

**Hansard**  
**25<sup>th</sup> November 2008**

**SPORTS BETTING INTEGRITY AMENDMENT**  
to the  
Statutes Amendment (Betting Operations) Bill 2008

The Hon. R.L. BROKENSHERE: I move:

Page 17, after line 21—Insert:

Division 5—Betting operations relating to other contingencies.

62J—Integrity agreements.

(1) A person (the operator) must not conduct betting operations in relation to contingencies that relate to events held in this state other than races held by a racing club (SA non-racing betting operations) unless the operator has entered into an integrity agreement with the Authority conforming with the requirements of this section and the agreement is in force.

Maximum penalty: \$25,000 or imprisonment for one year.

(2) Subsection (1) applies whether the SA non-racing betting operations are conducted wholly within or outside the state or partly in the state and partly outside the state.

(3) Without limiting the matters that may be included in an integrity agreement, the agreement must include—

(a) provisions requiring the operator to provide to the authority on request information about the operator's SA non-racing betting operations (which may include information relating to trade secrets or business processes, financial information and information identifying or relating to persons making bets), verified, if the authority so requires, by statutory declaration; and

(b) provisions requiring the operator to implement specified measures to identify potential issues of probity in relation to the operator's SA non-racing betting operations and report identified issues to the authority; and

(c) provisions requiring the operator to inform the authority of any criminal or disciplinary proceedings commenced against the operator, or a close associate of the operator, in connection with any betting operations; and

(d) provisions requiring the operator to facilitate investigations or inquiries into the conduct of the operator's SA non-racing betting operations; and

(e) provisions establishing a dispute resolution procedure; and

(f) other provisions prescribed by regulation.

(4) If a person seeks to negotiate an agreement with the Authority under this section, the Authority must negotiate with the person in good faith subject to and in accordance with legal requirements (including, without limitation, the requirements relating to a authority to conduct betting operations in this state under the Lottery and Gaming Act 1936 and this act and requirements of section 92 of the Constitution of the Commonwealth).

(5) An integrity agreement may be varied by a later agreement between the parties.

(6) If the operator holds a licence under this act, it is a condition of the licence that the operator must perform its obligations under an integrity agreement.

This amendment is specifically about the integrity issue and nothing more. The simple premise of this amendment is that, if it is good enough to have integrity measures (which some of us would call anti-corruption measures) for racing, it is good enough to have anti-corruption measures for all other events upon which people can bet in South Australia.

Even though racing comprises a large slice of the pie insofar as gambling activity goes, if the anticorruption measures of the current bill as they apply to racing are passed, it is foreseeable that corruption will shift to what I will call sports betting, although in my amendment I use the term 'non-racing betting' because there could be events some would not call sport but where there could be an opportunity for a betting exchange.

Let us remember that the government is not alleging or adducing evidence that corruption exists in racing: it is simply implementing anticorruption measures as a safeguard. Therefore, the logic of this argument must extend to other codes, whether or not the government has its regulatory activity up to standard in that area; otherwise, we will see a shift in gambling activity into sports betting. Remember, too, this bill imposes a contribution arrangement on racing that it does not impose on sports betting. The least we can do is introduce integrity anticorruption measures to protect the integrity and the existing balance between racing and sports betting.

Technically speaking, this amendment, which would become section 62J of the Authorised Betting Operations Act, simply mirrors clause 23 of the minister's bill insofar as it relates to proposed section 62E, subsections (1) to (6) inclusive, that is, taking the integrity agreement requirements for racing, leaving out the contributions requirement, and imposing them on sports betting. There will be virtually no impact upon sporting event operators, or other events for that matter, as a consequence of this clause. The onus would fall on the betting exchange and the regulator (in the amendment, initially the Independent Gambling Authority) to inquire about and receive data on betting patterns on the new contingencies allowed for sporting events.

In conclusion, I want to put a couple of practical examples that might help members in their consideration. In giving these examples, I make no allegations about or slurs on the racing industry, nor is the government making allegations. I suspect this is about safeguards to protect the industry, not about bashing the sports industry. Let us say that an AFL team is five goals up going into the last quarter, and let us say that a betting event is on a particular player kicking seven goals. Let us say that that player and his team mates each put \$10,000 on that particular player's kicking seven goals. Then let us say that news about that got about in privileged circles and a plunge on that event occurred. When someone had an open shot on goal, a couple of strange handballs to that particular player sets up the situation, and he actually kicks seven goals, and the team mates and those in the know cash in. I do not believe that to be appropriate.

Another more concerning scenario would be when, say, the team players are down on their luck and a bunch of them secretly agree to tank for a particular game, not for draft picks but for a loss; one contingency on the table by Betfair is betting on losing.

They agree to kick a clanger or shoot wide of the mark to ensure that the team loses. It is a horrific thing for a footy supporter to think, but money talks, as we have seen in the subcontinent. Again, let us say that word gets out amongst a select few, and there is a plunge on that team losing the match. If the price is right and the salary is too low, corruption can sneak in. Integrity measures will prevent that scenario, and that is what I am on about with this amendment.

Finally, betting on losing is particularly concerning. As my colleague the Hon. Dennis Hood said on 14 March 2007, when supporting the now Senator Xenophon's bill on this issue, one can much more easily ensure that a loss occurs than a draw or a win. A goalkeeper might be all you need, for instance, in a soccer match to ensure a loss. Just one missed save, and it is a sure assault.

So, members should inform themselves about the history of match fixing in order to understand how this kind of scenario can play out. We need to think seriously about the goose and the gander argument, that is, if integrity is good for the goose, it is clearly also good for the gander. In other words, if it is good for racing, it is good for all sports betting.

My final point is that the intention of this amendment is that this should be funded by government, not the industry. I support the amendment.

The Hon. CARMEL ZOLLO: As previously indicated, the government does not support the amendment. However, I think it is worth while reiterating just a few of the comments I made at the conclusion of the second reading debate. In principle, the government is supportive of the concept of extending both contribution agreements and integrity agreements across to sports betting. The amendment as drafted requires the betting operator to enter into an integrity agreement with the Independent Gambling Authority. Of course, the problem with this concept is that the Independent Gambling Authority is not the body responsible for the conduct of sport in South Australia: it does not have any legislative mandate to control or regulate the conduct of sport in this state. While the racing controlling authorities are clearly identified in legislation, the same is not true for sports-controlling authorities. A legislative scheme for the identification of sports-controlling authorities and dispute resolution will be required.

I need to stress that, without a contribution agreement in place, this amendment would cause a sports-controlling authority to incur the costs of handling inquiries from betting operators around Australia and perhaps beyond, without any source of revenue to cover the costs.

Again, I am happy to commit the government to further development of these ideas in 2009. Clearly, we understand the good intent of the Hon. Robert Brokenshire's amendment, and we commit ourselves to wider consultation with the South Australian community when we revisit this idea in 2009. I again stress that, in the meantime, the Independent Gambling Authority, through its power to approve contingencies, will have regard to the standards of probity applying in relation to those contingencies. For the reasons I have just outlined, the government cannot support the amendment at this time.

The Hon. T.J. STEPHENS: The opposition does not support the amendment at this time. We understand the intent, and I do believe that the Hon. Robert Brokenshire's proposal is well intentioned. We certainly would not entertain anything without consulting widely within the community. One of the Hon. Robert Brokenshire's examples related to AFL football.

The AFL football code of conduct means that not only are players not allowed to bet on their own games but also they are not allowed to bet on other games and, sadly, one of my heroes was recently widely criticised for indulging in betting on football games that he was not involved in.

The Hon. R.I. Lucas: \*\*\*\*\*

The Hon. T.J. STEPHENS: I won't mention any names because I do not think it needs to be revisited, but sporting groups generally already have a code of conduct that provides some integrity. That is not to say that we would not be prepared to look at it, investigate it, consider it and form a balanced opinion at the time.

Sadly, today, we do not have the ability to do all of those things and, given that I have been contacted by every racing code again today stressing the urgency and their concern with this legislation, we cannot support the Hon. Rob Brokenshire's amendment at this time. However, we give the honourable member a commitment that we are quite prepared to look at the intention of his amendment with a reasonable amount of time to consult widely.

Amendment negatived; clause passed.