

**Government Response to the Parliamentary Joint
Select Committee on Gambling Reform - Second
Report: *Interactive and Online Gambling and
Gambling Advertising and Interactive Gambling and
Broadcasting Amendment (Online Transactions and
Other Measures) Bill 2011***

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Recommendation 1

2.109 The committee supports 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 committee reiterates its call for a national independent research institute on gambling.

Response: Matter for Jurisdictional Consultation. The Productivity Commission recommended in their 2010 report on gambling that jurisdictions work together to improve the usefulness of gambling survey evidence. This issue will be discussed through the COAG Select Council on Gambling Reform.

Additionally, in 2009 the Australian Government renewed their memorandum of understanding with the states and territories for the national research body Gambling Research Australia until 2014. Future research arrangements are a matter to be discussed with states and territories through the COAG Select Council.

Recommendation 2

2.111 The committee recommends that the review of the *Interactive Gambling Act 2001* being conducted by the Department of Broadband, Communications and the Digital Economy commission relevant research on the local online gambling environment.

Response: Agreed. Work is being done on this as part of the department's review of *Interactive Gambling Act 2001*, through the commissioning of research by Allen Consulting Group and KPMG.

Recommendation 3

7.87 The committee recommends that the *Interactive Gambling Act 2001* (IGA) be amended to address the inconsistencies and ambiguities identified to the committee regarding prohibited interactive gambling services and any others that are identified through the review being conducted by the Department of Broadband, Communications and the Digital Economy. Specifically the IGA should be amended to capture methods of avoidance such as websites which provide links to facilitate access to prohibited interactive gambling services.

Response: Agreed. The following ambiguities have been identified and will be addressed in the Review Report of the *Interactive Gambling Act 2001*:

- meaning of a 'sporting event'
- definition of 'gambling service'
- definition of 'accidental or incidental broadcasting of an interactive gambling advertisement'
- definition of 'micro-betting'
- promotion and advertising of gambling services.

Recommendation 4

7.89 The committee recommends that following the review of the *Interactive Gambling Act 2001* by the Department of Broadband, Communications and the Digital Economy, an education campaign be developed for consumers to provide clarification of online gambling regulation and highlight the risks of harm.

Response: Any education campaigns should be highly targeted. Initiatives will be identified as part of the review of the *Interactive Gambling Act 2001*.

Recommendation 5

8.32 The committee supports the recommendation of the Productivity Commission that the COAG Select Council on Gambling Reform should review new gambling opportunities, particularly those which appear to target youth, with a view to developing a national regulatory approach.

Response: Matter for jurisdictional consultation. New opportunities such as use of social networking sites are being considered in the review of the *Interactive Gambling Act 2001*. The Consultative Working Group on Cybersafety is also considering the issue of gambling services being made available through social networking sites.

The Government will discuss this issue further with state and territory governments through the COAG Select Council on Gambling Reform.

Recommendation 6

9.50 The committee recommends that the *Interactive Gambling Act 2001* be amended to address the inconsistencies and ambiguities identified to the committee regarding the advertising of prohibited interactive gambling services, and any others that are identified through the review being conducted by the Department of Broadband, Communications and the Digital Economy. Specifically it should be amended to capture methods of avoidance such as advertisements that do not mention gambling linked to gambling websites.

Response: Agreed, refer to response to Recommendation 3.

Recommendation 7

11.30 The committee recommends that the current prohibition on online 'in-play' betting should remain in place.

Response: Noted. This issue will be considered in the review of the *Interactive Gambling Act 2001*.

Recommendation 8

11.31 The committee recommends that the attractions, risks and potential harms of online 'in-play' betting be the subject of appropriate research commissioned by the current IGA review being undertaken by the Department of Broadband, Communications and the Digital Economy.

Response: Noted. This issue will be considered in the review of the *Interactive Gambling Act 2001*, and research being conducted by the Allen Consulting Group.

Recommendation 9

11.41 The committee recommends that through the COAG Select Council on Gambling Reform, governments, in consultation with industry, review the 90-day timeframe to verify identity when opening a betting account, with a view to reducing it to 72 hours, in order to diminish the risk of minors using the current timeframe to gamble illegally.

Response: Greater harm minimisation and consumer protection measures will be considered in the Review of the *Interactive Gambling Act 2001*.

The Government will also discuss this issue further with state and territory governments through the COAG Select Council on Gambling Reform.

Recommendation 10

11.119 The committee recommends that the COAG Select Council on Gambling Reform, in consultation with the COAG Legislative and Governance Forum on Consumer Affairs, develop nationally consistent consumer protection standards for tighter controls on the practice of credit betting.

Response: Noted. The Government announced on 21 January that it will increase consumer protections including tightening rules on the provision of lines of credit, restrictions on betting inducements, and protection of consumer funds. The issue will also be considered in the review of the *Interactive Gambling Act 2001*.

Recommendation 11

11.120 The committee recommends that the COAG Select Council on Gambling Reform, in consultation with the COAG Legislative and Governance Forum on Consumer Affairs, develop nationally consistent consumer protection standards for greater transparency around the practice of paying third party commissions by betting agencies.

Response:

Noted. The Government announced on 21 January that it will introduce stricter limits on betting inducements. This issue will also be considered in the review of the *Interactive Gambling Act 2001*.

Recommendation 12

12.62 The committee recommends that the COAG Select Council on Gambling Reform commission further research on the longer-term effects of gambling advertising on children, particularly in relation to the 'normalisation' of gambling during sport.

Response:

Matter for jurisdictional consultation. The impact of advertising on gambling behaviours is a priority issue for the COAG Select Council. Specific research into the impact of advertising on children will be discussed with state and territory governments through the COAG Select Council on Gambling Reform.

Recommendation 13

12.77 The committee recommends that the COAG Select Council on Gambling Reform work towards nationally consistent requirements for responsible gambling messages to ensure they work effectively as harm minimisation measures to counter-balance the promotion of gambling.

Response: Agreed, matter for jurisdictional consultation. The Government will discuss this issue further with state and territory governments through the COAG Select Council on Gambling Reform.

This issue will also be considered in the review of the *Interactive Gambling Act 2001*.

In relation to messages for individual players on poker machines, the Government is also currently undertaking a trial of dynamic warning parameters that is being facilitated by the Queensland Government. COAG Select Council Ministers have agreed to further consider the implementation of dynamic warnings and cost of play displays for poker machines once results of the trial become available.

Recommendation 14

12.101 The committee recommends that the government legislate a total ban of the promotion of live odds both at venues and during the broadcast of a sporting event.

Response: Government announced on 21 January that it is working with the sporting and betting industries to reduce and control the promotion of live odds during sports coverage through amendments to their existing industry codes.

If satisfactory amendments have not been put in place by broadcasters by the end of June 2012, the Australian Government will introduce legislation to ban the promotion of live odds in sporting broadcasts.

The promotion of live odds at venues is a matter for the states and territories and the Government will continue to work with states and territories through the COAG Select Council on Gambling to address this issue.

Recommendation 15

12.103 The committee recommends that the work to legislate a total ban on live odds promotion also ensures that responsible gambling messages are retained as a harm minimisation measure and continue to appear as a counterpoint to other instances of gambling advertising, both in venues and during sporting broadcasts.

Response: Noted, matter for jurisdictional consultation. The Government agrees that responsible gambling messages should be retained, the requirements for responsible gambling messages to accompany advertising or promotion of gambling at venues is a matter for states and territories. However, this issue will be considered in the event the government decides to introduce legislation to ban the promotion of live odds in sports broadcasts.

The Government will discuss this issue further through the COAG Select Council on Gambling Reform.

Recommendation 16

12.139 The committee recommends that the COAG Select Council on Gambling Reform, in consultation with Australasian Racing Ministers and the wagering industry, develop a mandatory national code of conduct for advertising by wagering providers covering:

- inducements to bet;
- credit betting and third party commissions;
- harm minimisation messages on responsible gambling; and
- other nationally consistent standards to restrict certain forms of sports betting advertising, which at a minimum, should include a ban on the display of gambling companies' logos on sporting players' uniforms and merchandise (such as children's replica sports shirts), as well as restrictions on the giveaways of free merchandise which depict betting companies' logos.

Response: Matter for jurisdictional consultation. The Government will discuss this issue further with state and territory governments through the COAG Select Council on Gambling Reform. Further, the Government announced on 21 January that it will increase consumer protections including tightening rules on the provision of lines of credit, and restrictions on betting inducements.

These issues will also be considered in the review of the *Interactive Gambling Act 2001*.

Recommendation 17

12.143 The committee recommends that, following the outcome of the Federal Court 'betbox' case, the COAG Select Council on Gambling Reform, in conjunction with regulators, investigate the potential for the growth of betting opportunities in a range of venues which have not previously offered gambling services and develop appropriate nationally consistent regulations to address it.

Response: Matter for jurisdictional consultation. The Government will discuss this issue further with state and territory governments through the COAG Select Council on Gambling Reform.

Recommendation 18

15.60 The committee majority recommends that consideration of the amendment to the *Interactive Gambling Act 2001* (IGA) in relation to inducements be deferred until the review of the IGA being undertaken by the Department of Broadband, Communications and the Digital Economy is completed. This would allow the amendment to be considered along with any further amendments proposed by the government arising from the review.

Response: Noted.

Recommendation 19

16.50 The committee majority recommends that the *Broadcasting Services Act 1992* be amended to prohibit gambling advertising during times when children are likely to be watching.

Response: Noted. As indicated in the response to Recommendation 14, the government priority is to address the promotion of live odds during sports broadcasts.

Recommendation 20

16.73 The committee majority recommends that the *Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011* not be passed.

Response: Noted.