

# AUSTRALIA AND NEW ZEALAND CASINO AND GAMING REGULATORS

## Position Statement—interactive and online gambling

A meeting of members of regulatory boards and commissions held on 2 November 2015 Adelaide agreed to develop a draft a position statement.

5            *The case for interactive and online gambling:*

### Preliminary

The general consensus is supportive of alternative regulatory mechanisms to prohibition.

10            The regulatory environment has changed since the *Interactive Gambling Act 2001* came in to force. Interactive gambling is now more freely and widely accessible, and is offered by numerous offshore providers. A regulatory model should recognise the widespread availability of interactive gambling services, with objectives of harm minimisation, player protection and revenue protection.

### Background

- 15            • The 1999 Productivity Commission report concluded that it is likely that online gambling will pose significant new risks for problem gambling – the report did not advocate prohibition.
- The March 2000 Senate report ‘*Netbets*’ concluded that regulation be recommended—not prohibition.
- 20            • In April 2000 the Ministerial Council on Gambling met and proposed a voluntary 12 month moratorium on interactive gambling services—rejected by the states.
- On 17 August 2000 the government introduced and passed the *Interactive Gambling (Moratorium) Bill 2000*, imposing a 12 month ban on the Australian online industry.
- 25            • The 2010 Productivity Commission report recommended:
- ◆ that the Australian Government should assess the feasibility and cost effectiveness of Australia-wide self-exclusion and pre-commitment options;
- 30            ◆ that the Australian Government should assess whether the race fields legislation frameworks are legally sustainable in all jurisdictions and give rise to competitive outcomes;
- ◆ that the impact of credit betting should be examined in further detail.
- In 2012 the government released its final report on the Review of the *Interactive Gambling Act 2001*. This report recommended:
- 35            ◆ that ACMA publish a list of known prohibited internet gambling providers to discourage Australians from such sites.

- ◆ that Treasury monitor developments overseas in relation to financial payment blocking;
- ◆ that the IGA be amended to enable and encourage online gaming sites to become licensed in Australia;
- ◆ that the ban on micro-betting continue and that state and territory governments should also prohibit micro-betting at physical outlets;
- ◆ that the IGA be amended to dovetail its sports wagering provisions with those in relation to integrity in sports and match-fixing;
- ◆ that the treatment of fantasy sport under the Act be the subject of further consultation; and
- ◆ that enhanced prevention and enforcement measures should apply to those overseas-based wagering providers that are not licensed in Australia.

There is a view that prohibition is not the optimal regulatory mechanism for protecting Australians against the harms of online gambling. Prohibition may simply prevent Australian based companies from selling online gambling services to Australians, who then turn instead to offshore service providers. Prohibition does not prevent Australians from accessing overseas gambling services. The operational effect is that Australians are pushed into the overseas market.

The demand for online gambling services is driving the market to provide these services, as there is no ability for Australian based sites to operate in Australia; Australian consumers are forced to offshore sites, many of which are not regulated.

### **Why regulate now?**

The key arguments are:

- It is impossible to effectively prohibit online gambling.
- There are significant practical difficulties in enforcing a general prohibition on online gambling. Regulators are often unable to investigate the conduct of overseas service providers, or to enforce compliance with local laws.
- It may be safer to offer a regulated environment that regulators can control.
- Problem gamblers are being channelled to overseas websites with minimum if any protection measures.
- Domestic operators entering the market would increase competition.
- It is more difficult for sporting bodies and authorities to monitor and detect match fixing offshore.
- There will be economic benefits including additional tax revenue.
- Most like jurisdictions internationally now regulate.

