

Dissenting report by the Chair and Senators Xenophon, Di Natale and Madigan

1.1 At the outset we wish to express our sincere gratitude and admiration for the work performed by the Secretariat of the Joint Select Committee on Gambling Reform since its inception. As has been made clear by the findings of the committee in its five previous reports, problem gambling in Australia is an issue that touches the lives of hundreds of thousands of people. The need for meaningful and effective gambling reform is overwhelming. There has been a perceptible change in the attitude of the Australian community towards gambling, and in particular towards online sports betting in 2013 alone. We believe there is a need for a permanent committee to be established to address gambling reform in Australia and we are disappointed to see this committee disbanded when there is still so much more work that needs to be done.

The Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012

Introduction

1.2 It is our view that the committee majority report is disappointingly devoid of a discernible position on gaming machine reform. Given the quality of evidence the committee received in support of the Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012 (the bill), as well as the large volume of material the committee has considered for previous inquiries, we reject outright the notion that the proposed legislation lacks sufficient evidentiary basis. On the contrary, it is the government and Coalition committee members' weak stance on poker machine reform that cannot stand up to rigorous analysis, particularly when their professed commitment to harm reduction is taken into account.

The damage done

1.3 More poker machine reform is desperately and urgently needed. Consider the following statistics, provided by the Gambling Impact Society of New South Wales:

- One in six people who play the poker machines regularly have a serious addiction.
- Only around 15 per cent of people who have a gambling problem seek help.
- Those affected by problem gambling are six times more likely to be divorced than those without gambling problems (Thomas, S, 2008).
- Children with parents who are addicted to gambling are up to 10 times more likely to become addicted themselves, than children with non-gambling parents (The Problem Gambling Treatment and Research Centre, 2010).

- The NSW Health Report of 2007 found that 10.4% of NSW residents had experienced a problem with gambling in the family.
- Between 40 – 60% of gambling revenue is from those gambling problematically (Productivity Report 2010)
- One in five suicidal presentations are linked to problem gambling (a study by The Alfred Hospital, Mental Health team research, Costello 2010).¹

1.4 Gambling exists on a continuum—it is not always clear who will develop a gambling problem and how many people an individual's behaviour will affect. Those affected by the 'ripple effects' of gambling include family members, friends, colleagues and workplaces and, as the committee explained in its first report, their numbers are likely to be underreported.² It is a mistake to ascribe all ill effects to what is accepted to be 'problem gambling':

Problem gambling is generally (and probably erroneously) regarded as being synonymous with the amount of harm occasioned by gambling. However, it should be noted that although problem gambling prevalence rates provide a metric (if instruments and survey methodologies are applied consistently over time), prevalence surveys are unlikely to indicate the number of people actually adversely affected by gambling nor are they capable of assessing the actual impacts of the harm experienced by those affected.³

1.5 Highlighting the point above, the Municipal Association of Victoria cited the Productivity Commission's conclusion that around 60 per cent of people who report health problems arising from their gambling do not fit the definition of 'problem gambler'.⁴ Furthermore:

It is well known that those gambling at problem or at-risk levels are unlikely to publicly attribute any health, social or financial difficulties they're experiencing to their gambling activity. Accurately assessing the social and economic costs of problem gambling in Victoria must then, inevitably, be a difficult task. That said, the fact that it is known that so much money is lost each year, predominantly in Victoria's most disadvantaged communities, and that gambling problems lead to a range of

1 Gambling Impact Society (NSW), *Submission 14*, p. 5.

2 For more on the gambling continuum see the Joint Select Committee's first report, *The design and implementation of a mandatory pre-commitment system for electronic gaming machines*, May 2011, p. 51, available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gambling_reform_ctte/completed_inquires/index.htm (accessed 6 June 2013).

3 Municipal Association of Victoria, *Submission 2, Attachment*, p. 5.

4 Municipal Association of Victoria, *Submission 2, Attachment*, p. 5.

physical health, mental health, social and economic harms, does, or should, raise important public interest questions for all three levels of government.⁵

1.6 It is clear that counting the costs of gambling is a difficult task. It is also clear that two Productivity Commission reports and numerous research studies have indicated that poker machines represent the most addictive form of gambling.⁶ Through its inquiries, the committee has catalogued the harm poker machine addiction can and does cause individuals, families and society⁷—leaving it up to individuals to carry this burden will not do. The proposed legislation gives us an opportunity to put in place effective measures which will minimise harm. This is not an opportunity to be missed.

The cost of inaction

1.7 The committee majority report states that the financial cost of implementing the proposed legislation is significant and, by implication, prohibitive. On reflection, what this position is actually saying is that the financial cost to the gambling industry is deserving of greater consideration than the cost of inaction to the community. This is an alarming position to take for any incumbent or would-be government. For one, cost cannot simply be measured in dollars and cents. However, even when it is, the financial cost our society bears for inaction in this area over the years is far greater than the one-off financial loss to the gambling industry.

1.8 Forgoing action because the gambling industry would have to pay in order to reduce the harm caused by revenue-raising poker machines amounts to putting profit and revenue-raising above people and communities. Those analysing criticism of the proposed legislation would do well to remember that opposition to the bill comes largely from those who stand the most to gain from the status quo: from the gambling industry and from some state governments. As put by FamilyVoice Australia:

It is time to consider whether the State governments – charged with providing for the peace and good order of their State – are failing in their duty to the extent that they have become dependent on revenue from gambling and have consequently become reluctant to restrict access to gambling in any substantial way.

5 Municipal Association of Victoria, *Submission 2, Attachment*, p. 14.

6 Gambling Impact Society, *Submission 14*, p. 4. See Productivity Commission, *Australia's Gambling Industries*, Report no. 10, 1999, available at: <http://www.pc.gov.au/projects/inquiry/gambling/docs/report>, and Productivity Commission, *Gambling*, Commonwealth of Australia, Canberra 2010.

7 A number of personal stories are set out in Chapter 2 of the committee's first report. See *The design and implementation of a mandatory pre-commitment system for electronic gaming machines*, May 2011, p. 51, available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gambling_reform_ctte/completed_inquires/index.htm (accessed 6 June 2013).

The fundamental social question is whether the alleged benefits of gaming machines – revenue for non-profit clubs and enjoyment for "recreational" non-problem gamblers – are worth the social costs associated with problem gambling.⁸

What are the costs?

1.9 Looking for a moment at the cost of implementation figures cited by sections of the gambling industry, these figures are not only spurious but, even if accepted at face value, pale in comparison to the social cost of problem gambling.

The cost of implementation versus the social cost of problem gambling

1.10 The Productivity Commission tells us that the social cost of problem gambling is *at least* \$4.7 billion per year.⁹

1.11 Gaming Technologies Australia (GTA), whose members supply all of Australia's new poker machines, tells us that the cost of reconfiguring Australia's poker machine inventory would exceed \$2.5 billion.¹⁰

1.12 Even if accepted, this figure is far lower than the annual cost of problem gambling incurred by society—it is a one-off cost of \$2.5 billion, as opposed to an annual cost of \$4.7 billion. It is quite obvious which cost is greater, even if compared in an absolute, purely financial sense. GTA's \$2.5 billion cost of implementation figure, however, is not a figure that I accept.

1.13 As the committee heard, much depends on how costs are calculated, and industry calculations of cost do not take into consideration the depreciation of existing poker machines:

...[A] point I would make, particularly about the way that these calculations are done, is that it is often along the line of saying the average cost of modifying or replacing the machine is X dollars—it is roughly \$25,000, for example, for a completely new machine—and there is a range of much lower costs for hardware and software changes. If you take the existing number of gaming machines and multiply it by that composite measure, you get an immediate cost. Many of the numbers you hear are of that kind, but that is intrinsically a problematic measure because it ignores the fact that many machines out there are not new machines. They are going to be replaced at some time in the future. The correct measure of the cost would take into account that very fact.

Perhaps to give an illustration, just imagine that a venue has a machine which is in the last year of its life and that its replacement ought to be \$25,000. It is currently worth \$2,000. If I bring forward the investment of

8 FamilyVoice Australia, *Submission 3*, p. 1.

9 Productivity Commission, *Gambling*, Report no. 50, Overview, 26 February 2010, p. 2.

10 Gaming Technologies Australia, *Submission 4*, p. 4.

\$25,000, the real cost is not \$25,000—it is \$2,000. Unless you take account of that fact, you get grossly misleading indicators of the costs. I cannot say which of those particular estimates you gave to me make which of those errors, but it sounds like the higher ones do so.¹¹

1.14 While industry will naturally be affected if machines are required to be upgraded, I believe this is a necessary consequence if harm minimisation measures of the kind proposed are to work.

The key measures

1.15 While the committee majority report cites submitter concerns regarding the quantity of research available to support the key measures proposed by the bill, it must be pointed out that a number of submitters—albeit not those reliant on revenue from gaming machines—pointed to strong evidence which is available.

\$1 bet limits

1.16 It is incorrect to say that the evidence supporting a \$1 cap on bets is weak. The \$1 figure is supported by the Productivity Commission in its 2010 inquiry and report on gambling in Australia. The Productivity Commission report is not a haphazard document based on guesswork and scant research—it is a serious piece of work produced by an impartial and highly professional agency. The fact that its conclusions may not be to everyone's liking is not sufficient reason to reject its findings.

Cash input limits

1.17 Cash input limits also received support among submitters. The Australian Churches Gambling Taskforce pointed out:

The Productivity Commission noted a 2007 NSW gambling prevalence study in which it was found people with gambling problems inserted notes into machines at a significantly higher frequency compared to other gamblers (84% of problem gamblers versus 54% of low risk gamblers who insert often/always). People with gambling problems were more than eight times more likely to insert \$50 notes into machines compared with EGM gamblers overall (41% to 5%). Moderate risk gamblers also displayed some of these expenditure patterns, but to a lesser degree.¹²

1.18 In fact, submissions such as the one above supported stronger measures than those proposed by the bill, but conceded that the legislation would be a good start:

The Taskforce would strongly prefer the removal of note acceptors altogether in those jurisdictions that currently allow for them, at the very

11 Dr Ralph Lattimore, Assistant Commissioner, Productivity Commission, *Committee Hansard*, 22 February 2013, p. 7.

12 Australian Churches Gambling Taskforce, *Submission 11*, p. 5.

highest allowing for note acceptors that accept \$5 notes. However, a restriction on note acceptors on EGMs to \$20 would be a small step forward in those jurisdictions that currently allow for \$50 notes to be inserted.¹³

1.19 We note that the cash input limit is also supported by the Productivity Commission, which included a recommendation to that effect in its 2010 report.¹⁴

Other issues

Compatibility with measures already underway

1.20 The committee majority is correct in saying that efforts towards the implementation of other measures, such as pre-commitment technology, are already underway. It is nonsensical, however, to imply that those measures are somehow incompatible with the application of the provisions set out by the bill. The point that the proposed measures and pre-commitment are entirely compatible and could work side by side as harm minimisation measures was made repeatedly over the course of this inquiry:

We do not regard mandatory precommitment and \$1-bet limits to be 'either/or' public policy options. Both are important budget-setting approaches and part of a broader public health approach. If you like, mandatory precommitment works on the demand side of the gambling industry while \$1-bet limits act on the supply side. Both are valid, important and useful ways of playing spending limits.¹⁵

1.21 Furthermore, parallel implementation of pre-commitment technology and \$1 bet limits is supported by the Productivity Commission.¹⁶ We believe this is a strong argument in favour of the legislation.

Effects on recreational versus problem gamblers

1.22 Certain submitters raised the prospect of the bill's effects inadvertently snaring recreational gamblers too, curbing their right to poker machine playing as a form of harmless entertainment. The evidence to support this assertion is scant.

13 Australian Churches Gambling Taskforce, *Submission 11*, p. 5.

14 Productivity Commission, *Gambling*, Vol. 1, Commonwealth of Australia, Canberra, 2010, p. 11.39.

15 Mr Mark Henley, Secretary, SA Churches Gambling Taskforce, and Member, Australian Churches Gambling Taskforce, *Committee Hansard*, 22 February 2013, p. 23. See also discussion with Professor Kevin Harrigan, Research Associate Professor, University of Waterloo, Canada, *Committee Hansard*, 22 February 2013, p. 2.

16 See Productivity Commission, *Gambling*, Commonwealth of Australia, Canberra, 2010.

1.23 When the above proposition was put to Dr Kevin Harrigan, an academic with many years' research experience in the gambling field, he explained that such an effect was unlikely:

What I will say based on observation but also some research, including some research from Australia, is that a lot of people are not wagering above \$1 anyway, the casual gamblers. I observe all the time here in my casinos in Ontario that people are wagering amounts that are nothing close to what the maximum wager on the machine is. They tend to play a nickel machine and wager \$1 or \$2. So for these casual gamblers it is not going to have much of an effect because that is what they wager anyway.¹⁷

1.24 Representatives of the Australian Churches Gambling Taskforce added:

A \$1-bet limit will be proportionately focused on the behaviour of people with gambling problems, and we highlight this as a really important point. It will have minimal impact on the behaviour of recreational gamblers. There is quite a bit [of] research, and our submission deals with some of that, but I highlight research from Queensland that shows that, from 2006-07:

... only 12% of recreational gamblers bet at \$1 or more a button push, compared to 50% of problem gamblers.

So \$1-bet limits are important public policy which we strongly support.¹⁸

1.25 The Productivity Commission, too, told the committee that imposing \$1 bet limits would achieve the outcomes intended by the bill insofar as harm minimisation is concerned:

The effects of bet limits on player outcomes and on different players are fairly straightforward. We looked at a range of evidence from a range of surveys and other source of evidence, and problem gamblers have a much higher tendency to play at high intensity and spend more than \$1. It does not mean that they all do, but they have a high probability of spending more than recreational gamblers, which means the measure is relatively well targeted at that group.¹⁹

1.26 While we accept that electronic gaming machines are intended primarily for recreational purposes, the point should be and has been made that machine design must be consistent with this intention. Given the intensity of play provided for by Australian poker machines, we cannot agree that this is the case.

17 Professor Kevin Harrigan, Research Associate Professor, University of Waterloo, Canada, *Committee Hansard*, 22 February 2013, p. 4.

18 Mr Mark Henley, Secretary, SA Churches Gambling Taskforce, and Member, Australian Churches Gambling Taskforce, *Committee Hansard*, 22 February 2013, p. 23.

19 Dr Ralph Lattimore, Assistant Commissioner, Productivity Commission, *Committee Hansard*, 22 February 2013, p. 6.

Will problem gamblers move to other forms of gambling?

1.27 The argument that introducing reforms to the operation of poker machines could potentially just drive those with a gambling addiction to other forms of gambling does not withstand scrutiny. As pointed out by the Gambling Impact Society, 80 per cent of those with gambling problems are struggling with the use of poker machines.²⁰ To assume that those people will all take up—and find equally addictive—other forms of gambling if poker machines are better regulated is conjecture. It completely disregards the fact that, among gambling products, poker machines are unrivalled in the level of addiction and consequently harm that they cause.²¹

Will problem gamblers gamble for longer periods?

1.28 We also note speculation, cited in the committee majority report, concerning whether problem gamblers will simply spend longer periods gambling if the intensity of play is curbed. Dr Ralph Lattimore, Assistant Commissioner at the Productivity Commission, told the committee that this effect would be limited, making two very valid points in the process:

There are two points to make in respect of that. First of all, Professor Blaszczynski, in his work some time ago, examined that question and did not find any significant increase in the playing time spent by problem gamblers in response to his particular in venue experiment. The other point to make is that, if the need is from the highest intensity machine—namely, a \$10 bet limit machine—to a \$1 bet limit machine, the required amount of extra time for you to get to the same player losses would obviously be a tenfold increase in time. That is a very appreciable increase in time which, for many practical reasons, would not be achievable by many problem gamblers. It would also raise the question of whether venues might have the greater opportunity to observe the person playing for those hours and to apply venue intervention. That does not mean to say that there is not any effect this way; it is likely that there will be some substitution between time and a \$1 bet limit if introduced.²²

1.29 Finally, problem gamblers are not the only gamblers who would benefit from reduced poker machine intensity. Gamblers as a group, the committee was told, have inaccurate recall and exhibit cognitive misperceptions about poker machines. This leads to greater expenditure than planned and can result in considerable losses.²³

20 Gambling Impact Society (NSW), *Submission 14*, p. 7.

21 For more on the addictive nature of poker machines see Natasha Dow Schull, *Addiction by Design: Machine Gambling in Las Vegas*, Princeton University Press, 2012.

22 Dr Ralph Lattimore, Assistant Commissioner, Productivity Commission, *Committee Hansard*, 22 February 2013, p. 6.

23 Dr Ralph Lattimore, Assistant Commissioner, Productivity Commission, *Committee Hansard*, 22 February 2013, p. 6.

Conclusion

1.30 It is disingenuous to say that the evidence to support this bill is still somehow lacking. How many studies need to prove that poker machines are harmful, and how many lives need to be destroyed before we accept that gaming machines need to be better regulated? How much evidence is enough? This is something the committee majority has not and will not explain.

1.31 This committee has done considerable work on problem gambling and is very well aware of the capacity poker machines have to engender addictive behaviour. We are firmly of the view that the time has come to act. This bill would bring tangible results. The proposed reforms may not be pleasing to those who profit from gambling addiction, but it is not their financial concerns that should drive this committee or indeed policymakers.

Recommendation 1

1.32 We recommend that the Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012 be passed.

Anti-Money Laundering Amendment (Gaming Machines Venues) Bill 2012

1.33 In October 2010 the Sydney Morning Herald reported that hundreds of millions of dollars was being poured into poker machines in New South Wales alone in order to convert illegally gained cash into funds that appear legitimate. The article explained:

Industry sources estimate that nationally \$2 billion a year is laundered through hotel, club and casino poker machines and gambling chips... This is a large slice of the \$14 billion fed through the nation's poker machines each year... The amount fed into machines by criminals far exceeds that spent by problem gamblers with psychological addictions to playing pokies.²⁴

1.34 The Anti-Money Laundering Amendment (Gaming Machines Venues) Bill 2012 seeks to 'restrict opportunities for money laundering through poker machines' by requiring that payouts over \$1,000 and the cashing of transferred cheques are classified as 'threshold' transactions'.²⁵ These transactions are then reportable to the Australian Transaction Reports and Analysis Centre (AUSTRAC), allowing AUSTRAC to 'monitor and record such activity for the purposes of reducing money laundering and other prohibited actions'.²⁶

24 Vanda Carson, 'Threat to pokies as money laundries', *Sydney Morning Herald*, 1 October 2010, available at <http://www.smh.com.au/nsw/threat-to-pokies-as-money-laundries-20100930-15zd5.html>, (accessed 19 June 2013).

25 Explanatory Memorandum, p. 2.

26 Explanatory Memorandum, pp 2–3.

1.35 Despite evidence that money laundering through poker machines is a real threat to the industry, Clubs Australia claims the current regulatory framework provides sufficient safeguards against the practice based on the requirements of the *Anti-Money Laundering and Counterterrorism Financing Act 2006*.²⁷ Clubs Australia claims that a variety of obligations under the *Anti-Money Laundering and Counterterrorism Financing Act 2006*, such as risk profiling of gaming machines patrons and training for gaming employees are adequate at preventing money laundering.²⁸

1.36 These claims are in stark contrast to an example of suspected money laundering reported in *The Australian* in 2012 involving the Westend Market Hotel in Melbourne failing to act on suspicions of money laundering through its poker machines by encouraging staff to turn a blind eye to one family presenting winning tickets of up to \$40,000 per week.²⁹ In total, \$632,396.67 in cheques was made out to this family.

1.37 This example demonstrates that it is clear the poker machine industry cannot be relied upon to report suspicious activity voluntarily. Currently it is too easy for cases of suspected money laundering to go unreported, allowing this criminal enterprise to thrive.

1.38 We believe there is a demonstrable need for greater regulation of payouts and transferred cheques at poker machine venues in order to stem the tide of money laundering. The Anti-Money Laundering Amendment (Gaming Machines Venues) Bill 2012 will go a long way to achieving this.

Recommendation 2

1.39 We recommend that the Anti-Money Laundering Amendment (Gaming Machines Venues) Bill 2012 be passed.

Interactive Gambling Amendment (Virtual Credits) Bill 2013

1.40 The purpose of this bill is to ensure that gambling activities online are appropriately captured by the definition of 'gambling service' in the *Interactive Gambling Act 2001*. The current definition does not cover activities where virtual items, which are purchased using real money, are then used for gambling. In these cases, gamblers are essentially betting with real currency, on games that are virtually

27 Clubs Australia, *Submission 2*, p. 2.

28 Clubs Australia, *Submission 2*, p 2.

29 Chip Le Grand and Adam Shand, 'Mathieson's pub linked to money laundering', *The Australian*, 20 September 2012, available at: <http://www.theaustralian.com.au/news/nation/mathiesons-pub-linked-to-money-laundering/story-e6frg6nf-1226477624038>, (accessed 19 June 2013).

identical to 'land-based' gambling activities but have no way to cash out their winnings as the game is not considered to be a 'gambling service' under the Act.³⁰ This is an unacceptable loophole which has allowed potentially millions of dollars to be lost to online casino style websites and mobiles applications ("apps") such as DoubleDown Casino, Zynga Poker and Slotomania.

1.41 In its review of the Interactive Gambling Act, the Department of Broadband, Communications and the Digital Economy summarised why many of these websites and apps are cause for concern:

- The games look very much like many real casino games and some may use a simulated rate of return that gives players an unrealistic impression of rates of return for actual online casinos;
- There is an incentive to use virtual chips to unlock elements of the game (eg. new levels, items) and the fastest way to do this is to purchase additional chips with real money; and
- If a player loses all their virtual chips, they are able to purchase more chips to continue playing the game.³¹

1.42 The Australian Psychological Society in their submission affirmed the need for virtual currency or 'tokens' to be recognised as possessing monetary value:

...tokens have symbolic value, and demonstrate the widespread use of alternative forms of currency, that function in similar ways to that of cash currency. In this way, it is the symbolic value of the currency, together with the rewards for which it can be exchanged, whether in cash, privileges or other benefits, that has meaning, and not the actual unit currency. This evidence warrants caution regarding the accessibility of online gaming opportunities using virtual currencies, as these can simulate (and stimulate) broader gambling activities and reinforce gambling behaviour. Amending the Interactive Gambling Act 2001 to provide that virtual credits, coins, tokens and objects that are purchased are recognised as items of value in relation to a gambling service would appear entirely consistent with psychological research that demonstrates, and has utilised in therapeutic settings, the operation of token economies as systems of behaviour modification and reinforcement in which the token indeed has real currency.³²

1.43 The Department's cavalier attitude towards the definitional problems in the IGA is in stark contrast to the evidence provided by the Australian Psychological Society and is clearly identifiable through the department's statement in their submission:

30 *Explanatory Memorandum*, p. 2.

31 Department of Broadband, Communications and the Digital Economy, Review of the Interactive Gambling Act 2001, Final Report 2012, p. 141.

32 The Australian Psychological Society, *Submission 4*, p. 5.

... there are better ways of addressing this issue than changing the definition of gambling in the IGA - this includes encouraging greater vigilance by parents and by relevant social media platforms, etc being more responsive to the findings of emerging research in this area.³³

1.44 Placing the responsibility of limiting losses on parents' shoulders alone is simply unacceptable. Time and time again we have heard how children have been able to use their parent's credit cards and Pay-Pal accounts to make online purchases without the parents' knowledge.

1.45 It is not surprising that representatives from the online gaming industry have chosen to downplay the problems associated with virtual credits and instead assert that the current regulations go far enough. The Australian Interactive Media Industry Association Digital Policy Group told the committee:

Many other countries have assessed social gaming involving virtual items to be safe, and not in need of additional regulation.³⁴

1.46 This statement however does not take into account a ruling by the Dutch Supreme Court in 2012 that it was possible for virtual items to be the subject of a theft because they carry an intrinsic value due to the time and energy invested in winning them.³⁵ This ruling demonstrates how the perception of virtual items is evolving. It is time Australian regulation caught up:

The current legislation is over a decade old. The past decade has seen a burgeoning of more sophisticated ways to gamble, including access to 24 hour gambling through the internet, mobile phone technology and interactive television platforms. With such rapid changes in technology, it is important that legislation reflects these changes and takes into account how these sites operate.³⁶

1.47 It is inexcusable that the federal government to date has failed to implement measures that would protect Australians, particularly Australian children, from developing gambling addictions. While the websites and apps targeted by this bill may describe themselves as "fun", the reality of gambling addiction is anything but.

33 The Department of Broadband, Communications and the Digital Economy, *Submission 5*, p. 7.

34 Australian Interactive Media Industry Association Digital Policy Group, *Submission 2*, p. 4.

35 'Online game theft is real crime', *The Daily Telegraph*, 1 February 2012, available at: <http://www.dailytelegraph.com.au/online-game-theft-is-real-crime/story-fn6e1m7z-1226258943420>, (accessed 19 June 2013).

36 The Australian Psychological Society, *Submission 4*, pp 2–3.

Recommendation 3

1.48 We recommend that the Interactive Gambling Amendment (Virtual Credits) Bill 2013 be passed.

Mr Andrew Wilkie MP
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