



# Independent Gambling Authority

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## Circular

TO: Interstate Betting Operators

FROM: Director, Independent Gambling Authority

SUBJECT: Implementation of South Australian interstate betting provisions

DATE: 28 January 2009

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### About this circular

1. This circular explains the implementation process for changes to South Australian law being made by the *Statutes Amendment (Betting Operations) Act 2008*. This Act received Royal Assent on 4 December 2008 (as Act No. 47 of 2008) and is expected to come into operation on **1 March 2009**.
2. The *Statutes Amendment (Betting Operations) Act 2008* amends—
  - the *Authorised Betting Operations Act 2000*; and
  - the *Lottery and Gaming Act 1936*.

In this circular, references to section numbers are references to sections in the *Authorised Betting Operations Act 2000* as amended by the *Statutes Amendment (Betting Operations) Act 2008*. You can access South Australian legislation—including the amending Act—from [www.legislation.sa.gov.au](http://www.legislation.sa.gov.au).

3. The amendments make it clear that it is unlawful for a betting operator or a betting exchange operator to offer or accept bets from South Australians unless the operator is licensed in South Australia or is authorised to conduct betting operations by telephone, internet or other electronic means by virtue of holding an interstate betting licence. The amendments do not change existing legislation allowing interstate fixed-odds betting operators to lay off bets with South Australian betting operators.
4. This circular explains the intended process for authorisation of interstate betting operators and the proposed compliance obligations which will apply to authorised interstate betting operators. This circular follows a letter (dated 19 December 2008) to a list of then identified interstate betting operators.

### Accompanying documents

5. Accompanying this circular are:
  - (a) approved form of notification of commencement of betting operations—"Notice of Intention to Conduct Betting Operations" (Form IBO);
  - (b) draft approval of contingencies for authorised interstate betting operators;
  - (c) draft *Advertising (Authorised Interstate Betting Operators) Code of Practice*;
  - (d) draft *Responsible Gambling (Authorised Interstate Betting Operators) Code of Practice*;
  - (e) draft *Requirements for Systems and Procedures Designed to Prevent Betting by Children*; and
  - (f) approved form of notification of cessation of betting operations—"Notice of Cessation of Betting Operations" (Form IBC).

### Who the changes apply to

6. The amendments apply to interstate betting operators holding a prescribed interstate licence who wish to offer or accept bets from members of the South Australian public by telephone, internet or other electronic means. A prescribed interstate licence is a licence or other authority issued under the law of another State or Territory that authorises the holder to conduct betting operations in that jurisdiction—see section 3(1).

7. Please note that under section 79A interstate fixed-odds betting operators do not need to become authorised if they are only taking bets from South Australian fixed-odds betting operators, rather than members of the South Australian public.

#### How you become authorised

8. Under section 40A an interstate betting operator who holds a prescribed interstate licence becomes authorised by giving notice to the Authority in the approved form. The attached "Notice of Intention to Conduct Betting Operations" form (Form IBO) has been approved by the Authority for this purpose. **Interstate betting operators may submit this notice to the Authority ahead of the expected commencement date of 1 March 2009.**
9. On receipt of a completed form the Authority will contact the interstate betting operator acknowledging receipt and advising whether the form complies with the requirements. Under the Act an interstate betting operator becomes authorised to conduct betting from the date specified for the commencement of betting operations in the notice. Please note the Authority requires this notice to be sent in both hard copy and electronic form.
10. Interstate betting operators can only become authorised if the prescribed interstate licence they hold permits them to offer betting by telephone, internet or other electronic means—and does not include any conditions that would prevent them from offering betting to customers in South Australia (such as a condition limiting betting operations to the jurisdiction in which the licence was granted).

#### What you can bet on

11. Once authorised, an interstate betting operator can bet on—
  - races held by licensed racing clubs in South Australia; or
  - contingencies approved by the Authority (known as "approved contingencies").
12. The Authority will reissue the existing contingencies approved for SA TAB to apply to authorised interstate betting operators—with a more complete review to be conducted over the coming months. A draft approval of contingencies for authorised interstate betting operators, based on the existing SA TAB approved contingencies, is attached. This will be effective from 1 March 2009.
13. Before offering or taking any bets from South Australians, authorised interstate betting operators should consult this document to ensure that the bets they propose to take are lawful in South Australia.
14. The Authority will also entertain any requests for the approval of new contingencies—which will be assessed on their merits under South Australian law. Section 4(3) sets out the matters to which the Authority must have regard before approving any contingencies.

#### Race integrity and product fees

15. If a betting operator proposes to bet on South Australian races, section 62E(1) requires the operator to have entered into integrity and contribution agreements with the relevant South Australian racing controlling authority. Betting operators should contact Racing SA Pty Ltd—the umbrella body for the three racing codes in South Australia—if planning to take bets on South Australian races.
16. Having an agreement is not a prerequisite to becoming authorised to bet with South Australians, however it is an offence for betting operators to take bets *on South Australian races* without having relevant agreements in place. Failure to have an agreement in place may also result in disciplinary action.

#### Conditions of operation—betting must be by telephone, internet or other electronic means

17. An authorised interstate betting operator may conduct betting operations with South Australians only by telephone, internet or other electronic means—see section 40A(4)(a).

18. In addition, under section 40A(4)(b) betting by an authorised interstate betting operator must not be assisted in any way by facilities established in South Australia for the purpose of encouraging betting—that is, the betting must be a truly interstate activity.

#### Conditions of operation—codes of practice

19. Under sections 62B and 62C an authorised interstate betting operator must comply with the advertising and responsible gambling codes of practice prescribed by the Authority.
20. The Authority has prepared the following attached drafts for this purpose—
- the *Advertising (Authorised Interstate Betting Operators) Code of Practice*; and
  - the *Responsible Gambling (Authorised Interstate Betting Operators) Code of Practice*.
21. The two draft codes have been prepared to be consistent with and no more onerous than the codes already applying to betting operators licensed in South Australia. Comment on the draft codes is welcomed in writing, by email or verbally by **Wednesday, 17 February 2009** at the latest.

#### Conditions of operation—preventing betting by children

22. Under section 62A, authorised interstate betting operators must—
- not accept or offer bets from children; and
  - implement systems and procedures designed to prevent betting by children.
23. An operator's systems and procedures must conform with the *Requirements for Systems and Procedures Designed to Prevent Betting by Children* prescribed by the Authority. A draft set of these requirements is attached. Comment on this draft is welcomed in writing, by email or verbally by **Wednesday, 17 February 2009** at the latest.

#### Conditions of operation—complying with interstate betting licence etc

24. In conducting betting operations in South Australia, an authorised interstate betting operator must continue to comply with the conditions applying to their interstate licence—see section 40A(4)(d) and (e).
25. An authorised interstate betting operator must notify the Authority within 14 days of the commencement of any disciplinary or criminal proceedings against the operator or a close associate of the operator in relation to the operator's betting operations—see section 62D.

#### Conditions of operation—annual returns

26. Under section 40B an authorised interstate betting operator must lodge an annual return with the Authority by 30 September each year. The annual return must contain the information required by the Authority by written notice—see section 40B(2)(a).
27. The Authority is presently settling the information to be contained in the annual return. A separate written notice will be sent to authorised interstate betting operators later in the course of 2009, well before the first reporting date.

#### Disciplinary action etc

28. Failure to comply with any conditions of authorisation or any other provision of the Act may give rise to disciplinary action by the Authority—or the imposition of a range of other sanctions. Disciplinary action may include a fine, suspension of authorisation or a prohibition on being authorised for a period—see section 72.

#### Ceasing to be authorised

29. Under section 40A an authorised interstate betting operator may cease to be authorised by giving notice to the Authority advising of the cessation of the operator's betting operations in South Australia. Ceasing to be authorised relieves the operator the compliance burdens associated with being authorised. The

attached "Notice of Cessation of Betting Operations" form (Form IBC) has been approved by the Authority for this purpose.

30. On receipt of a completed form the Authority will contact the interstate betting operator acknowledging receipt and advising whether the form complies with the requirements. Under the Act an authorised interstate betting operator ceases to be authorised from the date specified for cessation of betting operations in the notice. Please note the Authority requires this notice to be sent in both hard copy and electronic form.
31. Under section 40B(8) the notice must be accompanied by a return containing the information that would be included in the operator's next annual return has its operations continued. The notice of cessation will not be effective until such a return is provided.

#### More information

32. A copy of this circular and its attachments has been posted under the interstate betting operators link at [www.iga.sa.gov.au](http://www.iga.sa.gov.au).

33. If you need anything from the Authority, the contact details are:

*Postal address:* Post Office Box 67, Rundle Mall, SA 5000

*Street address:* Level 4, 45 Grenfell Street, Adelaide

*Telephone:* (08) 8226 7233

*Facsimile:* (08) 8226 7247

*Email:* [iga@iga.sa.gov.au](mailto:iga@iga.sa.gov.au)

*Website:* [www.iga.sa.gov.au](http://www.iga.sa.gov.au)



**Robert Chappell**

Director

Independent Gambling Authority