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From: IG Taskforce
Sent: Thursday, 31 January 2019 11:57 AM
To: 'racing.commission@nt.gov.au' <racing.commission@nt.gov.au>
Cc: [REDACTED]
Subject: Correspondence from ACMA [SEC=UNCLASSIFIED]

Please find attached correspondence from the ACMA in relation to the Lottoland service.

Interactive Gambling Taskforce

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31 January 2019

[REDACTED]
Chairperson
Northern Territory Racing Commission
Department of Business
PO Box 1154
Darwin NT 0801

By email: racing.commission@nt.gov.au; [REDACTED]

ACMA file reference: ACMA2018/892-32

Dear [REDACTED]

Investigation under the *Interactive Gambling Act 2001* into the Lottoland service provided at www.lottoland.com.au

As you are aware, the Australian Communications and Media Authority (ACMA) is responsible for regulating compliance with the *Interactive Gambling Act 2001* (IGA).

The ACMA has corresponded with you previously regarding the Lottoland service available at the URL <https://www.lottoland.com.au/> (Lottoland). The ACMA understands that Lottoland Australia Pty Ltd (ABN 14 602 590 429) is a provider of this Lottoland service and that the Northern Territory Racing Commission (NTRC) has issued Lottoland Australia Pty Ltd a sports bookmaking licence under Part IV, Division 2 of the *Racing and Betting Act* (NT) under which this Lottoland service operates.

It has come to the ACMA's attention that this Lottoland service has recently changed. We understand that these changes may be in response to the *Interactive Gambling Amendment (Lottery Betting) Act 2018* coming into force on 9 January 2019 and, in particular, prohibiting the betting on the outcome of a lottery (including keno-type lotteries).

The ACMA has also recently received a complaint about this new Lottoland service.

Accordingly, the ACMA has decided to investigate the Lottoland service and requests your assistance in this investigation.

The ACMA investigation

As you know, the IGA prohibits the provision of certain interactive gambling services to Australians, known as 'prohibited interactive gambling services': see sections 5 and 15. Subsection 5(3) sets out various 'excluded services' which are not prohibited interactive gambling services, including 'excluded wagering services' (as defined in section 8A of the IGA) and 'excluded lottery services' (as defined in section 8D of the IGA).

As part of this investigation, the ACMA is considering whether the Lottoland service:

- > is a prohibited interactive gambling service under section 5 of the IGA; or
- > is an 'excluded wagering service' as set out in subsection 5(3) of the IGA.

Relevantly, the definition of 'excluded wagering services' includes, in subsection 8A(5), betting on an event, or a series of events or a contingency (where such an event or contingency is not one of the racing or sporting events covered by subsection 8A(1-4) of the IGA). However, the new Lottoland service would only be included in this safe harbour to the extent to which the service is not an in-play betting service and is not covered by any of the subparagraphs in subsection 8A(5)(c) of the IGA, including:

- (iii) a service relating to betting on the outcome of a lottery;
- (iiia) a service relating to betting on a contingency that may or may not happen in the course of the conduct of a lottery;
- (iv) service for the conduct of a game covered by paragraph (e) of the definition of gambling service in section 4;
- (v) a service relating to betting on the outcome of a game of chance or of mixed chance and skill.

As part of its investigation, the ACMA proposes to investigate whether the new Lottoland service could be considered to not be an 'excluded wagering service' because it is a service for the conduct of a game of chance (or lottery-style service) and for betting on the outcome of this game.

Depending on the ACMA's view on whether or not the new Lottoland service comes within this exclusion, then the investigation will need to address whether the service is being provided in contravention of sections 15 or 15AA of the IGA.

Request for assistance

It would be appreciated if you could assist the ACMA in its investigation by providing the ACMA with the following information and documentation:

Licence

- > A copy of the licence issued to Lottoland Australia Pty Ltd and any conditions imposed, including any variations of the licence and conditions due to the recent changes in the Lottoland service.
- > To the extent it may not be apparent from the licence itself, a description of the services that Lottoland Australia Pty Ltd is authorised by that licence to provide to customers in Australia.

Characterisation of the new Lottoland service

Has the NTRC made any decisions regarding continuing to licence Lottoland as a sports bookmaker following the recent changes in the Lottoland service, and if so, the reasons for making these decisions. In particular:

- > Why this service was found to provide for betting on a declared betting event rather than conducting a game of chance (or lottery-style service).
- > Whether or not the mapping process from the Financial Market indices to a sequence of winning numbers (detailed below) was considered as part of this finding and if so, what effect, if any, it had on the NTRC's reasoning that the service was for betting on a declared betting event.
- > Whether this service was considered to amount to the random generation of numbers and if so, whether this would be permitted by the licence.

Mapping

Our understanding of this mapping process is that for the Friday jackpot, there appears to be a direct mapping from data taken from the selected Financial Market indices to the winning numbers. However, for all other jackpots there appears to be a complex mathematical

mapping being performed. Are you able to provide further information about how this mapping works, in particular:

- > Does this mapping from the 10 digit number to the sequence of numbers involve the execution of a single mathematical formulation or does it involve further manipulation of the 10 digit number?
- > Is there a unique mapping between the 10 digit number and the winning sequence of numbers, so that only one sequence of numbers can be produced from any 10 digit number and no other 10 digit number can produce that same sequence of numbers?
- > The Lottoland service appears to provide a 'result generator' tool that allows a customer to see the sequence of numbers that would be mapped from a specific 10 digit number for each Lottoland jackpot. Does it also provide a tool that enables a customer to do the reverse, that is, see the 10 digit number that would be mapped from a specific sequence of numbers?

Please note that we have also written to Lottoland Australia Pty Ltd requesting information and documents relevant to this issue.

Next steps

We would appreciate your response by **Thursday 14 February 2019** addressed to igtaskforce@acma.gov.au.

If you would like to discuss the above, please contact [REDACTED], Manager, Interactive Gambling Taskforce by phone [REDACTED] or by email [REDACTED]

Yours sincerely,

[REDACTED]
[REDACTED]
A/g Executive Manager
Content Safeguards Branch