

# Chapter 13

## Match-fixing and corruption in sport

Sport without integrity is absolutely nothing, it's worthless.<sup>1</sup>

### Introduction

13.1 This chapter will cover match-fixing and corruption in sport. It will provide an overview of recent Australian and international sports betting scandals; survey international approaches to the problem of match-fixing in professional sport; and outline Australia's recently announced National Policy on Match-Fixing in Sport. The chapter will also examine legislative measures to address match-fixing and corruption in sport, including recent work by the New South Wales (NSW) Law Reform Commission and the recent Victorian review of sports betting regulation.

13.2 Match-fixing has been defined by Australian Sports Ministers as involving:

...the manipulation of an outcome or contingency by competitors, teams, sports agents, support staff, referees and officials and venue staff. Such conduct includes:

- (a) the deliberate fixing of the result of a contest, or of an occurrence within the contest, or of a points spread;
- (b) deliberate underperformance;
- (c) withdrawal (tanking);
- (d) an official's deliberate misapplication of the rules of the contest;
- (e) interference with the play or playing surfaces by venue staff; and
- (f) abuse of insider information to support a bet placed by any of the above or placed by a gambler who has recruited such people to manipulate an outcome or contingency.<sup>2</sup>

### *Betting scandals and the risk of corruption in Australian sport*

13.3 Match-fixing and corruption in Australian sport are not perceived to be widespread problems. Appearing before the committee, Mr Malcolm Speed, the Executive Director of the Coalition of Major Professional and Participation Sports (COMPPS) observed that:

...Australian sports have a very good record in relation to betting related corruption. There have been very few instances in Australia. We need to go

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1 NSW Sports Minister, the Hon Graham Annesley MP, quoted in Paul Kent, 'Tighter laws on way to fix sports', *Courier Mail*, 7 October 2011, p. 114.

2 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 3.

back to the Waugh-Warne issue in 1994. As we move forward, there have been very few instances that have come to the notice of the courts—although, as you are no doubt aware, there is an issue in relation to the National Rugby League that is currently before the courts.<sup>3</sup>

13.4 Australian Sports Ministers recently released a National Policy on Match-Fixing in Sport which will be discussed in further detail later in this chapter. The preface to the policy stated that:

All Australians expect that the sport they watch or participate in is played honestly and to the ideals of fair play and good sportsmanship. Match-fixing and the corruption that flows from it, is not limited to professional or high profile sporting codes. Match-fixing has occurred in smaller sports, in lower grade team competitions and in individual events.

Match-fixing in sport is often motivated by the opportunity for significant financial or other personal gain through the manipulation of the result. Sports betting agencies provide opportunity for high sums to be gambled on sporting events with the prospect of very high returns. These potentially high returns can provide strong incentives to influence results of sporting fixtures.

While it is recognised that betting is a legitimate pursuit, illegal or fraudulent betting is not. Fraudulent betting on sport and the associated match-fixing is an emerging and critical issue globally, for sport, the betting industry and governments alike. It has the potential to undermine public confidence in the integrity of sport, sporting events and the products offered by betting agencies. Left unchecked, this corruption will devalue the integrity of sport and diminish the acceptability and effectiveness of sport as a tool to develop and support many aspects of our society.<sup>4</sup>

13.5 Recent high-profile sports betting scandals, such as those involving National Rugby League (NRL) and Australian Football League (AFL) players and officials, have raised concerns that such activity could severely damage the integrity of sport. Although players and club officials in major Australian sports are forbidden from betting on matches in their own codes of sport, the recent football betting scandals suggest this ban may not be entirely effective.<sup>5</sup> In 2011, the AFL and NRL have both been forced to follow up unusual betting trends with police laying charges in the NRL case.<sup>6</sup> Other examples are also included below.

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3 Mr Malcolm Speed, *Committee Hansard*, 11 August 2011, p. 14.

4 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 3.

5 Rules against players and officials betting on matches in their own sport are contained in sports' codes of conduct. See Codes of Conduct, additional information from COMPPS, 11 August 2011.

6 Patrick Smith, 'National approach to eliminating sport graft not before time', *The Australian*, 9 June 2011.

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## NRL

13.6 Ryan Tandy, a former Storm and Bulldogs player, has been caught up in a match-fixing scandal which has led to four charges and an investigation by the NSW Crime Commission. He pleaded not guilty to a charge of attempting to manipulate the first scoring points of a match between the Canterbury Bulldogs and the North Queensland Cowboys in August 2010. An unusual betting plunge was observed by authorities on wagers that the first points of the match would be scored from a Cowboys penalty goal.<sup>7</sup> In October 2011, Tandy was found guilty of attempting to gain financial advantage for others for the sum of \$113,345 from Tabcorp. He was placed on a 12-month good behaviour bond and fined \$4,000.<sup>8</sup>

## AFL

13.7 Essendon assistant coach Dean Wallis was recently suspended from duties until mid-2012 due to gambling breaches of the AFL's code of conduct and fined \$7,500.<sup>9</sup> Exotic betting plunges involving Brisbane and Hawthorn players are also currently being investigated by the AFL.<sup>10</sup>

13.8 Collingwood player Heath Shaw was banned for eight weeks and fined \$20,000 for a \$10 bet on captain Nick Maxwell to kick the first goal in a match against Adelaide. Nick Maxwell himself was fined \$10,000 after telling family members that he would start in the forward line in the same match. His family members then placed bets on him kicking the first goal.<sup>11</sup>

## Cricket

13.9 In 1994, Australian test cricketers Mark Waugh and Shane Warne agreed to take money from an Indian bookmaker for information about pitch and weather

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7 Georgina Robinson, 'Tandy owed his mother and manager money, court hears', *Sydney Morning Herald*, 5 September 2011; AAP, 'Tandy says unaware of betting plunge', *Sydney Morning Herald*, 30 September 2011.

8 Greg Prichard and Chris Barrett, 'Ryan Tandy found guilty', *Sydney Morning Herald*, 6 October 2011.

9 Courtney Walsh, 'Dean Wallis banned for 14 weeks and fined \$7500 for three multi-bets', *The Australian*, 9 September 2011.

10 Adam Hamilton and Mark Stevens, 'AFL likely to investigate a betting plunge on Nathan Bock's first goal', *Herald Sun*, 5 September 2011.

11 Phil Lutton, 'Footballers gambling? You can bet on it', *Brisbane Times*, 28 July 2011.

conditions.<sup>12</sup> This incident, which only came to light in 1998, is well-remembered as Australia has very rarely experienced corruption in cricket by domestic players.<sup>13</sup>

### *Racing*

13.10 Nor has racing been immune from betting scandals. A recent investigation on the ABC's *7.30* uncovered a corruption scandal among harness racing stewards.<sup>14</sup> The Australian Racing Board's submission to the inquiry acknowledged that the racing industry has long had to grapple with integrity risks due to its close association with wagering:

The impact of gambling on the integrity of sports is something that horse racing has been dealing with virtually since it began, and the Australian thoroughbred racing industry has an internationally recognised reputation for the approach it has developed to managing the integrity risks associated with gambling on its events. Nevertheless, changes in the Australian wagering landscape have presented fresh challenges for the racing industry in this area. For other sports the potential for gambling to influence integrity is a newer problem and one that will increase hand in hand with the growth in scale of sports wagering.<sup>15</sup>

13.11 Greyhound Racing Victoria also recently sacked three employees for placing bets. They included a full-time steward, a part-time steward and a grader, who under the sport's code of conduct were all prohibited from placing bets. The employees were understood to be betting large sums—more than \$1,000.<sup>16</sup>

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12 Patrick Smith, 'National approach to eliminating sport graft not before time', *The Australian*, 9 June 2011.

13 In October 2011, a Pakistani sports agent made allegations of Australian cricketers being involved in match-fixing during 'brackets' (set periods of a match). However, these claims are unproven, with Cricket Australia calling the accusations 'outlandish'. ABC News Online, 'Cricket Australia rubbishes fixing claims', 11 October 2011, <http://www.abc.net.au/news/2011-10-11/cricket-australia-rubbishes-fixing-claims/3497068/?site=sport&section=all?site=sport&section=cricket> (accessed 11 October 2011).

14 Caro Meldrum-Hanna, 'Harness racing under scrutiny', ABC TV, *7.30*, 23 August 2011. By November 2011, a total of five men with links to the NSW harness racing industry had been arrested and charged, with police alleging trainers had been bribing stewards to tip them off about drug tests. See ABC News, 'Two more arrests over harness racing fraud', 25 November 2011, <http://www.abc.net.au/news/2011-11-25/five-men-charged-over-harness-racing-fraud/3695234> (accessed 28 November 2011); Chris Roots, 'A chance for rebirth after years of hard questions', *Sydney Morning Herald*, 27 November 2011.

15 Australian Racing Board, *Submission 27*, p. 13.

16 Tim Habel and Adam Hamilton, 'Greyhound Racing Victoria employees sacked for placing bets', *Herald Sun*, 8 August 2011.

## International match-fixing and corruption scandals

13.12 As international match-fixing and corruption cases in European and Asian sporting leagues are brought to light, the risk to Australian sport is becoming more acute.

13.13 Some recent examples of corruption in international sport include:

- Italy, with the arrest of 16 people in May 2011, on suspicion of match-fixing to gain benefits in betting, following a November 2010 incident in a Lega Pro third division football match between Cremonese and Paganese, where several players were allegedly fed sedatives;
- Austria, where tennis player Daniel Koellerer was banned for life in June 2011 for match-fixing; and Serbia, where tennis player David Savic was also banned for life by the international Tennis Integrity Unit for match-fixing in October 2011;<sup>17</sup>
- the South Korean football K-League, where a number of players and bookmakers have been charged in relation to bribery;
- Hungary, where several football players and referees have been arrested as part of a match-fixing investigation; and
- Germany, where six people have been sentenced for fixing football matches involving Switzerland, Belgium and Turkey following inquiries into the operation of a betting syndicate.<sup>18</sup>

13.14 A recent high profile match-fixing scandal involved three Pakistani test cricket players who, in February 2011, were banned from playing for lengthy periods by the Anti-Corruption Tribunal of the International Cricket Council for conspiring with bookmakers to participate in spot-fixing. In November 2011, the players, including the former captain, Salman Butt, were found guilty of conspiracy to cheat and to accept corrupt payments after deliberately bowling no-balls during a test match between England and Pakistan. The three players received custodial sentences ranging from 30 months to six months. Their agent was also sentenced to two years and eight months jail.<sup>19</sup>

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17 AP, 'Serbian tennis player David Savic, banned for life, denies match-fixing', *The Washington Post*, 5 October 2011.

18 NSW Law Reform Commission, *Cheating at gambling*, Report 130, August 2011, pp 2–3. See also Australian Racing Board, *Submission 27*, p. 14.

19 Press Association, 'Salman Butt handed 10 year ban after ICC spot fixing inquiry', *The Guardian*, 5 February 2011; Rachael Brown, 'Former Pakistan players guilty of match fixing', *ABC AM*, 2 November 2011; Paul Kelso, 'Salman Butt, Mohammad Amir, Mohammad Asif and Mazhar Majeed all imprisoned for spot-fixing', *The Telegraph*, 3 November 2011, <http://www.telegraph.co.uk/sport/cricket/international/pakistan/8866718/Salman-Butt-Mohammad-Amir-Mohammad-Asif-and-Mazhar-Majeed-all-imprisoned-for-spot-fixing.html> (accessed 4 November 2011).

13.15 Dr Declan Hill, an investigative journalist specialising in match-fixing and corruption in international sports, made a submission to the inquiry which warned that the threat posed by modern match-fixing was more serious than ever before:

...there has always been fixing and corruption in sport. You can go to the site of the ancient Olympics, built in 776 B.C. Outside that stadium were a whole collection of statues and shrines to the Gods. They were built with the fines levied on athletes and coaches who were caught cheating or fixing at the games. So corruption has had a long history in sport, back at least two-thousand eight-hundred years and that type of corruption will be with us for as long we continue to hold competitive sports. It is simply a part of human nature.

However, we of this generation - are facing something almost entirely new. It is a new form of match-fixing as if someone has taken fixing and injected it with steroids. It is an utterly modern phenomenon and it will destroy sport as we know them. People speak about other issues in sports - youth in sports, disabilities, fair access, etc - but this new form of corruption will, like a Tsunami, sweep aside all these other issues in sports and leave our sports dead and destroyed.<sup>20</sup>

13.16 Dr Hill's submission described the 'vast, powerful' Asian sports gambling market, estimated to be worth \$450 billion (compared with the Asian pharmaceutical industry of roughly \$100 billion):

What has happened is that this vast, illegal gambling market has corrupted sport across the continent of Asia. I do not want to exaggerate. There are a few Asian sports leagues which are corruption-free. I think Japanese soccer is one, but it is an exception. The fixing in Japanese Sumo wrestling is so bad and so ritualized that it has even been featured in an academic article by the American economists Levitt and Duggan. The Taiwanese baseball league has had so many scandals linked to gambling match-fixing it has now been reduced to only four teams. Much of Asian sport is drenched in corruption. There is so much corruption in sport there, that to an outsider the stories just seem extraordinary, but here are a few examples:

The Chinese soccer league is a national disgrace Those are the words of Chinese Premier Hu Jintao, who declared in the fall of 2009, that there was so much match-fixing and corruption in their soccer league that it embarrassed China. We see the same circumstances in the soccer leagues across the region: Vietnam, Hong Kong, Indonesia, Cambodia, Laos, Thailand, Malaysia and Singapore have all faced similar scandals in their own leagues. In Malaysia, the corruption was so bad that a cabinet minister there estimated that seventy percent of the matches in their leagues were corrupted.<sup>21</sup>

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20 Dr Declan Hill, *Submission 1*, p. 1.

21 Dr Declan Hill, *Submission 1*, p. 2.

13.17 He also warned of the dangerous influence that the illegal Asian gambling league was exerting on other countries' sports:

...the punters...are switching their bets from the local soccer leagues, with all the corruption in them, to other leagues around the world, including the Australian. They are betting on all measures of matches from the big, prestigious Champions League all the way down to tiny games in second division Women's Soccer in the Netherlands. There are a number of companies organizing monitors who go to matches across the world. They send people to the sidelines of these games where they stand with their mobile phones or laptops reporting back to the illegal gambling market in Shanghai or Johor Bahru or Manila.<sup>22</sup>

13.18 Dr Hill's 2008 book, *The Fix: Soccer and Organised Crime*, provides further insight into the extent of sports gambling in Asia:

The things that can be bet on in the Asian gambling syndicates are a testimony to the human imagination: four-digit number rackets, horse races, cockfights, boxing matches, basketball games, Formula One racing, hockey competitions, cricket tournaments, pre-Olympic events. In soccer alone you can bet on which team will win, by how much, who scores first, who scores last, who will get the first yellow card, who will get a red card, how many yellow cards will be shown, when the first goal will be scored, when the last goal will be scored, the total number of goals, how many headers there will be in the match, how many offsides, corners, and free kicks. The most popular structure of bet, however, is the Asian Handicap, which is like the North American idea of the point spread, where the favourite to win in the gambling market has to win the match by a certain number of goals.<sup>23</sup>

13.19 He also noted that match-fixing can never be understood as an exact science:

...a match-fixing performance is also, at least partly, opportunity based. In other words, finely laid plans are all very well in theory, but in the reality of a game, players simply have to take the opportunity to fix when it comes.<sup>24</sup>

13.20 *The Fix* describes in detail how the age of the internet has diminished the 'information asymmetry' between gambling markets in different parts of the world, thereby making fixing activity even more difficult to detect:

There used to be massive discrepancies between the Asian and European gambling markets. Information that almost every bettor knew in Europe was largely unknown in Asia. Ten years ago in the early days of the internet revolution, vast amounts of money could be made in this information gap. Gamblers call it "arbitrage", and there are some bettors who still specialize

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22 Dr Declan Hill, *Submission 1*, pp 3–4.

23 Dr Declan Hill, *The Fix: Soccer and Organized Crime*, McClelland & Stewart Ltd, Toronto, 2008, pp 60–61.

24 Dr Declan Hill, *The Fix: Soccer and Organized Crime*, McClelland & Stewart Ltd, Toronto, 2008, p. 44.

in playing the odds off between different bookmakers on either side of the planet. But now they have to be quick; it is rare that one bookmaker will be out of line with the worldwide betting odds for longer than ten minutes.

This is the public argument that gambling companies make: that because of the internet there is no longer anywhere in the world where a fixer can work without being detected. Any bookmaker who takes a vast amount of money on one side from a fixer will quickly realize there is something wrong. There are even companies that specialize in scanning the gambling market for any shifts that may be caused by fixing.<sup>25</sup>

13.21 He warns that 'the fixers are not stupid' and argues that the internet facilitates the flow of money through the illegal gambling market:

In the pre-internet days, it was sometimes difficult for a fixer to get enough money into the gambling market to make the fix worthwhile. They had to hire "beards" and "runners" — people who could put their money on without seeming to be connected with the fixers. Now with a click of the mouse the fixer can place bets with a half-dozen bookmakers around the world, and with a few elementary precautions, no one is the wiser.

Two, while a bookmaker or an "early warning system" can tell that the odds may have shifted in the illegal Asian market on a particular game, they cannot tell *how* much money has gone into the fix. So if an Asian fixer has bribed the underdog team to lose — so the stronger team will win — the fix is virtually undetectable. The odds will change, but all are just going the way of the team everyone expects to win anyway.

Most importantly, when a fixer fixes the gambling market, it is actually *more* difficult to do it in a small league like Belgium. Even carefully hiding their bets, there is so little money placed on these games that it is difficult to get a lot of money on to the fix. But ironically, the bigger the game, the easier it is for the fixers to fix the market. When there is a lot of money being bet, the fixers can get a lot on the fixed team. If they are discreet and fix the weaker team to lose, then no bookmakers, no matter how carefully they study the market, will notice the fix.<sup>26</sup>

### ***International approaches to match-fixing and corruption in sport***

13.22 Governments around the world are enacting legislation to curb criminal activities in sport. South Africa was the first country to enact federal legislation against match-fixing, followed by the UK and France.<sup>27</sup> International sporting bodies are also strengthening efforts to crack down on illegal betting activity in cooperation with gambling providers.

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25 Dr Declan Hill, *The Fix: Soccer and Organized Crime*, McClelland & Stewart Ltd, Toronto, 2008, pp 176–177.

26 Dr Declan Hill, *The Fix: Soccer and Organized Crime*, McClelland & Stewart Ltd, Toronto, 2008, pp 176–177.

27 Roy Masters, 'Here's a tip: be sure the money's clean', *Sydney Morning Herald*, 22 June 2011.

### 13.23 Australian Sports Ministers have noted that:

At the international level, there is increased focus on cross-border collaboration, with an emerging push for an international information-sharing, monitoring, investigation and enforcement agency. Australia is actively working with other like-minded nations to ensure that international measures are developed and put in place that further safeguard Australian sport from international criminal activity.<sup>28</sup>

13.24 Recently, a series of international conferences have focused on the need to target match-fixing and preserve the integrity of sporting contests, including the International Olympic Committee meeting on Irregular and Illegal Sports Betting, and the Sports Funding, Sponsoring and Sports Betting Congress, both of which were held in March 2011.<sup>29</sup>

#### *FIFA*

13.25 In May 2011, the Federation Internationale de Football Association (FIFA) announced a 20 million euro plan over ten years to fund an anti-corruption training and prevention unit, based in Singapore, and to create an international betting integrity investigation task force. In 2007, FIFA established a company known as the Early Warning System GmbH [sic] to detect suspicious betting activity surrounding football matches. A Betting Fraud Detection System was also set up to monitor football betting across Europe.<sup>30</sup>

#### *Europe*

13.26 The European Sports Security Association, established in 2005, shares and monitors information on irregular betting patterns and possible misuse of inside information among its members (including European online sports betting agencies). In April 2011, a Sports Betting Integrity Education Program was jointly launched by the World and European Lotteries Association and SportAccord (a body of international sporting federations).<sup>31</sup>

#### *United Kingdom*

13.27 The UK has recently tightened its laws on bribery and corruption and is now said to have one of the strictest anti-corruption and bribery regimes worldwide. The

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28 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 4.

29 NSW Law Reform Commission, *Cheating at gambling*, Report 130, August 2011, p. 5.

30 FIFA, Media Release, 'FIFA's historic contribution to INTERPOL in fight against match fixing', 9 May 2011, and FIFA, Media Release, 'FIFA extends early warning system for monitoring sports betting', 16 August 2007.

31 SportAccord, Media Release, 'SportAccord, World and European Lotteries launch Sports Betting Integrity Education Programme', 8 April 2011.

new Bribery Act came into force from 1 July 2011. Offenders face up to 10 years' jail and companies and individuals may be subject to unlimited fines.<sup>32</sup>

13.28 Commentators have noted that the new law is open to interpretation and has implications for offering corporate hospitality at premier sporting events. Any corporate hospitality offered with the aim of influencing the recipient to act in a manner contrary to his/her duties is a bribe. The Act's guidelines do not specify what would constitute a breach and it appears that giving a ticket to a sporting event where the giver is not present would be a breach of the law. Implicit in UK Bribery Act is the need for accurate bookkeeping by both the donor and recipient of corporate hospitality.<sup>33</sup>

### **National Policy on Match-Fixing in Sport**

13.29 On 10 June 2011, Australia's Sport and Recreation Ministers announced a National Policy on Match-Fixing in Sport. The Commonwealth Minister for Sport, Senator the Hon Mark Arbib, stated that all governments were 'presenting a unified front against the scourge of match-fixing'.<sup>34</sup>

13.30 The ministers' communiqué stated that 'match-fixing and corruption in sport has emerged as the critical issue facing Australian and international sport'.<sup>35</sup> The key features of the policy are:

- agreement to pursue nationally consistent legislative arrangements;
- legal arrangements and integrity agreements between sports and betting companies which will include requirements to share information, provide sports with a right to veto bet types and provide a financial return from sports betting to sports;
- the adoption of codes of conduct by sports;
- the establishment of a National Integrity of Sport Unit to oversee national arrangements and provide support for smaller sports; and
- that government funding will be contingent on sport implementing appropriate anti-match-fixing and anti-corruption policies and practices.<sup>36</sup>

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32 Sport and Recreation Alliance, Compliance Alert, UK Bribery Act, June 2011, [http://www.sportandrecreation.org.uk/sites/default/files/web/documents/pdf/Compliance%20Alert.UK%20Bribery%20Act.FINAL\\_.pdf](http://www.sportandrecreation.org.uk/sites/default/files/web/documents/pdf/Compliance%20Alert.UK%20Bribery%20Act.FINAL_.pdf) (accessed 21 September 2011). See also Australian Racing Board, *Submission 27*, p. 15.

33 Roy Masters, 'Here's a tip: be sure the money's clean', *Sydney Morning Herald*, 22 June 2011.

34 Senator the Hon Mark Arbib, 'Ministers take united stand against match-fixing', 10 June 2011, [http://www.ausport.gov.au/news/releases/story\\_436753\\_ministers\\_take\\_united\\_stand\\_against\\_match-fixing](http://www.ausport.gov.au/news/releases/story_436753_ministers_take_united_stand_against_match-fixing), (accessed 15 June 2011).

35 Senator the Hon Mark Arbib, 'Ministers take united stand against match-fixing', 10 June 2011, [http://www.ausport.gov.au/news/releases/story\\_436753\\_ministers\\_take\\_united\\_stand\\_against\\_match-fixing](http://www.ausport.gov.au/news/releases/story_436753_ministers_take_united_stand_against_match-fixing), (accessed 15 June 2011).

13.31 The communiqué also stated that a cross-jurisdictional working group would develop a detailed implementation plan for sports ministers to consider by September 2011. This would include an assessment of the readiness of sporting organisations and the betting industry to pursue requirements under the new national policy.<sup>37</sup>

13.32 On 30 September 2011, sports ministers reported progress on the National Policy with a legislative and administrative framework being taken to Cabinets to give effect to a number of key elements of the policy.<sup>38</sup>

13.33 Attorneys-General have also begun work on nationally consistent legislative arrangements to tackle match-fixing.<sup>39</sup> Further discussion of legislative approaches is covered later in this chapter.

13.34 Describing the agreed reforms in the Parliament, Senator Arbib stated:

The issues of match fixing and illegal and irregular gambling are growing day by day internationally. From Interpol, we have been alerted that the illegal gambling market is now worth \$140 billion. At home we have seen incidents of match fixing and there are cases currently before the courts...

It is important that all Australian sports lovers have confidence that our sports are being played fairly and that all our players are giving their best. Our athletes also deserve to know, whether they are competing here or overseas, that they are competing on a level and fair playing field. Cheating and corruption in sport erodes people's confidence in sport. It strikes at the very heart of sport.<sup>40</sup>

13.35 The Australian Crime Commission (ACC) briefed sports ministers on the impact of organised crime internationally and the potential impact on the Australian economy and Australian sport. Senator Arbib stated that the ACC had advised sports ministers:

...that currently in Australia its concern was for individual athletes and sports, rather than the sports industry as a whole. But as betting volumes

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36 Senator the Hon Mark Arbib, 'Ministers take united stand against match-fixing', 10 June 2011, [http://www.ausport.gov.au/news/releases/story\\_436753\\_ministers\\_take\\_united\\_stand\\_against\\_match-fixing](http://www.ausport.gov.au/news/releases/story_436753_ministers_take_united_stand_against_match-fixing), (accessed 15 June 2011).

37 Senator the Hon Mark Arbib, 'Ministers take united stand against match-fixing', 10 June 2011, [http://www.ausport.gov.au/news/releases/story\\_436753\\_ministers\\_take\\_united\\_stand\\_against\\_match-fixing](http://www.ausport.gov.au/news/releases/story_436753_ministers_take_united_stand_against_match-fixing), (accessed 15 June 2011).

38 Sport and Recreation Ministers' Meeting Communique, Melbourne, 30 September 2011, [http://www.ausport.gov.au/\\_data/assets/pdf\\_file/0004/455053/110930\\_SPORT\\_AND\\_RECREATION\\_MINISTERS\\_COMMUNIQUE.pdf](http://www.ausport.gov.au/_data/assets/pdf_file/0004/455053/110930_SPORT_AND_RECREATION_MINISTERS_COMMUNIQUE.pdf) (accessed 4 October 2011).

39 Senator the Hon Mark Arbib, 'Agreement by Attorneys next step in fight against match fixing', 22 July 2011, [http://www.dpmc.gov.au/sport/minister/media\\_releases/mr\\_20110722.cfm](http://www.dpmc.gov.au/sport/minister/media_releases/mr_20110722.cfm) (accessed 25 July 2011).

40 Senator the Hon Mark Arbib, Minister for Sport, *Senate Hansard*, 14 June 2011, p. 27.

increase, sport is vulnerable to organised crime, to launder money and conceal illegal activity.<sup>41</sup>

13.36 A World Anti-Doping Authority briefing to member countries, including Australia, had warned of 'increasing involvement of crime syndicates moving cash from doping to match-fixing'.<sup>42</sup>

13.37 Senator Arbib also noted that the government was working overseas with the International Olympic Committee as part of an international working group on match-fixing.<sup>43</sup> Ministers stated that the policy will 'provide the basis for Australia to actively participate in international reforms to achieve similar international outcomes'.<sup>44</sup>

### ***Legal arrangements and integrity agreements between sports and betting agencies***

13.38 A key feature of the new National Policy on Match-Fixing includes the establishment of legal arrangements and integrity agreements between sports and betting companies.

13.39 This includes the designation and registration of a 'Sport Controlling Body' for each sport or competition under the appropriate regulator in a jurisdiction. The Controlling Body will deal with betting agencies, licensed in any state or territory, on behalf of their sports, and will register all events subject to betting with the relevant regulator.<sup>45</sup>

13.40 Each Sport Controlling Body will be expected to:

- (a) adopt an anti-match-fixing/anti-corruption code of conduct which aligns with nationally agreed principles...
- (b) apply the code of conduct to all players, player agents, support personnel, officials and staff;

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41 Senator the Hon Mark Arbib, 'Ministers take united stand against match-fixing', 10 June 2011, [http://www.ausport.gov.au/news/releases/story\\_436753\\_ministers\\_take\\_united\\_stand\\_against\\_match-fixing](http://www.ausport.gov.au/news/releases/story_436753_ministers_take_united_stand_against_match-fixing), (accessed 15 June 2011).

42 Patrick Smith, 'An alliance of unlikely bedfellows ensures cheating in sport becomes a criminal offence', *The Australian*, 11 June 2011.

43 The International Olympic Committee Working Group on the Fight Against Irregular and Illegal Betting on Sport; see Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, p. 2.

44 Senator the Hon Mark Arbib, 'Ministers take united stand against match-fixing', 10 June 2011, [http://www.ausport.gov.au/news/releases/story\\_436753\\_ministers\\_take\\_united\\_stand\\_against\\_match-fixing](http://www.ausport.gov.au/news/releases/story_436753_ministers_take_united_stand_against_match-fixing), (accessed 15 June 2011).

45 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 5.

- (c) apply a disciplinary framework within the code of conduct including sanctions and appropriate investigative processes with minimum and meaningful sanctions;
- (d) develop and enter into national integrity agreements with betting organisations in relation to the provision of betting and information sharing on the sport involved by July 2012;
- (e) provide appropriate information to betting agencies to support preventative and investigative measures in a timely manner;
- (f) provide appropriate education of players, player agents, support personnel, officials and staff on their responsibilities under the code of conduct and to provide information on match-fixing to assist with prevention, detection and disciplinary actions in accordance with this policy;
- (g) liaise with and report to the relevant government agencies including the overseeing/coordinating agency; and
- (h) provide and exchange information on suspected match-fixing or corrupt activities with the over-sighting/coordinating agency, betting agencies, and law enforcement agencies.<sup>46</sup>

13.41 Governments have agreed that to establish these arrangements, legislation (or binding agreement pursuant to legislation) must include:

- (a) requirements that a sporting organisation must apply to the appropriate regulator for approval as the Sport Controlling Body for a sports betting event;
- (b) requirements that a betting agency must not offer a betting service on an event unless:
  - i. an agreement is in effect between the registered Sport Controlling Body and the betting agency; or
  - ii. a determination of the appropriate regulator is in effect for the betting agency to offer a betting service on the event;
- (c) requirements for betting agencies to obtain agreement from the sporting organisation on all bet types offered on the sport involved, including what level of competition bets may [be] offered on (for example, minor leagues versus premier leagues), with sports having the ability to veto bet types; and
- (d) arrangements for financial return to the sport based on betting on that particular sport.<sup>47</sup>

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46 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 8.

47 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 5.

### *Response of sports betting providers*

13.42 In parliament, Senator Arbib stated that the Sports Ministers' new national policy was being supported by sports betting providers who 'understand the threat to sport in the long term and to the domestic and international processes they have in place'.<sup>48</sup>

13.43 The National Policy states that betting agencies will be asked to:

(a) adopt an industry standard for information exchange and information provision requirements with sports, governments and law enforcement agencies by July 2012;

(b) develop and enter into national integrity agreements with sporting organisations in relation to the provision of betting and information sharing on the sport involved by July 2012;

(c) guarantee confidentiality of information provided by sports to the betting agencies;

(d) collaborate with sports and law enforcement agencies and the appropriate regulator on the provision of information to assist detection and investigation of suspicious activity or breaches of the relevant code of conduct for that sport; and

(e) provide a share of revenue to implement this policy, including to sports.<sup>49</sup>

13.44 In its submission to the inquiry, Betfair stated its support for additional regulation addressing integrity issues such as match-fixing and the sale of 'price-sensitive' information:

Pursuant to Memoranda of Understandings with sports and racing bodies, Betfair has a disclosure obligation if any players or officials are placing bets on events they are associated with. Betfair has brought such situations to the attention of a number of Australian sporting organisations.<sup>50</sup>

### *Financial return from sports betting to sports*

13.45 The importance of wagering and betting operators providing a fair financial return to the sports was raised by a number of submitters to the inquiry.

13.46 Harness Racing Australia argued that sports have not properly pursued, nor been adequately resourced, to address the current lack of financial return from betting companies:

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48 Senator the Hon Mark Arbib, *Senate Hansard*, 14 June 2011, p. 2638.

49 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, pp 9–10.

50 Betfair, *Submission 12*, p. 21.

In cases where there have been suspect betting transactions concerning a particular sport, too often the controlling body has been ill equipped to investigate and ultimately address the incident. In some instances, the sport has had to rely on the police and the criminal law to investigate and prosecute the matter. This has often been a costly and protracted exercise which damages the sport, its participants, the punters and the betting product.<sup>51</sup>

13.47 The Australian Racing Board noted that sports needed an 'equitable entitlement' to share in revenues from gambling conducted on their events:

In this regard the Schadelmose Report recognised that “*sports bets are a form of commercial exploitation of sporting competitions*” and lent support to the notion that sports receive rights fees from gambling.<sup>52</sup>

13.48 In light of Sports Ministers' commitment to ensure that a financial return from betting companies is channelled back into sport, Betfair's submission noted that it had already:

...voluntarily entered into Product Fee agreements with all of the major sporting bodies in Australia including the AFL, NRL, ARU, FFA, Tennis Australia, Cricket Australia and the PGA Tour of Australasia. Betfair has agreed to provide the sporting bodies with a percentage of revenue earned from betting on their sports. Betfair firmly believes that sporting bodies are entitled to a share of the wagering revenue derived from their sport.<sup>53</sup>

### ***Right to veto bet types***

13.49 The National Policy proposes that betting agencies will need to obtain agreement from a sporting code on all bet types offered on the sport. Gambling regulators in states and territories will need to approve events, competitions and bet types.

13.50 Such arrangements are already in place for the AFL and NRL.<sup>54</sup> For example, in June 2011, the NRL and betting agencies took action to exclude certain forms of exotic bets, specifically bets on the first scoring play of the second half of an NRL match, the last scoring play in the second half, and whether or not there will be a field

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51 Harness Racing Australia, *Submission 52*, p. 4.

52 Australian Racing Board, *Submission 27*, p. 13. On 10 March 2010, the European Parliament adopted the Schadelmose Report, which called for strong coordinated action to fight the increasing threat of corruption and match-fixing in European sport.

53 Betfair, *Submission 12*, p. 17.

54 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, p. 2.

goal in the game.<sup>55</sup> Earlier in 2011, the AFL banned bets being placed on whether a coach would be dismissed before the end of the season.<sup>56</sup>

13.51 Sporting bodies and associations who made submissions to the inquiry supported the right to veto bet types. These included Netball Australia and Tennis Australia.<sup>57</sup>

13.52 In Victoria, this power has already been provided to sporting organisations which have the 'capacity to control the specific types of bets that are offered on their sports, and control the incidence of spot or exotic bets'.<sup>58</sup>

13.53 The Coalition of Major Professional and Participation Sports (COMPPS) also supported the 'power of veto over types of spot-bets that may be offered by betting operators on their sports where they have serious integrity concerns over the type of bet that is being offered.'<sup>59</sup>

13.54 The Australian Racing Board also supported such an approach:

A broader issue is that of what controls might be put in place to control inappropriate betting contingencies. That is to say, there are some events which for reasons of integrity of the sport, privacy, or offensiveness should not be allowed to form the basis of wagering. Each of these might be seen as aspects of what the public interest might require so far as some bet types are concerned.

For example, in the case of racing the practice has recently emerged of bets being taken on the margin by which a horse will win a race. The Stewards who police the Australian Rules of Racing believe that regulating the integrity of racing events will be made more difficult if margin betting is allowed to occur. Accordingly, we believe that racing, and other sports, should have the capacity to determine whether contingencies related to them are appropriate subjects for wagering.<sup>60</sup>

13.55 Chapter 14 will also cover the right to veto bet types in the context of a discussion about exotic betting.

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55 ABC News Online, 'NRL cracks down on exotic betting', 2 June 2011, <http://www.abc.net.au/news/2011-06-02/nrl-cracks-down-on-exotic-betting/2742978> (accessed 2 June 2011).

56 Jon Pierik, 'Bookies banned from betting on first coaching casualty', *Sydney Morning Herald*, 24 January 2011.

57 Netball Australia, *Submission 5*, p. 2; Tennis Australia, *Submission 38*, p. 6.

58 Tennis Australia, *Submission 38*, p. 5.

59 COMPPS, *Submission 16*, p. 7.

60 Australian Racing Board, *Submission 27*, p. 20.

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### ***Codes of conduct in each sport***

13.56 Another feature of the National Policy is the requirement for sports to implement minimum code of conduct standards:

...that will restrict players, player agents, support personnel, official and staff from, inter alia, betting, gambling or entering into any other form of financial speculation on any match or on any event connected with the relevant sport.<sup>61</sup>

13.57 All COMPPS member sports already have in place existing codes of conduct to address such activities.<sup>62</sup>

13.58 Governments and sporting bodies have agreed that the codes of conduct must restrict players, player agents, support personnel, officials and staff, directly or indirectly, engaging in the following conduct:

- (a) betting, gambling or entering into any other form of financial speculation on any match or on any event connected with the sport involved;
- (b) inducing or encouraging any other person to bet, gamble or enter into any other form of financial speculation on any match or event or to offer the facility for such bets to be placed on the sport involved;
- (c) 'tanking' (including, in particular, owing to an arrangement relating to betting on the outcome of any match or event) other than for legitimate tactical reasons in line within the rules of the respective sport;
- (d) inducing or encouraging any player to 'tank' (including, in particular, owing to an arrangement relating to betting on the outcome of any match or event) other than for legitimate tactical reasons within the rules of the respective sport;
- (e) for money, benefit or other reward (whether for the player him or herself or any other person and whether financial or otherwise), providing insider information that is considered to be information not publicly known such as team or its members configuration (including, without limitation, the team's actual or likely composition, the form of individual players or tactics) other than in connection with bona fide media interviews and commitments;
- (f) any other form of corrupt conduct in relation to any match or event connected with the respective sport;
- (g) failing to promptly disclose to the sporting organisations or Sport Controlling Bodies that he or she has received an approach from another person to engage in conduct such as that described in paragraphs (a) - (f) above;

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61 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, p. 2.

62 COMPPS Codes of Conduct, additional information, received 11 August 2011.

(h) failing to promptly disclose to the sporting organisations or Sport Controlling Bodies that he or she knows or reasonably suspects that any current or former player or official or any other person has engaged in conduct, or been approached to engage in conduct, such as that described in paragraphs (a) - (f) above;

(i) failing to promptly disclose to the sporting organisations or Sport Controlling Bodies that he or she has received, or is aware or reasonably suspects that another player or official or any other person has received, actual or implied threats of any nature in relation to past or proposed conduct such as that described in paragraphs (a) - (f) above; or

(j) conduct that relates directly or indirectly to any of the conduct described in paragraphs (a) - (i) above and is prejudicial to the interests of the sport or which bring him or her or the sport into disrepute.<sup>63</sup>

13.59 The National Policy notes that sporting organisations and controlling bodies will be responsible for determining appropriate responses to breaches of codes of conduct 'acknowledging that penalties should be broadly consistent across sporting codes and reflect the severity of the breach'.<sup>64</sup>

### ***National Integrity of Sport Unit***

13.60 Ministers also announced the establishment of a National Integrity of Sport Unit to provide resources for smaller sporting codes to meet the requirements of the new national provisions. The functions associated with this new unit will include:

(a) supporting and as required, reviewing information sharing and monitoring protocols to expand networks between governments, sports, betting industry and law enforcement agencies;

(b) supporting the development of industry capacity to ensure the integrity of sport in all sporting codes including practical and financial support for smaller sports where necessary;

(c) ensuring sports have the capacity either internally or through an independent body, to undertake investigations into betting impropriety;

(d) monitoring compliance of stakeholders in relation to the application of the National Code of Conduct principles;

(e) facilitating the adoption of National Code of Conduct principles by all sports;

(f) resolving disputes as appropriate over issues of concern arising from the implementation of the national policy;

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63 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, pp 8–9.

64 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 9.

(g) developing protocols for sanctions by sports and referral of criminal activity to law enforcement agencies; and

(h) supporting international efforts to combat corruption in sport through information sharing arrangements.<sup>65</sup>

13.61 Dr Hill praised this new unit but believed the cost of such a body should be met by the gambling companies.<sup>66</sup>

### **Legislative measures to address match-fixing**

13.62 The National Policy on Match-Fixing in Sport includes a commitment across jurisdictions to pursue nationally consistent legislative arrangements to address match-fixing:

All Australian governments agree to pursue, through Attorneys-General, a consistent approach to criminal offences, including legislation by relevant jurisdictions, in relation to match-fixing that provides an effective deterrent and sufficient penalties to reflect the seriousness of offences. Governments note the approach to implementation of such provisions may vary in jurisdictions depending on existing legislative arrangements.<sup>67</sup>

13.63 In NSW and Victoria, significant work has been undertaken on legislative measures to address match-fixing. Both states' work has been favourably received, both within Australia and internationally, and is being endorsed as a model for nationally consistent legislation.

### ***Cheating at Gambling – NSW Law Reform Commission***

13.64 In August 2011, the NSW Law Reform Commission (LRC) released its report called *Cheating at Gambling*. The Commission stated its support for the preservation of a 'safe and lawful' sports betting market in Australia:

We are convinced, in the light of the incidence of match-fixing internationally, and the failure of any prohibition model (for example, those in the US, India, Pakistan, and in several other Asian countries) to prevent its occurrence, that there is an imperative to preserve a safe and lawful market for sports and event betting. It is essential that such a market be transparent and subject to appropriate supervision by regulatory authorities, with the assistance of sports controlling bodies and betting agencies. It is

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65 Department of the Prime Minister and Cabinet, *Submission 45*, p. 7.

66 David Sygall, 'Beware of tainted money', *Sydney Morning Herald*, 12 June 2011.

67 Department of the Prime Minister and Cabinet, Office for Sport, *Submission 45*, Attachment A, p. 5. On 18 November 2011, state and territory law ministers through the Standing Council on Law and Justice agreed to support the development of nationally consistent criminal offences for match-fixing; see Senator the Hon Mark Arbib, 'Match-fixers will face jail under nationally consistent laws', Media Release, 18 November 2011, [http://www.dpmc.gov.au/sport/minister/media\\_releases/viewItem.cfm?cid=27&id=282](http://www.dpmc.gov.au/sport/minister/media_releases/viewItem.cfm?cid=27&id=282) (accessed 21 November 2011).

equally essential, in our view, that there be appropriate criminal offences available to cater for those cases where cheating or other forms of corruption, including abuse of inside information, occur, and that there be means available to guard against sports betting being used for money laundering purposes.<sup>68</sup>

13.65 The NSW Government foreshadowed the LRC's report in its submission to this inquiry:

The LRC consultation paper notes that preliminary submissions are supportive of the introduction of a sports and event gambling specific offence, that would strengthen existing anti-cheating laws, that would be clear and easy to understand and apply, and that would carry an appropriate criminal sanction. The paper does highlight, however, a range of issues that would need to be addressed in relation to the creation of a specific offence. For example, the kinds of conduct it should capture and how it can be formulated so as to catch every person who is knowingly engaged in any co-ordinated cheating activity.<sup>69</sup>

13.66 Noting that the criminal law has not kept up to date with fraud in relation to cheating at sports betting, the LRC's final report proposed two new sets of sports specific offences:

The first set of offences cover conduct by anybody (including players, match officials and team support people) that "corrupts the betting outcome of an event" with the intention of obtaining a financial advantage from betting.

The conduct of a person "corrupts a betting outcome" if it affects or would be likely to affect the outcome of a bet, and is contrary to the standards of integrity expected by reasonable people.

This covers, for example, spot and match fixing, deliberate underperformance, tanking, disrupting or interfering with the course of the event, and deliberately officiating in a dishonest way. It extends to anybody who fixes the event, or agrees to do so, or persuades another to do so, and also to conduct designed to conceal the existence of any such arrangement.

The second set of offences cover using inside information in connection with a sporting event to bet on that event, as well as providing inside information to someone else to enable them to bet on the event.

In both cases, the Commission proposes a maximum penalty of 10 years imprisonment, the same penalty as for fraud, recognising the seriousness of activity that can involve the corruption of sporting activities in aid of betting.<sup>70</sup>

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68 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, p. 7.

69 NSW Government, *Submission 56*, p. 6.

70 NSW Law Reform Commission, Media Release, 'Cheating at Gambling', 26 August 2011, [http://info.lawaccess.nsw.gov.au/lawlink/lrc/ll\\_lrc.nsf/vwPrint1/LRC\\_mediar130](http://info.lawaccess.nsw.gov.au/lawlink/lrc/ll_lrc.nsf/vwPrint1/LRC_mediar130) (accessed 30 August 2011).

13.67 In proposing the new offences, the LRC's report also notes that criminal offences are a necessary 'safety net' and that betting agencies and sporting authorities must also take responsibility to prevent corrupt behaviour:

...to deter and punish those who do engage in cheating at gambling in its several forms. Of equal if not more importance, in a practical sense, however, is the need for sports controlling agencies, and for gaming and betting agencies and authorities, to adopt appropriate systems, through codes of conduct, educational programs, and the like, to discourage misconduct in this area, and to provide an effective means of detecting and dealing with it.<sup>71</sup>

*'Corrupting the betting outcome of the event'*

13.68 The LRC explains that the phrase on which the new offence is based is intended to cover activity such as:

- deliberately under-performing or failing to employ best efforts in the running of, or officiating in respect of, an event;
- withdrawing from an event without proper cause;
- improperly fixing or manipulating the outcome of an event or of a contingency; or
- otherwise improperly interfering with or disrupting the normal course of an event.<sup>72</sup>

*'Offence of using inside information about an event for betting purposes'*

13.69 This offence provision is aimed at those who abuse 'inside information', which is intended to cover non-public information such as:

- any injury to a player;
- player selection and team composition;
- the likely performance of a team or participant;
- tactics to be employed by a team or participant;
- the existence of any agreement or arrangement or conduct that may corrupt a betting outcome of the event, for example, knowledge of the blackmailing of a sporting participant, or of the existence of an agreement to fix the event; or
- [a] matter that is subject to confidentiality restrictions under a code of conduct, or contract, entered into by a person who might be regarded as an insider.<sup>73</sup>

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71 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, pp 1–2.

72 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, p. 14.

73 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, p. 28.

*10 year penalty*

13.70 The LRC argued that a 10 year maximum penalty for corrupting betting outcomes was appropriate:

By reason of the seriously fraudulent nature of the conduct involved, its consequences for a potentially wide group of people, and the need for a strong deterrent, we consider that the offences proposed should each carry a maximum penalty, that is in line with that which is available for the general fraud offence under s 192E of the *Crimes Act 1900* (NSW), namely imprisonment for 10 years.<sup>74</sup>

13.71 The NSW Government is yet to respond to the LRC's report. Responses from submitters to NSW's work in the context of the National Policy on Match-Fixing in Sport are included in chapter 16 under discussion of the match-fixing amendments proposed as part of the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011.

***Victorian Gaming and Racing Legislation Amendment (Sports Betting) Act 2007***

13.72 In 2007, Victoria passed the Gaming and Racing Legislation Amendment (Sports Betting) Act. This is currently Australia's only sports betting specific legislation:

It was designed to ensure that sports receive a financial benefit from the betting that takes place on their events and that they have the capacity to ensure that the integrity risks created by betting are appropriately managed. It gave sports controlling bodies the capacity to require wagering service providers to enter into agreements that make provision for the fees, if any, to be paid by the betting provider for the use of the sport's product and for sharing information that can be used to identify suspicious betting behaviour.<sup>75</sup>

13.73 The National Policy on Match-Fixing, announced in June 2011, will build nationally consistent legislative arrangements on Victoria's existing work in this area.<sup>76</sup> Major professional sports in the UK have also commended the Victorian Act as model legislation on sports betting regulation.<sup>77</sup>

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74 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, pp 29–30.

75 Victorian Government response to Gleeson Review of Sports Betting Regulation, 3 August 2011, p. 1, [http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/110803\\_Gleeson\\_Review\\_-\\_recommendations\\_and\\_Coalition\\_Govt\\_response.pdf](http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/110803_Gleeson_Review_-_recommendations_and_Coalition_Govt_response.pdf) (accessed 7 September 2011).

76 Senator the Hon Mark Arbib, 'Federal Government welcomes VIC sports betting review', 3 August 2011, [http://www.dpmc.gov.au/sport/minister/media\\_releases/mr\\_20110803.cfm](http://www.dpmc.gov.au/sport/minister/media_releases/mr_20110803.cfm) (accessed 4 August 2011).

77 Australian Racing Board, *Submission 27*, p. 16.

13.74 COMPPS strongly supported the legislation, stating that its enactment had 'strengthened the sports' ability to monitor integrity issues and enabled sports to receive a small percentage of revenue from sports betting on their events'.<sup>78</sup>

13.75 COMPPS' Anti-Corruption Report recommended that the provisions of the Victorian Act be adopted in all states and territories so that:

...all events on which sports-betting is available are included and all betting providers are required to enter into Integrity and Product Fee agreements with sports to provide details of relevant information including suspicious betting activity and to pay a product fee.

It recommended that nationally consistent criminal legislation, specific to sport, creating an offence of "cheating in connection with sports wagering" be adopted.

It recommended that each sport should be given the power to prohibit certain types of exotic or unusual bets that present enhanced integrity risks.

It recommended that new regulation also address issues such as minimum standards for all betting agencies in relation to record-keeping, retention of data, disclosure of information to sporting bodies and reporting of suspicious bets, among other things.

We understand that the major betting operators would welcome dialogue in relation to these matters.

Our preference is that these legislative reforms are enacted through Federal rather than State and Territory legislation.<sup>79</sup>

13.76 Victoria's legislation was reviewed in March 2011 by Mr Des Gleeson, former Racing Victoria head steward.<sup>80</sup> The review found that the legislation had 'one major deficiency':

...namely the lack of provision for ongoing monitoring by the regulator. Information provided to the review suggests that the level of integrity assurance being undertaken by the sports controlling bodies varies. While some sports controlling bodies were able to demonstrate proactive and robust integrity procedures aimed at ensuring no breaches of codes of conduct, including education programs for participants, others appeared less diligent, with integrity processes only coming in to play after a breach had occurred. Whilst the VCGR [Victorian Commission for Gambling Regulation] considers whether a sporting body has adequate policies, rules, codes of conduct and other mechanisms designed to ensure integrity at the time of determining whether to approve an application for sports controlling

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78 COMPPS, *Submission 16*, p. 4.

79 COMPPS, *Submission 16*, p. 5.

80 Patrick Smith, 'National approach to eliminating sport graft not before time', *The Australian*, 9 June 2011.

body status, there is currently no provision for monitoring of adherence to such policies.<sup>81</sup>

13.77 As well as an amendment to the Act to ensure the VCGR has a proper monitoring role to ensure that sporting bodies are applying their integrity policies and processes, the review's 14 recommendations included proposals for enhanced integrity assurance and legislative amendments such as the following:

That the sports controlling bodies, either through COMPPS or some other mechanism, consider developing a model code of conduct and guidelines for the conduct of education programs that would act as a minimum standard for all sports...

That the sports controlling bodies be encouraged to negotiate agreements that include the power to ban betting on contingencies that raise reasonable integrity concerns...

That, in the event other Australian jurisdictions move to introduce sports betting legislation, Victoria grants reciprocal rights to out-of-state approved sports controlling bodies and encourages other jurisdictions to do likewise...<sup>82</sup>

13.78 Under 'matters requiring national action', the review also recommended:

That the Minister for Gaming place the issue of mirror sports betting legislation on the agenda of the COAG Select Council on Gambling Reform or other appropriate national forum.

That the Minister place the issue of retention and supply of betting information by sport betting providers on the agenda of the COAG Select Council on Gambling Reform or other appropriate national forum.

That the Minister place the issue of amending the Interactive Gambling Act 2001 to remove the ban on internet betting 'in the run' on the agenda of the COAG Select Council on Gambling Reform or other appropriate national forum.<sup>83</sup>

13.79 The Victorian Government responded to the review's findings in August 2011 and supported all recommendations, noting the work already underway as part of the National Policy on Match-Fixing, as well as the Commonwealth's review of the *Interactive Gambling Act 2001*.<sup>84</sup>

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81 Mr Des Gleeson, *Review of Sports Betting Regulation*, 31 March 2011, pp 3–4.

82 Mr Des Gleeson, *Review of Sports Betting Regulation*, 31 March 2011, p. 12.

83 Mr Des Gleeson, *Review of Sports Betting Regulation*, 31 March 2011, p. 13.

84 Victorian Government response to Gleeson Review of Sports Betting Regulation, 3 August 2011, [http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/110803\\_Gleeson\\_Review\\_-\\_recommendations\\_and\\_Coalition\\_Govt\\_response.pdf](http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/110803_Gleeson_Review_-_recommendations_and_Coalition_Govt_response.pdf) (accessed 7 September 2011).

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***Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011***

13.80 The bill introduced by Senator Xenophon contains provisions in relation to match-fixing. It will be considered separately in chapter 16.

***Federal or nationally consistent legislation?***

13.81 The question of whether the legislative approaches outlined above should be enacted federally, or whether they should be left to states and territories, attracted a diversity of views.

13.82 The NSW LRC also posed the question in relation to its new offence provisions proposed to address corruption in sport:

An important consideration, in the Australian context, is whether the response to the problem requires the introduction, by each State and Territory, of a uniform criminal offence, or whether it should be left to the Commonwealth to enact an appropriate provision, by way of amendment of the *Criminal Code* (Cth).<sup>85</sup>

13.83 The LRC's view was in favour of enactment of a uniform offence by each state and territory:

...subject to the recognition that, if this does not occur, then Commonwealth intervention will be required.

The reasons for preferring a State and Territory based approach relate largely to the practicalities of investigation and enforcement, which will depend on co-operation between betting providers, local sports controlling bodies and State and Territory Police Forces.<sup>86</sup>

13.84 Victoria's Gleeson Review of Sports Betting Regulation stated that its most important finding was in relation to the need for a national approach and mirrored legislation:

As the only state with sports betting legislation, Victoria can rightly regard itself as a leader in this area, but for the regulatory regime to be fully effective, mirror legislation needs to be introduced by the other states. If all states moved to introduce such legislation, this would 'plug the gaps' in the current regime by ensuring that sports are legally entitled to receive product fees for games and matches played outside of Victoria. The current situation, where sports controlling bodies have differing ability to negotiate with sports betting providers depending on how many of their games are played in Victoria, is unsatisfactory.<sup>87</sup>

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85 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, p. 12.

86 NSW Law Reform Commission, *Cheating at Gambling*, Report 130, August 2011, p. 12.

87 Mr Des Gleeson, *Review of Sports Betting Regulation*, 31 March 2011, p. 28.

13.85 COMPPS also noted that the Victorian Act had limitations when observed by Australian sporting codes which are played across many jurisdictions:

While this Act is a step in the right direction and has given sports a framework in which to negotiate national arrangements with betting operators, it only requires for the agreements to be in place for sports events in Victoria.<sup>88</sup>

13.86 However, COMPPS' preference was for federal enactment of legislative reforms (modelled on the Victorian legislation) over state-based approaches.<sup>89</sup>

13.87 The Australian Internet Bookmakers Association (AIBA) questioned whether Victoria's legislation should be adopted as a model for other states and territories, arguing that betting agencies and sporting bodies have already made national efforts that have gone beyond the Victorian requirements:

The Victorian sports betting legislation has been put forward as a model for adoption by other States and Territories. In recognition of its deficiencies and in support of the integrity objectives, internet bookmakers and, subsequently other betting providers, negotiated agreements directly with the sports. These agreements had national reach (i.e. covered all events across the country), provided for the provision of information regarding suspicious bet types and expressly gave the power of approval of the bet types to the sports. In other words, the bookmakers and the sports jointly developed a national scheme which was more effective and more advanced than that provided by the Victorian sports betting legislation.<sup>90</sup>

13.88 The AIBA then outlined the two alternative approaches to regulation:

The first is for a Federal role to be exercised by the Federal government; the second is for greater coordination and cooperation between the States and Territories in such areas as the approval of bet types. For example, a simple mechanism for identifying bet types of concern is where the sports, having exercised a determination to approve or disapprove a particular bet type, notify all other State and Territory regulators (assuming the local regulator has given approval). Should any particular State or Territory have a significant concern over the propriety of the decision, it may raise this with the particular sport and the regulator of the particular betting provider. Any differences are therefore to be resolved by way of discussions and agreement, rather than the pre-emptory exercise of any purported regulatory power.<sup>91</sup>

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88 COMPPS, *Submission 16*, p. 4.

89 COMPPS, *Submission 16*, p. 4.

90 Australian Internet Bookmakers Association, *Submission 54*, p. 30.

91 Australian Internet Bookmakers Association, *Submission 54*, p. 31.

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*Committee view*

13.89 The committee welcomes the cooperative work being done at a national level to advance the new National Policy on Match-Fixing. It also acknowledges the comprehensive work that has been done in both NSW and Victoria to ensure regulation keeps pace with developments in the modern sports betting environment. The committee is supportive of the current work underway by Sports Ministers and Attorneys-General to pursue nationally consistent legislative measures to curb the threat of match-fixing in Australian sport. The committee urges betting agencies and sporting bodies to continue to cooperate fully with the work being done by governments in these important areas to safeguard the integrity of Australian sport.

