

1998

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

BOOKMAKERS ACT 1985

INSTRUMENT NO. 254 OF 1998

EXPLANATORY STATEMENT

DETERMINATION OF RULES FOR SPORTS BETTING

Circulated by the Authority of Kate Carnell MLA

Chief Minister

Outline

The *Bookmakers Act 1985* (the Act) governs the activities of bookmakers in the Australian Capital Territory.

Part IIIA of the Act provides for the conduct and control of sports betting. In particular, the legislation empowers the Minister to determine the rules for sports betting.

Section 39C (1) of the Act provides that the Minister may, by instrument, determine or vary rules for sports betting.

This instrument varies Determination No 69 of 1997, notified in Special Gazette No. S99 of 18 April 1997 by deleting Part D 3. and substituting a new Part.

Part D of Determination No. 69 of 1997 established the rules relating to approved methods of accepting sports betting transactions (by face-to-face in the approved sports betting venue, by telephone, by facsimile or via the Internet) and the outlined the specific requirements necessary to establish an appropriate framework to regulate the transactions of sports bets.

The restrictions established by Determination No. 69 of 1997 were designed to provide a reasonable level of control to ensure that all bets are appropriately confirmed and recorded, the correct licence fee is paid and adequate details are retained in the event of a dispute.

Determination No. 69 of 1997 required that bets received by facsimile needed to be confirmed by either return telephone call or facsimile. This prevented a fully interactive wagering environment.

As an extension to the existing telephone betting controls and procedures, this Instrument replaces the Part relating to receiving bets via the Internet and establishes a revised regulatory framework for such transactions which provides for electronic confirmation of bets.

These revised rules for sports betting also incorporate the work done by national Interactive Wagering Working Party, established at the 1996 Racing

Minister's Conference. A set of national standards for Internet wagering systems have been developed and endorsed by Racing Ministers'.

The Instrument requires that systems utilised by bookmakers must comply with the agreed national standards and that an independent audit must be provided to confirm that the security and integrity of the systems are assured and that the systems meet the minimum national standards.

The Instrument sets a number of controls in regard to the conduct of bookmakers and their relationships with providers of Internet services. These restrictions are designed to ensure that betting information cannot be varied without being detected by the regulator.

The Instrument also establishes the requirements for the weekly reconciliation of betting activity to capture movements in client funds and bookmaker account balances to ensure complete scrutiny of bookmaker internet activity.

Financial Implications

The direct financial implications from this instrument are expected to be positive. Sports betting has been established for three years. Turnover of some \$78m was achieved in 1997-98, with revenue of some \$600,000 achieved. To date, the levels of revenue to Government have exceeded expectations.

As an extension to the existing methods of betting via telephone, licensed sports bookmakers have sought approval for fully interactive betting via the Internet. Such facilities open the ACT sports betting industry to a world wide market and enable licensed operators the capacity to properly compete with other national and international service providers.

The requirements established by this Instrument will ensure that the appropriate level of licence fee is paid to the Government, adequate records of the sports betting business are maintained and a details of all transactions is available in the event of a dispute between a punter and a licensed sports betting bookmaker.