

World Online Gambling Law Report: Final Report on Australia's Interactive Gambling Act 2001

April 2013

The review of the IGA

The Australian Department of Broadband, Communications and the Digital Economy ('the Department') released the Final Report on its Review of the Interactive Gambling Act 2001 (IGA) on 12 March 2013. The IGA is federal legislation passed in 2001 with the aim of minimising the scope for problem gambling among Australians through interactive technologies such as the internet. The IGA makes it an offence to provide interactive gambling services, such as online gaming (for example, online poker and casino games) and certain types of online 'in-play' wagering (that is, bets made after the start of the sporting match/event), to customers present in Australia.

The release of the Final Report marks the end of the IGA Review, which started in 2011 with the goal of evaluating the IGA's effectiveness in the context of a growing number of Australian consumers gambling online in unregulated overseas environments. The Final Report considers submissions made by stakeholders in response to its Interim Report released last year, and embodies final recommendations to the Federal Government as to reform measures.

Results of the IGA Review

Unfortunately, the Final Report and the Federal Government's ensuing response constitute a disappointing albeit predictable result. The major recommendations of

the Final Report remain essentially the same as those made in the Interim Report. To briefly recap, these were, in effect to:

- Legalise and license currently unlicensed and prohibited online gambling service providers on the proviso that they:
 - do not offer 'higher risk' types of online gambling (e.g. online slot machines) to Australians and only offer services that are of a relatively lower risk (e.g. online tournament poker); and
 - agree to adopt the proposed national standard on harm minimisation and consumer protections recommended.
- Strengthen enforcement action available against online gambling service providers that are providing prohibited services in contravention of the IGA. Such action potentially includes placement of the names of principals /directors of the providers onto the Australian Movement Alert List.
- Prohibit 'micro-betting,' being wagering on particular high frequency events in sports games (e.g. ball-by-ball betting in a game of cricket), through all electronic platforms.
- Allow 'in play' sports wagering, irrespective of the electronic platform by which bets are placed, if allowed by the relevant state/territory regulatory authority and/or relevant sports controlling body.

- Limit all sports wagering types to those approved by the relevant state/territory regulatory authority and where appropriate the relevant sports controlling body.

Australian government's response

Despite being a key factor in both the Interim and Final Report, The review of the IGA the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy, announced in a press release that the government 'will not be pursuing the recommended changes relating to the trial of online tournament poker or "in-play" sports wagering,' at least for now. Assumedly, this includes the proposed platform neutrality changes for approved 'in-play' sports betting. This recommendation, which had wide support, would have fixed a current anomaly which allows customers to make certain 'inplay' sports bets at physical venues and over the phone but not via the internet. It was a sensible recommendation, especially considering the current restrictions are likely leading to Australians using services provided by offshore operators. By not pursuing the change, this anomaly, noted in the Final Report as being 'unsustainable in the long run and confusing for consumers,' will continue to the chagrin of the industry.

The Minister's press release noted that the Federal Government will instead focus on working with the Australian States and Territories to develop and 'implement a national harm minimisation and consumer protection standard for all licensed online gambling activities.' The development of a national standard was a key objective in both the Interim and Final Reports. Both

reports recommended several key protection measures that should be included: for example, extending pre-commitment to online gambling.

However, unlike the recent national poker machine reforms, it appears that the Federal Government will not itself be directly intervening at this stage. Instead, it will be up to the individual States and Territories to negotiate and implement the national standard, a process that is likely to be far more drawn out and ultimately less effective (if, indeed, ever agreed) in achieving the stated goals due to the different demographics and priorities. This is compared to the alternative of having universal standards developed and rolled out as federal law.

Looking to the future

With the upcoming federal election and the current political environment, it remains to be seen whether any recommendations of the Final Report will be adopted into law. The IGA Review is one of numerous inquiries that have been conducted into the online gaming space in Australia. Considering the expense of these inquiries, it is critical that they result in meaningful outcomes; there is a real risk that the IGA Review will not achieve this.

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