

Additional comments from the Nick Xenophon Team

Use of electronic devices in licensed venues

1.1 The Nick Xenophon Team (NXT) are concerned that provisions in the Interactive Gambling Amendment Bill 2016 provide further opportunities for licensed betting venues to offer electronic betting devices. Section 8BA of the proposed amendment provides for venues to loan customers electronic equipment for gambling use.¹ The NXT has concerns that this bill allows for place-based electronic betting through the introduction or expansion of electronic devices such as tablets and smartphones, which provide for in-play betting, and allow fast betting opportunities.

1.2 In the bill's Explanatory Memorandum, the definition of 'electronic device' is not explained or expanded upon.² This definition currently includes venue kiosks, but is not restricted to such devices.

1.3 As raised by Bet365 in their submission, this amendment allows for the expansion of the use of electronic devices including tablets and smartphones with an in-play betting function within licensed betting venues.³ In response to our question on notice regarding concerns about the continued availability of in-play betting, the Department stated that:

The 'place-based betting service' exemption in proposed section 8BA is intended to permit betting services, including potentially in-play betting services, to be provided on electronic equipment (which may include easy betting terminals and/or tablets) made available to customers in places such as TABs, casinos and clubs.⁴

1.4 In response to concerns raised by Senator Kakoschke-Moore during a public hearing, the Department stated they have in fact done no modelling to determine whether this amendment will lead to an uptake of betting in venues, due to the increased availability of these electronic devices:

Senator KAKOSCHKE-MOORE: Have you done any modelling to anticipate the increase in uptake of betting in venues via the increased availability of smartphones or tablets?

Dr Pelling: No, but I think the point is, as we have said, this is about making sure that we clarify in the act that services which are already

1 Interactive Gambling Amendment Bill 2016, s. 8BA.

2 Explanatory Memorandum (EM), p. 5.

3 Bet365, *Submission 6*, p. 2.

4 Department of Communications and the Arts, Answers to questions on notice, 28 November 2016 (received 29 November 2016).

available continue to be available where they are licensed by states and territories in those sorts of venues.⁵

1.5 The NXT is concerned that it appears as if the amendment will expand the opportunities for in-play betting, without addressing any of the concerns that this may increase opportunities for gambling, and create faster betting options.

Harm minimisation

1.6 In their submission, CrownBet and Betfair Australia described the bill as being a step forward to ensuring that all Australian consumers are protected by the same harm minimisation strategies as 'offered by the licensed and regulated Australian wagering industry'.⁶ The NXT has concerns that as the current harm minimisation tactics used within licensed venues are inadequate, these new strategies will be largely ineffective.

1.7 During the public hearing, Senator Kakoschke-Moore asked the Department whether they were satisfied that the harm minimisation strategies, which are in place at hotels and pubs, are actually working. Dr Simon Pelling, a First Assistant Secretary of the Department of Communications and the Arts, stated that ensuring harm minimisation strategies are effective is a matter for the states and territories.⁷ The NXT believes more can be done at a federal level to improve harm minimisation.

1.8 In their submission, the Australian Hotels Association (AHA) also regarded the bill as a vehicle to improve harm minimisation for consumers.⁸ It appears this amendment provides for the expansion of the gambling market as more betting devices will be available for use within venues. We note it could hardly be argued that the expansion of the gambling market would result in better outcomes for problem gamblers, and people prone to gambling addiction.

1.9 NXT notes that when Senator Xenophon asked what responsible gambling codes of practices the AHA rely upon to ensure that there are strategies to deal with problem gambling, the representative from AHA was unable to name one. It is concerning that the representative from AHA supports in-play betting within licensed venues as he believes that current harm minimisation strategies are effective, without being able to recall a guideline or code of practice:⁹

Senator XENOPHON:...Finally, there is always an issue about how to deal with problem gambling and safeguards in terms of determining whether

5 *Committee Hansard*, 28 November 2016, p. 10.

6 CrownBet and Betfair Australia, *Submission 8*, p. [2].

7 Dr Simon Pelling, First Assistant Secretary, Department of Communications and the Arts, *Committee Hansard*, 28 November 2016, p. 11.

8 Australian Hotels Associations (AHA), *Submission 24*, p. 2.

9 Mr Stephen Ferguson, Chief Executive Officer, Australian Hotels Association, *Committee Hansard*, 28 November 2016, p. 3.

someone is a problem gambler. Can you please provide on notice, given that this is going to be a new service, the code of practice, the responsible gambling code that you rely on or your training manuals for how you determine whether someone within a venue has gambling problems and how you intervene? Presumably, you have manuals.

Mr Ferguson: To clarify: betting in play in hotels is not a new service. This has been occurring since 2001 and did not form part of this review. The answer to the question would be that every venue has practices in place that are often—

Senator XENOPHON: There is no uniform practice?

Mr Ferguson: It is state by state, territory by territory.

Senator XENOPHON: What about one or two jurisdictions, if you can? Just point us to them and how they deal with it. That is all I ask.

Mr Ferguson: I do not have that with me.¹⁰

1.10 The lack of a definition for 'electronic devices' within the amendment appears to provide an opportunity for gambling services to expand their bet-placing opportunities within licensed venues, allow in-play betting within an electronic device, and decrease waiting times to place bets.

1.11 The NXT are concerned about the impact these amendments might have on problem gamblers, and the lack of protection the amendment provides. In our experience working with problem gamblers, staff rarely intervene in betting venues when they believe a customer is struggling to control their gambling. These promoted 'harm minimisation' strategies rarely achieve their desired results, and with the proposed expansion of betting devices within venues due to this amendment, the NXT considers that this amendment is problematic.

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