

**INTERACTIVE GAMBLING (MORATORIUM)
BILL 2000**

Recommittal

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (4.07 p.m.)—I move:

- (1) That so much of the standing orders be suspended as would prevent the succeeding provision of this resolution having effect.
- (2) That the Interactive Gambling (Moratorium) Bill 2000 be recommitted, and that consideration of the bill in committee of the whole be an order of the day for a later hour.

Following the defeat of the **Interactive Gambling (Moratorium) Bill 2000** in the Senate on 9 October, the government has been considering the consequences that have flowed since that time. The government remains very much of the view that it is highly desirable that there should be a breathing space in order to properly assess both the technical feasibility and the economic and social consequences of a possible permanent ban. The purpose of the moratorium, as expressed in the original bill, was to halt the development of the interactive gaming and gambling industries in Australia from going online while the government investigated those matters. Given the defeat of the bill, we have considered the other alternatives and one of those is amendments which we would seek to move to exempt wagering from the scope of the moratorium, those being wagering services equivalent to those offered online on 19 May 2000 and in traditional wagering formats. In other words, new forms of interactive gambling based on new forms of offline gambling such as spread betting—in other words, betting on outcomes after the beginning of an event—would not be exempt from the scope of the moratorium. We take the view that it is desirable that this moratorium be in place, if necessary with that exemption, and we therefore want to give the Senate an opportunity to consider those amendments.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (4.09 p.m.)—It is ironic that we deal with this matter of recommittal immediately after Senator Ian Campbell's motion. Senator Ian Campbell is quite rightly concerned, as I am sure everyone in the chamber is, about expediting the business before us and ensuring that we deal with potentially important and pressing pieces of legislation. This is not one of those pieces of legislation; this is a bill that was defeated because it was poorly thought out and because of some of its more questionable provisions, including whether or not it was constitutional and whether the retrospective nature of the bill was appropriate. It was defeated and if the government want to go back to the drawing board then they should do so, as opposed to a piece of legislation being defeated, thus sending a message not only to the community generally but also to the sector and the industry specifically.

I had an adviser from Senator Alston's office on the phone to my office suggesting that the government was given a commitment by the Democrats that

we were going to agree to this recommittal. As the portfolio holder, I have given no such assurance and nor was I asked for it. I have just spoken to the office of our whip, Senator Vicki Bourne, and they were not asked to give a commitment. Her office maintains that she certainly did not give that assurance. We need to get on the record, to begin with, that at no time was there an official position sought from the Democrats—nor was one given—that would support the recommittal of this particular piece of legislation.

I would like something clarified. My understanding is that we are dealing with this matter today because Senator Alston has to leave Australia, thus it is his intention to debate the bill tonight instead of giving us the opportunity to continue on the government order of business and deal with a bill that we are halfway through, the **Gene Technology Bill 2000**. Even if people do not want to proceed with the **Gene Technology Bill 2000**, there are many other more pressing pieces of legislation that we could be getting on with as opposed to a piece of legislation that was, firstly, defeated and, secondly, needs a substantial rewrite before it is going to come to this place in a way that deserves debate or analysis. I would appreciate clarification from the government. Is it the case that we are expediting this matter today in an attempt to ensure that Senator Alston can go overseas? If he is so concerned about this piece of legislation, then he should stay here like the rest of us until not Thursday night but Friday morning. I suspect that is not going to happen.

On behalf of the Democrats I say that this legislation should not be proceeded with. It is a controversial piece of legislation. It is one that the parliament has already closely divided on and yet it was still defeated as a consequence of some of the worst provisions in the bill. I mentioned the questionable use of the telecommunications power under the Constitution. I also mentioned the retrospective nature of this legislation and that it was legislation by press release, announced by the government on 19 May 2000. That was not bad enough, but to have a piece of legislation defeated—and thus send a message to the industry and to the community that they can actually make some plans and have some certainty because of the defeat of that legislation—and to then reintroduce it in this hurried last week of the Senate session is quite scandalous.

Many of us were here last night, whether we were here debating the legislation or whether we were here for divisions and voting on the **Gene Technology Bill 2000**. There are some of us who probably have a higher legislative load than others. We expect to be here; we are going to be here till Thursday night or Friday morning. The minister should join us in that happy time together! If he is committed to this legislation, then he should stay here to debate it. If we have time to get through the parliamentary and the legislative agenda, then we can move on to this piece of legislation. I am quite happy to restate my views for the record in the context of a debate on this bill. I am quite happy for my party to vote on this legislation, as it has in the past. We will emulate the vote that we have had in the past. But it certainly does not

constitute an urgent piece of legislation. It is not required in particular because of recent developments at the Darwin summit looking at the work and the progress that has been made in relation to formulating a consistent set of standards on a national level when it comes to interactive gambling in Australia.

We know that the states and territories have made progress in that respect. Perhaps the message that the bill sent last time was a good one: the states and territories had to get organised and the online gambling providers and the Internet industry had to do something about ensuring protections—both player protection mechanisms and harm minimisation strategies. This bill does none of that, of course. It does not seek to enforce the recommendation of the Netbets inquiry—that is, the Senate select committee on IT inquiry—that examined these issues. Instead, it is a poorly thought-out piece of legislation that seeks to grab some headlines for the government and, in doing so, ensure that at the end of the year Senator Alston does not have to rack this up as a defeat.

This is not something that we should be dealing with in this pressing final week of the legislative agenda. I think most Australians, given the opportunity, would rather have a bill that dealt with the real social and other issues associated with gambling. Let us not be fooled: this is a bill that attacks technology and the Internet; it does not actually do anything for gambling or to resolve some of those problem issues associated with gambling.

The community would rather have that or get on with the legislative agenda, including the single largest debate on science and technology regulation in this nation's history. That is why we were here until 3.45 a.m., because we have a nine-page running sheet. I know that the government and the opposition at times dismiss us as the pesky crossbenchers. What we are doing is merely putting through the recommendations contained in a majority Senate committee report into that legislation. So let us get on with that legislation. This is not a necessary debate. The Democrat party room has discussed this this morning, so I am not sure where Senator Alston or his advisers were coming from when they tried to suggest that we support it. On the contrary—we will vote according to our principled positions last time. We seek to have this legislation deferred so that we can get on with the real business of the Senate.

Senator LUNDY (Australian Capital Territory) (4.16 p.m.)—I also stand to indicate Labor's opposition to the recommittal of this particular piece of legislation. It is very clear that the government is using an opportunity to revisit a debate that was fought and lost by the government in this chamber some time ago on the question of the Interactive Gambling (Moratorium) Bill 2000. It is no secret, because there have been many reports in the press, that the government has persisted with negotiations with some members of the crossbench and is using this evening's opportunity in the chamber to recommit this bill in the committee stage in an attempt to amend the bill to a point of satisfaction for the required number of senators in this place to get it passed.

I would like to reiterate Labor's opposition to this bill per se. We may well get the opportunity later this day to debate those issues more fully. I would like to lodge my disappointment with a government that is obviously not prepared to listen to reason on an issue of great importance, that is, the reputation that Australia has in the operation of the information economy and the role of the Internet in society. The government, instead, has chosen to identify the Internet as an effective scapegoat for the evils and social problems, rhetorically and very much in a real sense, for many people associated with the social harm from gambling. Despite all of the positive efforts made on behalf of the state jurisdictions, who are rightly charged with the responsibility of regulating gambling content on the Internet, and, indeed, the goodwill and efforts of many in the community to create a proactive environment of support and initiative to help those with gambling problems, it is persisting with this legislation.

A bit of background is that the National Office for the Information Economy has done a study on interactive gambling and the ability to actually regulate its banning on the Internet. My understanding is that that work finds that, whilst there may be some technical capability to ban it, in fact it is not possible to achieve what the government says it is going to achieve through banning this form of Internet content. Hence, we find that the argument that somehow rendering illegal in the Australian jurisdiction the presence of gambling content will somehow protect Australian citizens, particularly problem gamblers, from Internet gambling is, in fact, a complete fallacy. Everyone who uses the Internet, particularly experienced users—and I certainly know that Senator Alston knows this—knows that, if you have access to the Internet, you have access to the plethora of unregulated gambling sites around the world. Making potentially regulated gambling sites illegal here in Australia is not going to protect the Australian community from the social harm that the government claims will be derived from online gambling.

The other thing to remember in consideration of this debate is that the purposes of bringing it back are, in fact, to tamper with the edges of the government's intent. My understanding, based only on media reports, is that the government's efforts tonight will revolve around actually splitting the definition of gambling into 'gaming' and 'wagering' for the purposes of, I suppose, not disenfranchising sections of that particular industry. I think this defies the principle that the government claims to have based its original arguments on. I suspect that I will get an opportunity—I hope I do not—later this evening to debate this further, but I would like to state now that Labor opposes this recommittal on the basis that the government was defeated in this place, the legislation remains flawed, as we described in our previous debates, and tonight's efforts to tamper with the legislation as it was presented previously just represent manoeuvring and dealing with various vested interests along the way.

Senator BROWN (Tasmania) (4.20 p.m.)—I hate speaking after both Senator Lundy and Senator Stott

Despoja, who I think are two of the most valuable members of this Senate with a different point of view, but here I am. The estimates for this year are that the business of online gambling will be worth about \$2.3 billion globally. It is in its infancy in Australia, but it is one of those options for entertainment and loss of money that is going to figure pretty largely in the Australian economy and social fabric in the coming decades until something even more instant replaces the Internet in the coming century. There are indications that interactive gambling online is going to be particularly attractive to young people and is certainly going to give people who would otherwise not go out in search of betting facilities the opportunity to do it covertly at home and, potentially, to use their money and property, and that of those around them, and to get themselves into a great deal of trouble.

I will not trespass further into the debate except to say I made a commitment in this place when this legislation was first before it to support the government in a moratorium on interactive online gambling if the government made the playing field level as far as the TABs were concerned. I understand that the government is going to do that in the amendment so that Tasmania, Victoria and Western Australia will no longer be left out. People who want to bet will have the same facilities available in each state and territory during the moratorium period. Under those circumstances, I am prepared to support the legislation. I was then, and I remain now, of the same persuasion. That said, it is a very complex and difficult area but, if the moratorium is going to mean anything—and I have said I will support it—leaving it until after Christmas is not a sensible option. We are halfway through a 12-month moratorium period now, so logic says I would have to support this. Finally, I agree with Senator Stott Despoja that the [Gene Technology Bill 2000](#) ought to be the priority in debate. We ought to be dealing with that now and with the interactive gambling legislation later on.

Senator HARRIS (Queensland) (4.23 p.m.)—I rise to indicate that I will support the government’s motion to bring on the [Interactive Gambling \(Moratorium\) Bill 2000](#) for the second time for several reasons, one of them being that there has been substantial input into this sector by the industry. In some cases, companies have invested sums of between \$14 million and \$16 million in the development of their interactive gambling sites. I believe that it is unfair to the industry as a whole to leave it in this state of uncertainty if we rise from this sitting period without addressing this issue. Having said that, I clearly indicate to the chamber that I also believe that the principal piece of legislation we should be addressing at this point in time is that relating to the Gene Technology Regulator.

As the previous speakers have said, the issue of interactive gambling is very complex. One of the issues that has been raised with me is the \$10 billion that has been referred to as the drop-out—in other words, the money that is not returned to the person who is punting or playing within the gambling industry. Only \$1.7 billion of that relates to wagering. The government’s bill in its original form would have

penalised the TAB and wagering areas around Australia with the exception of New South Wales. Pauline Hanson’s One Nation’s approach to this bill has always been that the bill should treat those within the industry equally. I indicate to the chamber that One Nation will be moving one amendment to this bill, which relates to those businesses that were granted licences prior to the 18th.

The problem with gambling in this country is that it impacts extremely adversely, both socially and economically, on the people of this nation. But we need to target the areas of greatest exposure to problem gambling, and that is very fairly levelled at the sector of the industry relating to poker machines. For example, if a small country town or a moderately sized country town has 400 poker machines, and each one of those machines has somewhere around \$10,000 per month going through it, that is not returned as winnings. In a single hotel, \$200,000 can go out of the economy of that area because of poker machines. I believe that is the area we need to address in relation to gambling.

The government’s bill, when it was originally brought into this chamber, would have still allowed one entity to continue to operate within Australia during the moratorium. So when the government speaks of a moratorium, it is not a moratorium that would stop all interactive gambling for the period of the moratorium. There is the difficulty, as Senator Lundy raised, that it would allow the Australian people to access overseas sites. If One Nation had a preference with this bill and there were to be a moratorium, it would be that all sites be excluded so there would be no access to any interactive gambling for a person residing within Australia. Those companies that have invested considerable amounts of capital into the industry should be allowed to operate overseas. One of the major companies that does operate in this area at this present time already derives 80 per cent of its turnover—its income—offshore. That would have two effects: it would continue to employ the people within the industry, and it would also continue to benefit Australia in that a large amount of income would be coming into Australia from overseas. I indicate that I will support the government’s motion to bring on the bill and will look to the government’s support to also allow the other four or five entities that had licences prior to the cut-off date to be allowed to operate. I commend the government for recognising that the gaming sector, included in the original bill, should be excluded.

Question put:

That the motion (**Senator Alston’s**) be agreed to.

The Senate divided. [4.35 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes.....	36
Noes.....	<u>32</u>
Majority.....	4

AYES

- | | |
|----------------|-----------------|
| Abetz. E. | Allison. L.F. |
| Alston. R.K.R. | Boswell. R.L.D. |
| Brandis. G.H. | Brown. B.J. |

Calvert, P.H. *	Campbell, I.G.
Chapman, H.G.P.	Coonan, H.L.
Crane, A.W.	Eggleston, A.
Ellison, C.M.	Gibson, B.F.
Harradine, B.	Harris, L.
Heffernan, W.	Herron, J.J.
Hill, R.M.	Kemp, C.R.
Knowles, S.C.	Lightfoot, P.R.
Macdonald, J.A.L.	McGauran, J.J.J.
Minchin, N.H.	Newman, J.M.
Patterson, K.C.	Payne, M.A.
Reid, M.E.	Tambling, G.E.
Tchen, T.	Tierney, J.W.
Troeth, J.M.	Vanstone, A.E.
Watson, J.O.W.	Woodley, J.

NOES

Bartlett, A.J.J.	Bishop, T.M.
Bolkus, N.	Bourne, V.W.
Campbell, G.	Carr, K.J.
Collins, J.M.A.	Conroy, S.M.
Cook, P.F.S.	Crossin, P.M.
Crowley, R.A.	Denman, K.J. *
Evans, C.V.	Faulkner, J.P.
Forshaw, M.G.	Gibbs, B.
Greig, B.	Hogg, J.J.
Hutchins, S.P.	Lees, M.H.
Lundy, K.A.	McKiernan, J.P.
McLucas, J.E.	Murphy, S.M.
Murray, A.J.M.	O'Brien, K.W.K.
Rav, R.F.	Ridgeway, A.D.
Schacht, C.C.	Sherry, N.J.
Stott Despoia, N.	West, S.M.

PAIRS

Ferguson, A.B.	Cooney, B.C.
Ferris, J.M.	Mackay, S.M.
Macdonald, I.	Ludwig, J.W.
Mason, B.J.	Buckland, G.

* denotes teller

Question so resolved in the affirmative.

WOOL SERVICES PRIVATISATION BILL 2000**Second Reading**Debate resumed from 2 November, on motion by **Senator Ian Campbell**:

That this bill be now read a second time.

Senator FORSHAW (New South Wales) (4.39 p.m.)—I rise to speak on the **Wool Services Privatisation Bill 2000**. I am sure honourable senators will be relieved to know that, given the discussion about whether the Gene Technology Bill should be dealt with at this time, I will not be talking about Dolly, the cloned sheep. Rather, I will be talking about the privatisation of the Australian Wool Research and Promotion Organisation. The purpose of the **Wool Services Privatisation Bill 2000** has been canvassed in the report of the Senate Rural and Regional Affairs and Transport Legislation Committee, which was tabled and debated in this chamber on 30 October this year. I will not go through all of the details of the bill because they are familiar to honourable senators. There has been a long history of discussion within the wool industry and in the parliament about the various changes that have been occurring in the wool industry over the last few years. I want to make a couple of brief comments. Firstly, this legislation will lead to the privatisation of the Australian Wool Research and Promotion Organisation. It follows on from earlier legislation—the Wool International Privatisation Bill 1999 and the Australian Wool Research and Promo-

tion Organisation Amendment (Funding and Wool Tax) Bill 2000, which was passed earlier this year.

The history of the wool industry, particularly in more recent years, is well known to honourable senators. It has been canvassed in the report on this legislation and on other legislation. It is a history of some upheaval in more recent years. This was brought to a head in November of 1998 when a motion of no confidence in the board of the Australian Wool Research and Promotion Organisation was carried by a large meeting of wool growers. I will refer to it as AWRAP for short. That led the then minister, Mr Vaile, to call for the resignation of all of the board members and the subsequent establishment of the Wool Industry Future Directions Task Force, chaired by former minister Ian McLachlan. The meeting at which that no confidence motion took place also carried resolutions requesting the minister to prepare a plan for the complete commercialisation of the Woolmark Company and further a reduction in the statutory wool levy from four per cent to one per cent.

By way of explanation, the Woolmark Company was established effectively as the successor company or organisation to the International Wool Secretariat. The International Wool Secretariat, IWS, was set up some years ago. It was established with the involvement of the major wool producing nations of the world, namely, Australia, New Zealand and South Africa. The role of the IWS was to promote the use and production of wool throughout the world, particularly having regard to competition from other fibres and products. The Woolmark Company was the successor body to the IWS and, indeed, we are all aware of the development of the Woolmark brand and label. That is an important piece of history because I want to come back to one of the key issues involved in this legislation to privatise AWRAP.

I spoke earlier about the establishment of the Wool Industry Future Directions Task Force, which was chaired by Ian McLachlan. That task force presented a report and recommendations. Those recommendations and that report have been the subject of a lot of discussion in this chamber and in the committee. There is no need to go into that in detail, but two key recommendations of that report were, firstly, that there was a need for wool growers to take control of their industry and the promotion and marketing of it and that that should come about by virtue of the privatisation of AWRAP with new company structures; and, secondly, that there should be a new levy struck following a vote of wool grower members. Wool growers throughout the nation ultimately voted for a levy of two per cent, which was half what they had previously been paying.

As I said, the legislation we are dealing with privatises AWRAP, and it does so by establishing a new company called Australian Wool Services, or AWS. That company in turn will have two subsidiary companies. The first one will be called CommercialCo. Effectively, it will take over the areas that were previously dealt with by the Woolmark Company. The second subsidiary company will be called R&D