

## **Responsible Gambling Advocacy Centre**

Submission to the Joint Select Committee on Gambling Reform Inquiry into  
the Interactive Gambling and Broadcasting Amendment (Online Transactions  
and Other Measures) Bill 2011

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## **1. INTRODUCTION**

- 1.1. The Responsible Gambling Advocacy Centre (the Centre) is an organisation that is funded by the Victorian Government to build the capacity of the community to make informed choices about gambling and to promote responsible approaches to gambling. For more information on the Centre, please see [www.responsiblegambling.org.au](http://www.responsiblegambling.org.au).
- 1.2. Part of the Centre's work program includes consulting the broader community and conducting extensive discussions with participants in the gambling sector, including individuals who are not affiliated with any particular body or organisation.
- 1.3. This submission draws on the consultation, analysis and research the Centre has conducted. It puts forward perspectives and recommendations with regard to the inquiry into the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011.
- 1.4. The Centre's position is based on concerns for consumer rights, preferences and protection. It rests on a philosophy of harm minimisation in relation to problem and at risk gamblers, and the promotion of responsible gambling practices throughout the community.

## **2. AN OVERVIEW OF THE CENTRE'S POSITION**

- 2.1. The Centre supports additions or significant amendments to the Interactive Gambling Act 2001 (herein referred to as the Act) because of the rapidly developing nature of interactive gambling in Australia. While many of the proposed amendments are aimed at ensuring harm minimisation in relation to interactive gambling and the issues that surround it, the Centre believes that extended comprehensive regulations are required.
- 2.2. Immediate action is vital in ensuring interactive gambling issues are addressed effectively. RGAC notes that there is a wider range of issues that need to be addressed than has been proposed in the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 (herein referred to as the proposed Amendments).

## **3. BACKGROUND**

- 3.1. Interactive gambling is most commonly accessed via internet and interactive television mediums. This is because it requires playing in 'real time', so mediums such as the telephone and attending a betting agency are redundant.

- 3.2. The continuously increasing use of new technologies coupled with increased accessibility to the internet has seen a dramatic growth in interactive online gambling.<sup>1</sup> New technologies such as smart phones, tablet computers and other portable devices allow greater access to gambling, specifically online interactive gambling, due to the ability of consumers to be able to gamble anywhere at any time and often anonymously.
- 3.3. Interactive online gaming websites are adapting to the greater use of portable devices by creating 'mobile versions' of casinos and other online gambling websites.<sup>2</sup>
- 3.4. Interactive gambling often provides potential gamblers with a seemingly more exciting way to gamble, with better odds. Allowing 'practice betting', which has better odds than 'real betting', falsely lulls the consumer with the application of improved odds and entices them to interactively gamble. This has contributed to an increased rate of problem interactive gambling.<sup>3</sup>
- 3.5. The development of new technology and online interactive gambling has seen an increase in the number of youths gambling because it is more accessible.<sup>4</sup> Children and adolescents are able to access online interactive gambling websites, which is already causing gambling problems among this younger age group in some countries.<sup>5</sup>
- 3.6. Consumer security has become a major issue as only international providers are able to supply interactive gambling sites to Australians. Due to the international hosting location of interactive gambling sites, it is extremely difficult to regulate the activity and therefore players have no recourse in Australian consumer law.

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<sup>1</sup>"Internet changing face of problem Gambling", The Age, March 11 2011, Danny Rose  
<<http://news.theage.com.au/breaking-news-national/internet-changing-face-of-problem-gambling-20110311-1bqx4.html>>

<sup>2</sup> "Mobile casinos are the next best thing in online gambling' Jason Bacot, accessed 17/12/10  
<<http://ezinearticles.com/?Mobile-Casinos-Are-the-Next-Big-Thing-in-Online-Gambling&id=5545430>>

<sup>3</sup> See: Sally Monaghan, Jeffrey Derevensky, & Alyssa Sklar, Impact of gambling advertisements and marketing on children and adolescents: Policy recommendations to minimise harm, *Journal of Gambling Issues: Issue 22, December 2008*; Responsible Gambling Advocacy Centre, *Children and Gambling: What do we know?* RGAC April 2011; Roslyn Corney & Janette Davis, The attractions and risks of Internet gambling for women: A qualitative study *Journal of Gambling Issues: Issue 24, July 2010* p.15

<sup>4</sup> "Concern over youth gambling online", The Age, May 23, 2011. Michelle Draper,  
<<http://news.theage.com.au/breaking-news-national/concern-over-youth-gambling-online-20110523-1f064.html>>

<sup>5</sup> See: Jane Rigbye, *Beating the odds: preventing teenage problem gambling* GamCare, September 2010; Frida Fröber, *Gambling Among Young People*, Swedish National Institute for Public Health, 2006; Responsible Gambling Advocacy Centre, *Children and Gambling: What do we know?* RGAC, Melbourne, April 2011



- 3.7. The inducements to participate in interactive gambling such as 'practice play', 'free bets' and other similar incentives draw the consumer to the website.
- 3.8. Another issue surrounding interactive gambling is the lack of obvious help available to problem gamblers. Help and assistance pages are often difficult to find or navigate, although they exist in many gambling website.
- 3.9. Experienced gamblers have told that centre that when they are using interactive gambling through a website it is difficult for them to stop gambling. Measures such as compulsory breaks in play and various pop-ups with links to gamblers help services, discussed below, are likely to assist in reducing the amount of time and money spent on interactive gambling websites.
- 3.10. Interactive gambling also raises significant concerns over corruption in betting areas such as sport and politics. Betting on events where there is some participation or special knowledge required presents potential for exploitation.

#### **4. RECOMMENDATIONS IN RELATION TO THE PROPOSED AMENDMENTS**

##### **4.1. Current Proposal**

- 4.1.1. The Interactive Gambling and Broadcasting Amendment (Online Transactions and other Measures) Bill 2011 presents some of the concerns surrounding interactive gambling that are currently not adequately addressed under the Act. The nature of interactive gambling is that it is rapidly evolving and hence difficult to monitor and regulate.
- 4.1.2. The Centre supports the issues raised by the amendment and further, offers suggestions to improve and ensure effective regulation of interactive gambling and help for problem gamblers.

##### **4.2. Prohibitions on corporations offering gambling services**

- 4.2.1. Gambling services such as spot betting, exotic betting, in-play betting, betting on losing outcomes and other similar forms of betting have proven problematic for a number of reasons. Firstly, these types of interactive gambling have led to corruption in sports.<sup>6</sup> Where there is an element of participation, there is potential for exploitation, as discussed previously. Secondly, they are more attractive to gamblers because of seemingly better odds. Prohibition of such bets is likely to result in these types of bets going 'underground', which would make it more difficult to track and could result in a greater amount of corruption.<sup>7</sup>

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<sup>6</sup> Report of the Betting Exchange Task Force to the Australasian Racing Ministers' Conference, July 10 2003, page iii (Executive Summary).

<sup>7</sup> <sup>7</sup>"[\*Some bets should be off\*](#)" SMH Editorial May 6 2011

- 4.2.2. The Centre is of the opinion that while it is sometimes in the best interest of the consumer to prohibit the availability of certain types of betting, prohibition would be ineffective in this context.
- 4.2.3. Mechanisms should be employed to address potential increased problem gambling, rather than placing a blanket ban on certain types of interactive betting. Such mechanisms that the Centre advocates are as follows:
- Compulsory pop-ups on interactive gambling websites stating the amount spent or time played. This aids in making the consumer aware of the time and money they have spent on the website
  - Obvious links to gamblers help websites and telephone help lines should be made compulsory to ensure the consumer is aware of the help available to them
  - Self-employed options so the consumer is able to individually set a time or monetary limit
  - Compulsory breaks in play. This encourages the consumer to make less pressured decisions as to whether to continue playing or not
  - Removal of financial inducements or mandatory limits of a low dollar amount
  - 'Practice play' gambling games being more realistic and reflecting the 'real game' odds
  - Easily accessible and available pre-commitment schemes to allow the consumer to block themselves or their children from certain interactive gambling websites.

#### ***4.3. Schedule 1- Amendments relating to online transactions***

- 4.3.1. The proposed amendments to online transactions, whereby customers may request their financial transaction provider to suspend or cancel an interactive gambling payment before the transaction has been completed, is an instrument which could prove helpful to problem gamblers.
- 4.3.2. Giving the consumer the option to prevent future transactions from particular websites could also prove instrumental in preventing problem gamblers from spending excessive amounts of time and/or money on interactive online gambling websites.

#### **4.4. Schedule 2- Amendments relating to inducements to gamble**

- 4.4.1. The Centre recognises inducements to gamble as a major issue surrounding problem gambling. An offer of 'free gambling' up to a certain monetary or time limit often draws the consumer in and prompts them to continue to play beyond the inducements. Inserting 'inducement to gamble' as a gambling service into the Act is supported by the Centre.
- 4.4.2. The nature of interactive gambling is that it is often presented as a game, such as poker. Online interactive gambling websites often induce consumers to play by supplying a game without betting, that then leads to the game that includes betting through easy online access from one to the other. By prohibiting such an inducement, the potential to minimise harm is increased significantly.
- 4.4.3. As discussed above, an 'inducement to gamble' could further include any form of 'free play' or monetary inducement to play. With providers aware of the fact that interactive gambling is increasingly being played on the internet and offering 'free play' and similar inducements, it is imperative regulation is implemented immediately to ensure harm minimisation in this respect.

#### **4.5. Schedule 3- Amendments relating to broadcasting about gambling**

- 4.5.1. The Centre recognises gambling advertising as a major factor inducing both adults and youths to partake in interactive gambling. Schedule 3 begins to address this issue. Penalties are important to include in order to deter potential breaches of this section. The lack of penalties in the Act has often meant abiding by it is not always paramount to those who offer interactive gambling services.
- 4.5.2. There is potential to broaden this section because advertising has been recognised as a major inducement to gamble. Profits indicate that online advertising is proving very successful for interactive gambling providers and regulation in this area would be valuable. With a dramatic increase in online use, including watching sport and other entertainment online, it would be timely to introduce online advertising restrictions now.

#### **4.6. Schedule 4- Amendments about obtaining a financial advantage by deception, in relation to a code of sport**

- 4.6.1. The relationship between interactive gambling and the increased use of smartphones and internet accessibility has been implicated in various cases of match-fixing and other corruption in sport.<sup>8</sup> Addressing this issue immediately is vital in ensuring integrity in sport.

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<sup>8</sup> Report of the Betting Exchange Task Force to the Australasian Racing Ministers' Conference, July 10 2003, page iii (Executive Summary); [Some bets should be off](#) SMH Editorial May 6 2011



- 4.6.2. The introduction of this division into the *Criminal Code Act 1995* also raises the issue of corruption in other interactive gambling areas. Betting on an event that has an element of participation, for example a political election, has the potential to lead to corruption. The Centre advocates addressing corruption on a broader level to include areas such as politics, which has the perceived potential to be manipulated adversely.

## **5. FURTHER RECOMMENDATIONS**

### **5.1. Stronger Enforcement Penalties**

- 5.1.1. In addition to the above recommendations, the Centre supports the idea that greater enforcement should be available in the Act. While complaint options and penalties apply where ACMA or the Australian Police Force discover a breach, there is no penalty for online gambling provided by an overseas company.
- 5.1.2. The use of off-shore sites by Australians without implication opens up the possibility of a new area of legislation addressing how to regulate off-shore sites, ban them and where necessary prosecute people from outside the Australian jurisdiction. The difficulties with this option are noted.
- 5.1.3. Interactive gambling in Australia is predominantly accessed online through international websites, because of the prohibition on Australian websites to provide such services. This means regulation needs to extend to online interactive gambling, which in turn requires enforceable penalties for international websites to adequately deter illegal providers and services.

### **5.2. Family friendly viewing times**

- 5.2.1. While prohibiting gambling advertising during G rated programs and sporting events on commercial and subscription television partially protects children from gambling inducements, extended family friendly viewing times should be implemented. There are popular viewing times for families outside of the areas specified, for example when PG rated movies are shown on the weekend, where it could be harmful for gambling advertising to be broadcast.
- 5.2.2. Whether it is appropriate to address this extension in the proposed Amendments at hand or to address it in other legislation or regulations is debatable. It is notable that Western Australia has addressed this issue effectively in regulations outside the Act.
- 5.2.3. Commonwealth legislation would prove beneficial in administering regulations surrounding gambling advertisements and family friendly viewing times. It is an



issue that needs to be addressed, if not in the legislation at hand, in another piece of Commonwealth legislation.