



New South Wales

# Racing Administration Amendment (Sports Betting National Operational Model) Bill 2014

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

### Overview of Bill

The object of this Bill is to regulate betting on sporting events in line with the *National Policy on Match-Fixing in Sport* by:

- (a) recognising sports controlling bodies in relation to sporting events, and
- (b) requiring that a person who seeks to have a sporting event prescribed as a declared betting event (or who seeks a new type of bet in relation to such an event):
  - (i) must enter into an integrity agreement with the sports controlling body for the sporting event, or
  - (ii) if there is no sports controlling body, must consult with the key persons or bodies involved in the administration of the sporting event, and
- (c) requiring betting service providers to be licensed and to enter into integrity agreements with the sports controlling body for a sporting event before being permitted to offer betting services in relation to the sporting event, and
- (d) specifying the matters that must be addressed in integrity agreements, and
- (e) permitting the sports controlling body for a sporting event:
  - (i) to prevent the sporting event being prescribed as a declared betting event, and
  - (ii) to prevent new types of bets being permitted, and to apply to have existing types of bets prohibited, in respect of a sporting event that has been prescribed as a declared betting event.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

## Schedule 1      Amendment of Racing Administration Act 1998 No 114

**Schedule 1 [1]** changes the name of the *Racing Administration Act 1998* (the *principal Act*) to the *Betting and Racing Act 1998* to better reflect the matters with which the principal Act is concerned.

**Schedule 1 [7]** omits sections 18–20 of the principal Act and inserts a number of new provisions (the *key provisions*) that regulate betting on sporting events in line with the *National Policy on Match-Fixing in Sport*.

**Proposed section 17A** sets out definitions of *sporting event* and *sports controlling body* for the purposes of Division 2 of Part 3 of the principal Act, it also permits the regulations to declare that an event or class of event is, or is not, a sporting event and any such declaration is to be conclusive for the purposes of that Division.

**Proposed section 17B** provides that a person or body may be prescribed by the Minister as the sports controlling body for a sporting event. It is envisaged that the proposed section will be administered by the Minister for Sport and Recreation, who will prescribe the relevant sports controlling bodies.

**Proposed section 18** permits the Minister to prescribe an event or class of event (whether or not a sporting event) as a declared betting event. When prescribing a declared betting event, the Minister must also prescribe the types of bets that are permitted to be made on the declared betting event. The Minister is not to prescribe a declared betting event or to prescribe a new type of bet for an existing declared betting event unless an application to do so has been made by a person (the *applicant*) who is a licensed bookmaker who holds a declared betting event authority or who is a licensee under the *Totalizator Act 1997*. If the declared betting event is a sporting event and the Minister receives an application from the sports controlling body for the sporting event asking the Minister to remove a particular type of bet that can be made on the event, the Minister must give effect to the application unless the Minister considers that it would not be in the public interest to do so.

**Proposed section 18A** sets out the requirements that must be met before the Minister is permitted to prescribe a sporting event that has a sports controlling body as a declared betting event or to prescribe a new type of bet for any such existing declared betting event. The Minister must be satisfied that there is an integrity agreement in place between the applicant and the sports controlling body. The integrity agreement must set out the measures that will be used to prevent, investigate and assist in the prosecution of any match fixing or other corrupt behaviour related to betting on the sporting event, provide for funding to go to the sports controlling body for those purposes, make provision for information sharing between the applicant and the sports controlling body and provide for a consultation process whereby the applicant will consult with the sports controlling body before making any future applications. The Minister must also be satisfied that the applicant has consulted the sports controlling body in respect of the making of the application and the sports controlling body does not oppose the application.

**Proposed section 18B** sets out the requirements that must be met before the Minister is permitted to prescribe a sporting event that does not have a sports controlling body as a declared betting event or to prescribe a new type of bet for any such existing declared betting event. The Minister must be satisfied that the applicant has taken reasonable steps to consult with the key persons or bodies involved in the administration of the sporting event. The consultation is only required if the sporting event takes place in Australia. The Minister must also take into consideration the

public interest, any potential impact on the integrity of the sporting event and if the sporting event takes place in Australia, the views (if any) of the key persons or bodies involved in the administration of the sporting event.

**Proposed section 18C** creates an offence (maximum penalty of \$11,000 for a corporation or \$5,500 or imprisonment for 12 months (or both) for an individual) if a *betting service provider* (being a bookmaker, a person who operates a totalizator or a person who operates a betting exchange) offers a *betting service* (accepting or offering to accept a bet, inviting a person to place a bet or facilitating the placing of a bet) in relation to a sporting event unless the betting service provider is a licensed betting service provider and has entered an integrity agreement with the sports controlling body for the sporting event. The integrity agreement must set out the measures that will be used to prevent, investigate and assist in the prosecution of any match fixing or other corrupt behaviour related to betting on the sporting event, provide for funding to go to the sports controlling body for those purposes and make provision for information sharing between the licensed betting service provider and the sports controlling body. There is no requirement under the proposed section to enter an integrity agreement at any time where there is no sports controlling body for the sporting event or at any time during the 6 months immediately following the prescription of a person or body as the sports controlling body for the sporting event.

**Proposed section 19** creates an offence (maximum penalty of \$11,000 for a corporation or \$5,500 or imprisonment for 12 months (or both) for an individual) if a bookmaker accepts or makes a bet on a declared betting event unless the bookmaker is licensed and holds a declared betting event authority and the bet is accepted or made in accordance with the conditions to which the authority is subject. The proposed section also permits the Minister to grant such an authority to a licensed bookmaker on the application of the bookmaker.

**Proposed section 20** provides for the conditions to which a declared betting event authority is subject.

**Schedule 1 [2]** inserts a number of definitions for the purposes of the key provisions and omits some redundant definitions. **Schedule 1 [3]–[6], [8]–[14], [16] and [20]** make amendments consequential on the key provisions being inserted into the principal Act.

**Schedule 1 [15]** updates a heading to a Part to better reflect the matters with which the Part is concerned.

**Schedule 1 [17]** corrects a reference to ensure that the terminology used in a section is consistent.

**Schedule 1 [18], [19] and [21]** make amendments consequential on the key provisions being inserted into the principal Act and also update terminology in Part 4 of the principal Act to ensure that the terminology in that Part is consistent with terminology used in the key provisions.

**Schedule 1 [22]** permits regulations under the principal Act to contain provisions of a savings or transitional nature consequent on the enactment of the principal Act or any Act that amends the principal Act (including the proposed Act).

**Schedule 1 [23]** inserts a number of savings and transitional provisions into the principal Act consequent on the enactment of the proposed Act.

## **Schedule 2 Amendment of other Acts**

**Schedule 2.1 [1] and [2]** amend the *Greyhound Racing Act 2009* as a consequence of the key provisions being inserted into the principal Act.

**Schedule 2.1 [3]** permits regulations under the *Greyhound Racing Act 2009* to contain provisions of a savings or transitional nature consequent on the enactment of that Act or any Act that amends that Act (including the proposed Act).

**Schedule 2.2 [1] and [2]** amend the *Harness Racing Act 2009* as a consequence of the key provisions being inserted into the principal Act.

**Schedule 2.2 [3]** permits regulations under the *Harness Racing Act 2009* to contain provisions of a savings or transitional nature consequent on the enactment of that Act or any Act that amends that Act (including the proposed Act).

**Schedule 2.3 [1] and [2]** amend the *Thoroughbred Racing Act 1996* as a consequence of the key provisions being inserted into the principal Act.

**Schedule 2.3 [3]** permits regulations under the *Thoroughbred Racing Act 1996* to contain provisions of a savings or transitional nature consequent on the enactment of that Act or any Act that amends that Act (including the proposed Act).

**Schedule 2.4 [1], [2] and [5]** amend the *Unlawful Gambling Act 1998* as a consequence of the change of name of the principal Act made by **Schedule 1 [1]**.

**Schedule 2.4 [3], [4] and [6]** amend the *Unlawful Gambling Act 1998* as a consequence of the key provisions being inserted into the principal Act.

**Schedule 2.4 [7]** permits regulations under the *Unlawful Gambling Act 1998* to contain provisions of a savings or transitional nature consequent on the enactment of that Act or any Act that amends that Act (including the proposed Act).