**REVIEW OF THE INTERACTIVE GAMBLING ACT 2001**

**MORELAND CITY COUNCIL SUBMISSION**

**Preliminary comments on Terms of Reference and limited Consultation**

Moreland City Council welcomes the opportunity to contribute to the Review of theInteractive Gambling Act 2001. However, we note with concern the limited opportunity it provides for considered submissions from non-commercial stakeholders. A narrow timeframe of just ten weeks between announcement of the Review and the submissions deadline appears inconsistent with the Government’s “approach to gambling policy developed in a cohesive and consultative way” as stated in the Terms of Reference. While Gambling industry stakeholders are unlikely to be affected by this constrained timetable given the substantial resources at their disposal, local governments and community organisations will be.

Council notes that the dominant concern in the Review’s Terms of Reference appears to be the economic impacts of illegal offshore wagering and financial transactions on Australian wagering businesses. Moreland City Council is concerned about the social and economic impact of the interactive gambling industry on consumers especially those at risk of problem gambling. We contend that a central objective of any policy review addressing gambling in Australia should be how to reduce the risk of harm to consumers. Point 4 of the Terms of Reference notwithstanding, the reference to consumer protections appears as a secondary concern. Had this item included consideration of the impact of advertising Council’s confidence in the integrity of the process may be stronger. Council considers that the operations of “legitimate Australian wagering businesses” as well as those operating offshore are both important to ensure adequate protection of consumers.

**Gambling in Moreland 2015-2020**

The rise of online gambling in Moreland is demonstrated in recent data from the Moreland Household Survey commissioned by Council. In 2013 26% of households in Moreland included a member who gambled on horse racing and 7% on sports, according to 2013 data. The survey revealed that of the 7% of households that included a member who gambled (at least occasionally) on sports betting, 53% were most likely to access sports betting on line - up from 38% in the previous survey in 2011; and 18% at an hotel: down from 33% in 2011.

Moreland City Council’sadopted *Gambling Strategy 2015-2020* notes that interactive (online) gambling has grown rapidly in recent years, fuelled by intensive marketing which is increasingly embedded in high profile sport. Council is concerned about the risks this poses to the integrity of sport as a recreation (not just as an industry) and also to its potential to accelerate problem gambling. Young men in particular are at risk from sports betting and online wagering companies (both in Australia and offshore) that target them through intensive advertising and inducements such as access to credit, and in-play betting.

**Escalating Advertising and inducements require increased control**

Advertising to promote gambling (especially online) has accelerated at a very significant rate in recent years. According to Standard Media Index CEO (in a recent Sydney Morning Herald article), gambling advertising expenditure has dramatically increased in 2014: from the eighth largest category to the 15th-largest category. Advertising embedded in sports events and promotions on television, print media and social media is a growing element of this expenditure. This threatens the integrity of sport as a positive and healthy activity, and normalises gambling. The impact on children who are increasingly exposed to embedded advertising and sports merchandise is of particular concern.

There is mounting evidence that intensive marketing that includes industry inducements (especially access to credit) greatly exacerbates the risk of problem gambling. A report from Financial Counselling Australia, *Duds, Mugs and the A-List* is a recent example. It provided disturbing evidence of the devastating impact of uncontrolled sports betting and the unethical methods employed by wagering businesses to encourage online betting. Young men are identified as a particular target.

A central issue highlighted in the report is the risks of wagering businesses providing credit to gamblers, with case studies demonstrating the devastating consequences. It is noteworthy that the Liberal Party’s pre 2013 election position stated that: “*Responsible gambling is all about people gambling within their means. Extending lines of credit to gamblers runs contrary to this principle and the Coalition will legislate to prohibit the practice.*”

Also concerning to Council is the effect of in-play betting on consumer’s brain chemistry with its rapid fire operation presenting an unacceptable risk of addiction. Gambling researcher, Dr Charles Livingstone has compared the impact of continuous and instantaneous in-play betting with high risk design features of poker machines.

**Recommendations to enhance consumer protection and reduce risks of problem gambling**

Council proposes the following measures to reduce the public health risks of interactive gambling:

1. Increased restriction of gambling advertising on television, print, radio and social media;
2. Legislation to ban the provision of credit for gambling purposes including for online wagering;
3. Increased regulation (including enforcement) to protect the current ban on in-play betting (limits on use of smart phones by wagering businesses should be a key focus);
4. Requirements that financial institutions not process transactions with online wagering businesses operating off shore that are in breach of Australian law;
5. Establishment of an online register where gambling consumers can list themselves for self-exclusion with appropriate penalties for any wagering operators found to breach;
6. Pre-commitment requirements for setting up online gambling accounts in which users can nominate a maximum bet amount (daily and weekly);
7. Requirements for consumer warnings to be provided in all online wagering services including: an on-screen warning when betting limits are approaching, and on-screen promotion of gamblers help services if a breach of a betting limit is attempted.

Finally, Council does not accept the logic of a deregulation of the Australian online gambling industry as a legitimate response to the excesses of illicit offshore operations. To avoid a ‘race to the bottom’ approach to policy making in this complex and fast-moving sector, we suggest that further research and consultation be undertaken.