



**Australian Government**

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**Department of Broadband,  
Communications and the Digital Economy**

## **2010 REPORT**

**The operation of the Prohibition of Advertisements of Interactive  
Gambling Services under the *Interactive Gambling Act 2001***

# REPORT ON THE OPERATION OF THE PROHIBITION ON INTERACTIVE GAMBLING ADVERTISEMENTS

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## REPORTING REQUIREMENT

Section 61 FE of the *Interactive Gambling Act 2001* (IGA) requires the Minister for Broadband, Communications and the Digital Economy to cause to be prepared a report of any contraventions of the prohibition on interactive gambling service advertisements. The prohibition is established under Part 7A of the IGA.

The report must detail the number and nature of any contraventions in the preceding 12 months and any action taken by the Minister or Commonwealth Agency in response to each contravention. The report is required to be prepared as soon as practicable after each 31 December. The current report details complaints that have been made in relation to the advertising prohibition within Part 7A of the IGA.

**REPORTING PERIOD:** 1 January 2010 - 31 December 2010

## BACKGROUND

Part 7A of the IGA makes it an offence to publish, broadcast or datacast an interactive gambling service advertisement in Australia subject to certain exceptions. This offence, which carries a maximum penalty of \$13,200 for individuals and \$66,000 for corporations, extends to all forms of media, both electronic and non-electronic, including advertising via the internet, broadcast services, print media, billboards and hoardings. Some examples of advertising which are excluded from the offence provisions are set out below:

- Incidental or accidental advertising is permitted and is not covered by the offence provisions in Part 7A.
- Political advertising is excluded from the meaning of an interactive gambling service advertisement for the purposes of Part 7A and consequently is not included in the advertising ban.
- A number of gambling services are excluded from the definition of an 'interactive gambling service'—for example excluded wagering and excluded lottery services. The advertising ban does not apply to such excluded services.

The regulatory framework established by the IGA also makes it an offence to provide certain interactive gambling services to customers physically located in Australia. This offence, which carries a maximum of \$220,000 per day for individuals and \$1.1 million per day for corporations, applies to all interactive gambling service providers, whether based in Australia or offshore.

In addition to the offence provisions, the IGA establishes a complaints scheme whereby Australian residents or companies trading in Australia are able to complain to the Australian Communications and Media Authority (ACMA), if they believe that Australians can access prohibited internet gambling content. The ACMA is required to investigate the complaint subject to certain exceptions and must refer Australian-hosted prohibited internet gambling content to the Australian Federal Police (AFP) or a state or territory police force if it

considers the complaint should be so referred. If the prohibited internet gambling content is hosted overseas, the ACMA is required to notify the suppliers of filters listed in Schedule 1 of the Interactive Gambling Industry Code (the Code) and internet service providers (ISPs).

The Code was developed by the Internet Industry Association, as provided for by the IGA, and deals specifically with the issue of overseas sourced material. The Code requires ISPs to provide their customers with one of the approved filters listed in Schedule 1 of the Code. The ACMA may also refer overseas-hosted prohibited internet gambling content to the AFP or a state or territory police force where they believe it appropriate.

Unlike the complaints scheme for prohibited internet gambling content under Part 3 of the IGA, the Department of Broadband, Communications and the Digital Economy has responsibility for receiving and investigating complaints in relation to potential breaches of the prohibition relating to broadcasting, datacasting or publishing an interactive gambling service advertisement.

The Department receives and coordinates complaints under Part 7A of the IGA about advertising and conducts initial investigations into the alleged breaches. Following an initial assessment of the complaint based on the information available, the Department forms a view whether there is potentially a breach of the advertising prohibition within the IGA. If a potential breach is found, the matter is referred to the AFP for further investigation. The AFP determines its priorities in relation to the investigation of matters referred to it.

## **OUTCOMES**

The Department considered five matters in relation to potential breaches of the advertising prohibition of interactive gambling services between the period of 1 January 2010 and 31 December 2010.

All five matters were referred the AFP for further investigation. The AFP advised that two of these investigations would not proceed due to other priorities. The remaining three matters are still under consideration by the AFP. The nature and outcome of these matters are listed in Table 1.

**TABLE 1: COMPLAINTS RECEIVED**

<b>Date complaint received</b>	<b>Nature of complaint</b>	<b>Details of the complaint</b>	<b>Action by Commonwealth Agencies</b>
12 February 2010	Interactive gambling advertisement of an overseas-hosted gambling service in a marketing letter and CD distributed to the public.	That a marketing letter and CD contained details of an interactive gambling service as defined under section 5 of the <i>Interactive Gambling Act 2001</i> .	The Department referred the matter to the AFP. The matter remains under consideration by the AFP.
7 April 2010	Interactive gambling advertisement of an overseas-hosted gambling service on the playing uniform of an NRL team.	That the playing uniform contained the branding of an interactive gambling service as defined under section 5 of the <i>Interactive Gambling Act 2001</i> .	The Department referred the matter to the AFP. The AFP did not proceed with an investigation into this matter.
7 April 2010	Interactive gambling advertisement of an overseas-hosted gambling service on the playing uniform of an NRL team.	That the playing uniform contained the branding of an interactive gambling service as defined under section 5 of the <i>Interactive Gambling Act 2001</i> .	The Department referred the matter to the AFP. The AFP did not proceed with an investigation into this matter.
7 April 2010	Interactive gambling advertisement of overseas-hosted gambling services on an Australian-hosted website.	That the website contained links to interactive gambling services as defined under section 5 of the <i>Interactive Gambling Act 2001</i> .	The Department referred the matter to the AFP. The matter remains under consideration by the AFP.
7 April 2010	Interactive gambling advertisement of overseas-hosted gambling services on an overseas-based website.	That the website contained links to interactive gambling services as defined under section 5 of the <i>Interactive Gambling Act 2001</i> .	The Department referred the matter to the AFP. The matter remains under consideration by the AFP.