

# newsletter

## Regional Conference and Annual General Meeting

SEPTEMBER 2004

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## Chairman's Letter to the APLA Members



Jan Stewart

### Dear Members

This will be the last time that I report to you in my capacity as Chairman of the Asia Pacific Lottery Association. The Secretary of the Association, Lorraine Driscoll, and her assistant Jan Lewis from our APLA team at Lotterywest and I have greatly appreciated the privilege of being able to work with our members throughout the region since my election in 1999.

This newsletter is being prepared only a few short weeks before the first Asia Pacific Lottery Association regional conference is to be held in Perth on 8/9/10/11 September 2004. Already, registrations have been higher than expected, and we are greatly looking forward to welcoming both old and new friends from the industry, and our colleagues from the suppliers to our industry, who have been extremely generous in their support of this regional conference. September will be

early spring in Western Australia, and we are already promised a wonderful season of our unique wildflowers. We are hoping that our guests will have time to experience a phenomenon found nowhere else in the world, in the amazing species of flowers found only in Western Australia.

The conference will provide two days of intensive business program. Our speakers will include business experts on economics, leadership, and ethics, and our special keynote speaker will be Professor Jan McMillen from the Australian National University, an internationally recognised expert of the gaming industry, who will attend and participate in the whole 2 day program. We will also look forward to presentations from our member lotteries throughout the region, and from our suppliers. We are especially pleased that the President of the World Lottery Association, Mr Reidar Nordby, and the Secretary General, Ms Yvonne Schnyder, have been able to accept our invitation to participate in this special event.

Our conference will commence with the inaugural Asia Pacific Lottery Association Chairman's Trophy Golf Tournament, following the now well established tradition of the WLA President's Cup. Three quite different evening social programs have been arranged, concluding with a networking day on the final day, a cruise along the Swan River through to one of Western Australia's unique winery areas.

The Asia Pacific Lottery Association annual general meeting will be held during the conference, and at that meeting I will stand down as President having had the privilege of two terms of service in that role. Mr Henry Chan, Director of Betting at the Hong Kong

Jockey Club has been nominated for the position as President, and Mrs June Roache, Chief Executive Officer of the South Australia Lotteries Commission as Vice President.

Mr Chan and Mrs Roache need no introduction to our members in the region, both are long serving and highly respected members of the lottery industry. Mr Chan led the original establishment of the then Asia Pacific Lottery Group, the forerunner to APLA, and has been an excellent Vice President of APLA since 1999. I know that Mr Chan and Mrs Roache will fulfil their new roles with distinction.

This year we had one formal Executive Committee meeting on 20 April hosted by Mr Tan Soo Nan in Singapore, as well as one in Granada in October 2003 during the WLA Director's Forum. In between times, we maintain contact by phone and email. A short summary of the key matters discussed is reported elsewhere in this newsletter.

It has been proposed, and will be discussed at the AGM, that the Secretariat services for the Asia Pacific Lottery Association will remain based at Lotterywest to provide continuity for the administrative support of APLA's growing role in the region. Lorraine Driscoll and our team at Lotterywest will continue to provide support to the membership.

Since our last APLA newsletter, much has happened on the international scene.

Many of our members will have attended the inaugural World Lottery Association Director's forum in Granada in October 2003. Since then we have had the WLA Interactive Gaming Seminar in May 2004 held in partnership with APLA and hosted by our Asia Pacific Lottery Association member Hong Kong Jockey Club.

# Chairman's Letter continued

I had the pleasure of attending formally to represent both the President of WLA and the Asia Pacific Lottery Association, and made a presentation on the "Interactive Gaming" situation in Australia.

A report from Angela Lam of Lotterywest of the event is included in this newsletter. I would like to congratulate Mr Henry Chan and all his staff for the superb organisation of the conference, and as always the hospitality of the Hong Kong Jockey Club.

Following the Hong Kong seminar, I attended the WLA Executive Committee meeting held in Rome as APLA's representative. As we have been discussing in all these forums, the industry is facing a period of great change.

In a current study entitled "The European Union and its Impact on State Licensed Gambling Monopolies" MECN offers a detailed analysis of the activities of the European monopolies, and examines whether one of "the last few remaining monopolies in Europe" is in fact, "faced with extinction". This report suggests "in order to avoid risking a complete dissolution of monopolistic structures, the State authorised companies will have to modify or perhaps discontinue some products, sales channels, and/or marketing campaigns ..... and for the State run betting and lottery companies increasing liberalisation poses a real threat to their existence". These are serious comments coming from outside our industry to which we need to give our attention.

Although the members of the Asia Pacific Lottery Association operate in diverse, political, and competitive environments, most of us have been established as State authorised monopolies to raise money, either for government, or for designated worthy causes, within the jurisdiction in which we hold our licence. Our capacity to continue to support those worthy causes may be compromised if the competitive threat which appears to be facing our European colleagues, were to impact globally, and for which we had no strategy with which to respond.

The other issues which form a common thread throughout all these lottery forums

and meetings are the changing gambling, entertainment, and customer market; the opportunities provided by developments in technology to deliver new forms of entertainment and gaming products to the consumer; and particularly the penetration of mobile technology with web based capacity.

The difficulty that the international legal and regulatory environment is having in responding to these changes, as was clearly outlined by one of the speakers at the recent Hong Kong conference, Dr Karen Jeanneret-Druckman, the blurring of the role of lottery operator and lottery supplier, and the emergence of new strategic alliances, particular with the developers of new technology are other discussion themes.

In response to all this, WLA as an association representing the global industry is working to redefine its role, and to establish a clear strategic direction for the future for the Association and for its members.

At the Granada Director's forum, there was a strong call from the members for WLA to establish the capacity to support its members in research and development, as well as to develop a very clear code of practice for standards of corporate social responsibility which would provide a benchmark for all WLA members.

These topics will form the basis of the program "Corporate Social Responsibility - The Future of the Lottery Industry" at the WLA round table in Hamar, Norway September 15/16 immediately following the APLA Conference.

As we come together at our Asia Pacific Lottery Association conference, I hope that we in this region can all contribute our ideas on these significant matters, to prepare a position which would represent our members and to form part of the deliberations at the WLA Congress in Durban in November.

The members of the Asia Pacific Lottery Association have much to be proud of. Many of us have long histories of service in our jurisdictions, while others are newer to the business, but nevertheless, have been established in the tradition of longer established

colleagues to raise funds to support the development of their particular communities. We are the fastest growing region in the world, and our members represent countries with the biggest populations and growing economies.

Our Perth conference will give us the opportunity to share our experiences, to strengthen our capacity to plan for the future.

Our partners in this challenge must include our "suppliers", a title which does not express fully the complex reciprocal relationship which now exists between the lottery operator, and those who provide the technical and other infrastructure support to deliver our products to our customer.

As we work together, we need to maintain the balance of recognising the interests of our customers, of our retailers, our beneficiaries, our own staff, our suppliers, and our government's expectations of us. I look forward to exploring these issues with you at our conference, to renewing and strengthening current friendships, and making new ones.

In concluding this final report to you, I would like to put on record my appreciation for the friendship and contributions made by the other members of the Asia Pacific Lottery Association Executive Committee, our Vice President, Mr Henry Chan, Mr Tan Soo Nan, Mr Kobayashi, and Mr Trevor Hall. It has been a pleasure working with the other members of the committee and their staff, and to represent the APLA members on the WLA Executive. As an organisation representing such a significant part of the world, it is critical that we continue to develop a strong association, providing services to our members, and the capacity to contribute to the vital work of the WLA.



Jan Stewart  
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