

The Chairman
Environment, Communications, Information Technology
and the Arts Legislation Committee
Parliament House
Canberra ACT
Australia 2600



April 23, 2001

Dear Sir,

The World Lottery Association was formed in August 1999 from a merger of AILE, the International Association of State Lotteries, and Intertoto, the International Association of Toto and Lotto Organizations. Both AILE and Intertoto were originally established in the mid 50s. Representing combined annual revenues exceeding US\$ 95 billion, the WLA membership consists of 135 state-licensed lottery operators from 74 countries on all five continents. All these lotteries exist to benefit community purposes such as art, culture and sports, as determined by their governments. 54 lottery industry suppliers are associate members. Thus, the national and state lotteries form one of the biggest economic sectors of the world. The mission of the World Lottery Association is to advance the collective interests of its membership and to offer services to the membership. The WLA is also committed to strengthening the international voice of the regulated gaming industry.

The new technologies have opened a new, truly global gaming market - a market that does not always subscribe to the ideals promoted by the WLA. WLA has been carefully following governmental decisions regarding the sale of lottery products on the Internet and has been opposed to the cross-border sale of lottery products by virtue of mail, telephone, the Internet, or any other media without the consent of the jurisdictions of the intended purchasers. The WLA is in the process of developing a code of conduct that might lead to expulsion of offending lotteries.

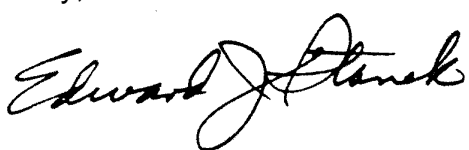
WLA is surprised that the Australian Government intends to make the purchase of Internet lottery products illegal within its own border but be prepared to sell them off shore. There is no provision to insure the concurrence of jurisdictions outside of Australia's borders. Indeed, current members in good standing, including the lottery companies in Austria, Sweden, Finland and other European government lotteries, have restricted their sales only to residents of their re-

spective countries unless they have an agreement with another country. This policy is in full compliance with national policies in the vast majority of countries, including the European Union. The European Court of Justice has made several rulings in favor of keeping the state monopolies, since they represent the protection of national social causes and the prevention of criminal activities. Australian based Internet lotteries not only offer their games internationally, but they are also pinpointed directly towards specific markets with local languages like Norwegian, Swedish, Danish and Finnish. In all these markets, it is illegal to market and offer games that are not state licensed in their own jurisdictions. WLA believes that the European solution is the preferred position where each country respects the geographical boundaries of its jurisdiction.

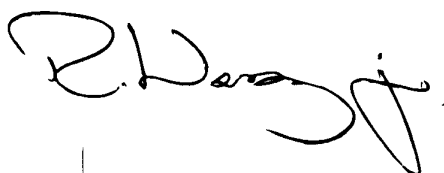
Typical beneficiaries from the national lotteries are sectors like sports, culture, science and education. These sectors are of course concerned that their sources of income might diminish as a result of unfair, international competition. The national lotteries cannot compete on the prize pay-out, since their primary objective is to create maximum profit to the good causes. We are in contact with the International Olympic Committee in order to issue a common statement in this matter, the national sports federations being among the major beneficiaries in jurisdictions with sportsbetting on their lottery products.

The WLA hopes to achieve mutual respect among its members for the lotteries raising money for good causes and governmental programs throughout the world. In light of this purpose, and to foster the continued spirit of international harmony between Australian lotteries and the lotteries in the rest of the world, we respectfully request that you review the proposed Government's position.

Sincerely,



Edward J. Stanek, Ph.D.
Vice President, WLA
Chairman, Committee for New
Media/Cross-Border Sales



Reidar Nordby, Jr
President, WLA