



Online Gambling: Challenges to National Sovereignty and Regulation

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ABSTRACT *Online gambling utilises advanced telecommunications technology to provide access to gambling across national borders, presenting unprecedented opportunities for industry and new challenges for government regulation and national sovereignty. It also promises to revolutionise the way people gamble, raising critical issues about social and economic impacts. Nations have taken a variety of approaches to online gambling, ranging from unregulated legalisation to prohibition, creating a perplexing and uncertain legal environment. This paper will examine the development of Internet and interactive gambling, the responses by governments and industry, and the issues for policy-makers and regulators.*

Keywords: Internet, online gambling, national sovereignty, gambling regulation.

Introduction

Online gambling, whether it involves gambling through the Internet or through digital television, is a new and growing form of interactive gambling that crosses national borders. In many respects, online gambling differs from conventional site-specific gambling. The Internet allows gamblers to place bets directly from a computer terminal in their own home or office 24 hours a day. The expansion of the Internet into areas outside the office and home (e.g. cafes, shopping malls and planes) opens up further gambling opportunities for consumers, blurring the distinction between gambling and non-gambling locations. Global telecommunications technology also enables gamblers in one country to bet with a provider located across the world.

The trend to online gambling has also seen the convergence of powerful media corporations, computer technology and gambling providers.¹ Communications and computer technology have been important factors in the expansion and commercialisation of modern gambling for some time, for example the use of telephone betting by off-track betting agencies since the 1960s, computerisation of lotteries and gaming machines since the 1980s.² New technologies such as the Internet and cable and digital television allow development of new gambling products and the delivery of gambling from anywhere in the world. This revolutionary delivery mechanism allows gambling transactions to be made across state and national borders in an unprecedented way.

Online gambling delivers two types of gambling: *online wagering* (or betting) on a physical event (e.g. a horse race, football, tennis, golf, cricket match) that takes place at an actual race track or playing field; and virtual *online gaming*. Online betting on an actual event is not a new form of gambling, but the potential exists with modern technology to allow bets to be made interactively in 'real time' so that a player can bet on various

events *within* a game, rather than waiting for the final result. Given the rapid growth of global sports telecasting in recent years, the imminent introduction of digital and cable television could offer an effective delivery mechanism for this continuous form of gambling. Until governments authorise the delivery of online gambling through digital or cable television, however, online wagering is currently only available through the Internet.

Online gaming, on the other hand, is a *new* form of gambling made possible by computer technology. The games are not played in a physical location; they are generated by computer software and results are determined by a random-number generator on the operator's server. New products are currently being developed to extend to other types of gambling activities, and include:

1. networked computer games played competitively for money or prizes;
2. interactive TV quiz or game shows where viewers can bet on themselves against the show's contestants;
3. conventional gambling products offered on TV on a 'click to enter' basis;
4. using telephone handset keys to bet interactively with a remote computer;
5. use of wireless application protocols (WAP) to allow communication between mobile phones and a gambling provider.

With Internet technology and the prospect of digital television broadcasting, gambling is now a dynamic and interactive global industry, accessible to gamblers around the world at any time. This development poses a serious challenge to the capacity of any government to prevent citizens from gambling with offshore providers and/or prevent cross-border leakage of gambling revenue.

The Current State of Play

The introduction of global online technology prevents any government from regulating gambling to the same extent as land-based gambling. The technological revolution calls into question conventional models of gambling regulation that concentrate on controlling market entry (through licensing) and gambling transactions (through surveillance and auditing).³ Moreover, the potential for gambling to have profound adverse social impacts has raised the question of whether online gambling should be legalised at all.

The principal policy options available to governments have been identified as:

1. restriction and/or prohibition to disallow Internet gambling. Prohibitive legislation can target Internet users or gambling providers, or both;
2. the *laissez-faire* approach, accepting that this form of gambling delivery cannot be controlled, leaving development to market forces;
3. legalisation and attempted regulation.⁴

At the core of government deliberations are debates about the extent to which online gambling can be controlled, and whether the costs associated with regulation and legalisation are acceptable. Unlike many industries, to operate a gambling business is seen by most governments as a privilege, not a right.⁵ One argument in support of prohibition is that it may not be possible to regulate Internet gambling to the same high standards that can be set for land-based gambling. Concerned by growing evidence of the social costs associated with proliferation of commercial gambling during the 1980–1990s, others argue that there is already an oversupply of gambling opportunities. From this view, the convenience and accessibility of online gambling are seen to have potential

for increased problem gambling and social disorder. Yet governments have found it difficult to predict what the social effects will be and to determine appropriate policy responses.

Those supporting a regulatory approach to online gambling argue that without uniform global prohibition, it is impossible to prevent operators setting up an online gambling service somewhere in the world. Absence of regulation will encourage illicit and black market activity; and it is doubtful if prohibition can be enforced.⁶ They argue that if a country does introduce a ban, citizens will turn to offshore sites, with a consequential loss of valuable revenues.

Australia has become the first nation to attempt an effective regulatory environment to legalise Internet gambling and is poised to become a world leader in the global interactive gambling market. South Africa and the United Kingdom appear likely to follow the Australian example of a regulatory approach. Currently 25 other nations license or have passed legislation to permit Internet gambling, although regulation is limited in these jurisdictions.⁷ Tax havens such as Antigua and several small Caribbean, Pacific and Mediterranean island nations have recognised the opportunity to attract revenue from licence fees and financial transactions, and welcomed foreign investors seeking an amenable location for their online operations. However, these operations are largely unregulated and are criticised by analysts and reputable industry interests for lack of credibility. The USA, on the other hand, has been moving towards prohibition. No Asian nation has yet legalised online gambling, but Hong Kong and Singapore are investigating ways to prevent their citizens gambling with offshore providers. Canada and most European countries have not made a decision one way or the other.

Several factors have encouraged commercial investment in online gambling by existing gambling operators as well as entrepreneurs with no gambling experience.

1. Market estimates of rapid growth and huge profits. Although predictions of the market vary widely, there is general agreement that the market potential is greater than for conventional land-based forms of gambling.
2. The relatively few barriers to entry. Many small jurisdictions are willing to authorise online gambling operations after payment of a 'licence' fee, without the probity and financial checks that reputable nations such as Australia and the United Kingdom require. Other unlicensed and unregulated operators use computer graphics to give the appearance of authorised operations.⁸
3. The low cost of establishing an online gambling operation when compared with conventional land-based gambling services. Unlike the considerable infrastructure and labour costs associated with a casino or racetrack, online gambling requires relatively little capital outlay, physical space or employees. Cost increases to cater for market growth or to update games are also lower.

A recent study identified 700 online gambling sites operated by about 200 companies;⁹ however it is difficult to identify with certainty the ownership or location of many online gambling providers. Many have complex transnational corporate structures: the location of the site operator typically differs from that of the server that has the computer programs, which may differ from the place where the owners are located.

The commercial appeal of online gambling has encouraged alliances between gambling operators, online delivery services and software developers, transnational media companies, and companies with interests in sports and satellite broadcasting. Partnerships between BSKyB and the American company America Online, and between

Australia's Publishing and Broadcasting Limited (PBL) and Melbourne's Crown Casino reflect this trend.

Sportsbetting is predicted to be the major area of future growth, particularly in Asia where betting on soccer and other international sports is growing in popularity. The development of digital television has presented the prospect of interactive sportsbetting and gaming through television broadcasting. While Internet gambling will appeal to a limited and select market in the foreseeable future, interactive gambling via digital TV (if legalised) will have wide appeal and be accessible to all income groups. If this form of gambling is legalised, it is predicted to dramatically increase the level of global sportsbetting. However, recent betting scandals in international cricket, soccer and US college sports raise important questions about globalisation and the integrity of the games, posing new regulatory problems for governments and sports administrators.

Gambling products and delivery are becoming increasingly diversified and internationalised as these changes occur. The scale and nature of convergence in the gambling industry makes regulation more difficult for governments. Conventional gambling regulation relies on assumptions about industry structure and market scope that are increasingly irrelevant. Convergence also affects the capacity of governments to achieve the social and economic objectives that have shaped gambling policy in the past.

Australian Online Gambling

Australia is leading the world in the provision of regulated Internet gambling.¹⁰ Several Australian states and territories have recognised the market potential of this new, global form of gambling, licensing 22 online gambling providers that offer both gaming and wagering products accessible to residents around the world.

Australian-based online gambling operators are experiencing rapid growth mainly due to increasing gambling activity from overseas-based gamblers.¹¹ In 1999, Australian residents comprised only a small proportion (0.6%) of the online gambling market, although this number is increasing with the rapid increase of Internet use.¹² Yet Centrebet, granted the first of three sportsbetting licences in the Northern Territory, is said to be among the top five Internet sites and the second largest online betting site in the world. Over 85% of Lasseters Online gaming clients are international, coming from 161 countries. Lasseters has been experiencing turnover growth of 75% per month. The Canberra-based wagering operator Canbet claims that 98% of its revenue comes from the USA.¹³ However, global 'branding' is acknowledged as a big commercial challenge for Australian operators.

Australian regulators and online operators argue that consumers will choose to gamble with an online gambling operator if they are confident that their winnings will be paid and their personal details will be protected. Thus a strict regulatory regime that ensures probity and protects consumers will have strong appeal. In this regard, Australian online operators and regulators agree that Australia is well regarded internationally as an effective gambling regulator. While Australian governments historically have taken a much more liberal approach to the legalisation of gambling than other countries, unrestricted access to the Australian market has been unanimously seen as unacceptable.¹⁴ Regulation allows governments to establish consumer protections and gain revenue and social benefits. Australian online licences are highly valued; and regulation is used by Australian licensed online operators as a valuable marketing strategy.

Under the Australian Constitution, however, the political-legal framework for gambling rests with the various states. This system has resulted in considerable diversity and differences between state policies. Recognising the cross-border potential and difficulties

of online gambling, Australian states and territories sought to develop a coordinated regulatory approach that would overcome interstate rivalry and have international credibility. A Draft Regulatory Model¹⁵ for online gaming was developed in 1997 and was intended to regulate Australian licensed operators through the application of uniform standards. The model emphasised principles of consumer protection and specified regulatory initiatives to achieve those objectives.

The Draft Regulatory Model also attempted to protect the tax revenue from electronic cross-border gambling in member jurisdictions. The model would require member states to surrender some degree of sovereignty over the taxation revenue, via tax-sharing agreements.

However, the model relies on a level of interstate agreement and cooperation that has not been achieved. Only 12 months after the Draft Regulatory Model was announced, interstate competition and pressures from gambling operators for market advantage encouraged Northern Territory and Tasmania to break ranks.¹⁶ Proposed tax rates have also been varied and currently range from 4% (Norfolk Island) and 8% (Northern Territory) to 50% (Queensland, Victoria). An interstate 'tax war' which deprives the Australian community of online tax revenues will primarily benefit the commercial investors, increasing their profit margins and political leverage.

With regard to online wagering, policies and regulation differ considerably to the approach attempted with online gaming. Because the Internet is being used to facilitate existing forms of wagering on racing and sports, not to introduce new forms of gambling, similar regulations to online wagering have been applied as to telephone and off-course wagering. Each state and territory has developed its own model of regulation for online wagering that, unlike gaming regulation, places the regulatory focus on the gambling provider, not the medium through which the betting takes place. Minimum national standards for systems and reporting requirements have been agreed in principle, but inconsistencies remain.

Although states and territories continue to license operators, questions about the precise policy direction and immediate future of online gambling in Australia have been raised following different opinions expressed in two important national reports over policy direction for the industry. Australia's Productivity Commission, the national government's principal advisory body on industry policy, has rejected calls for prohibition and the laissez-faire approach, endorsing 'managed liberalisation' with effective regulation and national coordination. The Commission argued that prohibition of online gambling was not a realistic option, for technical and legal reasons. It accepted arguments that a cooperative national approach between state and Commonwealth governments was required.

However, the Commonwealth Government has rejected this view and, for the first time in Australia's history, threatened to intervene in gambling policy following the outcome of a Senate Select Committee inquiry into online gambling. The majority report of the Senate Select Committee agreed with the Productivity Commission's findings, but made specific recommendations to strengthen regulation and improve consumer protection. A minority report of the Senate Select Committee indicated a strong preference for prohibition and proposed a 5-year moratorium for online gambling, pending analysis of the social impacts.

The Prime Minister indicated his personal support for the minority view and appointed a Ministerial Council of Commonwealth and state ministers to address the issues.¹⁷ Reflecting the Prime Minister's stance, the Commonwealth announced at the first meeting of the Ministerial Council in May 2000 that it would use its telecommunications power to impose a 12-month moratorium on new Internet gambling licences.

Only New South Wales supported the Commonwealth's position; Western Australia agreed to a moratorium for gaming licences, but not for wagering.

Arguing that they had been 'ambushed', the reaction of other state and territory governments was swift and predictable: they refused to accept the Commonwealth's authority over gambling and immediately issued several new licenses. The impasse was aggravated when the Commonwealth announced yet another national inquiry, narrowly defined to investigate the feasibility of prohibition and the economic consequences of such a ban.¹⁸ At the same time, Commonwealth legislation to impose a moratorium is to be presented to Parliament when it resumes in August.

The current political brinksmanship has generated a high level of uncertainty and debate about whether the Commonwealth will use its constitutional powers to try to enforce a ban over online gambling. Regardless of the outcome of the NOIE inquiry, state governments will undoubtedly continue to resist federal intervention in gambling policy. However, history has shown that a uniform national approach to policy is not likely to be achieved unless the Commonwealth has a coordinating and facilitating role. An alternative approach would be for the Commonwealth to apply political pressure or persuasion to improve regulations and interstate coordination to achieve uniform national standards.

The United States

The United States proposals to ban online gambling contrast sharply with the 'managed legalisation' approach suggested by the Productivity Commission and Senate Select Committee in Australia. Fundamental to the differences between the US and Australia are their basic assumptions about the nature of online gambling. Australian governments, state and Commonwealth, view online gambling as a form of e-commerce; American authorities see gambling as a 'vice' like pornography and drugs, and thus fundamentally different from other forms of e-commerce. Importantly, this view towards online gambling contrasts with the US advocacy for a regulated, market-oriented approach to keep e-commerce a 'trade free zone'.

The US arguments for prohibition of Internet gambling and arguments for legalisation with a regulatory framework are similar in many respects to the debates that have occurred in Australia. US advocates for legalisation of Internet gambling, predominantly industry analysts and lobbyists, point to the failure of US prohibition legislation on alcohol in the 1920s which gave impetus to organised crime through illicit sales. They argue that prohibition will not deter either operators or players; rather it will make criminals of everyone involved in the activity. Moreover, the technology makes it unlikely that prohibition will be effective.

In 1999 the National Gaming Impact Study Commission (NGISC) rejected this latter view, recommending that Congress prohibit all forms of Internet gambling within the United States. The NCISC has taken a protectionist stance on the issue:

because Internet gambling is expanding most rapidly through offshore operators, the federal government should take steps to encourage or enable foreign governments not to harbor Internet gambling organisations that prey on US citizens.¹⁹

Legislation introduced to the US Senate in 1998 (the Kyl Bill) sought to amend deficiencies in the *Interstate Wire Act* and to explicitly ban Internet gambling. Significantly, the Bill makes it an offence for both the provider and player.

Following passage of the Kyl Bill in the Senate by a large majority (92:10) in 1999, parallel legislation for prohibition was presented to the House of Representatives (the

Goodlatte Bill). However, in response to intense industry lobbying, several exemptions to the legislation were accepted, allowing off-course racecourse betting and Internet bets by residents of Nevada with approved Nevada sportsbooks. In the uncertain climate of a presidential election campaign, the vote on the Goodlatte Bill was brought forward under circumstances that required a two-thirds majority. Contrary to predictions, the Bill failed narrowly to achieve the required majority. It is expected to be resubmitted in 2001 after installation of the new Congress.

Recognising that many US residents already gamble with the numerous online gambling sites run by offshore operators, US gambling corporations have lobbied discretely for a more liberal policy. While offshore operators risk little by accepting bets from US citizens, under current legal restrictions, licensed operators in the US jeopardise their licences if they become involved in this rapidly growing market. Hence most US gaming corporations with investments in Australia (e.g. MGM Grand, which operates the Darwin casino) do not participate in the Australian industry.

Meanwhile, several American states have also taken steps to introduce legislation outlawing online gambling within their jurisdictions. The publicity and debates surrounding this issue have also created an opportunity for US federal enforcement agencies to use existing legislation to clamp down on US providers of cross-border gambling. Under the *Interstate Wire Act*, passed in the 1960s to prosecute illegal bookmakers who were using telephones to negotiate interstate bets, the FBI has issued warrants against several US citizens for allegedly providing Internet and telephone bookmaking services into the US from offshore locations.

Some US analysts argue that a federal ban on Internet gambling may be unconstitutional and unenforceable, or suggest that the legislation only applies to cross-border wagering, not gaming,²⁰ but the actions of US federal enforcement authorities are being strengthened by support from many state legal systems. State actions have been launched against Internet gambling operators in Minnesota and Missouri, using local 'consumer protection' laws, and in January 2000 the first conviction of an American citizen for operating an Internet sports gambling service offshore in breach of federal law was recorded in the New York District Court.

The current US approach to Internet gambling threatens to create tensions with Australian governments and licensed operators. If online gambling is prohibited in the US, analysts predict that US players will continue to gamble with Australian and other offshore providers. However, a prohibition stance by the US government could have serious implications for Australian operators. To date, the possibility of legal prosecution by American interests has been dismissed by Australian operators as an unacceptable violation of national sovereignty.

A point to note is that under Australian legislation, online gambling providers are not required to enforce prohibitions on players residing in overseas jurisdictions. Taking bets from residents of a country where online gambling is prohibited is not grounds for action against an Australian operator's licence. This does not protect the Australian operators from the laws of foreign jurisdictions, however. Moreover, many Australian industry participants have operational or product supply licences in the US and other countries, leaving them exposed to commercial and licensing penalties.

Several Australian online operators that accept bets from US citizens have partnerships with American investors and gaming corporations. This brings their activities into direct conflict with American law. For example, the Nevada State Gaming Control Board has filed a complaint with the Gaming Commission against Nevada sportsbook operator American Wagering Inc. (AWI) for allegedly taking wagers at its Australian-based MegaSports website from a bettor in Nevada. The Board also expressed concern

to International Game Technology (IGT) over its possible involvement with Australian online gambling operations. The Nevada gaming licences of these companies could be at risk if the Commission agrees with the Board.

United Kingdom

The Gaming Board for Great Britain has recently completed an assessment of the implications of Internet gambling for policy in that country.²¹ The Gaming Board has indicated that it accepts the inevitability of Internet gambling and recommends revising current policy to permit British companies to set up regulated Internet gambling sites. Practical and jurisdictional difficulties make it unlikely, however, that the Board will try to block access to offshore gambling sites, or to require banks and financial institutions to refuse to recognise those sites for the purpose of financial transactions. Terms of reference were announced in January 2000 for a Gambling Review panel to consider, and make recommendations for, the kind and extent of regulation appropriate for online gambling activities in Great Britain.

If the British government accepts the advice of the Gaming Board and legalises Internet gambling, however, it could present a commercial threat to British gambling operators who pay higher taxes than the offshore Internet providers.²² There have been long-standing disputes between British bookmakers, the racing industry and the Levy Board over the amount of betting levies. Consequently, major British bookmakers such as William Hill and Ladbrokes have looked to establish their own offshore locations in Gibraltar for telephone and email credit betting facilities. To avoid offending British law, these offshore operations must be totally independent of the parent company that is still liable for the higher British taxes. Paradoxically, it is acknowledged that the internal competition that these bookmakers create by becoming involved in offshore betting operations could erode their own domestic markets.

A High Court decision in 1999 further complicated the issue. In a case against the bookmaker Victor Chandler, the High Court held that it is not an offence to circulate or distribute advertisements or information promoting betting using a Teletext broadcast. The ruling enables the company's Gibraltar-based business to advertise its tax-free prices on television via Teletext and Skytext and by fax. It is reported that the Court of Appeals has overturned this decision.

South Africa

In 1999 the South African National Gambling Board released a report which estimated that South Africa could capture a large international export market if it regulated Internet gaming and positioned South Africa as a base for international Internet gaming operators.²³

South Africa aims to become one of the important emerging gaming nations. In this regard the National Gaming Board was established to promote uniform standards throughout the Republic. Provincial Gambling Boards focus on the execution of policies through licensing, regulation control and prosecution of illegal gambling.

The National Gaming Board has explored the possibility of regulating Internet gambling and has rejected the option of prohibition. The Australian Draft Regulatory Model is seen as the most likely guide for future policies. The Government's stated motivations to legalise Internet gambling in South Africa include:

1. to set the ground rules for how citizens participate to ensure that preferred policies and regulatory standards are followed;
2. to provide incentives for licensees to subscribe to the government's policy standards and regulatory requirements;
3. to maintain and enhance revenue derived from gambling.

New Zealand

In 1996 New Zealand was ready to become the first regulated online gaming jurisdiction but at the last minute the Government withdrew draft legislation because of social concerns. Although the New Zealand TAB offers online sportsbetting, New Zealand currently has a 'policy of no policy' with regard to online gaming.²⁴

Canada

Canada currently has no legislation for Internet gambling and there has been no proposal to change the status quo either through legalisation or prohibition. However, the *Criminal Code* (sections 201–206) suggests that operating online gambling services from Canada would be illegal. The Code also has provision to address and make illegal gambling related activities in Canada. Under the Code, in 1999 the Royal Canadian Mounted Police raided the Vancouver offices of a Canadian company (Starnet) with online gaming operations based in Antigua. The legality of this action is currently unresolved. An inquiry into the feasibility of online gambling was initiated by Ontario authorities in mid-2000.

Europe

The response in Europe has been mixed.²⁵ Some countries lean towards prohibition, while others offer Internet gambling licences conditional upon only allowing residents of that jurisdiction to access their services (e.g. Finland's lottery). Liechtenstein offers an Internet lottery directed to the global market. Gibraltar provides online sportsbetting, providing an offshore haven and global access for British bookmakers.

Future Directions

With the two major gambling nations (Australia and the US) taking opposing positions to the legalisation of online gambling, the international legal environment is perplexing and uncertain. Other nations have taken a variety of approaches, ranging from unregulated legalisation to prohibition. However, few reputable jurisdictions have embraced legalisation as confidently as Australia has done. Consequently, Australia has become the principal focus for legitimate investment by commercial operators from the US and other countries. However the current standoff between the Commonwealth and Australian states and territories over further licensing has created uncertainty about the future of online gambling even in that country.

Online gambling is different from other forms of gambling. It is not confined to one physical location; it is aimed primarily at cross-border and global markets. Technology and commerce are the driving forces for legalisation, not consumer demand. Online gambling also involves the convergence of gambling, telecommunications media, entertainment and sport, facilitated by the formation of powerful alliances of transnational

commercial interests that could be beyond the capacity of any one government to control. Lacking the essential technological skills, some governments are devolving the task of resolving key regulatory issues to industry, as they have with other areas of e-commerce.²⁶

The internationalisation of sport and gambling provides fertile ground for legalisation and market growth. Indications are that an increasing number of people around the world are embracing online gambling with enthusiasm, whether it is legalised in their own country or not. To date governments are not losing large amounts of money in cross-border gaming but the potential markets appear to be very large. Inevitably nations that do not legalise will lose revenue to those that do, but the promise of commercial benefits is being challenged by public concerns about social impacts, adequate regulation and legal implications.

While Australia and other nations that decide to legalise and regulate stand to achieve a comparative advantage in this lucrative global market, a crucial issue for policymakers is to assess the potential community benefit against the social costs. Recent national inquiries in Australia and the US have recognised that many citizens are concerned at the recent proliferation of gambling opportunities with minimal community benefit. Some communities are asking if it is time to draw the line. Other analysts argue that the 'horse has bolted', that the global nature of advanced technology makes it impossible to prevent the spread of this form gambling. The only option is to regulate as effectively as possible, using all available technical and political-legal resources.

While the US debates its policy options, and South Africa and the United Kingdom embark on the lengthy task of establishing their regulatory framework, Australia has a comparative market advantage. States such as Queensland have already established regulatory regimes for online gambling that are recognised as world benchmarks, but the social and political risks of fragmented and inconsistent regulations in Australian states and territories have yet to be resolved. Hasty and inadequate action by one state or territory in the short-term parochial pursuit of market advantage could jeopardise the reputation and legitimacy of the whole Australian industry. Similarly, any Commonwealth attempt to impose its will on reluctant states will inevitably result in political disputes and protracted High Court challenges over 'states rights'.

It seems difficult for governments to accept that traditional regulation will not work in the digital world, that the concept of national sovereignty may be largely irrelevant. Global technology requires a coordinated national response and international cooperation to establish regulatory standards and political-legal protocols. As the world's leading gambling nation, Australia could take a global initiative and urge the establishment of international agreements to establish high regulatory and consumer protection standards for this new and expanding industry. The pace of global change calls for prompt and imaginative leadership.

Notes and References

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16. Queensland was a strong advocate for the model, and has incorporated its key strategies in the *Interactive Gambling (Player Protection) Act 1998*.
17. The Prime Minister, John Howard, is known to have a moral objection to all gambling. He also appears to have been influenced by the Productivity Commission's findings that gambling, particularly gaming machines, was creating profound social problems in the community.
18. This inquiry is to be conducted by NOIE, the national agency responsible for advice, support and coordination to the Government and other Commonwealth agencies. Inquiries will conclude in mid-August, with a report expected in September 2000.
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