



South Australian Gambling Policy – Integrity

A key objective of the regulatory framework is to maintain the integrity of gambling operations in South Australia.

Integrity is about ensuring that the gambling services offered to customers are consistently conducted in accordance with pre-determined rules, by persons that are "fit and proper" and in an environment that supports consumer protection.

Integrity measures in South Australia address the following elements:

- licensing
- people
- transactions
- rules
- accounts and audit
- compliance and enforcement
- review and inquiry.

Licensing

All forms of gambling are illegal unless they are licensed or authorised under gambling legislation.

Further, certain businesses that support gambling providers may also need to be licensed, for example gaming machine dealers and gaming machine technicians.

The grant of a licence involves the regulator assessing the suitability of the applicant to conduct gambling operations. This provides the primary barrier to the conduct of gambling operations by unsuitable persons.

The following gambling providers do not require a South Australian licence:

- Authorised interstate betting operators that are subject to a licensing regime, with similar integrity requirements, in another Australian State or Territory.
- SA Lotteries, which is a body corporate established under the *State Lotteries Act 1996* for the promotion and control of lotteries by the Government.
- Some minor lotteries that comply with the requirements and rules in the *Lottery and Gaming Regulations 2008*.

Key Points

- Integrity is about ensuring gambling services offered to customers are consistently conducted in accordance with rules, by persons that are "fit and proper" and in an environment that supports consumer protection.
- All forms of gambling are illegal unless they are licensed or authorised under gambling legislation.



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People

South Australian gambling legislation requires licensed gambling providers to be fit and proper persons. When assessing applicants and licensees, regulators may investigate:

- corporate structure
- financial resources and background
- reputation
- close associates (for example family members and business partners).

The Commissioner of Police may share information about criminal intelligence and criminal convictions with the regulator to assist the regulator in applying the 'fit and proper person' test.

SA Lotteries is governed by the Lotteries Commission of South Australia. Appointments to the Commission are made by the Governor and are subject to Government scrutiny.

The Commission appointed Tatts Lotteries SA Pty Ltd as its exclusive Master Agent to operate SA Lotteries' brands and products for a 40 year term from December 2012.

For gaming machines and casino gaming, key individuals within licensed businesses, the regulators and key staff of the regulators are prohibited from gambling at the licensed gambling providers.

Further, casino employees must not accept gifts or gratuities and gaming machine licensees must disclose gifts received to the Liquor and Gambling Commissioner.

Transactions

Licensed gambling providers are restricted from entering into a range of transactions without appropriate approval from the regulator, for example:

- partnership and joint venture arrangements
- revenue or profit sharing arrangements
- management service arrangements
- mortgages or encumbrances
- sale of the licensed business
- purchase, sale or disposal of gaming machines

- other arrangements where outsiders may gain control or influence.

Associations between gaming machine dealers and other licensees are prohibited.

The Australian Transaction Reports and Analysis Centre works with gambling providers (and other industries) to ensure compliance with anti-money laundering and counter-terrorism financing legislation.

Rules

The details of the gambling service to be provided, such as games or gaming machines, systems, equipment, rules and operating procedures, must be approved by the Liquor and Gambling Commissioner.

Rules regulating the practices, procedures and operations of SA Lotteries must be approved by the Minister for Finance.

The types of bets and the events that wagering operators may offer are approved by the Independent Gambling Authority as approved contingencies.

Wagering operators must also have an integrity and contribution agreement with the relevant racing controlling authority when conducting betting operations on a South Australian race. Approved contingencies and integrity and contribution agreements help to prevent manipulation of the event outcomes.

Minor lotteries must comply with the requirements and rules in the *Lottery and Gaming Regulations 2008*.

Accounts and Audit

Generally, licensed gambling providers must keep proper financial accounts and provide returns to the regulator. The Adelaide Casino and the SA TAB must ensure that their accounts are regularly audited in accordance with requirements set out in the legislation. Organisations conducting lotteries, bingo or sweepstakes must keep accurate records of the details.

Club One, the holder of the special club licence under the *Gaming Machines Act 1992*, and SA Lotteries are required to have a copy of their annual report laid before Parliament.

The Auditor General is required to undertake an audit of the Independent Gaming Corporation, the holder of the gaming machine monitoring licence issued under the *Gaming Machines Act 1992*, and SA Lotteries at least once a year.



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Compliance and Enforcement

The Liquor and Gambling Commissioner is responsible to the Independent Gambling Authority for ensuring that the operations of each licensed business are subject to constant scrutiny. To achieve this, the Liquor and Gambling Commissioner, and inspectors and authorised officers appointed by the Commissioner, have broad-ranging powers including the power to:

- enter and inspect
- obtain information, (the Commissioner also has the power to summons)
- remove offenders.

The Liquor and Gambling Commissioner adopts a risk based approach to inspections of licensed gambling providers. The risk profile is determined by a range of factors, including public complaints.

The Independent Gambling Authority also has broad-ranging powers including the power to obtain information and to summons.

The Independent Gambling Authority is responsible for disciplinary action under the *Authorised Betting Operations Act 2000* and the *Casino Act 1997*. The Liquor and Gambling Commissioner is responsible for disciplinary action under the *Gaming Machines Act 1992*. Enforcement powers include the power to:

- issue expiation notices
- issue show cause notices
- censure
- fine
- vary licence conditions
- issue directions
- issue prohibitions
- reprimand
- cancel gaming machine entitlements
- suspend or revoke the licence or authorisation.

All club and hotel gaming machines in South Australia must be monitored by the central monitoring system operated by

the holder of the gaming machine monitor licence, the Independent Gaming Corporation.

The Liquor and Gambling Commissioner regulates gaming venues and reports on breaches and disciplinary action to the Independent Gambling Authority. This information is included in its annual report.

Review and Inquiry

Under the *Gaming Machines Act 1992*, the Liquor and Gambling Commissioner has inquiry powers in relation to whether there is proper cause for disciplinary action against a licensee.

Under the *Independent Gambling Authority Act 1995*, the Independent Gambling Authority may hold an inquiry whenever it considers it necessary or desirable to do so for the purpose of carrying out its functions.

A person aggrieved by a decision made by the Liquor and Gambling Commissioner under the *Authorised Betting Operations Act 2000* may appeal to the Independent Gambling Authority for a review of the decision. There are also limited appeal rights to the Supreme Court for decisions made by the Independent Gambling Authority.