



**Australian Government**  
**Department of Social Services**

MC17-010519

Mayor David O'Loughlin  
President  
Australian Local Government Association  
8 Geils Court  
DEAKIN ACT 2600

Dear Mayor O'Loughlin

Thank you for your letter of 22 August 2017 to the Minister for Social Services, the Hon Christian Porter MP, seeking advice on gambling policy issues. The Minister has asked me to reply to you on his behalf.

I understand resolution 47 was carried by the National General Assembly for the Australian Local Government Association in June 2017, and calls on the Commonwealth, and state and territory parliaments to implement a range of measures to reduce the risks of gambling harm across local government communities in Australia. These measures relate to online gambling, sports advertising, and the regulation of electronic gaming machines.

As you may be aware, state and territory governments have primary responsibility for the regulation of gambling in Australia. However, the Commonwealth Government is working cooperatively with the states on gambling harm minimisation measures, and in relation to areas that we have direct responsibility for, as further outlined below.

Current policy focus

On 7 September 2015, the Commonwealth Government asked the Hon Barry O'Farrell to conduct a Review of the Impact of Illegal Offshore Wagering (the Review). The Review was conducted to investigate the size and scope of the illegal offshore wagering problem and advise on ways to strengthen our regulatory enforcement and protect Australians from illegal offshore wagering operators.

As you may be aware, on 28 April 2016, the Commonwealth Government released its response to the *Review of Illegal Offshore Wagering* (the Review), supporting 18 of its 19 recommendations.

*Legislative reforms*

The *Interactive Gambling Amendment Bill 2016* (IGA Bill) was the first stage of the Commonwealth Government's three-staged approach in implementing the recommendations of the Review. The IGA Bill contained measures to clarify the law regarding illegal offshore gambling and strengthen the enforcement mechanisms under the *Interactive Gambling Act* (2001). This included giving greater powers to the Australian Communications and Media

Authority (ACMA). The IGA Bill also included two consumer protection measures from the National Framework - prohibiting lines of credit being offered by wagering providers and prohibiting links between payday lenders and wagering operators.

The IGA Bill was passed by the Federal Parliament on 9 August 2017. The IGA Bill received Royal Assent on 16 August 2017 and has since come into effect on 13 September 2017. The IGA Bill is now referred to as the *Interactive Gambling Amendment Act 2017*. The prohibition of lines of credit being offered by wagering providers will come into effect on 17 February 2018. This is to allow a six month transition period for industry and customers to adjust their business and betting practices respectively.

As a potential complementary reform, the Commonwealth Government is also investigating the feasibility of introducing disruption measures to curb illegal offshore gambling activity and is exploring the feasibility of Internet Service Provider and financial transaction blocking.

#### *National Consumer Protection Framework.*

The Review highlighted the rate of problem gambling for online gamblers is 2.7 per cent with 41 per cent of online gamblers considered to be 'at risk' gamblers (low risk, moderate risk and problem gamblers). This is higher than for other forms of gambling, such as poker machines. This means that online gamblers experience problems, to varying degrees, such as to their physical health including stress or anxiety and financial issues caused by gambling.

Recognising this, the core of the Commonwealth Government's response to the Review is establishing a national consumer protection framework (National Framework) for online wagering to empower individual gamblers and ensure the harms from online wagering is minimised. The National Framework includes measures such as a voluntary opt-out pre-commitment scheme and nationwide self-exclusion.

Commonwealth and state and territory governments have been working collaboratively to achieve this reform. Most recently, on 8 September 2017, the Commonwealth and state ministers reaffirmed their commitment to ensuring greater protection for Australians gambling online. Governments aim to release a final National Framework by the end of 2017 with measures rolling out over a 12 month timeframe.

<https://www.mhs.gov.au/media-releases/2017-09-08-gambling-ministers-agree-stronger-online-gambling-protections>

#### Gambling Advertising and Sports Integrity

The Commonwealth Government shares the concerns of many Australians about the increasing popularity of sports betting has brought with it an increase in gambling advertising.

On 6 May 2017, the Commonwealth Government announced that it will work with industry to introduce further advertising restrictions on gambling advertising during the broadcasting of live sporting events.

The restrictions will prohibit gambling advertisements from being shown from five minutes before the scheduled start of play in a sporting event, during play and for five minutes after play has concluded. The restrictions will apply between 5.00am and 8.30pm across commercial television, commercial radio, subscription television, the SBS, and equivalent online services.



After 8.30pm existing restrictions on gambling advertising during live sports events will continue to apply meaning that gambling advertisements will only be able to be shown before play, in scheduled breaks such as half time, or in unscheduled breaks such as a suspension of play due to weather.

The Commonwealth Government is hoping for these restrictions to be in place by March 2018. The existing exemptions for racing and the advertising of lotteries will remain.

Complementing these reforms, the Commonwealth Government has also established a panel, led by the Honourable James Wood, to conduct a Review of the Integrity of Australian Sports. The Review will examine national and international integrity threats and future challenges, including the rise of illegal offshore wagering, match-fixing and doping in sport. The panel will also consider the merits of establishing a dedicated national sports integrity commission and is due to report later this year.

### Electronic Gaming Machines

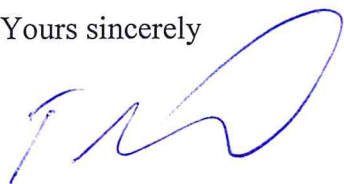
While the Commonwealth Government's current focus is on implementing consumer protections in the online wagering environment, the Government also recognises that poker machines are also a major cause of problem gambling in Australia. The latest data shows they remain the largest form of gambling, with \$11.6 billion in losses in 2014-15, a 4.9 per cent increase from 2013-14. Many of the same harm minimisation measures that apply online also apply to poker machines, and this is the first step in implementing our gambling agenda.

To this end, the Commonwealth Government encourages state and territory governments, who have primary responsibility for the regulation of electronic gaming machines, to put in place strong and effective consumer protections.

It is important to note that the Commonwealth's views do not represent the views of state and territory governments. Given the resolution is also addressed to states and territories, I trust you have also sought a response to resolution 47 from state and territory governments.

Thank you again for writing.

Yours sincerely



Tristan Reed  
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**Welfare Quarantining and Gambling Branch**

26 September 2017