

Coalition committee members' additional comments

The Interactive Gambling Act 2001 (IGA)

1.1 Australia currently regulates the provision of online gambling services through the *Interactive Gambling Act 2001* (IGA), which was enacted by the Howard Government in 2001.

1.2 The Coalition recognises ongoing concern in the community about Australians being able to access casino-type games online. There is a risk for people accessing these sites. The sites are based overseas and there is no guarantee of authenticity, probity or recovery of winnings. The sites can be accessed by minors and problems gamblers and there is also no guarantee of responsible gambling practices such as counselling and self-exclusion. These overseas providers do not pay tax nor create employment in Australia.

1.3 Coalition committee members heard concerns raised during the inquiry that the current IGA legislation is not adequately enforced. Given the effectiveness of the IGA is to be examined by a Coalition policy committee, Coalition members of the Gambling Reform Committee have not yet formed a conclusive view on the operation of the IGA.

1.4 In November 2011, the Coalition launched a policy discussion paper on gambling reform and established a working group to consult with industry, state and territory governments, experts and the wider community to investigate policy options that effectively address problem gambling. Online gambling is included in this process and the Coalition is seeking comment on the effectiveness of current legislation, whether to strengthen legislation and whether changes to legislation will assist problem gamblers to overcome their addiction. The Coalition will complete this process before reaching a final position on any changes to current gambling laws to assess the effectiveness of the legislation and the effect of any changes on Australian consumers. It is expected that the Working Group will report back to the Leader of the Opposition by the end of February 2012.

Financial transaction controls

1.5 As noted in the Coalition policy discussion paper, views and comment are being sought on the capacity of lawmakers to cooperate with financial institutions as a way of better enforcing the current prohibitions regarding overseas online gambling sites.

Prohibiting the offering of credit to gamblers

1.6 During the inquiry, the committee heard about a recent case involving a customer of a betting agency with a mental illness who was provided with credit

worth tens of thousands of dollars. Only later did it become evident that he was unable to repay the debt.¹

1.7 As part of the policy discussion paper and working group launched in November 2011, the Coalition is currently seeking stakeholder comments on the Commonwealth prohibiting gambling providers offering credit in any form to gamblers.

1.8 As part of this consultation, the Coalition believes there should be an exemption for traditional bookmakers to continue to allow 'credit betting' (i.e. 'laying off') as this is often part of a bookmaker's professional business practice. In addition, current arrangements for VIPs in Australian casinos would be permitted.

Advertising of gambling products

1.9 Coalition committee members believe that while gambling is a legitimate industry, there should be fair and reasonable limits to the advertising of gambling.

1.10 The practice of promoting 'live odds' during the broadcast of sporting events is a recent development of concern. The committee heard how the increasing promotion of live odds exposes vulnerable groups, such as those with a gambling problem or children, to gambling products.

1.11 As part of the policy discussion paper and working group launched in November 2011, the Coalition is seeking comments on the prohibition of the promotion of live odds during the broadcast of a sporting event while that event is in play. However, live odds updates could still be given during half-time or breaks in play. This would ensure that legitimate advertising of betting services would still be permitted but at the same time, promotional activity would not interfere with the enjoyment of a sporting event.

1.12 Due to their fundamental link with wagering, the Coalition believes the thoroughbred, harness and greyhound racing industries should be exempt from such measures.

1 See *Committee Hansard*, 11 August 2011, p. 3. See also Richard Willingham, 'Betting agency settles over man's \$80,000 debt', *The Age*, 26 July 2011.

Conclusion

1.13 The Coalition will reach a final position on any changes to gambling laws following completion of the working group process.

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