



THE SOUTH AUSTRALIAN BOOKMAKER'S
LEAGUE INCORPORATED

Manager/Secretary: Richard Warley

A.B.N 27 638 332 726

28th April 2008
Mr. Stuart Hocking
Acting/Assistant Under Treasurer
Revenue & Economics
Dept. of Treasury and Finance

Dear Mr. Hocking

Issues paper on the regulation of the bookmaking industry.

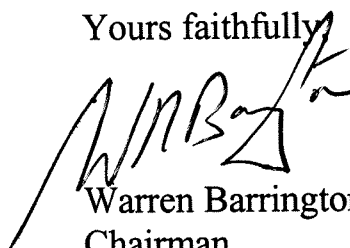
Please find enclosed a submission from the South Australian Bookmakers' League which addresses the questions contained in the paper.

If you require any additional information from the League in relation to this submission please contact

Mr. MICHAEL WEBSTER
C/o South Australian Bookmakers' League
P.O. Box 2136
Kent Town 5071

The League would welcome the opportunity to meet with you for the purpose of discussing some of the practical issues that have been raised in this submission.

Yours faithfully



Warren Barrington
Chairman
South Australian Bookmakers' League Inc

1

Is it appropriate to make the act consistent with the Gaming Machine Act 1992 in relation to criminal intelligence?

Does this question apply to new licence applicants? If so the League supports the proposal.

However, the League does not support any legislative amendment applying retrospectively to bookmakers that are currently licensed.

2

Does the licensing process create undue administrative burden?

The League acknowledges that the licensing of bookmakers will continue to be the responsibility of a State Government agency.

Every 12 months S.A. Bookmakers are required to renew their licence, although section 35(1) of the Authorised Betting Operations Act 2000 does not specify that the licence must be for a period of 12 months

Bookmakers are asked to provide

- All bank balances
- Details of all investments
- Details re all property with valuations
- Details re all liabilities
- Details re all credit cards
- Details re all account signatories
- A balance sheet has to be completed

For year ending 30/06/06 they had to provide

- Copies of all bank statements for every account for period previous 12 months
- Copies of all credit card statements for every credit card for period previous 12 months

Not-with-standing that all this information has to be furnished with proof, it then has to be presented by the bookmakers under oath via a Statutory Declaration.

The League submits that a licence should be for a period of not less than 5 years. For example a drivers licence is for several years and can be revoked at any time.

The League submits the initial licensing process does not create an undue burden but the annual renewal does.

In relation to the question 'Are there any other matters relating to licensing that could be changed' the League submits the following for your consideration

1. On obtaining a licence it doesn't necessarily follow the applicant starts work as a bookmaker (a taxi driver's license doesn't ensure the holder is driving taxis)
2. To work as a bookmaker the new licence holder has to obtain a permit and the granting of the permit should be subject to providing a bond (in the form of a bank guarantee only) for an amount that satisfies the Commissioner that is appropriate to the permit (e.g. Morphettville rails -v- Kulpara dogs)
3. The Commissioner is in a position to monitor how a South Australian licensed bookmaker is trading at any time by virtue of weekly information he receives from each bookmaker. No other authority in Australia requires or receives such information. If the Commissioner has a concern regarding a particular bookmaker he has the power, in accordance with the Bookmakers Licensing Rules, to increase the dollar value of the bond or refer the matter to the Independent Gambling Authority who is responsible for disciplinary functions. The Authority also has the power to cancel a license.

There is a view that yearly financials are required because a bookmaker's assets could be diminished and the Commissioner could be unaware of such an event. Under the present system it is possible for a bookmaker to lose all his money a day after license renewal and the Commissioner be unaware of the fact. In that event the bookmaker could operate for 51 weeks with no assets.

In other words a bond (bank guarantee only) secures the Commissioner's position; it cannot be altered without the Commissioner's knowledge.

The league contends that a bond is a better alternative than yearly financials, which as previously alluded to are an undue burden on its members.

3

Is a permit system in legislation required? If so what advantages in terms of consumer protection and probity does it offer?

The League submits that a permit system is required. The league acknowledges that they requested the minister to consider a proposal that the League and the Industry assume responsibility for the permit system.

However, the League no longer supports this proposal for the following reasons.

The recent Allanson case in Victoria has highlighted the fact that the system which exists in South Australia is far better than any alternatives suggested

- e.g.
1. Clubs / controlling authorities issue permits
 2. SABL issues permits
 3. Clubs and SABL jointly issue permits

It has been suggested that Allanson may have been provided with inducements by bookmakers for favourable treatment. Whether this is true or not is not relevant. What is relevant is that the systems that operated in Victoria was easy to compromise.

In relation to the League being involved in the issue of permits the League is concerned that it may be seen to favour some members over others.

The League does not want this perception to occur.

The League is also concerned that the current system in S.A. is being increasingly compromised by bookmakers prevailing on contacts they have at Clubs to get those contacts to intercede on their behalf when Clubs and the Commissioner's office consult on the issue of permits for a particular race meeting.

The League submits that this practice is undesirable.

Given that the Commissioner is independent the League supports the retention of his office issuing permits.

In terms of consumer protection and probity the League would like the legislation to be strengthened in the matter of the permit system.

We submit that the legislation should be amended so that the Commissioner is not required to consult with Clubs about the granting of permits.

However the League does submit that Clubs and the League should have an input into the guidelines or framework that the Commissioner uses when issuing permits.

4

What commercial arrangement relating to the approval of bookmakers to field are appropriate for the racing industry?

The League has a signed agreement with each of the racing controlling authorities that guarantees the payment of a levy equivalent to 0.99% of turnover inclusive of GST, and continues to support this arrangement.

5

If the permit system is replaced with a license condition authority for telephone and Internet bookmaking, what criteria should apply to the granting of that authority?

The League does not support the replacement of a permit system and therefore does not propose to further comment on this matter.

6

Is the scope of the Independent Gambling Authority's rule making powers appropriate?

The League is of the view that the scope of the Independent Gambling Authority's rule making powers is appropriate.

Are there any particular rules that cause undue administrative burden?

The League is of the view that none of the rules cause any undue administrative burden.

Are there any rules that could be revoked because they are no longer required?

The League submits that there are some rules that are no longer required. In relation to this matter the League intends to consult directly with the IGA.

Should the system of security be administered at all or should it be administered by the industry or continue to be administered by OLGC?

The League supports the OLGC in continuing to administer the lodgement of bonds or as you refer to the system of security. It is the League's view that the proper control of bonds should replace the need to furnish annual financial statements.

7

Would a transfer of the disciplinary functions for bookmakers from IGA to the Commissioner reduce administrative and regulatory burden for bookmakers?

Would a transfer of disciplinary function from IGA to the Commissioner impact on consumer protection and the integrity of race and wagering?

The League does not support the transfer of disciplinary functions from the IGA to the Commissioner and therefore offers no further comment in relation to these questions.

8

Would a change in frequency of the payment of unclaimed winnings to the treasurer from weekly to a less frequent basis assist in reducing the administrative and regulatory burden for bookmakers?

The League submits that as the Government does not support the retention of unclaimed winnings by the SABL or bookmakers that any change in frequency of payments of unclaimed winnings to the treasurer would not reduce any administrative or regulatory burden. The League believes any change could have the opposite effect.

9

Would a transfer of the responsibility for the approval for the communication of certain information as to racing or betting from the Commissioner to the three racing controlling authorities assist in reducing the administrative and regulatory burden for bookmakers?

The League does not support the transfer of this responsibility from the Commissioner.

The League remains concerned that its members' prices continue to be transmitted off the racecourse through TAB radio by race broadcasters located on the racecourse.

Monitors installed in the broadcaster's box which show all bookmakers betting fluctuations, should not be used by the broadcaster to transmit bookmakers' odds off the racecourse in contravention of current laws. This matter goes to the core of our member's viability and we ask that the law be enforced.