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The following pages have not been provided because they are not relevant to FOI request
ER2010/06168, as per section 22:

Pages 1-3, 5-13, 16-18, 20-25, 27-30.

Briant, Jason

From: Briant, Jason
Sent: Monday, 20 September 2010 6:28 PM
To: Tinkler, Mat; Nitz, Alistair
Cc: Treasurer's Office Executive Minutes; Browne, Oliver; Fletcher, Shon; FG SPD Managers & Specialists; FG Children, Families and Pensioners Unit
Subject: EM for the Assistant Treasurer ~~(SEC - PROTECTED)~~
Attachments: 100920 EM to AT on Gambling.pdf

Security Classification:

~~PROTECTED~~

Hi Mat and Alistair.

Please find attached an EM for the Assistant Treasurer on gambling issues. Hard copies will be in the rounds tomorrow.

Kind regards,

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Online gambling

Online gaming by Australians appears to have grown rapidly despite the illegality of domestic supply. The report stated that gamblers are exposed to additional risks and harms from offshore sites that could be avoided under carefully regulated domestic provision.

The PC recommended the liberalisation of the domestic supply of online poker card games, which when accompanied by appropriate harm minimisation measures, would test whether managed liberalisation should be extended to all online gaming forms.

The Government in its preliminary response on June 23 announced that it does not support the liberalisation of online gaming, including online poker, as recommended by the Commission.

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COMMONWEALTH TAXES

- The majority of entities that offer gambling activities are subject to Commonwealth income tax and GST, consistent with other taxable entities.
 - Income tax is levied on the taxable income (assessable income less deductions for business expenses, including State gambling taxes).

- GST is applied to net gambling margin (revenue less payouts) for any gambling supplies made by an entity.

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ONLINE GAMBLING

- The provision of online gambling to Australians is prohibited through the *Interactive Gambling Act 2001*. In its Report, the PC found that the ban has 'limited utility', as Australians increasingly access offshore sites beyond the governments jurisdiction.
- The PC recommended a managed liberalisation of online gambling rather than seeking to try and strengthen the existing ban. The PC stated that a domestically regulated industry would provide greater consumer protection and safeguards than offshore providers. Revenue would also be raised from corporate income tax and GST.
 - While the PC considered a range of features of online gambling that mitigate its harm to problem gamblers relative to gaming machines, it also advocated a 'closely monitored, phased approach to liberalisation' starting with online poker games. The PC envisaged extending or abandoning liberalisation, depending on its performance.
- In its 23 June 2010 Response, the Government announced that the existing prohibition would continue to apply. The Government also committed to examine regulatory approaches in other countries, such as US reforms designed to stop payments to offshore gambling sites, and investigate a multilateral regulatory regime.
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ONLINE GAMBLING

- The main forms of online gambling are online wagering and online gaming.
 - Online wagering is comprised of betting on racing, sports betting, and betting on the outcome of events.
 - Online gaming comprises of casino games, all forms of poker and virtual gaming machines. Lotteries and Keno can also be provided in an online environment.

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