

positions of those producers—someone may reduce their production and still have the same share rights within the company or someone who has an original right may double their production but that will not be reflected in their share capital in the entity. As I have said, someone who has not contributed in the past to any levies or fees but becomes a substantial producer would not be represented at all by way of share issue and therefore, I believe, would not be able to participate in the direction that the entity is going in.

I am questioning the wisdom of the government in locking that share capital at that point in time. Would it not be prudent for the government to have some process in which it could introduce new share capital at some subsequent time? It is not a criticism of what the government is doing. I support very much what the government is doing, but I am raising the issue of somebody who enters this industry—and we are all looking to this being the positive move that would encourage people who are in the industry to increase their production and also to encourage new players into the market. Where is their ability to be part of that process?

**Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry)** (8.45 p.m.)—All I can say to Senator Harris is that there will be shareholders who have a shareholding because of historical equity in the industry—that is, they held those shareholdings because they were part of the wool industry before the transition to the new company. There will also be people who enter as new members of the wool growing industry and, through the levies they pay, they will be part of that shareholding. The levy fees paid by wool growers form part of that capital. But, of course, you also have the matching Commonwealth dollars that are introduced to the research and development component of it. So there is that capital arena, if you like, which will wax and wane over time according to the movement of wool growers in and out of the industry.

**Senator HARRIS (Queensland)** (8.46 p.m.)—I thank Senator Troeth for her answer. It is obvious that I did not clearly understand the EM. The way it is written, it clearly indicates that the share capital would be capped. If that is not the case, I am very pleased to hear that. The other question I would ask Senator Troeth is: prior to any of these entities being sold off as complete entities, could we have an assurance that that would be done only on the basis of a majority decision of the actual shareholders in any of those entities?

**The TEMPORARY CHAIRMAN (Senator Murphy)**—If Senator Harris and Senator O'Brien have further questions, it might be useful if we put some of them together so that we enable the officers to prepare a response for the parliamentary secretary and it may help progress a little bit.

**Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry)** (8.48 p.m.)—In answer to Senator Harris, any sale of the sort you envisage would be done under the process that would be laid down in the constitution of the company and according to the Corpo-

rations Law. There is a set process for these things. Each of these companies is bound by the Corporations Law and will have a particular constitution to cover that eventuality.

**Senator O'BRIEN (Tasmania)** (8.48 p.m.)—We can go on for an indeterminate period in relation to detail on the bill, but I think it is appropriate that the opposition conclude by simply returning to the matters I raised at the start and asking for an definitive answer. Is the government going to provide the committee with the correspondence between 1 January and 1 April 1998 between the minister and AWRAP relating to the Cape Wools issue? Is the government going to provide the committee with a copy of the deed of agreement between AWRAP and Cape Wools, as requested by the Senate committee? Is the government going to supply the committee with a copy of the two papers entitled *South Africa exit arrangements: trademark evaluation dispute* and *South Africa exit arrangements: evaluation of trademarks notice dispute*? Rather than beat around the bush, I just seek a clear answer as to the government's position on supplying those documents.

**Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry)** (8.50 p.m.)—In answer to Senator O'Brien, we have already advised that the ministerial correspondence will not be released. The settlement deed between AWRAP and Cape Wools is a matter for Cape Wools to provide if they have made the offer.

**Senator O'BRIEN (Tasmania)** (8.50 p.m.)—I understand Cape Wools are on the record as saying that they are agreeable to it being supplied. It is a bit of a circular argument: one side saying the other can supply it but they are agreeable. What is the problem with the government supplying it if that is the case? I take it that the answer is no. The two documents I mentioned entitled *South Africa exit arrangements: trademark evaluation dispute* and *South Africa exit arrangements: evaluation of trademarks notice dispute* were sought by the Senate committee and, I understand, the government has decided that those documents should be withheld from the committee. Given the point we are at in the proceedings, why should they not be supplied? Will you supply them?

**Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry)** (8.51 p.m.)—It would not be appropriate for me to comment on that. As Senator O'Brien knows full well, part of that information was provided in camera, and I am not at liberty to comment on it. I have indicated some of the things that could be provided, and I am not at liberty to comment any further on that.

Question resolved in the affirmative.

Bill reported without amendment; report adopted.

### Third Reading

Bill (on motion by **Senator Troeth**) read a third time.

### INTERACTIVE GAMBLING (MORATORIUM) BILL 2000

Consideration resumed.

### In Committee

The bill.

**Senator ALSTON** (Victoria—Minister for Communications, Information Technology and the Arts) (8.54 p.m.)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill. The memorandum was circulated on 5 December. I seek leave to move government amendments (1) and (2) to clause 5 of the bill on sheet EV235 together.

Leave granted.

**Senator ALSTON**—I move:

- (1) Clause 5, page 5 (after line 23), after paragraph (3)(a), insert:
  - (aa) a service to the extent to which it relates to betting on, or on a series of, any or all of the following:
    - (i) a horse race;
    - (ii) a harness race;
    - (iii) a greyhound race;
    - (iv) a sporting event;
  - (ab) a service to the extent to which it relates to betting on:
    - (i) an event; or
    - (ii) a series of events; or
    - (iii) a contingency;
 

that is not covered by paragraph (aa);
- (2) Clause 5, page 5 (after line 28), after subclause (3), insert:
  - (3A) Paragraphs (3)(aa) and (ab) do not apply to a service to the extent to which:
    - (a) the service relates to betting on the outcome of a sporting event, where the bets are placed, made, received or accepted after the beginning of the event; or
    - (b) the service relates to betting on a contingency that may or may not happen in the course of a sporting event, where the bets are placed, made, received or accepted after the beginning of the event.
  - (3B) Paragraph (3)(ab) does not apply to a service to the extent to which the service is:
    - (a) a service for the conduct of a lottery; or
    - (b) a service for the supply of lottery tickets; or
    - (c) a service relating to betting on the outcome of a lottery; or
    - (d) a service for the conduct of a game, where:
      - (i) the game is played for money or anything else of value; and
      - (ii) the game is a game of chance or of mixed chance and skill; and
      - (iii) a customer of the service gives or agrees to give consideration to play or enter the game; or
    - (e) a service relating to betting on the outcome of a game of chance or of mixed chance and skill.

These amendments seek to exempt from the moratorium a service to the extent to which it relates to betting on, or on a series of, any or all of the following: horse race, harness race, greyhound race, sporting

event; a service to the extent to which it relates to betting on an event, or a series of events, or a contingency that is not covered by paragraph (aa). The amendments are designed to exempt wagering services that allow bets on a sporting event after it has commenced. In other words, the new moratorium will have the same coverage as the bill of introduction, except that wagering services that do not allow bets after a sporting event has commenced will be exempt. Interactive gaming services such as Internet casinos are still subject to the moratorium. The amendments specifically provide that services relating to betting on a horse race, harness race, greyhound race, sporting event and betting on any other event, series of events, or contingencies are excluded services for the purpose of the moratorium. The only interactive wagering services falling within the moratorium are those that allow betting on a sporting event after the event has commenced. Wagering on a non-sporting event after it has commenced is not captured in the new moratorium. Wagering on a series of sporting events after the series has commenced is also not captured; for example, betting on the result of a tennis tournament after the tournament has commenced is not affected.

**Senator LUNDY** (Australian Capital Territory) (8.57 p.m.)—What we are witnessing here tonight with the reintroduction of the **Interactive Gambling (Moratorium) Bill 2000** is coalition hypocrisy on a major scale. The coalition so desperately want to pass some kind of legislation about gambling online that they have sacrificed any claimed principle in order to garner crossbench support. The Senate has already held this debate but, nevertheless, the government have pushed aside other critical legislation scheduled to be debated tonight in order to placate a directive that I understand to be directly from the Prime Minister to get something through, whatever it is, on interactive gambling this week in the Australian parliament. It is no secret that Senator Alston is not around tomorrow, so this is the last ditch effort the coalition have to actually deliver on long-held rhetoric.

For the record, in March 2000, after extensive submissions and evidence were presented, the Senate Select Committee on Information Technologies released the Netbets review of online gambling in Australia. In September, the Senate Environment, Communications, Information Technology and the Arts Legislation Committee released its report into the **Interactive Gambling (Moratorium) Bill 2000**. Despite the plethora of documents, reports and submissions, the coalition have chosen to ignore the evidence and continue with their objective: to attempt to make Internet gambling illegal. On the one hand, we have a minister alleging that Australia is a new economy and that we are technologically savvy and capable of being a world player in e-commerce and online transactions. On the other hand, Senator Alston is in the chamber tonight trying to make activities that are perfectly legal offline illegal when they are online. To make the hole the minister has dug for himself even bigger, he is now claiming that separating wagering from gaming somehow solves the problem of Internet

gambling. Some sort of road to Damascus conversion was obviously experienced by Senator Alston in the period since we last debated this bill.

Under these riding instructions that seem to have come from the Prime Minister, Senator Alston is now being forced to reintroduce this bill, which totally contradicts the government's previous position. This resubmitted bill, with the amendments outlined by Senator Alston, contradicts the previous claim that a moratorium on Internet gambling must encapsulate all forms of interactive gambling. I remind the coalition and senators what Minister Alston said when he first presented this bill on 9 October:

As I understood it, it is being suggested that there is somehow some valid distinction between gaming and wagering. Each of them involves putting money on an outcome or, if you like, having a bet. One is a mechanically determined outcome; the other is a real-life event. Beyond that, they each involve the outlay of money based on some element of chance, and in that sense they both constitute interactive gambling. The government's view is that, to the extent that through the Internet, the television set or otherwise it is possible to generate a new industry that caters for either or both of those streams of chance, they should all be put on hold for the period of the moratorium in order to make a judgment about what is a sensible approach.

That was clearly the government's position. In fact, they contended amendments put forward by the members of the crossbench at the time to give effect to the separation of gaming and wagering. The government made it very clear, in that principled approach that they were claiming they were taking, was that a moratorium encompassing all online gambling was warranted. But it seems now that that has all been disregarded.

It is no wonder that the development of e-commerce and the use of the Internet in Australia are being retarded under the Howard government. There is no doubt that the perception of this kind of legislative treatment of issues relating to the Internet does impact on Australia's international reputation as being a nation capable of dealing with the challenges of the future. Interactive gambling happens to be the profile victim at this point, but we have seen it previously with sexually explicit material and other issues.

I turn to the basics of the argument for opposition to this bill. What the coalition is proposing is technically unfeasible and unworkable. During the last debate, Senator Alston was repeatedly asked to explain the technical feasibility of preventing all Australians from accessing interactive gambling sites, which is what the implication of all the government rhetoric led Australian citizens to believe. We are still waiting for the minister's response. We are still waiting for the government to explain how harm minimisation and consumer protection will be afforded to Australian citizens if they are unable to access regulated, transparent and legitimately operated sites. We are still waiting for the government to explain how sending Australian punters offshore to unregulated and dodgy sites on the Internet will somehow deal with the complex issues of gambling in society. We do know from a variety of expert sources that this legislation would simply drive potential problem

gamblers offshore to these unregulated sites. We know that there are over 800 unregulated offshore Internet casinos worldwide. Issues such as personal security, including credit card details and other private information, are not guaranteed by these operators.

Labor's position, on the other hand, is that simply turning your back on Australians who are forced offshore to bet online is a negligent and unproductive approach to the problem associated with gambling. The Labor Party are concerned about gambling and we are aware of community concerns about gambling. We are conscious of community apprehension about the social dysfunction stemming from problem gambling, but the bill does not address these issues. We know from the Productivity Commission report into gambling in this country that the vast majority of social harm is associated with the availability and use of poker machines. The rhetoric and concern expressed by the government belongs appropriately in those directions. But do we see activity from the federal government in this area? No. For all of their concerned rhetoric, we see them targeting this issue of interactive gambling and applying what is an incredibly flawed and unjustifiable approach to managing these problems. As I have said all along, this bill is really about censoring Internet content. It is about making something illegal online that is illegal offline. If there is a problem with content accessibility and potential social risks, let us look at those issues and evolve a workable practical framework that addresses them. I will speak a little later about the role that the states have in regulating gambling content.

Our principal concern is that the bill does not address the broad issues of gambling in Australia and the possible problems associated with sports betting. That is why Labor have consistently approached this bill for what it is—a bill about the Internet and Internet censorship. The flaws in the legislation are numerous, and for the umpteenth time I will go through the specific points concerning our opposition to it. In the first place, it does not deliver strong workable regulation of interactive gambling, which is the most practical and effective way of ensuring minimal social harm. In fact, all the evidence shows that this legislation will exacerbate problem gambling online in Australia by barring access to regulated online gambling services that do provide built-in safeguards. We heard about those safeguards at the various committees—that there are more improved methods of safeguarding problem gamblers online than there are offline.

Secondly, the bill does not extend current regulatory and consumer protection requirements that apply to offline and land based casinos or clubs to online casinos and similar facilities. We have not seen any activity at all by the coalition in the intervening period to encourage the states to proceed stridently down this path. The government has sat back on its laurels and has not even tried to apply the most effective means of avoiding the problems that could be derived from interactive gambling. It is absolutely ridiculous for the coalition to argue that consumer protection and harm minimisation are needed for one

type of technology when it ignores it for the other. Additionally, the opportunity that exists for the coalition to deploy serious and meaningful preventative strategies is being completely and continually ignored.

Thirdly, the proposed moratorium would damage Australia's reputation as a leader in providing effective consumer protection laws and strong workable gambling regulations. There is no secret that, in terms of Australia's reputation, almost single-handedly Senator Alston has allowed Australia to develop a reputation as a global village idiot when it comes to addressing issues of social concern related to technological change in the Internet.

Fourthly, by singling out one particular form of gambling—and I refer now to the amendments—in an attempt to create the impression that it is placating community concern about adverse social consequences, the Howard government is sustaining a position of hypocrisy.

Fifthly, the Productivity Commission report into Australia's gambling industries acknowledged that the Internet does in fact offer a greater level of consumer protection and safeguards than other forms of gambling.

Sixthly, by separating wagering and gaming, the coalition will in effect divide the industry and create a whole new tier of winners and losers. Operators such as Lasseters Online, Southern Cross and others will have their business operations damaged by this bill. The coalition has not applied any consistent assessment to the operation of existing businesses and has never paid any regard to that. Whilst that is not the motivating issue behind our concern, there is no doubt that it should be a consideration at least in the principles guiding any legislation dealt with in this place and as a factor in the coalition's understanding of the problems.

Many of the online operators already comply with strict state and territory guidelines which will ensure that problem gambling is addressed and the maximum harm minimisation measures enforced. Yet other online operators, such as those involved in racing and sports wagering, will be allowed to continue without restriction. This artificial division highlights the hypocrisy of the government's position and their willingness to do anything to pass legislation regardless of how detrimental and flawed it is.

I would like to conclude by reiterating Labor's position. This legislation will not stop problem gamblers from betting online, because there is nothing in the legislation that prevents people in Australia from accessing gambling sites. It will not stop Australian punters being ripped off or having their personal details misused. This bill will prevent the creation of a regulated online gambling industry. This bill does not address the social issues such as problem gambling, domestic violence or family breakdowns that arise from that. In fact, it is misleading in that it gives the impression that it will solve some problems when the majority of the real causes of many of those issues

continue to be ignored. And this bill does not provide harm minimisation or consumer protection.

What will address these issues is a workable, coordinated legislative framework, something the coalition refuses to acknowledge and refuses to take leadership on in guiding the states to a uniform regulatory environment. The Labor Party maintains that the principal objectives of gambling regulation should include consumer protection, ensuring a quality gambling product by financial probity checks on providers and their staff. It should provide education for punters, the general public, and athletes who are actually performing out there in the sports world. It should minimise any criminal activity linked to gambling and be strident in preventing illegal activities. It should contain the social costs of gambling by limiting access and ensuring that funds are available to assist those with gambling problems. It should maintain and protect a significant revenue base for governments, with universal standards for all operators and examination of internal protocols with the aim of achieving multilateral achievements on sports betting. It should limit the exploitation of monopoly market positions and ensure that some of the benefits accrue more directly to the local community.

We have called on the coalition to provide mechanisms to exclude those not eligible to gamble under Australian law rather than implementing a moratorium or ban which will allow minors to bet on unregulated offshore sites. The coalition should implement problem gambling controls such as exclusion from facilities, expenditure thresholds, no-credit betting and the regular provision of transaction records. If they were serious about addressing interactive gambling issues, they would have coordinated the development of a co-regulatory regime through the ministerial council comprising the relevant state ministers addressing all of these issues.

Our position is that the existing regulatory requirements for land based gambling and gaming agencies should be extended to include online gambling in casinos, which would be required to meet the same licensing, auditing and probity requirements. Without a national regulatory framework, Australia's reputation as a leading regulator of gaming and gambling will be diminished and Australian citizens will be open to unscrupulous manipulation. (*Time expired*)

**Senator STOTT DESPOJA** (South Australia—Deputy Leader of the Australian Democrats) (9.12 p.m.)—I rise as the Democrats' technology spokesperson, following on, probably appropriately, the contribution of Senator Lundy, representing her party in the area of IT. She has correctly identified that the **Interactive Gambling (Moratorium) Bill 2000** deals primarily with an attack on technology and is a bill in relation to information technology issues. It has the word 'gambling' in the headline but, as we have heard in contributions in past debate and have revisited in the debate today after the recommittal motion, the government has failed to take advantage of a rare

opportunity to do something about the pressing social issues associated with gambling.

In the context of this process—not only the bill but the process leading up to it—Senator Lundy quite rightly identifies the fact that in the last few months the federal government has not really done anything in relation to this issue. The states and territories and the industry have been working to ensure that some progress has been made and in many respects people in that industry and in the states and territories have, if they had not previously, now embraced many of the recommendations referred to in the Netbets inquiry. I am not sure how many people in the chamber currently were involved in that inquiry apart from Senator Lundy and me, but perhaps we have lived with this issue a little longer than even those who are the staunchest advocates of the legislation before us today. We have an understanding of what was required in the industry in terms of national and consistent legislation—or frameworks, standards or guidelines, more appropriately—and had an opportunity to look not only at the technical and technological issues but at some of the pressing social issues which I think everyone has a concern about.

As most people in the chamber would know—I hope—the Darwin gaming summit of senior gaming officials from the Australian states and territories, Norfolk Island and New Zealand concluded recently with a range of harm minimisation and player protection measures in line with the Senate Select Committee on Information Technologies Netbets report recommendations. The idea was to strengthen the national model considered by state ministers in 1997.

It is worth again putting on record the fact that the industry we are dealing with at the moment has on balance much stronger protections, regulations and standards than land based gambling and most casinos. As I indicated in the last debate, the Democrats are waiting for the government, in the same way that they have set their sights on online services, to set their sights on doing something about land based gambling. It is no surprise that the pokie industry is among the strongest supporters of this legislation—surprise, surprise; I wonder why!—because it might get rid of a competitor. I am personally not interested to giving a great big fillip to the pokie industry in Australia, but I am not quite sure why those people on the government side who purport to have such a commitment to ruling out the problems associated with gambling are moving legislation that is favoured by so many other aspects of the gambling industry.

Senator Lundy mentioned that the ALP had a consistent position. The Democrats have a consistent position, too. This is a free vote for our party room, and we are proud of that fact. We too will be voting in a consistent manner this time; I do not think that is any surprise to anyone in the chamber. We all have concerns about gambling issues. I acknowledge the right of at least two of my colleagues to send a message. Because they feel frustrated and because all of

us feel frustrated about the lack of progress and the lack of leadership that has been shown, specifically from the federal government, in resolving some of the problem issues associated with gambling, they feel strongly about sending a message not only to the states and territories but also to various aspects of the gambling industry.

I think in many respects that has happened, and that is why this legislative debate seems less relevant to me than it did a few months ago—not only because of the outcomes of the Darwin gaming summit. At best this government could claim, ‘Well, we have sent a bit of a message to the states and territories and they have got their act into gear a bit better than they had previously.’ But we cannot deny that progress has been made. There is a strong argument that states and territories have a better understanding of some of the need for regulation or legislation in this area, that they have been so-called experts in wagering and gaming regulation and that they should have a pivotal role in determining a national world’s best practice arrangement when it comes to regulation. That goes to the heart of this debate as well.

Legislation by press release—just talking in a procedural sense—is unacceptable in this country. I think all of us as legislators should reject that notion. Similarly, in the Netbets inquiry the majority report signed off on the notion of a moratorium, but a moratorium with very clear conditions and provisos: that this was a consultative process and it would not simply be a top-down, overwhelming, mandatory approach by the federal government without consultation. Yet that is what we have seen. No wonder there has been bad faith generated between the states and territories and the federal government on this matter.

When we first had this debate, the Democrats put forward amendments, and I will put forward similar amendments tonight but not necessarily the same amendments or with the same intention—although one of my amendments seeks to get rid of the retrospective nature of this legislation. We came up with what we thought was a technologically savvy solution to this problem—an e-solution, if you like—supported by all my colleagues. There is one thing all nine of us agree on is and that is that this bill has not been good enough. If it really were to achieve the objectives set out by the government, then it has to be improved markedly in a whole range of areas that we have put on record before, some of which Senator Lundy has mentioned today.

We recognised that there were unworkable elements to this bill. There was the notion of the retrospectivity of the bill, to begin with. But we put forward an intermediate, three-month, non-retrospective moratorium for the express purpose of establishing a national regulatory system with the states and the territories. It was a technologically sympathetic solution to a technological problem. We proposed a moratorium, effective from the date of royal assent, to provide an opportunity for the states and the territories to negotiate with experts from the industry and to negotiate a world’s best practice set of regulatory

standards for wagering and gaming services. We made it clear in those amendments that, if the states and the territories did not come to an agreement within this time period, the federal minister was to enforce the standards agreed to by a majority of the states and/or territories at the end of the three-month period. The minister's power, I might add, to stipulate to the states what is required was limited solely to endorsing the agreement of the majority. I believed at that time, and still do, that the federal government should not be able to dictate to the states and territories how to regulate online gaming and wagering services. This should be a consultative, cooperative process that results in nationally agreed standards and a framework.

It has been mentioned in the debate that we aim at becoming a knowledge economy and a techno-savvy nation. This legislation, a bit like the online services bill, flies in the face of the rhetoric that is perpetuated by the government. With the ubiquity of the Net, we should not be looking at use of the telecommunications power under the Constitution. We should not be using this in a way that seeks to impose federal government agendas on the states and territories. Of all people, this particular minister should share that view. In light of the Darwin developments, and given the progress that has taken place, the need for further interference on a federal level—or further federal government stimulus, if you like, even including the Democrats moratorium proposal—is questionable. I hope the minister will report in detail on that progress so that it is on the record that there have been these developments involving other countries and the states and territories. I think that has made not only this legislation but also some of the amendments questionable indeed. The original piece of legislation was a significant message to the states and territories and the wider industry, and its effect is seen in the productive and progressive outcomes of that Darwin summit.

The Democrats maintained in the Netbets inquiry, and continue to believe, that a ban on interactive gambling services is not technologically feasible. We know that the findings of the Productivity Commission and the Senate inquiry did not recommend a ban for that very reason. Yet the government seems stuck on this idea, and the only reason we can ascertain that it is pursuing this legislation is for a cheap win, in the form of superficial news headlines banning gambling. I have no doubt that this is what has motivated this move tonight—that is, it is a stunt. It is a case of a 20th century legislative instrument being applied to a 21st century technological application. It is about an attack on technology—that is how we have to view this. The latest attempt by the government to produce inquiry recommendations to ban interactive gambling—that is, the NOIE inquiry—will not report until a few months into 2001. So we still have a period of uncertainty and indecision not only for the industry but generally.

The government recognises that gambling registers in the community as a concern, and we all know that in the chamber. It also registers as an industry that needs pulling into line; certainly, nobody denies that

that is the public perception. But the public has not been fooled in the context of this debate. The community recognises that interactive gambling is not where the majority of dangers lie in relation to current gambling operations and that it will not take off out of control due to the technologically specific protections which the Net can provide. It is arguable, of course, but I certainly believe that those protections are much more enforceable and stronger than those associated with land based gambling and other gambling. The government's bill has provided an impetus for the industry and the states and territories to get moving on interactive gambling—which, I should note for the record, already has higher player protections than land based operations. Again, I ask that the government turn its attention to some of the real problem areas of gambling, but I think it would be a very brave day when we see this government take on some of its mates, casino friends and indeed the pokie industry at large. I hope that the high standard of services that are being provided for Australian online gambling acts as an impetus towards the real community concern regarding gambling—that is, land based gambling.

This bill was, the first time around, and is, the second time around, a poorly thought through bill which fails to recognise the manner in which the Internet was established and operates. A ban will only facilitate the proliferation of unregulated or poorly regulated sites offshore. We also recognise that this bill provided a rare opportunity for the Senate to address some of the social issues and impacts of gambling on the Australian and international communities. At the time of the first debate, I, on behalf of my colleagues, and other colleagues registered our concerns through the debate and through the Senate inquiry—concerns relating to things like licensing arrangements for land casinos, alleged licensing 'for the boys' in some cases, possible corruption in the industry and the social impact of the possible proliferation of gambling in whatever medium. Specific concern was raised by my colleagues about the lack of transparency of online gambling licence applications and the fact that the accountability and transparency of licence applications and their assessment and approval were not extensively examined in the Senate inquiry. That was referred to; certainly Senator Woodley contributed on that matter. While we have wide-ranging concerns about current online and land based gambling operations, we recognise that a ban is not the answer. The social consequences of gambling are a concern, and these multifactorial issues will not be addressed by a moratorium on interactive gambling.

It has been acknowledged that online gambling is estimated to account for only 0.6 per cent of all Australian gambling activity. So I believe that government and Senate time would be much better focused on the issues surrounding the other 99.4 per cent, as this is where community concern lies. I am particularly disappointed that this bill has been brought on in the last sitting week of the year when we have pressing legislation to attend to—not simply stunts. Again, I register my concern, and possibly that of the rest of the crossbenchers, at the fact that the [Gene Technol-](#)

ogy Bill 2000 is continually being put off for debate. There are pressing matters before the chamber in relation to other legislative and regulatory frameworks; I would note the one relating to gene technology as the most pressing, but the government cannot seem to put that off enough. I think there are better ways in which we could be spending our time. The government should look at the progress that has been made in relation to the Darwin summit and, instead of just attacking technology, it should do something positive. (*Time expired*)

**Senator HARRIS (Queensland)** (9.27 p.m.)—I rise to speak tonight on the **Interactive Gambling (Moratorium) Bill 2000** and to raise a point that I have raised previously—that is, I have grave concerns about the level of gambling within Australia. I believe that this bill is not directed to correcting that problem. If the government is sincere in its agenda of controlling problem gambling, the obvious path to pursue would be to challenge and ultimately reduce the prevalence of the one-armed bandits, the poker machines. However, this bill does nothing to redress this glaring problem and goes off on another tangent, blaming the wagering and Internet industries. While I would be only too happy to support a true and genuine solution to the problem of gambling, I feel that this bill, unless amended, falls short of the mark. Wagering is an Australian institution, and nothing that we do will stop Australians from placing a bet. I have no wish or right to interfere with that pastime.

The government has put forward amendments under great pressure to alter the present bill to accommodate the present wagering industries. I make no distinction between making a bet on the Net and placing that same bet on the phone. Any suggestions inferring that there is a difference are purely pedantic. Pauline Hanson's One Nation placed amendments before the Senate the last time this legislation was being heard, and they were voted down by the government and the Labor Party. Now the government is putting forward some of those same amendments in an attempt to have the bill pass through the Senate tonight. I have no problem agreeing with those amendments, as I feel they will go some way to addressing some of the foolishness and futility of this piece of misguided, moralist legislation.

The major problem I have with the bill is the way it is set out and the covert way in which it undermines legal businesses which have, up until this piece of legislation, complied with all the prerequisites of the laws of their states and this country in setting up perfectly legitimate businesses. These enterprises have invested millions of dollars in their ventures, only to be told, after receiving their licences, that they will be suspended from operating their perfectly legal operations and that legitimate businesses will have to stop. This suspension and the possible subsequent banning of these operations will lead not only to the loss of millions of dollars in investment but also to the loss of hundreds of direct and indirect jobs.

This will impact most severely upon Tasmania—more than on any other state in Australia. I look for-

ward to the support of the Tasmanian senators in supporting their state and their constituents. My current information shows that at present there are approximately six businesses—and they are substantially Tasmanian—which, under the provisions of the bill, have paid \$30,000 application fees, have signed contracts for leasing their premises, have invested in multimillion dollar contracts to suppliers and have not yet even mentioned the \$300,000 yearly licence paid to the Tasmanian government. If you multiply \$300,000 by six, that equals \$1.8 million that will be forfeited by the Tasmanian state government on an annual basis if these operations have to cease. This raises the subsequent consequence of legal action being justifiably brought by these businesses against the Commonwealth government for what is essentially a breach of contract. These businesses have not done anything wrong, underhand or untoward. They have simply followed the rules, and now the government have shifted the goalposts.

Overall, this industry would generate approximately \$350 million in IT industries, to the benefit of technology as a whole. Australia has the best monitoring and rules of operation guidelines in the world. It has a report card second to none. The rest of the world is following Australia's lead. Yet, unless this bill is amended, here we are so arrogantly throwing away the investments, the jobs and the export dollars. If this bill progresses in its present form, I will not be held responsible. The bill defies logic, it defies any sense of justice and, to a degree, it demonstrates a gross ignorance or misunderstanding of the industry and the technology. One Nation feels that it will be incumbent upon the government—should the gaming provisions of this bill proceed without any recognition of the costs that are being imposed on the six businesses that I have spoken of previously, which have complied with all the licensing requirements and paid all the licensing fees, not to mention the hundreds of thousands of dollars that have been paid for research, leases, infrastructure and the loss of pending jobs—to refund to these businesses the licence fees they have paid and that compensation should be put in place prior to the end of the moratorium.

**Senator WOODLEY (Queensland)** (9.35 p.m.)—I begin my contribution to this debate by seeking leave to incorporate a letter from Senator Alston to me. I have circulated this to the Labor Party whip and Independents.

Leave granted.

*The document read as follows—*

4 December 2000

Senator John Woodley

SG.55

Parliament House

CANBERRA ACT 2600

Dear Senator Woodley

Thank you for your note of 4 December regarding the Interactive Gambling (Moratorium) Bill 2000 ('the bill'). As you know, the Government is currently considering recommitting the bill in the Senate sometime this week.

Based on your discussions with my Office, I am writing to confirm that:

1. The Government is predisposed to a ban on Internet gambling. However, if at the conclusion of the moratorium period, a ban is found not to be feasible, and subsequently is not imposed, the Government will, at the very least, urge the States and Territories to enact a uniform, national set of regulatory standards, formulated in consultation with the Commonwealth.

2. The Government is considering introducing amendments to exclude from the scope of the moratorium wagering services equivalent to those offered offline on 19 May 2000 and in traditional wagering formats. However, these amendments will not permit the introduction of more interactive, ball-by-ball style micro-wagering, given its potential to impact significantly on the incidence of problem gambling. Despite the proposed exclusion of wagering from the scope of the moratorium, the Government remains committed to investigating the feasibility and consequences of banning new forms of interactive gambling, including new forms of interactive wagering.

3. The Government is prepared to provide in principle support for two initiatives that were discussed at a recent COAG meeting. Those initiatives relate to:

- A national research program into problem gambling, jointly funded by the Commonwealth and States and Territories; and
- A national advertising campaign about the potential dangers of gambling, jointly funded by the Commonwealth and States and Territories.

Although funding for these proposals would need to be considered as part of the Budget process, the Commonwealth would be sympathetic to providing funding for both of these initiatives.

As you know, the aim of the Government's 12-month moratorium is to halt the development of the interactive gambling industry in Australia while the Government investigates the feasibility and consequences of banning interactive gambling. Although predisposed to banning new forms of interactive gambling, the Government will make a final decision on a permanent ban after considering the findings of the NOIE report.

In addition, the Commonwealth will continue to work with the States and Territories through the Ministerial Council on Gambling, to ensure a concerted national effort on problem gambling. In addition to the initiatives outlined above, these efforts would focus on ensuring a coordinated national approach to a range of preventative and ameliorative actions, including those already being undertaken in all States and Territories, to address problem gambling.

Yours sincerely

RICHARD ALSTON

Minister for Communications,

Information Technology and the Arts

**Senator WOODLEY**—I thank the minister for the letter because I believe it places on the record the government's commitment to a ban on Internet gambling, if that is feasible—and, of course, that would also be my first option—or, if that is not feasible, the possibility of national standards being established and a commitment to a number of harm minimisation activities. Because of that, I believe the letter is very germane to this debate. I will range fairly widely over the issue, as other speakers have done, and, in that way, I hope to speak once only, as well as speaking to the amendment which has been moved by the government.

One of the issues which has been raised by other speakers is that this legislation is very poor. What puzzles me is that if the legislation is so poor, why is the gambling industry so frantic? If the legislation is ineffective, why on earth would the gambling industry be so concerned about making sure that it is defeated? The two things do not figure. I certainly say to Senator Lundy, who I listened to very carefully, that it is almost a case of: why do you protest? Do you protest too much? If this legislation were as ineffective as some speakers have said, then you could simply vote for it and allow its ineffectiveness to take effect.

**Senator Lundy**—It is actually damaging.

**Senator WOODLEY**—My problem, Senator Lundy, is that I do not care if the gambling industry is damaged. I have no commitment to the gambling industry whatsoever because I have spent all of my life involved with the victims of the gambling industry—probably more so than anyone else in this chamber. Because of that, I have no commitment to the gambling industry whatsoever.

**Senator Lundy**—It doesn't help them.

**Senator WOODLEY**—In fact, the problem is that calling it an industry is itself is a misnomer. I would not call it an industry because that gives it too much credibility; it is a gambling octopus which continues to expand—and that is the problem.

On the other issue which Senator Lundy raised, which was, 'Why would you simply tackle this particular aspect of the gambling industry?' there is a very obvious answer: because this is a further extension of the gambling industry, which has continued to expand over the whole of this last century and goes back almost as far in history as one can imagine. I have had a lifetime opposition to gambling, I make no secret of that. It is because of the victims of gambling that I have dealt with over at least 40 years.

The main issue that we are dealing with at the moment is the amendment of the government on wagering. I have to admit that I am not very attracted to this amendment because it does extend gambling to another one of the particular facilities for gambling. I am not attracted to it at all, but I am also able to work out what the numbers are and know that I do not want the bill to be defeated by lack of support for this amendment, so I will support it.

**Senator Lundy**—Surprise, surprise! Where's your principle now?

**Senator WOODLEY**—I want to put on the record now a number of statements which I think spell out very clearly the position that I want to take. I will read from an article in the *Sydney Morning Herald* of 9 November by Royce Millar and Tim Costello, which says:

The States' handling of gambling explains a great deal about the size of the industry. Unlike countries such as Britain and Ireland, Australian States have total responsibility for gambling regulation. Even in the US, where the States also regulate gambling, the Federal Government has played an important role with a long-standing ban on gambling advertising. Unlike our own Federal Parliament,

Washington looks set to proceed with its ban on online gambling.

They go on:

What is clear is that the countries with national gambling policies and regulation, such as Ireland and Britain, have been best equipped to withstand the temptation to turn to gambling as an economic panacea. It is interesting to note that in Ireland—the spiritual home of the great Aussie gambler—there are no casinos and only a handful of antique poker machines. Despite warnings that it would be shunned by the world for its lack of “world class” gaming facilities, Ireland is now the economic miracle of Europe.

**Senator Lundy**—They sure as hell haven’t tried to ban the Internet.

**Senator WOODLEY**—I want also to place on record a statement by the National Council of Churches, which represents all of the major churches in Australia, including the Anglican Church, the Roman Catholic Church and so on. This is what they say:

The following well attested facts demonstrate the nature of the Council’s concerns about gambling.

. The last two decades have witnessed an expansion of gambling facilities in all the States of Australia. This expansion has been in the availability of gambling at local, centralised and electronic venues. The local expansions have been mostly in places of entertainment such as hotels and licensed clubs. The centralised locations are in the form of casinos, while the electronic venues occur through the Internet.

. Significant commercial interests have entered the gambling industry and increased its economic and political power.

. The licensing of gambling venues has increased the income of State governments to such an extent that they now rely on it for a significant proportion of their budgets.

. The availability and promotion of gambling has diverted resources from other uses, particularly from families.

. Persons susceptible to problem gambling (2.1% of Australians and 15% of regular gamblers) have increased availability and encouragement.

. Controls on the involvement of criminals in the gambling industry remain inadequate.

Finally it says in the recommendations:

... the Executive of the National Council of Churches in Australia makes the following statement.

. The Executive supports the moves of the Commonwealth Government to seek a greater regulation of Internet gambling. It endorses the proposed moratorium on new licences. It rejects the claims by some State governments that, since people will gamble, the income should stay at home.

. The Executive supports moves that will decrease the accessibility of gambling. These moves include, but are not limited to:

. the reduction in the number of gambling venues and gambling machines;

. increased information about the risks of problem gambling;

. the removal of ATMs and credit facilities from gambling venues;

. increased publicity at gambling venues about the winning odds of specific methods of gaming, particularly gaming machines;

. increased provisions for community control.

It goes on to say:

. The Executive supports those policy and practice changes that would reduce criminal involvement in the gambling industry.

. The Executive urges governments to consider seriously the extent to which their dependence on revenue from gambling inhibits their capacity to act responsibly in its control.

Let me finally say that I commend the government for its initiative. This is, as far as I can find out, the only time any government in this country has acted to actually limit gambling facilities rather than to extend them. That is the objective which I would support wholeheartedly.

*Senator Lundy interjecting—*

**Senator WOODLEY**—What is your problem, Senator Lundy? I know you have been raving on there.

**The TEMPORARY CHAIRMAN (Senator Lightfoot)**—Why don’t you address your comments through the chair, Senator Woodley. Senator Lundy should stop yelling.

**Senator WOODLEY**—The problem was that Senator Lundy was speaking most of the time that I was speaking, but I really was not able to take account of her interjections so I was doing that at the end.

**Senator BROWN (Tasmania)** (9.45 p.m.)—It is my turn in the firing line, but I am sticking to my guns: I said that I would support the legislation if the amendments which we have before us from the government were made, and so I will. The problem with the earlier version that the government had was that it excluded Tasmanian, Western Australian and Victorian TAB facilities from the opportunities available during moratorium for betting on horses and sporting events that were available to New South Wales, Queensland, South Australia, the Northern Territory and the ACT. That discrimination is overcome by the amendments. I take heed of what Senator Stott Despoja said when she said, ‘Well, this is only 0.6 per cent of the gambling problem in this country.’ I cast my mind back to the time—I have forgotten the exact date, but I think it was 21 September 1964—when 0.6 per cent of the gambling revenue in the country was coming out of poker machines. I dearly wish that we had legislated then to do something about it.

**Senator Stott Despoja**—To do what? Ban them?

**Senator BROWN**—Well, I would have supported a ban on poker machines, Senator. Would you?

**The TEMPORARY CHAIRMAN (Senator Lightfoot)**—Senator Brown, if you want to debate the issue with Senator Stott Despoja, could I recommend that you do so outside the chamber.

**Senator BROWN**—What she said, Chair, is that she would have supported it.

**Senator Sherry**—Be consistent.

**The TEMPORARY CHAIRMAN**—Why don't you address your comments through the chair, Senator Brown, and ignore the interjections of Senator Sherry.

**Senator BROWN**—I normally would not need any protection from Senator Sherry, but if you can provide that, Chair, I would be very happy. He is having a flamboyant evening. Gambling is a huge problem in this country and we have to, as legislators, look to put a curb on it. Now what we are not doing here is banning it.

**Senator Sherry**—Well, ban it.

**Senator BROWN**—Well, Senator Sherry, despite your—

**The TEMPORARY CHAIRMAN**—You should cease your interjecting, Senator Sherry.

**Senator BROWN**—Despite your protection, Chair, Senator Sherry has been saying that we should ban it. I would not jump to support him in that straightaway, but I would say that that is an option coming down the line. The other option, of course, is to do what Senator Lundy and Senator Stott Despoja have been supporting—and our senator from the Pauline Hanson's One Nation Party, Senator Harris—and that is to bring in a very strong regulatory suite which is going to have that effect. I think this whole debate has absolutely promoted that option and put it in the fast lane. The Darwin outcome is part of that evolving regulatory system. I can tell the chamber that I will be looking at which of those two options is the better over the coming months. We have here, though, a moratorium in place while that decision is made. I might say to Senator Stott Despoja that, if this is an attack on technology, it is the exact same attack that was going to come through your three-month moratorium that was an alternative—

**Senator Stott Despoja**—Non-retrospective. Not the same the use of the constitutional telecommunications power.

**Senator BROWN**—It doesn't matter what the time or what the constitutional validity is, it is, nevertheless, an attack on technology. Look, I do not accept that. It is very easy to say that anything that regulates the Internet is an attack on technology. Are we to say that we will put no protection in there for people who might use the Internet to defraud people through abuse of their credit cards? Is it an attack on technology to try to do something about that? To try and stop online shoppers from being robbed: is that an attack on technology? Of course it isn't. The fact is that the Internet has become part of our modern way of life. It is going to become even more a part of it. It is part of even the way we think, these days. But like every other aspect of life, it will—and should— attract the attention of regulators when it has the potential for harm. It has got a huge potential for good but it also has the potential for harm.

Gambling is one of the opportunities for those who would want to very rapidly accrue wealth to themselves at the expense of other people in the community. I am not in favour of banning gambling per se, but I am in favour of regulating it. I am not sure that

making it available in the lounge room of every home in Australia, regardless of whether there is supervision or not, is a good thing. You see, one of the problems here is that it is not just like other gambling. It makes gambling much more accessible, much more instantly available. It also makes it available covertly. I walk past the Queanbeyan Leagues Club late of an evening quite frequently on my way home and I would frankly feel quite embarrassed about going in there. I would think about who I was going to run into if I was to take \$5 in to have a smack on the pokies. People who might feel a little bit embarrassed can go home and do it, no problems. No-one is going to be watching you; you can get away with it. It is a new attraction for people who might be inhibited by social circumstances not to gamble under the currently available avenues for gambling. I will be supporting the amendments and, if they pass, I will be supporting the legislation.

Let me finally say this. There has been some support for this move from the retail sector of the community. I want to make it very clear that gambling itself does not just siphon money out of the community—it siphons jobs and it siphons wellbeing. It takes other people's jobs away. It is not just the gambler that is involved here, and it is not just the problem gambler. It is taking money out of other areas of the economy upon which people depend for their livelihoods and which give other people sustenance. We have to take that into account. I cannot see how interactive gambling online—gambling at the click of mouse—is going to be any different to poker machine gambling in gaming houses when it comes to that fact. We have to weigh that up.

It will be an interesting six months while we await action from the Commonwealth. The action, when it comes, will be in the run-up to the next election. It will test us all in this place to keep our minds open to the best resolution to the question of whether we put a ban on Internet gambling—whether we have limited restrictions on it, or whether we have a regulatory regime implemented nationally which will assuage the people's fears that gambling on the Internet could be a very deleterious component of the future of our society.

**Senator HARRADINE (Tasmania)** (9.53 p.m.)—I am not going to belabour the point. I was privileged, if I can use that term, to serve on the committee which reported to the parliament in its Netbets report last year. Or was it this year? Time flies. Yes, it was in March this year.

*Senator Stott Despoja interjecting—*

**Senator HARRADINE**—The chamber is not receiving second reading contributions. It will be out of order; there is no doubt about it. I hope you will declare me to be out of order, Mr Temporary Chairman Lightfoot, because we had an early morning this morning and it is now five minutes to 10.

**The TEMPORARY CHAIRMAN**—Very difficult, Senator Harradine, but I probably could.

**Senator HARRADINE**—On the running sheet, we are now dealing with clause 5, government amendments (1) and (2). Before I say anything fur-

ther, I think I should declare an interest. I do have a TAB account and have had for some years—not that it has done me much good. I will be supporting the amendments that have been put forward by the government in respect of gaming. When this legislation was previously before us, I had an amendment of similar intent. I thought I would just mention that to the committee.

Whilst I am on my feet, I should mention that, in respect of those institutions, licence holders for whom licences had already been issued prior to the operative date should also be exempted and this would cover Federals in Tasmania and various other organisations. I have had a look at Senator Harris's amendments in respect of that matter. It is my opinion that they do that job better than my amendments. When the time comes, if you do not mind, I would prefer you to call Senator Harris rather than me.

**Senator BARTLETT (Queensland)** (9.56 p.m.)—I would like to speak on the government amendments to the **Interactive Gambling (Moratorium) Bill 2000**, which has been reintroduced today. I do so on behalf of the Democrats and as the Democrats' spokesperson on social security and welfare issues. There is no doubt that everyone in the chamber, whatever their position on this bill, would recognise that problem gambling, almost by definition, is a problem. It is a significant problem not just for the people and the families of those who do get caught up in uncontrolled gambling but also for the community as a whole in terms of the economy and the extra broader social damage that occurs. I am sure all of us are genuine in our attempts to redress that issue.

The big concern I have about this bill and the government amendments is that they do not redress that issue. They attack one area which, whilst always able to do more, goes further than any other in the gambling regime in trying to redress those problems and to minimise the damage. Possibly some people in the chamber would like to ban all gambling or to severely restrict all forms of gambling. That is not a position I hold personally, and it is not a position that the Democrats hold, but I recognise that some people have a genuine belief in that regard and I respect that belief. The rest of us are trying to redress and acknowledge the causes of problem gambling and to regulate and make changes in a way that will minimise—ideally prevent—that damage. That is what we should be focusing on in any debate on the impact of gambling.

In my background—which is not just in the political arena of this chamber and other aspects of parliamentary research for more than 10 years but also in the welfare area—I frequently saw the consequences for people who got caught up in uncontrolled gambling, or problem gambling or whatever label you wish to put on it. There are many people throughout the community who we all should acknowledge do an enormous job in trying to address the consequences of that activity, but we need to look at not just the consequences but also the causes. Lashing out in a knee-jerk type of way and saying, 'Look at the consequences for someone who was not able to gamble

responsibly. We should therefore stop this particular aspect of gambling to make us feel like we are doing something about it,' is at best a hit-and-miss approach to addressing the concerns that we all have.

As well as talking with many people who work with the victims of gambling, I have also talked with—and continue to talk with—many people who deal with the causes of problem gambling. Without fail, all of those people say that Net gambling is not the area we need to focus on at the moment. They also say that this approach not only is farcical but is counterproductive. I can cope with the farcical political stunt that does not make an impact either way, but my real concern is that this is counterproductive. Whilst there may always be room for improvement, work is being done to try to minimise, to restrict, to control and to prevent the damage from problem gambling. I accept that it is quite likely this area of gambling will expand. The big issue with this bill, as has been said many times and which these amendments do not address, is that it not only will not prevent that but also will take out the one area which does more than any other to try to minimise that harm. Those people who still want to gamble through the Net will be able to. They will continue to do so if that is what they need to do. If they have a problem, they will particularly continue to do so. If they are driven—if they have an addictive personality that needs to gamble and are particularly driven to the accessibility of the Internet—they will continue to do so.

This bill will not change that one way or the other. What it will do is to kick the knees out from under the one area of Net gambling that has led the world in trying to minimise or prevent that damage. It will cut that away and will leave it open for all those people—it is still a small number, but I accept it could be a larger number—to continue gambling in that way without those protections. They will be subject to all those areas of potential exploitation that Senator Brown quite rightly expressed concern about. Not only is this bill a knee-jerk stunt—and this amendment is an attempt to cover up that knee-jerk stunt—but it is a step backwards. I appreciate and acknowledge the initial attempts of the Democrats when this bill was first debated to get genuine funding commitments from the government at state and federal level to address the harm minimisation.

I thank the minister for the commitment he has given. I hope that, unlike other commitments this government have given, as we outlined in this chamber just last night, they will give it in writing and that it is not just a letter to individual senators but a commitment to the Senate and the people of Australia as a whole. But we saw just last night that a commitment to the chamber as a whole and the people of Australia as a whole is still something we cannot rely on from this government. But I hope they will deliver on extra funding for harm minimisation. That would be good, but we cannot forget the fact that this bill in operation would cut away from an area where there is a deliberate conscious attempt—partly in relation to the pressure the Senate exerted last time we dealt

with this bill—to limit the damage that problem gamblers face.

Senator Brown is not in favour of banning and neither am I—some people may be and I respect that—but he is in favour of regulating and so am I. This bill does not regulate; it removes regulation and people who wish to gamble on the Net will be subject to using sites that have less regulation. Senator Brown—I am not picking on you, but you argued in a logical way—addressed the danger of Net gambling being more accessible. The Net is in the home. It is more accessible than walking down the road to the public—that is true. That is why we need stronger controls. That is why the Internet gaming industry in Australia has worked, partly in response to pressure from this chamber, to put in place those controls.

But what is even more accessible is putting a bet on the phone. It is much easier to pick up your phone and use your phone account to place a bet. It is a much bigger hassle—it is not that big a hassle but it is a bigger hassle—to log on through your modem, do your load in, hope the thing does not crash, log on to the Net, go to the site, put in your codes, and then you have your bet account limit as well. Phone betting is much easier and much more accessible. We are not touching phone betting. Not only are we not touching phone betting through these amendments, which I am addressing; we are also—

**Senator Sherry**—We are extending it.

**Senator BARTLETT**—This amendment extends the evil that the government is saying it is trying to restrict. That is how farcical it is. If we are looking at trying to prevent the small minority of people from having easy access to spending their money when they lose control, when they get stuck in that cycle, we have a duty to try to protect them. We have a duty to try to recognise what leads them into that difficulty. We have a duty to try to ensure that they have an opportunity not to end up there, not just for their sake and for their family's sake but for the society's sake as a whole. But the most accessible form of betting is picking up the phone. You are at home. You can pick up the phone. You can watch television, particularly if you have pay TV. There are horse races all over the place. That is part of what pay TV relies upon—people who gamble through that. The majority of people gamble on horses. I gamble on other things occasionally, not particularly often. Personally, I cannot understand the interest people find in horse racing, even leaving aside the issue of exploitation of animals—but that is people's choice. Why, as these amendments seek to do, is it somehow or other okay to gamble on horse races, harness racing, greyhound racing or sporting events through the Net, as we have always been able to do over the phone? It defies logic. I understand that the government wants to get the bill through, and it will do what it can to get the bill through. I understand that. But in terms of those who are looking at supporting this amendment, the logic quite honestly defies me.

Turning to the specifics of the amendments, I am sure the minister would be relieved to hear that I would like to ask him a question to clarify the content

of the amendment, partly for the benefit of those who may well have to deal with this legislation if it goes through, as it looks like it may. The amendments talk about sporting events covered, under amendment (1), in paragraph (3)(aa) and, under amendment (2), clause (3A) says that paragraph (3)(aa) does not apply to a service to the extent to which:

(a) the service relates to betting on the outcome of a sporting event, where the bets are placed, made, received or accepted after the beginning of the event;

If someone is wanting to put a bet on who will be the highest scorer in the second innings for Australia in the next cricket test and the event has started but obviously the second innings has not started, does the event mean the test match or does the event mean the second innings? If you are talking about who is going to bowl the next over and you want to place a bet on who is going to bowl the next over, is the event the over or is the event the cricket match or is the event the start of the innings? I have read through the explanatory memorandum as well and it is not clear to me. I am quite genuinely, even though I oppose the amendments and oppose the bill, trying to understand where this line is being drawn. For those people out there who are existing service providers in this area or indeed future service providers who want to have Net betting in relation to sporting events, I think it would be helpful for the minister to clarify exactly where that line is, what the definition of when the event begins is and what the event is. I note that that paragraph does not apply to services for the conduct of lotteries, lottery tickets et cetera. Are there clear definitions of what exactly is a lottery and a lottery ticket? I would appreciate it if the minister could answer those questions.

In conclusion, coming back to my initial point about the major areas—and many people have made the point in the debate tonight, as all of us are concerned about minimising harm in terms of gambling—all of us know that the big problem in Australia at the moment is poker machines. As others have said today, the big winners out of this bill going through will be the pokie industry. The big winners will be the area that everybody acknowledges is the worst in terms of the impact on the community. I will mention briefly an article in the *Canberra Sunday Times*. I commend the local health minister in the ACT, Michael Moore, who pointed out that just in the ACT alone the Canberra Tradesman's Union Club donated \$590,000 to political, union and lobby groups last year. This was part of an attack on the ALP and how much it takes—my being cross-party in relation to this. The Canberra Labor Club donated \$248,000—almost a quarter of a million dollars—in one year. Look at the financial power of those clubs, and that is just clubs.

Senator Brown mentioned retailers—exactly. They are not concerned about the social damage of gambling; they are concerned about losing their cut of the take. That is what they are concerned about. The pokie industry are a bit more sensible. They have not been right out front on this; they have been doing all the lobbying behind the scenes, but they know they stink enough that they would not dare to stick their

heads up in public. The clubs are a bit less so and the retail industry has gone a bit further out front. But the impact is the same. That is not a concern about social impact; that is a concern about them losing market share. I have even had lobbying from newsagents saying, 'This is not fair. People will not come here and buy lottery tickets.' I can understand that, but they are not people who are concerned about the social impact of gambling. I would like to specially commend those who are. I do not wish to besmirch all clubs—some of them are being responsible. I do not mean to besmirch all newsagents. My local newsagent in Wilston in Brisbane specifically has a sign up saying, 'We will not take credit cards or EFTPOS for people buying scratch-it tickets.' I think that is a really laudable activity. They would recognise, through their activities in taking money from people, those people who are just having harmless fun. They could identify some people who act responsibly and recognise that they have a responsibility and some people will not. I think that is the sort of area we need to focus on. Having said all that, I hope the minister did hear my questions about the amendments, and I would quite genuinely be interested in any response or clarification he can make.

**Senator SHERRY (Tasmania)** (10.11 p.m.)—Looking at the amendments we are considering in committee, if you look at the possible configurations of the voting outcome and the calculations that the government and we as a Labor opposition have to make in respect of supporting particular amendments, I cannot help but be reminded of a game of Russian roulette of whether the bill will pass or fail—more so for this legislation than on most pieces of legislation that we see in this chamber.

For those in the chamber who are not aware, I worked at Wrest Point Casino for 3½ years. In that time there was one thing I did learn from a personal perspective: do not gamble. Senator Woodley does not have a monopoly on the moral, the ethical, the economic, the social considerations and outcomes and tragedies that result from gambling. I used to see it every night and every day—people who were losing money who could not afford to do so. Gambling is a zero sum game—so is drinking, so is smoking and so are a number of other social activities in our community. The difficult judgment we have to make as legislators is: can we effectively outlaw these activities? If we do attempt to outlaw, will it be done effectively and comprehensively? Then, are those outcomes of outlawing or prohibition for the better or worse? One country attempted to prohibit alcohol for an extensive period of time—the United States. I think most people who have looked at that experiment would come to the conclusion that the outcome was much worse than allowing alcohol to be consumed in a controlled, regulated manner.

We had a referendum in Tasmania on whether casinos should be legalised. I still have a copy of the referendum questions and the debate and the predictions that were made if casinos—in this case one casino—were to be legalised in Tasmania. Some of the claims that were made—

**Senator Calvert**—It was the end of the world.

**Senator SHERRY**—It was going to be the end of the world, Senator Calvert. You can recall the arguments for and against: we were going to have the Mafia move into Tasmania; Sandy Bay, which is the suburb in which the casino was built, was going to be a Las Vegas with row after row of houses of ill repute; and the retail industry was going to be devastated. Nevertheless, the majority of Tasmanians voted to proceed with a legal casino. If people looked back objectively, I think they would come to the conclusion that that development and the successive developments that have occurred have been to the benefit of Tasmania overall.

You only have to read the Productivity Commission report on gambling in this country to be deeply disturbed by the dreadful impact of gambling on many individuals and families in this country. But if we were to outlaw gambling, to prohibit gambling, would it result in a better community overall? I would suggest it would not. If you prohibited smoking or alcohol, I would suggest it would be the same: it would not result in a better social outcome. As legislators, these are the difficult dilemmas we sometimes have to face. What we are presented with tonight is not a prohibition on gambling; it is an attempt to prohibit interactive gambling. It is an attempt. It will not be successful because, if the legislation is passed, people will simply move offshore through the Internet and carry out their gambling there. That will be the practical outcome of the legislation if it is passed. We know that is what will happen. Those people in moving offshore will move into an area where there is very little regulation—certainly far less regulation than has been implemented, or proposed, by the various jurisdictions within Australia. That will be the effect of it. That seems to me to be a very impractical outcome.

What is of interest is that the government states it wants to ban interactive gambling, but that is not what we are presented with. What we are presented with is an attempt—we know an impractical attempt—to prohibit interactive gambling, but there are exemptions to this proposed prohibition. Excluded from what will be an ineffective prohibition are services relating to contracts that, under the Corporations Law, are exempt from a law relating to gaming or wagering and services that the minister determines are exempt services. But, since we last debated this, we have gone a further step. Apparently the government has done a deal with Senator Brown. It is okay for Senator Brown to support a piece of ineffective legislation purporting to ban interactive gambling as long as the Tasmanian TAB is saved. So we add another exemption in order to pass a piece of legislation that is going to be ineffective anyway and is going to drive offshore those people who want to use this particular service. I can understand Senator Brown having a Tasmanian perspective, but where is his concern for Federal Hotels—a company which, on balance, has made a significant positive contribution to the Tasmanian economy? Where is his concern for Federal Hotels who have invested \$15 million? They are a major Tasmanian company, but that will be money

down the drain and it will have a serious impact on the bottom line of that company. That is just one example.

This legislation we are presented with is monumental hypocrisy. It is monumentally impractical. If we are fair dinkum and want to deal with the social problems of gambling, as I am sure we all do, the way to go is to regulate gambling and provide positive programs for those people who are harmed by it, not try to prohibit it in an impractical way.

**Senator ALSTON** (Victoria—Minister for Communications, Information Technology and the Arts) (10.19 p.m.)—I will just address a few issues before I come to answering Senator Bartlett's question. There does seem to be quite a serious failure to comprehend the nature of this legislation. I noticed that Senator Lundy said that this bill does not address problem gambling. Indeed, Senator Lundy seems to be blissfully unaware of the fact that COAG has addressed these issues in recent times and that the Ministerial Council on Gambling has devoted quite a deal of time and energy to addressing these very concerns. So let us be clear: this bill is not about tackling the problems that derive from poker machines or casino activities; it is about nipping in the bud an industry—that is still very much in its infancy—for a period of time in which we will be able to make some longer term judgments. In other words, we will be able to look at the report of the National Office of the Information Economy on the technical feasibility and consequences of a permanent ban and we will also be able to look at the social consequences. Those are all issues that should be examined at this stage.

It is also a bit disappointing, but not surprising, that people like Senator Stott Despoja want to dismiss this sort of activity as a stunt—which, I presume, not even all the members of her own party would agree with, let alone those of goodwill and good intent who have a different view. So I do not quite know why she feels that she has the high moral ground on this issue. She seems to think that somehow the states are moving rapidly. She asked me if I would acknowledge what progress the states have made. I think even Senator Stott Despoja found it necessary to say that the act has provided some impetus for the states and territories. Quite clearly, they did nothing from 1997 until quite recently. I was asked what emerged from the Darwin summit. My understanding is that what really emerged was an agreement to draft a national code, which is hardly, I would have thought, the sort of thing that Senator Stott Despoja professes to aspire to in terms of a uniform solution involving harm minimisation. So if you ask me what the states and territories have managed to do in the last six months or so, the answer is basically that they have licensed quite a number of new players. But, beyond that, they have not really taken any significant action.

*Senator Stott Despoja interjecting—*

**Senator ALSTON**—It is all very well for you to accuse other people of stunts, but when you ask me to acknowledge what the states have done and I tell you, you take exception. I will not go any further. Senator Bartlett asked me about the intent of the amendments

in relation to what in common parlance these days is called 'spread betting'—in other words, where you bet on a ball by ball event or whether Shane Warne's next ball will be a googly or a flipper. Those are contingencies that occur after the commencement of the event, which in cricket is the first ball bowled once the match starts. On page 4 of the supplementary explanatory memorandum the distinction between 'an event' and 'a series of events' is explained by way of an example:

... in the case of the game of cricket, the 'event' would be characterised as a single cricket match. However, the test series would be characterised as 'a series of events'.

In other words, even though the first test had started, you could bet on the outcome of the second test; but you could not then bet on other contingencies that might occur during what is normally a five-day game but these days seems to be a 2½- to three-day game. What we are concerned about here is allowing sporting activities to be exempted in terms of interactive wagering, but not those new services which have not really got off the ground and any events which are generally described as spread betting. Senator Lundy also does not seem to be able to distinguish between casino-type betting and sports wagering. I simply—

*Senator Lundy interjecting—*

**Senator ALSTON**—The whole thrust of this assertion that somehow this is just a hopeless compromise to get the bill through under any circumstances ignores the fact that there is in many people's minds a qualitative distinction between sports betting and casino-type activity. If you do not know the difference or you do not think there is a difference, I am not going to spend much time trying to paint the distinction. But I would have thought—

**Senator Lundy**—Why didn't you support Senator Harradine's amendments last time round? Think about it.

**Senator ALSTON**—A lot of people would say that betting on sporting events is a fairly Australian characteristic; but, if you are talking about a casino-type activity, that is a particularly mindless form of exercise that does not involve any skill or judgment but in most instances enables you to lose a lot more money, more quickly—

*Senator Lundy interjecting—*

**Senator ALSTON**—I am just explaining the distinction to you. I am not asking you to have a side bet on who is going to vote for what. I am simply saying to you that you should not pretend that somehow there is no qualitative distinction. I would like to acknowledge the constructive role played by Senators Woodley and Allison. The following excerpt of the letter I wrote to Senator Woodley has already been incorporated into the *Hansard*:

Based on your discussions with my Office, I am writing to confirm that:

1. The Government is predisposed to a ban on Internet gambling. However, if at the conclusion of the moratorium period, a ban is found not to be feasible, and subsequently is not imposed, the Government will, at the very least, urge the States and Territories to enact a

- uniform, national set of regulatory standards, formulated in consultation with the Commonwealth
2. ... Despite the proposed exclusion of wagering from the scope of the moratorium, the Government remains committed to investigating the feasibility and consequences of banning new forms of interactive gambling, including new forms of interactive wagering.
  3. The Government is prepared to provide in principle support for two initiatives that were discussed at a recent COAG meeting. Those initiatives relate to:
    - A national research program into problem gambling, jointly funded by the Commonwealth and States and Territories; and
    - A national advertising campaign about the potential dangers of gambling, jointly funded by the Commonwealth and States and Territories.

Although funding for these proposals would need to be considered as part of the Budget process, the Commonwealth would be sympathetic to providing funding for both of these initiatives.

I acknowledge that both Senators Woodley and Allison clearly share the government's concerns in relation to the potential quantum increase in accessibility of new interactive gambling services and the associated potential increase in problem gambling. I am very conscious of the fact that very strong representations have been made by the Chief Minister to the government in very recent times, particularly to the Prime Minister. I am also aware that Senator Tambling has come under a great deal of pressure and, as a result, has certainly expressed to me and to other colleagues some of the issues that he believes need to be closely examined. The government has done that, and I think the way in which the amendments have been put forward should ensure that the right balance is struck. So I commend both amendments to the Senate.

Question put:

That the amendments (**Senator Alston's**) be agreed to.

The Committee divided. [10.32 p.m.]

(The Chairman—Senator S.M. West)

Ayes.....	35
Noes.....	<u>30</u>
Majority.....	5

**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.   |
| Ferris, J.M.      | Gibson, B.F.    |
| Harradine, B.     | Harris, L.      |
| Heffernan, W.     | Herron, J.J.    |
| Kemp, C.R.        | Knowles, S.C.   |
| Lightfoot, P.R.   | Macdonald, I.   |
| Macdonald, J.A.L. | Mason, B.J.     |
| McGauran, J.J.J.  | Minchin, N.H.   |
| Newman, J.M.      | Patterson, K.C. |
| Payne, M.A.       | Reid, M.E.      |
| Tchen, T.         | 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. |

- |                   |                |
|-------------------|----------------|
| Buckland, G.      | Carr, K.J.     |
| Collins, J.M.A.   | Conroy, S.M.   |
| Crossin, P.M.     | Crowley, R.A.  |
| Denman, K.J.      | Evans, C.V.    |
| Forshaw, M.G.     | Gibbs, B.      |
| Greig, B.         | Hogg, J.J.     |
| Lees, M.H.        | Ludwig, J.W.   |
| Lundy, K.A.       | Mackay, S.M.   |
| McKiernan, J.P.   | McLucas, J.E.  |
| Murphy, S.M.      | Murray, A.J.M. |
| O'Brien, K.W.K *  | Murray, R.F.   |
| Schacht, C.C.     | Sherry, N.J.   |
| Stott Despoja, N. | West, S.M.     |

**PAIRS**

- |                |                |
|----------------|----------------|
| Ellison, C.M.  | Faulkner, J.P. |
| Ferguson, A.B. | Coonev, B.C.   |
| Hill, R.M.     | Hutchins, S.P. |
| Tambling, G.E. | Campbell, G.   |
| Tiernev, J.W.  | Cook, P.F.S.   |

\* denotes teller

Question so resolved in the affirmative.

Progress reported.

**ADJOURNMENT**

**The PRESIDENT**—Order! It being after 10.30 p.m., I propose the question:

That the Senate do now adjourn.

**Companies: Employee Entitlements**

**Senator COONAN (New South Wales)** (10.36 p.m.)—Earlier this week I was pleased to learn that the federal government would pay 19 former employees of the Victoria Knitting Mills in the Sydney suburb of Alexandria, which is part of my duty electorate of Sydney, at least some of the entitlements owed to them by their former employer who became insolvent. The issue of employee entitlement is one in which I have a particular interest. I have taken a close interest in the plight of workers whose employer goes broke, owing wages and other entitlements, as part of working at the bar in recent years as an insolvency practitioner. It is a matter in which I have both some experience and a particular interest. These 19 workers at Victoria Knitting Mills received more than \$70,000 under the federal government's Employee Entitlements Support Scheme—

*Senator Abetz interjecting—*

**Senator COONAN**—It is a good program, Senator Abetz—a program which provides assistance to employees who have lost their job since 1 January 2000 as a result of their employer's insolvency and who lost some or all of their employee entitlements. It is an example of the federal government leading the way and making a real difference to the lives of ordinary Australian workers who, through no fault of their own, have been affected by the financial failure of their employer.

The government is delivering on the complex issue of employees losing their entitlements following business insolvency and it continues to provide real help to people who need it and who have little to offer but their labour. The liquidator for Victoria Knitting Mills, Mr Geoffrey Reidy, from the firm Rodgers Reidy in Sydney, is distributing the money among the employees. Let me give you a picture of the people who will benefit from this payout. An average pay-