



Australian Hotels Association
Submission to the Inquiry into the
Interactive Gambling Amendment
(Sports Betting Reform) Bill 2015

15 February 2016

1 THE REVIEW

On 26 November 2015, the Senate, referred the *Interactive Gambling Amendment (Sports Betting Reform) Bill 2015* to the Environment and Communications Legislation Committee for inquiry and report by 12 May 2016. The Committee has invited the AHA to provide a written submission addressing issues that may be of relevance to it.

2 ABOUT THE AUSTRALIAN HOTELS ASSOCIATION (AHA)

The Australian Hotels Association (AHA) is the national voice of Australia's vibrant hotel industry. The AHA is an organisation of employers in the hospitality industry, federally registered under the *Fair Work (Registered Organisations) Act 2009*. The AHA represents more than 5,000 members across Australia with a network of branches based in every state and territory.

The overwhelming majority of Australian hotels are owner-operated small businesses serving their local communities, with a proportion of hotels forming part of national or international chains. Hotels are located in every city and town in every electorate in the country. AHA members invest millions in capital infrastructure, employ over 250,000 Australians, assist over 50,000 community groups.

Hotels provide a place for people to gather, have a drink, have a bet, meet new friends, enjoy live music, find a bed when away from home, share a meal and relax and enjoy themselves in a safe environment. Gaming and wagering form a legal key part of the offering many hotels offerings.

AHA notes it has a commercial competitive interest in this discussion as its Pub Tabs compete directly with on-line corporate bookmakers, most of which are foreign owned. It is noted that sports betting in hotels is generally "face to face" and not "on-line", i.e. sports betting in hotels is cash whereas gambling on-line is largely via credit card.

3 HARM MINIMISATION

Retail gambling

TAB wagering and electronic gaming are gambling products offered by hotels as part of a wider entertainment product mix. Hotel based TAB wagering (Pub Tabs) and electronic gaming is legal and heavily regulated and closely supervised by Government agencies.

Industry, regulators and community groups have worked closely to develop and refine a wide range of responsible gambling measures aimed at minimizing harms associated with wagering and gaming, and providing help services to those who do or may have a problem with gambling.

State/Territory governments ensure that, on balance, the State and the community as a whole benefit from gambling. The balance is achieved by allowing gambling subject to a system of regulation and control designed to protect players and the community through ensuring the

integrity and fairness of games; ensuring the probity of those involved in the conduct of gaming machine gambling; and minimising the potential for harm from gambling.

State/Territory jurisdictions have researched, developed and implemented a comprehensive and sophisticated range of patron care measures involving educative, preventative, funding, compliance, intervention, and direct assistance measures aimed at minimizing the chances of patrons becoming problem gamblers.

Internet gambling

On the whole, over the past decade, problem gambling has shown a downward trend in Australia, with evidence that rates have fallen.¹ However, problem gambling prevalence among interactive gamblers was three times higher than among non-interactive gamblers.² Internet gambling possesses certain features that can increase the risk of problem gambling, including³:

- Solitary play – increased potential to dissociate and lose track of time / money gambled
- Play under the influence of Drugs & Alcohol – Responsible Service of Alcohol laws do not apply in the home
- Accessibility & Convenience – no time travel required, may lead to greater frequency of play
- Anonymity – may reduce social anxiety and inhibitions; problem gamblers may gamble in secret and in private
- Electronic payments – may have a lower psychological value than cash, resulting in greater amounts wagered
- Credit Card gambling – accounts are funded by credit card deposits; gamblers bet with money they don't have

There are over 20,000,000 mobile phones in Australia. Most of these phones have the capacity to be turned into a web based mobile betting device. Corporate on-line bookmakers (legal and illegal) have taken advantage of this phenomenon. The states and territories gambling frameworks are at best practice. Hotel gaming and wagering is subject to strong consumer protection under highly proscriptive state legislation which imposes strict conditions upon the practices and technology used in gaming activities and its promotion.

In comparison to the states and territories, the on-line harm minimisation measures offered by the Federal government under the *Interactive Gambling Act* are not at best practice. AHA believes that the Federal Government should use the best practice state and territory structures to benchmark its policy on internet gambling.

4 BEST PRACTICE

The objects of the various state/territory wagering, gaming and racing Acts include:

- Minimise harm associated with the misuse of gambling activities
- Foster responsible conduct in relation to gambling

¹ Productivity Commission (2010) Gambling, Report No 50

² Interactive Gambling – Commissioned by Gambling Research Australia published by the Office of OLGR, Victoria. Hing, Gainsbury, Blasszczynski, Lubman, & Russell. March 2014.

³ Monaghan, S. (2009) A Critical Review of the Impact of Internet Gambling, p 8

- Facilitate the balanced development, in the public interest, of the gaming industry
- Ensure the integrity of the racing and gambling industry's in the public interest
- Ensure that certain betting activities by licensed bookmakers are conducted properly
- Protect a source of public revenue

Each Australian state and territory achieves their policy objectives by having a variety of enforceable best practice legislation, regulations and codes of conduct aimed at ensuring responsible gambling. In comparison to the states & territories, there is a vacuum at the federal level.

| Measure | Retail (State) | On-line (Federal) |
|---|----------------|-------------------------------|
| Compliance inspections by Australian regulatory authorities | Compulsory | Only if licensed in Australia |
| Taxes and fees paid to government and sport | Compulsory | Only if licensed in Australia |
| Operator licensed in Australia | Compulsory | Voluntary |
| Advertising and promotions – bans & restrictions | Compulsory | Voluntary |
| Responsible Service of Alcohol | Compulsory | No |
| ATM/EFTPOS – withdrawal limits and restrictions upon placement in the venue | Compulsory | No |
| Caps on EGM numbers | Compulsory | No |
| Effective prohibition of minors | Compulsory | No |
| Bans on credit | Compulsory | Voluntary |
| Compulsory restrictions on inducements to gamble | Compulsory | Voluntary |
| Player information requirements (e.g. display of odds on winning, return to player, warnings, notifications regarding problem gambling) | Compulsory | Voluntary |
| Rate of play restrictions | Compulsory | Voluntary |
| Responsible gambling codes of conduct requirements | Compulsory | Voluntary |
| Self-exclusion and Exclusion provisions | Compulsory | Voluntary |
| Staff training in responsible gambling and problem gambling assistance | Compulsory | Voluntary |

5 AHA RECOMMENDATIONS

Credit Betting

The bill provides a definition of credit as follows.

For the purposes of this Act, credit is provided by a restricted wagering service if under a contract or other arrangement:

- (a) payment of a debt owed by one person to another is deferred; or*
- (b) one person incurs a deferred debt to another.*

The AHA notes that all retail betting is by cash only. On-line bookmakers offer deposits by credit card. In terms of harm minimisation, cash only betting is at best practice. The definition of credit betting should be reviewed so as to explicitly confirm deposits via credit card are prohibited.

Micro Betting

The bill provides a definition of “micro betting” as follows:

micro betting means betting that relates to a horse race, a harness race, a greyhound race or a sporting event and either:

(a) the bet is:

(i) on the outcome of the race or event; and

*(ii) placed, made, received or accepted after the beginning of the race or event;
or*

(b) the bet is on a contingency that may or may not happen in the course of the race or event.

AHA agrees with this definition and its inclusion in the Act for on-line betting. On-line bookmakers are clamouring for “on-line in play” wagering to be legalised. Some are doing so already, although such activity may be illegal. AHA does believe that most Australians are uncomfortable with the focus of Australian sports shifting from an “athletic contest” to a “wagering medium”.

National Self Exclusion Register

AHA encourages and supports self-exclusion, but understands that self-exclusion is a complex area. A survey of gambling counselling clients by the NSW Government found:

- 1 month after counselling 84.3% are better able to manage their gambling
- 3 months after counselling 92.7% are better able to manage their gambling
- 6 months after counselling 90% are better able to manage their gambling

The process for a problem gambler to seek self-exclusion is an intensely private matter for them. The services and structures to self-exclude are in place at the state/territory level. Self-exclusion is dealt with by counsellors on a “one on one” individual basis. The challenge is to encourage all those who need help to obtain help without creating a Big Brother or Nanny State framework that discourages at risk gamblers from seeking help.

Mandatory pre-commitment and betting limits

AHA supports voluntary pre-commitment, but states there is still no clear evidence that a mandatory pre-commitment system will reduce problem gambling. AHA notes that problem gamblers will be able to set high limits, or effectively even no limit, or even sign up for multiple accounts under the names of friends or family members. AHA believes that mandatory pre-commitment could drive problem and at-risk gamblers towards illegal offshore on-line gambling, which is credit based, unregulated and isn't taxed.

AHA is concerned that Big Brother or Nanny State legislation imposed on recreational gamblers is an unfair imposition on those that gamble responsibly. A voluntary pre-commitment scheme combined with education measures AHA should provide the necessary protections for problem or at risk gamblers.

Interactive Gambling Regulator

The states and territories already have gambling regulators in place. Therefore, the need for a national gambling regulator may duplicate state/territory roles. The states and territories have not seen the need to mandate the collection of personal details and habits. Having to provide all personal details with the capacity to track personal habits to a government agency is an invasion of privacy.

Inducements to gamble

It has become increasingly common for gambling operators, particularly internet casinos and corporate bookmakers to offer free bets as a strategy to recruit new customers. Appropriately, hotels throughout Australia are not permitted to offer free bets to attract customers to their gaming machines.

The offering of free bets by any gambling operator should not be permitted as it is a blatant attempt to encourage a person to gamble who otherwise would not have gambled. The AHA supports a nationwide ban of free bets for new clients.

Wagering Advertising

In addition to television advertising, the display of betting information is now prominent on various sporting code “apps”. Given that apps are where most minors source information, this probably does not match best practice of not advertising betting to minors. A firm set of guidelines is required in regard to advertising of betting information, especially where it can be seen by minors.

6 CONCLUSION

AHA supports a responsible gambling framework and thanks the committee for the opportunity to make a submission.
