



Bookmakers and Betting Exchange Act 1998

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BOOKMAKERS AND BETTING EXCHANGE ACT 1998

TABLE OF PROVISIONS

Section

PART 1 — PRELIMINARY

1. Short title
2. Commencement
3. The Crown
4. Interpretation
5. Close associate

PART 2 — LICENCES

Division 1 — Prohibition on Unlicensed Bookmaking

6. Unlicensed bookmaking prohibited
7. False representation

Division 2 — Licences

8. Grant of licence
9. Term and renewal of licence
10. Conditions of licence
11. Variation of licence
12. Transfer of licence
13. Surrender of licence
14. Licences to be tabled

Division 3 — Application Processes

- 14A. Application of Division 3
15. Applications
16. Suitability of applicant and close associates
17. Investigation of application
18. Costs of investigation

Division 4 — Direction of Authority by Minister

19. Direction of Authority by Minister

PART 2A — BETTING EXCHANGES

- 19A. Issue of a betting exchange licence
- 19B. Effect of the grant of a betting exchange licence

TABLE OF PROVISIONS—continued

- 19C. Limitations on licensed betting exchanges
- 19D. Special conditions for a betting exchange licence
- 19E. Offshore computer equipment
- 19F. Self-exclusion from exchange betting
- 19G. Third-party exclusion from exchange betting
- 19H. Revocation of betting exchange exclusion orders
- 19J. Register of persons excluded from betting exchange
- 19K. Restrictions on exchange betting
- 19L. Restrictions on exchange bets by interested persons
- 19M. Self limit on exchange bets by player
- 19N. Keeping register of players
- 19O. Trading accounts
- 19P. Accounting records
- 19Q. Records to be kept on the premises
- 19R. Audit
- 19S. Submission of reports
- 19T. approval of events or contingencies
- 19U. Freezing wagering funds held by betting exchange licensee
- 19V. Freezing wagering funds held by third party
- 19W. Power to withhold prize

PART 3 — BETTING OPERATIONS

- 20. Prohibited bets
- 21. Offences by bettors
- 22. Suitability of licensee and close associates
- 23. Approval of systems
- 24. Approval of betting equipment
- 25. Directions
- 26. Records
- 27. Audit
- 28. Evasion of duty
- 29. Assessment of duty

PART 4 — DEFAULT PROVISIONS

- 30. Statutory default
- 31. Effect of criminal proceedings
- 32. Compliance notice
- 33. Expiation notice
- 34. Disciplinary action
- 35. Investigation of complaints
- 35A. Investigation of licence holders
- 35B. Investigation into associate or other person

TABLE OF PROVISIONS—continued

PART 5 — MISCELLANEOUS

36. Rules for sports betting
37. Interference with approved systems or equipment or records
38. Mortgages, charges or encumbrances
39. Appointment of manager if licence suspended, revoked or surrendered
40. Powers of authorised officers
41. Restriction on employment of persons
42. Right to be heard
43. Review of decision of Director
44. Review of decision of Authority
45. Reasons for decision
46. Exercise of powers
47. Information gathering for law enforcement purposes
48. Reports
49. Continuing offences
50. Forfeiture
51. Regulations



Bookmakers and Betting Exchange Act 1998

An Act to provide for the regulation of bookmaking and for other purposes.

PART 1 — PRELIMINARY

Short title

1. This Act may be cited as the *Bookmakers and Betting Exchange Act 1998*.

Commencement

2. (1) Section 1 and this section commence on the day on which notification of Assent is published in the Gazette.
(2) The remaining provisions commence on a day, or respective days, fixed by the Administrator by notice in the Gazette.

The Crown

3. (1) This Act binds the Crown.
(2) Nothing in this Act makes the Crown in any capacity liable to be prosecuted for an offence.

Interpretation

4. (1) In this Act, unless the contrary intention appears —
“Authority” means the Norfolk Island Gaming Authority established under the *Gaming Supervision Act 1998*;
“bet” means any stake, pledge or wager in money between a backer and a bookmaker, or on a parimutuel basis, on any event or contingency relating to —
 - (a) a race; or
 - (b) a sports betting event; or
 - (c) an exchange event or contingency made in accordance with rules made under section 36.
“betting equipment” includes bookmaking equipment and betting exchange equipment;

“betting exchange” means a facility that enables persons to –

- (a) place or accept, through the betting exchange, exchange bets with other persons; or
- (b) place with the betting exchange, exchange bets that, on acceptance, are matched with opposing exchange bets placed with and accepted by the licensee of the betting exchange (so as to offset all risk to the licensee);

“betting exchange equipment” means equipment (including software in any form) that is, or has been used, or is intended for use, by the licensed betting exchange in that licensee’s licensed operations;

“betting exchange exclusion order” means an order made by the Authority under section 19G;

“betting exchange licence” means a licence to operate a betting exchange issued under section 19A(2);

“bookmaker” means a person who —

- (a) carries on the business of, or acts as, a bookmaker; or
- (b) makes, or endeavours to make, his or her living wholly or partly by taking bets;

“bookmaker’s licence” means a licence granted under section 8;

“bookmaking equipment” means equipment (including software in any form) that is, or has been, used, or is intended for use, by the licensed bookmaker in that bookmaker’s licensed operations;

“close associate”—*see section 5*;

“compliance notice” has the meaning given to that term in section 32;

“Director of Gaming” and “Deputy Director of Gaming” means those officers appointed under section 15 of the *Gaming Supervision Act 1998*;

“disciplinary action” means action taken by the Authority under section 34;

“duty” means duty payable by a licensee under a licence held by the licensee;

“exchange bet” means any bet, other than a bet between a backer and a bookmaker, made between a person offering a bet on an exchange event and another person accepting that bet when the bet in question is validated and facilitated by a licensed betting exchange in accordance with rules made under section 36;

“exchange betting rules” means rules approved under subsection 36(2A);

“exchange event” means a competition, event, or contingency of a sporting or non-sporting kind, including a race or sports betting event, about which an exchange bet is accepted by a betting exchange and which is not excluded by this Act, the Regulations, or a directive of the Authority given by instrument;

“excluded person”, in relation to a licensed betting exchange, means a person who is excluded from wagering through the betting exchange because of –

- (a) a betting exchange self exclusion notice; or
 - (b) a betting exchange exclusion order;
- “expiation notice” has the meaning given to that term in section 33;
- “law enforcement agency” has the same meaning as in the *Gaming Supervision Act 1998*;
- “licence” means a licence granted under section 8 or section 19A;
- “licensed betting exchange” means a betting exchange licensed under section 19A;
- “licensed bookmaker” means a bookmaker licensed under section 8;
- “licensed operations” means the operations authorised by a licence held by a licensee;
- “licensee” means the holder of a licence under section 8 or section 19A;
- “minimum exchange bet” means a minimum amount that may be placed as an exchange bet and which has been approved under paragraph 36(2A)(a);
- “player” means a person who makes exchange bets otherwise than as a licensee or the employee of a licensee and ‘registered player’ means a person registered under section 19N;
- “race” means —
- (a) a horse race, whether by means of galloping, pacing or trotting; or
 - (b) a dog race; or
 - (c) any other kind of race prescribed for the purpose of this definition;
- “regulatory Agency” includes the Authority and an Agency of a State or Territory charged with the regulation of betting by means of the internet;
- “race meeting” means a meeting held by an organisation approved by the Authority to conduct races in Australia, New Zealand or any other jurisdiction prescribed for the purpose of this definition; and
- “sports betting event” means an event, events, or a class or category of events, determined by the Authority by instrument to be a sports betting event, whether such event, events, class or category of events is a sport or otherwise, and includes —
- (a) an actual race involving animals or teams or groups of animals not being a race otherwise provided for and defined in this Act;
 - (b) a simulated horse race, dog race, or other race involving animals or teams or groups of animals;
 - (c) an actual or simulated race or contest between human or mechanical competitors or between teams or groups of human or mechanical competitors;
 - (d) an actual or simulated sport, game, fight, exercise or past-time, whether involving individual competitors or

participants or teams or groups of competitors or participants;

“wagering funds”, of a registered player, means –

- (a) funds deposited or transferred for exchange betting purposes; and
- (b) funds obtained from winning exchange bets;

(2) To the extent that it is possible, this Act operates extraterritorially.

Close associate

5. For the purposes of this Act, two persons are “**close associates**” if —

- (a) one is a spouse, parent, brother, sister or child of the other; or
- (b) they are members of the same household; or
- (c) they are in partnership or are joint venturers; or
- (d) one is a body corporate and the other is a director or executive officer of the body corporate; or
- (e) one is a body corporate (other than a body corporate whose shares are listed on a stock exchange) and the other is a shareholder in the body corporate; or
- (f) one is a body corporate whose shares are listed on a stock exchange and the other is a substantial shareholder in the body corporate; or
- (g) one has a right to participate (otherwise than as a shareholder in a body corporate) in the income or profits derived from a licensee’s licensed operations and the other is the licensee; or
- (h) one provides —
 - (i) goods; or
 - (ii) services (whether as an employee or otherwise),
 to the other in respect of licensed operations (other than goods or services prescribed for the purposes of this paragraph); or
- (i) one is in a position to exercise control or significant influence over the conduct of the other; or
- (j) a chain of relationships can be traced between them under any one or more of the paragraphs of this section.

PART 2 — LICENCES

Division 1 — Prohibition on Unlicensed Bookmaking

Unlicensed bookmaking prohibited

6. (1) A person must not operate as a bookmaker except in accordance with a licence.

Penalty: 1,000 penalty units.

(2) Despite any other law in force in Norfolk Island, bookmaking in accordance with this Act does not, of itself, constitute —

- (a) an unlawful act; or
- (b) a public or private nuisance.

(3) A person granted a licence under the provisions of the *Gaming Act 1998* does not commit an offence under this Act by conducting a gaming activity as defined in that Act and limited to the terms and conditions attached to that licence, PROVIDED THAT nothing in this subsection allows or permits a person to otherwise act or operate as a bookmaker except in accordance with a licence granted under this Act.

False representation

7. (1) A person must not falsely represent that bookmaking is authorised under this Act.

Penalty: 1,000 penalty units.

(2) A court that finds a person guilty of an offence under subsection 7(1) may, in addition to any penalty imposed under subsection 7(1), order that any proceeds arising in the commission of that offence are forfeited to the Administration.

Division 2 — Licences

Grant of licence

8. The Authority may grant—

- (a) a licence authorising a person to act as a bookmaker in respect of race meetings; or
- (b) a licence authorising a person to act as a bookmaker in respect of sports betting; or
- (c) a licence authorising a person to act as a bookmaker in respect of race meetings and sports betting,

to an applicant for such a licence.

Term and renewal of licence

9. (1) A licence operates for the term stated in the licence.

(2) A licensee may apply for renewal of a licence not later than 3 months prior to its expiry, but the licensee has no entitlement to, or legitimate expectation of, renewal of the licence.

Conditions of licence

10. A licence will be subject to conditions determined by or under the licence issued by the Authority regulating —

- (a) bookmaking operations; or
- (b) the payment of duty; or
- (ba) payment, or prepayment, of —
 - (i) any administration or enforcement costs of the Administration or the Authority in relation to this Act; or
 - (ii) any other costs of the Authority; or
- (c) any other matter that the Authority thinks fit.

Variation of licence

11. (1) The Authority may vary a licence condition with the agreement of the licensee.

(2) The Authority may, in any case, vary a licence condition but must first —

- (a) notify the licensee of the proposed variation; and
- (b) allow the licensee 14 days in which to make written representations to the Authority about the proposed variation.

Transfer of licence

12. (1) The Authority may approve the transfer of a licence to a person on application by the person endorsed by the current holder of the licence.

(2) The Authority may —

- (a) vary the conditions of a licence on its transfer; or
- (b) impose conditions on the transferor of a licence applying after its transfer.

(3) A person must comply with a condition imposed under paragraph 12(2)(b).

Penalty (Subsection 12(3)): 250 penalty units.

Surrender of licence

13. (1) The Authority may, on application by a licensee, approve the surrender of a licence held by the licensee.

(2) The Authority may impose conditions on the approval of a surrender of a licence applying after its surrender and the former licensee must comply with those conditions.

Penalty (Subsection 13(2)): 250 penalty units.

Licences to be tabled

14. The Authority must promptly provide the Minister with a copy of each —

- (a) licence, or variation of a licence; or
- (b) approval of a transfer or surrender of a licence,

and the Minister must table that copy at the next sitting of the Legislative Assembly.

Division 3 — Application Processes

Application of Division 3

14A. In this Division reference to a licence is reference to a bookmakers licence and to a betting exchange licence.

Applications

15. (1) An application by a person for the grant or renewal of a licence, or the transfer of a licence to the person, must —

- (a) be made to the Authority in a form approved by the Authority; and
- (b) provide the information required by the application form and any other information requested by the Authority; and
- (c) be accompanied by an application fee of 250 fee units.

(2) A person must immediately give the Authority full details of any change of circumstances relating to an application that has been made by the person but not determined.

Penalty (Subsection 15(2)): 250 penalty units.

Suitability of applicant and close associates

16. (1) The Authority must not grant, renew or transfer a licence unless satisfied that the applicant is a suitable person to conduct the operations to be authorised by the licence.

(2) In assessing the suitability of an applicant, the Authority may have regard to —

- (a) the character, reputation and financial background of the applicant and each of the applicant's close associates; and
- (b) in the case of an applicant that is not a natural person, the applicant's corporate, ownership trust or other structure; and
- (c) the extent of the applicant's financial resources; and
- (d) the ability or experience of the applicant, or a person engaged by the applicant, to manage the operation to be authorised by the licence; and
- (e) any representation made by the Minister; and
- (f) any law enforcement agency report provided under subsection 17(3); and
- (g) any other matter that the Authority thinks fit.

(3) The Authority must not grant a licence to a person under the age of 18 years.

Investigation of application

17. (1) The Authority must carry out the investigations, and make the inquiries, it considers to be necessary to enable it to determine an application under this Division.

(2) The Authority may, for the purposes set out in subsection 17(1), require a person to have his or her photograph, finger prints and palm prints taken and the person must comply with that requirement.

Penalty (Subsection 17(2)): 100 penalty units.

(3) The Authority must obtain from a law enforcement agency a report on any person whose suitability to be concerned in or associated with the management or operation of any operations authorised by a licence is to be assessed by the Authority.

Costs of investigation

18. (1) A person applying for the grant, renewal or transfer of a licence must, on request by the Authority, pay to the Minister —

- (a) an amount of costs incurred; or
- (b) an amount in advance towards costs to be incurred,

in undertaking an investigation or inquiry for the purposes of this Division.

(2) The Authority may refuse to commence, or continue with, an investigation until an amount of costs requested by the Authority is paid and, if an amount of costs incurred by the Authority is still unpaid on the expiry of thirty days after the request is made, it may be recovered as a debt due to the Administration.

(3) The Minister must repay to a person any amount paid by the person under paragraph 18(1)(b) that is unexpended at the end of the investigation.

(4) The certificate of the Authority as to the costs of an investigation is conclusive proof of those costs.

*Division 4 — Direction of Authority by Minister***Direction of Authority by Minister**

19. (1) The Minister may, after consultation with the Authority, give directions and guidelines to the Authority as to how the Authority is to exercise any of the functions or powers given to it under this Act.

(2) Directions or guidelines given under this section cannot apply to a particular exercise, or to particular exercises, of a function or power by the Authority under this Act.

(3) The Authority must comply with a direction or guideline given under this section, but is not otherwise subject to direction in the exercise of the functions or powers given to it under this Act.

PART 2A – BETTING EXCHANGES**Issue of a betting exchange licence**

19A. (1) A person must not carry on the business of a betting exchange except in accordance with a betting exchange licence.

Penalty: Fine of 10,000 penalty units.

Note: The Interpretation Act s. 40(1) provides that when a penalty, pecuniary or otherwise is stated in relation to an offence it means that breach of the provision is punishable upon conviction by a penalty not exceeding the penalty mentioned or other order.

(2) The Authority may issue a betting exchange licence to a person to carry on the business of a licensed betting exchange.

(3) A betting exchange licence issued under subsection (2) shall be in such form and subject to such conditions as may be –

- (a) required by this Act;
- (b) prescribed by Regulation; or
- (c) determined by the Authority.

Effect of the grant of a betting exchange licence

19B. Subject to the conditions upon which it is issued, a betting exchange licence authorises the licensee to —

- (a) operate a licensed betting exchange by way of a telecommunications device;
- (b) facilitate exchange betting;
- (c) do all such things as are necessarily incidental to carrying on the activities referred to in paragraphs (a) and (b).

Limitations on licensed betting exchanges

19C. Notwithstanding anything to, or implied to, the contrary in this Act, the activities of a licensed betting exchange are limited to the provision of a service to the extent to which it relates to the facilitation of exchange betting on the outcome of an exchange event.

Special conditions for a betting exchange licence

19D. A betting exchange licence is, in addition to any other conditions that may be imposed, subject to the following special conditions:

- (a) the licensee must only facilitate an exchange bet for registered players;
- (b) a registered player must be at least 18 years of age;
- (c) the wagering funds of registered players must be held in trust by the licensee (or by an agent of the licensee approved by the Authority) and must not be disbursed or otherwise dealt with except as authorised under this Act or as the Authority, by instrument in writing, from time to time authorises;
- (d) for the purposes of paragraph (c), an account used for the licensee's licensed betting exchange operations must –
 - (i) not be used for any other purposes; and
 - (ii) be maintained with an authorised deposit-taking institution that carries on business in Australia; and
 - (iii) be independently audited at least once every 12 months, and at such other times as the Authority may instruct;
- (e) the licensee must have in place exchange betting rules, including rules for minimum exchange bets and any other matter required by the Authority to be included in the rules, for each exchange bet event and its contingencies and ensure that registered players can consult those rules electronically;
- (f) the licensee must ensure that the Authority is able to inspect the exchange betting rules electronically at any time;
- (g) the Authority, in its discretion, may, by means of an instruction, disallow any exchange betting rules that it considers to be –
 - (i) oppressive or unfair; or
 - (ii) inadequate or incomplete; or
 - (iii) misleading, inaccurate or poorly drafted; or
 - (iv) unsatisfactory on other grounds;
- (h) the licensee must not facilitate exchange betting under disallowed exchange betting rules;
- (i) the licensee must not facilitate exchange betting in respect of an event or contingency for which there are no exchange betting rules;
- (j) any exchange betting that occurs under exchange betting rules before their disallowance is to be settled as the Authority, either generally or in the specific case and whether before or after the settlement of exchange betting, instructs;
- (k) the Authority, in its discretion, may instruct the licensee not to facilitate exchange betting on a competition or event that the Authority considers is not a fit subject for exchange betting and the licensee must comply with that instruction;
- (l) any exchange betting that occurs in respect of exchange betting events before their prohibition under paragraph (k) is to be settled as the Authority, either generally or in the specific case and whether before or after the settlement of exchange bets, instructs;
- (m) the licensee must not facilitate exchange betting on events or contingencies relating to –

- (i) competitions or events held in Norfolk Island that are unlawful; or
- (ii) competitions or events held elsewhere that would, if they were to be held in Norfolk Island, be unlawful;
- (n) the licensee must, for –
 - (i) the purpose of ensuring the probity of exchange betting and events upon which exchange betting is made; and
 - (ii) other purposes determined by the Authority – furnish a regulatory Agency, or a person approved by the Authority, with such information in such time and manner as the Authority from time to time instructs the licensee;
- (o) the Authority may, for fee or otherwise, for –
 - (i) the purpose of ensuring the probity of exchange betting and events upon which exchange betting is made; and
 - (ii) other purposes determined by the Authority – furnish another regulatory Agency, or a person approved by the Authority, with information furnished to the Authority by the licensee.

Offshore computer equipment

19E. (1) A betting exchange licensee may, with the written approval of the Authority, use offshore computer equipment for betting exchange operations.

(2) A betting exchange licensee who uses offshore computer equipment for betting exchange operations pursuant to a permission under subsection (1) must comply with such instructions as the Authority may from time to time give the licensee regarding that computer equipment and its use.

Penalty: Fine of 1 000 penalty units.

(3) In this section –

“computer equipment” includes a class of computer equipment;

“offshore computer equipment” means a computer, computer server or other computer equipment located outside Norfolk Island.

Self-exclusion from exchange betting

19F. (1) A registered player may, by written notice to a licensee –

- (a) bar himself or herself from making an exchange bet; or
- (b) revoke such a bar.

(2) A notice under subsection (1)(a) is called a “betting exchange self-exclusion notice” and a notice under subsection (1)(b) is called a “betting exchange self-exclusion revocation notice”.

(3) A betting exchange self-exclusion notice or betting exchange self-exclusion revocation notice takes effect when it is received by the licensee of the betting exchange.

(4) As soon as practicable (and in any event no later than 3 days) after receiving a betting exchange self-exclusion notice, a licensee must –

- (a) remove the name of the person who has given the notice from the register kept under section 19N ; and

- (b) ensure that all persons employed by the licensee in connection with betting exchange operations know of the notice; and
- (c) give written notice or a copy of the notice to the Authority.

Penalty: Fine of 1 000 penalty units.

(5) A licensee of a betting exchange that receives a betting exchange self-exclusion notice must ensure that, as soon as practicable after the determination of any outstanding wagers of the excluded person and the deduction of authorised commission and statutory charges –

- (a) the excluded person’s betting exchange account is closed; and
- (b) any wagering funds standing to the credit of that account immediately before its closure are remitted to the excluded person.

Penalty: Fine of 1 000 penalty units.

(6) As soon as practicable after receiving a betting exchange self-exclusion revocation notice, the licensee is to –

- (a) restore the name of the person who has given the notice to the register kept under section 19N; and
- (b) ensure that all persons employed by the licensee in connection with the betting exchange operations know of the notice; and
- (c) give written notice or a copy of the notice to the Authority.

(7) Despite any other provision of this section, a betting exchange self-exclusion notice is not capable of being revoked within 6 months after it is given.

(8) For the avoidance of doubt, a reference in this section to a written notice includes a reference to an email, fax or other form of electronic notice.

Third-party exclusion from exchange betting

19G. (1) A person who has a close personal interest in the welfare of another person who engages in exchange betting may, in an approved form, apply to the Authority for an order to prohibit that other person from engaging in exchange betting.

(2) The Authority must, on receipt of the application, provide the affected person with a written notice –

- (a) informing the affected person of the making of the application and the reasons for it; and
- (b) inviting the affected person to make representations to the Authority about the application within the reasonable time specified in the notice.

(3) After considering representations made by the applicant and the affected person, the Authority must –

- (a) if it is satisfied that it is in the public interest and the interests of the affected person to do so, make an order (called a “betting exchange exclusion order”) prohibiting the affected person from making an exchange bet through betting exchanges; or
- (b) if it is not so satisfied, refuse the application.

(4) The Authority must, if the application is refused, notify the applicant and the affected person in writing of that refusal and the reasons for it.

(5) The Authority must, on making a betting exchange exclusion order, provide a copy of it to –

- (a) the applicant; and
- (b) the affected person; and
- (c) each betting exchange licensee.

(6) As soon as practicable (and in any event no later than 3 days) after receiving a copy of a betting exchange exclusion order from the Authority, a betting exchange licensee must –

- (a) ensure that all persons employed by the licensee in connection with betting exchange operations know of the order; and
- (b) remove the affected person's name from the register kept under section 19N.

Penalty: Fine of 1 000 penalty units.

(7) A betting exchange licensee that receives a copy of a betting exchange exclusion order from the Authority must ensure that, as soon as practicable after the determination of any outstanding exchange bets of the affected person and the deduction of authorised commission and statutory charges –

- (a) the affected person's betting exchange account is closed; and
- (b) any wagering funds standing to the credit of that account immediately before its closure are remitted to the affected person.

Penalty: Fine of 1 000 penalty units.

(8) A betting exchange exclusion order has effect until it is revoked under section 19H.

(9) In this section –

“affected person” means, according to the context, the person in respect of whom –

- (a) an application for a betting exchange exclusion order is made; or
- (b) a betting exchange exclusion order is made and in force.

Revocation of betting exchange exclusion orders

19H. (1) This section applies if a betting exchange exclusion order is in force.

(2) The person who applied for the order or the affected person may, in an approved form, apply to the Authority to have it revoked.

(3) The Authority must, on receipt of the application, provide the respondent with a written notice –

- (a) informing the respondent of the making of the application and the reasons for it; and
- (b) inviting the respondent to make representations to the Authority about the application within the reasonable time specified in the notice.

(4) After considering representations made by the applicant and the respondent, the Authority must –

- (a) if it is satisfied that it is in the public interest and the interests of the affected person to do so, make an order (called a “revocation order”) revoking the betting exchange exclusion order; or
- (b) if it is not so satisfied, refuse the application.
- (5) The Authority must, if the application is refused, notify the applicant and respondent in writing of that refusal and the reasons for it.
- (6) The Authority must, on making a revocation order, provide a copy of it to –
 - (a) the applicant; and
 - (b) the respondent; and
 - (c) each betting exchange licensee.
- (7) In this section –
 - “affected person” means the person in respect of whom a betting exchange exclusion order is in force;
 - “respondent”, in relation to an application for revocation under subsection (2), means whichever of the following persons was not the applicant:
 - (a) the affected person;
 - (b) the person who applied for the relevant betting exchange exclusion order.

Register of persons excluded from betting exchange

19J. A betting exchange operator must –

- (a) keep an up-to-date register of excluded persons; and
- (b) ensure that the Authority is able to inspect that register electronically at any time.

Penalty: Fine of 1 000 penalty units.

Restrictions on exchange betting

19K. A betting exchange licensee must not –

- (a) facilitate an exchange bet by or between persons who are not registered players; or
- (b) cause or allow persons who are not registered players to engage in exchange betting through the betting exchange licensee’s betting exchange; or
- (c) solicit, by direct advertising, direct inducements or other direct means, excluded persons to engage in making exchange bets through a licensed betting exchange.

Penalty: In the case of –

- (a) a first offence, a fine of 1 000 penalty units; and
- (b) a subsequent offence, a fine of 5, 000 penalty units.

Restrictions on exchange bets by interested persons

19L. (1) A person must not make an exchange bet through a betting exchange if the person is a direct participant in the exchange event to which the exchange bet relates.

Penalty: Fine of 1 000 penalty units or imprisonment for a term 4 years, or both.

(2) A person who has an interest in the outcome of an exchange event must not, through a betting exchange, place or accept an exchange bet of a kind that could reasonably be taken to constitute an inducement for –

- (a) a human competitor in the event –
 - (i) to withdraw from, become disqualified for or fail to participate in the event; or
 - (ii) not to participate in the event to the best of the human competitor's ability; or
 - (iii) to interfere with or jeopardise, contrary to the rules of the event, the performance of other human competitors, or any non-human competitors, in the event; or

(b) an official in the event not to officiate in the event impartially.

Penalty: Fine of 1 000 penalty units or imprisonment for a term of 4 years, or both.

(3) The owner of a horse or greyhound must not wager through a betting exchange that, in a race or event in which the horse or greyhound is competing or entered to compete, the horse or greyhound will fail to –

- (a) win first place; or
- (b) be placed second; or
- (c) be placed third; or
- (d) win first place or be placed second or third; or
- (e) win first place or be placed second; or
- (f) win first place or be placed third; or
- (g) be placed second or third.

Penalty: Fine of 1 000 penalty units or imprisonment for a term 4 years, or both.

(4) A betting exchange licensee must inform the Authority immediately if the licensee knows or reasonably suspects that a person has placed or accepted, or is trying to place or accept, a wager of the kind referred to in subsection (1), (2) or (3) through the licensee's betting exchange.

Penalty: Fine of 1 000 penalty units.

(5) For the purposes of this section, a person is taken to have an interest in the outcome of an exchange bet if the person is –

- (a) a direct or indirect participant in the event; or
- (b) an associate of a direct or indirect participant in the event.

(6) For the purposes of this section, a person is another person's associate if the first mentioned person –

- (a) holds or will hold any relevant financial interest, or is or will be entitled to exercise any relevant power (whether in right of the first-mentioned person or on behalf of any other person) in a business of the other person, and by virtue of that interest or power, is able or will be able to exercise a significant influence over or with respect to the management or operation of that business; or

- (b) holds or will hold any relevant position (whether in right of the first-mentioned person or on behalf of any other person) in a business of the other person; or
- (c) is a relative of the other person.

(7) In this section –

“competitor” includes, in the case of a horse race, a jockey or driver of a horse competing or entered to compete in the race;

“direct participant”, in a brokered wagering event, means –

- (a) in the case of a horse race, a licensed person who trains, rides, drives or performs another function in respect of a horse in the race; or
- (b) in the case of a greyhound race, a licensed person who, other than as an owner, trains or performs another function in respect of a greyhound in the race; or
- (c) in any other case, a person who –
 - (i) competes in the event; or
 - (ii) is entitled, under the rules of the event, to give direct technical or logistical support to a person competing in the event while it is underway;

Example 1 The members of pit crews in a motor race give direct technical and logistical support to the drivers competing in that race.

“indirect participant”, in an exchange event, means a person who, though not a direct participant in the event, is capable of influencing or deciding the outcome of the event or the outcome of a contingency relating to that event;

Example 2 A team doctor or physiotherapist, a sports ground curator, an official, a member of a tribunal that hears protests or appeals concerning rules, disqualifications or results.

“licensed” means licensed or registered under rules in force in a State, or in a Territory, that control horse or greyhound racing;

“official” includes marshal, scorer, steward, time-keeper and umpire;

“partner” means the person with whom a person is in a personal relationship within the meaning of the *De Facto Relationships Act 2005*;

“relative” means spouse, partner, parent, child or sibling (whether of the full or half blood);

“relevant financial interest”, in relation to a business, means –

- (a) any beneficial share in the capital of the business; or
- (b) any beneficial entitlement to receive any income derived from the business;

“relevant position”, in relation to a business, means the position of director, manager or other executive position or secretary, however that position is designated in that business;

“relevant power” means any power, whether exercisable by voting or otherwise and whether exercisable alone or through another person or in association with others –

- (a) to participate in a directorial, managerial or executive decision;
- or

- (b) to elect or appoint any person to any relevant position.
- (8) The examples in subsection (7) are a part of the law.

Self limit on exchange bets by player

19M. (1) A registered player may, by written notice to a licensee, set an amount in dollars to be the player's net loss limit for exchange bets made with or through the betting exchange in respect of a calendar month nominated by the player.

- (2) A limit set under subsection (1) may be set by a reference to –
 - (a) a single bet; or
 - (b) a period of time; or
 - (c) any other thing the registered player and licensee consider appropriate.

(3) A licensee must not accept an exchange bet from a player if accepting the exchange bet contravenes, or could result in a contravention of, a net loss limit set by the person under this section.

Penalty: Fine of 240 penalty units.

(4) A registered player who has set a net loss limit under this section may amend or revoke the limit by written notice provided to the licensee.

(5) A notice setting, amending or revoking a net loss limit under this section takes effect when it is received by the licensee.

(6) A notice revoking a limit set under subsection (1) or amending the limit by making it less strict takes effect 7 days after it is received by the licensee unless it is earlier withdrawn by written notice provided to the licensee.

(7) For the avoidance of doubt, a reference in this section to a written notice includes a reference to an email, fax or electronic notice.

Keeping register of players

19N. (1) The licensee of a betting exchange must keep an accurate and up-to-date register of players entitled to make exchange bets by means of a telecommunications device.

Penalty: Fine of 100 penalty units.

(2) A licensee must ensure that the Authority is able to inspect the register of players electronically at any time.

Penalty: Fine of 100 penalty units.

(3) On the application of a person, a licensed betting exchange may, in the licensee's discretion, register the person as a player by entering the name of the person in the register of players.

(4) A licensee must not register a person as a player if the person is less than 18 years of age.

Penalty: In the case of –

- (a) a first offence – a fine of 600 penalty units; and
- (b) a second or subsequent offence – a fine of 1 000 penalty units or imprisonment for a term of 2 years, or both.

(5) It is a defence to a charge for an offence against subsection (3) for the licensee to show that the licensee or other person responsible for registering the person as a player believed on reasonable grounds that the person was 18 years of age or older.

- of players –
- (6) A licensee must remove the name of a person from the register
 - (a) if the person dies; or
 - (b) if the person requests it; or
 - (c) if the provider considers it appropriate and the Authority agrees; or
 - (d) on written instructions of the Authority authorised to be given under this Act; or
 - (e) for any other prescribed reason.
 - (7) A person is a registered player with a licensed betting exchange if the person's name is in the register of players kept by the licensee of that exchange.

Trading accounts

- 190. (1)** In this section,
 “trading account” means an account that –
- (a) a registered player or other person establishes with a betting exchange endorsement;
 - (b) may be operated so as to have credit and debit balances.
- (2) A licensee may apply to the Authority for an authority for the licensed betting exchange to operate trading accounts.
- (3) An application is to be in a form that is approved by the Authority.
- (4) On receipt of an application, the Authority may grant or refuse to grant an authority to operate trading accounts.
- (5) An authority to operate trading accounts is subject to the conditions determined by the Authority and specified in the authority.
- (6) Despite any other provision of this Act, a licensee of a betting exchange licence may operate a trading account in respect of a registered player or other person if the licensee –
- (a) is the holder of an authority to operate trading accounts; and
 - (b) considers that –
 - (i) the registered player or other person is suitable to have access to a trading account; and
 - (ii) it is otherwise appropriate to operate the trading account; and
 - (c) operates the trading account in accordance with the conditions to which the authority to operate trading accounts is subject.
- (7) At any time a licensee that is operating a trading account in respect of a registered player or other person may close it.

Accounting records

- 19P. (1)** A licensee of a betting exchange must keep such accounting records as correctly record and explain transactions arising from the conduct of the business of the betting exchange and the financial position of the licensee.
- (2) The accounting records must be kept in such manner as will enable true and fair financial statements and accounts to be prepared from time to

time and the financial statements and accounts to be conveniently and properly audited.

(3) A licensee must, as soon as practicable after the end of each financial year, prepare financial statements and accounts, including—

- (a) business accounts, where applicable, for the financial year; and
- (b) profit and loss accounts for the financial year; and
- (c) a balance sheet as at the end of the financial year that gives a true and fair view of the financial operations of the licensee and of the betting exchange.

Penalty: Fine of 50 penalty units.

Records to be kept on the premises

19Q. (1) A licensee of a licensed betting exchange must ensure that all records relating to the conduct of the betting exchange business by the licensee are –

- (a) kept at the principal place of business of the licensee or some other place approved by the Authority; and
- (b) retained for not less than 7 years after the completion of the transactions to which they relate.

Penalty: Fine of 50 penalty units.

(2) The Authority may by instrument in writing grant an exemption to a licensee from all or specified requirements of this section in respect of all or specified, or specified classes of, documents and may grant such an exemption subject to conditions.

Audit

19R. (1) A betting exchange licensee must, as soon as practicable after the end of each financial year, cause the books, accounts and financial statements of the licensee to be audited by a registered company auditor under the *Companies Act 1985* who is also a registered company auditor under the *Corporations Act 2001* (Commonwealth).

(2) A betting exchange licensee must cause a copy of the financial accounts and the audit statements relating to them as would comply with both the *Companies Act 1985* and the *Corporations Act 2001* (Commonwealth) to be lodged with the Authority within 4 months after the end of the financial year to which the report relates.

Penalty: Fine of 100 penalty units.

(3) If requested by the Authority, a betting exchange licensee must cause financial statements, other than those referred to in subsection (2), to be lodged with the Authority within the period specified in that subsection in respect of a betting exchange.

Penalty: Fine of 100 penalty units.

(4) The Authority may require the financial statements referred to in subsection (3) to be audited by an auditor referred to in subsection (1).

Submission of reports

19S. (1) If required by the Authority, a licensee of a betting exchange must submit reports to the Authority.

(2) The reports are to be submitted at the times, and are to contain the information, that is specified by notice in writing given to the licensee by the Authority from time to time.

Penalty: Fine of 50 penalty units.

Approval of events or contingencies

19T. (1) The Authority may approve –

(a) the events or contingencies that may be the subject of an exchange bet conducted under the authority of a betting exchange licence; and

(b) the rules of placing bets.

(2) The Authority may only approve rules of a game which the Authority is satisfied are fair to registered players, reasonable, and not contrary to the public interest.

(3) The Authority must keep –

(a) an up-to-date list of all exchange events and contingencies; and

(b) an up-to-date record of the rules approved in respect of each exchange event and contingency.

(4) On the issue of a betting exchange licence, the Authority must provide the licensee with written notice of the exchange events or contingencies in respect of which bets may be made with the betting exchange.

(5) on the request of any person, the Authority must at any reasonable time –

(a) let the person peruse the list of exchange events and contingencies and their approved rules; and

(b) provide the person with a copy of the whole or part of that list and the approved rules.

(6) The Authority may at any time –

(a) revoke its approval of an event or a contingency; or

(b) amend the approved rules of an exchange event or contingency; or

(c) revoke the approved rules of an exchange event or contingency and substitute new approved rules.

(7) If the Authority approves an event or a contingency and its rules, revokes its approval of an event or contingency or amends or substitutes the approved rules of an exchange event or contingency, it must give to each licensee who has, had or will have authority under a betting exchange licence to facilitate bets in respect of that event or contingency written notice of the approval, revocation, amendment or substitution.

Freezing wagering funds held by betting exchange licensee

19U. (1) This section applies where a betting exchange licensee holds any wagering funds of a registered player.

(2) The Authority, by notice in writing, may instruct the licensee to freeze some or all of the wagering funds for such period as the Authority specifies in the notice.

(3) The licensee must comply with an instruction under subsection (2).

Penalty: Fine of 1 000 penalty units.

(4) The licensee may, for such period as it thinks fit, freeze some or all of the wagering funds if the licensee is satisfied that there are –

- (a) reasonable grounds for suspecting that the funds, or any of them, have been acquired in a manner that contravenes this Act; or
- (b) other reasonable grounds that justify freezing the funds.

(5) On freezing some or all of the wagering funds pursuant to subsection (4), the licensee must –

- (a) give the Authority a notice in writing within 24 hours –
 - (i) stating that the funds have been frozen; and
 - (ii) identifying the registered player and the funds; and
 - (iii) stating why the funds have been frozen; and
- (b) give the Authority such further particulars about the matter as the Authority, by notice in writing, requires.

Penalty: Fine of 1 000 penalty units.

(6) Following the receipt of the notice or further particulars under subsection (5), the Authority may give the licensee such written instructions about the frozen wagering funds as the Authority thinks fit and, without limiting the generality of this, may instruct the licensee to do any one or more of the following:

- (a) unfreeze some or all of the funds and allow the registered player to use them for wagering;
- (b) unfreeze some or all of the funds and remit them to the registered player;
- (c) decrease or increase the period for which the funds are to be frozen;
- (d) deregister the player, either permanently or for a specified period, under section 19N;
- (e) have the registered player's account or wagering history, or both, independently audited.

(7) The licensee must comply with an instruction under subsection (6).

Penalty: Fine of 1 000 penalty units.

(8) In this section –

“freeze”, funds, means to hold the funds and not disburse them in any way.

Freezing wagering funds held by third party

19V. (1) This section applies where any wagering funds of a licensee's registered player are held by an agent of the licensee (the agent being referred to in this section as “the fundholder”).

(2) The Authority, by notice in writing, may instruct the fundholder to freeze some or all of the wagering funds for such period as the Authority specifies in the notice.

(3) The fundholder must comply with an instruction under subsection (2).

Penalty: Fine of 1 000 penalty units.

(4) The Authority is to give a copy of an instruction under subsection (2) to the responsible licensee.

(5) The fundholder may, for such period as it thinks fit, freeze some or all of the wagering funds if the fundholder is satisfied that there are –

- (a) reasonable grounds for suspecting that the funds, or any of them, have been acquired in a manner that contravenes this Act; or
- (b) other reasonable grounds that justify freezing the funds.

(6) On freezing some or all of the wagering funds pursuant to subsection (5), the fundholder must –

- (a) give the Authority and the responsible licensee a notice in writing within 24 hours –
 - (i) stating that the funds have been frozen; and
 - (ii) identifying the registered player and the funds; and
 - (iii) stating why the funds have been frozen; and
- (b) give the Authority such further particulars about the matter as the Authority, by notice in writing, requires.

Penalty: Fine of 1 000 penalty units.

(7) Following the receipt of the notice or further particulars under subsection (6), the Authority may give the fundholder such written instructions about the frozen wagering funds as the Authority thinks fit and, without limiting the generality of this, may instruct the fundholder to do any one or more of the following:

- (a) unfreeze some or all of the funds and allow the registered player to use them for wagering;
- (b) unfreeze some or all of the funds and remit them to the registered player;
- (c) decrease or increase the period for which the funds are to be frozen;
- (d) have the registered player's account or wagering history, or both, independently audited.

(8) The Authority is to give a copy of any instructions under subsection (7) to the responsible licensee.

(9) Also, the Authority, if it considers it appropriate to do so in the circumstances, may instruct the licensee to deregister the player, either permanently or for a specified period, under section 19N.

(10) If the fundholder commits an offence against this section, the responsible licensee is also guilty of the offence and liable to the same penalty for the offence unless the responsible licensee establishes that –

- (a) the act or omission constituting the offence took place without the licensee's knowledge or consent; or
- (b) the licensee used all due diligence to prevent that act or omission by the fundholder.

(11) Subsection (10) has effect whether or not the fundholder is charged with or convicted of the offence against this section.

(12) In this section –

“freeze” has the same meaning as in section 19U;

“responsible licensee” means the licensee for whom, as agent, a fundholder holds any wagering funds of a registered player.

Power to withhold prize

19W. (1) A licensee may withhold a payment in an exchange bet if –

- (a) the licensee has reasonable grounds for believing that the result of the exchange bet has been affected by an illegal activity or malfunction of equipment; or
- (b) the outcome of the exchange bet is disputed.

(2) If a licensee withholds a payment under this section, the licensee —

- (a) must inform the Authority of the circumstances of the incident as soon as is reasonably practicable; and
- (b) must not conduct, or permit to be conducted, a further exchange bet if a recurrence of the illegality or malfunction is likely or, as the case may be, the dispute remains unresolved.

Penalty: Fine of 500 penalty units.

(3) On being informed under subsection (2) of the withholding of a payment, the Authority must investigate the matter and –

- (a) may take all steps, and make all inquiries, that are reasonable and appropriate; and
- (b) has the powers specified in sections 35A and 35B.

(4) After investigating the incident, the Authority may, by written notice provided to the licensee —

- (a) direct the licensee to pay the prize; or
- (b) confirm the licensee's decision to withhold the prize, but direct the licensee to refund amounts wagered.

(5) The licensee must comply with a direction under subsection (4).

Penalty: Fine of 500 penalty units.

PART 3 — BETTING OPERATIONS

Prohibited bets

20. (1) A licensee who is –

- (a) a licensed bookmaker; or
- (b) a licensed betting exchange,

must not accept a bet or an exchange bet involving —

- (c) a person under the age of 18 years; or
- (d) a close associate of the licensee.

(2) a person must not –

- (a) bet with the licensee who is a licensed bookmaker; or
- (b) make an exchange bet with the licensee of a betting exchange

if that person is a close associate of the licensee.

(3) A person, whether or not a licensee under this Act, must not make or be concerned in any wager or bet on the outcome of an election in Norfolk Island, including but not limited to an election under the provisions of the *Legislative Assembly Act 1979*.

Penalty: 5 penalty units which, in respect of a licensee, may be imposed in addition to any other action or order made by the Authority.

Offences by bettors

21. (1) A close associate of a licensee in the course of the licensed operations (except in the prescribed circumstances) must not bet with a licensee.

(2) A person must not bet with a bookmaker located on Norfolk Island knowing that acceptance of the bet by the bookmaker is not authorised under this Act.

Penalty (Subsections 21(1) and 21(2)): 100 penalty units.

Suitability of licensee and close associates

22. (1) A licensee must —

(a) notify the Authority of —

(i) any material change in respect of itself; or

(ii) any material change in respect of a close associate of the licensee of which it is aware or could reasonably be expected to be aware; and

(b) comply with a notice issued by the Authority requiring the licensee to take, or ensure that a close associate of the licensee takes, specified action in respect of the material change within —

(i) 7 days (for a notice requiring a licensee to take action in respect of a material change referred to in paragraph 22(3)(b) or 22(3)(e)); or

(ii) 28 days (for any other notice requiring action in respect of the licensee); or

(iii) 45 days (for a notice requiring action in respect of a close associate of the licensee),

or the longer period set out in the notice.

(2) If —

(a) a material change occurs in respect of a licensee; and

(b) the material change cannot be rectified,

the Authority may take action against the licensee as if a statutory default had occurred in respect of the licensee.

(3) In this section —

“material change” means —

(a) a change in, or addition to, the licensee’s close associates; or

(b) a change in, or addition to, the directors or executive officers of the licensee or a close associate of the licensee; or

(c) any act or default (whether by the licensee or by another person) that might reasonably give rise to a negative implication in respect

of the character, reputation or financial background of the licensee or a close associate of the licensee; or

- (d) a reduction in the licensee's financial resources; or
- (e) any act or default (whether by the licensee or a person engaged by the licensee) that might reasonably give rise to a negative implication in respect of the ability of the licensee, or a person engaged by the licensee for that purpose, to manage a part of the licensee's licensed operations.

Approval of systems

23. (1) A licensee must not conduct the licensee's licensed operations unless the Authority has approved in writing —

- (a) betting systems and procedures; and
- (b) systems and procedures for surveillance and security; and
- (c) systems and procedures for internal management and control; and
- (d) systems and procedures for transferring and accounting for money; and
- (e) other systems and procedures that the Authority determines to be subject to this section,

in respect of the licensed operations.

(2) The licensee must conduct the licensee's licensed operations in accordance with the systems and procedures approved by the Authority in respect of those licensed operations.

Approval of betting equipment

24. (1) A licensee must obtain the Authority's approval for each item of betting equipment used by the licensee in the licensee's licensed operations.

(2) A licensee must not install, use, modify, decommission, remove or destroy any betting equipment without the approval of the Authority.

(3) The Authority may approve equipment, or equipment of a class, as equipment in respect of which a licensee is not required to comply with this section.

Directions

25. (1) The Authority may, by written notice, give a direction to the licensee about the management, supervision or control of any aspect of the licensee's licensed operations.

(2) A licensee must ensure that any direction given under this section is diligently complied with.

Records

26. (1) A licensee must, if required by the Authority, provide the Authority with —

- (a) a continuous record of the licensee's licensed operations; or
- (b) any information about a person placing a bet or involved in an exchange bet with the licensee,

in the form, and containing the information, specified by the Authority.

(2) This section will not be taken to limit any other obligation imposed on the licensee in respect of provision of records by or under this Act or a licence.

Audit

- 27. (1)** A licensee must —
- (a) comply with any request by the Authority that the licensee have its accounts audited by a registered auditor; and
 - (b) promptly provide the Authority with a copy of the audited accounts.
- (2)** An auditor referred to in paragraph 27(1)(a) must —
- (a) notify the Authority of any suspected irregularity in the accounts of a licensee; and
 - (b) provide the Authority with any information in relation to the accounts of a licensee requested by the Authority in writing in the manner and form specified in the request.

Penalty (Subsection 27(2)): 100 penalty units.

- (3)** A communication under subsection 27(2) is absolutely privileged.

Evasion of duty

- 28.** A licensee must not —
- (a) evade the payment of duty; or
 - (b) make a false or misleading statement or return relevant to the amount of duty payable knowing it to be false or misleading.

Penalty: 1,000 penalty units.

Assessment of duty

29. (1) If the Minister is unable to adequately assess the duty payable by a licensee because the licensee —

- (a) has failed to comply with section 28; or
- (b) has failed to maintain accounts or other records that the licensee is required to maintain by or under this Act or a licence; or
- (c) has failed to provide any information that the licensee is required to provide by or under this Act or a licence,

the Minister may, within 4 years after that failure, estimate the duty that should have been paid by the licensee and reassess duty on the basis of that estimate.

(2) A licensee must pay an amount of reassessed duty to the Administration within the time specified in the reassessment.

PART 4 — DEFAULT PROVISIONS**Statutory default**

30. A statutory default occurs in respect of a licensee if the licensee contravenes or fails to comply with an obligation imposed by or under —

- (a) this Act, or the *Gaming Supervision Act 1998*, in respect of the licensee's licensed operations; or
- (b) the licence.

Effect of criminal proceedings

31. (1) Subject to subsection 31(2), the Authority may exercise its powers under this Part in relation to a statutory default whether or not criminal proceedings have been or are to be taken in relation to the statutory default and even though a penalty may have been imposed in relation to the default.

(2) The Authority may in imposing a fine take into account any fine that has already been imposed in criminal proceedings.

Compliance notice

32. (1) If a statutory default occurs in respect of a licensee, the Authority may give a written notice (a “**compliance notice**”) to the licensee specifying the default and requiring the licensee to take specified action, within a period specified in the notice, to remedy the default or to ensure against repetition of the default.

(2) If the licensee fails to take the specified action within the time allowed in the notice, the licensee is guilty of an offence.

Penalty (Subsection 32(2)): 1,000 penalty units.

Expiation notice

33. (1) If a statutory default occurs in respect of a licence, the Authority may give written notice (an “**expiation notice**”) to the licensee specifying the default and informing the licensee that disciplinary action may be avoided by payment of a specified sum not exceeding \$100,000 within a period specified in the notice.

(2) If the specified amount is paid within a period specified in the notice, no disciplinary action may be taken under this Act in relation to the default nor may criminal proceedings be taken in relation to the default.

Disciplinary action

34. (1) If a statutory default occurs in respect of a licensee, the Authority may give written notice to the licensee —

- (a) specifying the default; and
- (b) requiring the licensee to show cause, within a period of not less than 14 days specified in the notice, why disciplinary action should not be taken against the licensee.

(2) After considering any submissions made by the licensee, the Authority may, by written order —

- (a) censure the licensee; or
- (b) impose a fine of up to \$100,000 on the licensee; or
- (c) vary a condition of any licence held by the licensee; or
- (d) suspend any licence in respect of which the statutory default occurred for a specified or unlimited period; or
- (e) revoke any licence in respect of which the statutory default occurred.

(3) Disciplinary action takes effect on the date on which the order is served on the licensee.

(4) If the Authority suspends the licence, the Authority may at any time terminate that suspension.

(5) A fine imposed under this section may be recovered as a debt due to the Administration.

(6) If a statutory default occurs in respect of a licensee by reason of a continuing act or omission the Authority may, in addition to any disciplinary action that it is entitled to take under this section —

- (a) by written order impose a fine of up to \$20,000 for each day (other than the first day) during which the act or omission continues; and

- (b) if the act or omission continues after the Authority has taken disciplinary action, by written order take any action that it is entitled to take under subsection 34(2) and, in addition, impose a fine of up to \$20,000 for each subsequent day (other than the first subsequent day) during which the act or omission continues.

Investigation of complaints

35. The Authority must arrange for an authorised officer to investigate each complaint (other than a complaint that is, in the opinion of the Authority, petty, frivolous or vexatious) made to the Authority about a licensee's licensed operations and the authorised officer must report the result of that investigation to the Authority in writing.

Investigation of licence holders

35A. (1) At any time, the Authority may investigate a licensee.

(2) In an investigation, the Authority may take all steps and make all inquiries that are reasonable and appropriate.

(3) In an investigation, the Authority may require any one or more of the following persons to allow the taking of his or her photograph, palm prints and fingerprints:

- (a) the licensee;
- (b) a director, chief executive officer or other person concerned in the management of the licensed operations of the licensee;
- (c) any other person the Authority considers relevant.

(4) The Authority may refer any photograph, palm prints and fingerprints taken under subsection (3) and any other matter the Authority considers relevant to a law enforcement agency.

(5) The law enforcement agency must inquire into and report to the Authority on any matters referred under subsection (4).

(6) In an investigation, the Authority by notice in writing may require the licensee, or any person whose association with the licensee is in the opinion of the Authority relevant to whether the licensee continues to be a suitable person to hold a licence, to do any one or more of the following:

- (a) to provide, in accordance with specified directions, any specified information that the Authority considers relevant to the investigation of the licensee;
- (b) to produce, in accordance with specified directions, any specified records that the Authority considers relevant to the investigation of the licensee and to permit examination of the records, the taking of extracts from them and the making of copies of them;
- (c) to authorise a person described in the notice to comply with a specified requirement of the kind referred to in paragraph (a) or (b);
- (d) to provide to the Authority any authorities and consents that the Authority directs for the purpose of enabling the Authority to obtain information (including financial and other confidential information) concerning the licensee and the licensee's associates from other persons.

(7) In subsection (6)—

“specified” means specified in the notice referred to in that subsection.

(8) A person must not fail to comply with a requirement made under subsection (3) or (6) without reasonable excuse.

Penalty: Fine of 250 penalty units.

(9) A person does not commit an offence against subsection (8) if the failure to comply with a requirement is a failure to provide any information or document and that information or document is not relevant to the investigation.

(10) The Authority may take a failure to comply with a requirement made under subsection (3) or (6) to be sufficient evidence that the licensee is no longer a suitable person to hold the relevant licence.

(11) An investigation under this section may be combined with an investigation under section 35B.

Investigation into associate or other person

35B. (1) The Authority may investigate a close associate of a licensee.

(2) Section 35A (3), (4), (5), (6), (7), (8) and (9) applies to an investigation under this section as if the person being investigated were the licensee.

(3) The Authority may take a failure to comply with a requirement made under section 35A (3) or (6) as applied by this section to be sufficient evidence that the person being investigated is not, or is no longer, a suitable person to be a close associate of a licensee or to have a business association with a close associate of such a licensee.

(4) If the Authority determines on investigation that a person is not, or is no longer, a suitable person to be a close associate of a licensee or to have a business association with a close associate of such a licensee, the Authority by written notice may require the holder, within the period specified in the notice, to –

- (a) terminate the association with the close associate; or
- (b) require the close associate to break off its business association with the person considered unsuitable within 21 days after the close associate receives the requirement.

(5) If the close associate does not break off its business association within the 21 day period as required by a licensee under subsection (4)(b), the licensee must terminate the licensee's association with the close associate within a further period of 21 days.

(6) If a licensee is required to terminate an association with a close associate under subsection (5) and does not do so within the period specified in that subsection, the Authority may –

- (a) take action under section 34; or
- (b) cancel the prescribed licence by notice provided to the licensee.

(7) The cancellation of a licence under subsection (6) takes effect on the day the licensee receives the notice provided under that subsection or on a later day specified in that notice and the prescribed licence is of no effect if it has been cancelled.

(8) The Authority may at any time withdraw or amend a notice it has given under paragraph (6)(a).

(9) An investigation under this section may be combined with an investigation under section 35A.

PART 5 — MISCELLANEOUS

Rules for sports betting

36. (1) The Authority may, by instrument, approve, determine, or vary rules for betting in regard to a race, a sports betting event or an exchange event.

(2) Rules for sports betting may include rules relating to the following —

- (a) minimum bets; or
- (b) methods of betting; or
- (c) requirements for the giving of security by backers for long-term bets; or
- (d) requirements for record keeping by sports betting licensees; or
- (e) audit requirements for sports betting licensees; or
- (f) any other prescribed matter,

and may impose different requirements for different sports betting events.

(2A) Rules for betting in relation to exchange betting may include rules relating to the following —

- (a) minimum exchange bets; or
- (b) commission taken by a betting exchange to validate and facilitate the offering and the acceptance of an exchange bet;
- (c) methods of exchange betting; or
- (d) requirements for the giving of security by backers for long-term exchange bets; or
- (e) requirements for record keeping by exchange betting licensees; or
- (f) audit requirements for exchange betting licensees; or
- (g) any other prescribed matter.

and may impose different requirements for different exchange bets.

(3) A licensee must comply with rules made in accordance with subsection (1).

Interference with approved systems or equipment or records

37. (1) A person must not interfere with —

- (a) an approved system or betting equipment; or
- (b) a record maintained in respect of licensed operations,

with the intention of gaining a benefit for himself, herself or another.

Penalty: 1,000 penalty units.

(2) A court that finds a person guilty of an offence under subsection 37(1) may, in addition to any penalty imposed under subsection 37(1), order that any proceeds arising to that person or another person in the commission of that offence are forfeited to the Administration.

Mortgages, charges or encumbrances

38. (1) A licensee cannot mortgage, charge or encumber any of the following assets without the approval of the Authority —

- (a) a licence; or
- (b) business assets associated with the licensee's licensed operations.

(2) The Authority's approval under subsection 38(1) may be conditional on —

- (a) a licensee entering into a prior mortgage, charge or encumbrance over the licence or business assets in favour of the Administration in a form approved by the Authority; or
- (b) any other condition imposed by the Authority.

Appointment of manager if licence suspended, revoked or surrendered

39. (1) The Authority may appoint an official manager of the business conducted under a licence that is suspended, revoked or surrendered.

(2) The official manager —

- (a) may assume control of the business conducted under the former licence; and
- (b) is entitled to possession and control of the property of the former licensee used for the purposes of the business conducted under the former licence; and
- (c) is, while the appointment continues in force, taken to be the holder of a licence on conditions determined by the Authority.

(3) Any proceeds of the business while under official management are to be applied as follows —

- (a) first, a reasonable rental for the former licensee's property is to be paid out of the proceeds to the former licensee while the property remains in the official manager's possession; and
- (b) secondly, the proceeds are to be applied towards the costs of the official management (including the official manager's remuneration); and
- (c) thirdly, any remaining balance is to be paid into the Public Account of Norfolk Island.

(4) The Regulations may confer powers and impose duties on official managers and regulate official management in other ways.

Powers of authorised officers

40. (1) An authorised officer may, in the performance of the authorised officer's functions —

- (a) inspect, examine or test betting equipment; or
- (b) require a person to produce, or answer questions about, betting equipment; or
- (c) enter any premises used by the licensee in the licensee's licensed operations and seize —
 - (i) any betting equipment; or

- (ii) any equipment or other item, or any books, papers or documents,

on those premises that the authorised officer considers will afford evidence of the commission of an offence; or

- (d) exercise any other prescribed power.

(2) An authorised officer may exercise the powers contained in this section in addition to any powers given to the authorised officer under the *Gaming Supervision Act 1998*.

Restriction on employment of persons

41. A licensee, an applicant for a licence, or a close associate of a licensee or applicant for a licence must not employ or otherwise engage —

- (a) a member of the Authority, the Director of Gaming, the Deputy Director of Gaming, or an authorised officer; or
- (b) a person who, was, within the last 2 years, a member of the Authority, the Director of Gaming, the Deputy Director of Gaming, or an authorised officer,

and a member of the Authority, the Director of Gaming, the Deputy Director of Gaming, or an authorised officer must not be so employed or engaged.

Penalty: 100 penalty units.

Right to be heard

42. Except as expressly provided in this Act, a person has no right —

- (a) to be heard in respect of the making of a decision; or
- (b) to appeal against the making of a decision,

under this Act or a licence, or the *Gaming Supervision Act 1998* in respect of this Act or a licence.

Review of decision of Director

43. An appeal lies to the Authority against any decision of the Director and the Authority may confirm, vary, revoke or reverse a decision of the Director on appeal.

Review of decision of Authority

44. (1) An appeal lies to the Supreme Court against a decision by the Authority to take disciplinary action against a licensee.

(2) An appeal lies, by leave of the Supreme Court, against a decision of the Authority on a question of law.

Reasons for decision

45. (1) A person may require the maker of a decision that the person is entitled to appeal under this Act to provide the person with a written statement of the decision maker's reasons for making that decision.

(2) A decision maker is not otherwise required to provide reasons for the making of a decision.

Exercise of powers

46. (1) The Authority may only issue, vary, or approve the transfer or suspension of, a licence in writing executed on behalf of the Authority.

(2) A power to issue an approval, authorisation, direction or to make any other decision under this Act —

- (a) includes the power to vary or revoke that approval, authorisation, direction or decision; or
- (b) where the power applies in respect of a matter, includes the power to deal with certain aspects of the matter or to deal differently with different aspects of the matter.

Information gathering for law enforcement purposes

47. (1) For the purpose of obtaining information that may be of assistance to a law enforcement agency, the Authority may direct a licensee in writing to provide the Authority with information concerning the licensee's licensed operations.

(2) A direction under subsection 47(1) must specify —

- (a) the information, or class of information, that the licensee is required to provide; and
- (b) the manner in which the information is to be provided.

(3) A licensee must comply with a direction made under subsection 47(1).

(4) The Authority may make information obtained under this section available to any law enforcement agency.

Reports

48. (1) The Authority must, as soon as practicable after the first day of January and the first day of July in each year, provide the Minister with a report relating to its activities in the previous 6 months.

(2) A report under subsection 48(1) must contain —

- (a) details of any statutory defaults occurring during the reporting period; and
- (b) details of any disciplinary action taken by the Authority,

and may contain any observations or recommendations in relation to the operation of the Act that the Authority wishes to make.

(3) The Authority must provide the Minister with any information or reports requested by the Minister.

(4) The Minister must table a copy of any report received under subsection (1) at the next sitting of the Legislative Assembly following its receipt.

Continuing offences

49. A person who commits an offence against a provision of this Act by reason of a continuing act or omission —

- (a) is liable to the penalty otherwise applicable to the offence and, in addition, to a penalty for each day during which the act or omission continues of not more than an amount equal to one-fifth the maximum penalty prescribed for that offence; and
- (b) if the act or omission continues after the person is convicted of the offence, is guilty of a further offence against that provision and is liable, in addition to the penalty otherwise applicable to the further offence, to a penalty for each day during which the act of omission

continues after that conviction of not more than an amount equal to one-fifth of the maximum penalty prescribed for that offence.

Forfeiture

50. A court that finds a person guilty of an offence under this Act may order that any betting equipment or other item used, or intended to be used, by the person in the commission of the offence is forfeited to the Administration.

Regulations

51. (1) The Administrator may make Regulations, not inconsistent with this Act, prescribing matters —

- (a) required or permitted by this Act to be prescribed; or
- (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act,

including Regulations —

- (c) providing for the payment of duty; or
- (d) dealing with interest and penalties to be paid for late payment or non-payment of duty; or
- (e) providing for the vetting and approval, or regulation, of persons, or persons of a class —
 - (i) employed or engaged in licensed operations; or
 - (ii) contracting with licensees for the supply of goods or services for use in licensed operations,

and for the rights of such persons to seek review of decisions made in respect of approvals; or

- (f) requiring licensees to employ, engage or contract with approved persons; or
- (g) restricting the use by licensees of information about backers or about persons involved in an exchange bet; or
- (h) prescribing the manner in which a licensee is required to identify a backer and the backer's age or identify a person involved in an exchange bet and the person's age; or
- (i) prescribing the manner and time in which appeals may be instituted and other procedures in respect of appeals; or
- (j) prescribing the means for service of notices or other communications.
- (k) exempting persons approved by the Minister from compliance with specified provisions of this Act in respect of the taking of bets on a specified race or event held on Norfolk Island from a natural person situated on Norfolk Island.

(2) The Regulations may prescribe penalties not exceeding 50 penalty units for a contravention of the Regulations.

NOTES

The *Bookmakers and Betting Exchange Act 1998* as shown in this consolidation comprises Act No. 13 of 1998 and amendments as indicated in the Tables below.

Enactment	Number and year	Date of commencement	Application saving or transitional provision
<i>Bookmakers Act 1998</i>	13, 1998	ss 1, 2 30.6.98 remainder 7.1.99	
<i>Bookmakers Amendment Act 1999</i>	19, 1999	30.9.99	
<i>Bookmakers Amendment (No. 3) Act 1999</i>	25, 1999	30.12.99	
<i>Bookmakers Amendment Act 2000</i>	19, 2000	23.11.00	
<i>Bookmakers (Betting Exchange) Amendment Act 2006</i>	23, 2006	10.11.2006	
<i>[Previously consolidated as at 24 July 2007]</i>			
<i>Interpretation (Amendment) Act 2012</i> <i>[to substitute throughout — Commonwealth Minister for Minister; and to substitute Minister for executive member]</i>	14, 2012	28.12.12	
<i>[Previously consolidated as at 8 November 2013]</i>			

Ordinance	FRLI registration	Commencement	Application, saving and transitional provision
Norfolk Island Continued Laws Amendment Ordinance 2015 (No. 2, 2015)	17 June 2015 (F2015L00835)	Sch 1 (items 23, 24, 344, 345): 18 June 2015 (s 2(1) item 1)	Sch 1 (items 344, 345)

Table of Amendments

ad = added or
inserted

am = amended

rep = repealed

rs = repealed and
substituted

Provisions affected	How affected	
1	am	23, 2006
4	am	23, 1999; 19, 2000; 23, 2006; Ord No 2, 2015
6	am	19, 2000
7	am	19, 1999
10	am	19, 1999
14	am	14, 2012
16	am	14, 2012
18	am	14, 2012
14A	ad	23, 2006
19	am	14, 2012; Ord No 2, 2015
19A	ad	23, 2006
19B	ad	23, 2006
19C	ad	23, 2006
19D	ad	23, 2006
19E	ad	23, 2006
19F	ad	23, 2006
19G	ad	23, 2006
19H	ad	23, 2006
19J	ad	23, 2006
19K	ad	23, 2006
19L	ad	23, 2006
19M	ad	23, 2006
19N	ad	23, 2006
19O	ad	23, 2006
19P	ad	23, 2006
19Q	ad	23, 2006
19R	ad	23, 2006
19S	ad	23, 2006
19T	ad	23, 2006
19U	ad	23, 2006
19V	ad	23, 2006
19W	ad	23, 2006
20	am	19, 1999; 19, 2000; 23, 2006
24	am	23, 2006
26	am	23, 2006
29	am	14, 2012
35A	ad	23, 2006
35B	ad	23, 2006
36	am	23, 2006
37	am	23, 2006
40	am	23, 2006
41	am	19, 1999
48	am	14, 2012
50	am	23, 2006
51	am	19, 1999; 23, 2006; 14, 2012