



12th November 2015

Interactive Gambling Act 2011

Review – Impact of Illegal Offshore Wagering

Canberra Greyhound Racing Club Submission

Submitted Online: <https://engage.dss.gov.au/review-impact-of-illegal-offshore-wagering/impact-of-illegal-offshore-wagering-make-a-submission/>

Introduction

The Canberra Greyhound Racing Club (CGRC) Inc. Board of Management (BOM) is the Controlling Body for greyhound racing in the ACT. The club was incorporated in May 1970 and today stands as the only racing club in the ACT that has Principal Race Club status.

As a club our vision and purpose is:

“To be the Australian Capital Territory Principle Club supplier of greyhound racing, delivering an attractive , high integrity wagering product which focuses on long term sustainable growth; the safety and welfare of the greyhound, and will drive increased sustainable prizemoney returns to participants and appeal to consumers.”

We have five key objectives:

1. Welfare - Ensure the welfare of our racing greyhounds is our priority through working collaboratively with ACT Government, other state racing jurisdictions and Greyhounds Australasia.
2. Racing Operations – Provide a transparent and fair racing experience by the consistent application and enforcement of the rules while continually improving the governance and integrity of greyhound racing in the ACT.



3. Track Facilities - Providing an enjoyable racing experience for participants by maintaining and improving the track, surrounds and kennels for the safety and welfare of the Greyhound.
4. Club Facilities & Equipment - Maintain and improve facilities for the enjoyment of Patrons by investing in infrastructure, marketing our product, and taking advantage of operational efficiencies.
5. Prizemoney & Wagering - provide reasonable and sustainable prize money returns to Owners and Trainers by working closely with our wagering partners and sponsors to grow our annual income.

The Canberra Cup is listed as a Group Race by the Australian Greyhound Racing Association and is rated one of Australia's top greyhound races outside the metropolitan areas with entrants coming from all around Australia to compete.

CGRC held its first race meeting on 28th January 1979 for a total prize money of \$4,510. In 2014/2015 the club held 44 race meetings and paid out \$764,950 in prize money.

As a club we continually strive to improve the track and facilities of the club which we see as a community benefit. The CGRC Strategic Plan for 2015 – 2020 highlights that future costings totalling over \$700,000 is required in the next 5 years, to meet club objectives.

Of critical concern to the Club is to guarantee funding certainty to not only meet increased costs of providing the product, but also to offer prize money to a certain standard that can ensure a quality field in a market in which competition is ever increasing.

In 2014/15 CGRC funding was derived from Government \$1,009,062 and Race Field Payments \$629,080. Expenses were 1,638,837.

The CGRC BOM are concerned and alarmed that an estimated 14% of bets in Australia are placed with offshore operators not licensed in Australia.

The CGRC BOM urge the regulators to build strong policy that stems the loss of revenue to State and Racing Codes.

With an uncertainty of future Government funding, CGRC will be more reliant on the Race Field Payments as our main source of income.



Impact of illegal offshore wagering CGRC response to online submission form

Acknowledging that the racing industry as a whole is highly reliant on wagering for funding, we are pleased to be able to respond to this review with the following submission:

1. What are the factors that lead people to use illegal offshore wagering operators?

- Higher returns to punters because operators do not pay racefields fees or taxes
- The opportunity to hide income
- No “Responsible Gambling” warnings or frameworks to comply with
- Less restrictions on Line of Credit offered

2. What do you consider are the impacts of illegal offshore wagering and associated financial transactions on the Australian economy, legitimate Australian wagering businesses, sporting organizations and the integrity of Australian sport, and consumers?

- The loss of race fields revenue to racing clubs, therefore the loss of clubs.
- Less revenue to clubs would impact money invested in Community, Integrity and Welfare
- The loss of Government revenue
- Greater community concern regarding unsupervised online problem gambling
- Inconsistent approach to Credit gambling
- Not a level playing field for wagering operators
- A loss of confidence in the Integrity of racing clubs
- Integrity risks because operators are not subject to the same regulatory oversight
- No protection for the consumers
- Lack of accountability in the Industry – leading to criminal activity



3. What measures could be implemented to improve the enforcement of the Interactive Gambling Act 2001 and any other relevant legislation (Commonwealth, state and territory) including any enhancements to presently existing prosecution, investigation and complaints handling processes? What legislative, prosecutorial, investigative or complaint handling measures have been implemented in international jurisdictions that may work in the Australian context?

- A national strong and consistent approach to enforcement
- CGRC believe we are able to be more involved in campaigns/programs promoting the awareness and effects of Illegal Offshore Gambling and stronger enforcement measures.
- Licencing wagering operators in Australia to take bets from Australians. This will make it illegal for overseas operators to offer bets to Australians unless they have a wagering license in an Australian state or territory. The illegal overseas operators will then be subject to Australian taxes, race field fees and regulatory oversight. This will need to be accompanied by strict penalties for directors and associates of illegal overseas operators, and possibly penalties for big punters who bet with the illegal overseas operators.

4. Are there non-legislative options, such as technological and financial innovations, that could be implemented to limit the access to illegal offshore wagering sites by Australian based customers? What non-legislative measures have been used in international jurisdictions that may work in the Australian context?

- Notifying domestic and overseas regulators of illegal overseas operators, and publishing their names on websites

5. What approaches could be implemented to encourage offshore wagering providers to comply with Australian laws, and would this require measures to assist in ensuring domestic providers would not be operating at a disadvantage to offshore providers?

- Strict enforcement of penalties. If the government does not enforce the penalties, the illegal overseas operators will stay in their safe havens free from tax, free from racefields fees and free from regulatory oversight.



6. Are there education and awareness initiatives that could be implemented by industry, consumer groups or government to alert Australians to the risks associated with offshore gambling operators?

- Consistent and stronger education programs
- Details on the regulators website along with a name and shame list of illegal overseas operators.

7. What initiatives could be used to alert offshore gambling providers to Australian interactive gambling provisions?

- Details on the regulators website along with a name and shame list of illegal overseas operators.

In-play betting

- There has been a lot of discussions about expanding live betting on sport. We do not agree with this. If live betting on sport is expanded, racing revenue will be impacted. Racing punters will also subsequently migrate to other online products, exacerbating the racing revenue losses. There will also be more integrity risks and problem gambling risks that will need to be managed.

Regards

Debbie Collier
Secretary