

# The challenges of internet gambling regulation: cross-border providers and national gambling control

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Responding to and Reducing Gambling Problems Studies

## **The challenge of international gambling regulation: cross-border providers and national gambling control**

- Gambling is unlike most things for sale:  
there is no physical object to be transferred
- A country thus cannot control a sale by preventing the object  
being transferred across its border
- So there are internationally-oriented gambling companies  
which have made a deal and located in small countries –
  - Often semi-autonomous leftovers of European empires:  
Gibraltar, Channel Islands, Antigua, Barbuda ...

- There is no international agreement on controlling or regulating gambling, and little involvement with it of any of the United Nations global organisations and agreements
- Nor is it dealt with in most regional agreements, other than in the European Union
- So a country is left with few options in controlling cross-border advertising & sale of gambling
  - bilateral agreements with the countries hosting externally-oriented gambling companies (the U.S. has tried this),
  - Attracting internationally-oriented gambling companies to register in it (Sweden's choice),
  - Establishing some mechanism to cut off the companies' access (Australia's option)

- Australia has poorly-controlled internal gambling markets
  - A federal country, the national government controls most lucrative tax revenues
  - The states and territories are left scrambling, with gambling as a major source of revenue for them (e.g., 9% of revenue for the state of Victoria)
  - Politically influential community clubs and hotels and their organizations also depend on gambling revenue
    - Gambling advertising and control are “co-regulated”, interpreted as more or less self-regulated with minimal government oversight

- The results:
  - Australia’s spending on gambling is €850 per adult (vs. Sweden’s €250) *[per resident adult in 2017; Sulkunen et al., Setting Limits, 2019, p. 24].*
  - Three Royal Commissions inquiring, public opinion negative, shake-up of systems under way
- BUT: this has meant all political interests want to keep international gambling companies out....

- The web in Australia has Internet Service Providers who transmit what's on the web to Australian receivers;
- They are licensed by the Australian Communications and Media Authority (ACMA), which tells them what to ban
- Gambling solicitation is the only communication banned
- The ACMA puts out a listing of offshore sites on its banned list: <https://www.acma.gov.au/blocked-gambling-websites>,
  - and blocks about 20 more per month  
(<https://www.acma.gov.au/articles/2021-03/acma-moves-block-more-illegal-gambling-websites>)

- Results?—
  - The system has a substantial effect in reducing cross-border gambling from Australia;
  - However, it does not completely cut it off; still some gets through
- But such a system is worth thinking of by other jurisdictions

With thanks,  
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