

Phone: 02 44 215 077

Fax: 02 44 216 872

Email: Info@gisnsw.org.au

www.gisnsw.org.au

C/- Nowra Neighbourhood Centre

134 Kinghorne St

Nowra

NSW 2541

**Impact of illegal offshore wagering review**

**The Gambling Impact Society is represented on the board of the Alliance for Gambling Reform (AGR). The AGR has submitted collectively and with our endorsement. We therefore refer you to that submission and provide some additional comments as follows:**

1. **What are the factors that lead people to use illegal offshore wagering operators?**

There are a number of drivers of gambling in Australia and much of this relates to access (Productivity Commission Reports 1999 and 2010). The emergence of highly accessible digital technology and mobile gambling through the use of mobile phone has made access as close as an individual's pocket. This is particularly appealing to young people who have both a keen interest in digital mobile technology and are specifically targeted by gambling operators. According to some studies, young men are at high risk of mobile gambling and gambling generally and to date there have been few consumer protections in place for mobile gambling (wagering or gaming) for either Illegal or legal operations in Australia.

To date there seems to be no system in Australia for specifically track or intervene in offshore illegal gambling. This is a gap by comparison to other jurisdictions such as New Zealand where operators are blacklisted and servers intercepted.

Access is therefore widely available in Australia and poorly regulated.

1. **What do you consider are the impacts of illegal offshore wagering and associated financial transactions on the Australian economy, legitimate Australian wagering businesses, sporting organisations and the integrity of Australian sport, and consumers?**

From a consumer protection perspective, the issues are similar whether offshore illegal or legal in Australia. There are limited consumer protection facilities for legal operations and none for offshore.

Australian gambling operators would like to prevent illegal operators but increase their own market in the internet gaming and wagering sphere in Australia. Their arguments often suggest they have more effective “Responsible Gambling" (RG) measures and protections. This is claim is unfounded, to date yet there is no evidence that existing Australian RG measures are effective. According to recent research (Australian Financial Counsellors Report see reference below) existing (legal) wagering operators in Australia have minimal protections for consumers and are practicing harmful credit betting arrangements.

If offshore gaming and wagering are illegal then their offerings to Australians should be identified and blocked (as in NZ). Blocking financial transactions to offshore gambling operators should be facilitated and as a result, financial incentives and access to gamble offshore would be diminished.

1. **What measures could be implemented to improve the enforcement of the Interactive Gambling Act 2001 and any other relevant legislation (Commonwealth, state and territory) including any enhancements to presently existing prosecution, investigation and complaints handling processes? What legislative, prosecutorial, investigative or complaint handling measures have been implemented in international jurisdictions that may work in the Australian context?**

As members of the Australian Alliance for Gambling Reform (AGR) we refer you to the AGR submission and endorse the recommendations made in that submission on our behalf.

We specifically call for an Office of a Gambling Ombudsman for all Australian jurisdictions to enable an independent and transparent process for gambling consumer grievances and redress (as per the recommendations of the Productivity Commission report 2010). Such a body should be available for both Illegal and legal gambling operations.

1. **Are there non-legislative options, such as technological and financial innovations, that could be implemented to limit the access to illegal offshore wagering sites by Australian based customers? What non-legislative measures have been used in international jurisdictions that may work in the Australian context?**

We refer you to the AGR submission made on our behalf and with our endorsement.

We add that voluntary codes of practice in the gambling industry are weak and often ineffective tools for reform. We support legislative change including direction to financial institutions to block internet transactions related to offshore gambling operators.

1. **What approaches could be implemented to encourage offshore wagering providers to comply with Australian laws, and would this require measures to assist in ensuring domestic providers would not be operating at a disadvantage to offshore providers?**

Please refer to the AGR submission made with our endorsement with our support and on our behalf. We also add:

Technological identification, server (IP) blocking, international financial blocking would ensure the current law would be upheld. To date there appears to have been no process established for doing this in Australia and a gap in regulation.

Legal gambling operators in Australia make claims of higher levels of security and effective “Responsible Gambling” measures. Yet we would suggest the consumer protections are minimal and ineffective (refer Australian Financial Counsellors Report <http://www.financialcounsellingaustralia.org.au/getattachment/Corporate/News/BAN-GAMBLING-WITH-CREDIT-SAYS-FCA-REPORT-INTO-ONLI/FINAL-PDF-Duds,-Mugs-and-the-A-List-The-Impact-of-Uncontrolled-Sports-Betting-low-res-(2).pdf)>.

1. **Are there 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?**

There would be minimal risk if the Internet sites were made inaccessible (as in NZ and other jurisdictions).

Education programs have minimal effect in isolation and like other “Responsible Gambling” measures place the focus upon the individual and not the product often creating “victim blaming” stigma and shame. As with other forms of gambling, existing RG messaging has created barriers to effective harm reduction or support for those already harmed (Ref. ANU Report Carroll 2013).

http://www.problemgambling.sa.gov.au/\_\_data/assets/pdf\_file/0013/14710/stigma-and-help-seeking-for-gambling-problems-ANU-november-2013.pdf

A comprehensive public health approach is required for all gambling in Australia (legal and illegal) as outlined in many of our previous submissions to Federal Government inquiries (refer Hansard, Productivity Commission Inquiry 1999 & 2009 and related select Joint select committee inquiries).

A National Framework for a Public Health Model for Gambling In Australia is required accompanied by clear objectives and measurable outcomes. This requires Federal Government leadership as States are already compromised by their Gambling Tax incentives.

1. **What initiatives could be used to alert offshore gambling providers to Australian interactive gambling provisions?**

We endorse and support the recommendations of the (AGR) made on our behalf and add that:

Offshore gambling operators are accessed illegally in Australia. If our legislation is to be upheld then we need to use technology to support our legislation. Our understanding is that other jurisdictions have used Blacklisting, server (IP) blocking and lack of financial institutions support as an effective tool against such operators.

Kate Roberts

Executive Officer

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