

Betfair court case gets underway

High Court judges were shown how to punt AUD 10 online on the AFL as they began hearing a challenge to laws restricting the reach of internet gambling exchange Betfair.

Betfair, part owned by the Packer family, is seeking to have the court strike out West Australian laws that prohibit its residents from placing bets using the online exchange, which has based its Australian operations in Tasmania.

The company argues the WA laws, which also prohibit interstate punters from betting on WA races through Betfair, contradict section 92 of the constitution which says trade between states should be „absolutely free“.

Other state governments have rallied to Western Australia's defence of the case, although Tasmania is supporting Betfair.

Controversially, Betfair allows punters to wager on which horse, greyhound or team will lose, rather than just who will win.

Bets are not accepted unless there is a matching bet from another punter backing the opposite outcome, ensuring Betfair does not take on any risk in the way a regular bookmaker does.

Stephen Gageler SC, for Betfair, spent more than half an hour guiding the full bench of the High Court through dozens of slides explaining the process of placing an online bet on an AFL team or horse race using Betfair.

He showed the judges how to put AUD 10 on the West Coast Eagles to win the AFL premiership – while pointing out they were free to back any team they liked.

„This is getting interesting ... I might get addicted,“ remarked

Justice Michael Kirby, who admitted to knowing little about how betting odds worked.

Justice Susan Crennan said she could see authorities would have concerns about the integrity of the racing industry when Betfair allowed punters to bet on adverse outcomes, such as which horses would lose a race – known as a lay bet.

„It’s much easier to monitor (bets) on a short-priced favourite to win than it is to monitor a whole collection of lay bets,“ she said.

Mr Gageler defended Betfair’s system, saying it differed from other betting agencies in that it allowed punters to back a greater range of possible outcomes.

„What it comes down to is a clash of a 19th-century production process with a 21st-century production process, leading to a product with limited options versus a product with more enhanced options for the customer,“ he said.

While WA racing authorities wanted to retain control over bets placed on WA races from interstate, there was virtually nothing they could do to stop overseas bookies offering bets for WA races, Mr Gageler said.

Justice Kirby criticised Betfair for bringing the constitutional case before the High Court in the first instance.

This had prevented the judges from having access to a set of clearly established facts which would have been available had the case been first taken to the Federal Court or a state court.

„I cannot imagine the high court of the United States or Canada sitting for three days to hear a trial case like this,“ Justice Kirby said, noting the defence team’s written submission was the longest he had ever seen.

The case continues.