



**ALLIANCE FOR
GAMBLING REFORM**

Northern Territory Code of Practice for Safer Online Wagering 2024

May 2024

Key Points

>> We reiterate the Alliance's firm position that, as recommended by the June 2023 Report of the Australian Parliament's Inquiry into Online Gambling, "You win some, you lose more", responsibility for online gambling should sit with a single Australian Government Minister, and a national online gambling regulator should be established, with responsibility for all licensing and regulation. Our comments below on the draft NT Code of Practice should be seen in this context. Improving the draft Code is merely a compromise position, pending implementation of the real reforms that are needed.

>> The proposed Code has a number of areas that require significant improvement to support safer online wagering which have been discussed in the comments below.

Alliance for Gambling Reform

The Alliance is the only national peak body working to reduce gambling harm. We have over 60 supporting organisations in our network and 23 leadership local councils in Victoria who have an interest in reducing the exponential level of gambling harm in Australia.

We are a registered health promotion charity and are 100% funded by donations from individuals, foundations, trusts, local government and other sources that do not have ties to the gambling industry. We are not affiliated with any political party.

The Alliance for Gambling Reform has long advocated for public health reforms that are evidence-based and community-backed with the sole purpose of reducing and preventing gambling harm in Australia. Online gambling is increasingly becoming one of the biggest health issues we are facing as a country.



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Comments on the draft Code of Practice

1. Identifying customers at risk of experiencing harm

We agree that licensees should have effective systems in place to monitor customer behaviour and identify those at risk of experiencing harm.

A great deal of online gambling harm could be prevented through the imposition of mandatory deposit limits on all users. Failing this, we reiterate our earlier calls for the Code to include a requirement for licensees to undertake mandatory affordability assessments when a user's daily spend is over \$100, monthly spend is over \$500, and yearly spend is over \$5000. Requirements to provide evidence of one's ability to spend/lose a certain amount on gambling should become standard practice to prevent gambling harm.

2. Interacting with customers identified as at risk of experiencing gambling harm

We note that the draft Code requires licensees to interact in a reasonable timeframe and manner with those identified at risk, and that the licensee is required to keep monitoring the customer, keep a record of interactions, and not offer inducements where a customer may be at risk.

However, we view the requirements in this section as being too vague and lacking in strength. No details are provided as to what is required of the licensee in terms of the interaction with the customer identified as at risk, and we note that the draft Code allows this to be an automated response, and the proposed focus is on inquiring about the person's situation and asking them to reflect on their behaviour.

We are concerned that this is a tokenistic approach which once again put the onus on the person experiencing harm, to manage the problem.

We recommend that this section be redrafted to require specific actions of licensees who have identified customers at risk of harm, including at a minimum:

- immediate suspension of the customer's account; and
- referral of the customer to gambling help services.

3. Online wagering management tools

We note that this section covers a range of tools that could make online gambling marginally safer. Where we see the greatest deficiency is in the way the draft Code treats the issue of deposit limits. The Code states that licensees must offer customers the option to set a deposit limit, and that there must be a 7-day delay on requests to increase limits.

These requirements are too weak to make an appreciable impact on online gambling harm. It is well established that mandatory deposit limits for all users are needed to prevent and address the harms caused by online gambling. We strongly recommend that the draft Code be amended to require mandatory standard deposit limits for all customers.

It is also critical that the Code includes an explicit requirement that customers not be able to use credit cards and “buy now, pay later” services as a deposit payment method.

4. Marketing activities

We note that the draft Code requires marketing to be socially responsible, to be in accordance with legislation, not primarily directed at under-18s, not sent to people who have opted out of marketing, and that direct contact is not made with non-customers, people who have not gambled with the service for 12 months, or people who have opted out.

These requirements simply do not go far enough. We draw the Commission’s attention to the findings of the Australian Parliament’s inquiry into online gambling. A very important recommendation of the June 2023 report of the inquiry was for a phased, comprehensive ban on online gambling advertising. The inquiry found that the “inescapable torrent” of gambling advertising is normalising online gambling and its links with sport, grooming children and young people to gamble, and encouraging riskier behaviour. Many people raised concerns with the Committee that the volume of gambling advertisements and the way that gambling is marketed with sport “makes gambling seem like a normal, sociable and risk-free activity that is intrinsic to enjoying sport”. The inquiry found a strong association between advertising and gambling harm: “Exposure to advertising can normalise gambling participation, lead to early uptake of online gambling and increased risk of harm and can encourage impulse betting and continued and intensified wagering”. As noted by the Committee, there is strong public support for bans on gambling advertising.

In line with these findings, the Alliance calls for the NT Code to include a comprehensive ban on all forms of advertising of online gambling, to all members of the public.

5. Inducements

We note that the draft Code states that licensees may not offer inducements to people to open an account or refer another person; and that winnings from “free bets” must be able to be withdrawn immediately and not required to be wagered.

These requirements barely begin to address the issue of inducements. Recent research has established that online gambling inducements cause significant harm:

- Inducements often lead to increased, more impulsive, and more risky betting, as well as strong temptations to drop resolutions around controlled gambling in treatment-seeking gamblers.
- Gamblers tend to underestimate the true cost of wagering inducements and overestimate the potential benefits.
- Gamblers experiencing or at risk of gambling harm are particularly vulnerable to harm from inducements.
- Online gambling inducements increase the likelihood of gamblers developing “chasing” behaviour and experiencing perceived loss of control, both of which are known to be central to the development of gambling addictions.
- Direct messaging to gamblers via e-mails, texts, and phone calls from gambling operators is particularly implicated in influencing higher risk gambling.

The Parliamentary Inquiry into Online Gambling (June 2023), found that inducements significantly contribute to gambling harm, and that “banning inducements and inducement advertising is a key measure for reducing online gambling harm and ensuring that one of the significant incubators of gambling harm, VIP programs, have no place in Australia.”

The Alliance concurs with this finding. We strongly recommend that the draft NT Code be amended to ban all forms of online gambling inducements and inducement advertising.

6. Fair and transparent Terms and Conditions

The draft Code requires licensees to ensure Terms and Conditions are clear and transparent, lawful, easily available to customers, and that customers are asked to accept any changes.

We view these provisions as necessary, but not sufficient to prevent harm. We know that the majority of users “tick the box” without having read all of the Terms and Conditions, and sometimes without having read any.

7. Training

We note the requirements in the draft Code that employees and relevant third parties must undertake responsible service training and complete annual refresher training, and that a register of this training be maintained.

We recommend that these requirements be strengthened, as follows:

- Training on prevention of gambling harm for new employees working with a licensee or third party must be completed before the employees commence their employment.
- The training should be renamed to reduce the stigma associated with the term “responsible gambling”, and stories from those with lived experience must be highlighted to all staff to build understanding.
- Training should be developed by independent public health professionals with expertise in the prevention of gambling harm, and should be regularly updated to ensure it reflects the most recent and relevant public health research into gambling harm.

8. Third parties

We note the requirement that third parties authorised by the licensee to interact with customers on its behalf are bound by the same provisions in the Code as the licensee itself. We view this requirement as being appropriate.

9. Online wagering incident register

The draft Code requires that licensees maintain a register of all customers identified at risk, and the actions taken by the licensee. This is a useful first step, but we recommend consideration of the following issues:

- How will the regulator ensure that licensees are indeed registering all such incidents?
- How might the data collected in these registers be used; for example, might there be value in deidentified information from these registers being made available for research into the prevention of gambling harm?

10. Children

The draft Code requires that licensees take measures to ensure that children do not engage in online wagering, are not induced to do so, and are not employed by the licensee.

Again, these requirements are necessary but not sufficient to prevent harm. More specific requirements are needed around how children are identified/excluded from online gambling platforms, and strong penalties are needed for failure to meet these obligations.

We also note that banning of online gambling advertising and inducements are critical measures that will help to avoid harm to children.

11. Intoxicated customers

The draft Code requires that licensees take all reasonable steps to prevent a customer from wagering if suspected of being drunk or under the influence of drugs. This is appropriate; however, the Code requires a definition/examples of how such situations will be identified, and what the “reasonable steps” are in this context.

Implementation of the NT Code of Practice

It is critical that the requirements of the NT Code of Practice for Safer Online Wagering are in fact requirements, not merely suggestions. It is therefore essential that the Code is mandatory rather than voluntary, and is strongly enforced by an effective regulator, with significant penalties in place for non-compliance.



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