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Mr J Feil  
Executive Director  
National Competition Council  
GPO Box 250B  
MELBOURNE VIC 3001

**Attention: Mr David Owens**

Dear Mr Feil

**RE: NATIONAL COMPETITION POLICY (NCP) REVIEW OF THE  
NORTHERN TERRITORY'S RACING AND BETTING LEGISLATION**

In order to assist with the Council's assessment, the NCP review reports of the Northern Territory's racing and betting legislation is attached covering the *Racing and Betting Act* and the *Unlawful Betting Act*.

The review was conducted by an independent consultant in accordance with National Competition Council endorsed guidelines.

On 29 September 2003, Cabinet considered the review report and:

- noted the Review Report recommendations and took decisions in respect of all recommendations as set out in Attachment A;
- approved the drafting of legislative amendments to give effect to the approved recommendations;
- approved the implementation timetable (as set out in this letter); and
- approved the release of the review report to the National Competition Council and to interested parties on request.

The main recommendations of the review of racing and betting legislation include:

- the inclusion of a statement outlining regulatory objectives, based on the probity and integrity of racing and betting operations and the minimisation of the adverse social consequences of problem gambling;
- continuance of and further extension of the present co-regulatory approach to detailed industry management, particularly through the Principal Racing Club and Australian Code Rule arrangements;
- continuance of strong licensing requirements for all industry participants, but with increased standardisation and simplification of licensing arrangements;
- the overhaul of the current legislative framework in order to reduce regulatory overlap and inconsistencies;



- consideration of the transfer of the authority to licence bookmakers from industry control bodies to the proposed gambling regulator;
- removal of licensing requirements for bookmaker's assistants and introduction of common licensing requirements for staff employed by different types of betting operators;
- removal of various restrictions on bookmaking activity including advertising, minimum betting limits, business structures, financing arrangements, use of premises for other activity and trading hours;
- consideration of expanded business activity by betting operators at approved non-racing venues.
- the introduction of a formal industry code of conduct, aimed at minimising incidences of problem gambling; and
- easing of existing business controls on bookmakers subject to compliance with probity and other licensing conditions

In considering the findings, the Territory Government has formally committed to a reform timetable, as detailed below:

10 October 2003	NCP Review Report, together with details of Cabinet's response and approved implementation plan, to be released to the NCC.
Oct 2003 – Feb 2004	Amendments to implement the approved changes are drafted.
Feb 2004	Cabinet to consider draft amendments
March/April 2004 sittings	Bill introduced in the Legislative Assembly
May 2004 sittings	Debate and passage of Bills

Therefore, it is expected that the Northern Territory will have met all of the outstanding commitments with regard to racing and betting legislation by May 2004.

Yours sincerely

JENNIFER PRINCE  
Under Treasurer

October 2003

**ATTACHMENT A**

<b>NCP REVIEW REPORT RECOMMENDATION</b>	<b>ENDORSED GOVERNMENT POSITION</b>
<p><b><i>Regulatory Directions</i></b></p> <ul style="list-style-type: none"> <li>• The following regulatory principles be adopted as the basis for regulation of the Racing and Betting Industry:               <ul style="list-style-type: none"> <li>- Minimum regulatory intervention by Government</li> <li>- Maximum co-regulation between Industry and Government</li> <li>- Performance based/ risk management controls</li> <li>- Proactive and competitive Industry positioning</li> <li>- Long-term viability of the Industry</li> <li>- A balanced approach to problem gambling</li> </ul> </li> </ul>	<p>Accept</p>
<p><b><i>Regulatory Objectives</i></b></p> <ul style="list-style-type: none"> <li>• The following objectives be adopted as the basis for the revised legislative framework to be developed to cover Racing and Betting activity:               <ol style="list-style-type: none"> <li>1. <i>to promote probity and integrity in Racing and Betting activity;</i></li> <li>2. <i>to maintain the probity and integrity of participants in the Racing and Betting Industry;</i></li> <li>3. <i>to promote fairness, integrity and efficiency in the delivery of Betting services to the public;</i></li> <li>4. <i>to maintain the integrity of non-proprietary Totalisators; and</i></li> <li>5. <i>to reduce the adverse social impact of Betting.</i></li> </ol> </li> </ul>	<p>Accept in principle but note that point 4 (non-proprietary totalisators) is a matter of such insignificant practical consequence that it does not need to be covered by its own Objective.</p>

<p><b>Regulatory Structure</b></p> <p><b>Legislative Arrangements</b></p> <ul style="list-style-type: none"> <li>• A revised legislative framework be developed, based on two principal sets of legislation - one covering the licensing and operations of the industry itself and the other covering the gambling and wagering control aspects.</li> </ul> <p><b>Non-proprietary Totalisators</b></p> <ul style="list-style-type: none"> <li>• The operating requirements for non-proprietary totalisators be reviewed and updated and where appropriate, aligned with the <i>Totalisator Licensing and Regulation Act</i>.</li> </ul>	<p>Accept but defer implementation so as to incorporate relevant control aspects from other NT gambling legislation (eg <i>Gaming Control Act</i>)</p> <p>Accept</p>
<p><b>Regulatory Administration</b></p> <p><b>Racing Commission</b></p> <ul style="list-style-type: none"> <li>• A detailed investigation into the current Regulatory control structure be conducted, to include consideration of the establishment of a Northern Territory Gambling Commission to assume responsibility for all gambling related activities presently controlled by the Racing Commission and Licensing Commission.</li> <li>• The composition of members for the controlling regulatory body be established under minimum criteria for appointment based on a prescribed balance of regulatory, commercial and specific industry expertise.</li> </ul> <p><b>Code Rule Administration</b></p> <ul style="list-style-type: none"> <li>• No change to the present industry control structure governing the direct operations and management of racing activity be made.</li> </ul> <p><b>Racing Code Rules</b></p> <ul style="list-style-type: none"> <li>• Code Rule control continue to be effected by Industry Control Bodies.</li> <li>• Local Rules of Racing be amended to ensure consistency with approved changes arising from this Review.</li> <li>• The local rules relevant to Greyhound Racing be redrafted to reflect current requirements and remove duplication with recently adopted Australian Greyhound Racing Rules.</li> </ul>	<p>Accept recommendation to investigate further, including an option to merge the Racing Commission into the Licensing Commission.</p> <p>Accept subject to the investigation noted above.</p> <p>Accept. [Note that the Minister for RGL proposes to release a Discussion Paper shortly which considers the establishment of a new Principal Club. This would not impact on the industry’s current powers and controls].</p> <p>Accept</p> <p>Accept ‘in principle’ but note that the power/control to amend the Local Rules of Racing rests with the Industry Control Body (not Government)</p> <p>Accept. The Racing commission has power to amend the Greyhound Racing Rules.</p>

<p><b><i>Licensing</i></b></p> <p><b>Business Licensing</b></p> <ul style="list-style-type: none"> <li>• No change be made to basic business licensing requirements, with attendant high probity standards for licence qualification, for industry participants.</li> <li>• The system of control of betting activities be based where possible on a negative licensing approach, for increased flexibility and to reduce costs on business.</li> </ul> <p><b>Licensing Appeals</b></p> <ul style="list-style-type: none"> <li>• A Public Appeal mechanism be introduced for licence issue.</li> </ul> <p><b>Licence Conditions</b></p> <ul style="list-style-type: none"> <li>• A standard licensing approach be adopted, with permanent business licences established, subject to stringent performance based controls.</li> </ul> <p><b>Registered Bookmaker Licensing</b></p> <ul style="list-style-type: none"> <li>• Regulation and control of bookmakers no longer involve Industry Control Bodies, but be undertaken directly by the proposed Gambling Commission. All bookmakers to enter into commercial business relationships with Racing Clubs for the conduct of lawful betting business activity.</li> </ul> <p><b>Sports-bookmaker Licences</b></p> <ul style="list-style-type: none"> <li>• The requirement for sports-bookmakers to be licensed remain, under a licensing approach based on more standardised and performance-based arrangements.</li> </ul>	<p>Accept. Note that some modifications may result from seeking greater consistency with probity requirements between the various gambling licence types.</p> <p>Accept ‘in-principle’. Give further consideration to appropriate opportunities for negative licensing.</p> <p>Accept ‘in-principle’. Consider further as part of the investigation into the establishment of a Gambling Commission..</p> <p>Accept ‘in principle’</p> <p><b>Do not accept</b> at this time. This matter should be considered in light of investigation into proposed Gambling Commission and in liaison with Industry Control bodies as to their preparedness to hand over control and regulation of registered bookmakers.</p> <p>Accept</p>
<p><b><i>Bookmaking Employees</i></b></p> <ul style="list-style-type: none"> <li>• The requirement for licensing of all bookmaking staff be confined to key employees only (to be defined), subject to prescription of “prohibited person” provisions for employment in the industry.</li> </ul>	<p>Accept</p>

<p><b><i>Racing Activity and Event Management</i></b></p> <p><b>Codes of Racing</b></p> <ul style="list-style-type: none"> <li>The registration of additional Codes be approved and for non-industry accreditation of operators involved, focusing on the probity, security and proprietary issues such as those that already apply for the licensing of venues and operators in other forms of gambling.</li> </ul> <p><b>Proprietary Racing</b></p> <ul style="list-style-type: none"> <li>Restrictions covering the prohibition of proprietary racing to be removed.</li> <li>Industry Control Bodies be permitted to engage in proprietary racing activities.</li> </ul> <p><b>Declaration of Sporting Events</b></p> <ul style="list-style-type: none"> <li>The role of the Declaration of Approved Events be changed to that of a Declaration of Prohibited Events.</li> </ul>	<p>Accept 'in principle'</p> <p>Accept</p> <p>Accept</p> <p><b>Do not accept.</b> On first principles, all gambling activity is illegal unless appropriately authorised and regulated. The proliferation of new events should be filtered for approval rather than allowed to operate and later outlawed by a Declaration of Prohibited Events.</p>
<p><b><i>Bookmaking Operations</i></b></p> <p><b>Registered Bookmakers</b></p> <ul style="list-style-type: none"> <li>Restrictive operational requirements and cost impositions relevant to the conduct of legitimate betting activity in the Territory be removed or reduced so far as possible, including: <ul style="list-style-type: none"> <li>restrictive financing arrangements;</li> <li>operation under corporate business arrangements;</li> <li>use of premises for other purposes;</li> <li>prohibition of operations on Good Friday and Christmas Day; and</li> <li>restrictions on time of daily operations.</li> </ul> </li> </ul>	<p>Accept</p>



<ul style="list-style-type: none"> <li>• A Schedule of Prohibited Betting Activity be implemented and rationale for prohibition of specific activities be promulgated.</li> </ul> <p><b>Third-Party Betting</b></p> <ul style="list-style-type: none"> <li>• Third-party betting restrictions be amended and new wagering business activities be considered on their merits and scheduled as approved or unapproved, from a specific policy perspective.</li> </ul>	<p><b>Do not accept.</b> On first principles, all gambling activity is illegal unless appropriately authorised and regulated. The proliferation of new events should be filtered for approval rather than allowed to operate and later outlawed by a Declaration of Prohibited Events.</p> <p>Accept</p>
<p><b><i>Gambling Management - Responsible Gambling and Problem Gambling</i></b></p> <ul style="list-style-type: none"> <li>• A prescriptive Code of Conduct relevant to the activities encompassed by the legislation be introduced, to incorporate specific problem gambling remedies and licensee obligations.</li> </ul>	<p>Accept (Note that this matter is already underway under the steerage of the Responsible Gambling Code of Practice Working Group)</p>