

Please consider my submission in regards to the Interactive Gambling Amendment Bill for 2016.

My background in this area is as follow:

- I have a nice paying job, am married and a father of three kids.
- I have historically been a Liberal Party voter because I believe in the inalienable rights and freedom of people and a lean government.
- I have played poker casually for over 5 years
- I have a family member who lost a substantial amount of money on live electronic gaming machines (pokies)
- I dislike the amount of targeted gambling ads that kids are forced to observe during sport events and sport TV shows.

I make these last two points so it is clear that I am aware of the dangers of gambling and therefore believe it is appropriate for the government to have improved legislative controls in place.

There are two different types of gambling games and I believe they should be treated differently from a legislative point of view. Simply put, there are gambling games that can be beaten with skill and there are gambling games that cannot.

Gambling games that can be beaten with skill include Horse racing, Greyhound Racing Sports Betting and Poker. In more detail, Poker (not pokies) is a game of skill over the long term. It is played against other poker players and the casino takes a cut (rake). If a player can beat the poker players by more than the rake (which frequently occurs), poker can be played profitably.

Gambling games that cannot be beaten with skill include all Online Casino Games e.g. Pokies, Roulette and Blackjack where the deck is frequently shuffled. While there may be a way to play some of these games to minimise losses, the gambler is still guaranteed to lose over the long term.

The Honorable Minister Trudge and Honorable Minister Fifield raised in the recent Media Release in relation to the IGA proposed amendment that “2.7% of interactive gamblers are problem gamblers compared to 0.9% of all gamblers”. This discrepancy makes sense to me. If someone goes to an Online Casino and plays a game they are guaranteed to lose, they are no doubt more likely to be a problem gambler compared to someone who goes to a restaurant at a casino and decides to have a recreational gamble with friends after their meal.

It is the gamblers guaranteed to lose while playing Online Casino games that require education and protection. High volume Casino gamblers are often unaware as to the poor position they are in OR once they become aware are so desperate to recoup their losses, don't care.

As stated above, Online Poker is very different to these games as it is game of skill.

Encouragingly, the difference between Online poker and these other Online casino games is

accurately portrayed in the 2010 Productivity Report into Gambling. In particular, the Report states the following:

"a gradual or staged approach to managed liberalisation that commenced with the safest form of online gambling — poker card games — would be appropriate."

The commission sensibly recommended "the Australian Government amend the Interactive Gambling Act to allow online poker games, subject to a strict regime of consumer protection. This should include pre-commitment and other harm minimisation interventions (such as player information statements). State and territory governments and licensed online gaming suppliers had already developed such a regime for online gambling more broadly prior to the ban."

As the IGA act is written, it can be interpreted that Online Poker is banned along with all the other Online Casino games (and pokies) that have no skill element.

I firmly recommend the adoption of the 2010 Productivity Report recommendation so that the IGA act is amended to clearly allow online Poker. Doing so would provide the following benefits:

- **Improves harm minimisation, consumer protection and education for customers:** daily limits, self-bans, controls at stakes played, income statements, segregated deposits etc.
- **Allows the government to focus resources on protecting consumers who play hopeless forms of gambling:** While the more ethical Online Casinos will stop offering services to Australians once the legislation is passed, the unethical sites will not. Stopping these unethical sites will be challenging.
- **Provides an increased revenue source for the government:** Pokerstars revenue in Australia is \$30m p.a based on their recent quarterly update. Based on this, I would estimate the total revenue earned through Online Poker by the operators is currently \$60m+.
- **Ensures consistency in the legislation:** Allowing Online Poker within Australia will align the treatment of Poker to other gambling games which involve skill e.g. sports betting and racing
- **Allows a fair playing ground for Australian regulated operators:** Betfair and Unibet would have the opportunity to also participate in the Australian market
- **Stops online poker players wanting to play casual poker on an illegal unregulated poker site:** If Poker is banned, people still wanting to play poker who are unaware of this new legislation will be forced to play on unscrupulous Poker sites willing to ignore the stricter legislation. These sites have a history of taking players money via Ponzi schemes
- **Provides consistency with Liberal Party beliefs:**
  - In particular
    - the inalienable rights and freedoms of all peoples; and we work towards a lean government that minimises interference in our daily lives; and maximises

individual and private sector initiative

- In government that nurtures and encourages its citizens through incentive, rather than putting limits on people through the punishing disincentives of burdensome taxes and the stifling structures of Labor's corporate state and bureaucratic red tape.
- In equal opportunity for all Australians; and the encouragement and facilitation of wealth so that all may enjoy the highest possible standards of living, health, education and social justice.

Thank you for your consideration and feel free to contact me if you would like me to provide any further comments or clarification.