



iBus Media Limited

Joint Select Committee on Gambling Reform

Inquiry into Pre-commitment Schemes

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1. Executive Summary

Over the last decade, there has been an enormous increase in the popularity of poker, both terrestrial and online. It is clear that poker is a popular form of entertainment and that there is great consumer demand for poker services. There can be no doubt that increasing numbers of Australians are playing poker online.

The Productivity Commission's Inquiry Report: Gambling (the **Report**) released on 23 June 2010 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 and recommended that the provision of online poker services by Australian-based operators to Australian-based consumers in a regulated environment be permitted expressly.

The Productivity Commission also recommended that any new regime for the regulation of online gaming mandate:

"...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)".¹

Numerous offshore online poker operators provide a variety of pre-commitment facilities to players. These pre-commitment facilities are provided both voluntarily and as a requirement of licence conditions in some jurisdictions. The online poker space illustrates that pre-commitment measures are easily and widely utilised by online poker operators and have been readily accepted by players.

Furthermore, Australia has numerous regulatory frameworks in place, which consist of State and Territory-based legislation, licensing systems and Codes of Conduct, which contemplate the provision of online gaming services. The ability for consumers to pre-commit limits is a mandatory requirement of many of these regulatory frameworks.

2. Background

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.

PokerNews' primary business is promoting online poker rooms via a number of poker-related websites, the principal one being www.pokernews.com. The majority of income is derived through affiliate agreements with the operators of these poker rooms. 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.

¹ Report, 15.35.

The flagship website, PokerNews.com, is translated into 27 different languages other than English and receives 11 million visits per month worldwide. iBus Media is the official internet provider of coverage for the 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.

iBus Media websites, including pokernews.com and pokernetwork.com, have received a total number of Australian visitors of 3.2 million since records began in 2006. The number of absolute unique visitors from Australia, as determined by Google Analytics, is 715,000 over the same period.

3. Introduction

Over the last decade, there has been an explosion in the popularity and growth of online gaming in general and, in particular, online poker. 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.

According to Global Betting and Gaming Consultants (GBGC), which is the world's preeminent source for global online gaming data, the global Gross Gaming Yield (GGY) (net online poker operator revenue) grew to USD\$4.356 billion by the end of 2009, which was up from USD\$33.3 million in 2001. The number of active online poker player accounts grew by an even greater percentage from 45,480 in 2001 to 8,551,790 in 2009.²

The social networking website www.facebook.com (Facebook) currently has over 500 million registered users. Software developers are able to create applications which interact with Facebook features. Facebook reports that poker applications are the most popular of all the applications available on Facebook.³ Zynga Poker, for example, which has a Texas Hold'Em poker application available on Facebook, has 83.761 million active users per month.⁴

The popularity of poker in Australia has grown significantly in the last decade. Increasing numbers of Australians are playing poker either:

- (a) by participating in tournaments or private games; or
- (b) online, by accessing the websites of offshore operators.

Despite the obvious demand for online poker services by Australian-based consumers, as detailed above, the *Interactive Gambling Act 2001* (Cth) (**IGA**) prohibits Australian-based operators from providing and advertising prohibited gambling services (including online poker) to Australian-based consumers.⁵

The principal online poker operators who provide services globally do so under licences granted by their home jurisdictions. While the qualifications vary from one licensing

² Global Betting & Gaming Consultants, "Interactive Gambling Report - Assessment of the interactive gambling market", April 2010 (**GBGC Report**).

³ <http://www.ft.com/cms/s/2/7503cade-2222-11de-8380-00144feabdc0.html>. Accessed 27 January 2011.

⁴ <http://www.facebook.com/TexasHoldEmPoker?v=info>. Accessed 27 January 2011.

⁵ IGA, section 6.

jurisdiction to another, the more stringent regulatory models require operators to, and a number of operators of their own accord, utilise programs and/or systems which feature pre-commitment as a harm minimisation measure. Some of these offshore poker operators and the pre-commitment requirements of their home jurisdictions will be discussed in further detail below.

4. Productivity Commission Recommendations

The Productivity Commission's Report on Gambling was released on 23 June 2010.⁶ 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 the gambling industries; and
- (b) the effectiveness and success of harm minimisation measures.

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.⁷

The Productivity Commission's relevant key finding was the most appropriate form of regulation of online gaming is gradual managed liberalisation with strict licensing criteria and harm minimisation requirements. Such liberalisation should commence with the liberalisation of online poker which is likely the safest form of online gambling and, subject to the success of such liberalisation, extend to other forms of online gambling.⁸

The Productivity Commission noted that *"While the internet has the potential to increase the risks of gambling, it also has the capacity to deliver harm minimisation technologies much more easily and effectively than most forms of venue-based gambling"*.⁹ Pre-commitment was identified as a measure in the Report which could be required by a regulatory framework if online gaming were to be liberalised. The Productivity Commission noted that a pre-commitment limit could be time and/or expenditure-based and could be set at a default value when a new account is opened. Alternatively, daily or monthly maximum losses could be set. Theoretically (and depending on feasibility and cost-effectiveness), pre-commitment could apply across all Australian websites. Even if a player were to just set a pre-commitment level on one website, as noted by the Productivity Commission, it would:

"...be a useful tool for people who are not experiencing any significant problems, but wish to contain their gambling expenditure or time. It may prevent progression to major problems..."

The mere act of breaching a limit conveys information to a gambler about their behaviour which could be supplemented with [a targeted intervention]".¹⁰

⁶ <http://www.pc.gov.au/projects/inquiry/gambling-2009/report>. Accessed 27 January 2011.

⁷ Report, 15.17.

⁸ Report, 15.1.

⁹ Report, 15.22.

¹⁰ Report, 15.25.

The Productivity Commission also recommended that any new regime for the regulation of online gaming mandate:

"...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)".¹¹

5. Off-shore poker sites and pre-commitment measures

Pre-commitment is already a commonplace harm minimisation measure widely available on major online poker sites, which is widely accepted by operators and players alike.

In early 2011, we reviewed the websites of some of the largest and most well-known online poker operators with a view to determining what harm minimisation features are being utilised by the operators. The following websites were reviewed:

- www.partypoker.com (**PartyPoker**), which is licensed in Gibraltar;
- www.888.com (**888**), which is also licensed in Gibraltar;
- www.fulltiltpoker.com (**FTP**), which is licensed in Alderney; and
- www.pokerstars.com (**PokerStars**), which is licensed in the Isle of Man,

(collectively the **Poker Sites**). Examples of the pre-commitment strategies identified in the Report and which are commonplace on the Poker Sites are set out below.

Each of the 888, PartyPoker and PokerStars 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.

New accounts on the PokerStars Site, for example, 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.

Therefore, given the wide acceptance of pre-commitment levels by online poker operators; whether they are operator, user or payment solution provider imposed, it may not be necessary for pre-commitment limits to be imposed by any regulator. In other words, pre-commitment is a well established mechanism employed by leading online poker operators as one means to address harm minimisation issues.

¹¹ Report, 15.35.

6. eCOGRA, GamCare and pre-commitment requirements

The Report also noted the existence of a number of non-government organisations that promote international standards among online poker operators, which include harm minimisation measures such as pre-commitment.

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.

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) and is indicative that the operator's website is a quality and safe site.

eCOGRA's list of "Generally Accepted Practices" (**eGAP**)¹², with which operators' websites must comply to obtain a seal, include many practices which are of relevance to harm minimisation and which focus on minors and problem gambling. Some of the practices are considered minimum requirements, adherence to which is mandatory, whilst others are considered suggested practices (many of which are complied with by the Poker Sites) which, while contributing to the security of the environment, are not required to obtain a seal.

eCOGRA considers pre-commitment options are a minimum requirement which online poker operators are required to make available to players. Players must be able to decrease their limits on a daily, weekly and monthly basis and any request for a change in limit must be dealt with in a timely manner by the operator. Any player requests for increases in previously decreased deposit limits will only take effect after 24 hours (at the earliest).¹³

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, the PokerStars and PartyPoker websites.

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.

GamCare proactively encourages online operators to engage 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 proactive customer-led pre-commitment measures (session and deposit limits).

¹² See http://www.ecogra.org/Documents/eCOGRA_GAP_-_Approved_14_September_2009.pdf. Accessed 27 January 2011.

¹³ See eGap 103.R.14 at See http://www.ecogra.org/Documents/eCOGRA_GAP_-_Approved_14_September_2009.pdf.

The GamCare Player Protection Code of Practice: Responsible Gambling; Remote (**GamCare Code**) contains a number of pre-commitment requirements. Players must be able to set daily, weekly or monthly deposit limits. Operators must offer players the opportunity to set a deposit limit when making their initial deposit. Operators must also allow players to set and review their deposit limits via the Operator's website and/or by contacting the Operator's customer service team.¹⁴

The GamCare Code requires that any requests to set deposit limits be responded to promptly. Operators must also ensure that deposit limits are enforced and, once a limit is reached, the player can make no further deposits during the specified time period. Requests to decrease deposit limits must have immediate effect. If players wish to increase a previously set deposit limit, they must wait a minimum of at least 24 hours before the increase takes effect.¹⁵

The PokerStars, PartyPoker and 888 Sites have all been certified by GamCare.

The above pre-commitment measures widely adopted and used by offshore online poker operators show the ease with which pre-commitment has become an accepted and integral harm minimisation practice in the online poker space.

7. Overseas regulation of online poker and pre-commitment requirements

As the Productivity Commission acknowledges in Chapter 15 of the Report, a large number of Australian-based players are accessing offshore gaming websites because of the prohibition on Australian-based online gaming websites.

Any determination of the framework appropriate for the implementation of a best practice full pre-commitment scheme in Australia should consider the manner in which such schemes have been implemented overseas. Our review below focuses on the pre-commitment requirements in Gibraltar, Malta, the Isle of Man and Alderney, each of which has liberalised the provision of online gaming services within a stringent regulatory framework.

7.1 Gibraltar

In Gibraltar, online poker operators are licensed by the Gibraltar Regulatory Authority (the GRA) pursuant to the Gambling Act 2005 (the GA).¹⁶ Section 27 of the GA concerns responsible gambling. Clause 5 of the GRA-issued Code of Practice for the Gambling Industry (the GRA Code) provides guidance in respect of section 27 of the GA. In particular, clause 5.7 of the GRA Code requires licence holders to have in place systems which take into account information, such as communications and customer contact and advice or information from financial institutions, which may be indicative that a customer is gambling beyond their means. In such instances, licence holders should initiate measures allowing the

¹⁴ See clause 3 at http://www.gamcaretradeservices.com/data/files/v5_nov_2010_gamcare_code.pdf. Accessed on 31 January 2011.

¹⁵ See clause 3 at http://www.gamcaretradeservices.com/data/files/v5_nov_2010_gamcare_code.pdf. Accessed on 31 January 2011.

¹⁶ See <http://www.gra.gi/sites/gambling/downloads/42/gambling%20ord%202005.pdf>. Accessed 31 January 2011.

customer to manage their gambling. Measures should include pre-commitment, which should be generally available and allow customers to set daily deposit, time or gambling limits.¹⁷

As at June 2010, there were nineteen remote gambling operators licensed by GRA, including 888.com plc and ElectraWorks Ltd (operator of PartyPoker).¹⁸

7.2 Isle of Man

The licensing of online gambling in the Isle of Man is predominantly governed by the *Online Gambling Regulation Act 2001 (OGRA)*¹⁹, together with a number of regulations which cover such matters as anti-money laundering, disaster recovery, advertising and systems verification. The Gambling Services Commission (**GSC**) is responsible for licensing administration matters.

The Isle of Man requires online gambling operators to comply with various requirements, which are set out in the OGRA and/or the GSC document "Guidance for On-line Gambling" (**Guidance Document**).²⁰

The *Online Gambling (Regulation and Accounts) Regulations 2008* contain requirements in respect of pre-commitment. Operators must provide players with one of two options to set pre-commitment levels. Players must be able to set a maximum deposit amount per session or, alternatively, a maximum deposit amount for a period not less than seven days.²¹ Players are prohibited from increasing the maximum deposit limits unless they have first given seven days' notice.²²

Other additional features which the GSC would expect to be included in the Terms and Conditions and/or generally available on a website include details of self-exclusion mechanisms in respect of future participation, registration and the receipt of marketing material and the means by which an operator may be contacted at any time by a player.

Various details in respect of games maintenance are also required to be provided, for example, the identity of participants, the time at which games were commenced and completed, the player's account balance at the start and finish of each game, the amount won or lost and the currency.

There are currently twenty-two operators authorised by the Isle of Man to conduct online gambling, including Rational Entertainment Enterprises Limited, the operator of the PokerStars Site and Paddy Power Holdings Limited (www.paddypower.com).²³

7.3 Malta

¹⁷ See http://www.gra.gi/sites/gambling/downloads/215/generic_code_v1.0.2009.pdf. Accessed 31 January 2011.

¹⁸ See <http://www.gra.gi/index.php?site=gambling§ion=licences>. Accessed on 31 January 2011.

¹⁹ See <http://www.gov.im/lib/docs/infocentre/acts/ogra2001.pdf>. Accessed 27 January 2011.

²⁰ See <http://gov.im/lib/docs/gambling/externalguidancev3.doc>. Accessed 27 January 2011.

²¹ Regulation 5.2(1) of the *Online Gambling (Registration and Accounts) Regulations 2008*. See <http://www.gov.im/lib/docs/gambling/Regulations/onlinegamblingregistrationandacc.pdf>. Accessed 27 January 2011.

²² Regulation 5.2(2) of the *Online Gambling (Registration and Accounts) Regulations 2008*.

²³ <http://www.gov.im/gambling/licensees/>. Accessed 27 January 2011.

In 2004, Malta became the first European Union member to regulate the provision of online poker services.

The provision of online poker in Malta is regulated by the *Remote Gaming Regulations 2004*²⁴ (**RGR**), which are issued under the Lotteries and Other Games Act 2001 (LOGA). The Lotteries and Gaming Authority (the Authority) is responsible for licensing administration matters.

Malta requires online gaming operators to comply with various requirements, which are set out in the RGR. In respect of mandatory harm minimization measures, online poker operators licensed in Malta are to provide specific mechanisms for player protection. All registered players must be able to set limits on the following for online casino type games (except for online poker):

- (a) the amount wagered within a specific time;
- (b) the amount of losses incurred within a specific time; and
- (c) the amount of time spent playing in any one session.²⁵

However, the above are not mandatory for online poker operators because the Authority considers that poker is clearly distinguishable from other casino-type games on the basis that:

- (a) poker is not a repetitive game;
- (b) online poker players are not likely to lose track of time; and
- (c) each poker game has a start and finish point at which players are conscious of their wins, losses and account balance.²⁶

Players must be able to exclude themselves from playing for a definite or indefinite period of time.²⁷ In addition, while players are able to revoke a limit or decrease an exclusion, licensees are only able to action such a request once seven days have passed from the date of the player's request.²⁸ However, licensees are required to immediately action a player's request to set a limit or self-exclude.²⁹

It is also a mandatory requirement for online poker operators licensed in Malta to display a counter on the screen at all times during the game which automatically updates and shows the player's account balance.

7.4 Alderney

The Alderney Gambling Control Commission (**AGCC**) is responsible for the regulation of gambling. The principal legislation governing online gaming operators is the *eGambling*

²⁴ <http://www.lga.org.mt/lga/content.aspx?id=87374>. Accessed 27 January 2011.

²⁵ RGR 43.

²⁶ See http://www.lga.org.mt/common/file_provider.aspx?id=634081501182345000. Accessed 27 January 2011.

²⁷ RGR 43(1).

²⁸ RGR 43(2).

²⁹ RGR 43(4).

*Ordinance 2009*³⁰ and *eGambling Regulations 2009*³¹. The AGCC only issues licences in respect of remote or online gaming conducted from a server or servers based in Alderney or Guernsey.

Various pre-commitment and self-exclusion measures are required to be available for players. Players, by providing the operator with written notice, may set limits in respect of the amount which may be deposited during the period specified in the notice, the amount which may be lost (with reference to the number of transactions or the time period specified in the notice), or the amount which may be wagered.³² Limits may be set in relation to a single transaction or any number of transactions.³³ Any player's request to increase or remove a limit will not take effect until 24 hours have passed after the request is made.³⁴

Players can also set wager amounts or a maximum limit at zero, which has the same effect as self-exclusion.³⁵ Whilst a player's limit is set at zero, an operator is not able to directly or indirectly market or publicise its services to the player.³⁶

The operators of the websites www.ladbrokes.com, www.williamhill.com and www.sportingbet.com, for example, are licensed under this regulatory regime. Further details of the Alderney licence regime are at www.gamblingcontrol.org. There are currently 51 online gambling operators authorised by Alderney to conduct online gambling including FTP.³⁷

The regulatory approaches taken in the above jurisdictions illustrate online poker is licensed and regulated in a manner which requires pre-commitment measures be available to consumers.

8. Australian online licensing regimes and pre-commitment requirements

Australia already has in place a legislative regime which contemplates a licensing system for online gaming operators. This has the potential to provide the ability to regulate and grant licences in respect of online gaming services provided by Australian-based operators to Australian-based customers. Existing regulatory and licensing frameworks in Queensland, Victoria, Tasmania, South Australia and the Northern Territory, with a focus on pre-commitment requirements are discussed in further detail below.

8.1 Queensland

Queensland has legislation which specifically deals with online gaming services. *The Interactive Gambling (Player Protection) Act 1998 (Qld Act)* regulates online gaming services and was enacted in accordance with the Draft Regulatory Control Model for New Forms of Interactive Home Gambling (the **National Model**), which was released by the

³⁰ See <http://www.gamblingcontrol.org/userfiles/file/Alderney%20eGambling%20Ordinance%202009%20final%20version.pdf>. Accessed 27 January 2011.

³¹ See <http://www.gamblingcontrol.org/userfiles/file/regulations.pdf>. Accessed 27 January 2011.

³² Section 237, *Alderney eGambling Regulations 2009*.

³³ Section 237(3).

³⁴ Section 237(8).

³⁵ Section 237.

³⁶ Section 237(5).

³⁷ See <http://www.gamblingcontrol.org/licensees2.php>. Accessed 27 January 2011.

Gaming Ministers from each of the States and Territories in May 1997. The National Model formed the guiding principles of the regulation of online gaming in the Gaming Ministers' respective jurisdictions.

The Qld Act provides for player setting of pre-commitment levels and self-exclusion. Players must be able to set limits on amounts by giving written notice to an operator. Limits set must be able to be changed by players. However, whilst requests to reduce limits are effected immediately, requests to increase limits are required to not take effect for seven days. Should an operator allow a player to make a deposit in excess of their own limit which they have set, the operator may incur a penalty of 100 penalty points.³⁸

The *Queensland Responsible Gambling Code of Conduct (Qld Code)*³⁹ has been developed by the Queensland Responsible Gaming Advisory Committee (**Qld Committee**), which is made up of members from the community, industry and the Queensland government. The Qld Committee consulted with key stakeholders when developing the Qld Code, which is supported by the *Queensland Responsible Gambling Resource Manual (Qld Manual)*. The Qld Manual sets out best practice across all codes of gambling and is a tool to assist with the implementation of the Qld Code.

The Qld Code is administered by the Queensland Office of Liquor and Gambling Regulation. Compliance with the Qld Code is voluntary. However, the Qld Code contains practices with which compliance is a legislative requirement, for example, the provision of pre-commitment and self-exclusion measures. Therefore, if an operator does not comply with a legislative requirement which is included in the Qld Code, then action may be taken against the operator under, for example, the Qld Act.

8.2 Victoria

Victoria also has legislation specifically dealing with online gaming services. Chapter 7 of the *Gambling Regulation Act 2003 (Vic) (Victorian Act)* sets up a regime for regulating such services, which is modelled on the National Model.

Many of these provisions are in substantially similar form to the Qld Act.

Section 7.4.16 of the Victorian Act requires operators to allow players to set limits on the amount they wish to wager, which the player may change or revoke by providing written notice. Any written request to increase or revoke a limit will not take effect until 7 days have passed since the operator received the notice.

8.3 Northern Territory

Part 4, Division 5 of the *Gaming Control Act 1993 (NT) (NT Act)* provides for the licensing of internet gaming. Regulations have been enacted incorporating player protection provisions.

Historically, one Northern Territory-based operator (Lasseters Casino Pty Ltd) was licensed in 1999 to carry on internet gambling operations. Restrictions applying to that operator were

³⁸ Section 136 of *Interactive Gambling (Player Protection) Act 1998*.

³⁹ See

<http://www.olgr.qld.gov.au/resources/responsibleGamblingDocuments/responsibleGamblingCodeOfPractice.pdf>
Accessed 27 January 2011.

contained in a separate licence agreement. The licence required Lasseters Online to have numerous harm minimisation measures in place including the requirement that monthly deposit limits be set, with any wagers being restricted to the amount of the deposit plus any winnings that might have been accumulated. Players were also required to be able to set their own bet limits and self-exclude, either for a seven day cooling off period or permanently.

Whilst the licence issued to Lasseters Online has now lapsed, the regime remains in place which enables internet gaming operators licensed in the Northern Territory to be licensed to conduct internet gambling operations.

Whilst Tasmania and South Australia do not have specific legislation authorising online gaming, the legislation in place in these jurisdictions applies to online gaming.

8.4 Tasmania

Part 4A of the *Gaming Control Act 1993 (Tas) (GCA)* applies to online gaming. Section 76U of the GCA allows for a Tasmanian gaming licence to be endorsed with a simulated gaming endorsement, which authorises the operator to conduct online simulated games.⁴⁰

Division 7 of the GCA concerns player protection measures in respect of gaming and wagering activities conducted by Tasmanian licensees. Players must be able to set their own net loss limit for wagers made in a calendar month. In a manner similar to the other States referred to above, any written request to reduce a limit takes effect when received by the operator, whilst a request to increase a loss limit will not take effect until 7 days after the request was received by the operator.⁴¹

As can be seen from the above, the Tasmanian requirements in respect of pre-commitment are prescriptive.

8.5 South Australia

The *Authorised Betting Operations Act 2000 (SA) (ABOA)* sets out a strict regulatory regime which requires online interstate bookmakers to be authorised to provide online wagering activities to South Australian residents.

Under section 62C of the ABOA, an authorised interstate betting operator must ensure that its betting operations in SA comply with the applicable gambling codes of practice. Compliance with the *Responsible Gambling (Authorised Interstate Betting Operators) Code of Practice (SA Code)*⁴² is mandatory for authorised interstate bookmakers. The SA Code sets out a framework by which an interstate bookmaker can ensure the authorised services it provides are provided in a responsible manner consistent with community expectation.

The SA Code contains a number of prescriptive pre-commitment measures.⁴³ Pursuant to section 7 of the SA Code, interstate betting operators must provide a pre-commitment scheme which includes the following features:

⁴⁰ See http://www.austlii.edu.au/au/legis/tas/consol_act/gca1993156/s76u.html.

⁴¹ Section 76ZK of the GCA 1993.

⁴² See http://www.iga.sa.gov.au/pdf/rules_forms_codes/AIBO-RGCode-r03.pdf. Accessed 27 January 2011.

⁴³ Section 7(2), SA Code.

- (a) the account holder must be able to set a pre-commitment limit for a fixed period of 7 days;
- (b) the pre-commitment level must apply to net betting losses during the 7 day period, deposits made during the 7 day period or a combination of both;
- (c) before an account can be used, the account holder must either set a pre-commitment level or elect not to set a limit;
- (d) interstate betting operators must contact each account holder at least every two years to offer the choice to set a pre-commitment level, if the account holder has chosen not to do so;
- (e) if an account holder decides to increase or revoke a limit or change the start day of the 7 day period, the changes must not come into effect for 7 days. However, any request to decrease a limit must take effect as soon as possible;
- (f) account holders must be provided with an account balance, activity statements and so on which enable account holders to track wins and losses; and
- (g) interstate betting operators are required to promote the availability of the pre-commitment scheme to account holders on brochures and other marketing information, as part of welcome packs, on their website and on account balances.

The prescriptive requirements above are not dissimilar to the pre-commitment practices which are widely utilised by offshore online poker operators.

9. Conclusion

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 poker online despite the prohibition on the provision of online poker services contained in the IGA.

The Productivity Commission recommended that the provision of online poker services by Australian-based operators to Australian-based consumers in a regulated environment be permitted expressly. iBus Media Limited supports the Productivity Commission's findings that:

- the online environment has the ability to deliver harm minimisation technologies *"much more easily and effectively than most forms of venue-based gambling"*;
- 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.⁴⁴

The Productivity Commission also recommended that any new regime for the regulation of online gaming mandate the ability to pre-commit to a certain level of gambling expenditure. The experience overseas of online poker operators illustrates the manner in which pre-commitment facilities may be provided to consumers (whether the pre-commitment facilities

⁴⁴ Report, 15.22.

are provided voluntarily or as a requirement of licence conditions). The wide adoption of pre-commitment measures in the online poker space illustrates that pre-commitment measures are easily and widely utilised and accepted by online poker operators and players alike.

Furthermore, Australia has numerous regulatory frameworks in place, which consist of State and Territory-based legislation, licensing systems and Codes of Conduct, which contemplate the provision of online gaming services. The ability for consumers to pre-commit is a mandatory requirement of many of these regulatory frameworks.

Should the provision of online poker services be permitted in Australia, iBus Media considers that online poker operators would welcome any mandatory pre-commitment scheme in Australia.

iBus Media looks forward to the Joint Select Committee's (Committee) findings.

In any event, iBus Media would be pleased to attend any public hearing convened by the Committee to answer any questions relating to this submission which the Committee may have.

