

LICENSING, REGULATION AND ALCOHOL STRATEGY

Internet Gaming - FAQ

- 1. Could you briefly outline the terms of an online gaming license, and in particular the fees charged to an Internet gaming operator?**

Essentially, the terms of an online gaming license encompass the corporate structure of the licensee, the nature and conduct of the business, costs to be borne by the associated parties, the tax rate and term of the license. The terms also include a number of other minor aspects such as notices, disclosure of information and the appointments of agents.

It is important to note that the Regulator retains the authority to direct the licensee in any matter regarding the operation of the license.

The Territory may charge an application fee. However, at this stage none has been set.

There are no prescribed annual or other fees beyond the 4% negotiated tax rate.

- 2. Lasseters Hotel-Casino, which is based in the Northern Territory, has been operating an Internet casino since 1999. Are there any restrictions to an offshore operator applying for license there?**

There are no restrictions to an offshore operator applying for a license in the Territory. In fact, we believe that the issue of additional licenses, to highly reputable operators, will only serve to bring greater attention and business to this jurisdiction and Lasseters.

- 3. Could you briefly explain how the national Interactive Gambling Act affects your legislation for potential operators in the Northern Territory?**

The Interactive Gambling Act has cleared the air for Australian licensing authorities and we now know that we can enter into new Operators' Agreements with online gambling licensees, within defined parameters. The Federal legislation simply precludes Australian gambling operators from offering their services to Australian residents. In addition the Act allows the Federal Government to prevent an Australian based operator from offering

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Darwin

Level 1, Enterprise House
28-30 Knuckey Street, Darwin
GPO Box 1154, Darwin, NT 0801
Ph: 08 8999 1800
Fax: 08 8999 1888

Katherine

3/36 Katherine Terrace, Katherine
GPO Box 1154, Darwin, NT 0801
Ph: 08 8972 8906
Fax: 08 8972 8910

Alice Springs

Peter Sitzler Building
67 North Stuart Highway, Alice Springs
GPO Box 8470, Alice Springs NT 0871
Ph: 08 8951 8452
Fax: 08 8951 8591

their services to residents from designated overseas jurisdictions whose legislation prohibits the provision of interactive gambling services. This latter aspect requires the overseas jurisdiction not only legislates against internet gambling but that jurisdiction must also apply to the Australian Government to have its residents excluded from registering with Australian operators.

As Lasseters custom is now 100% offshore, and is experiencing exponential growth, the Federal legislation has had no significant impact on Lasseters ability to extend its trade or on myself as the Territory's chief regulator in accepting new applications for licenses.

4. Did you base your regulatory model on one or more other forms of online gambling legislation?

No, the Northern Territory is recognised as the lead jurisdiction in developing and applying the AUS MODEL for the regulation of internet gaming. This regulatory regime is now the basis of regulation in other jurisdictions attempting to match the Northern Territory's reputation as a fully regulated online gaming licensing environment.

5. Do you have a limit on the number of licenses available?

No. The Northern Territory will consider all applications but will only licence those that it considers to be of the highest credibility. This will protect all successful applicants in maintaining their respective images as being regulated in the most highly regarded jurisdiction with player protection as a major focus.

6. Could you please briefly explain the telecommunications infrastructure in the NT?

Darwin is well serviced for communication with the world. Being part of the Australian fibre optic network, Darwin receives the standard Australian services including redundancy and local/international path diversity. In addition to the Australian communications services, Darwin is also located within the footprint of several satellites that service Asia. The availability of these established satellite services creates an enormous communications capacity for Darwin.

Lasseters has its land based as well as its online gaming operations based in the heart of Australia, at Alice Springs. Neither Lasseters nor internationally known sports betting operator, Centrebet, which is also Australia's second highest e-commerce business have any problem growing their respective businesses given the high level of telecommunications support in the Territory's southern region.

7. What processes do you have in place for the ongoing checking of licensed sites, and the software systems?

Licensees, and any future licensees, are required to undergo initial and periodic audit by independently commissioned auditors. These audits are consistent with world's best practice.

8. Do you have any measures in place to prevent a) underage gambling and b) blocking wagers where Internet gambling is illegal – or is this the responsibility of each licensee?

- a) Yes, the age of players is confirmed during registration through a rigorous identification process. In addition a number of player protection measures are also mandatory.
- b) It is the responsibility of the licensee and failure to comply would place their license in danger of being suspended.

9. Is there anything else you'd like to mention to the Gambling Licenses readers?

We are fortunate in the Territory to have bipartisan support for internet gambling which provides a solid foundation for consistent policy application and development, an essential pre-requisite for business certainty.

In addition, Darwin offers a secure lifestyle in relatively small population centres supported by modern infrastructure with the added bonus of an environment that is the envy of many others. A tropical atmosphere with picture perfect scenery, world heritage listed areas close-by, comprehensive and well-developed education system, an extensive range of sporting and recreational activities, and a multicultural society.