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23 April .2001

The Secretary  
Senate Environment, Communications, Information  
Technology  
and the Arts References Committee  
S1.57 Parliament House  
**CANBERRA ACT 2600**



Dear Sir

**RE: INTERACTIVE GAMBLING BILL 2001**

Further to advice from Senator Alston, 4 January 2001, (letter attached) regarding the moratorium, we make the following submission for consideration by the Committee:

- ❖ That charitable Art Unions be viewed as a separate category and be included as an exemption in the Bill.

We submit that the charity is exempt under clause 6(1)(a) that provides that a prohibited internet gambling service is a service that is provided "in the course of carrying on a business". An Art Union is a not for profit, fund raising activity.

In addition an Art Union does not fit into the category of "on-line" gambling as defined in the Review on On-Line Gambling; in Australia (Chapter 2.3 1 and 2 attached).

Customers of Charitable Art Unions, usually make one purchase of a fixed price ticket, not a bet or wagering. Art Unions are conducted over periods usually between 1 and 4 months.

Charitable Art Unions are sold by volunteers. mail and phone, the internet provides another method of purchasing tickets. There is a benefit in terms of cost savings to the charity e.g. costs of obtaining an order are reduced; allowing more funds to be available for services.

I am available on e-mail [gjefferies@jboystown.com.au](mailto:gjefferies@jboystown.com.au) or phone (07) 3867 1291 for further discussion or information if required.

Yours sincerely.

A handwritten signature in cursive script that reads "Gail Jefferies".

**GAIL JEFFERIES**  
**MANAGER CORPORATE STRATEGY**  
**BOYSTOWN LOTTERIES**

## CHAPTER 2

### ONLINE GAMBLING IN AUSTRALIA

*We are a gambling nation. We will bet on anything...We cannot watch two people playing any sport without saying I bet he misses'!*

#### Introduction

2.1 In this Chapter, the Committee considers the scope and nature of online gambling in Australia. It finds that online gambling is in its infancy, but is developing rapidly into an established industry that brings together e-commerce and interactive entertainment. The major challenge in its development has been to adapt a new technology to facilitate existing and new gambling activities, whilst ensuring a safe and reliable gambling environment for consumers.

2.2 The Committee has discussed three major issues in this Chapter:

- What is online gambling?
- Who are the online gambling operators in Australia?
- Under what regulatory schemes do they operate?

#### What is online gambling?

2.3 Online gambling is where gambling activities are provided through the Internet. It has two major categories - one which involves computer generated games and events, and another which involves events that occur independently. The Productivity Commission commented on the categories:

1. Virtual online gambling, which includes software-generated games such as slot machines, black jack and roulette - the games are not played physically in a gaming room and the outcome of the event is determined by a random number generator on the operator's server; and
2. Placing a bet on a wide range of sporting events, such as horse and car racing, football and tennis - which take place on a real racetrack or playing field. Unlike virtual gaming, this form of gambling has no entertainment value of its own – it is not a new gambling product, but a new means of placing a bet.

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1 Professor Jan McMillen, *Official Committee Hansard*, Sydney, 15 October 1999, p: 80.

2 Productivity Commission 1999, *Australia's Gambling Industries*, Report No. 10, AusInfo, Canberra, Vol. 2, p. 18.5.



OFFICE OF THE MINISTER FOR COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS  
*Senator the Hon Richard Alston*

Ms Gail Jefferies  
Manager Corporate Strategy  
Boystown Family Care  
PO Box 2000  
MILTON QLD 4064

**04 JAN 2001**

Dear Ms Jefferies

Thankyou for your letter of 6 December 2000 to the Minister for Communications, Information Technology and the Arts concerning the Interactive Gambling (Moratorium) Bill 2000. The Minister has asked me to respond on his behalf.

The Commonwealth Government is concerned that new interactive technology, such as the internet and datacasting, has the potential to put new gambling opportunities in every home. This quantum leap in accessibility to gambling has the potential to expand both the amount of gambling available in Australia and exacerbate problem gambling.

Australians are among the heaviest gamblers in the world, spending twice as much on legalised gambling as people in North America and Europe. The negative social consequences associated with excessive gambling affect many Australian families and communities with as many as one in ten Australians experiencing some sort of negative impact relating to problem gambling.

Please; note that the moratorium applies to certain interactive gambling services that are offered in the course of carrying on a business. Services offered by not for profit organisations are exempt front the moratorium. You may wish to consult your legal advisee on this matter.

Thank you for taking the time to write on this important issue.

Yours sincerely