

ACMA compliance priority 2020–21

Online casino services targeting Australians

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Executive summary

The *Interactive Gambling Act 2001* (IGA) prohibits certain online gambling services from being provided or advertised to Australians. The Australian Communications and Media Authority (ACMA) is responsible for enforcing the IGA, and we continue to take action to combat illegal services that do or have the potential to cause social and financial harm to the Australian community.

In 2020–21, one of the ACMA’s compliance priorities focused on illegal online casinos that target Australians. Our activities were directed at 56 illegal offshore casinos identified as causing the greatest harm to the Australian community (targeted casinos).

We found the control of these casinos to be concentrated in the hands of only a small number of operators (targeted operators). We undertook a strategic approach to our investigation and enforcement activities under the IGA to cause the maximum disruption to these targeted operators and online casinos.

Summary of key outcomes

Our approach has been effective in disrupting the provision of these targeted casinos into the Australian market and informing future enforcement and disruption action:



Australian traffic to the majority of targeted casinos decreased by at least 90% by June 2021, following the blocking of their primary and alternate websites.



One operator that provides 6 of the targeted online casinos has committed to withdraw each of its services from the Australian market. We obtained further information about the parties behind other targeted casinos, which may assist in future enforcement action.



We disrupted the targeted casinos by contacting providers of essential services used by them, such as software. Many software providers took action to ensure their games were inaccessible to Australian customers on these casinos.



We contacted the providers of local payment options that were displayed on the targeted casinos, resulting in many of these local payment options being no longer available.



We caused further disruption to the targeted casino services by investigating 21 affiliate services that we identified as marketing these casinos (among others). 29% of these affiliate services withdrew access to Australian end-users or committed to implementing measures to ensure end-users in Australia cannot access online casino-style gambling services via the affiliate websites. The remaining services will be blocked.



We increased awareness within the Australian community about illegal online gambling services and the risks of using them – our consumer education campaign in June 2021 was successful in increasing visits to our website by 863%.

Background

ACMA responsibilities under the IGA

The ACMA is responsible for enforcing the *Interactive Gambling Act 2001* (IGA), which makes it illegal to provide or advertise the following services to people physically present in Australia:

- > prohibited interactive gambling services – such as online casino services (for example, online slots, poker and roulette) and online wagering services that accept 'in-play' betting on sports events
- > unlicensed regulated interactive gambling services – such as online wagering or lottery services that operate without a licence issued by an Australian state or territory.

In September 2017, the ACMA was given expanded responsibilities and powers in the form of stronger enforcement and disruption measures to enforce these prohibitions.

Since this time, we have moved quickly to crack down on illegal operators in the Australian interactive gambling market. As a result of our action, 156 prominent offshore online gambling providers (as at 16 November 2021) have withdrawn from the Australian market since we started enforcing the new illegal offshore gambling rules.

There are still a large number of operators providing illegal online gambling services to Australians. These services continue to pose a significant risk to Australian gamblers, with people who gamble online nearly 3 times more likely to be problem gamblers than those who only use land-based services.¹

Many of these are online casinos specifically target the Australian market.

Compliance priority – online casinos that target Australia

Online casinos that provide slots, roulette, poker and other casino games are prohibited in Australia. However, many services that are based offshore target Australian customers, using Australian themes and accepting play in Australian dollars.

Australian expenditure on these services is substantial. Global Betting and Gaming Consultants (GBGC) estimate Australian expenditure on offshore gambling for 2020 was US\$175 million (around A\$237 million) – of which over half is on online casinos. H2 Gambling Capital (H2GC) has forecast expenditure of A\$1,475 million for 2020 – again, of which over half is online casinos. While there is a disparity in the forecasts, it is clear that Australians continue to lose significant amounts to offshore casino operators.

The ACMA continues to receive complaints about these illegal services, which do not have the customer protections we expect in Australia. Winnings may not be honoured, and incentives and pressure tactics are used to target gamblers. Consumers who access these websites have little or no recourse if they experience poor player treatment or their winnings have been withheld.

¹ Hing, N., Russell, A. M. T., Browne, M., Rockloff, M., Greer, N., Rawat, V., Stevens, M., Dowling, N., Merkouris, S., King, D., Breen, H., Salonen, A., & Woo, L. (2021). The second national study of interactive gambling in Australia (2019-20). Melbourne: Gambling Research Australia.

Our activities in 2020–21 had 2 key objectives:

- > minimise the harm caused by illegal online gambling by disrupting offshore casino services that target Australians
- > send a message to the offshore gambling industry that the ACMA is proactive in enforcing the IGA against services that actively target Australians.

These activities assumed particular relevance over the past year, with many people finding themselves at home or spending more time online during the COVID-19 pandemic. This environment may expose people more to the harms from illegal online gambling, especially offshore services that target Australians.

We focused our disruption activities on these online casinos that target Australians, as well as other supporting services such as software providers, payment processors and affiliate marketing services.

This report presents key outcomes and observations from our disruption activities in 2020–21.

Methodology

The focus of our compliance activities was on the online casino services that are causing the greatest harm to the Australian community. We identified 56 illegal offshore online casino services (referred to as targeted casinos) through a number of sources, including our complaints data, previous investigations, web traffic information, market analysis of services and affiliate referral sites and key stakeholders.

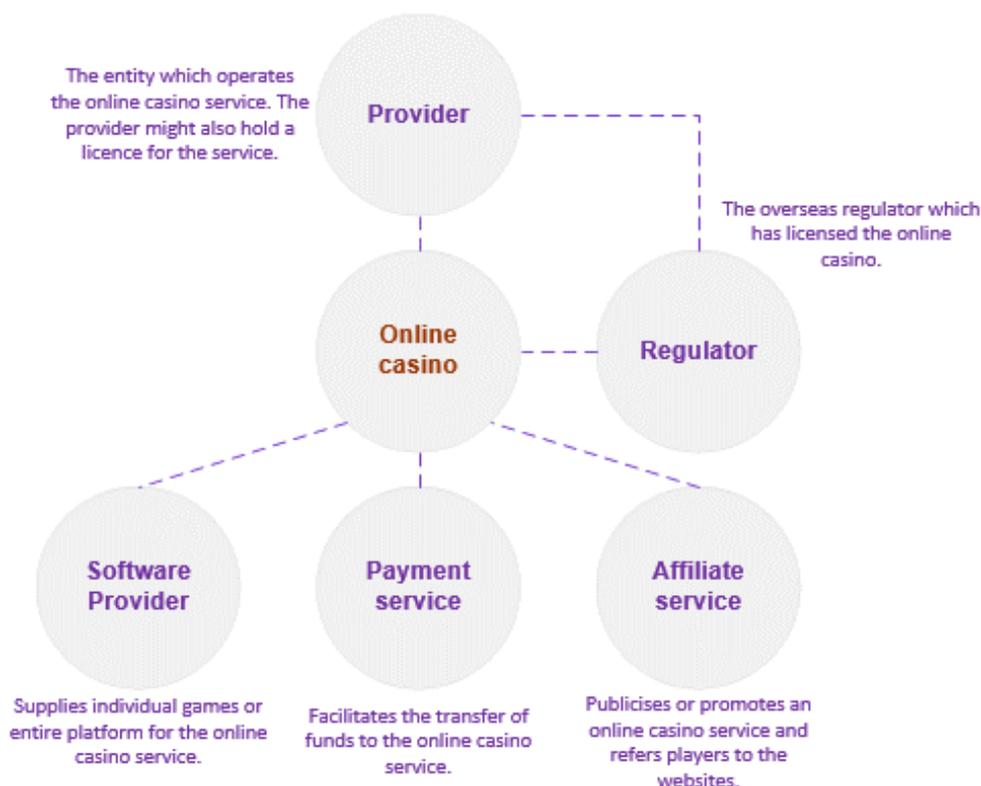
We found that control of these services was highly concentrated, with only few operators providing the majority of the targeted casinos. The focus of our compliance activities was on these targeted operators and services to deliver the greatest impact.

We undertook a multi-faceted strategy to achieve maximum disruption of the targeted casinos. In particular, we:

- > commenced investigations to identify all relevant entities and individuals behind the targeted operators for potential future enforcement action.
- > caused disruption to the targeted casinos through contact with the suppliers of essential services to those casinos, including software games providers, payment processors and affiliate marketing services that advertise and direct new customers to its site (outlined in the diagram below).
- > continued disruption of illegal gambling services, including the targeted casinos, by website blocking activities.

Our activities were complemented by our consumer awareness campaigns, which educated consumers on the risks of using illegal gambling services. We also continued to liaise with regulators in other jurisdictions to facilitate our disruption activities.

Figure 1: The online casino environment



Investigation of online casinos

A key activity was undertaking investigations to identify the parties involved (including any with an Australian presence) with the targeted operators and targeted casinos. This may assist the ACMA in future strategic enforcement action and the withdrawal of these services from the Australian market.

Typically, operators of these online casinos are all offshore and have complex corporate structures, which mask the identity of the controlling entities and individuals.

We focused our investigations on 56 targeted casinos that caused the greatest harm to the Australian community. The targeted casinos appeared to be concentrated in the hands of 6 operators. Accordingly, we commenced 6 investigations into the targeted operators.

One targeted operator, which provides 6 of the 56 targeted casinos, has committed to withdraw each of its services from the Australian market. We will continue to monitor these services to make sure this operator takes the steps it has committed to.

While some investigations are ongoing, future enforcement action against the targeted operators for non-compliance with the IGA may include website blocking and providing the Australian border protection agencies with the details of principals and directors of entities behind the targeted casinos for inclusion on the Movement Alert List (MAL). This may disrupt travel to Australia.

Website blocking

Since November 2019, the ACMA has been requesting ISPs to block illegal offshore gambling websites. We adopted this measure to disrupt illegal offshore gambling operators by preventing access by people physically present in Australia.

In total, 340 websites have been blocked at the request of the ACMA.² We maintain a full list of blocked websites on the ACMA website at www.acma.gov.au/blocked-gambling-websites.

Website blocking is one of a range of enforcement options available to the ACMA to protect Australians against illegal online gambling. It was the focus of our enforcement action in 2020–21, as we blocked the targeted casinos that had not been blocked the previous financial year, including any mirror sites that had been set up to circumvent the blocking.

Decrease in Australian traffic to blocked websites

There has been a significant reduction in Australian traffic to the targeted casinos' websites following the blocking of their primary websites and associated alternate sites. Of the 55 targeted casinos³ that had been blocked since November 2019, the majority saw a reduction in Australian visitors of at least 90% by June 2021.⁴

For example, one illegal gambling service went from around 1.1 million visits from Australia per month before the block was implemented, to now having fewer than 32,000 visitors.⁵ This is despite the provider of this service repeatedly launching mirror sites, which we also blocked. The decrease in web traffic indicates that many customers do not move to alternate sites, even when they are made available.

Website blocking also provides a valuable opportunity to educate the Australian public about gambling services that are illegal. Our education campaign included messaging that appeared when Australians attempt to access a blocked site. A 'stop page' was displayed, as shown in Figure 2, which identified the ACMA as the agency requesting the disruption, provided information about illegal online gambling services under the IGA, and gave details about complaint and review mechanisms.

Our experience is that website blocking has been an effective tool in disrupting (although not preventing) the provision of illegal online gambling services to end-users in Australia. We will continue to take action against sites that attempt to circumvent blocking, which includes blocking websites that we assess as being alternate websites.

² As at 16 November 2021.

³ One service was not blocked as it withdrew from the Australian market.

⁴ Based on Similarweb data.

⁵ As at 30 June 2021.

Figure 2: Blocked website 'stop page'



Australian Government

WEBSITE BLOCKED

Access to this website has been blocked because the Australian Communications and Media Authority (ACMA) has found the site is in breach of the Interactive Gambling Act 2001 (IGA).

It is prohibited under the IGA to provide online wagering services to customers in Australia without a licence issued by an Australian state or territory, or to advertise such services. It is also prohibited to provide or advertise other types of online gambling services to customers in Australia, such as slots and casinos.

You can find more information on the [ACMA website](#).

If you believe that the website has been incorrectly blocked, or you are adversely affected by this block, and wish to submit a complaint to the ACMA or seek a review, you can use this [online form](#). For further information or assistance, you can contact the ACMA at 1300 850 115.

Please note that if you are concerned about problem gambling, Gambling Help Online offers free counselling, information and support, 24 hours a day, seven days a week. Contact them on 1800 858 858 or visit gamblinghelponline.org.au.

Investigation of affiliates

Many websites publicise or promote online gambling services as part of affiliate programs for the targeted casinos. These sites typically position themselves as independent reviewers providing information on the best online gambling services. They provide direct hyperlinks to the online gambling services they review, and the owner of the website usually receives a direct benefit from the online gambling services they publicise or promote – in effect, a commission for sending customers to the gambling services.

These services may be found to contravene the prohibition on advertising illegal gambling services under the IGA. They may also be found to be ancillary to the contravention of providing illegal gambling services, that is, by being knowingly concerned in or a party to that contravention.



We sought to disrupt the marketing of the targeted casinos, including the direction of Australian traffic to these sites, by investigating 21 affiliate services that appeared to publicise or promote these online casinos to Australians.

Disruption to the marketing of illegal online casinos

Out of the 21 services we investigated, all were found to be advertising the targeted casinos or helping to provide the targeted casinos (as ancillaries) to users, in contravention of the IGA.⁶ Of these, 4 have implemented measures to ensure end-users in Australia cannot access online casino-style gambling services through the affiliate sites and are now fully compliant. Two services have made an undertaking to implement measures.

For the remaining services, additional website blocking of the non-compliant sites will result in further disruption, and expanded activities will be undertaken as a compliance priority in 2021–22.

⁶ One investigation is ongoing.

Engagement with software and payment providers

Many online casinos rely on third parties to provide the essential services that enable the casino to function. This may include software providers that supply the games on which players gamble and payment providers that assist in processing payments so the player can deposit funds to gamble with.

These third parties can be involved with hundreds or thousands of gambling websites and can influence or directly impact access to those services by Australians.



We contacted 52 software providers that had casino-style games displayed on the targeted casinos.

We also contacted the providers of local payment services that were on a majority of the target casinos and available to Australian customers.

Disruption to functionality of illegal online casinos

Our engagement with these third parties has been effective in disrupting the provision of the targeted casinos to players in Australia, by reducing the games and local payment options available to Australians.

As a result of ACMA action, many prominent software providers have ensured their games are inaccessible for players based in Australia. They either implemented IP-blocking or contacted the relevant gambling operators to encourage them to comply and request that they restrict Australian players from accessing their games. In some cases, the software providers' games have been removed completely from the targeted casinos.

Many of the local payment services contacted are also no longer displayed on the targeted casinos.

We will continue to engage with software and payment providers used by the targeted casinos and consider next steps.

Consumer awareness and education

Many offshore gambling websites look like they are legal in Australia, which can lead consumers to inadvertently use prohibited or unlicensed online gambling services. Public education and awareness is essential in deterring Australian consumers from using these illegal services.

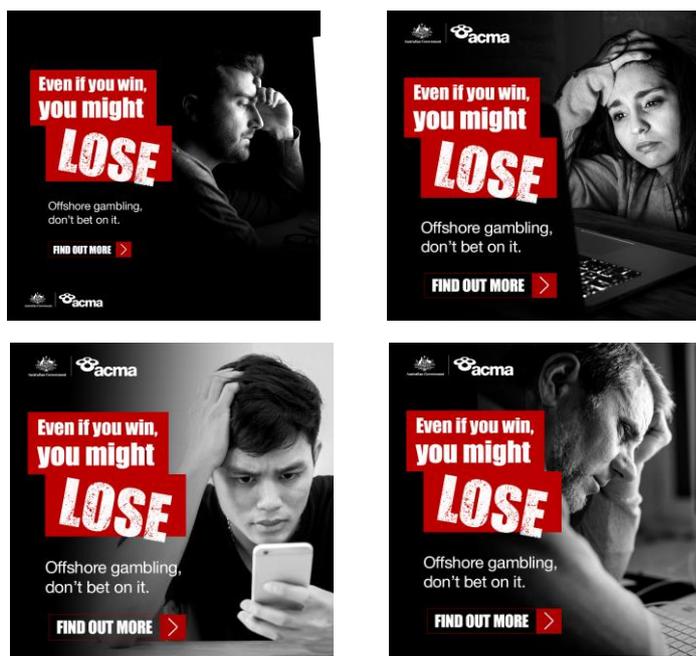
Our compliance activities in 2020–21 were supported by education and social media campaigns aimed at changing consumer behaviour by alerting consumers on the risks of using illegal gambling services.

We ran 2 consumer education campaigns, which placed advertising in front of users in real time while they were browsing betting websites and apps. Using the taglines: *Even if you win, you might lose* and *Offshore gambling, don't bet on it*, the ads highlighted the risks of using the illegal services and provided a link to the ACMA's website for information about the types of services that are legal and those that are illegal in Australia.

The high number of views of the advertising and the significant increase in visits to the information page provide clear indicators of the success of the campaign – our most recent campaign in June 2021 saw traffic increase by 863% to the relevant pages on our website.⁷

We also raised awareness of illegal offshore gambling services more broadly and provided links to our [register of licensed interactive wagering services](#) through social media campaigns, such as during the Australian Open in February 2021.

Figure 3: Our consumer education digital campaigns



⁷ During the course of this particular campaign (21 to 30 June 2021), our relevant webpage had 14,253 total page views and 1,584 average daily page views. This is compared to a daily average of 148 page views from mid-May to June 2021 and then in July 2021, when campaign advertising was not being used.