



Economic Development



Ms Lyn Beverley
Committee Secretary
Joint Select Committee on Gambling Reform
PO BOX 6100
Parliament House Canberra ACT 2600

Via email: gamblingreform@aph.gov.au

Dear Ms Beverley

I refer to your letter received on 26 August 2011 regarding the Joint Select Committee on Gambling Reform's inquiry into interactive and online gambling and gambling advertising

The ACT currently has three licensed online sports bookmakers. Online sports bookmakers based in the Territory must apply to hold an ACT Sports Bookmaking Licence in order to provide online gambling services. Sports bookmakers and their agents are licensed under the *Race and Sports Bookmaking Act 2001*.

In response to your questions the Commission is able to advise you of the following information:

Question 1: How many complaints about online/interactive gambling providers have been referred to the regulator each year over the past five years?

Under section 31 of the *Gambling and Racing Control Act 1999* the Commission has the authority to undertake investigations into complaints and all non-betting disputes (general complaints) are subject to these provisions. Complaints between sports bookmakers and their clients can be referred to the Commission as betting disputes pursuant to sections 55-62 of the *Race and Sports Bookmaking Act 2001*. This dispute process is separate to the general complaint provisions.

The Commission has specific rules when classifying a matter as a complaint. Complaints are classified by the Commission based on whether the matter involves a compliance issue with an ACT gaming law. All other matters which do not involve compliance with ACT gaming laws, such as the provision of advice and general client account issues, are classified as inquiries.

During the past five years the Commission has received four general complaints which related to online/interactive gambling. Three were received in 2006/07 and one was received in 2007/08.

The Commission has received the following number of betting disputes in the past five years:

- 2006/07 – 2
- 2007/08 – 4
- 2008/09 – 3
- 2009/10 – 0
- 2010/11 – 3

The Commission has received the following number of inquiries related to online/interactive gambling in the past five years:

- 2005/06 – 2
- 2006/07 – 2
- 2007/08 – 15
- 2008/09 – 6
- 2009/10 – 11
- 2010/11 – 22

Of these inquiries, 20 were directly referred to the jurisdiction where the gambling provider is regulated (ie NT Government Racing Commission, NSW OLGR and offshore regulators).

Question 2. The nature of these complaints?

The Commission has received general complaints relating to:

- when a bookmaker chose to cease accepting bets on their website prior to a race commencing;
- an accusation of a breach of a bookmaker's sports rules;
- the suspension of a client's account by a bookmaker; and
- an accusation that a fixed odds bookmaker was offering odds based on TAB (totalisator) prices.

The Commission has received betting disputes where bets have been:

- void by the bookmaker prior to or following a bet being placed; and
- underpaid or not paid by a bookmaker following a dispute over the terms of a bet

The Commission has received inquiries concerning ACT licensees primarily relating to:

- the non payment or late payment of winnings to an account;
- delays in requests for the withdrawal of funds from a bookmaking account being processed;
- the payment rules around specific betting scenarios;
- promotions offered by sports bookmakers;
- issues in accessing online bookmaking websites due to slow internet service; and
- customer service issues.

Question 3. What percentage of complaints about online gambling providers reach the regulator (i.e. what percentage are dealt with by the provider)?

The Commission encourages all complaints to be initially forwarded to the online gambling provider prior to a complaint being forwarded to the Commission. As the Commission is unaware of the number of complaints received by online gambling providers in the ACT we are unable to advise you on the percentage of overall complaints that are dealt with by the provider.

Question 4: How long the complaints generally take to resolve?

Three of the four general complaints were resolved within 3-9 days of being received. The other complaint required close to four months to resolve.

Where a betting dispute is unable to be resolved between a client and a bookmaker the Commission is required to issue a Direction in accordance with section 60 of the *Race and Sports Bookmaking Act 2001*. Betting disputes that require a Direction to be issued by the Commission generally take 1-2 months to resolve, depending on the complexity of the dispute.

Inquiries that the Commission receives are normally handled via email or telephone and generally are resolved immediately or within one to two working days.

Question 5: What proportion of complaints are about offshore providers versus onshore providers?

As advised, the Commission classifies complaints as a matter which involves potential compliance breaches of ACT gaming laws and as such matters involving offshore providers are not classified as complaints by the Commission. The vast majority of inquiries received by the Commission relate to onshore gambling providers. Within the past five years the Commission has only received three inquiries related to offshore gambling providers.

Question 6: Where complaints about offshore providers are referred?

The Commission refers enquires of this nature to the local gambling or law enforcement authority in the jurisdiction where the provider is licensed to operate.

Question 7. The number of current complaints you are dealing with?

The Commission is currently investigating a range of issues arising from inquiries received in relation to one of the ACT licensed online sports bookmakers going into liquidation.

There are currently no other complaints.

Question 8: How requests for exclusion of a gambler by a third party (e.g. a family member) are handled?

There is no direct provision in the ACT for a third party to request the exclusion of a person from a gambling facility. However, under Schedule 1, section 1.14 of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code) the licensee of a gambling facility must exclude a person from gambling at the facility if the licensee has reasonable grounds for believing that the welfare of the person, or any of the person's dependants, is seriously at risk because of the person's gambling problem. Where a licensee receives a request from a third party to exclude an individual with a gambling problem from their facility based on these factors, it would be expected that the licensee would conduct an investigation and where the claims are substantiated then the licensee would be required to exclude the individual from their facility under the Code.

Question 9: How many such requests have been received?

As outlined in question 8, there are no direct provisions for a third party to request the exclusion of a person from a gambling facility and therefore no information is available.

Question 10: What proportion of complaints come from non-Australians using websites licensed in your jurisdiction and whether they would have the same recourse to appeals processes available to Australians?

The Commission has received three inquiries out of a total of 58 from non-Australians using bookmakers licensed in the ACT in the past five years. No complaints or betting disputes were lodged from non-Australians.

Non-Australian clients have the same recourse to the appeals process as Australian clients.

Question 11: The rationale and rules for licensees around the issuing of credit?

ACTTAB, Casino Canberra, gaming machine licensees and interactive gambling providers are prohibited from providing or extending credit to a person for the purposes of gambling under the *Betting (ACTTAB Limited) Act 1964*, the *Casino Control Act 2006*, the *Gaming Machine Act 2004* and the *Interactive Gambling Act 1998*. There is no such express obligation imposed on race or sports bookmakers or their agents under the *Race and Sports Bookmaking Act 2001*.

Section 23 of the *Race and Sports Bookmaking Act 2001* allows for the Commission to determine the *Race and Sports Bookmaking (Rules for Sports Bookmaking) Determination 2009 (No 1)* (the rules) for sports bookmaking under a disallowable instrument. Under the rules, all forms of credit provided to a client by a sports bookmaker are considered to be made under normal commercial arrangements and the sports bookmaker must ensure that they adhere to consumer credit laws. The Commission considers that these provisions provide sufficient protection for gambling consumers in the ACT.

There are however special rules outlined in the regulations for the provision of credit for spread betting and in particular the need to develop and continue to comply with a credit management policy that is approved by the Commission. As spread betting has the potential to win or lose multiples of the original amount staked, specific rules for spread betting were developed and introduced in order to provide maximum protection for gamblers.

A copy of the rules can be accessed at <http://www.legislation.act.gov.au/di/current/r.asp>

Question 12. The rules around payment of commissions for third party referrals to gambling providers?

There are currently no rules around the payment of commissions for third party referrals to gambling providers in the ACT.

Question 13. The rules around inducements to gamble?

Under Schedule 1, section 1.29 of the *Gambling and Racing Control (Code of Practice) Regulation 2002* sports bookmakers are prohibited from conducting a promotion:

- that requires or encourages people to gamble at a facility for a minimum period of time to qualify for promoted rewards or prizes; or
- that includes the offer of free or discounted alcohol.

In addition to these requirements ACTTAB is prohibited from conducting a promotion that requires or encourages people to gamble a minimum amount to qualify for promoted rewards.

Question 14. Any other information you believe would assist the committee with its inquiry?

No further information.

Yours sincerely

Greg Jones
Chief Executive
ACT Gambling and Racing Commission

21 September 2011