



MINISTRY OF THE PREMIER AND CABINET

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Mr Gary Banks
Commissioner
Gambling Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Mr Banks

Productivity Commission Inquiry Into Australia's Gambling Industries

Further to the Western Australian submission to the Inquiry in November 1998, I have attached for inclusion in the Commission's Final Report, the Western Australian position on Internet Gambling. You might recall that the November 1998 submission discussed general issues surrounding Internet Gambling. However, the formulation of a Western Australian position on Internet Gambling was the subject of discussion within Government at that time.

I would be pleased if this Western Australian position is included in the Commission's Final Report.

Thank you for the opportunity to present a Western Australian perspective to the Inquiry.

Yours sincerely

A handwritten signature in cursive script that reads "Lyn Genoni".

Lyn Genoni
**A/Assistant Director General
Federal and Constitutional Affairs**

14 October 1999
enc.

Western Australian Position on Internet Gambling

Western Australia will pursue stronger prohibition of Internet Gambling providers operating in the State. This entails not licensing any new operators to provide Internet gambling services in Western Australia. However, it does not prohibit Western Australians from accessing on-line gambling services from other States (whether licensed or otherwise) or from international service providers.

The WA TAB would continue to provide an Internet service and the Lotteries Commission of WA (LCWA) could deliver a service if they believed a business opportunity existed to do so. If casino gaming-type operators were to be licensed in Western Australia, this could be seen to be inconsistent with the Western Australian Government's stance on limiting the extent and character of gaming in the community.

This position would also involve prohibiting advertising, soliciting or supporting an Internet gambling business. Under this scenario, Western Australia could consider the introduction and enactment of Western Australian legislation to prohibit:

- the advertising in Western Australia of interactive gambling (other than by the existing authorised WA traders, such as the TAB);
- persons in Western Australia from providing administrative support in Western Australia to interactive gambling (eg. account-keeping, bill-collecting);
- hotels and clubs in Western Australia from allowing their premises to be used for interactive gambling;
- web sites being domiciled in Western Australia which have the ability to conduct gaming to the general community; and
- provision of marketing information or registration and entry to cyberspace casinos domiciled overseas or in Western Australia.

(Any Western Australian legislation that may be enacted in this regard should accommodate the potential for rapid changes in technologies and associated philosophies).

This position is consistent with current Western Australian Government policy. While it would not make it illegal for individual Western Australians to access services provided by licensed interstate providers, it would not facilitate alternative commercial gambling venues such as Internet Parlours in hotels and clubs. Controls would ensure that interactive terminals were not used by commercial sites to 'get around' existing controls on gaming machines and casino gaming.

There is potential for Western Australia to miss out on revenue as a result of this position. To stem the extent of such revenue leakage, the other States would need to agree to reimburse Western Australia. However, it is unlikely that the other States and Territories would agree for this to occur.

Should evidence of significant revenue leakage from Western Australia to other jurisdictions emerges (and other States and Territories will be approached for information to help monitor this), Western Australia's current position on the National Regulatory Model may be re-considered, although not to the extent of licensing service providers to operate in Western Australia. Participation in the Model would

need to be carefully evaluated as it is not wholly consistent with current Western Australian Government Policy, due to the perceptions it might create in the community of encouraging increased participation.

Palliative Measures to Minimise Harm in the use of On-line Gambling

The palliative measures proposed in the Productivity Commission's Draft Report are supported by Western Australia. While Western Australia will not license providers in the State, Western Australia supports the establishment of standards for the presentation of Internet Gambling sites to minimise harm for those who do access Internet sites domiciled outside of Western Australia. Cooperation would be required from the other States and Territories to implement harm reduction measures through the adoption of standards as part of their licensing process for Internet Gambling providers. A standard for the presentation of Internet Gambling sites such as the draft set out below would be supported by Western Australia.

Draft Standard for the Presentation of Internet Gambling Sites in Western Australia

Start Up.

- **On each home page, a cautionary note or recommendation be made that some degree of adult guidance and judgement apply. This may take the form where the operator has to respond to a number of declarations before the process proceeds to the next stage or could be undertaken at the initial application.**
- **On each front page should be a recommendation to utilise the rating capability of open directory systems (e.g Internet Explorer, Netscape Navigator) to filter the search to exclude certain criteria in the search. Also reference should be made at this point to the help facilities that give the user information on how to control the levels of access to the facilities.**

Design

- **Incorporated In any design of software should be "handles" which are readily acceptable by third party packages which allow the user to set access limits. Also on the front page of the web page should be pointers to a number of industry accepted packages that provide access control functions. In the help facilities, reference should also be made to explaining the function of the access control packages and how they can be utilised in conjunction with the software.**
- **Facilities should be designed to allow for tax revenue obligations to the controlling jurisdictional entities to be identifiable and reconcilable.**

Payments

- **Users of on line gambling facilities should be adequately identified and accounts opened following adequate identification. These accounts should be used exclusively for the payment of gambling dues or the receipt of gambling winnings.**
- **Funds used in online gambling should only come from valid and authenticated accounts on funds which have been adequately cleared. This precludes funds provided on any form of credit by any supplier of gambling services.**
- **Payments should only be made to these authenticated accounts.**
- **Providers of gambling services should undertake to comply with the thrust and requirements of the Financial Transactions Reports (FTR) Act 1988.**

Links

- **Links to help facilities for gambling afflictions and crisis facilities should be clearly visible and accessible from all pages. Also, links to jurisdictional legislation governing the operations should also be available, though not necessarily from each page.**

Complaints

- **Each site should have a published contact point for processing disputes.**
- **A brief reference should also be made for conflict resolution processes the provider of the gambling service is decreed to follow.**

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FACSIMILE TRANSMISSION

(WARNING: Faxes on thermal paper will fade - photocopy to preserve image)

TO: John Willams, Gambling Inquiry, Productivity Commission, Belconnen, ACT	FROM: BALA MURALI Senior Policy Officer Federal and Constitutional Affairs Tel: 08-92229516 Fax:08-92229858 Email:bmurali@mpc.wa.gov.au
FAX NO: 02-6240 3311	DATE: 14 October1999
No. of Pages (incl. Cover): 5	RE: Western Australian position on Internet Gambling

MESSAGE:

Dear John,

Attached is WA's position on Internet Gambling to be included in the Productivity Commission's final report. Please contact me if there are any further requirements.

Regards.

A handwritten signature in cursive script that reads 'Bala Murali'.

BALA MURALI