

### **APPENDIX 3: Education and awareness initiatives that could be implemented by industry, consumer groups or government to alert Australians to the risks associated with offshore gambling operators**

Unlicensed offshore wagering operators are not subject to the checks and balances imposed on legal operators by Australian law, and so pose a threat to the welfare of Australian consumers (particularly vulnerable consumers such as problem gamblers and minors).

Although unlicensed wagering operators based in jurisdictions outside of Australia are banned from advertising in most, if not all, Australian States and Territories, they are able to access various data bases and make direct contact with Australian punters via spam email messages. These messages offer attractive incentives, including free bets and inflated odds to encourage punters to open accounts with those operators.

There is little doubt that most Australian punters would be unaware that overseas bookmakers and betting exchanges are illegal and, at least in New South Wales, betting with them is also illegal.

Punters probably see these operations as not being dissimilar to Northern Territory based corporate bookmakers and the Tasmanian based Betfair. Therefore they would be unaware that their rights are not protected under Australian legislation or Industry Rules of Racing and Betting and that there is no guarantee they will be paid amounts owing to them. In fact, there have been numerous instances reported of punters being denied payment of winning bets.

It is felt therefore that there should be a coordinated advertising campaign by Governments (Federal and State), racing authorities and sporting bodies advising of:

- The illegality of such betting particularly if it becomes an offence for an Australian punter to bet with illegal overseas operators (Unlawful gambling)
- The inability of punters to collect winning bets
- The inability for punters to use Australian legal system to collect moneys owed
- The fact that many overseas wagering operations are conducted by criminal elements, and
- The effect on the viability and integrity of racing and sport.

There already exists a precedent for action of this kind. In the early 2000's the NSW Government, joined with racing clubs and authorities, Tabcorp and licensed bookmakers to conduct an advertising campaign outlining the pitfalls of betting with illegal overseas operators. This campaign involved the placement of advertisements in racing publications and form guides, race books and on racing specific television and radio stations as well as signage at all NSW race courses.

While there is no clear-cut evidence of the success of this campaign, anecdotal evidence from certain off shore operatives indicated that it had a significant effect on the opening up of new accounts from Australian residents.

Accordingly, it is advocated that the current review recommend the establishment of a campaign along the above lines to be coordinated by the Federal Government.