambling support*
 - *automated warnings of potentially harmful patterns of play*
 - *the ability to pre-commit to a certain level of gambling expenditure, with default settings applied to new accounts, and the ability for gamblers to set no limit on their spending as one of the system options (with periodic checking that this remains the preference)*
 - *the ability to self exclude.”*¹

¹ PC Report, 15.35. Available at <http://uat.pc.gov.au/projects/inquiry/?a=95649>. Accessed on 20 March 2012.

- 1.5 The Productivity Commission's recommendations in this regard were supported by the Chair of the Joint Select Committee on Gambling Reform, Mr Andrew Wilkie MP, in his additional comments, which were made in respect of the Joint Select Committee's inquiries into interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 (**JSCOG Report**).² Notwithstanding his strict position on the dangers which he believes poker machines pose, Mr Wilkie concluded that online poker offered by Australian-based providers should be permitted so that the providers can operate under a framework which ensures high harm minimisation standards and consumer protection.³
- 1.6 A number of submissions which have been lodged to date in respect of the Joint Select Committee's current Inquiry into the treatment and prevention of problem gambling recognise that the inherent nature of conducting gambling business online facilitates the use of measures which assist with the identification and prevention of problem gambling. Such submissions include a submission from Dr Clive Allcock, Psychiatrist, Honourary Clinical Senior Lecturer at the University of Sydney⁴ and a joint submission from Christopher John Hunt, Chantal Braganza and Karoline Prinz, all of whom are psychologists at the University of Sydney Gambling Treatment Clinic⁵.
- 1.7 Many of these measures are standard in many jurisdictions in which the provision of regulated online poker is permitted. This lends support to the consideration of a regulated regime being put in place in Australia which would ensure that Australian-based consumers have available to them Australian regulated online poker services with effective harm minimisation measures.
- 1.8 Effective harm minimisation measures which are widely available in the online poker space and which are a regulatory requirement of the jurisdiction in which the leading online poker operators are licensed include, amongst others which will be discussed in this submission, the availability of pre-commitment (both mandatory and voluntary) and self-exclusion options, the prominent display of account activity details, information on problem gambling, including self-testing questions and links to problem gambling support services. Many of these measures are a requirement for certification or accreditation by an independent testing body.

² JSCOG Report released on 8 December 2011, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/interactive_online_gambling_advertising/report/index.htm. Accessed 20 March 2012.

³ JSCOG Report, para 1.8 on 362.

⁴ http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm. Accessed on 29 March 2012.

⁵ http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm. Accessed on 29 March 2012.

- 1.9 These measures can be implemented as part of any regulatory regime relating to online poker. Accordingly, to the extent the view is reached that Australian-based operators can provide online poker to Australian customers, iBus Media is firmly of the view that these harm minimisation measures should be introduced.

2. Background

- 2.1 PokerNews is the main trading name of iBus Media Limited (**iBus Media**), the world's largest poker media company. iBus Media has been registered in the Isle of Man since November 2008. iBus Media previously traded as PokerNews Limited (Cyprus) from July 2006 to October 2008.
- 2.2 PokerNews' primary business is promoting online poker rooms via a number of poker-related websites, the principal one being www.pokernews.com. Income is generated via a combination of affiliate agreements with the operators of online poker rooms as well as via media deals with operators of offline poker tours. In the case of affiliate marketing, players who visit websites in the PokerNews Media network are directed to online gambling sites through banner placements. For this, PokerNews receives revenue from the gambling company for each player who plays for real money at their site. In some circumstances, PokerNews accepts fixed advertising deals, where a fixed amount is paid upfront for a banner placement. However, fixed deals are a small percentage of the overall business.
- 2.3 The flagship website, PokerNews.com, is translated into 31 different languages other than English and receives 11 million visits per month worldwide during peak times. iBus Media is the official internet provider of coverage for major poker tours and tournaments around the world including the World Series of Poker (**WSOP**), European Poker Tour (**EPT**), the Asian Pacific Poker Tour (**APPT**) and the Aussie Millions held at Crown Casino.

3. Introduction

- 3.1 Over the last decade and, in particular, since the review of the *Interactive Gambling Act 2001 (IGA)* was conducted in 2004 by the Department of Communications, Information Technology and the Arts⁶, there has been an explosion in the popularity and growth of online gaming in general and, in particular, online poker globally and in Australia. There is no doubt that poker is a popular form of entertainment and that there is great consumer demand for poker services, both online and terrestrial.
- 3.2 iBus Media has previously provided submissions to the Joint Select Committee on Gambling Reform inquiries as follows:

⁶ Then the Department of Communications, Information Technology and the Arts (**DCITA**).

- (a) Inquiry into pre-commitment schemes⁷;
 - (b) Inquiry into Interactive and online gambling and gambling advertising⁸; and
 - (c) Inquiry into the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011.⁹
- 3.3 Most recently, iBus Media lodged a submission with the Department of Broadband, Communications and the Digital Economy (**DBCDE**) in respect of its current review of the IGA.¹⁰
- 3.4 In short, iBus Media's various submissions discuss, among other matters, the following:
- (a) The increase in the popularity of poker, both online and venue-based in Australia and indeed globally, as a sport, which is evidenced by the number of online poker account holders, the increasing number of participants in venue-based tournaments, the increasing numbers of players using online poker applications which interact with social media, such as Facebook, the popularity of poker programs on television and so on.
 - (b) The nature of online poker:
 - (i) being a game which involves skill, which is competitive and played in a social setting (being played peer-to-peer); and
 - (ii) with the operator having no interest in the outcome of the game, nor players being able to stake money or gamble on the outcome of the game,

⁷ iBus Media submission available at http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prec_commitment_scheme/submissions.htm. Accessed on 23 March 2012.

⁸ iBus Media submission available at http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/interactive_online_gambling_advertising/submissions.htm. Accessed on 23 March 2012.

⁹ iBus Media submission available at http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/interactive_broadcasting_amendment/submissions.htm. Access on 23 March 2012.

¹⁰ http://www.dbcde.gov.au/broadband/online_gambling/2011_review_of_the_interactive_gambling_act_2001/submissions_received_for_the_iga_review. Accessed on 29 March 2012.

which enables online poker to be distinguished from other online casino-type games in which participants compete directly against the “house” (operator) and which are often high frequency games and repetitive in nature.

- (c) The regulatory regimes in numerous overseas jurisdictions which illustrate that online poker can be effectively regulated with various harm minimisation measures being a licensing requirement.
- (d) The numerous regulatory frameworks in place in Australia which, with minimal adaptation, could be used to regulate online poker, if the provision of online poker in Australia were to be liberalised and regulated.
- (e) Developments in various countries whereby the licensing of online poker operations has been recently permitted or is contemplated in the near future.

3.5 Copies of iBus Media’s submissions referred to in section 3 are attached.

4. The IGA

4.1 Despite the obvious demand for online poker services by Australian-based consumers, as detailed above and in iBus Media’s previous submissions, the IGA prohibits Australian-based operators from providing and advertising prohibited gambling services to Australian-based consumers.¹¹ In this regard, the IGA targets the supply of services rather than the demand for the services.

4.2 "Gambling service" is defined in the IGA to include a service for the conduct of a game where the game is played for money or for anything else of value and the game is a game of chance or of mixed chance and skill and a customer of the service gives consideration or agrees to give consideration to play or enter the game.¹²

4.3 However, some forms of online gambling are exempt from the IGA. In particular, a range of online wagering and lottery services are not prohibited.¹³

4.4 The IGA does not distinguish online poker from:

- (a) other casino-type games, such as roulette and blackjack; and
- (b) online versions of EGMs.

¹¹ IGA, section 6.

¹² IGA, section 4.

¹³ IGA, sections 8A and 8B.

- 4.5 In iBus Media's view, given the distinguishing features of online poker (as a game of skill, which is played P2P in a social setting), online poker should be treated differently to the other forms of casino-type games identified above. In this regard, we note that the Minister for Broadband, Communications and the Digital Economy is able to exclude any service from the provisions of the IGA at his discretion.¹⁴

5. The Productivity Commission 2010 Report

- 5.1 The PC Report was released in June 2010. The Productivity Commission had been requested by the Australian Government to report on various matters relating to the gambling industry including:

- (a) the implications of new technologies (such as the Internet), including the effect on traditional government controls on gambling industries; and
- (b) the effectiveness and success of harm minimisation measures.

- 5.2 The Productivity Commission recognised the increased interest in poker, both terrestrial and online, and recommended that a gradual process of liberalisation be adopted in respect of the regulation of online gaming.¹⁵

- 5.3 Furthermore, the Productivity Commission considered online poker to be the form of online gaming which involves the least risks because:

- (a) *"It is a game of skill without the speed of play or continuous nature of other games.*
- (b) *It is unlikely to elicit the 'trance like' states commonly seen among players of EGMs or EGM-like games.*
- (c) *It is a social game (played potentially at home alone, but with others globally in a virtual social setting).*
- (d) *It is often played in tournament setting with an upfront entry fee. This provides 'play' times at a known, fixed cost to players limiting their losses.*
- (e) *There is evidence to suggest that the typical spend of frequent online poker players is relatively small".*¹⁶

¹⁴ IGA, section 10.

¹⁵ PC Report 15.17.

- 5.4 The Productivity Commission considered that, if online gaming were to be liberalised, regulations could require the industry to offer a variety of features, including the automated monitoring of players' behaviour; effective self-exclusion; pre-commitment; and online counselling.¹⁷
- 5.5 Following on from the recommendations contained in the PC Report, Mr Wilkie, as Chair of the Joint Select Committee concluded in the JSCOG Report that online poker should be permitted by Australian based providers given that Australians continue to use the sites of offshore operators which might not be subject to licensing regimes which include effective harm minimisation measures as a licensing requirement. The Tasmanian Gaming Commission, in its submission to the current Joint Select Committee inquiry, supports the view that the IGA should be amended to permit the provision of online casino-type games by Australian-based operators on the basis that, among acceptable harm minimisation measures are a requirement.¹⁸ (This would be accompanied by additional matters.) Many of the effective harm minimisation measures which could be adopted if licensing were permitted in Australia and which are already widely used in the online poker space are discussed further below.

6. Prevention of Problem Gambling Strategies adopted by Online Poker Sites

- 6.1 iBus Media supports the Productivity Commission's findings that:
- (a) the online environment has the ability to deliver harm minimisation technologies *"much more easily and effectively than most forms of venue-based gambling"*;
 - (b) online technology allows internet-based operators to *"actively and cheaply provide a range of preventative and rehabilitative support"* to those at risk of becoming problem gamblers.¹⁹
- 6.2 Many of the harm minimisation features identified in the Productivity Commission Report are commonplace features in most of the leading off-shore online poker sites, including the significant operators discussed below. These operators are subject to strict regulatory and licensing regimes in the jurisdictions from which they operate.

¹⁶ PC Report, 15:31.

¹⁷ PC Report, 15.22 to 15.28.

¹⁸

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 3. Accessed on 29 March 2012.

¹⁹ PC Report at 15.22.

6.3 In March 2012, we reviewed the websites of some of the largest and most well-known online poker operators with a view to determining what harm minimisations features are being utilised by those operators. The following websites were reviewed:

- (a) www.partypoker.com (**PartyPoker**), which is licensed in Gibraltar;
- (b) www.888.com (**888**), which is licensed in Gibraltar;
- (c) www.everestpoker.com (Everest), which is licensed in Gibraltar; and
- (d) www.pokerstars.com (**PokerStars**), which is licensed in the Isle of Man.

(collectively the **Poker Sites**). Examples of the problem gambling strategies, some of which were identified in the Productivity Commission's Report and which are commonplace on the Poker Sites, are set out below.

7. Access by Minors

7.1 Numerous harm minimisation features are being utilised by the Poker Sites to prevent and reduce access by minors.

7.2 When opening a new account, new players are required to confirm that they are of the legal age required to participate in online gaming. When agreeing to the terms and conditions on the Poker Sites, users are required to acknowledge that they are at least 18 years of age at the time the account is created. Furthermore, on the PokerStars Site, users are required to be 18 or the minimum legal age to participate in the user's jurisdiction, whichever is greater.

7.3 St Luke's Anglicare, in its submission to the current Joint Select Committee inquiry, noted that a "strong legislative and regulatory environment" is required for verification and to prevent minors from online gambling.²⁰ On the Poker Sites, name, address and birth date data is collected to confirm personal details. 888 uses sophisticated verification software as does PokerStars. PokerStars initially restricts new players to low deposit limits. While playing on the PokerStars Site, verification is required where a player wishes to increase their deposit limit, transfer funds to other accounts or makes a request to withdraw over a certain value.

7.4 The *Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (AML/CTF Act)* imposes strict compliance obligations in respect of customer identification and verification which could be applied to online poker operators if they were to be

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http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 4. Accessed on 29 March 2012.

licensed in Australia. The application of the AML/CTF Act and associated Rules to online poker was discussed in greater detail in paragraph 7.9 of iBus Media's submission to the DBCDE review.

- 7.5 Users of the Poker Sites with minors in their households are encouraged to keep their password details secure and not activate the "save password" function on any gaming sign-in screen, nor to leave their computers unattended. If unattended, users are recommended to secure their computer by use of a password.
- 7.6 Users are encouraged to create separate profiles for each user of their computer so that nobody else can access the user's information.
- 7.7 The PartyPoker Site suggests that users inspect the timestamp upon logging in to ensure that nobody has had access to the user's account.
- 7.8 Users of the Poker Sites are also encouraged to keep their credit card and bank account details secured.
- 7.9 If a user is aware of a minor accessing the online gaming software, each Poker Site provides an email address so that the relevant details can be emailed to the operator, including the user's player name.
- 7.10 In the current Joint Select Committee inquiry, St Luke's Anglicare has submitted that resources should be allocated to educate parents in respect of the use of blocking mechanisms on home computers.²¹ Each of the Poker Sites contains information about the filter software which parents may access. Each Poker Site also encourages users with minors in their households to consider voluntarily using protection or filter software on their computer to limit access to specific websites and programs for underage users, for example netnanny.com, cyberpatrol.com or safekids.com.
- 7.11 Sites, for example, also state that underage players are not targeted by marketing and promotions.
- 7.12 The 888 Site provides parents with tips to prevent underage gambling and displays a link to an associated site, which focuses on responsible gaming and harm minimisation, www.888responsible.com. Online poker cannot be played on the site, which displays information about the possible causes of underage gambling; the identification and prevention of teen gambling problems; and how to support and communicate with teens with gambling problems.

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http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 4. Accessed on 29 March 2012.

8. Account Activity Information

- 8.1 The Productivity Commission recommended that any regulatory regime for online poker should mandate that information on account activity is prominently displayed.²² Online poker operators are already displaying account activity information, which is usually a requirement of the jurisdiction in which they are licensed.
- 8.2 For example, when players access their account through the PartyPoker Site, the player's account balance and limits are prominently displayed on the homepage. Players can view their transaction records in further detail by accessing the "Game & Transaction History" section of their account. Players are easily able to keep track of their spending and losses and winnings.
- 8.3 Similarly, the PokerStars Site prominently displays a summary of the player's account balance in both the "Deposit" and "Cash Out" sections of the player's account. The player's account also includes a "History" section, where players can view their past transactions and activities which affect their account balance. Further, when taking a seat at a "virtual" poker table, a player's account balance is provided before they enter the maximum or minimum amount they wish to stake (which, in any event, cannot exceed their pre-commitment level).
- 8.4 Further, the Poker Site operators archive all email correspondence with players so that, for example, requests to increase or decrease limits are kept.
- 8.5 Clearly, by virtue of providing services online and players being required to open an account, online operators are more easily able to keep records of, for example, wins and losses than operators of land-based venues. Hunt et. al. of the University of Sydney Gambling Treatment Centre has submitted to the current Joint Select Committee Inquiry that operators who maintain customer accounts, such as online gaming and wagering operators, "... have a much better chance at identifying problem gamblers. This is because they have access to larger amounts of information about gambler's betting and losses over time."²³
- 8.6 Anglicare Tasmania, in its submission to the current Joint Select Committee Inquiry, has noted the problems with data collection and evaluation issues. The organisation has a new database for collating case management data. In time, Anglicare Tasmania expects the database to make it easier to track a client's history.²⁴ The operators of the

²² PC Report at 15.35.

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http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at pages 4 to 5. Accessed on 29 March 2012.

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http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 9. Accessed on 29 March 2012.

Poker Sites, in contrast, automatically collect client data in the course of clients playing poker on their sites and being required to create a player account. The identity of players must be verified (as a requirement of the regulatory frameworks of the jurisdictions in which the operators are licensed) and details of each deposit, withdrawal, win and loss is recorded and stored. As discussed above, verification is already a requirement in Australia in respect of licensed online wagering operators. Further, pre-commitment and self-exclusion measures are already in place with pre-commitment levels (both increases and decreases) and requests for self-exclusion recorded and stored.

9. Automated Monitoring of Players' Activity

- 9.1 Online operators have the capacity to monitor players' behaviour automatically as data concerning their wins, losses and so on is automatically captured and stored. Indicators monitored by the customer service or security departments of online operators include whether a person has lost a much larger amount than usual in a short time or is otherwise demonstrating an adverse and noticeable departure from past levels of activity. Should players on the PokerStars Site, for example, wish to increase their maximum deposit amount to participate in the highest level of games, they are first subjected to a stringent security examination during which, for example, their playing history is reviewed among other matters.
- 9.2 Monitoring of player behaviour is also required to ensure compliance with the anti-money laundering and funding of terrorism laws of the jurisdictions in which the online operators are licensed.
- 9.3 Automated monitoring, by way of technology, gives the player a degree of privacy and may be less confronting for the player. However, should online poker operators be required to provide players' gambling history details to a third party, there may be implications in terms of the operator's compliance with the privacy obligations in the jurisdiction in which they are licensed.
- 9.4 It is certainly feasible that online operators, if not already doing so, would be able to send players an automated message when the player is approaching the loss or deposit limit, which they have set. Pop-up messages of this nature are a recommended measure in Anglicare Tasmania's submission to the current Joint Select Committee inquiry.²⁵ An automated message in respect of a time limit being reached is not so feasible or desirable for online poker operators (as opposed to operators of other interactive games). A player would not be likely to leave a table or tournament in the middle of a game, which may be quite lengthy (as opposed to a person playing an online casino-type game, such as roulette or black jack, which finish quickly).

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http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 6. Accessed on 29 March 2012.

- 9.5 In any event, many online operators have automatic deposit limits which apply to all new players. Requests for increases are considered only after a security examination which will include an analysis of past deposits (no chargebacks), further ID checks and a review of the playing history to ascertain that there are no obvious signs of problem activity.
- 9.6 The Productivity Commission Report at page 15.23 refers to the Swedish technology “Spelkoll” as an example of an automated monitoring of players’ behaviour. On 15 December 2011, Spelkoll was relaunched under the new name “Playscan”.²⁶
- 9.7 Briefly, Playscan is a resourceful technological advance particularly designed to identify gambling patterns that may imply a gambling problem surfacing in an individual. Svenske Spel, the Swedish company behind the technology, has made Playscan available as a voluntary aid, which players can use to monitor their playing activity and let them know of any indication of a developing problem. Playscan enables players to become aware of their gambling behaviour by providing a weekly check-up.
- 9.8 Playscan allows players to keep track voluntarily of their gambling behaviour by looking at the player’s own perception of gambling and analysing actual gaming data. While the player’s perception of gambling is examined through a Self-Test, the player’s gambling behaviour is analysed through a cognitive model. Data from these two sources are combined to identify trends and make predictions of future gambling behaviour. This advanced technology detects players in the risk zone of developing gaming problems and has a precision of more than 90 percent in deciding whether the player is running the risk of developing gaming problems within the next three months.²⁷
- 9.9 Playscan presents the player’s analysis in a traffic light format where users are divided into three different categories: green, yellow and red. Users in the green category are healthy players, whereas users in the yellow and red categories are respectively at risk and problematic players.²⁸ The user also receives tips on safe gambling. Users in the yellow category would be encouraged to use responsible gambling tools such as pre-commitment options and self-exclusion tools. If signs of problem gambling are detected and the user is placed in the red category, the software would motivate the user to change his/her gambling behaviour and request exclusion from promotional activities and advertising.²⁹

²⁶ <http://www.playscan.com/posts/725549>. Accessed 13 March 2012.

²⁷ https://www.european-lotteries.org/data/info_1199/Svenska_Spel_introduces_Playscan_A.pdf?AELTEWEBSITEID=53c89c031a6339474f. Accessed 13 March 2012.

²⁸ <http://www.playscan.com/pages/Evaluation>. Accessed 15 March 2012.

²⁹ <http://selfexclusion.blogspot.com.au/2010/03/tracking-internet-gambling.html>. Accessed 15 March 2012.

10. Effective self-exclusion

- 10.1 Each of the Poker Sites provides mechanisms whereby users are easily able, at any time, to exclude themselves from any further play on the site. The ability to self-exclude is a mandatory harm minimisation measure identified by the Productivity Commission, which it recommends that any new regime for the managed liberalisation of online gaming would be required to provide.³⁰
- 10.2 On each of the Poker Sites, users may request, for example, a cooling off period of 12 or 24 hours or 7 days; or self-exclusion periods of 30, 60 or 180 days or 6 months. In addition, users may also request any other self-exclusion request which will be actioned by the operator. During the period of self-exclusion, the user's access to their account is blocked. The self-exclusion period is irrevocable. In respect of the PokerStars Site, once a six month period of self-exclusion has ended reactivation is not automatic. A player is required to request that their account be reactivated. However, reactivation occurs automatically at the end of shorter self-exclusion periods which are usually called “time-out” or “cooling off” periods.
- 10.3 An indefinite period of self-exclusion is also available on the PartyPoker and PokerStars Sites.
- 10.4 Users may request a period of self-exclusion through email, live chat, the Poker Sites’ online system or by phone at any time, day or night, seven days a week.
- 10.5 List of questions which would indicate that a user may have a gambling problem are provided for self assessment purposes on the Poker Sites. The display of such lists is a mandatory requirement for accreditation by e-Commerce Online Gambling Regulation & Assurance, which is discussed in further detail below. If a user’s response is “yes” to a certain number of questions, the relevant webpage on the Poker Sites recommends that they exclude themselves from the site and obtain professional help.
- 10.6 During the period of self-exclusion, the opening of any new accounts by the user is blocked as soon as detected. Operators also take steps to ensure that promotional materials are not sent to users who have self-excluded during the period of self-exclusion. Self-exclusion may exclude a user not only from real money games, but also from play money games.
- 10.7 In addition to the above, once a self-exclusion period has been commenced, users are unable to request an earlier end date than the period initially requested.

³⁰ PC Report at 15.23.

- 10.8 Some jurisdictions maintain a national list of self-excluded players. When the operators of online poker sites have obtained a licence in those jurisdictions, the operators are required to provide information to players about being included in any national self-exclusion list. By electing to join the self-exclusion list, players are blocked from participating in all online gaming activities which have been licensed in that jurisdiction. France, Denmark and Estonia, all of which have recently permitted the licensing of online poker operators, maintain such lists. Operators with local licences in these jurisdictions are also required to check all new account holder details against these lists to ensure the account holder has not already self-excluded themselves, in which case the new account, if opened, is immediately closed.

11. User Specific Exclusion Software

- 11.1 User-specific exclusion software is readily available for users to download from the internet and activate thereby preventing themselves from accessing online gaming websites. However, as acknowledged by the Productivity Commission at 15.25 of the Report, at this point in time there is no software which is automatically installed and activated when a player agrees to exclude themselves from online gaming at a particular site. Software with this functionality might be available in the near future.
- 11.2 Software providers such as GamBlock produce a range of self-exclusion software, which may be downloaded from www.gamblock.com (**GamBlock Site**), which block all forms of online gaming. If a player, who has installed GamBlock software on their computer, were to try to access an online gaming website, a pop-up box appears which displays a 60-second countdown and, if the gambling site is not exited by the end of the countdown, the computer automatically shuts down.³¹ Both 888 and PokerStars, for example, provides a link to the GamBlock Site.

12. Pre-commitment Options

- 12.1 The Productivity Commission recommended that any new regime for the regulation of online gaming mandate the ability to pre-commit.³² Pre-commitment is already a commonplace harm minimisation measure available on the major online poker sites.
- 12.2 Each of the Poker Sites allows users to set their own maximum limits over a period of time, usually daily, weekly and monthly deposit limits, adjustments to which can be requested at any time by phone, email or live chat. Usually the deposit limits vary according to the payment type. Some deposit limits are operator imposed, while others are mandated by the payment solution provider.
- 12.3 The Everest Site, for example, offers three different types of pre-commitment options. Players can set a limit on the amount they may stake within a specified period of time, on the losses they may incur within a specified period of time, or on the amount of time the player may play in one session.

³¹ <http://www.gamblock.com/product/how-it-works.html>. Accessed 13 March 2012

³² PC Report at 15.35

- 12.4 On the PokerStars Site, pre-commitment options are also available for setting table and tournament limits. This can be done through the online system on the PokerStars Site.
- 12.5 New accounts on the PokerStars Site are set at a default limit. Player requests to lower pre-commitment deposit levels are immediately activated. However, requests to increase pre-commitment deposit levels do not always take immediate effect and may be subject to a delay. An obvious effect of this delay is that online poker players are not likely (or able to) chase losses. When players are taking a "seat" at a virtual poker table, the PokerStars Site provides them with their account balance and the player receives a prompt to state the maximum amount they want to play for that game which, in any event, cannot exceed their pre-commitment level.
- 12.6 Clearly there is a wide acceptance of pre-commitment levels in the online poker space by both operators and players.

13. The Availability of Online Counselling

- 13.1 The Productivity Commission recommended that any new regime for the regulation of online gaming mandate high standards of harm minimisation, including in relation to problem gambling.³³ Further, Relationships Australia, in its submission to the current Joint Select Committee Inquiry, notes that using the online space to provide "... education, harm minimisation messages, self-help materials, and easy access to help services is paramount".³⁴ In addition, Dr Allcock, in his submission to the current Joint Select Committee Inquiry, states that potential help seekers should be made aware of help options, such as phone counselling, Gamblers Anonymous and the availability of internet helplines as contact points.³⁵ The Poker Sites have features which are suggested or recommended by Relationships Australia and Dr Allcock.
- 13.2 The Poker Sites display links to organisations in various jurisdictions providing counselling services to those with gambling problems eg Gamblinghelponline.org.au, Adictel.com, GamCare.org.uk, and Gamblingtherapy.org. An associated site of the 888 Site (www.888responsible.com) features a 20 question self-assessment test for users to determine whether they might have a gambling problem.³⁶

³³ PC Report at 15.27.

³⁴

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 6. Accessed on 29 March 2012.

³⁵

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 5. Accessed on 29 March 2012.

³⁶ See <http://www.888responsible.com/play-responsibly/player-protection.htm#Self-assessment-test>. Accessed 9 March 2012.

- 13.3 The Poker Sites also collaborate with gambling support programs so that their members can directly access gambling support services. The 888 Site, together with charity organisation, Gambling Therapy, have established the E-Break & Support program. This program offers members of the 888 Site four weeks of regular email support from a professional advisor of Gambling Therapy, at no charge.
- 13.4 In addition to the above, the Poker Sites provide other information which may assist users to keep out of debt and play poker responsibly. The PokerStars Site provides users with tips to keep out of debt, for example, not to play when depressed and only play with money that the user can afford to lose. Further, the PokerStars Site displays tips on how to play poker responsibly, for example, by setting deposit limits and not playing for higher stakes to try and recoup any losses.
- 13.5 Mission Australia, in its submission to the current Joint Select Committee Inquiry, notes the need to educate gamblers about various issues associated with having a gambling problem. One suggestion Mission Australia has made is that specific messages about responsible gambling could be placed as links in an online environment.³⁷ In this regard, iBus Media notes that many Poker Sites have specific webpages dedicated to responsible gaming and display a Responsible Gaming Mission statement.³⁸

14. Accreditation by Independent Testing Bodies

- 14.1 e-Commerce Online Gaming Regulation & Assurance (**eCOGRA**), a non-profit organisation based in the United Kingdom, is considered to be the independent standards authority of the online gaming industry.
- (a) eCOGRA has set a number of operational and player practice standards which, when met by an operator, enable the operator to display eCOGRA's "Safe and Fair" seal on the operator's website (and be listed on eCOGRA's website www.ecogra.org as an approved site), is indicative that the operator's website is a quality and safe site.
- (b) eCOGRA's list of "Generally Accepted Practices" (**eGAP**)³⁹, with which operators' websites must comply to obtain a seal, include mandatory practices which are of relevance to harm minimisation and which focus on minors and problem gambling. Examples of these practices include but are not limited to the following mandatory minimum requirements:
- (i) Payments to and receipts from players:

³⁷

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/prevention_treatment/submissions.htm at page 4. Accessed on 29 March 2012.

³⁸ See <http://www.pokerstars.com/about/responsible-gaming/>. Accessed 9 March 2012.

³⁹ See http://www.ecogra.org/Documents/eGAP_-_Approved_30_March_2011.pdf. Accessed 9 March 2012

- (A) players must be able to access their account history online for at least the last 60 days with offline access for a minimum period of 12 months)⁴⁰. Access shall be granted to records of all deposits, withdrawals, wagers, wins, losses, fees, and bonuses⁴¹; and
- (B) player account-related queries to be addressed promptly.⁴²
- (ii) Minimum information requirements include complete transaction history affecting players' balances must be maintained for 12 months⁴³, player transaction records must be kept for at least 5 years or in accordance with the operator's regulatory authority⁴⁴, and all changes to game parameters must be reported⁴⁵, and
- (iii) Underage and illegal gambling: homepages are required to display a "no under 18's" or an age restriction determined by the regulatory authority, which provides a link to a message regarding underage play⁴⁶; the responsible gaming page is required to provide a link to a filtering program which is recognised to allow players to prevent minors accessing the site⁴⁷; a disclaimer must be displayed stating that no players under the legal age are legally permitted to gamble online⁴⁸; a policy dealing with processes when underage gamblers are identified must be included⁴⁹, and a disclaimer must be displayed stating that only players who are legally permitted in their home jurisdictions may participate in online gambling⁵⁰;
- (iv) Personnel training: the proper training of personnel in respect of responsible gambling issues is required;⁵¹
- (v) Self-exclusion requirements: players must have options to set their own deposit limits per day, week and month⁵²; requests to decrease

⁴⁰ eGAP 1.06.

⁴¹ eGAP 1.06.

⁴² eGAP 5.09.

⁴³ eGAP 1.06.

⁴⁴ eGAP 3.14.

⁴⁵ eGAP 9.33.

⁴⁶ eGAP 2.01.

⁴⁷ eGAP 2.02.

⁴⁸ eGAP 2.03.

⁴⁹ eGAP 2.09.

⁵⁰ eGAP 5.02.

⁵¹ eGAP 1.15.

⁵² eGAP 1.09.

deposit limits must be dealt with immediately⁵³; self-exclusion due to a gambling addiction shall be for a minimum period of at least six months;⁵⁴ and there shall be a clear link from the deposit page to the facility to set deposit limits and/or the responsible gambling page⁵⁵. A cooling off option of at least 24 hours must be in place⁵⁶ and best endeavours shall be taken to ensure players do not receive promotional material during the exclusion period.⁵⁷

- (vi) Responsible gambling: operators' homepages must contain a clear link to a responsible gambling and player protection webpage which, at a minimum:
 - (A) displays a warning that gambling can be harmful;
 - (B) provides advice on responsible gambling and links to sources of assistance;
 - (C) provides a simple and accepted self-assessment procedure to determine if at risk;
 - (D) displays the player protection measures (among other, cooling-off, self-exclusion and deposits limits) which are available;
 - (E) displays the responsible gambling policy or a link to the policy⁵⁸, and a clock on the screen at all times.⁵⁹
- (vii) eGAP also sets out stringent minimum mandatory requirements in respect of player and game funds⁶⁰, player information⁶¹, software development and maintenance⁶², total gaming transaction review⁶³, server connectivity requirements⁶⁴, general gaming requirements⁶⁵, disaster recovery⁶⁶, system malfunctions⁶⁷, anti-money laundering⁶⁸,

⁵³ eGAP 1.10.

⁵⁴ eGAP 1.14.3.

⁵⁵ eGAP 1.11.

⁵⁶ eGAP, 1.12.

⁵⁷ eGAP 1.13.

⁵⁸ eGAP 1.01.

⁵⁹ eGAP 1.04.

⁶⁰ eGAP 5.

⁶¹ eGAP 4.

⁶² eGAP 9.31 to 9.35.

⁶³ eGAP 6.

⁶⁴ eGAP 9.28 to 9.30.

⁶⁵ eGAP 6.11 to 6.18.

⁶⁶ eGAP 9.25 to 9.27.

responsible advertising and promotions⁶⁹, player complaints and disputes⁷⁰, and probity checks⁷¹.

- 14.2 In addition to eCOGRA, other organisations, such as GamCare, provide a range of services in respect of harm minimisation. GamCare (www.gamcare.org.uk) is a United Kingdom-based registered charity, links to which are provided on, for example, PokerStars and 888. GamCare provides free online and face to face support, information and advice to anyone with a gambling problem. GamCare provides a help line, a forum and a chatroom.
- 14.3 GamCare also provides services to online gaming operators, for example, social responsibility training sessions for staff. A one day course provides staff with an insight into understanding problem gamblers and the sort of help that they should be expected to provide. Training is conducted on the basis that all working within the online gaming industry should be equipped to respond to any customer requesting help.
- 14.4 GamCare also works with online operators, licensing bodies and the United Kingdom government to ensure that online gaming is conducted in a proper, fair and responsible manner and that online operators take steps to minimise the likelihood of harm.
- 14.5 GamCare encourages online operators to engage proactively in self-regulation and, in particular, encourages online operators to show their commitment to social responsibility by complying with a certification scheme, whereby operators are required to implement robust policies and practices relevant to their platform and gaming services. In this regard, GamCare provides assistance to operators to implement a range of systems, including age verification systems, responsive self-exclusion tools, and pro-active customer-led pre-commitment measures (session and deposit limits). The PokerStars, PartyPoker and 888 Sites have all been certified by GamCare.⁷²

15. Protection of Player Funds

- 15.1 While the measures referred to above address the protection of players from a harm minimisation perspective, other player protection measures include, but are not limited to, the protection of players' funds. iBus Media's submission to the recent DBCDE review of the IGA considered this issue in detail at paragraph 7.8(d).

⁶⁷ eGAP 9.09 to 9.24.

⁶⁸ eGAP 3.

⁶⁹ eGAP 7.

⁷⁰ eGAP 8.

⁷¹ eGAP 9.03.

⁷² <http://www.gamcare.org.uk/pages/certification.html>. Accessed 13 March 2012

- 15.2 Australia already has legislative requirements in respect of licensed online wagering and betting exchange operators concerning the handling of players' funds which could be equally applicable to online poker operators if they were to be licensed locally. Such measures include the ring-fencing of all funds in players' accounts; the approval by the regulator of the accounts used by the licensee to hold players' funds⁷³; requiring that the accounts used by the licensee to hold players' funds must not be used for any other purposes⁷⁴; and limiting a licensee's recourse to a player's funds to debiting the amount a player wants to wager from their funds, remitting the player's funds at the player's request and any other purpose authorised by the legislation⁷⁵.

16. Research

- 16.1 On 8 December 2011, the Joint Select Committee on Gambling Reform released its report on its inquiries into Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 (**JSCOGR Report**).

- 16.2 The JSCOGR Report contained a number of recommendations with respect to the research. In particular, the JSCOGR Report contained the following recommendations:

- (a) The Joint Select Committee supported the need for national research on online gambling to acquire data on which to base appropriate policy responses. As recommended in its previous report, the Joint Select Committee reiterated its call for a national independent research institute on gambling (**Recommendation One**).⁷⁶
- (b) The Joint Select Committee recommended that the review of the IGA being conducted by the DBCDE commission relevant research on the local online gambling environment (**Recommendation Two**).⁷⁷

- 16.3 iBus Media agrees with Recommendation One and, while iBus Media also agrees with Recommendation Two, iBus Media considers that the review of the IGA by the

⁷³ Section 144 of the *Interactive Gambling (Player Protection) Act 1998* (Qld). Section 96A(1) of the *Interactive Gambling Act 1998* (ACT). Regulation 38 of the *Gaming Control (Internet Gaming) Regulations 2006* (NT).

⁷⁴ Section 145 of the *Interactive Gambling (Player Protection) Act 1998* (Qld). Section 96A(3) of the *Interactive Gambling Act 1998* (ACT). Regulation 39 of the *Gaming Control (Internet Gaming) Regulations 2006* (NT) (nb: no requirement for trust accounts in NT, legislation only talks about "accounts")

⁷⁵ Section 7.4.10 of the *Gambling Regulation Act 2003* (Vic). Section 76ZQ of the *Gaming Control Act 1993* (Tas).

⁷⁶ JSCOGR Report, 8 December 2011 at 2.109,

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/interactive_online_gambling_advertising/report/index.htm. Accessed 20 March 2012.

⁷⁷ JSCOGR Report at 2.111.

DBCDE and the commissioning of research should not delay consideration of the policy issues surrounding the review of the IGA.

- 16.4 Since the JSCOG Report was released on 8 December 2011, a research report on internet gambling in Australia has been released by Sally Gainsbury and others (Gainsbury **Report**).⁷⁸ The object of the Gainsbury Report was to study the characteristics of individuals using the internet to gamble to determine whether internet gamblers "...represent a distinct sub-group of gamblers"⁷⁹. The research was suggested that, among other matters, online gamblers did not appear to have significantly higher rates of gambling problems and those that did report that they had gambling problems indicated that the problems were a result of online and terrestrial gambling⁸⁰.
- 16.5 The Gainsbury Report identified a number of tools and strategies which the researchers consider are required to assist online gamblers to control their access to and use of online gambling sites. Tools and strategies identified included:
- (a) the availability of self-exclusion;
 - (b) easy access to account information so players are able to track their expenditure. Information to be displayed should include deposit and loss details and the information should be displayed in such a manner that it is easy to understand;
 - (c) the use of regular prompts to encourage players to set limits which are appropriate; and
 - (d) the possible prompting of account holders to consider taking a break if they have been playing for a lengthy uninterrupted period of time.⁸¹
- 16.6 As identified in sections 7 to 15 above, the Poker Sites are utilising and making available to players many of the tools and strategies identified in the Gainsbury Report which the researchers consider are required to assist online gamblers control their access to and use of online gambling sites. Furthermore, as a requirement of obtaining accreditation by independent testing bodies such as eCOGRA and GamCare, operators are required to provide tools and features such as self-exclusion,

⁷⁸ Gainsbury, S., Hing, N., Blaszczyński, A., & Wood, R. (2011) *An investigation of Internet gambling in Australia*, Lismore, NSW, Australia: Southern Cross University, Centre for Gambling Education & Research (Gainsbury Report).

⁷⁹ Gainsbury Report, 3.

⁸⁰ Gainsbury Report, 7.

⁸¹ Gainsbury Report, 8.

pre-commitment, account information, self-assessment procedures and links to assistance for problem gambling (as detailed in section 15 above).

- 16.7 Broadly speaking, the online poker space has been very responsive in developing tools and measures which address the issue of problem gambling. Given this and the nature of Poker, iBus Media considers that online poker is significantly less harmful than other online gaming activities and notes that this view is supported by the Productivity Commission.

17. Conclusion

- 17.1 The popularity of online poker has grown enormously over the last decade. Clearly online poker is a popular form of entertainment. Australian consumers are playing online poker despite the prohibitions contained in the IGA.
- 17.2 The Productivity Commission recognised that online poker may be readily distinguished from other online casino-type game and considered that online poker presented the least risk to consumers of all online games. On this basis, the Productivity Commission recommended that the provision of online poker services by Australian-based operators to Australian-based consumers be permitted expressly. The Chair of the Joint Select Committee on Gambling Reform supports this recommendation.
- 17.3 In reaching this conclusion, the Productivity Commission recommended that any new regime for the regulation of online gaming mandate high standards of harm minimisation including standards in respect of self-exclusion, pre-commitment, the display of account information and links to problem gambling support. Similar harm minimisation tools and strategies were identified as necessary to reduce problem gambling in the Gainsbury Report.
- 17.4 Such harm minimisation measures are already widely used in the online poker space, with features of this nature being a regulatory requirement in many of the jurisdictions in which online poker operators are licensed.
- 17.5 Clearly, the online poker space illustrates that harm minimisation tools and strategies are accepted by both operators and players alike.
- 17.6 iBus Media looks forward to the Joint Select Committee's findings.
- 17.7 In any event, iBus Media would be pleased to attend any public hearing convened by the Joint Select Committee to answer any questions relating to this submission which the Joint Select Committee may have.

