

[REDACTED]

From: [REDACTED]
Sent: Friday, 11 January 2019 11:54 AM
To: [REDACTED]
Cc: DL - Media
Subject: FW: Jackpot betting [SEC=UNCLASSIFIED]

Security Classification:
UNCLASSIFIED

Hi all
FYI
The MO has sent us their draft response to the Fairfax journo asking about Lottoland.

[REDACTED]
Media Officer
Media & Communications
Research, Regulation and Communications Branch
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From: [REDACTED]<[REDACTED]@communications.gov.au>
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Cc: DL - Media <Media@acma.gov.au>
Subject: RE: Jackpot betting [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi [REDACTED]

Thanks for that. Here is our draft response.

RESPONSE FROM A SPOKESPERSON:

- The Government is committed to ensuring online gambling takes place under a robust legislative framework with strong consumer protections that are in line with community standards.
- To this end, the Government recently passed legislation to ban online betting on international lottery outcomes also known as synthetic lotteries.

- The Government recognises the importance of traditional official lottery and keno services to Australian small business who offer these services.
- The independent regulator, the ACMA, has responsibility for enforcing the law in relation to online gaming and the Government has sought the advice of ACMA about the latest developments to ensure there are no activities that are contrary to the law. As Lottoland is registered in and regulated by the Northern Territory Government, the Communications Minister will also seek the views of the Northern Territory Gaming Minister on this latest activity.
- The development of online lottery services will continue to be monitored by the Federal Government to ensure protections and standards are upheld.
- *As responsibility for enforcing compliance with the IGA lies with the ACMA, the new service offered by Lottoland will be examined by the authority. If a person has reason to believe that a service is being provided in contravention of the IGA, a complaint can be made to the ACMA under the IGA, in accordance with the process outlined on the ACMA's website: <https://www.acma.gov.au/Industry/Internet/Internet-content/Interactive-gambling/gambling-complaint-form>*

Background:

While the Commonwealth has a role in regulating gaming activities online, primary gambling law and regulation is at state and territory level.

Lottoland is licensed and regulated by the Northern Territory Government.

The Northern Territory has the capacity to restrict any gambling activity by organisations registered by them.

Minister Fifield wrote to the Northern Territory in 2018 asking that they use their power to ban synthetic lotteries. As a consequence the Northern Territory Government banned online domestic synthetic lottery betting. But due to the failure of the Northern Territory to ban online international synthetic lottery betting the Federal Government used its powers to legislate to also ban these.

Media Adviser
 Office of Senator the Hon Mitch Fifield
 Minister for Communications | Minister for the Arts
 Manager of Government Business in the Senate | Liberal Senator for Victoria

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From: [redacted] [mailto:[redacted]@acma.gov.au]
Sent: Friday, 11 January 2019 10:34 AM
To: media <media@communications.gov.au>; [redacted]@communications.gov.au>; [redacted]@communications.gov.au>; [redacted]@communications.gov.au>
Cc: DL - Media <Media@acma.gov.au>
Subject: FW: Jackpot betting [SEC=UNCLASSIFIED]

Hi MO and DoCA media teams
 FYI
 We've responded to the Fairfax [redacted] enquiry about Lottoland with the below.

Cheers

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From: [REDACTED]@acma.gov.au
Sent: Friday, 11 January 2019 10:25 AM
To: [REDACTED]@smh.com.au
Cc: DL - Media <Media@acma.gov.au>
Subject: RE: Jackpot betting [SEC=UNCLASSIFIED]

Hi [REDACTED]

The ACMA will be looking at Lottoland's new service as part of its ongoing role monitoring compliance with the Interactive Gambling Act.

As you would be aware, the IGA prohibits the following services being provided or advertised to customers in Australia:

- prohibited interactive gambling services – such as online casinos, online slot machines and online wagering services that accept 'in-play' betting on sports events
- unlicensed regulated interactive gambling services – such as online wagering services provided without a license issued by an Australian State or Territory.

Kind regards

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From: [REDACTED]@smh.com.au
Sent: Thursday, 10 January 2019 2:04 PM
To: DL - Media <Media@acma.gov.au>
Subject: Jackpot betting

Hi there,

As mentioned,

On the 9th of January, new regulations come in banning betting on international lotteries.

This affects Lottoland's business, as that is their main product.

Instead, Lottoland is now offering a product called Jackpot Betting, which is basically betting on the outcome of financial markets. [There is a description here.](#)

It is still being advertised as a lottery product.



ASIC, on background, advised me that they are uncertain if this is a financial product because it appears that Lottoland is using financial markets simply to pick random numbers as in a lottery.

Separately, another online wagering company told me they also looked into doing this, but their legal advice was that it contravened the Interactive Gambling Act.

Here is part of their advice (not to be circulated beyond ACMA):

Lottoland's approach can only be permissible under the IGA if it is deemed an **Excluded Wagering Service** under section 8A.

This will apply if (in broad terms) it is properly characterised as betting on an event or a series of events or a contingency that is not either (1) a game of chance or of (2) mixed chance and skill (section 8A(5)(C)(v)).

The description of Jackpot betting on the Lottoland websites say that *"we had to be absolutely certain the resulted numbers were unknown to anyone, including ourselves, until they had occurred...in short: nobody has an advantage when betting on our jackpots and the results are determined in the same fair was for everybody."*

This clearly presents it as a game of chance – they are essentially using it as a random number generator. I therefore don't think that their product fits the exemption under 8A(5) of an Excluded Wagering Service.