



Clubs Australia

Impact of illegal offshore wagering

**Clubs Australia Submission
November 2015**

Executive Summary

Clubs Australia has a strong interest in ensuring a properly regulated gambling sector across all modes of gambling, that maintains public confidence. In our view, the overarching aim of the *Interactive Gambling Act 2001* (IGA) should be to ensure that Australians have access to safe, regulated gambling opportunities. As well the economic benefits derived from online gambling should flow back into the Australian community.

As the Coalition's pre-election discussion paper noted, "*There are ongoing community concerns that the current laws prohibiting certain forms of online gambling, such as online poker and casino games, are not adequately enforced. Gambling sites illegally offered to Australians do not comply with strict probity requirements and harm minimisation requirements and pose a significant risk to users.*"¹

Clubs Australia agrees with the concerns in relation to online gambling that were highlighted in the Coalition's pre-election discussion paper, and we encourage the Government to address these legitimate concerns in relation to the online gambling environment.

Clubs Australia believes the current policy approach is inadequate, with an estimated \$1.6 billion² being spent annually by Australians with unlicensed illegal offshore gambling operators. Despite the significant level of illegal activity there has not been a single successful prosecution under the IGA.

In August 2013, the Coalition released its pre-election *Policy to Help Problem Gamblers*³ which committed to introducing a stronger online gambling environment including:

- Investigating methods of strengthening the enforcement of the IGA;
- Ensuring Australians are protected from illegal online gambling operators; and
- Legislating to control gambling advertising if current self-imposed industry regulations prove ineffective

To date the Coalition Government has not implemented any of these policy commitments.

The terms of reference for the current review are limited in that they focus solely on the impact of illegal, offshore, online wagering. This is despite the fact that over 70 per cent of the money spent by Australians on all online gambling occurs through illegal online casinos that offer virtual table games and poker machines. Only 30 per cent of all online gambling occurs through online wagering⁴. Recognising the size of the domestic online wagering market, it is apparent there is very little illegal online wagering occurring.

In Clubs Australia's view, Australia's licensed online wagering operators have used the pretence of competition with illegal offshore wagering providers to extract a range of regulatory concessions from governments with respect to taxation and harm minimisation. This includes the offer of inducements to gamble, offering lines of credit to gamblers, and tax rates that are substantially lower than other gambling products. The fact that all of the major international corporate bookmakers have an Australian presence, and most have sought to invest significantly in acquiring further local operations, suggests that the currently regulatory regime is favourable from a commercial standpoint. In our view, any suggestion that further regulatory concessions, such as live in-play betting, are warranted due to competitive pressures from illegal offshore wagering operators should be dismissed.

¹ The Coalition's Policy to Help Problem Gamblers, August 2013, page 6.

² Final Report, Review of the *Interactive Gambling Act 2001*, Department of Communications

³ <http://www.liberal.org.au/helping-problem-gamblers>

⁴ Bank of America Merrill Lynch, *The Online Game Changer*, June 2010

Clubs Australia submits that the focus of Government should be on strengthening the enforcement of the IGA with respect to unlicensed operators, effectively ring-fencing the domestic market, and applying greater standards of consumer protection and harm minimisation to licensed online wagering operators.

The lack of consumer protection, harm minimisation and taxation standards in the IGA, coupled with a constitutional restriction on State and Territory Governments from imposing laws that impede on cross-border trade, has created a 'race to the bottom' whereby the State or Territory with the most permissive regulatory framework has attracted the vast majority of licensed operators.

Those individual States and Territories can justify having sub-standard consumer protection and harm minimisation regimes because the bulk of online wagering consumers are resident in other Australian jurisdictions. As such, the social costs, such as problem gambling, are not borne by the State or Territory issuing the license but by the jurisdiction where the consumer is domiciled. This also allows tax rates to be set at artificially low levels because the taxing jurisdiction does not have to meet these external costs.

In our view, both the licensed operators and the jurisdictions in which they are licensed use the pretence of competition from illegal offshore wagering providers as justification for these overly permissive regulatory regimes.

In our view, only the Federal Government has the power to address this destructive competition between jurisdictions which is to the detriment of the consumer, Australian tax payers and providers of competing gambling products. This can be achieved through strengthening the enforcement of the provisions within the IGA, appropriate resourcing of regulatory and enforcement agencies and incorporation of greater standards of consumer protection and harm minimisation.

Strengthening the enforcement provisions of the IGA should apply equally to all forms of illegal offshore gambling. In our view, to be effective will require a coordinated approach that targets all elements in the supply chain of this illegal activity, including the gambling software, internet service providers and payment processing providers. While ultimate responsibility lies with the proprietors of these illegal gambling services those businesses that profit by facilitating this illegal activity should also bear some responsibility. We submit that the IGA be amended to include provision for the following:

- ACMA be given the power to issue civil penalties, including infringement notices, take-down notices and the ability to apply to the Federal Court for injunctive relief if a gambling service provider fails to comply with a notice.
- Including a provision in the IGA that allows a director, principal or other person acting in an official capacity for a provider to be issued with a notice requiring that person to cause the provider to cease offering services in contravention of the IGA. Failure to comply will be a strict liability offence.
- That directors/principals that fail to comply with a notice to cease offering services in contravention of the IGA be placed on the Movement Alert List and arrested if they attempt to enter Australia.
- A list of known prohibited internet gambling service providers be published on the ACMA website as well as the names of directors/principals of these providers.
- An offence be created for financial institutions that facilitate transactions between Australian consumers and listed unlicensed online gambling service providers

- An offence be created for companies that provide gambling software or intellectual property to listed unlicensed online gambling service providers
- A requirement that internet service providers block access to listed unlicensed online gambling service provider websites
- An offence is created for social media and mobile phone platforms that carry advertising for listed unlicensed online gambling service providers.

An effectively ring-fenced domestic market addresses the spurious argument by licensed wagering operators that they require certain regulatory and tax concessions to prevent Australian consumers from using illegal offshore wager providers.

Therefore, the IGA should be amended to ensure that the consumer protection and harm minimisation requirements for licensed Australian online gambling services mirror, as far as possible, those in land-based operations. This should include:

- Regulation to ensure that advertising by licensed online gambling providers meet community expectations.
- A national ban on credit betting for all licensed online gambling providers including accepting account deposits made via credit card.

Finally the IGA should be amended to introduce a point of consumption tax for licensed online gambling providers levied either by State Governments or the Federal Government. The purpose of this tax would be twofold. Firstly, to ensure that sufficient funds are available to properly resource regulatory and enforcement agencies. Secondly, to ensure that appropriate contributions are being made by online gambling operators to the respective State and Territory Government programs to minimise gambling-related harm. The fact that online wagering operators currently spend in excess of \$85 million per annum on advertising demonstrates a clear capacity to pay, especially if advertising were restricted.

The Interactive Gambling Act

In 1999 the then Prime Minister, John Howard MP, released a statement announcing Commonwealth support for a national approach to problem gambling.

The Interactive Gambling Act 2001:

- prohibits interactive gambling services from being provided to customers in Australia;
- prohibits Australian-based interactive gambling services from being provided to customers in designated countries;
- establishes a complaints-based system to deal with Internet gambling services where the relevant content (prohibited Internet gambling content) is available for access by customers in Australia; and
- prohibits the advertising of interactive gambling services.

Under the IGA all interactive gambling is prohibited, with the exception of licensed wagering (excluding in-play betting) and lottery activities.

As a result it is illegal for operators to offer unlicensed interactive gambling products to Australians, but it is not illegal for Australians to access offshore online gambling. This provides for a scenario where interactive gambling is partially legalised, but an estimated 2,200 offshore gambling sites provide services to Australians in contravention of Commonwealth laws, generating an estimated \$1.6 billion being spent annually by Australians.

Review of the IGA

The Department of Broadband, Communications and the Digital Economy released its Final Report on its Review of the IGA in March 2013.

The final report made 32 recommendations that Clubs Australia broadly supports, however, specifically the recommendations included deterrence and enforcement measures, recommending that:

- ACMA be given the power to issue civil penalties, including infringement notices, take-down notices and the ability to apply to the Federal Court for injunctive relief if a gambling service provider fails to comply with a notice.
- Including a provision in the IGA that allows a director, principal or other person acting in an official capacity for a provider to be issued with a notice requiring that person to cause the provider to cease offering services in contravention of the IGA. Failure to comply will be a strict liability offence.
- A list of known prohibited internet gambling service providers be published on the ACMA website as well as the names of directors/principals of these providers.
- A safe harbour provision be introduced for financial institutions that choose to voluntarily block financial transactions between Australian consumers and unlicensed online gambling service providers

The Report found:

The deterrence objectives of the IGA will only be effective if operators of prohibited services are aware of the relevant IGA provisions, the penalties involved, the intent of law enforcement and regulatory

*bodies to take enforcement action, and the options operators of prohibited services have of becoming licensed in Australia. As the IGA has now been in place for over 10 years, with no prosecutions, it is likely that operators of prohibited services are either unaware of the Australian law or believe they are beyond its reach. If the IGA is to be at all effective, this needs to be addressed.*⁵

Clubs Australia remains concerned that despite the intent of the IGA and the findings in the 2013 review there is still no evidence that legal action has been taken against an illegal offshore provider of gambling services. We submit that if the intent of the Act remains Government policy then it should be enforced.

The rise in Illegal Offshore Gambling and the Problems Associated with this

The online gambling environment differs markedly from land-based gaming. Internet gambling is currently experiencing exponential growth, with participation rates rising and the number of online providers expanding. Commonly unsafe and virtually unregulated market, the growth of the online gambling environment poses pointed new challenges for policy makers.

The growth in the online gambling space is rapid with Roy Morgan research indicating in their research that in 2013 *“more than 3.5 million Australians aged 18+ placed a bet of some kind. Twenty one percent of them did so via the internet. This represents a huge increase from 2010, when online punters comprised 14% of Australia’s betting population.”*⁶

Australian’s currently spend \$1.6 billion per annum on illegal offshore gambling websites, and over the next decade it is estimated that **\$17.9 billion**⁷ will be siphoned out of the Australian economy into illegal online casinos that pay no tax to Australian Governments.

There are over 2,200 operators that currently provide online gambling services to Australian consumers, most of which are illegal offshore operations that pay no tax in Australia⁸. Furthermore, those services that are licensed in Australia typically locate their “official” headquarters in the State or Territory jurisdiction with the lowest tax rates in order to minimise gambling taxes. This compromises State revenue and State sovereignty as evidenced in the *Betfair* case⁹.

Clubs Australia is concerned that there are a myriad of unique challenges associated with the current online gambling environment. These concerns include the lack of adequate counselling referrals or harm minimisation messages for online gamblers, the widespread use of credit betting and the relative ease at which underage people can access online gambling websites.

Unlike traditional venues which have mandatory shutdown periods, new technologies foster a “gamble anywhere, anytime” mentality. Over 2200 sites accept bets from Australia. Technology now delivers unregulated gambling opportunities into the home and pockets of Australian consumers.

⁵ Interim Report, Review of the Interactive Gambling Act 2001, The Department of Broadband, Communications and the Digital Economy, page 62.

⁶ Roy Morgan Research, Internet betting on the rise, Finding No. 5468, March 2014

⁷ Clubs Australia independent modelling by a top 4 accounting firm

⁸ Final Report, Review of the *Interactive Gambling Act 2001*, Department of Communications

⁹ *Betfair Pty Limited v Western Australia* [2008] HCA 11 (27 March 2008)

The Australian Bureau of Statistics indicates that 20.6 million mobile phones have access to the internet in Australia as at 30 June 2014. As the internet continues to pervade everyday life, the number of individuals choosing to participate in online gambling will increase accordingly.

Many online gambling sites offer little protection against fraud, money laundering or improper business practices. Australia's financial intelligence agency AUSTRAC recently revealed it had recorded a 300 per cent increase in the number of suspicious money transactions relating to terrorism. Licenced clubs and other land based gambling businesses are subjected to a strict enforcement regime that minimises the risk of money laundering. Furthermore, if people experience problems with online gambling sites, there are limited avenues of redress as operators are often based offshore.

Many online gambling websites do not provide stringent age verification procedures, allowing under aged users access to content illegally. Clubs Australia believes that the onus should fall on the site operator to ensure that under-aged individuals cannot gain access to gambling content and penalties should apply for failure to take reasonable steps.

Researchers have suggested that internet gamblers are three to four times more likely to have a gambling problem than a land-based gambler.¹⁰ Factors such as ease of access, anonymity and instant gratification lead to higher rates of problem gambling and players participating in longer periods of uninterrupted play. Clubs Australia views the online gambling industry's practice of offering free bets or other inducements as being contrary to the principles of the responsible conduct of gambling.

Effective harm minimisation measures should be imposed upon all forms of gambling. The Federal Government has both the legal authority and responsibility to legislate mandatory harm minimisation measures for internet gambling. This can be achieved through cooperation with the States and Territories to ensure consistency in regulation with land-based gambling so that consumers are suitably protected regardless of their gambling preferences.

The Response from Other Jurisdictions

As technology changes at a rapid pace many jurisdictions around the world, including the United States, Canada, United Kingdom, Germany, France, Italy, Norway, Denmark and Finland, have grappled with the complex policy issues associated with internet gambling.

The most common approach of those seeking to properly regulate internet gambling is to introduce measures ring-fencing the domestic gambling market from illegal offshore online gambling providers through financial transaction and Internet blocking.

Financial Transaction Blocking

- **Merchant Category Code Blocking:** A Merchant Category Code (MCC) is a four-digit number assigned to a business by MasterCard or VISA. Online gambling websites are assigned a dedicated MCC (#7995) allowing financial institutions to block credit card payments to and from these websites, which account for approximately 65% of all online gambling transactions¹¹.

¹⁰ Wood, R. & Williams, R (2009). Internet Gambling: Prevalence, Patterns, Problems, and Policy Options. Ontario Problem Gambling Research Centre, Guelph, Ontario

¹¹ European Commission Green Paper, Online Gambling, page 16, March 2011

- MCC blocking could be used not only to restrict transactions with illegal offshore online gambling providers but also to prevent credit card gambling on licensed domestic online wagering services.

Internet Blocking

- Internet Service Providers (ISPs) are required to block access to illegal offshore gambling websites through the following methods:
 - DNS Filtering – ISPs block access to a pre-defined list of illegal gambling websites and are re-directed to other websites (usually a Government announcement about the local legislation)
 - IP blocking – ISPs block access to certain IP addresses, this helps prevent online gambling providers avoid DNS filtering by changing the hostname of their website.

While both financial transaction and internet blocking are not 100 per cent effective in preventing consumers from accessing illegal offshore gambling websites evidence suggests they can have a significant impact in curtailing the level of illegal activity.

A number of jurisdictions, such as France, Italy and Norway, have chosen to couple financial transaction blocking and internet blocking of illegal offshore websites with the creation of a regulated domestic online gambling marketplace with strict harm minimisation and consumer protection measures as well as taxation regimes.

Clubs Australia submits that it is unnecessary to dilute local harm minimisation, consumer protection or taxation regimes for domestic online gambling operators in order prevent consumers from accessing illegal offshore gambling websites, as evidenced by the approach in the United States and Europe.

United States

The United States has a series of laws that cover the online gambling environment spanning both State and Federal jurisdiction. The three most significant federal laws in the United States that apply to the practice of gambling in general and online gambling in particular are:

- The Interstate Wire Act
- The Professional and Amateur Sports Protection Act
- The Unlawful Internet Gambling Enforcement Act

US federal law bans international and interstate online gambling, but allows intrastate online gambling (excluding wagering and sportsbetting). In 2006, the United States introduced financial transaction blocking for online gambling websites with tremendous success. Estimated expenditure on illegal offshore websites decreased from USD \$4.2 billion in 2006 to \$3.7 billion in 2011¹²; at a time when global online gambling markets were typically growing.

Only three US states have decide to regulate online gambling (Delaware, Nevada and New Jersey). New Jersey spent years exploring the possibility of legalised and regulated online gambling in the state. Following much debate in February 2013 laws were changed that allowed for licensed operators

¹² European Gaming and Betting Association, Factsheet on ISP and Financial Blocking, 2015

to provide online gambling services within the state for a period of 10 years, at which point a review would be undertaken. Importantly the law in New Jersey states that only land based gambling, for example, casinos would be allowed to provide online services.

Europe

In 2010, France introduced online gambling laws that requires ISP to block websites not licensed in France as well as requiring financial institutions to block transactions between French residents and unlicensed websites. In addition, the offence of offering an illegal online gambling website carries a penalty comprising 3 years imprisonment and a €90,000 fine. Also, advertising for illegal gambling is banned with a minimum fine of € 30,000 for each offence.

As a result of the changes in legislation, the majority of online gambling activity in France now occurs through licensed sites, where previously 75 per cent of transaction occurred on illegal offshore websites¹³

Italy has a list of over 2,700 banned websites that are blocked by ISP providers. Between January and September 2010 over 525 million attempts to access illegal gambling websites were blocked¹⁴.

In 2010, Norway introduced financial transaction blocking for offshore online gambling websites. Within 18 months the Norwegian Gaming Authority reported that a third of the people¹⁵ who gambled on offshore websites had reduced their gambling on these sites.

Taxation

In December 2014, the United Kingdom updated the way it regulates the online gambling industry, specifically in relation to collecting taxation. One of the key measures was Point of Consumption (POC) tax on offshore gambling operators. This allows the UK Government to ensure that online gambling operators who derive benefits from UK residents are making an appropriate contribution to the funding of the UK regulatory regime and problem gambling support services.

Under the legislation, online casinos and other operators who offer online gambling services to UK residents will be liable for tax at the point of consumption rather than the point of supply meaning an online casino operating from outside the United Kingdom will be required to pay tax in Britain.

The UK 2014 Gambling (Licensing & Advertising Bill) now requires online casino operators to pay 15% tax on their gross profits from wagers placed in the UK, irrespective of where the gambling operator is headquartered for taxation purposes. The Bill also requires operators to apply for a licence from the UK Gambling Commission and makes it an offence for unlicensed operators to offer online gambling service to UK residents.

The South Australian Government is reportedly considering a similar 'place of consumption tax'. In February 2015 the South Australian Government released their State Tax Review Discussion Paper.

¹³ <http://www.ofdt.fr/BDD/publications/docs/eftamtt6.pdf>

¹⁴ European Gaming and Betting Association, Factsheet on ISP and Financial Blocking, 2015

¹⁵ <https://lottstift.no/lotteritilsynet/files/2012/01/Rapport-betalingsformidlingsforbodet-jan-20121.pdf>

There was mention made about the UK's point of consumption tax regime and that if a similar system were to operate in South Australia it would *"increase tax neutrality between traditional and online operators and provide better outcomes from Government regulation to mitigate problem gambling"*¹⁶

Clubs Australia understands online wagering operators located in the Northern Territory paid only \$7 million in wagering tax in Financial Year 2014-15 on gambling turnover of \$9.7 billion¹⁷. By comparison, Clubs would pay in the order of \$200 million in gaming taxes on a similar level of turnover. A point of consumption tax could harness this differential for use in funding enforcement of the IGA and additional support services for problem gamblers.

Furthermore, As of July 2014, the maximum tax a corporate bookmaker in the Northern Territory pays is capped at \$555,000 per annum regardless of profit¹⁸. The Standard Media Index (SMI) shows that in the year to August \$149.1 million was spent on gambling ads, up from \$104.5 million for the same period last year and more than double the \$68.7 spent for the same period in 2012.¹⁹

The Australian Wagering Council ('AWC') claims that a point of consumption tax would impact the financial viability of the making it uncompetitive with the global online gambling market. However, Clubs Australia notes that internet gambling tax rates of between 15% and 20% are standard for regulated online gambling markets. Some jurisdictions, such as Delaware, have online gambling tax rates as high as 45%, and Pennsylvania is proposing an online gambling tax rate of 54% (see figure 1).

The AWC also conflates product fees paid to racing and sporting bodies with taxation rates. This would be akin to Clubs Australia claiming that gaming taxes should be reduced by the money paid to gaming machine manufacturers to purchase poker machine hardware and software. These product fees are business input costs and bear no relation to effective taxation rates.

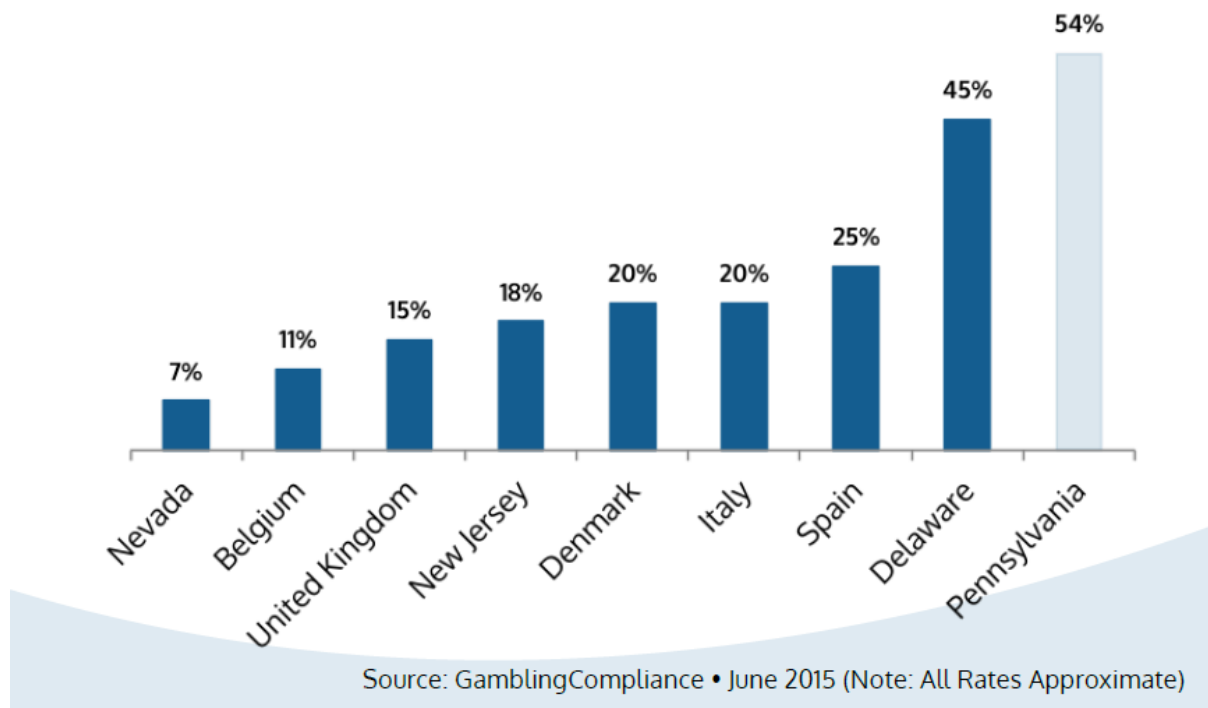
¹⁶ Government of South Australia, State Tax Review - Discussion Paper 2015, p.45-46

¹⁷ Tabcorp Stakeholder Presentation, Offshore Wagering 2015

¹⁸ Interstate Comparison of Taxes 2014-15, NSW Treasury, TRP 14-01, November 2014

¹⁹ <http://www.smh.com.au/nsw/sports-betting-companies-spending-more-than-ever-on-marketing-20150925-gjv6xa.html>

Figure 1: Online Gambling Tax Rates Selected Markets



Clubs Australia recommends adoption of a national point of consumption tax and notes it would require a concerted national approach.

Options for strengthening the IGA

Clubs Australia is committed to the development and implementation of targeted, effective and evidence-based gambling policy. Online gambling policy should reflect the legitimacy of gambling as an enjoyable recreational pursuit, and seek to provide Australians with access to safe and regulated online gambling opportunities. A concerted effort is also required to ensure that the regulatory framework for online gambling ensures that the benefits of online gambling flow back to local communities.

We submit that the IGA be amended to include provision for the following measures:

- ACMA be given the power to issue civil penalties, including infringement notices, take-down notices and the ability to apply to the Federal Court for injunctive relief if a gambling service provider fails to comply with a notice.
- Including a provision in the IGA that allows a director, principal or other person acting in an official capacity for a provider to be issued with a notice requiring that person to cause the provider to cease offering services in contravention of the IGA. Failure to comply will be a strict liability offence.
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Where the costs of enforcing or prosecuting the law requires expense, Clubs Australia advocates a cost recovery approach through the taxation of the online operators.

Benefits of Strengthening the IGA

- *Best Practice Harm Minimisation*

Amending the IGA would provide the opportunity for the Government to apply a range of best practice harm minimisation and consumer protection measures that resemble as far as possible the current land-based practices. The thousands of Australians who currently use online wagering services would greatly benefit from a safer online gambling environment.

Moreover, with the continued growth of online wagering, effective harm minimisation measures are essential to reduce the risk of problem gambling and the associated impacts on families and local communities.

- *Advertising*

The IGA makes it an offence to advertise interactive gambling to Australians. This includes casino-style games and live sports wagering (also known as 'in-play' wagering) made available over the internet.

Clubs Australia is concerned about the pervasive nature of online gambling advertising, both legal and illegal, on broadcast media (television and radio) as well as online and through social media.

Clubs Australia believes that all gambling advertising should be regulated, and as a minimum supports federal online gambling advertising standards that:

- prevents advertising during children's viewing hours;
- requires a clear separation between program content and advertising;
- limits the amount of gambling advertising as proportion of total advertising;
- prohibits the advertising of inducements to gamble such as free bets; and
- requires advertising content to meet responsible gambling standards.

This approach has the additional benefit of creating a level playing field in terms of online based

gambling and land based gambling environments. Clubs Australia submits that failure to enforce the laws encourages non-compliance and distorts the online and land based environments and ultimately damages the reputation of all gambling operators.

The NSW Government has now banned betting on live-odds advertising during sports matches to ensure the integrity of sports betting. The Hon. Troy Grant, Minister for Justice and Police in NSW said that *'the sports betting market is becoming increasingly competitive as operators aggressively chase market share through promotions, so it's important that regulation moves with the industry.'* Clubs Australia supports the move by the NSW Government in further regulating this section of the gaming industry as it cuts out predatory behaviour.

Recommendations

Online Gambling Harm Minimisation

Clubs Australia supports a mandatory national online gambling code of practice that mirrors the harm minimisation controls applied to terrestrial forms of gambling including:

- restrictions on the offering of inducements to gamble (e.g. cash, credits or free bets);
- prohibiting credit betting (e.g. lines of credit and credit card payments);
- a multi-site self-exclusion register;
- mandatory responsible gambling signage;
- 24/7 responsible gambling counselling services;
- compulsory responsible conduct of gambling training for all staff;
- 24 hour cooling-off period for the payment of prizes over \$5,000;
- maximum bet and prize limits;
- requiring a social impact assessment when issuing or renewing licences; and
- voluntary pre-commitment.

Taxation

- develop a national point of consumption tax for online wagering and sportsbetting. This should include a cost recovery levy for Governments to meet the costs of compliance and enforcement, as well as assist in funding local problem gambling support services.

Advertising

- Clubs Australia believes that all gambling advertising should be regulated, and as a minimum supports federal online gambling advertising standards that:
 - prevents advertising during children's viewing hours;
 - requires a clear separation between program content and advertising;
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Enforcement

- ACMA be given the power to issue civil penalties, including infringement notices, take-down notices and the ability to apply to the Federal Court for injunctive relief if a gambling service provider fails to comply with a notice.
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Conclusion

Clubs Australia is committed to the development and implementation of targeted, effective and evidence-based gambling policy. Online gambling policy should reflect the legitimacy of gambling as an enjoyable recreational pursuit, and seek to provide Australians with access to safe and regulated online gambling opportunities. A concerted effort is also required to ensure that the regulatory framework for online gambling sees the benefits of online gambling flow back to local communities.

Clubs Australia supports an approach to the regulation of gambling that is applied equally across all forms of gambling and ensures that gambling advertising occurs in a socially responsible manner to prevent problem gambling.

There are a number of legal inconsistencies that exist between land based gambling and online gambling.

The evidence is that the current prohibition on unlicensed online gambling is ineffective at protecting Australians from the associated risks due to poor enforcement of the Act. A large number of Australians continue to gamble on illegal online casinos and wagering that lack adequate harm minimisation and consumer protection measures. The economic benefits derived from unlicensed

online gambling continue to flow offshore depriving local communities of jobs, taxation revenue and community funding.

Clubs Australia supports an online gambling framework that both protects Australian consumers from illegal offshore gambling websites and also provides safe online gambling opportunities through an appropriately regulated and licensed domestic market.