

15 February 2011

The Hon. James Wood AO QC
Chairperson
NSW Law Reform Commission
Level 13, Swire House
10 Spring Street
Sydney NSW 2000

Dear Mr. Wood

Submissions to NSW Law Reform Commission on Cheating & Gambling

The ARU welcomes the opportunity to contribute to the Commission's review of the laws relating to cheating in sport.

The Commission has sought the ARU's views on:

- our internal rules relevant to gambling on rugby;
- the adequacy of laws dealing with gambling-related cheating in sport;
- the extent to which ARU believes corruption exists in rugby;
- reforms that would help maintain the integrity of rugby and sports generally; and
- problems associated with the investigation of allegations of cheating.

Rugby's rules governing gambling on Rugby.

The ARU's Code of Conduct is the principal set of conduct rules that apply to participants in the game. The Code of Conduct provides that all rugby participants are bound:

- not to bet or otherwise financially speculate, directly or indirectly, on the outcome or on any other aspect of a Rugby Football match or Competition which he or she is either involved in (whether as a player, official or in any other capacity) or connected to;
- not to throw or fix a match, try to achieve a contrived outcome to a match or a Competition, or otherwise influence improperly the outcome or any other aspect of a match or a Competition;
- not to provide information to a Bookmaker about a match or any aspect of a match which he or she is either involved in (whether as a player, official or in any other capacity) or connected to;
- not to seek or accept a bribe;
- to report immediately to the ARU any offer of a bribe or other benefit to do with anything mentioned above.

These prohibitions apply to every rugby participant, which include a player, referee, touch judge or other match official, a selector, coach, trainer, manager or other team official, or an individual involved in the organisation, administration or promotion of rugby.

Professional rugby players are contractually bound to comply with the Code of Conduct by operation of the Playing Contracts that are common to professional players in Australia. Amateur players are bound to comply with the Code of Conduct by operation of the registration process that operates in amateur rugby.

In addition to the ARU's Code of Conduct the international governing body, the International Rugby Board, has Regulations that seek to govern betting on rugby. Both ARU and players participating in rugby are required to comply with the IRB's regulations.

Adequacy of current laws relating to gambling-related cheating

In our view the existing laws relating to gambling-related cheating in sport are inadequate. At its simplest level we believe the main problem with the current laws is that:

- there are inconsistent laws across the country; and
- the existing offences fail to adequately address gambling-related cheating.

Despite the absence of adequate legislation to deal with cheating in sport in Australia, the introduction of the *Gambling and Racing Legislation Amendment (Sports Betting) Act 2007 (Vic)* has been very helpful in assisting sports to enter formal agreements with betting operators. The foresight of the Victorian legislature in introducing this piece of legislation is to be applauded.

The existence of gambling-related cheating in rugby

The ARU has no knowledge of gambling-related cheating in Australian rugby. We do believe, however, that as sports betting continues to grow and the amount of money bet on rugby increases the risk of cheating will inevitably rise.

In the face of increased betting in rugby ARU has taken steps to protect the integrity of our sport. We have contractual arrangements with approximately 15 Australian betting operators to formalise information sharing, and to secure a right to approve new bet types which operators wish to offer. We have also appointed a full time Integrity Manager responsible for all aspects of our relationship with betting operators and our training and support for players.

Reforms to maintain integrity of rugby

We believe a nationally consistent legal framework is critical. This legislation needs to be specifically tailored to deal with corruption in sport. We also believe the Victorian Sporting Betting Act should be replicated so that it operates in all States and Territories. The important feature of that legislation is that it prohibits betting operators from offering bets on events without first reaching agreement with the controlling body of the sport, in rugby's case, the ARU. The first four years of the Victorian legislation has demonstrated that sports and betting operators have been successful in reaching such agreements.

A more effective legal environment alone will not act as a sufficient deterrent to gambling-related cheating. If a new and improved legislative framework is to be introduced it is critical that it is coupled with an effective and well-resourced investigative and prosecutorial authority. This may be an existing agency but it needs to be sufficiently resourced and charged with responsibility for gambling-related cheating in sport.

Problems of investigating and regulating gambling-related cheating in rugby

Close monitoring of betting activity is an important tool in the early detection of suspicious betting activity. Such a monitoring capability is beyond the resources available to rugby and most other sports. The absence of sufficient internal capabilities means that we rely on betting operators to provide us with information about betting trends. It would be helpful if a revised legislative environment imposed an obligation on betting operators to immediately report suspicious betting trends or patterns.

The investigation of gambling-related cheating in rugby will frequently be complex and will require skills and investigative powers that are not available to sports. Accordingly, sports will commonly look to external investigative and enforcement agencies to take a lead role in investigating cheating allegations. This will inevitably occur where a person is involved in the investigation that falls outside the jurisdiction of the sport.

One of the challenges that sports currently face is that the inadequate nature of the current laws relating to cheating operate to provide a disincentive for enforcement agencies to commit resources where the prospect of a successful prosecution may not be sufficiently strong. If external agencies decline to investigate allegations of gambling-related cheating it will be very difficult for a sport to properly investigate such allegations. In many cases this will result in no formal action which is harmful to the integrity of sport, particularly where the allegations in question have been the subject of significant media speculation.

Please contact me if you would like additional information from ARU.

Yours sincerely



Nick Weeks
General Manager, Legal & Corporate Affairs