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Office of the Hon Paul Fletcher MP

Minister for Communications, Cyber Safety and the Arts
Federal Member for Bradfield

MC20-008240

Cr Lara Carli
Mayor
Melton City Council
PO Box 21
Melton VIC 3337

Dear Cr Carli

Thank you for your letter of 9 July 2020 to the Hon Paul Fletcher MP, Minister for Communications, Cyber Safety and the Arts, concerning online gambling. The Minister has asked me to reply to you on his behalf and I am sorry it has taken so long to provide you with a response.

1. Protecting Australians against illegal offshore gambling websites

The *Interactive Gambling Act 2001* (IGA) prohibits the provision or advertising of certain interactive gambling services played for money or anything else of value, which includes overseas-based online gambling services such as online casinos. The IGA aims to minimise the scope of problem gambling in Australia through the use of interactive technologies. In 2017, the Government introduced the *Interactive Gambling Amendment Act 2017* to strengthen the enforcement of the IGA, measures included:

1. Clarifying the law to make it clear that it is illegal for overseas gambling companies to offer gambling products to Australians unless the person or company holds a licence under the law of an Australian State or Territory;
2. Empowering the Australian Communications and Media Authority (ACMA) with new civil penalties, complementing the existing criminal penalties powers held by the Australian Federal Police, and allow ACMA to be responsible for the entire complaint handling process from receipt to enforcement; and
3. Introducing other disruption measures to curb illegal offshore gambling activity, such as placing company directors or principals of offending gambling companies on the Movement Alert List so any travel to Australia can be disrupted.

These measures resulted in a large number of illegal gambling operators ceasing to provide gambling services to persons in Australia.

ISP blocking of illegal offshore gambling websites

Despite ACMA's success in reducing offshore gambling, there remain practical and legal challenges with enforcing laws with entities with no Australian presence.

Level 2, 280 Pacific Highway, Lindfield NSW 2070 • T 02 9465 3950
P O Box 6022 Parliament House, Canberra ACT 2600 • T 02 6277 7480
paul.fletcher.mp@aph.gov.au • www.paulfletcher.com.au

On 11 November 2019, the Government announced that ACMA will use its powers to direct Australian Internet Service Providers (ISPs) to block illegal offshore gambling websites. ACMA will investigate suspect websites and where other enforcement actions prove unfeasible, refer those in breach of the IGA to ISPs to be blocked under Section 313 (3) of the *Telecommunications Act 1997* which enables Commonwealth enforcement entities to block websites containing illicit or contravening material.

These website-blocking measures will apply to sites found to be in breach of the IGA, but which continue to offer services to Australian consumers in spite of enforcement actions by ACMA. The website-blocking scheme was developed in co-operation with Communications Alliance with major ISPs including Telstra, Optus and TPG Group already implementing blocks on request from ACMA.

As at 2 October 2020, 150 websites have been blocked under this scheme with further sites the subject of ACMA investigation. A list of the blocked websites can be found on ACMA's website at www.acma.gov.au/blocked-gambling-websites.

To complement these enforcement actions, ACMA undertook an awareness campaign starting in May 2020 to alert Australians on the risks of betting with illegal offshore gambling websites. This campaign was conducted on social media and digital platforms

National Consumer Protection Framework for Online Wagering

It is imperative that while we protect Australians from illegal offshore gambling operators, we must ensure that our own regulated gambling environment has strong harm minimisation and consumer protections for those individuals who choose to gamble.

The National Consumer Protection Framework for Online Wagering (the National Framework), endorsed by all Commonwealth, state and territory governments, was publicly announced on 30 November 2018. The objective of the National Framework is to minimise the risk of gambling harm to Australian consumers by removing inconsistencies in consumer protection regulations and strengthening current consumer protections to apply consistently across all Australian jurisdictions.

The National Framework is intended to cover all forms of regulated wagering using any telecommunication service. This includes any licensed 'regulated interactive gambling service' that is also an 'excluded wagering service', as defined under the IGA, such as on-course bookmakers who offer interactive services.

The National Framework consists of ten consumer protection measures:

1. Prohibition of lines of credit: prohibits the offering or provision of credit by licensed operators for wagering purposes, with the exception of on-course bookmakers.
2. Payday lenders: discourages the use of small amount credit contracts (payday lending) for online wagering.
3. Customer verification: reduces the customer verification period to from 90 days to 14 days for online wagering across all jurisdictions.
4. Offering of inducements: prohibits all specified inducements in all jurisdictions.
5. Account closure: ensures that closing/cancelling an online wagering account is readily available, and accessible by all consumers.
6. Voluntary opt-out pre-commitment scheme: provides consumers with a tool to help them monitor and manage their gambling by pre-committing to limits. These limits would apply on an operator basis.

7. Activity statements: ensures consumers receive meaningful statements on their wagering activity with each licensed operator.
8. Consistent gambling messaging: provides for evidence-based, consistent gambling messaging.
9. Staff training: provides for the training of certain staff in the responsible service of gambling.
10. National self-exclusion register: provides for a national self-exclusion register for online wagering. This system ensures that those experiencing gambling harm can exclude themselves from licensed services.

Six of the 10 National Framework measures are implemented. The remaining four measures (activity statements, consistent gambling messaging, staff training, and the National Self-Exclusion Register) are subject to trialling and testing, stakeholder consultation and procurement processes, and will be implemented after this work is complete.

2. Gambling advertising

The Government also recognises the importance of gambling promotions being presented in a responsible manner. While providers of lawful services such as online gambling have a legitimate interest in advertising their services, the Australian government believes that this must be subject to controls which appropriately reflect community standards, and this principle is reflected in the regulatory safeguards which apply to the advertising of gambling.

Regulation of broadcasting services

Most content broadcast in Australia is regulated by co-regulatory codes of practice developed by broadcasting industry sectors in accordance with the *Broadcasting Services Act 1992*. This co-regulatory system recognises the importance of ensuring that television and radio content reflects community standards. Codes of practice are available on the ACMA website at acma.gov.au/industry-codes-practice.

Broadcast television requirements in relation to gambling promotions generally relate to the content or scheduling of advertisements, rather than volume. However, there are hourly limits for advertising in general, which apply to commercial free-to-air and subscription television and are set out in the relevant codes of practice.

Gambling advertising restrictions during children's viewing hours on broadcast platforms

The *Commercial Television Industry Code of Practice* (the Commercial TV Code), which applies to commercial free-to-air television broadcasters, prohibits gambling advertisements:

- during General (G), Preschool (P) or Children's (C) rated programs broadcast between:
 - 6.00 am and 8.30 am; and
 - 4.00 pm and 7.00 pm; and
- during any program that is broadcast between 5.00 am and 8.30 pm and which is principally directed at children.

These prohibitions do not apply to advertisements broadcast in news, current affairs or sports programs during those time periods. They also do not apply to advertisements relating to such things as government sanctioned lotteries, keno or competitions, or, generally, to advertisements for entertainment or dining facilities where gambling may take place.

The *Subscription Broadcast Television Codes of Practice* (Subscription TV Code), which applies to subscription television broadcasters, requires relevant licensees to take into account the intellectual and emotional maturity of the intended audience of the relevant channel when scheduling advertising relating to betting or gambling.

Gambling advertisements during live sports broadcasts

In 2018, further restrictions were applied to the showing of gambling promotions during live sporting events broadcast on commercial television, commercial radio, subscription television and the Special Broadcasting Service. More information about these restrictions is available on ACMA's website at acma.gov.au/gambling-ads-during-live-sports-broadcasts.

Review of broadcasting industry codes

Broadcasting industry codes of practice are periodically reviewed. Members of the public may contact the relevant peak industry body to raise their concerns, and to enquire about how they can contribute to future review processes.

Gambling advertisements during sports streamed over the internet

In September 2018 new rules came into effect which restrict the showing of gambling promotions during online streams of live sporting events. *The Broadcasting Services (Online Content Service Provider Rules) 2018* (Online Rules) contain gambling promotions restrictions that are, to the extent possible, similar to those which broadcasting industry codes impose on the broadcast of live sporting events. More information about the Online Rules is available on ACMA's website at acma.gov.au/gambling-ads-during-sport-streamed-over-internet.

3. Simulated Gambling Apps

The IGA does not capture computer games as they are considered a game of skill, though there may be some chance element in the game. In general, loot boxes and similar items are not considered interactive gambling services under the IGA. The IGA, however, does capture third party websites that allow players to gamble on virtual items on casino-style games where the virtual items can be exchanged for money or anything else of value. Such operators would be subject to the increased enforcement measures that were introduced as part of the *Interactive Gambling Amendment Act 2017* that came into effect on 13 September 2017.

The National Classification Scheme requires that computer games are classified before they are sold or published in Australia. Computer games are classified by the Classification Board or the International Age Rating Coalition (IARC) tool for online and mobile (app) games. Content in computer games is classified according to standards in the National Classification Code and the Guidelines for the Classification of Computer Games.

Computer games are assigned a classification rating (e.g. G, PG) and include consumer advice which can relate to the six classifiable elements (themes, violence, sex, language, drug use and nudity). Generally, the IARC tool will give app games with simulated gambling an M classification. Computer games classified M are not recommended for persons under 15 years of age. Depending on the prominence and interactivity of simulated gambling in a game, consumer advice of 'Simulated Gambling', 'Gambling themes' and 'Gambling references' is issued. Currently the Apple App Store applies a rating of 17+ to social casino games.

Item 8.1 Parliamentary and Departmental Letters received by the Mayor

Appendix 1 Letter from The Hon Paul Fletcher MP – Minister for Communications, Cyber Safety and the Arts, Federal Member for Bradfield - dated 17 November 2020

In December 2019, the Government appointed Neville Stevens AO as the independent expert to lead a review of Australian classification regulation. The review included consideration of the classification of games with loot boxes. Mr Stevens provided his report to the Government at the end of May 2020, and the Government is considering the report. Public submissions to the review can be viewed at www.communications.gov.au/have-your-say/review-australian-classificationregulation.

The Office of the eSafety Commissioner offers information and advice to parents regarding online gaming and gambling risks for children. Its website www.esafety.gov.au also provides information on parental controls, available on most devices including computers, tablets and smartphones. Parental controls help parents monitor and limit what children do online including allowing parents to control financial purchases made by their children. Additionally, these controls allow parents to set limits on the length of time that children spend on particular sites including games and social media.

Thank you for bringing your concerns to the Minister's attention. I hope the information in this letter is of some help.

Yours sincerely



Ryan Bloxom
Chief of Staff

17/11/2020