ESPORTS

Subject / issue

Esports is a complex industry with a range of integrity threats. Sport Integrity Australia is considering the outcomes of a report into the integrity arrangements in the sector.

WHAT IS THE STORY TO TELL?

- eSports is a complex and rapidly growing industry. Sport Integrity Australia engaged an expert consultant to assist in identifying what role we could play in enhancing the integrity response of the sector within our current responsibilities and resourcing.

- All the integrity threats faced by sport are faced by esports such as doping, competition manipulation, and member protection challenges. Additionally, there are the industry specific threats such as governance challenges and technological issues.

- Sport Integrity Australia is not currently resourced to respond to eSports integrity threats.

- Sport Integrity Australia will consider education and engagement opportunities with the industry.

STATISTICS

- Global eSports industry estimates of viewership are estimated to grow 9% between 2019 and 2023, up from 454 million in 2019 to 646 million in 2023. Most 2021 projections put the esports ecosystem on track to surpass $1 billion in revenue for the first time. The majority of this is from sponsorship and advertising, and media rights and content licenses.

Key points

- The Australian esports landscape is both complex and evolving, with a variety of different organisations running esports events.

- Sport Integrity Australia engaged an industry experienced consultant (Mr Mat Jessep of Game Legal and Consulting) to review the Australian esport landscape to help inform a position on how the agency could assist and engage with the esports industry.

- Relevant stakeholders from government, law enforcement and the sports industry were consulted as part of this review.

- Sport Integrity Australia is considering the information provided in the review, which details the current eSports landscape in Australia, including existing integrity measures.

- Sport Integrity Australia is working through practical considerations, including exploring opportunities to engage with the sector.

- Wagering on eSports is being considered as part of the ASWS strategic planning to ensure related threats are considered with wagering and regulatory authorities.

BACKGROUND

Global Environment

Esports is a term used to describe an entire industry, but it can be generally described as 'competitive video gaming which can be viewed by an audience.'

There are many eSports games for participants to compete in, which can be broadly categorised as follows, with some examples:

- First person shooters (Counter Strike: Global Offensive (CS:GO))

- Third Person Shooter (Fortnite, Player Unknown's Battlegrounds (PUBG))

- Real time strategy (Starcraft)

- Multi-Player Online Battle Arena (League of Legends, DOTA 2)

- Motor racing games (iRacing, F1)

- Simulated Sports (FIFA and NBA2K).

Esports is rapidly growing in popularity, in terms of participation and viewership.

Integrity Risks & Vulnerabilities

Esports face similar integrity risks as traditional sports – competition manipulation, doping, criminal infiltration, participant compromise, safeguarding and welfare issues. There are also risks unique to the esports setting such as technology.

The integrity risks are enhanced in esports due to the lack of control of any single system or body to enforce compliance with integrity principles or rules. Consequences for breaches of existing rules are only effective amongst the stakeholders that actively embrace the applicable rules.

Recognition of esports as a sport

Sport Australia does not recognise any single esports body as an NSO, nor does it have a formal esports partnership. In August 2018, the Australian eSports Association (AESA) proposed that Sport Australia recognise esports as a sport in Australia and recognise AESA as its NSO. Sport Australia did not agree to recognise AESA as the NSO. In recognition of the structural and governance issues in Australian esports, AESA will focus on developing the eSports industry in Australia. It intends to do this through establishing itself as the preferred peak body for eSports in Australia before pursuing NSO recognition again.

The International Olympic Committee (IOC) has acknowledged eSports could be considered as a sporting activity, however, in order to be recognised by the IOC as a sport, the content of esports must not infringe on the Olympic values (such as violence in games), and compliance within areas such as anti-doping, betting and competition manipulation would be required for Olympic inclusion to be considered. The IOC recently stated it does not and is not planning to endorse or recognise an esports federation.

Many governments around the world do recognise eSports as a sport and are involved in regulation at some level. These include, but are not limited to, Germany, France, New Zealand, South Africa, China, Indonesia and Italy.

Governance

Fragmented governance presents a challenge to managing integrity risks in esports. Traditional sports are mostly structured with a peak body, with affiliate members underneath. Esports competitions are mainly governed by the game publishers (GPs) and/or tournament organisers (TOs). The GPs and TOs only govern those participating in competitions of their respective games. This is problematic given the large number of games, meaning many governing bodies exist.

Integrity measures

Consistent with the governance environment of eSports, the integrity framework is fragmented. Integrity measures and processes are usually implemented by the TO, which may be the game publisher running their own leagues or by a separate TO. This leads to a lack of standardisation of rules and policies between TOs, and potentially inefficient and ineffective responses to integrity threats.

Some TOs are supported by integrity specialists, such as the Esports Integrity Commission (ESIC). The effectiveness of ESIC is limited by the number of members they have, for example, a sanctioned player under the auspices of an ESIC member may continue competing in the same game with a non-ESIC member.

Betting related match-fixing is covered under state and territory legislation in coordination with relevant Commonwealth legislation such as the Interactive Gambling Act 2001. The Victoria Police Sport Integrity Intelligence Unit (SIIU) has investigated and prosecuted cases of match-fixing in esports according to their match-fixing legislation.

Australian response

Sport Australia authored a paper titled 'ESports in Australia insights – the eSports opportunity for Sport Australia' in August 2019. The paper acknowledged that as integrity issues become more prevalent within the eSports ecosystem there is a call for more regulatory measures. The industry must evolve and gain suitable structure and stability if it is to overcome some of the many challenges it is facing.

As with other fledgling NSOs, Sport Australia could provide access to relevant resources in areas such as governance and integrity. A key area is supporting an appropriate esports peak body in Australia to address issues such as governance and integrity through access to appropriate resources.

The National Integrity of Sport Unit (NISU) previously engaged with eSports stakeholders to provide support, advice and resources to assist in individual stakeholder's development in an effort to enhance Australia's reputation for clean sport (noting the limited jurisdiction).

List of Sport Integrity Australia meetings with eSport bodies

- 18/05/2021 Motorsports Australia CEO Eugene Arocca

- 19/02/2021 South Australian Office for Racing Sport and Recreation

- 11/02/2021 Interactive Games & Entertainment Association CEO Ron Curry

- 23/02/2021 Interactive Games & Entertainment Association CEO Ron Curry

- 24/11/2020 Esports Integrity Commission Stephen Hanna

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