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24 April 2001

Ms Andrea Griffiths
The Secretary
Senate ECITA Legislation Committee
S1.57
Parliament House
Canberra ACT 2600

Dear Ms Griffiths,

RE: INTERACTIVE GAMBLING BILL 2001

CentreRacing is pleased to provide this submission to the Senate ECITA Legislative Committee in relation to the Interactive Gambling Bill 2001.

CentreRacing is licensed by the Northern Territory Government to conduct wagering on thoroughbred, harness and greyhound racing, by way of telephone, Internet and an on-course presence.

Wagering, whether it be through the internet or not, can not be considered interactive. Events are conducted and controlled by regulated authorities, upon which people wishing to place a bet make their selections with a third party supplier. These selections are not spur of the moment betting, but researched via newspapers, radio, television and internet information.

The Explanatory Memorandum repeatedly quotes from the analyses within the Productivity Commission report on Gambling Industries and yet selectively avoids the recommendation of the Commission in respect to Internet Gambling, which advised regulation rather than prohibition.

We consider the proposed Bill, in its current format, is inappropriate due to the following issues:

Protecting overseas gamblers but not offering same service to Australian consumers.

Australian punters wishing to use the Internet to place a bet will be forced to seek an overseas operator with no consumer protection, whereas overseas punters wishing to bet with Australian sites are afforded all the security and protection developed by this industry and recognised world wide as a model for other jurisdictions.

Providing legislation for the Gambling Service Providers to be punished but not the 'individual' user.

An Australian punter may seek to place a bet with an Australian Gambling Service Provider via the Internet but only the Gambling Service Provider would be guilty of a crime. It is illegal for a person to bet with a non-licensed bookmaker currently so we ask why is this not extended to the proposed legislation?

Loss of revenue to existing businesses

Australians are comfortable and accepting of the technology of the Internet and there is no evidence to suggest they will stop using this alternative delivery method. The proposed Bill will force these "local" clients to transact with overseas sites. This, together with minimum telephone bet restrictions of \$50 in the Northern Territory and \$200 in most other states, as against a minimum of \$1 for some sites via the Internet, will make it difficult to attract new Australian clients

Force currently licensed operators to relocate overseas

We, like all currently licensed operators, have Australian clients using our licensed site. Like any business we are loath to "hand over" these clients to another operator and will be forced to investigate the possibility of locating our operation overseas so as to legally conduct business with these clients.

Hypocritical, as it allows Australian companies to export gaming services and trade with overseas parties, and accordingly reap any profits from an Australian product the Government regards as inappropriate for domestic consumption

The Australian Government is sending a message to the international community that it considers the local Gambling industry provides insufficient protection for Australian citizens but sufficient protection for overseas clients.

Unregulated on-line operators operating overseas remain accessible to Australian punters

The proposed ban is said to protect 100% of “consumers” when the number of problem gamblers is cited as being 2.1%. The Bill will deny the 98% of recreational gamblers the benefits of using Australian sites but will not prevent the 2% of problem gamblers from accessing unregulated overseas internet gambling sites.

The outflow of Australian money to Vanuatu betting shops is a good example of this happening already and is well documented.

Threat to the future of the Australian racing industry.

The loss of revenue by wagering providers to the racing industry will have a detrimental impact on an industry which currently directly employs over 100,000 people, of which the majority live and work in regional Australia.

Industry stakeholders include a wide group of occupations such as owners and trainers, veterinary surgeons, feed providers and transport operators. The industry also, vital for regional areas, employs a large number of unskilled workers such as stablehands and stud grooms.

Restrictive to the developing IT infrastructure growth

Australia’s reputation as a technologically-advanced nation significantly determines whether or not we will be a successful economy and society in the 21st Century. This ban will demonstrate to all Australians and the international community that whatever our Government cannot understand it demonises and Australia’s current reputation as an advanced IT nation will be relegated to ‘third world’ .

Alternative considerations to address problem gambling

1. Introduction of a national regulatory model for legitimate gaming activity e.g. AUS Model.
2. Limit (or reduce) the number of poker machines in Australia.
3. Public education on the dangers of problem gambling

The banning of internet wagering will not, in any way, affect the number of poker machines in Australia. It will remove the protection our industry has developed for Australian internet users and provide this to overseas users. It will give Australians no other choice than to bet with unregulated unlicensed overseas operators. It will send operators like CentreRacing offshore and therefore provide employment opportunities and taxation income for a foreign country.

The group of people in the Northern Territory who introduced sports betting to the world and then created internet betting for this product, went on to become the largest e-commerce exporter for Australia and created hundreds of jobs in a regional area and millions of dollars for Australia in terms of recognition, tourism, and trade dollars, must not be caught in the net meant to fix the problems caused by poker machines.

We urge that common sense prevail and that internet racing and sports betting are recognised as a useful product and are exempted from any blanket, quick fix, all encompassing legislation.

We urge the Senate ECITA Legislation Committee to consider these issues and have the legislation amended accordingly.

Yours sincerely

TERRY LILLIS
Proprietor