

**Submission
No 32**

INQUIRY INTO IMPACT OF GAMBLING

Organisation: Sportsbet

Date received: 14/03/2014



Submission of Sportsbet Pty Ltd to NSW
Legislative Council Select Committee on
the Impact of Gambling

14 March 2014

*Inquiry into the impact of gambling on
individuals and families in NSW*

Executive Summary

- Online wagering requires a different regulatory model to poker machines because the global nature of the internet means that in the online environment, prohibition doesn't work.
- In 2011/12, total gambling turnover in NSW was more than \$72 billion and of this, more than \$65 billion was on poker machines. This shows that wagering on racing and sport makes up a very small proportion of gambling spend in NSW.
- Of the approximately 1.0% of Australians effected by problem gambling, the Productivity Commission has estimated that 75%-80% of problem gamblers are directly related to poker machines.
- Sportsbet is strongly committed to responsible gambling and minimising the prevalence of problem gambling in Australia.
- It is a condition of Sportsbet's licence that our company complies with the Northern Territory Code of Practice for Responsible Gambling, which includes obligations to train company staff to ensure they are proficient in the provision of responsible gambling services and mandates that Sportsbet has strategies in place to ensure minors are prohibited from gambling with Sportsbet.
- Sportsbet has in place a number of other responsible gambling measures, including:
 - Customers can track the money they spend on wagering through their account statements (Sportsbet only provides account-based betting, i.e. no cash betting)
 - Voluntary pre-commitment for customers
 - Customers can self-exclude for a nominated period
 - Strict age verification processes to assist with ensuring that persons aged under 18 cannot gamble with Sportsbet
 - Sportsbet provides responsible gambling information on our website, such as contact details for counselling services
 - Sportsbet provides the Gamblers Anonymous Self-Assessment Questionnaire on our website
- Sportsbet supports the development of a national set of harm minimisation and consumer protection measures being developed and introduced for licensed and regulated Australian-based online wagering companies.
- These national standards could include, but not be limited to standardised obligations to display responsible gambling messages, a voluntary pre-commitment capability, greater protection of customer funds, greater protection of customer personal information and the establishment of a national self-exclusion database.
- The Commonwealth Interactive Gambling Act (IGA) should be updated to protect the integrity of Australian sport.
- Central to any update of the Act and of significant importance to the integrity of sport is permitting licensed and regulated Australian-based wagering companies to offer online in-play betting on sporting events.
- The IGA forces Australian consumers who wish to bet online in-play on sport to do so through unregulated offshore-based websites which do not pay taxes in Australia, do not contribute anything to Australian sport and do not have integrity agreements with major sporting bodies to report any suspicious betting activities (all licensed and regulated

Australian-based sites have these measures in place). These offshore websites typically have far less and weaker harm minimisation and consumer protection measures in place in comparison to licensed Australian-based wagering companies, which significantly increases the risk of problem gambling.

- The more money that is wagered through unregulated offshore-based websites, the greater the risk to the integrity of Australian sport and the hundreds of thousands of Australians who enjoy online wagering on racing and sport in their recreational time.
- Significant reforms to sports-betting advertising were implemented in 2013 and these reforms have been effective in significantly restricting the level of sports-betting advertising in Australia. Therefore, further reforms are not required.

About Sportsbet

Sportsbet Pty Ltd (trading as Sportsbet.com.au) (**Sportsbet**) is one of Australia's largest online corporate bookmakers with over 1 million Australian customers and an estimated 20 per cent of the Australian online wagering market. NSW residents make up 335,473 accounts held with Sportsbet. Sportsbet is licensed in the Northern Territory and is wholly owned by Paddy Power plc, which is publicly listed on both the Ireland and London stock exchanges.

Sportsbet is an exciting and dynamic e-commerce business. Sportsbet employs approximately 600 staff across its Sydney, Melbourne and Darwin offices.

Sportsbet offers wagering products on a range of activities to customers across Australia on the internet via Sportsbet's home page (www.sportsbet.com.au), mobile and tablet devices, as well as via telephone operator. Sportsbet's major wagering product is racing (thoroughbred, harness and greyhound)¹. Sportsbet also offers wagering on a wide variety of sports (e.g. NRL, AFL, tennis, etc) and certain novelty markets (e.g. the outcome of a reality television show).

IASbet.com is the trading name of IASbet Pty Ltd, which is a wholly owned subsidiary of Sportsbet. IASbet provides substantially similar wagering services to Sportsbet and operates the website www.IASbet.com.

Sportsbet has integrity and information-sharing agreements in place with all major racing bodies and major sports in Australia, which mean that if any suspicious or unusual betting activity occurs on a customer's account, it is immediately notified to the relevant racing/sporting body. In the past five years alone, Sportsbet has contributed in excess of \$50M in product fees to sport and racing, and in 2012/2013 in NSW alone, Sportsbet contributed in excess of \$7M in product fees to the NSW racing, harness racing and greyhound racing industry.

Sportsbet is a member of the Australian Wagering Council (**AWC**), the peak body that represents the interests of seven prominent independently operating wagering companies which are licensed in Australia.

¹ Approximately 68% of the bets taken by Sportsbet are on racing, with the remaining 32% being on sports or other events.

Introduction

Sportsbet welcomes the opportunity to make a submission to the Parliament of NSW Legislative Council Select Committee on the Impact of Gambling (**Committee**) in respect of its Inquiry into the impact of gambling on individuals and families in NSW (**Inquiry**).

Extensive research demonstrates that the overwhelming majority of NSW (and Australian) residents who wager on racing and sport online with Sportsbet and other Australian-based licensed online wagering providers do so safely and responsibly. For most, it is an entertaining and enjoyable recreational activity.

Sportsbet, along with other AWC members, makes a significant economic contribution to the NSW and Australian economy each year. For example Sportsbet:

- Employs in excess of 600 staff across Australia;
- Pays tens of millions of dollars in product fees each year to Australian racing and sporting bodies (as part of extensive information-sharing and integrity agreements in place with those bodies which ensure any suspicious betting activity is immediately reported to the relevant racing/sporting body in order to protect the integrity of sport);
- Is a significant sponsor of many racing and sporting clubs across Australia including the National Rugby League, the Newcastle Knights, the Sydney City Roosters, the Richmond Football Club and various regional racing clubs, such as the Ballarat Turf Club, Devonport Racing Club and the Gawler & Barossa Jockey Club;
- Spends millions of dollars each year on various advertising deals;
- Invests tens of millions of dollars each year developing new and innovative technology products; and
- Makes significant contributions to governments by means of company taxes, GST and licensing fees.

As such, there is significant public benefit for the NSW Government and NSW communities of ensuring that any measures to reduce the prevalence of problem gambling for NSW residents are balanced against the positive social, recreational and economic contribution that is delivered by a responsible and well regulated online wagering and sports-betting industry. This includes the ability of Australian licensed wagering companies to be able to compete against offshore wagering operators, which is critical to preserving and enhancing the integrity of NSW racing and sport.

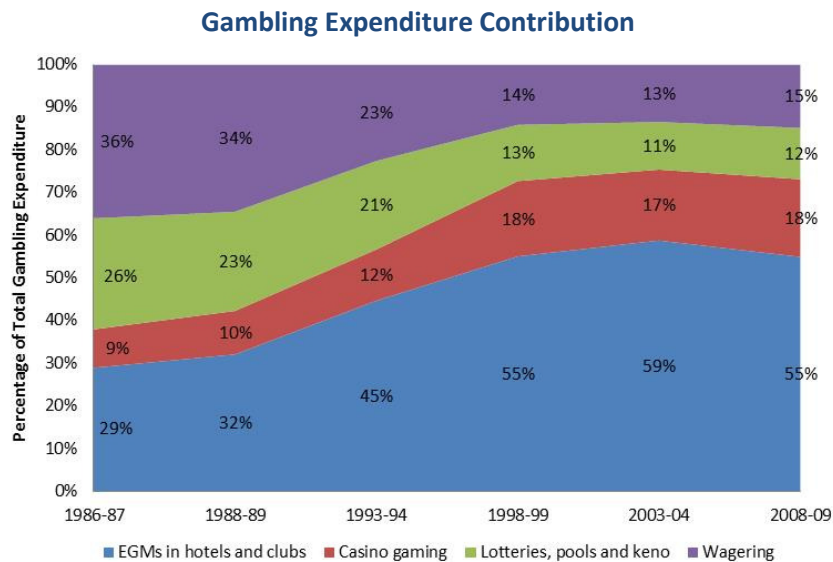
Achieving a balanced approach to online wagering and sports betting activities in NSW is supported by the objectives of the *Racing Administration Act 1998 (NSW)* which include:

- a) to ensure the integrity of racing in the public interest;
- b) to ensure that certain betting activities by licensed bookmakers are conducted properly;
- c) to minimise the adverse social effects of lawful gambling; and
- d) to protect a source of public revenue that is derived from lawful gambling.²

² <http://www.legislation.nsw.gov.au/maintop/view/inforce/act+114+1998+cd+0+N>

The following key gambling statistics and trends provide some valuable context to this Inquiry and Sportsbet’s submission:

- Over the last 20 years, the gambling market in Australia has been characterised by the significant growth of spend on electronic gaming machines (EGMs) as the prominence of EGMs has increased in various states and territories in Australia. This is highlighted in the following graph

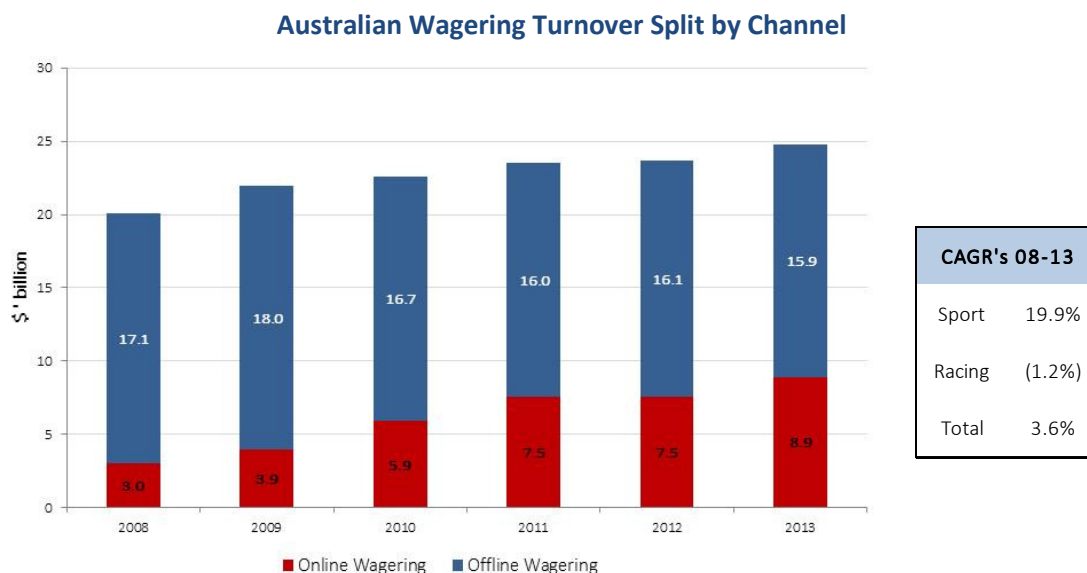


- In NSW, the most popular gambling activity is lottery products (41%), followed by instant scratch tickets (28%), poker/gaming machines (27%), horse/greyhound races (24%), Keno (14%), sports betting (8%), table games in a casino (7%), private card games for money (3%), bingo (3%) and casino or pokies-style games on the Internet (2%).³
- Within the wagering sector, betting on racing is currently larger than betting on sport, however betting on sport is growing faster than betting on racing as shown below:

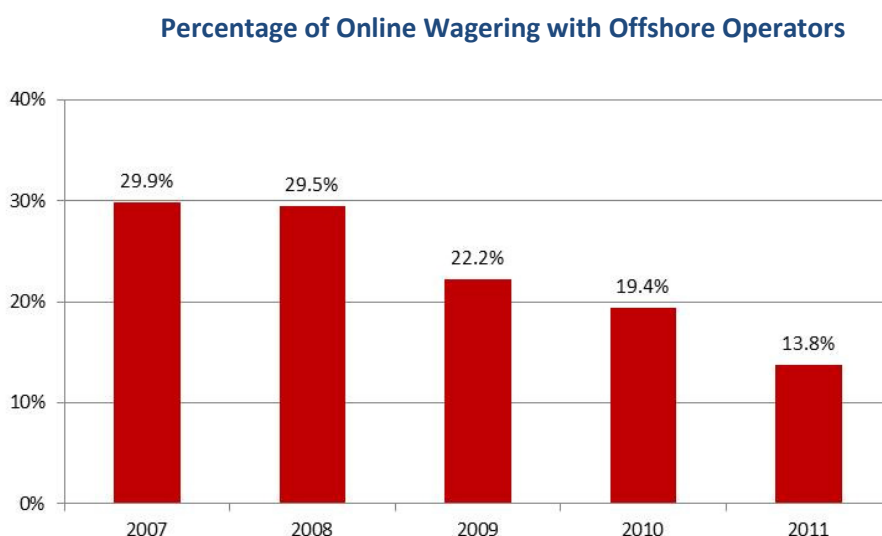


³ Ogilvy Illumination Strategic Communications Research (2013)

- In terms of method or channel of wagering, offline forms of wagering (phone, on-track and in TABs) account for the majority of spend compared to online wagering, however online wagering is growing faster. This is shown below:



- Along with the shift away from telephone, on-course and retail-outlet wagering to online wagering, there has been a shift of wagering turnover by Australians from illegal, offshore websites to licensed, domestic wagering operators (estimated to have declined from 29.9% in 2007 to 13.8% in 2011).⁴ This positive shift, which indicates that Australians prefer to bet with domestic operators, could potentially be under threat should more onerous regulatory regimes be introduced.



⁴ H2 Gambling Capital, eGaming Data Set, February 2012

- in 'one of the most comprehensive research projects undertaken into problem gambling anywhere in the world' for a period spanning eight years, the QLD Government Household Gambling study did not find any increase in the prevalence of problem gambling over the period 2001 to 2009, the period over which we have experienced a significant increase in online wagering. In fact, the studies indicated a decline in problem gambling prevalence over this time, although noted that the decline was not statistically significant.⁵
- Of NSW residents who self-reported to have had a problem with gambling, the vast majority (78%) had been involved with gaming machines.⁶ This statistic is consistent with the Productivity Commission findings that identified that while problem gambling affects less than 1% of Australians, of those, 75% - 80% of problem gambling is directly related to the use of poker machines.⁷
- Assuming that no changes are made to the current legislative and regulatory environment in Australia, KPMG estimates that:
 - despite the prohibitions contained in the IGA, the GGY of the illegal online gambling market is expected to grow at an average annual rate of 6.3 per cent to \$2.4 billion in 2021-22.⁸

Having regard to the breadth of the terms of reference (**Terms**) for the Inquiry and the overlap between several of them, Sportsbet's submission is focused on the following topics, primarily in respect of the online wagering industry:

1. Online wagering requires a different regulatory model to poker machines.
2. Sportsbet's strong commitment to responsible gambling and minimising the prevalence of problem gambling.
3. Minimum standards for harm minimisation and consumer protection.
4. The *Interactive Gambling Act (Cth) 2001* needs to be updated to enhance deterrence and enforcement and remove the prohibition on online in-play betting to protect the integrity of sport
5. Regulation of gambling advertising.
6. Training, education and help services regarding problem gambling.

⁵ Queensland Government's Household Gambling surveys for the period 2001, 2003-04, 2006-07 and 2008-09.

⁶ Ogilvy Illumination Strategic Communications Research (2013), Page v

⁷ Productivity Commission (2010), Inquiry Report Gambling

⁸ KPMG, Estimating the potential size of online tournament poker and in-play wagering markets in Australia, 2012

Sportsbet's Submission

Sportsbet's submission on the Inquiry's Terms follows and is primarily focused on the online wagering industry.

1. Online wagering requires a different regulatory model to poker machines

It is crucial for regulators, politicians and other external stakeholders to acknowledge that while online wagering is a form of gambling, it is fundamentally different from other forms of gambling, in particular, poker machines. Regulatory models for poker machines do not translate to the online environment. Specifically:

- While Australian regulators determine whether a person or entity is entitled to operate a poker machine – this licence can be granted or taken away – this is not the case in the online environment.
- The internet is a global market meaning that prohibition doesn't work – if Australian-based companies are prohibited from offering a gambling product or service to Australian consumers, Australian consumers who wish to access the prohibited product or service can do this by switching to offshore-based websites, which are not regulated in Australia.
- The overwhelming majority of money gambled by Australian consumers is through poker machines.
- The Productivity Commission has estimated that 75%-80% of problem gamblers are directly related to poker machines.

Anti-gambling advocates acknowledge that poker machines are the primary source of problem gambling in Australia. According to Independent Senator Nick Xenophon, *'We know that the predominant cause of gambling addiction in this country is poker machines.'*⁹

2. Sportsbet's strong commitment to responsible gambling and minimising the prevalence of problem gambling

Sportsbet is strongly committed to responsible gambling and people gambling within their means.

Although it is vital to minimise the prevalence of problem gambling in NSW and nationally, it is important to recognise that Australian research has consistently found that problem gambling affects between 0.5%-1% of the population¹⁰. Of that group, based on robust research, (including the above mentioned research), the Productivity Commission has estimated that 75%-80% of problem gamblers are directly related to the use of poker machines¹¹. It follows that the incidence of problem gambling is extremely low in the online wagering environment and significantly lower again compared to poker machines.

⁹ Senate, Hansard, 5 March 2014

¹⁰ The Productivity Commission estimated that there were between 0.5 and 1.0% of Australian adults with a significant gambling problem and a further 1.4% to 2.1% of Australian adults that are at a moderate risk of problem gambling: Productivity Commission, Inquiry Report on Gambling (2010), p. 5.1.

¹¹ Ibid

Also, despite widespread misreporting about an ‘explosion’ in the level of sports betting and online wagering, we note:

- the observation made by Professor Malcolm Battersby that any increase in sports betting and online gambling has not resulted in an increase of problem gamblers¹²;
- real wagering spend per capita (adult population) declined 1.4% between 2007 and 2010¹³; and
- in ‘one of the most comprehensive research projects undertaken into problem gambling anywhere in the world’, the QLD Government Household Gambling study found no increase in the prevalence of problem gambling over the period 2001 to 2009, the period over which we have experienced a significant increase in online gambling. In fact, the studies indicated a decline in problem gambling prevalence over this time, although noted that the decline was not statistically significant.¹⁴

Sportsbet uses a wide range of responsible gambling measures which go over and above the obligations imposed on Australian licensed wagering providers under state and territory-based laws, regulations, codes of practice and advertising standards.

As part of Sportsbet’s sports bookmaker licence, Sportsbet strictly complies with the NT Code of Practice for Responsible Gambling (**NT Code**). The NT Code has been developed by the Responsible Gambling Advisory Committee which comprises representatives from, among others, Amity Community Services, Anglicare Top End, Salvation Army and industry. The Code represents a commitment by NT licensees to best practice in the provision of responsible gambling.

The Code deals with fundamental responsible gambling practices including:

- a) training of key personnel in relation to the provision of responsible gambling services;
- b) provision of information to the public about responsible gambling, the potential risks associated with gambling and where to get help for problem gambling;
- c) strategies to ensure minors are prohibited from gambling and not induced to gamble;
- d) the option for customers to self-exclude themselves; and
- e) advertising and promotion in an honest and responsible manner with consideration given to the potential impact on people adversely affected by gambling, including compliance with the Australian Association of National Advertisers Code of Ethics (**AANA Code**).

All bets placed by Sportsbet’s customers are done through registered online accounts which facilitate a variety of controls for responsible gambling measures, many of which are not provided by cash-based retail betting or on land-based gaming machines. Some of Sportsbet’s responsible gambling measures are as follows.

- Spend-tracking facilities
Sportsbet customers can track their wagering spend via their account statements, which ensure that customers can access this information at any time in order to monitor their wagering activities to ensure it is within their limits. This is a significant point of difference

¹² Miles Kemp, ‘Gambling addicts prefer poker machines to online sports betting’, Adelaide Now, 11 July 2012, www.adelaidenow.com.au/gambling-addicts-prefer-poker-machines-to-online-or-sports-betting/story-e6frea6u-1226423849153

¹³ Source: ABS data and Australian Racing Factbook

¹⁴ Queensland Government’s Household Gambling surveys for the period 2001, 2003-04, 2006-07 and 2008-09.

from retail wagering and gambling on electronic gaming machines, where limited such facilities are available.

- Voluntary pre-commitment capability

Customers can set a daily, weekly or monthly deposit limits when opening an account and update this at any time – subject to a cooling-off period before a change to increase a betting limit.

Voluntary pre-commitment encourages responsible gambling by ensuring customers spend within their means up to a maximum amount which they have pre-determined. Any attempted deposits that are made by customers that would cause the nominated limit to be exceeded are denied.

Online voluntary pre-commitment facilities are significantly more effective than those that can be offered by land-based cash operators as only account-based online wagering operators have the ability to verify the identity of customers and to enforce any established pre-commitment limit.

- Customers can self-exclude for a nominated period

Sportsbet customers have the ability to self-exclude themselves from betting with Sportsbet (including IASbet). This enables persons who may be at risk of problem gambling to take proactive steps to ensure Sportsbet closes their account and does not take bets from them.

Sportsbet supports calls for the establishment of a national self-exclusion database to be funded by state/territory governments in proportion with their share of online gambling revenue. This would enable any customer who self excludes with a licensed Australian wagering provider to be recorded on the register. All wagering providers would then be required to check new customer applications against this register and also periodically check their existing customer database against this register. Any identity matches would result in a rejection of a new application or suspension of an existing account.

- Quick identity verification and age identification

Sportsbet is committed to ensuring that individuals under the age of 18 years are not able to access our wagering services. Currently, Sportsbet's expedited verification processes result in 83% of new customers being verified within one day (significantly less than Sportsbet's obligation to verify the identity of new accounts within 90 days under anti-money laundering laws).

- Responsible gambling messages

Sportsbet provides prominent information regarding responsible gambling on our website and contact details of problem gambling services, including the National Gambling Helpline. This information ensures that customers can easily access this information in order to assess their own circumstances.

- Responsible gambling advertising practices

Sportsbet is committed to complying with the AANA Code and other applicable state and territory responsible gambling advertising practices and guidelines. Refer to discussion in Section 5 for further details.

- Gamblers Anonymous Self-Assessment Questionnaire

This questionnaire provides customers with a proven diagnostic tool to guide customers to speedily assess whether gambling may have become a problem for them in order for them to seek early intervention or rehabilitation.

In short, the suite of Sportsbet’s responsible gambling measures outlined above makes a significant contribution to minimising the prevalence of problem gambling in the online wagering sector and enables customers to proactively utilise these measures if they may become at risk of gambling outside their means.

3. Minimum standards for harm minimisation and consumer protection

This section primarily covers sub-paragraphs (c), (f) and (l) of the Terms.

Current arrangements in Australia around responsible gambling

Each state and territory has their own separate requirements for harm minimisation and consumer protection measures, such as responsible gambling messages and voluntary pre-commitment relating to the wagering industry. This means that online providers offer varying harm minimisation options to their customers and present these on their websites in different ways. By way of example, **Annexure 1** outlines a comparison of harm minimisation measures currently undertaken by states and territories¹⁵.

This fragmented approach leads to confusion and uncertainty for consumers who are not guaranteed minimum levels of harm minimisation and consumer protection in their wagering activities with Australian licensed wagering providers. This varying approach can also add significant operational, compliance and cost burdens to online wagering providers who operate in a national (and international) wagering industry and provide their services to residents in different states and territories.

While regulation on a state-by-state basis has been relatively effective for many years for traditional land-based gambling which is located in defined geographic areas, it is not effective for the online wagering industry. In the latter, technology means there are no geographic boundaries and most consumers will be from a jurisdiction other than the one in which the wagering provider is licensed.

To address the risks relating to fragmented harm minimisation and consumer protection requirements across state and territory jurisdictions and the risks that this generates from a problem gambling perspective, Sportsbet strongly considers that both consumers and industry would benefit from a nationally consistent approach to harm minimisation and consumer protection through the states and territories adopting a set of agreed minimum standards.

In this regard, Sportsbet supports a recommendation which is contained in the final report Department of Broadband, Communications and the Digital Economy’s review of the *Interactive Gambling Act (IGA)* that the IGA should provide for the development of a national set of harm minimisation and consumer protection measures, applicable to all licensed interactive gambling providers that are permitted by the IGA¹⁶.

National harmonised minimum standards would have wide ranging benefits including ensuring consumers had the same robust protections available to them, regardless of the jurisdiction in which the provider is licensed.

¹⁵ Annexure 1 is a reproduction of Appendix F of DBCDE’s Final Report.

¹⁶ See Recommendation 1, page 8, Final Report.

The minimum standard should be incorporated into state/territory legislation and states and territories would continue to be responsible for enforcement of harm minimisation and consumer protection, as they are now.

This flexible approach would still enable NSW and other jurisdictions to choose to adopt measures over and above the standard if they see fit (or they do so already), while still allowing each state and territory to promptly respond to emerging issues relevant to their jurisdiction.

It is critical that the national standards are based on a number of fundamental principles to ensure their effectiveness in protecting all Australians who wager:

- **Evidence-based measures** – any harm minimisation measure incorporated with the national standards must be based on robust research and evidence that it is effective in improving harm minimisation. Responsible gambling is a highly complex policy area and any measures introduced which are not proven to be effective in protecting consumers will only increase the regulatory burden on licensed Australian-based providers (and not unregulated foreign websites) while providing no additional protection to consumers.
- **Competitive regulatory regime** – care must be taken to ensure that any consumer protection or harm minimisation measures do not limit the ability of licensed wagering operators to be able to compete with illegal offshore or onshore wagering providers. Any burdensome regulatory regime will simply mean that licensed providers will not be able to compete with illegal wagering providers (either from a price, service or customer experience perspective). Such constraints will drive more Australians to gamble with illegal or offshore operators and provide consumers with the risks the reforms seek to address.
- **Operational/technical burden to implement** – any harm minimisation measure incorporated with the national standards must be reasonably achievable from an operational and technical perspective. System development is an extremely complex and costly exercise and any measure which is overly burdensome in this respect will have two adverse consequences. First, it will place licensed and regulated Australian-based companies like Sportsbet at a competitive disadvantage. Second, it will discourage operators who are currently operating illegally offshore from licensing in Australia and legally offering online wagering services.

Any national standard must also be applied to all forms of wagering in Australia and should acknowledge the benefits of account-based betting from an integrity and problem gambling perspective.

It is also imperative that federal, state and territory regulators take account of how Australians interact with the global online market because if a wagering product or service is or becomes prohibited or unviable for domestic operators to offer, Australians will still be able to, and do, readily access the same products online through unregulated overseas websites which do not meet Australia's stringent regulatory requirements for consumer protection and harm minimisation, nor contribute to protecting the integrity of Australian sport and racing.

Key areas to be addressed by the national standard

The following areas should be addressed by the national standard, noting that most Australian jurisdictions already possess regulations requiring the majority of these measures:

- standardised and prominent responsible gambling messages
- a voluntary pre-commitment capability to allow customers to place deposit limits on a daily, weekly or monthly basis, including a requirement for gambling providers annually to request customers who opt out of pre-committing whether they wish to set a limit. Any request by a customer to increase or withdraw the limits cannot be acted upon by the gambling provider until after a seven-day 'cooling-off' period.
- protection of customer funds (backed by cash at 100% of account balance and regular audits by licensing body)
- protection, storage and use of customer personal information consistent with Australian privacy principles
- quick identity verification and age identification of customers when opening a betting account within 21 days, including consideration of using the Document Verification System (DVS) to expedite verification processes
- establishment of a national self-exclusion database to be funded by state/territory governments in proportion with their share of online gambling revenue and a requirement that all new applications for an account are screened in real time against the database and all existing accounts screened weekly
- customers to have access to view account statements daily, including deposit, spend history and balances
- prominent links to the National Gambling Helpline available on all website pages of gambling providers
- a link on the websites of gambling providers to the state/territory gambling regulatory authorities to which consumers can lodge complaints. State/territory gambling authorities should report publicly annually on the number and types of complaints made against gambling providers
- tightened rules around the provision of deferred settlement of account facilities (or lines of credit) to customers.

4. The IGA needs to be updated to enhance deterrence and enforcement and remove the ban on online in-play betting to protect the integrity of sport

This section primarily covers sub-paragraphs (f) and (h) of the Terms.

Although the IGA is a Commonwealth Act, it is highly relevant to the Terms of this Inquiry and the social impact of gambling on individuals and families in NSW and across Australia.

For the reasons outlined below, it is clear that the IGA urgently needs to be updated to reflect:

- the significant technological advancements and convergence of technology which have occurred since the IGA came into operation in 2001; and
- the fact that the online wagering and sports-betting industry is today a global industry (and has been for several years since the inception of the IGA) and therefore requires a different regulatory framework than traditional land-based gambling.

The primary objective of the IGA is to minimise the scope for problem gambling among Australians by limiting the provision of online gambling services to Australians through interactive technologies such as the internet.

Under the IGA, it is an offence to provide (or advertise) certain '*interactive gambling services*' to customers physically located in Australia, specifically games of chance, or games of mixed chance and skill via the internet – for example, online card games such as poker, or online casino-type games such as roulette and poker machines.

- However, the IGA expressly permits the provision of certain types of gambling services, including:
 - telephone betting services;
 - certain wagering services, including betting on a horse race, harness race, greyhound race or sporting event, or any other event, series of events or contingency, where the bet is placed *prior to* the event commencing;
 - most forms of lottery services; and
 - gaming services provided to customers who are in a public place (e.g. poker machines in a club or casino).

A summary of the types of permissible and prohibited gambling types in Australia is set out in below:

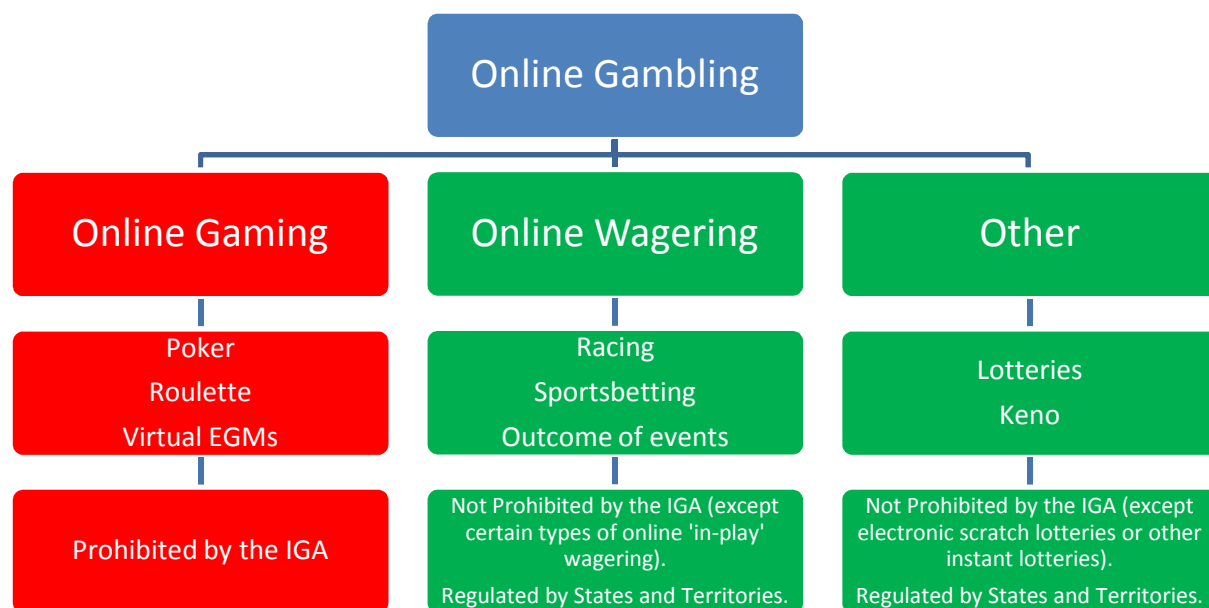


Figure 1: Online gambling types in Australia

A number of past government inquiries have considered the operation and effectiveness of the IGA and, more particularly, whether it is achieving its objective of minimising the scope for problem gambling among Australians by limiting the provision of prohibited online gambling services to Australians through means such as the internet.

By way of background, the Productivity Commission's *Inquiry Report on Gambling*, released in June 2010, found that while the IGA has probably limited the growth of online gambling in Australia, it has forced consumers to use overseas-based services which do not possess the harm-minimisation and probity measures available to users of legal Australian sports-wagering services. The report also suggested that the prohibition would be less effective as consumers become more comfortable in accessing these prohibited services and as operators over time develop reputations for safety and security. This has certainly proven to be the case, as outlined below.

Following the Productivity Commission's *Inquiry Report* and following discussions which took place at the COAG Select Council on Gambling Reform meeting in May 2011, it was announced that the then Department of Broadband, Communications and the Digital Economy (DBCDE) would undertake a review of the IGA. A Final Report was ultimately released on 13 March 2013.¹⁷

The Final Report acknowledged that while the primary objective of the IGA is to reduce harm to problem gamblers and to those at risk of becoming problem gamblers, evidence suggests that it is making only a very minor contribution to this objective and that the IGA may in fact be exacerbating the risk of harm because of the high level of usage by Australians of prohibited services which may not have the same protections that Australian licensed online gambling providers are required to have.¹⁸

¹⁷ Final Report of the Review of the Interactive Gambling Act 2001

¹⁸ Final Report of the Review of the Interactive Gambling Act 2001, p6

The DBCDE also made, among others, the following alarming findings in its Final Report:

- *There may be around 2200 online gambling providers currently offering services to Australians that may be in contravention of the IGA.*
- *The number of Australians accessing these services is significant and growing.*
- *Some estimates suggest Australians lose around \$1 billion per annum to online gambling service providers that are not licensed in Australia¹⁹. This is projected to continue growing strongly.²⁰*

As such, Sportsbet continues to encourage the Federal Government to work towards introducing many of the Final Report recommendations as a matter of priority. The most significant areas requiring reforms to minimise the prevalence of problem gambling in Australian and preserve and protect the integrity of sport are:

- the introduction of national standards of harm minimisation and consumer protection (discussed in Section 3);
- the introduction of enhanced measures to enforce and deter unlicensed illegal operators who continue to offer services to Australians in contravention of the IGA; and
- lifting the prohibition on online in-play betting under the IGA. For clarity, online in-play betting is a form of wagering whereby consumers are able to place bets on the internet on an event after that event has commenced (for example, betting on the outcome of an AFL game at half time). It is an established and extremely popular mode of wagering in the global sports-betting industry. Thousands of unregulated, offshore-based websites already provide this product to Australian consumers.

Bullet points 2 and 3 are discussed further below.

Deterrence and enforcement

There is overwhelming evidence (recognised by the Commonwealth Parliamentary Joint Select Committee on Gambling Reform, the Productivity Commission and, more recently, the DBCDE) that the IGA has been grossly ineffective in preventing overseas-based gambling operators from providing prohibited services to Australians²¹.

Changes to the IGA are necessary to ensure that its objectives can be more effectively met and to tackle the significant challenges posed by the provision of gambling services in the borderless world of the internet and the related extra-territorial challenges for the enforcement of the IGA.

As recognised by the Final Report, the most significant shortcoming of the IGA is that despite stipulating a series of punitive measures for companies that breach the IGA by offering prohibited interactive gambling services, there has been no prosecutions to date of companies who offer poker, online in-play betting and other gaming products to Australian residents due, in part, to the

¹⁹ Dr Sally Gainsbury and Professor Alex Blaszczynski, Submission to the IGA Review, p.7

²⁰ Page 6, Final Report

²¹ Ibid

significant jurisdictional issues with enforcing the prohibitions contained in the IGA, the AFP's case categorisation model and the nature of the criminal offences imposed by the IGA.

In order to improve the prevention and enforcement of breaches of the IGA, the IGA needs to be amended to 'streamline' enforcement provisions so that they are more likely to facilitate action by the appropriate enforcement agency. However, they will have no impact unless law enforcement agencies elect to prioritise the enforcement of breaches.

The above deterrence and enforcement reforms should be complimented by efforts to educate Australian consumers about the potential risks associated with using prohibited overseas-based services, which are not subject to the strict probity, harm minimisation and consumer protection laws that apply to Australian licensed wagering providers.

Australian-based websites should also be able to offer online in-play betting

As mentioned above, currently, the IGA prohibits licensed Australian wagering companies from offering online in-play betting. However, it does not stop Australian consumers from placing bets in-play on Australian sporting events through:

- an operator over the telephone;
- land-based venues, such as TABs; and
- unregulated, unlicensed and, in some cases, illegal overseas-based websites.

It is important to distinguish online in-play betting from 'micro-betting' (also known as 'spot-betting'), for example, ball-by-ball betting in cricket or point-by-point betting in tennis. Sportsbet strongly supports micro-betting continuing to be illegal under the IGA and advocates that it should also be illegal over the telephone and in retail TAB outlets. Sportsbet does not offer micro-betting and only offers markets on sports approved by the relevant sports controlling body.

The integrity of Australian sport would be greatly enhanced by amending the IGA in accordance with the DBCDE's proposal in the Final Report to permit licensed Australian-based sports-betting companies to offer online in-play betting.²²

Ensuring Australian consumers have the option of wagering on in-play markets with licensed Australian wagering providers would address two significant risks which exist under the current anomaly.

First, it would provide significant enhancements to protecting the integrity of the sports on which the wagering occurs. Licensed Australian-based wagering providers have integrity agreements in place with all major sporting codes. These agreements allow for the sharing of information regarding bets placed and betting patterns such that any suspicious betting behaviour is reported to the sporting code for investigation. Further, where those bets are placed with account-based wagering providers such as Sportsbet, there is complete and instant visibility over the identity of the person placing the bet and the amount and the location from which they are betting. This benefit is not available where in-play wagering is done anonymously with cash at retail TAB outlets. Thousands of overseas-based websites commonly offer online in-play betting on all AFL premiership matches

²² Department's Final Report on the review of the IGA, page 29

(and other Australian sporting events, e.g. cricket's Big Bash League), which demonstrates such sites are specifically targeting Australian customers. This also demonstrates that as online sports betting is a global industry, a blanket ban on Australian companies offering a particular online gambling service/product simply doesn't work because Australian consumers are still legally able to and do access these services through the many thousands of existing unregulated or illegal overseas-based sports-betting websites. In addition, unregulated offshore operators are not required to share information regarding any suspicious betting activity with major Australian sports and racing bodies, nor do they contribute any product fees and/or sponsorship to Australian sports.

Second, lifting the existing ban on online in-play betting under the IGA would ensure that the thousands of Australians who are spending millions of dollars wagering on in-play markets with illegal offshore wagering operators receive protection in terms of appropriate harm minimisation and consumer protection.

The recommendation in the Final Report to update the IGA to lift the ban on licensed Australian wagering providers offering online in-play betting is strongly supported by leading Australian gambling researcher and academic, Dr Sally Gainsbury, who states:

The DBCDE recommendation to adopt a 'platform neutral' approach that makes no distinction in the way that bets are placed is an important step for consistent gambling policy. Regulation of in-play wagering should be consistent across online operators, via telephone and land-based outlets. This is consistent with the recommendations of the Joint Select Senate Committee on Gambling Reform. The recommendation to permit in-play betting on the final outcome of sports events and on exotic bets (that is pre-defined events within an event) is appropriate given that these types of bets are currently permitted over the telephone and at physical venues. Given the substantial in-play betting market held by offshore operators, legalising this form of betting in Australia is essential in encouraging operators to become regulated within Australia. This regulatory change is also important to enable legal wagering sites to compete with offshore operators and operators that have land-based venues.²³

Dr Gainsbury's view is further endorsement of the report conducted by the UK Gambling Commission in 2009 which found there is no evidence that online in-play betting poses a 'specific, identifiable risk to problem gambling as opposed to other forms of betting or online gambling'.

The DBCDE expressly recognised that Australians are betting in-play with unlicensed offshore operators in its Final Report:

It is already the case that major online gambling providers based overseas and unlicensed in Australia are specifically targeting the Australian market. In doing so, they are also taking advantage of the opportunities to provide 'in-the-run' wagering services. This places these services at a distinct advantage over Australian-based services, as well as potentially undermining the scope of Australian sports bodies from receiving payment for their products and putting the integrity of Australian sports at risk.²⁴

²³ Submission by Dr Gainsbury from the Centre for Gambling Education and Research, Southern Cross University to the Department in response to the Department's Interim Report on the review of the IGA dated 25 June 2012, pp 25-26.

²⁴ Department's Final Report on the review of the IGA, pages 112-113.

The DBCDE's proposal for platform neutrality to bring online in-play betting in line with telephone and land-based venues also has strong support from the Coalition of Major Professional and Participation Sports (**COMPPS**). In relation to in-play betting with illegal or offshore gambling providers, the CEO of Cricket Australia, James Sutherland said:

It's very significant. The first thing for us is all about integrity. It's all about making sure that the public's faith in the game, the confidence in the game about it being a fair contest is the absolute priority and that's what we are focused on. When you talk about in-play betting, one of things that perhaps isn't so well understood is that people can bet in-play in Australia, but they do it offshore. So it follows that if it is something that people are able to do here in Australia, then we should create some sort of framework around it to make it protected and protect it from those who want to get to the game in a way that be inappropriate or reduce that faith in the fair contest. That's where COMPPS has come to a position of supporting in-play betting and working down that path with government and others to get the end result.²⁵

Lifting the prohibition on online in-play betting under the IGA to permit it through Australian-based licensed websites will strengthen the integrity of sport and ensure access to enhanced responsible gambling measures, which are not available through illegal, unregulated offshore websites and illegal SP operators.

International regulation of online in-play wagering

As mentioned, online sports betting is a global industry and online in-play wagering is a highly popular established form of betting around the world. Therefore, on the internet, prohibition doesn't work.

The international experience strongly points to the fact that the jurisdictions that implement a strict regulatory regime for the provision of online gambling services have been more effective in protecting consumers than those that have imposed a blanket ban on online in-play wagering. Many governments in major western countries over the past decade around the world including the UK, Italy, France and Denmark have decided that in order to protect their citizens from the perils of problem gambling and preserve the integrity of sport, the most effective public policy measure is to permit this form of wagering under a regulated onshore licensing regime.

In Australia, of the approximately \$1.6 billion of turnover that is wagered online wagering by Australian consumers annually, around \$220 million is from bets on sport (and racing) through overseas websites. Sportsbet firmly believes and anecdotal evidence suggests that the overwhelming majority of this \$220 million is attributable to online in-play betting.

For part or even most of the \$220 million turnover to be redirected to Australian licensed wagering companies, with the significant attendant benefits for consumers and the integrity of Australian sport, the ban on licensed Australian-based wagering companies from offering online in-play betting needs to be lifted.

The recent revelations of match-fixing among players of the suburban Melbourne soccer club, the Southern Stars, have only served to heighten the risk to the integrity of Australian sport. It is also further compelling evidence that Australian laws need to be as robust as possible to ensure that the

²⁵ James Sutherland, CEO Cricket Australia, 12 June 2012

integrity of sports – at all levels – is preserved.

5. The regulation of gambling advertising

Sportsbet’s submission in this section focuses on sub-paragraph (g) of the Terms.

The right to advertise is an important distinguishing legal right granted only to those wagering providers who have agreed to comply with strict licensing conditions and the standards of the applicable jurisdiction in which the wagering provider is advertising.

The Committee should take into consideration that there were significant reforms to sports-betting advertising in 2013, after significant community concerns about this issue were raised. These reforms have been extremely effective given that since their implementation, sports-betting advertising has no longer been raised as a public policy issue that needs addressing.

Existing regulatory framework around gambling advertising

An extensive and multi-layered framework of legal and regulatory obligations is in place in relation to the advertising of online wagering and sports betting in Australia. This includes:

- State and territory responsible gambling and advertising codes of practice and guidelines;
- The AANA Code²⁶ which sets out numerous requirements to achieve its objective ‘*to ensure that advertisements and other forms of marketing communications are legal, decent, honest and truthful and that they have been prepared with a sense of obligation to the consumer and society*’;
- Broadcasters’ industry codes of practice, including Free TV Australia, Australian Subscription Television and Radio Association (ASTRA) and Commercial Radio Australia codes (which must be approved and are enforced by the Australian Communications and Media Authority (ACMA)); and
- self-regulatory industry codes of practice.

In addition, Sportsbet, as an NT licensed sports bookmaker, is obliged to comply with the NT Code of Practice for Responsible Gambling (**NT Code**). The NT Code has been developed by the Responsible Gambling Advisory Committee which comprises representatives from, among others, Amity Community Services, Anglicare Top End, the Salvation Army and industry. The NT Code represents a commitment by sports bookmakers to best practice in the provision of responsible gambling and requires advertising and promotions to be conducted in an honest and responsible manner with consideration given to the potential impact on people adversely affected by gambling.

This multi-layered approach to regulating wagering advertising can often be costly and time consuming from a compliance perspective given advertising often spans multiple jurisdictions. It can also be confusing to consumers.

²⁶ http://www.aana.com.au/codes/AANA_Code_of_Ethics-01012012.pdf

Further restrictions to gambling advertising in 2013 and changes to Broadcaster Codes of Practice

Sportsbet and other members of the AWC proactively moved quickly in 2013 to respond to concerns expressed in some sections of the community to the nature and volume of sports-betting advertising during live sports broadcasts. In doing so, Sportsbet and other AWC members were quick to self-regulate and significantly reduce gambling advertising well in advance of formal changes to the broadcaster codes of practice in respect of live sports broadcasts which came into effect in September 2013 which broadly:

- banned the advertising of live odds siren-to-siren during live sports broadcasts;
- restricted generic gambling advertisements to scheduled breaks (outside of play, e.g. half time); and
- banned 'plugs' by commentators and other sporting identities.

Since these practices were adopted by AWC members, there has been a significant reduction in gambling advertising with the amended broadcaster codes.

The changes to the broadcaster codes struck a fair balance between community concerns about the volume of advertising (and exposure to children) during live sports broadcasts and the right of licensed wagering providers to advertise their products in a socially responsible manner to the many Australians who enjoy wagering responsibly in their recreational time.

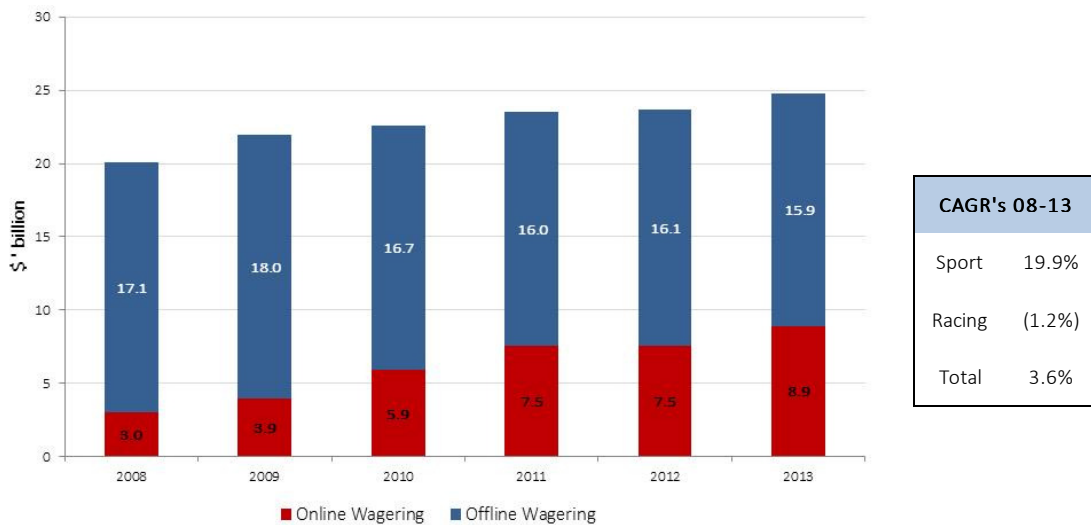
Sportsbet understands that the changes to the broadcaster codes of conduct have been fully complied with since their inception in September 2013.

No link between increase in gambling advertising and an increase in wagering spend or negative impact on the prevalence of problem gambling in Australia

Despite an increase in advertising since the lifting of the prohibition on advertising of wagering services in 2008 and the prominence of corporate bookmakers in the Australian wagering landscape, and despite a perception in some sections of the media/public that there has been an 'explosion' in wagering spend, there has not been a significant increase in the level of wagering spend in recent times. As noted previously in this submission, overall wagering has grown only 3.6% per annum since 2008.

While there has been only moderate growth in wagering turnover over this period, as shown below, there has been a material shift in the channels through which that spend is occurring. Improved technology and better innovation has seen a shift from the more traditional 'offline' TAB wagering products (i.e. retail outlets, on-course and phone operator) to 'online' channels such as the internet and more recently, smart-phones and tablet devices. This trend is in line with consumer spending patterns in other retail sectors such as books, clothing and electronic goods which have also seen high levels of online growth.

Australian Wagering Turnover Split by Channel ²⁷



Sportsbet is not aware of any evidence-based research which indicates that the increased level of advertising of sports-betting since 2008 has had any negative impact on the prevalence of problem gambling in Australia.

Finally, with regards to concerns expressed publically by a number of stakeholders over the impact of wagering advertising on children and their proclivity to bet, this is refuted by Sportsbet's own data which shows that wagering by 18 and 19 year olds has declined 9.4% between 2007 and 2013.

Inducements

While Sportsbet recognises the potential risk that inducements may have on persons in the community susceptible to problem gambling, broad restrictions on wagering inducements are not an appropriate solution given the proven very low risk online wagering presents. Significantly, the Productivity Commission found that *'offering inducements to wager through discounted prices to new customers is not necessarily harmful, it may primarily serve to reduce switching costs between incumbent wagering operators and new entrants, enhancing competition'*.²⁸

In addition to that pertinent point, Sportsbet draws the following points to the Committee's attention regarding the issue of inducements:

1. There is no evidence that indicates the availability of inducements to customers encourages or has increased the prevalence of problem gambling.
2. Wagering providers, like any other legal business, have the right to advertise their services responsibly. The offering of inducements is common practice for all types of businesses and as a result, operators in a highly competitive market should be permitted to offer inducements to open a betting account provided such offerings are responsible and carry responsible gambling messages.

²⁷ Australian Racing Factbook

²⁸ Productivity Commission (2010), *Inquiry Report Gambling*, para.16.59

3. The existing prohibition to offer inducements to existing account-holders or to open a betting account in, for example, NSW and Victoria favours retail-based operators and distorts a competitive wagering market.
4. There is a need for a nationally consistent approach to the issue of inducements. Sportsbet supports the Productivity Commission's recommendation for a nationally consistent approach to inducements as the current interstate discrepancy disadvantages some wagering providers when competing for market share in jurisdictions that permit these practices.²⁹
5. While inducements have facilitated the growth in the market share of internet wagering operators, they have not driven a material increase in wagering spend by Australians with real dollar per capita spend on wagering in Australia showing only minimal growth over the past decade.
6. Any changes in relation to inducements and promotion of gambling services should be based on evidence and be equally applied to cash-based and account-based betting operators alike. Currently, there is no regulation of inducements linked with forms of wagering which do not require the establishment of an account, such as cash-based operators. There are no compelling reasons for continuing to exclude these operators from the inducements regime.
7. Limitations on the ability of licensed Australian wagering providers to use inducements significantly impact the ability of domestic operators to compete with illegal or unregulated offshore operators. Increasing these limitations would mean more Australians gambling through unregulated offshore sites, not less, with the attendant risks to Australians in terms of inadequate harm minimisation and consumer protection measures.

The importance of sound policy and research relating to the regulation of gambling advertising

Gambling is a highly complex public policy area and any purported harm minimisation measure or other mechanism sought to be introduced to reduce the prevalence of problem gambling must be based on robust research and evidence that it is effective. Otherwise, such measures will merely serve to increase the regulatory burden on licensed Australian-based wagering providers (and not unregulated offshore operators) and make it even more difficult for them to compete from either a price, service or customer experience perspective. Such constraints will drive more Australians to gamble with unregulated and/or illegal wagering providers and provide consumers with the risks the reforms seek to address. This is highly likely in the current online environment, where Australians can readily access gambling services through offshore websites which are not subject to Australia's strict regulatory framework and accompanying harm minimisation measures.

The stark point remains that the online sports-betting is a global industry and the NSW and Federal Governments cannot afford to act in isolation to the global market. Policy decisions must take into account how Australians interact with the global market and strike a balance between the interests of viewers/listeners/other consumers and the right of licensed wagering providers to advertise their products. It is critical that all gambling policy-making is evidence-based, not detrimental to the competitiveness of the industry in Australia and achievable from an operational and technical perspective.

²⁹ Productivity Commission (2010), *Inquiry Report Gambling*, para.16.58 (Finding 16.5)

The most effective way of minimising the incidence of problem gambling and maintaining and enhancing the integrity of Australian sport free is to have a highly regulated wagering and sports-betting market within Australia which encourages NSW and Australian residents to transact only with Australian licensed and regulated wagering operators which have extensive information-sharing agreements with sporting bodies and regulators, to enable them to monitor any suspicious betting activity.

6. Training, education and help services re problem gambling

Sportsbet's submission in this section focuses on sub-paragraphs (e), (l), (k) and (j) of the Terms.

The role and capacity of gambling industry staff to address problems caused by gambling

Sportsbet ensures customer service staff are appropriately trained to use the valuable insight provided by account-based online wagering to actively provide a range of preventative and rehabilitative support for the very small number of customers who may have a difficulty gambling within their means.

The wealth of instantly available information provided by account-based wagering means online customers are in constant contact with a medium that delivers access to problem gambling information, tools and assistance – to assess their own circumstances and minimise the prevalence of problem gambling far more effectively than most forms of venue-based gambling. Similarly, the internet can be used to extend current treatment and counselling services for those seeking help and allows online wagering providers to offer graduated responses, which can be tailored to the severity of the gambling behaviour.

Gambling education and awareness including school-based programs, and measures to reduce the exposure of young people to gambling activity

The online wagering environment allows educational materials and tools to be readily accessible to NSW residents via the internet at all times.

Evidence demonstrates that Australian consumers have a very limited understanding of which online gambling services are prohibited and which are permitted under the IGA. Consumers also appear to be largely unaware of the potential risks associated with using prohibited overseas-based services, which are not subject to the strict probity, trust fund and consumer protection laws that apply to Australian licensed wagering providers. To this end, Sportsbet strongly supports the following measures (which were recommended in the DBCDE's Final Report):

- State and territory governments, in conjunction with industry, should take steps to increase consumer awareness about the risks associated with using prohibited online gambling services³⁰
- Major ISPs and vendors of security software should be consulted regarding the possibility of them voluntarily enabling a standard warning message whenever an Australian consumer accesses an unlicensed online gambling website, as identified by the ACMA. The message

³⁰ Recommendation 15.

would alert the user that the website they have accessed may not make available the standard Australian consumer protections and provide them with a list of Australian licensed online gambling providers.³¹

- The Cybersafety Help Button should include a link to the National Gambling Helpline, and other help button functionalities to alert users to the risks of using prohibited online gambling service providers.³²
- Relevant ACMA programs should be tailored to address issues related to the risks to children of accessing online gambling sites.³³

Measures to reduce the exposure of minors to gambling activity

In relation to children, it is widely accepted that the best way to prepare them for adult life is to educate them about the safe and responsible use of products and services that are available to adults. This is especially so in today's globally connected society where raising children in isolation of internet technology is not possible.

The rigorous account-opening procedures which verify the identity and age of customers contribute to preventing minors from accessing online account-based wagering services in Australia.

The existing extensive regulatory framework around gambling advertising across Australia ensures that advertising of gambling services does not directly expose minors to gambling activity, whilst balancing the legal right of licensed Australian wagering companies to advertise their services in a socially responsible manner. For example:

- commercial and pay television broadcasters and radio broadcasters are required to comply with strict broadcaster codes of practice, with appropriate community safeguards approved by the ACMA.

Under clause 6.14 of the Commercial Television Code, advertisements for gambling services are not permitted during "G" classification periods (excluding news, current affairs or sporting programs). Practically, this means that gambling advertisements must not be broadcast between 6.00am and 8.30am on any day, between 4pm and 7pm on weekdays and between 4pm and 7.30pm on weekends.

These restrictions are specifically directed to ensure that gambling advertisements are not placed in programs that are likely to have a child audience.

- the changes to the various broadcaster industry codes of practices in September 2013 which made extensive advertising restrictions to prohibit the advertising of odds during live sports broadcasts, as well as confining any generic gambling advertising to scheduled breaks and banning 'plugs' by commentators (see discussion above in Section 4 for more details);
- section 2.6 of the AANA Code specifically prohibits advertising which '*depict material contrary to Prevailing Community Standards on health and safety*'; and
- section 8.5 of the NT Code strictly prohibits targeting minors in advertising.

³¹ Recommendation 11

³² Recommendation 12

³³ Recommendation 14

Nonetheless, there remains a dearth of research on the effect of children incidentally viewing gambling advertising and Sportsbet supports the recommendation made by the Joint Select Committee on Gambling Reform for further research in this area to underpin effective policy making³⁴.

The adequacy and effectiveness of problem gambling help services and programs, including service standards, qualifications and funding of chaplaincy, counselling and treatment services

The highly regulated Australian online wagering industry provides significant benefits to consumers in terms of the availability of robust harm minimisation and consumer protection measures in stark contrast to the measures presently in place for cash-based retail betting, illegal Australian SP bookies and offshore unregulated operators.

The online environment has the capacity to deliver timely problem gambling help services and programs more effectively and easily than most forms of venue-based gambling with online tools and referral information readily accessible to NSW residents via the internet at all times.

The effectiveness of public health measures to reduce risk of gambling harm, including prevention and early intervention strategies

The continuing challenge for industry, regulators and other stakeholders is to identify prevention and early intervention public health strategies that effectively target those who are vulnerable or in need of assistance without unduly impacting on the legitimate enjoyment of the vast majority of recreational punters who gamble responsibly, and without undermining the financial viability of the wagering industry.

Sportsbet, an active member of the AWC, has supported a number of NSW initiatives including the online promotion of Responsible Gambling Awareness Week and, more recently, the development of the NSWOLGR initiated *Track your Spend* App which is featured on the AWC website. It encourages customers to track their total gambling spend.

Sportsbet considers that the introduction of harmonised national minimum harm minimisation and consumer protection measures, as outlined in Section 3 above, would effectively complement the existing public health measures by providing a guaranteed range of effective prevention and early intervention mechanisms, as well as further reduce the very low prevalence rate of problem gambling in the online wagering industry.

7. Conclusion

Sportsbet thanks the Committee for the opportunity to express its views on the impact of gambling on individuals and families in NSW and the related matters covered in this submission.

In closing, Sportsbet would like to reiterate the significant public benefit for the NSW Government and communities across NSW of ensuring that any measures to minimise the prevalence of problem gambling in the wagering industry are based on sound policy and research and balanced against the positive recreational and economic contribution of the existing socially responsible wagering

³⁴ See Recommendation 3 of the Joint Select Committee on Gambling Reform's Fifth Report titled 'The advertising and promotion of gambling services in sport' June 2013.

industry to NSW, including the ability to protect and enhance the integrity of NSW racing and sport.

Sportsbet would welcome the opportunity to discuss any of the matters raised in this submission with the Committee.