



AUSTRALIAN
WAGERING
COUNCIL

Accessing illegal offshore wagering operators:

An examination of some of these websites (accessed 8 October 2014) of offshore wagering operators reveals how easy it is for an Australian punter to wager on sport, including online in-play.

The companies profiled here represent only a few of the offshore operators offering online gambling services to Australians and the screen shots were taken on a slow day for sport nationally and internationally.

Many offshore operators will not provide access to markets until the customer logs into their account, so screen shots are unavailable.

BetVictor: <http://www.betvictor.com/live/en>

Licensed by the government of Gibraltar and regulated by the Gibraltar Gambling Commissioner.

The screenshot shows the BetVictor website interface. At the top, there's a navigation bar with 'SPORTS', 'IN-PLAY', 'VIRTUAL SPORTS', 'CASINO', 'POKER', 'GAMES', 'SLOTS', and 'LIVE CASINO'. The 'IN-PLAY' section is active. On the left, there's a sidebar with 'Live Sports Betting' and a list of sports: Football (1), CS Uruguay v Herediano, Tennis (10), Cricket (1), South Australia v Western Australia, Basketball (2), and Beach Volleyball (1). The main content area displays a live cricket match between South Australia and Western Australia. The score is 147 AO for South Australia and 133/7 for Western Australia. A 'Latest News' section shows 'Wicket - South Australia'. On the right, there's a 'BETSLIP' section for the South Australia bet, showing a stake of 20.00 and potential returns of 180.00. Below the bet slip, there's a 'Please Log In' message and a login form.

Screen shot: A \$20 online in-play bet ready to be placed on South Australia to beat Western Australia in the cricket, Australia, 8 October 2014

The screenshot shows the BetVictor website interface. At the top, there's a navigation bar with 'SPORTS', 'IN-PLAY', 'VIRTUAL SPORTS', 'CASINO', 'POKER', 'GAMES', 'SLOTS', and 'LIVE CASINO'. The 'IN-PLAY' section is active. On the left, there's a sidebar with 'Live Sports Betting' and a list of sports: Football (3), CD Plaza Amador v Sporting San Miguelito, Chepo FC v Chorrillo FC, San Francisco FC v Alianza Fc, Tennis (3), Cricket (1), Basketball (2), and Baseball (1). The main content area displays a live soccer match between CD Plaza Amador and Sporting San Miguelito. The score is 0-1. A 'Latest News' section shows '68' Corner Kick Sporting San Miguelito'. On the right, there's a 'BETSLIP' section for the Sporting San Miguelito bet, showing a stake of 20.00 and potential returns of 21.43. Below the bet slip, there's a 'PLACE BETS NOW' button and a promotion for '£25 FREE BET' for new customers.

Screen shot: Live South American soccer betting, 8 October 2014

GUTS <https://www.guts.com/en/Sports/Live>

Licensed and regulated by Maltese Lotteries and Gaming Authority under the laws of Malta. Large focus on online in-play with the slogan WHY WAIT.

The screenshot shows the GUTS Sports Casino website interface. At the top, there's a navigation bar with 'SINO MOBILE', the GUTS logo, and a 'WHY WAIT' slogan. A login section includes fields for 'Username or email' and 'Password', a 'LOGIN' button, and links for 'FORGOT PASSWORD' and 'SIGN UP NOW!'. Below the navigation bar, there are tabs for 'BETTING', 'STATISTICS', and 'LIVESCORE'. The main content area displays a live tennis match: 'TENNIS > AUSTRALIA > ITF MEN AUSTRALIA 2014 > CURRENT MATCH LIVE NOW'. The match is between Jarmere Jenkins and Thomas Fancutt. A betting slip is open on the right, showing a bet on 'Who wins game 6, second set - Thomas Fancutt' with odds of 7.50. The stake is 20, and the potential win is 150. A banner for a '\$300 WELCOME PACKAGE' is visible at the bottom right.

	1st	2nd	3rd	Sets	Points
JARMERE JENKINS	6	3	-	1	0
THOMAS FANCUUTT	4	2	-	0	0

	Over	Games	Under
Jarmere Jenkins - Thomas Fancutt	1.35	8.5	2.85
	1.97	9.5	1.72
	7.00	10.5	1.06

	Jarmere Jenkins	Thomas Fancutt
Who wins game 6, second set		
Jarmere Jenkins - Thomas Fancutt	1.06	7.50
Match Winner, second set	Jarmere Jenkins	Thomas Fancutt
Who wins game 7, second set	Jarmere Jenkins	Thomas Fancutt

BETTING SLIP

SINGLE(S) MULTIPLES SYSTEM

1 Single(s) Odds

Who wins game 6, second set - Thomas Fancutt 7.50

Stake 20

To Win 150

Remove all

LOGIN ABOVE TO PLACE BET

\$300 WELCOME PACKAGE
+ 100 FREE SPINS ON STARBURST

Screen Shot: A \$20 online in-play bet ready to be placed on Thomas Fancutt to beat Jenkins at the ITF Mens Australian Tournament in Cairns, Australia, 8 October 2014.

The screenshot shows the GUTS Sports Casino website interface. At the top, there's a navigation bar with 'SPORTS CASINO BLOG', the GUTS logo, and a 'WHY WAIT' slogan. A login section includes fields for 'Username or email' and 'Password', a 'LOGIN' button, and links for 'FORGOT PASSWORD' and 'SIGN UP NOW!'. Below the navigation bar, there are tabs for 'BETTING', 'LIVE BETTING', 'STATISTICS', and 'LIVESCORE'. The main content area displays a live basketball match: 'BASKETBALL > UNITED STATES > NBA 2014/2015 > CURRENT MATCH LIVE NOW'. The match is between Los Angeles Clippers and Golden State Warriors. A betting slip is open on the right, showing a bet on 'Match Winner, Full Time Including Overtime - Los Angeles Clippers' with odds of 1.45. The stake is 20, and the potential win is 29. A banner for a '\$300 WELCOME PACKAGE' is visible at the bottom right.

	1st	2nd	Half Time	3rd	4th	Total
LOS ANGELES CLIPPERS	28	7	35	-	-	35
GOLDEN STATE WARRIORS	24	11	35	-	-	35

	Home	Away
Match Winner, Full Time Including Overtime		
Los Angeles Clippers - Golden State Warriors	1.45	2.50
Asian Handicap, Full Time Including Overtime		
Los Angeles Clippers - Golden State Warriors	1.80	1.87
	-4.5	+4.5

	Over	Points	Under
Points Over/Under, Full Time Including Overtime			

BETTING SLIP

SINGLE(S) MULTIPLES SYSTEM

1 Single(s) Odds

Match Winner, Full Time Including Overtime - Los Angeles Clippers 1.45

Stake 20

To Win 29

Remove all

LOGIN ABOVE TO PLACE BET

Screen shot: online in-play US basketball, 8 October 2014

TENNIS ▶ THAILAND ▶ ITF WOMEN BANGKOK 2014 ▶ CURRENT MATCH

LIVE NOW

	2SET	1st	2nd	3rd	Sets	Points
diano	EMA MIKULCIC	2	2	-	0	0
Half time	🟡 JIA JING LU	6	1	-	1	0
Ryan	▼ Match Winner	Ema Mikulcic		Jia Jing Lu		
Hozumi	Ema Mikulcic – Jia Jing Lu	2.85		1.35		
es	▼ Match Winner, second set	Ema Mikulcic		Jia Jing Lu		
	Ema Mikulcic – Jia Jing Lu	1.60		2.15		
tra	▼ Games Over/Under, second set	Over		Games		Under
ovanovic	Ema Mikulcic – Jia Jing Lu	1.01		7.5		10.50
		1.18		8.5		4.00
Lu		1.72		9.5		2.00
a		3.20		10.5		1.28
	▼ Who wins game 4, second set	Ema Mikulcic		Jia Jing Lu		
	Ema Mikulcic – Jia Jing Lu	2.25		1.58		
on Riske	▼ Who wins game 5, second set	Ema Mikulcic		Jia Jing Lu		
	Ema Mikulcic – Jia Jing Lu	1.67		2.10		
her	The time display show within live betting serves as an indicator. The company takes no responsibility for the correctness and currentness of the displayed information such as score or time					

Screen Shot: Online in-play markets available for the a match in the Women's Tennis Open Bangkok, 8 October 2014

BetJack <http://www.betjack.co/default.asp>

Licensed in the Republic of Vanuatu by the Ministry of Finance and Economic Development and regulated by the Vanuatu Gaming Commission.

Note: State police services and Racing Victoria have been investigating Betjack for a number of years due to a high volume of complaints from Australian customers unable to withdraw funds from their accounts from Betjack accounts and suspicions of links to organised crime. Betjack has recently ceased offering services to customers after having their Gold Coast based premises (operating illegally) raided by the Queensland Police in May 2015. Police believe the principals of the Betjack operation have recommenced trading under a different company name.

The screenshot shows the Betjack website interface. At the top, there's a navigation bar with links: HOME, ABOUT, BANKING, ID REQUIREMENTS, RULES, RACING, and SPORTS. The main content area is divided into two columns. The left column has a 'RACING' section with links for 'Today's Racing', 'Tomorrow's Racing', 'Feature Gallops', and 'Results'. Below that is a 'SPORTS' section with a 'LIVE BETTING' button and a list of sports: AFL Futures, Basketball Futures, Boxing, Cricket, Cricket Australia V India Test Series, Cricket Futures, Cricket T20 Big Bash, Golf, Gridiron, Gridiron Futures, Ice Hockey, Ice Hockey Futures, Motor Sport, NRL Auckland Nines, Rugby League, Rugby Union, Rugby Union Futures, Soccer, and Australian A-League. The right column is titled 'AUSTRALIAN A-LEAGUE' and shows a table of upcoming matches. The table has columns for 'Win', 'Draw', and 'refresh'. The matches are listed by date and time, with the teams and their odds displayed. The matches are: Friday 10-Oct 7:40PM at Bluetongue Stadium (Central Coast Mariners vs Newcastle Jets), Saturday 11-Oct 5:00PM at Etihad Stadium (Melbourne Victory vs Western Sydney Wanderers), Saturday 11-Oct 7:00PM at Suncorp Stadium (Brisbane Roar vs Adelaide United), Saturday 11-Oct 7:30PM at Sydney Football Stadium (Sydney FC vs Melbourne City FC), and Sunday 12-Oct 4:00PM at Westpac Stadium (Wellington Phoenix FC vs Perth Glory). Each match entry includes the teams' names, their odds, and a link to 'All Exotics'. Below the table, there is a note: 'All betting is on the result after 90 minutes'.

AUSTRALIAN A-LEAGUE		Win	Draw	refresh
Friday 10-Oct 7:40PM at Bluetongue Stadium				
Central Coast Mariners	2.14	3.25	All Exotics	
Newcastle Jets	3.30			
Goal Margin HT-FT Double Number of Goals In Match				
Saturday 11-Oct 5:00PM at Etihad Stadium				
Melbourne Victory	2.18	3.30	All Exotics	
Western Sydney Wanderers	3.15			
HT-FT Double Number of Goals In Match Goal Margin				
Saturday 11-Oct 7:00PM at Suncorp Stadium				
Brisbane Roar	1.82	3.60	All Exotics	
Adelaide United	3.90			
Goal Margin HT-FT Double Number of Goals In Match				
Saturday 11-Oct 7:30PM at Sydney Football Stadium				
Sydney FC	2.48	3.40	All Exotics	
Melbourne City FC	2.64			
Goal Margin HT-FT Double Number of Goals In Match				
Sunday 12-Oct 4:00PM at Westpac Stadium				
Wellington Phoenix FC	2.34	3.35	All Exotics	
Perth Glory	2.85			
HT-FT Double Number of Goals In Match Goal Margin				

All betting is on the result after 90 minutes

Screen shoot of upcoming sports events on which Betjack will offer online inplay, including all matches of this weekend's opening round of the A League soccer, 8 October 2014.

10bet.com <http://www.10bet.com/live-betting/>

Licensed in Curacao

The screenshot displays the 10Bet website's live betting section. The top navigation bar includes 'Sports', 'Live Betting', and 'Casino'. Below this, a secondary bar offers 'Overview', 'Event View', 'Asian View', 'Live Schedule', and 'Live Chat'. The left sidebar lists various live events under categories like 'Live Now', 'Soccer (5)', 'Tennis (25)', and 'Basketball (1)'. The main content area is divided into two panels. The top panel shows a live match between Tomas Berdych [CZE] and Richard Gasquet [FRA] at ATP Shanghai, with a score of 6-3 / 0-0 in the 2nd set. The bottom panel provides detailed betting options for this match, including Winner, Set Betting (Correct Score), Games : Handicap, Games : Over/Under, 2nd Set : Winner, 2nd Set Total Games, and 2nd Set Exact Score.

Winner			
Tomas Berdych [CZE]	1.10	Richard Gasquet [FRA]	6.50

Set Betting (Correct Score)			
2-0	1.27	1-2	5.65
2-1	4.60		

Games : Handicap			
Tomas Berdych [CZE]	-4.5	1.60	Richard Gasquet [FRA]
			+4.5 2.20

Games : Over/Under			
Over	20.5	1.80	Under
			20.5 1.90

2nd Set : Winner			
Tomas Berdych [CZE]	1.31	Richard Gasquet [FRA]	3.20

2nd Set Total Games			
Over	7.5	1.01	Under
			7.5 11.50
Over	8.5	1.12	Under
			8.5 4.75
Over	9.5	1.42	Under
			9.5 2.55
Over	10.5	2.75	Under
			10.5 1.36
Over	12.5	3.75	Under
			12.5 1.21

2nd Set Exact Score			
6-0	51.00	0-6	91.00
6-1	30.00	1-6	37.00
6-2	6.35	2-6	38.00
6-3	10.25	3-6	6.65
6-4	2.75	4-6	17.75
7-5	11.00	5-7	21.00
7-6	5.35	6-7	8.00

Screen Shot of live betting options on Tomas Berdych v Richard Gasquet, Shanghai, 8 October 2014

Stan James <http://www.stanjames.com/>

Licensed by the government of Gibraltar and regulated by the Gibraltar Gambling Commissioner.

StanJames.com - In-Play betting while you watch live sport

www.stanjames.com/

Leading UK in-play bookmaker, offering wide range of betting opportunities on all sports. Whatever your sport. We also offer virtual racing and games.

[Sports](#) - [Casino](#) - [In-Play](#) - [Games](#)

Screen Shot of Stan James Google search: highlights the value offshore operators place on using online in-play as a marketing tool.

The screenshot displays the StanJames.com website interface. At the top, there's a navigation bar with links for Sports, In-Play, Casino, Poker, Games, Mobile, and Live Dealer. Below this, a sidebar on the left lists various sports events, including football matches like 'Persela Lamongan vs Arema Indone...' and 'Bohemians 1905 vs Slavia Prag...'. The main content area features a live cricket match between India and West Indies. The score is 100/2 for West Indies after 18 overs. The 'Match Winner' section shows odds for India (1/3) and West Indies (9/4). The 'West Indies Total Runs 3-Way (50 Overs)' section shows odds for Under 276 (EVS), 276-284 (7/1), and Over 284 (EVS). On the right, a 'Betslip' panel shows a bet of £20.00 at odds of 9/4, with an estimated return of £65.00. The total stake is £20.00, and the estimated return is £65.00. There are checkboxes for 'Retain selections after placement' and 'Accept higher odds', and a 'Place Bet' button.

(BST) 11:24:13 UK English Help Odds Forgot password? Remember Username Password Login Open Account Betslip 1

StanJames.com

SPORTS **IN-PLAY** CASINO POKER GAMES MOBILE LIVE DEALER

Overview Event View Virtual

Now

Football

Persela Lamongan vs Arema Indone...
Second Half | 2 - 2

Bohemians 1905 vs Slavia Prag...
Second Half | 1 - 2

Bohemians 1905 18/1
Draw 19/4
Slavia Prague 1/6

Romania U19 vs Cyprus U19
First Half | 0 - 0

Romania 8/13

Cricket-ODI In Play

One Day International

India

West Indies 100/2

Over 18 - West Indies scored 8

Match Winner

India 1/3 West Indies 9/4

West Indies Total Runs 3-Way (50 Overs)

Under 276 EVS
276-284 7/1
Over 284 EVS

Betslip Open Bets

Singles (1) Remove All

West Indies X

£ 20.00 @ 9/4 Est. Returns: £65.00

Total Stake: £20.00
Estimated Return: £65.00

☐ Retain selections after placement
☐ Accept higher odds

Place Bet

Screen Shot \$20 online in-play bet on West Indies v India One Day International. 8 October 2014

Intertops

<http://www.intertops.eu/frame.aspx>

Licensed by the authorities in Antigua and Barbuda, and in Kahnawake/Quebec.

ATP - Shanghai, China		
0-0 Simon, Gilles v Wawrinka, Stanislas		
Match Winner	Simon, Gilles 3.05	Wawrinka, S... 1.35
Set 3 Game 7 Winner	5.25	1.12
Over Under		
Match Games 33.5	1.45	2.55
Match Games 35.5	2.25	1.60
Match Games 36.5	3.15	1.30
Simon, Gilles Draw Wawrinka, S...		
To Win Games 7 and 8 in Set 3	7.25	1.40 4.00

SIMON, GILLES

SHANGHAI, CHINA

WAWRINKA, STANISLAS

0

3RD SET

0

1 2 3

SIMON, GILLES

5 7 2 1

WAWRINKA, STANISLAS

7 5 3 1

BET SLIP

SINGLE BETS

Simon, Gilles v Wawrinka, Stanislas

✖ Wawrinka, Stanislas @ 1.35

Stake

Returns 27.00

A \$20 online in-play bet ready to be placed on Stan Wawrinka to beat Simon Gilles in the ATP Tennis Tournament in China, 8 October 2014

Rugby Union - ITM Cup			
15-5 Counties Manukau v Auckland			
Match Winner	Counties Ma... 1.25	Draw 23.00	Auckland 4.05
To Win the Rest of the Match 15:5	2.45	14.75	1.65
1 2			
Draw No Bet	1.20	4.00	
Over Under			
Match Points 41.5	1.55	2.30	
Match Points 44.5	1.85	1.85	
Match Points 47.5	2.30	1.55	
Match Points Counties Manukau 25.5	1.85	1.75	
Match Points Auckland 18.5	1.90	1.70	

COUNTIES MANUKAU

15

41

2ND PERIOD

AUCKLAND

5

23'

Yellow Card

Auckland

BET SLIP

SINGLE BETS

Counties Manukau v Auckland

✖ Draw @ 23.00

Stake

Returns 460.00

TOTAL STAKE: 20.00

Remove All

Log On

A \$20 online in-play bet ready to be placed on a draw in the Rugby Union ITM Cup match between Manukau v Auckland, 8 October 2014

Some other operators recommended to Australians include:

PinnacleSports

<http://www.pinnaclesports.com>

Licensed and regulated by the Government of the Netherlands Antilles.

[NB: Distinct from Pinnacle Bet, which is licensed and regulated in Australia]

5 Dimes

http://www.5dimes.eu/sb_live-inplay-wager.html

May be licensed in Costa Rica (although website scant on details), offering online in-play on Soccer, Baseball, Hockey, Football, Basketball and Tennis.

Site	Jurisdiction	AFL 2014 Grand Final		NRL 2014 Grand Final		Cricket World Cup 2015 Aus v Ind		Melbourne Cup 2014
		In-play & Pre Game	Pre Game	In-play & Pre Game	Pre Game	In-play & Pre Game	Pre Game	Pre Game
10bet.com	Curacao		y	y		y		
12bet.com	Asia/UK - has since started geo-blocking Australia				y			
1vice.ag	Costa Rica						y	
1-x-bet.com	Russia			y				
32redsport.com	Gibraltar	y				y		y
5dimes.eu	Costa Rica		y				y	
5plusbet.com	Unknown							
Bestbet.com	Malta			y				
bet-at-home.com	Germany		y	y			y	
Betclic.com	Malta		y		y			
betcris.com	Costa Rica		y			y		
Betdaq.com	Gibraltar - owned by Ladbrokes		y					
Betdsi.eu	Costa Rica		y		y	y		
Betjack.co	Vanautu - disappeared after police raid	y						y
betonline.ag	Panama						y	
betrally.com	Curacao		y	y		y		
betsafe.com	Malta						y	
betsson.com	Malta		y				y	
Betvictor.com	Gibraltar	y		y				
Betway.com	Malta				y			
bodog88.com	Philippines					y		
bookmaker.eu	Costa Rica		y			y		
bovada.lv	US - Kahnawake						y	
boylesports.com	Gibraltar	y				y		y
citibet.net	Philippines							y
cmd368.com	Philippines					y		
comeon.com	Malta		y		y	y		
dafabet.com	Philippines					y		
doxxbet.com	Malta				y		y	
expekt.com	Gibraltar		y	y			y	
global138.com	Philippines		y			y		
goldbetsports.com	Austria						y	

gwbet.com	Austria		y					
intertops.eu	Antigua and Barbuda					y		
interwetten.com	Malta		y				y	
Interwetten.es	Malta			y				
Jetbull.com	Malta			y				
lsbet.com	Curacao						y	
m88id.com	Philippines					y		
marathonbet.com	Curacao	y		y		y		
matchbook.com	Alderney		y			y		
mybet.com	Malta				y		y	
Netbet.com	Malta			y				
nitrogensports.eu	Costa Rica						y	
nordicbet.com	Malta						y	
Noxwin1.com	Malta			y				
oddsring.com	Malta							
otobet.com	Costa Rica							
pafbet.com	Åland Islands							
pinnaclesports.com	Malta		y				y	
puntingpal.com	Was Vanuatu,now Crownbet - Australia							y
racebets.com	Malta							y
redbet.com	Malta							
Redkings.com	Gibraltar			y				
roadbet.com	Malta						y	
sbobet.com	Philippines					y		
sportingindex.com	England	y				y		
Sportium.es	Spain				y			y
sports.vernons.com	Alderney		y		y	y		y
sportsbet.co.za	South Africa		y			y		
sportsbetting.ag	Curacao						y	
sportsinteraction.com	US - Kahnawake						y	
Spreadex.com	Alderney		y		y			
stanjames.com	Gibraltar	y		y		y		y
sunbet.co.za	South Africa		y			y		
tab.co.nz	New Zealand	y				y		
tempobet.com	Malta		y	y		y		
thegreek.com	Antigua and Barbuda						y	
Tipico.com	Malta				y			
Titanbet.com	Antigua and Barbuda			y		y		



AANA DISCUSSION PAPER:

AANA WAGERING ADVERTISING & MARKETING COMMUNICATIONS CODE

*A mandatory and enforceable self-regulatory system of advertising and marketing communication by
Australian licensed wagering service providers that complements the existing legal and regulatory framework*

INTRODUCTION

The Australian Association of National Advertisers (AANA) is developing the *AANA Wagering Advertising & Marketing Communications Code* (the Code) to provide a robust framework for mandatory and industry enforced self-regulation of all advertising and marketing communication by licensed Australian-based wagering service providers.

The purpose of this Discussion Paper is to promote a dialogue with all interested stakeholders and to stimulate informed input into the development of a Code. Submissions received in response to this paper will assist the AANA in preparing a draft Code for consideration by the AANA Board.

THE AANA AND SELF-REGULATION

Advertising and marketing communication plays an important role in the national and international economy and society. It takes many forms, including advertising in traditional and digital media, consumer engagement on social media platforms and direct-to-consumer marketing. It drives consumer choice in the commercial and non-commercial sectors and promotes competition. As a result, it helps consumers and the wider society to be better informed, to achieve insights and understandings and to secure value for money. As a key driver of demand, it enables innovation to be brought to market and stimulates economic growth and employment. More specifically, it underwrites the economic viability of commercial (and some public sector) media and enhances the variety of media content.

The AANA has been the peak national body for advertisers in Australia for over 80 years. It is engaged in a wide range of activities on behalf of its members, including the development of formal self-regulatory mechanisms. These self-regulatory mechanisms serve to protect the interests and rights of consumers by helping to ensure advertising and marketing communication is conducted responsibly. They are also designed to represent the common interests and obligations of companies across all business sectors involved in marketing communication.

AANA's advertising self-regulatory scheme came into operation in 1997 following extensive consultation by AANA with consumers and consumer groups, advertisers and business and government representatives. The system, which has the support of all the major media owners and their associations, includes both code making expertise and an independent complaints handling system administered by the Advertising Standards Bureau. It is a national system that is technology and platform neutral and applies to virtually all marketing communication, whether or not the brand owner is an AANA member.

The AANA Code of Ethics provides the overarching set of principles to which all advertising and marketing communication, across all channels, should comply. The object of the Code of Ethics is to ensure that marketing communication is legal, decent, honest and truthful and that it has been prepared with a sense of obligation to the consumer and society and a sense of fairness and responsibility to competitors. The Code of Ethics is widely regarded as the standard for ethical behaviour by advertisers and marketers as well as advertising and marketing agencies. The vast majority of complaints dealt with

by the Advertising Standards Bureau relate to elements of this over-arching Code.

In addition to the Code of Ethics, the AANA currently administers three other codes:

- Food & Beverages Advertising and Marketing Communications Code
- Advertising & Marketing Communications to Children Code
- Environmental Claims in Advertising and Marketing Code

AANA codes are acknowledged and supported by government as an important self-regulatory mechanism to assist in achieving public policy outcomes.

The AANA Codes are:

- incorporated by reference in other industry sector codes which are subject to legislation e.g. the Broadcasting Services Act 1992 and the Commercial Television Industry Code of Practice;
- referenced in other industry specific self-regulatory codes and initiatives such as the ABAC Responsible Alcohol Marketing Code, the Outdoor Media Association Code of Ethics and the Australian Food and Grocery Council responsible marketing initiatives;
- promoted by commercial enterprises including through their legal and advertising policies; and
- covered in advertising and marketing education and widely referenced in education materials such as marketing textbooks.

A key strength of the AANA self-regulatory system is the commitment to regular review and amendment of the Codes to maintain universality (application to all media and all brands) and to address specific problem areas. Examples include the extension of the Codes to apply to marketing in all media formats, including social media and user-generated content, which is within a brand owner's control.

Compliance with the codes is enforced by the Advertising Standards Bureau, an operationally-independent complaints handling and dispute resolution service. Complaints to the Bureau are adjudicated by the Advertising Standards Board, made up of individuals who are representative of the wider community. This complaints-based system offers the public an opportunity to participate in facilitating advertisers' compliance with the codes. It provides a free, open and transparent mechanism to address concerns about the content of advertisements and other marketing communication. Further information on the complaints procedures and complaint outcomes is available at www.adstandards.com.au.

CONSULTATION PROCESS

Consultation on the Discussion Paper will be undertaken through:

- written submissions from any interested party; and
- discussions between interested stakeholders and the AANA.

The information gathered through these processes will assist the AANA to clarify the issues and formulate the AANA Wagering Advertising & Marketing Communications Code.

The AANA invites submissions from all interested parties. Written submissions or enquires on this discussion paper may be made as follows:

By email: aanasubmissions@aana.com.au

By mail AANA Wagering Code Discussion Paper
 Suite 301, 100 William Street
 Sydney NSW 2011

The closing date for submissions is 5pm on 18 December 2015.

AANA requests that all submitters clearly identify:

- the name of the party making the submission;
- the organisation or interest group represented by the submission (where relevant); and
- contact details – including telephone number, postal address and email address (if available).

DEVELOPMENT OF THE AANA WAGERING ADVERTISING AND MARKETING COMMUNICATION CODE

Development of the Code will take into consideration the environment within which the Code will exist, including the industry context and the existing regulatory framework. This will help to determine the scope, purpose and application of the Code. This section of the discussion paper describes the context for and key features of the Code, posing questions about what should be included in the final Code.

INDUSTRY CONTEXT

A number of current contextual industry issues would be taken into consideration in the development of the Code. These include the impact of the international environment, the current and potential scope of wagering services, the relevance of the Code and the potential benefits that could be realised.

In terms of the international perspective, there must be recognition of the fact that the wagering and sportsbetting industry is global in its reach and Australia cannot act in isolation from the global market. With this in mind, it is imperative that stakeholders distinguish the relatively small group of highly regulated Australian licensed wagering service providers from the thousands of illegal offshore online gambling operators that offer services to Australian residents with much less rigorous regulatory standards. Australia wide, as at January 2015, there were approximately 56 online sports and race wagering sites accepting customers from Australia, using Australian Dollars¹.

There is also the potential for overly burdensome advertising and promotional restrictions on licensed Australian-based wagering service providers to have the unintended consequence of encouraging offshore operators to further target Australian consumers, putting domestic wagering providers at a significant commercial disadvantage and channelling Australian demand for an established industry offshore beyond the reach of Australian regulations and potential taxation revenues.

The development of national standards for harm minimisation and consumer protection that cover advertising, responsible gambling, licensing requirements and probity standards must be evidence-based, not detrimental to the competitiveness of the industry and achievable from an operational and technical perspective. The Code must reflect these criteria if it is to be effective and relevant.

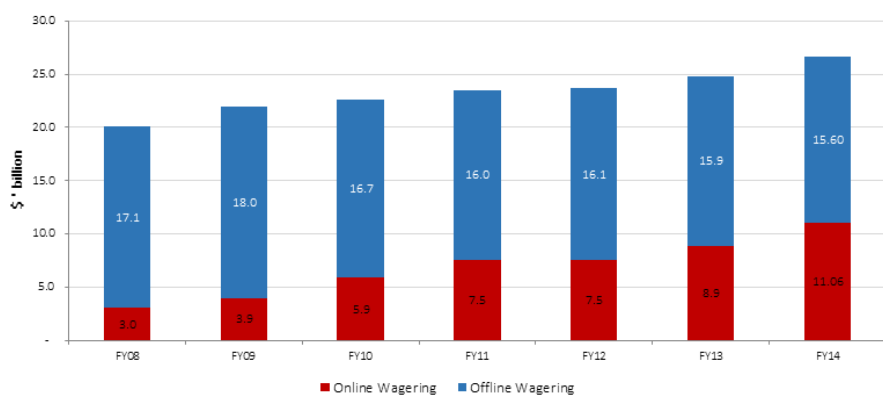
In terms of the size and shape of the wagering and sportsbetting industry, while there has been only moderate growth in wagering turnover from 2007, there has been a material shift in the betting channels where that spend is occurring. Improved technology and better innovation has seen a shift from the more traditional wagering channels (i.e. retail outlets, on-course and phone operators) to online channels such as websites and mobile applications using computers, digital television, smart phones and tablet devices.

Figure 1 below shows total wagering turnover from 2008 to 2014 and the relative contributions of the

¹ Gambling Research Australia Report, *Marketing of Sports Betting and Racing*, Dr Sally Gainsbury, et al, May 2015.

on-course, retail, telephone operator and internet channels and illustrates the growth in the internet and mobile channel and the decline in the retail and telephone channels.

Figure 1: Australian Wagering Industry Turnover by Channel



With this in mind, the Code must be applicable across both traditional and emerging platforms, as well as those platforms which have not yet been developed. Platform neutrality of the Code, meaning that it applies to wagering advertising and marketing regardless of how that wagering service is delivered, ensures that it remains relevant in the future.

The Code should also not deter the advertising of wagering and sportsbetting services offered by Australian licensed wagering service providers from offering a range of functions², such as:

- informing consumers about the relative characteristics of wagering products;
- informing consumers of the identity of licensed Australian-based wagering service providers through which they can participate in wagering in a highly controlled and consumer protected environment while avoiding the significant dangers which exist from wagering with illegal offshore operators;
- promoting competition, and therefore efficiency, by informing consumers of the existence of multiple suppliers of wagering products (particularly new entrants);
- developing 'brand' recognition with associated incentives for wagering service providers to maintain the quality of their service in order to protect this brand value; and
- ensuring customers receive responsible gambling messages when viewing, where practical, any advertising and marketing activities to ensure they can make informed and responsible decisions about their recreational choices.

² Productivity Commission Inquiry Report, Gambling, 2010, page K1

Consultation questions

1. How can the Code ensure that it does not place overly burdensome regulation on licensed Australian-based wagering service providers while maintaining strong levels of consumer protection, harm minimisation and protection for the integrity of sport and racing and the industry as a whole from the increasing influence of illegal offshore operators?
2. Do you know of any other evidence-based research which could inform the development of the Code? If so, please give details.
3. Are there any other industry issues which would impact the effectiveness of the Code? If yes, please give details.

EXISTING REGULATORY FRAMEWORK FOR WAGERING ADVERTISING IN AUSTRALIA

Australian licensed wagering service providers who wish to advertise their legal wagering products and services in Australia are required to comply with a complex mix of laws, regulations, industry codes and agreements.

In doing so, restrictions arise from a number of sources, including:

1. Gambling legislation at the federal level via the Interactive Gambling Act (IGA) (Cth) 2001 and also concurrently at the relevant state and territory level. State gambling laws remain of relevance in determining how interactive gambling is regulated in Australia. For example, whilst an activity may not be prohibited under the IGA, that does not mean it is necessarily permitted in each state and territory;
2. Australian Consumer Law which provides uniform legislation for consumer protection, applying as law of the Commonwealth of Australia and is incorporated in the law of each of Australia's state and territories;
3. Gambling legislation at a state/territory level - Licensed wagering service providers must comply with jurisdictional state and territory laws which place restrictions on the manner in which they can promote and advertise their wagering services. These restrictions include the requirement to include responsible gambling messages, restrictions on the times advertisements can be placed on broadcast media and limitations on the content of those advertisements;
4. State/territory licensing bodies, such as the Northern Territory Director-General of Licensing

(Director-General) and the Tasmanian Gaming Commission.

5. State/territory regulatory bodies that are responsible for gambling regulation in the respective jurisdiction, such as the South Australian Independent Gambling Authority, which developed the South Australian Gambling Codes of Practice Notice.
6. Sports controlling bodies and racing bodies that govern and oversee events and enter into detailed Product Fee and Integrity Agreements with wagering service providers which set terms for access to their products and require them to comply with numerous obligations including those relating to integrity. For example, the NRL for the State of Origin Series and the AFL for its competitions.
7. National standards for advertising set by broadcast industry codes which include the Commercial Television Industry Code of Practice, Commercial Radio Australia Codes of Practice and the Australian Subscription Television and Radio Association. These codes are developed in consultation with the Australian Communications and Media Authority (ACMA). The ACMA only includes a code in its register if:
 - it is satisfied it provides appropriate community safeguards for the matters covered;
 - it was endorsed by a majority of providers of broadcasting services in that industry sector; and
 - members of the public have been given an adequate opportunity to comment.

It is a standard wagering licence condition that Australian wagering service providers comply with these broadcast industry codes. The broadcast codes are, therefore, a very strong regulatory measure and are effectively a legislative instrument.

For example, advertising restrictions for odds promotions and gambling advertisements in live sport were introduced into the Commercial Television Industry Code of Practice, Commercial Radio Australia Codes of Practice and Australian Subscription Television and Radio Association Codes of Practice in 2013. This resulted in a significant reduction in advertising and promotion of wagering services during live sports broadcasts. Time restrictions are also placed on commercials relating to betting and gambling in the Commercial Television Industry Code of Practice;

8. Advertising industry self-regulatory codes, such as the AANA Code of Ethics, which provide the overarching set of principles with which all advertising and marketing communications, across all media, should comply. The Advertising Standards Board makes determinations on advertisements under this self-regulatory approach. Similar self-regulatory approaches exist in the UK, Italy, France and in Spain³.

³ Gambling Compliance, Gambling Advertising and Sport: A Comparison of Regulated Markets, 2013

WHY IS THE CODE NEEDED?

Industry has a responsibility to ensure that advertising and marketing activities are delivered in a responsible manner with consideration given to the potential impact on Australians adversely affected by gambling. It is recognised that a small proportion of Australians do not gamble responsibly and the community is also concerned about children's exposure to gambling.

The proposed Code would complement the existing legislative, regulatory and industry self-regulatory framework. This would ensure that all advertisers and marketers continue to develop and maintain a high standard of social responsibility in the advertising and marketing of wagering products in Australia whilst balancing the need to protect Australian consumers from the growing influence of illegal offshore operators, often with links to organised crime syndicates, and the subsequent threats of these offshore operators to the integrity of Australian sport and racing.

In 2011, a Parliamentary Joint Select Committee report stated that:

If the ability to advertise and offer inducements in a regulated Australian environment was limited, this could make people more likely to use overseas websites if they are susceptible to such advertising and offers.⁴

On 12 March 2013, the Department of Broadband, Communications and Digital Economy released its 2012 Final Report into the review of the *Interactive Gambling Act 2001 (IGA) (Cth)* calling for industry to establish an advertising code of conduct, recommending:

That the Australian licensed online gambling industry establish an industry code of conduct to ensure such advertising is not contrary to community standards and expectations. (Recommendation 18)⁵.

Members of the AANA who are wagering service providers and the Australian Wagering Council (AWC) have indicated their willingness and desire to work with the AANA to establish an industry code of conduct on advertising and marketing standards, to be administered by the AANA. AANA wagering service provider members and the AWC are committed to delivering their wagering and sportsbetting operations with the highest levels of integrity and social responsibility, and in accordance with the promotion of responsible gambling.

⁴ Parliamentary Joint Select Committee on Gambling Reform, Second report—Interactive and online gambling and gambling advertising; Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011, p. 62.

⁵ Department of Broadband, Communications and the Digital Economy (DBCDE) review of the IGA (DBCDE, 2013). Final Report p. 100

PURPOSE OF THE CODE

The AANA Code of Ethics already applies to advertising and marketing of wagering services in respect of:

- the portrayal of people, or depiction of material, which discriminates or vilifies on account of race, ethnicity, nationality, gender, age, sexual preference, religion, disability, mental illness or political belief;
- the use of sexual appeal which is exploitative and degrading;
- the portrayal of violence;
- the treatment of sex, sexuality and nudity;
- the use of language which is inappropriate in the circumstances, including strong or obscene language; and
- the depiction of material contrary to prevailing community standards on health and safety.

The proposed Code would complement the existing legal and regulatory framework, including the AANA Code of Ethics, to provide protections for Australians and for Australian racing and sport. It would provide a comprehensive set of restrictions which would apply to wagering advertising and marketing communications in any medium or direct to consumer marketing. Complaints would be adjudicated independently by the Advertising Standards Board.

The Code would be designed to ensure that the advertising and marketing of wagering products and services by wagering service providers is:

- undertaken in a socially responsible manner and incorporates evidence-based harm minimisation, consumer protection and responsible gambling standards, particularly in relation to children, young people and vulnerable consumers; and
- conducted in a manner that complies with all relevant Commonwealth and state/territory laws, regulations and codes.

In doing so, the Code would recognise that wagering is a legitimate leisure activity and that the overwhelming majority of Australians who wager on racing and sport do so safely and responsibly and make informed decisions about their recreational choices.

The Code would also recognise that the right to advertise is an important distinguishing legal entitlement granted only to those wagering service providers who have agreed to meet Australian standards and are subject to the strict Australian regulatory environment.

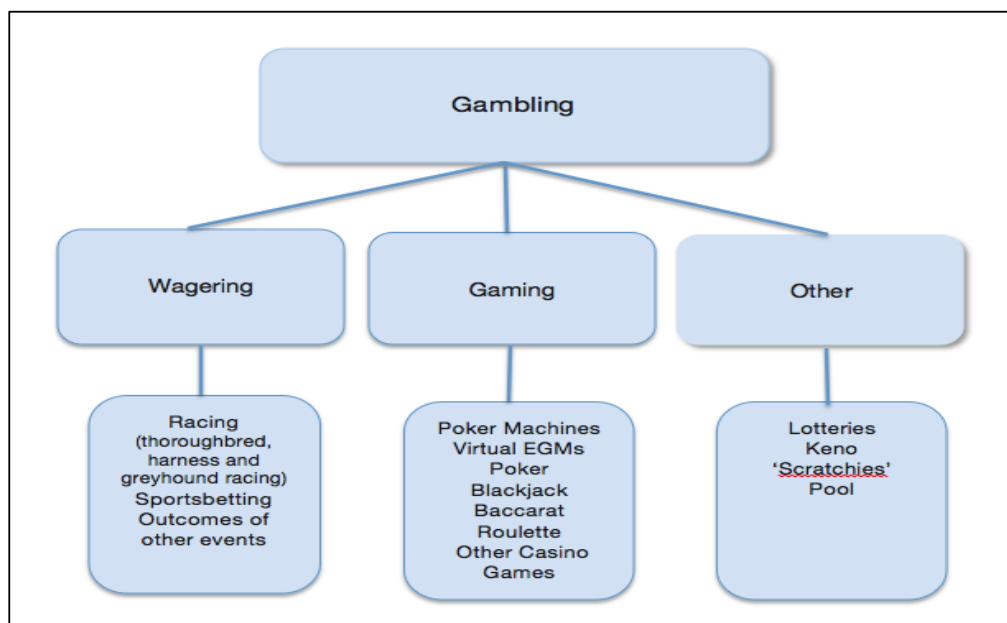
Consultation questions

5. Are any of the purposes detailed above superfluous? If so, why?
6. Are there any other specific purposes which the Code should meet?
7. Are there any other codes or regulations which the Code should reference explicitly or with which it should align?

APPLICATION OF THE CODE

The extent to which gambling advertising is permitted in Australia depends on the forms of gambling involved as shown in Figure 2.

Figure 2: Forms of Gambling



The Interactive Gambling Act 2001 (IGA) (Cth) contains a prohibition on the broadcast or publication of interactive gambling advertisements in Australia but excludes wagering services from this prohibition. It is also illegal for unlicensed offshore operators to advertise in Australia.

As such, the Code would be mandatory for all Australian licensed wagering service providers and would cover the advertising of wagering services – that is thoroughbred, harness and greyhound racing,

sporting events and betting on other events. This includes both traditional retail and online wagering service providers including betting exchanges.

Casinos, casino games, electronic gaming machines, lotto and lottery products and trade promotions would not be covered by the Code as they are not defined as wagering services or products for the purpose of this Code.

The Code would apply to advertising services that are legally permitted. Complaints to the ASB will not be able to be made about whether or not a particular service should be advertised or whether it is able to be advertised. The Code applies to the content of the advertisement not its placement.

The Code would apply to all forms of advertising and marketing communication of wagering products and services undertaken by Australian licensed wagering service providers, irrespective of technology or platform delivery.

The Code WOULD apply to all marketing communication in Australia generated by or within the reasonable control of a marketer. This includes, but is not limited to:

- brand advertising (including trade advertising);
- competitions;
- digital marketing (including mobile and social media and user generated content);
- advertorials; and
- marketing collateral.

The Code WOULD NOT apply to:

- materials or activities whose sole purpose is to educate about responsible gambling and which do not include a company's product branding; or
- information in company annual reports, corporate public affairs messages, or internal company communications.

The Code would seek to ensure that advertising and marketing communication, in the particular industry of wagering services, is prepared in a responsible manner with a sense of obligation to the consumer and society.

A key feature of the self-regulatory system is the benefit to consumers. It is therefore appropriate that, as consumers do not distinguish between types of advertising, neither should the Code. The platform neutral self-regulatory model provides for the ASB to receive all complaints without the consumer having to consider the medium in which the relevant advertisement appeared.

Consultation questions

- 8. Other than wagering on thoroughbred, harness and greyhound racing events and sporting events (including esports and novelty events), are there any additional types of online wagering which should be covered by the Code? If so, please explain why.**
- 9. Is there any reason that certain media formats should not be covered by the Code? If yes, please give details.**

STANDARDS AND PRINCIPLES

The proposed Code would not undermine existing federal and state/territory laws, regulations and obligations that apply to wagering services. These laws will continue to apply.

Wagering advertising and marketing:

- must comply with applicable state/territory and federal laws;
- must comply with all sports controlling bodies and racing bodies obligations; and
- must comply with the relevant industry codes of practices such as the broadcast industry codes (which are registered by the ACMA) and other AANA codes such as the *AANA Code of Ethics*.

The proposed Code would apply to wagering advertising in addition to those requirements.

Complaints may only be made to the ASB for alleged breaches of the proposed Code or other AANA Codes, not in relation to alleged breaches of other laws, regulations or obligations.

Following a review of all jurisdictional requirements and obligations, the following concepts may be considered as the basis to develop standards that could apply to provide the effective and robust framework for the responsible advertising and marketing of wagering products and services in Australia:

In relation to vulnerable persons, wagering advertising and marketing:

- must not depict minors, unless they are shown in an incidental role in a natural situation (for example, in a team playing sport) and where there is no implication they will engage in wagering activities;
- must not depict an adult who is under 25 years of age unless:
 - they are shown in an incidental role in a natural situation (for example, in a team playing sport) and where there is no implication they will engage in wagering activities;
 - they are not engaging in wagering activities in a visually prominent manner; or
 - they are shown in an advertising or marketing communication that has been placed in an age restricted environment such as premises that do not admit minors or a suitably age restricted digital platform;
- must not, with regard to the theme, visuals and language used, be targeted to or appeal particularly to minors;
- must not reflect or be associated with youth culture, including by featuring a character or personality with particular appeal to minors; and
- must respect the need to protect minors and other vulnerable persons from harm or exploitation.

In relation to social responsibility, wagering advertising and marketing:

- must promote responsible gambling;
- must not suggest that winning will be a definite outcome of participating in wagering activities;
- must not suggest that participation in wagering activities is likely to improve a person's financial prospects;
- must not suggest a link between gambling and seduction, sexual success or enhanced attractiveness;
- must not depict or promote the consumption of alcohol whilst engaged in a wagering activity;
- must not expressly state that a customer's skill can influence the outcome of a wagering activity; and
- must ensure that terms and conditions associated with marketing promotions have been made available.

Consultation questions

11. Should any of the standards listed above not be included? If so, why?

12. Are there any other standards which should be explicitly included in the Code? If so, please give details.

PENALTIES FOR BREACHES OF THE CODE

As with existing AANA codes, it is not proposed that there be any financial penalties proposed under the Code, rather the resulting commercial consequences of breaching the Code would constitute sufficient penalty. These consequences would include:

- the direct and indirect costs of withdrawing an advertisement; and
- the reputational cost when a non-compliance decision is made public, including possible adverse media coverage.

There is a 99.5% overall average compliance rate with ASB's determinations during its 16 year history.

COMPLAINTS MECHANISM

The complaint process should be transparent and accessible to all members of the public. The process should provide fairness for complainants and the licensed wagering service providers who advertise their services.

The complaints handling system for the Code would be administered by the Advertising Standards Bureau (ASB), with complaints adjudicated by the Advertising Standards Board (the **Board**). The Board is made up of individuals who are representative of the community and not connected to either the advertising or wagering industries, thereby providing an independent complaints procedure.

The ASB would accept all complaints in relation to the content of advertising and marketing activities of Australian licensed wagering service providers, regardless of the type of media to which they relate, and the Advertising Standards Board would assess any such complaints under the *AANA Code of Ethics*, the *AANA Code of Advertising and Marketing to Children* and the *AANA Wagering Advertising & Marketing Communications Code*. Advertisers and marketers must comply with decisions of the Advertising Standards Board.

The Board would not adjudicate on complaints which are unrelated to advertising, such as the conduct or activities of the licensed wagering operator.

Although a complaint may be about a matter that the Board can consider, a case will not be raised if the issue is one that the Board has consistently considered not in breach of any of the relevant AANA Codes.

Board determinations would be published on the ASB website.

Note: The Advertising Standards Board is funded by a levy on advertising administered by the Australian Advertising Standards Council Ltd.

COMPLAINTS IN RELATION TO OFFSHORE OPERATORS

In relation to offshore operators, the *Interactive Gambling Act 2001* (Cth) contains an express prohibition on the broadcast or publication of interactive gambling service advertisements in Australia by unlicensed offshore operators.

As such, it is proposed that complaints about the advertising and marketing activities of offshore operators will not be determined by the Board but rather complainants should deal with the Australian Communications and Media Authority as is the current practice.

Consultation questions

- 13. Do you have any additional suggestions or comments on the proposed Code?**
- 14. Are there any changes you would suggest to the definitions of the words or phrases in the following Glossary?**
- 15. Are there any words or phrases that need to be added to the Glossary?**

DEFINITIONS/GLOSSARY

In the proposed Code:

Adult means a person who is 18 years old and older.

Advertising or Marketing Communication means:

- A. any material which is published or broadcast using any Medium or any activity which is undertaken by, or on behalf of an advertiser or marketer, and
 - over which the advertiser or marketer has a reasonable degree of control, and
 - that draws attention of the public in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct;
- B. but does not include:
 - labels or packaging for products
 - corporate reports including corporate public affairs messages in press releases and other media statements, annual reports, statements on matters of public policy and the like
 - in the case of broadcast media, any material which promotes a program or programs to be broadcast on that same channel or station.

Advertising Standards Board means the board appointed by the Advertising Standards Bureau from time to time, the members of which are representative of the community to administer a public complaints system in relation to Advertising or Marketing Communications.

Australian Association of National Advertisers (AANA) means the association responsible for representing Australia's national advertisers and for developing the self-regulatory system for advertising and marketing communication which is underpinned by an independent, transparent and robust complaints handling system administered by the ASB.

Australian Communications and Media Association (ACMA) means the independent statutory authority tasked with ensuring Australia's media and communications legislation, related regulations, and codes of practice, such as the broadcast industry codes operate effectively and efficiently, and in the public interest.

Children and Young People – see Minors.

Proposed Code means the AANA Wagering Advertising & Marketing Communications Code.

Digital Advertising means advertising through digital platforms including (but not limited to) social media, applications, blogs, brand websites, instant messaging, livecasting, microblogs, mobile communications and messaging, online/banner advertising and social networks

Direct to consumer includes any direct communication between a marketer and consumers, including but not limited to print, electronic or face-to-face.

Medium means any medium whatsoever including without limitation cinema, internet, outdoor media, print, radio, telecommunications, television or other direct to consumer media including new and emerging technologies.

Minors refers to persons younger than 18 years of age.

Online Wagering means those wagering activities permitted in Australia under the Interactive Gambling Act 2001 (IGA) (Cth) which are provided online.

Prevailing Community Standards means the community standards determined by the Advertising Standards Board as those prevailing at the relevant time in relation to Advertising or Marketing Communications.

Vulnerable person means people who can reasonably be considered to be vulnerable because of factors such as mental, social or emotional immaturity; impaired judgment, for example because of alcohol or other drug addiction.

Wagering means a product or service which relates to betting on, or on a series of, horse races, harness races, greyhound races, or sporting events; or a product or service which relates to betting on an event, or a series of events or other contingencies.

IP and Financial Transaction Blocking in the context of Online Wagering

EXPERT OPINION

Executive Summary of Opinion

Two options which have been identified to tackle the growing threat of the provision of illegal wagering services to Australians by online offshore betting operators (offshore operators) are:

1. blocking of financial transactions by Australian residents with designated prohibited offshore operators; and
2. blocking of access by Australian residents to websites of designated prohibited offshore operators.

In summary, on merit and feasibility neither of these two options work successfully. Restrictions such as financial and ISP blocking of online gambling services are inefficient, easily circumventable and drive consumers towards the black market as evidenced in markets where such measures have been introduced. Making parallels with other online issues (from intellectual property rights through to online child exploitation) the use of financial transaction and IP blocking has not been successful in curbing illegal use.

The report below sets out more detail on the reasons for my opinion on these options, together with some valuable context.

Background on Online Wagering and Introduction

The Commonwealth *Interactive Gambling Act (2001)* (IGA) was introduced to minimise the scope for problem gambling online among Australians by limiting the provision of online gambling services to Australians through interactive technologies such as the internet.¹

The IGA imposes a broad prohibition on the provision of ‘interactive gambling services’², including online wagering services. There are a number of exceptions to this general prohibition³, including:

- an exception for services that relate to betting on horse races, harness races, greyhound races or sporting events⁴; and
- a general exception for telephone betting services⁵.

However, the exception for betting on sporting events does not apply to the extent that the relevant service relates to betting on the outcome of an event, or a contingency that may or may not happen during the course of an event, where bets are placed after the beginning of the event⁶ (hereafter referred to as ‘in-play betting’).

The net result of this lack of platform neutrality is a regime under which in-play betting is allowed on horse, harness or greyhound races or where the bets are placed using a telephone betting service (or through traditional TAB retail stores), but is not allowed on other sporting events where the bets are placed online.

About the Author

Nigel Phair is an influential analyst on the intersection of technology, crime and society. He has published two acclaimed books on the international impact of cybercrime, is a regular media commentator and provides executive advice on cyber security issues. In a 21 year career with the Australian Federal Police he achieved the rank of Detective Superintendent and headed up investigations at the Australian High Tech Crime Centre for four years.

About the Centre for Internet Safety

The Centre for Internet Safety at the University of Canberra was created to foster a safer, more trusted Internet by providing thought leadership and policy advice on the social, legal, political and economic impacts of cybercrime and threats to cyber security.

The Centre for Internet Safety is hosted within the Faculty of Law at the University of Canberra. The University of Canberra is Australia's capital university and focuses on preparing students for a successful and rewarding career.

www.canberra.edu.au/cis

¹ Federal Department of Broadband, Communications and the Digital Economy, Review of the *Interactive Gambling Act 2001* Final Report 2012, p. 21, with reference to Explanatory Memorandum—*Interactive Gambling Bill 2001* (Cth)

² Defined in section 5 of the IGA

³ See section 5(3) of the IGA

⁴ Federal Department of Broadband, Communications and the Digital Economy, Review of the *Interactive Gambling Act 2001* Final Report 2012, p. 21, with reference to Explanatory Memorandum—*Interactive Gambling Bill 2001* (Cth)

⁵ *ibid*

⁶ *ibid*, p. 120

The IGA has created a number of offences surrounding the offering of interactive gambling services to Australian residents. Since the inception of the IGA, the Federal Government has conducted a number of inquiries into the effectiveness of the IGA including:

- the Productivity Commission's *Inquiry into Gambling* in 2010 which culminated in a formal report⁷; and
- the Digital Economy *Review of the IGA* in 2011, which culminated in a number of recommendations to improve the effectiveness of the IGA and to address problem gambling, as well as options to tackle the provision of illegal interactive gambling services to Australians⁸ (IGA Report).

The internet has created a borderless world which has created significant opportunities, such as e-commerce, for Australian and international organisations. There has been much public comment from relevant stakeholders including gambling research academics, licensed Australian online wagering service providers and racing and sports bodies on the present ineffectiveness of the IGA to prevent offshore operators offering illegal wagering services to Australians, and in turn, the impact on Australians from a responsible gambling and consumer protection perspective as well as the adverse impact on the integrity and sustainability of the racing and sport industry⁹.

A key regulatory point of difference for offshore operators is their ability to offer online in play betting. For instance, in-play betting online is permitted in jurisdictions such as the UK, France, Italy, Denmark and Spain.¹⁰ And, although it is illegal to advertise in-play betting to Australian residents under the IGA, it is not illegal for Australian customers to open an account with an offshore operator and use in-play betting services with those offshore operators¹¹.

The IGA Report commented on the trend of Australian consumers moving to wager with offshore operators, noting that:

- 'There may be around 2200 online gambling providers currently offering services to Australians that may be in contravention of the IGA.
- The number of Australians accessing these services is significant and growing.
- Some estimates suggest Australians lose around \$1 billion per annum to online gambling service providers that are not licensed in Australia. This is projected to continue growing strongly.¹²

The magnitude of this issue was recognised by the Federal Government's announcement in October 2014 to establish an *Illegal Offshore Wagering*

⁷ Productivity Commission, *Inquiry Report on Gambling* (2010). Retrieved on 17 April 2015 from <http://www.pc.gov.au/inquiries/completed/gambling-2009/report>

⁸ Federal Department of Broadband, Communications and the Digital Economy, *Review of the Interactive Gambling Act 2001 Final Report* 2012

⁹ See, for example, the multiple of submissions to the Department of Broadband, Communications and the Digital Economy regarding the review of the IGA.

¹⁰ GamblingCompliance Research Services, *Report on Harm Minimisation, Sports Integrity & Emerging International Practices in Online Gambling Regulation* (2014), p. 7.

¹¹ Federal Department of Broadband, Communications and the Digital Economy *Review of the Interactive Gambling Act 2001 Final Report* 2012, p. 21

¹² *ibid*, p. 6

Working Group to devise ways to tackle illegal offshore wagering services provided to Australians, including ‘to examine the regulatory regimes in international jurisdictions that may have an application within Australia and to also look at all other technological and legislative options available’¹³

To counter the threat of illegal offshore operators, two of the options that have been identified by some relevant stakeholders, and discussed in the IGA Report are:

1. blocking of financial transactions by Australian residents with designated prohibited offshore operators; and
2. blocking of access by Australian residents to websites of designated prohibited offshore operators.

This report sets out our opinion on the merit and feasibility of these two options.

The Internet

The internet is a global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardised communication protocols. The World Wide Web is a way of accessing information over the medium of the internet. It is an information-sharing model that is built on top of the Internet. The internet is technically designed to be de-centralised communication networks that allow the re-routing of communication packages around blocking points.

Internet Blocking

Internet blocking is a technical measure intended to restrict access to information or resources typically hosted in another jurisdiction. Its primary objective is to prevent specific content from reaching customers’ device connected to the blocking ISP. This is possible by means of hardware or software products that block specific targeted content from being received or displayed. Since the internet was designed to ensure that a communication goes from one point to another without being stopped, it is only possible to restrict access to content rather than “blocking” it completely. In recent years, internet blocking technologies for different categories of contents (i.e. intellectual property rights enforcement, child sexual abuse material, online gambling, etc.) have been discussed at national and international levels.

Most blocking is conducted by an ISP, though an individual organisation may attempt to conduct this activity (to meet their regulatory obligations, for example,

¹³ Media release, Joint Federal Government and Victorian Government announcement of the establishment of the Illegal Offshore Wagering Working Group (30 October 2014). Retrieved on 17 April 2015 from <http://www.formerministers.dss.gov.au/15241/national-group-to-target-illegal-off-shore-wagering/>

they may try to prevent an entire country's IP range from accessing their content, known as "IP geo blocking").

There are two common types of blocking conducted by an ISP:

- DNS filtering – where a user is prevented from accessing a pre-defined website.
- IP blocking – which prevents the connection between a server/website and one or more IP addresses.

IP Address blocking is the most common (and much more successful than DNS filtering). IP address blocking prevents connections being established between a server/website and the targeted IP addresses. IP blocking targets either IP addresses of the relevant content to hinder user access (typically carried out by an access provider), or IP address(es) of a set of users to hinder their access to a given piece of content – which remains directly accessible to all users outside the targeted group.

Deficiencies of Blocking

Blocking, depending on the mechanism used, can be more or less easily circumvented from a technical perspective. Since the internet was designed to provide an open flow of communication, a user can access content blocked by an access provider in its country via other means such as using foreign proxy-servers to bypass the local block; using tunneling software that encrypts online searches and prevents blocking software from seeing the web request; or by simply switching to another name server. IP blocking can also be circumvented by changing the website configuration to a different address. In addition to the possibility of circumvention, blocking technologies bring about risks of over-blocking (unintentionally preventing legal material from being distributed) or under-blocking (not preventing illegal material from being distributed) and have varying associated costs. Essentially:

- DNS filtering – is minimally effective, risky in terms of security, costly in terms of monitoring and presents many side effects.
- IP blocking – has many shortcomings, particularly the use of using virtual private network tunnelling techniques.

There are two main workarounds, Tor and Virtual Private Networks to avoid IP blocking, and each one has its advantages and disadvantages.

Tor

Tor is short for The Onion Router [<https://www.torproject.org/index.html.en>] and was initially a worldwide network of servers developed with the U.S. Navy that enabled people to browse the internet anonymously. Now, it's a non-profit organisation whose main purpose is the research and development of online privacy tools.

The Tor network disguises a user's identity by moving their traffic across different Tor servers, and encrypting that traffic so it isn't traced back to them. Anyone who tries would see traffic coming from random nodes on the Tor network, rather than the user's computer. To access this network, users just need to download the Tor browser. It doesn't need any setup or configuration, though since data goes through a lot of relays, it can be slow.

There are many sites which give user-friendly instructions on how end-users can build a Tor server and become either a middle-relay or exit-node as part of the Tor network, for example see [<https://ipredator.se/guide/torserver#intro>].

Benefits: A user's IP address is undeterminable to the site they visit. Tor is also free.

Disadvantages: Tor is sometimes slow.

VPNs

A virtual private network (VPN) protects a user's data and identity over public networks, like the internet and wireless hotspots. They are subscribe-only services that route a user's internet activity through an IP address other than their own. Various protocols are used to create an encrypted tunnel that transports data securely. A VPN is designed to implement the same level of security provided by private networks at substantially lower costs.

Most VPNs are used to add security. Public Wi-Fi hotspots, common in airports and coffee shops, are a hacker's dream because they offer streams of visible data waiting to be mined. Using a VPN keeps a user's information more secure.

VPN services provide different gateway cities where the IP address assigned to a computer is located. This allows users to access websites only available to users from a certain country.

Benefits: VPNs generally don't slow down browsing speed noticeably. A user can also choose which country's IP addresses they would like to use at any given time.

Disadvantages: VPNs generally aren't free (at least not the good ones). They range in price from US\$3-US\$15 per month.

Why Hide your IP Address?

There are many reasons, legal, illegal and ideological why internet users want to hide their IP address. These include:

1. Hide their geographical location
2. Prevent Web tracking
3. Avoid leaving a digital footprint
4. Bypass any bans or blacklisting of their IP address

Some Common Tools for Hiding an IP Address

- *Hide My Ass* - <https://www.hidemyass.com>
- *Private Internet Access* - <https://www.privateinternetaccess.com/pages/buy-vpn/>
- *PureVPN* - <http://www.purevpn.com/order/>
- *VyprVPN* - https://www.goldenfrog.com/vyprvpn/special/referral?offer_id=60&aff_id=1022&source=VPN_Comparison&aff_sub=VPN_Comparison&processed=1#

The Role of ISPs

ISPs are intermediaries (sometime referenced similarly as the post office which delivers letters, but does not know the contents) and act a little bit like utilities. They provide access to the internet. Only on rare occasions should they be put in a position of picking and choosing what people have access to, rather, government direction on blocking access should be restricted to very serious criminal matters such as child exploitation. ISPs have long argued (particularly to the music and movie industry) that undertaking large scale blocking measures is not only very difficult but also inefficient and that the responsibility of blocking sites should have been born by the host.

Using Social Media to Thwart Blocking

It is possible for unscrupulous offshore operators to defeat domestic IP blocking by setting up new sites directed at markets blocking access. Understanding that it takes time for the new site to be detected, to be placed on a central black list, and then to be added to individual ISP filters, a site set up around a key event may not be blocked in time.

There is a distinct role for social media in aiding this: friends sharing links to these new sites, and targeted advertising. We foresee a situation where these fast evolving “single use” sites deployed by unscrupulous offshore operators render current IP blocking efforts almost entirely useless.

Financial Blocking

Participation in online gambling requires a mechanism for paying for the gambling transaction and receiving money from any winning bets. Whilst Australia is enamoured in the use of credit cards, we are also significant users of internet banking transactions. The usual practise by international authorities is the blocking of Merchant Category Codes (MCC). This can also be overcome by both operators and consumers. There is a MCC for gambling, which applies to all forms of gambling, including gaming, wagering and lotteries. However, the MCC is not able to differentiate between different types of gambling, or between legal or prohibited services offered by the same operator. It is also reliant on the operator when they apply for their merchant status to state they are a gambling operator. In some jurisdictions the acquiring financial institution may not conduct sufficient due diligence to check.

Regardless, gambling site operators can miscode their transactions by changing their names so that the transaction between the consumer and them fails to recognise the MCC. Consumers can use foreign bank accounts or alternative payment methods without MCC.

Using non-traditional payment systems, such as e-wallets also bypass financial blocking methods. These wallets are an online stored-value account that enables customers to add, withdraw and transfer funds to other users. Such accounts are also accessible through mobile applications. The rise in digital currencies, such as Bitcoins in both mainstream use and legitimacy as a currency exchange further complicates the issue, allowing near anonymous transactions.

International Trends

Various methods are used overseas to limit access, including payments blocking, ISP blocking, advertising restrictions, direct enforcement measures, diplomatic pressure and international co-operation. Payments and advertising restrictions are most prominent.

The effectiveness of these measures has yet to be conclusively determined but payments blocking and advertising restrictions appear to be having at least some effect of curbing unlawful online gambling in some countries, such as the US.

Most recently authorities in Singapore have blocked access to more than 100 online casino, poker and sports betting websites. The decision came after the country's legislature adopted a law that banned online gambling in the country. Authorities plan on continuing to add new online gambling sites to this list as they get discovered. All ISPs located in the country are required to block people's access to online gambling sites that accept Singapore players.

The Canadian province of Quebec plans to order internet providers to block unlicensed gambling websites due to a loss of revenues.

There have also been historic case studies of jurisdictions blocking gambling sites. In Norway, the Norwegian Gaming Board reported in January 2012 that 54% of gamblers playing on foreign websites played as frequently as they did before a payment ban came into effect 18 months ago (1 January 2010) and that 5% actually played more often than before. In Italy, there are over 3000 banned websites but the number of clicks onto black market websites amounted to 525 million between January and September 2010. Currently the blacklisted site number grows by approximately 100 sites per month. There are up to three million attempts to access the blocked sites each day. In France, the gambling law of 2010 foresaw the blocking of websites not licensed in France as well as the blocking of payments to and from non French licensed websites. However, the application of the law continues to be difficult due to the lack of agreement between the French regulator and ISPs on who is to bear the costs of banning a website.

In March 2014 the House of Lords rejected a proposed amendment to the Gambling (Licensing & Advertising) Bill that would have allowed the UK Gambling Commission to block financial transactions between financial institutions and unlicensed online gambling sites.¹⁴

Ring-Fencing

Ring-fencing essentially places restrictions on operators and customers from participating in gambling within a country's regulated environment. It is emerging as a trend for internet gambling regulation in Europe. The European Parliament has recognised that combating unlawful gambling and strengthening technical and legal instruments for identifying and sanctioning unlawful operators is a best practice as well as promoting high quality, competitive legal offerings and fostering cooperation between regulatory authorities.

Some European jurisdictions have ring-fencing arrangements currently in place:

- Italy – the country that pioneered the regulation of ring-fenced online gambling.
- France – the largest country to introduce a ring-fenced regime.
- Belgium – a jurisdiction, which has pioneered the model of requiring a land-based licence for the operation of online gambling.
- United Kingdom – requires all gambling providers in the UK to acquire a licence from the UK Gambling Commission and pay gaming duty on bets from UK customers.

¹⁴ Payment Processors to Block Transactions Involving Unlicensed UK Gambling Operators. Retrieved on 20 April 2015 from <http://www.pokernews.com/news/2014/03/payment-processors-to-block-transactions-17675.htm>

Non-Gambling Trends

Netflix has a huge collection of streamable movies, but depending on where an internet user is in the world, that selection of movies might only be available in that country or region. Programming on Netflix varies from region to region because of how TV shows and movies are licensed. Organisations that own the rights to different TV shows and movies license the rights by geography, so Netflix has to acquire rights on a territory-by-territory basis. For this reason, what's available in the U.S. isn't always the same as what's available in other countries, and vice-versa. The same mechanisms discussed above are used by internet users to bypass these issues, just like they do to access foreign operated gambling sites.

Conclusion

The effectiveness of IP blocking is highly questionable because there are proven ways to circumvent the measure such as, change of the URL by the operator or a change of the gambler's internet settings. They are not reliable given their limited effectiveness and considerable side effects.

Likewise financial blocking is not the panacea many think it is, with many easy to use methods to bypass scrutiny.

Consumer protection may be better preserved through attractive and internationally competitive regulation which keeps consumers away from the black market.

Glossary

- DNS – The Domain Name System is an internet service that translates domain names into IP addresses. Because domain names are alphabetic, they are easier to remember.
- IP Address - An IP address a unique string of numbers separated by full stops that identifies each computer using the Internet Protocol to communicate over the internet. They can be either dynamic or static.
- IP Blocking – IP address blocking prevents the connection between a server or website and certain IP addresses or ranges of addresses.
- Proxy Server – A proxy server is computer that functions as an intermediary between a web browser (such as Internet Explorer) and the internet.
- VPN – A Virtual Private Network is a method used to add security and privacy to private and public networks, like WiFi Hotspots and the internet.
- ToR - Tor is free software for enabling anonymous communication.

Mandatory Code of Practice for the Provision of Deferred Settlement Facilities for Northern Territory Licensed Sports Bookmakers 2015

Northern Territory Licensed Sports Bookmakers are wagering service providers who offer online and telephone wagering on thoroughbred, harness and greyhound racing, sporting events and certain other approved events. They **do not** offer online gaming, poker machines, casino table games, bingo or keno.

The sports bookmakers have a strong commitment to promoting responsible gambling and recognise the need to respond to community concerns. This Code of Practice (code), for the provision of Deferred Settlement Facilities (DSF), is a licence condition for all sports bookmakers licensed in the Northern Territory.

The code provides a minimum industry standard in relation to the provision of the DSF to ensure a prudent and consistent approach is adopted by all sports bookmakers and ensuring consumer protection and harm minimisation measures are strengthened.

The code's parameters and minimum industry standards will ensure the benefits are maintained for approved customers to use a DSF as a convenient funding option for managing their wagering account whilst addressing community concerns and mitigating the risk of harm to others.

The minimum industry standards, as detailed in this code, clearly differentiate this funding option from the 'offering lines of credit' by other commercial practices.

The code addresses calls from some in the community for the prohibition of offering customers such a funding option, as a prohibition may result in a number of unintended consequences. These include:

- Customers would continue to access credit from unregulated overseas operators (which may also adversely impact on the integrity of sport as suspicious betting patterns cannot be identified or bets tracked).
- Customers would continue to access credit from less scrupulous operators, such as illegal SP bookmakers and loan sharks which have little regard for consumer protection or harm minimisation.
- Legitimate and illegitimate third party credit providers and intermediaries may fill the void either directly or indirectly which would then subject customers to:
 - significant interest and fees on their loans
 - undesirable collection methods.

Objective

The objective of the code is to provide a robust framework for mandatory sports bookmaker regulation in relation to the provision of DSF to ensure this funding option accords with the promotion of responsible gambling while allowing sports bookmaker's to remain competitive against offshore, unlicensed wagering operators.

Industry standards

The following minimum standards must be adhered to by sports bookmakers for all customers who open an account with a sports bookmaker after the commencement of the operation of the code (other than for professional and VIP punters and bookmakers 'laying off' bets who, for the avoidance of doubt will not be covered by this code).

A 'professional and VIP punter' is defined as a person who has turned over at least \$250 000 in any 12 month period, or whose betting patterns reasonably suggest that such person will turn over at least \$250 000 in a 12 month period.

- 1 The **DSF must be applied for**. Sports bookmakers must not offer a DSF on an unsolicited basis and no incentives or promotional offers are to be offered to encourage customers to open a DSF.
- 2 Sports bookmakers can only **advertise** the provision of a DSF on the provider's own website, in the ordinary course of business through its business development managers (or equivalent) or in electronic direct marketing (EDM) with members who have agreed to receive such materials.
- 3 Either the sports bookmaker or an independent external assessment institution must undertake an appropriate credit assessment of an application for a DSF. Such checks must include:
 - a. verification of identity in accordance with anti-money laundering requirements
 - b. confirmation of age
 - c. confirmation of current residential address
 - d. contact details including phone and email address, and
 - e. assess credit worthiness by establishing employment or source of income or by other means.
- 4 Settlement of the account is to occur weekly or monthly. Monthly settlement may only occur with facilities over \$20 000 (although such facilities may still be settled in a shorter timeframe).
- 5 A wagering provider cannot charge interest on the account or charge any fees for the administration of the account.
- 6 A DSF must not be approved for an amount in excess of a pre-commitment level set by a customer.
- 7 Facilities cannot be approved for any customer whose account verification process has not been finalised.
- 8 For a DSF over \$20 000 the sports bookmaker or an independent external assessment institution must interview the customer. Interviews should occur on a recorded phone line or be appropriately documented and filed, to assist in the assessment of the customer's ability to service the DSF.
- 9 A customer shall be prohibited from placing bets if their account balance at any time is equal to or exceeds the DSF amount.
- 10 Reminder notices and the follow-up of any overdue monies for the DSF will be undertaken by appropriately trained staff for at least the first 21 days of arrears before the matter can be referred to an external collection agency.

- 11 The sports bookmaker may institute debt recovery proceedings against the customer to recover the outstanding account balance if a customer has not settled their account within a 21 day period of the agreed settlement period.
- 12 The sports bookmaker must maintain a register of all customers that have an approved DSF.
- 13 The sports bookmaker must review an existing DSF where there has been a failure to repay by a scheduled settlement date to ensure that limit remains appropriate.
- 14 The customer must be provided with a copy of the code.

Any proposed changes to the method by which wagering providers use a DSF will not apply to existing DSF holders (a grandfather clause).

Code review

The code will be reviewed in 12 months from the date of gazettal or sooner if required.

Complaints

Complaints relating to compliance of this mandatory Code of Practice must be made via the online **gambling dispute form** for final determination.

October 2015

Source:

<http://www.dob.nt.gov.au/gambling-licensing/gambling/bookmakers/Pages/deferred-settlement-facilities.aspx>