



14 February 2011

Hon James Wood
Chairperson
NSW Law Reform Commission

Sent by email to: nsw_lrc@agd.nsw.gov.au

Dear sir,

RE CHEATING AND GAMBLING REVIEW 2011

The BetSafe program

The BetSafe responsible gambling program was established in 1998 with the support of a group of leading NSW registered clubs. The BetSafe program now has membership of more than 40 registered clubs in NSW and the ACT.

The BetSafe program has established a strong reputation for quality, being a fully integrated responsible gambling program. As a privately run organisation, BetSafe receives no government funding. However, BetSafe has received NSW government approval of its self-exclusion scheme and is one of only three problem gambling counselling services specifically named in Gaming Machines Regulation 2002 cl. 46(2)(c).

The objectives of the BetSafe program are to provide the most comprehensive service to help problem gamblers, to ensure that BetSafe venues are not only compliant with their legal obligations but go beyond what is required; to reduce the risk of litigation and to ensure that the club enjoys a strong public reputation as a responsible gambling venue.

The primary components of the BetSafe program are professional problem gambling counselling, a comprehensive and flexible self-exclusion scheme, effective staff training, practical policies and procedures and compliance auditing program. The integrated nature ensures that each element of the program is effective, being supported by the other parts. An effective self-exclusion scheme is reliant upon good policies and procedures and a high level of staff training. Self-exclusion alone is insufficient and must work in conjunction with high quality counselling.

Who cheats at gambling?

People who cheat at gambling can generally be categorised as either professional criminals, insiders, amateur cheats and problem gamblers.

Professional criminals are attracted to gambling because of the large amounts of money that may be involved. The growth of sportsbetting and bookmaking business clearly provides many new opportunities for professional criminal activities. In order to check the growth of professional criminal involvement in gambling, adequate resources must be devoted to policing activities and a range of legal sanctions that include imprisonment as well as fines for professional cheats.

Like insider trading, **insiders** with particular knowledge of racing and sporting events will always have an advantage in wagering and it is important that the legislation contain a clearly expressed delineation

between what activities by those with industry knowledge is legal and what is proscribed. Identification of cheating by insiders can be very difficult. Again, it is important that significant penalties apply to cheating by those involved in the industry as a deterrent.

Amateur cheats can be tempted to cheat by the perception that cheating is easy and gambling activities are poorly policed. Amateur cheating is generally easily detected. However, it is better to deter amateur cheats by making them aware of some of the safeguards against cheating, than waiting for them to try and then having to spend a lot of effort in prosecuting them.

Problem gamblers may be tempted to cheat when they are chasing losses and may take little regard to the risks and warnings. A low level penalty system should also apply to problem gamblers caught cheating. Ideally prison sentences should only be applied to problem gamblers who are repeatedly caught cheating as imprisonment can result in the problem gambler developing more serious criminal traits.

Law against cheating

The growing number of international and local scandals involving cheating at wagering events supports a strengthening of anti-cheating laws. Because of the different groups of cheats and the variations in the scale of cheating, we support a range of sanctions that would include lengthy prison sentences for large scale professional criminal cheating convictions in the higher courts. For problem gamblers who may be caught cheating we would recommend a low level of sanctions, with consideration being given to problem gambling counselling as a supplement to other sanctions. See Casino Control Act 1992 (NSW) s. 84, which provides for problem gambling counselling as an option for magistrates sentencing those who breach casino exclusion orders.

We support the introduction of a clear and easy to understand law against cheating along the lines of Gambling Act 2005 (UK) s. 42. We consider that publicity surrounding the introduction of such a law would provide a useful deterrent to cheating.

Provision of credit by bookmakers

One of the factors that motivates problem gamblers to cheat is the provision of credit by bookmakers and sportsbetting companies. In some cases, gamblers who would not otherwise commit a crime are tempted to cheat to try to win money to pay their gambling debts. We suggest that in the matters to be considered by a sentencing court, the existence of significant unpaid gambling debts would be a factor that could reduce a person's sentence in appropriate cases.

Prohibition orders

As well as the usual criminal penalties, we recommend that the range of options available to a sentencing judge or magistrate include the power to prohibit a person from participating in gambling activities of the type involved in the cheating activity. The most effective response to problem gamblers caught cheating is sometimes to ban them from participating in that form of gambling for a significant period of time.

We look forward to seeing the results of your investigations.

Yours faithfully,



PAUL SYMOND
General Manager/Founder