



**Northern Ireland
Assembly**

COMMITTEE FOR COMMUNITIES

Please use this form to submit written submissions in relation to the Licensing and Registration of Clubs (Amendment) Bill. Return to committee.communities@niassembly.gov.uk by Wednesday 19 October 2016.

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Organisation: (if applicable) Northern Ireland Turf Guardians Association
(Bookmakers)

Date: 19 October 2016

(where possible, please structure your response to the specific clauses of the Bill and, if appropriate, suggest alternative or additional wording to clauses, which may assist the Committee's consideration of the need for any amendments to the Bill)

1.1 The Northern Ireland Turf Guardians Association

The Northern Ireland Turf Guardians Association (NITGA) represents the interests of bookmakers in Northern Ireland. The Association's membership extends to nearly ninety percent of the industry, and includes large national operators, medium-sized regional chains, small independents and single shop operators, which between them operate more than 300 betting shops and employ around 1,500 local people. In 2011, it was estimated that the economic value this employment to the economy in Northern Ireland was worth an estimated £29 million per annum (PWC, 2011).

NITGA's primary objective in providing written evidence to the Committee, is to

draw attention to the growth of illegal gambling, and to seek a legislative remedy to help effectively contain its current escalation. We believe that the introduction of the Licensing and Registration of Clubs (Amendment) Bill provides such an opportunity. Specifically, NITGA seek to argue that 'illegal gambling' should be included in Schedule 10A (penalty points for offences punishable with level 3 fine). Presently, the Amendment Bill proposed to make a number of changes to current liquor licensing law, however this does not include provision that would allow for penalty points to be endorsed on a liquor licence following an offence under the 1985 Act.

1.2 Current Regulation of Gambling in Northern Ireland

Gambling is currently regulated by The Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985. This legislation has served the industry and protected the public to a point, it must be acknowledged that its provision is now outdated, and lags behind provision in the rest of the UK (Gambling Act 2005) and the Republic of Ireland (Gaming and Control Bill 2013). The 1985 Order fails to take account of constantly evolving social trends and new developments in the industry, which are largely a result of technological developments in the last thirty years.

Gambling is now widely perceived as an acceptable and legitimate adult pursuit and licensed bookmakers provide an excellent service, providing employment and contributing to local communities. Crucially, they offer a safe and regulated environment in which to bet. Our industry follows and promotes responsible codes of practice (which deal with issues such as dealing with indicators of problem gambling, self-exclusion procedures and 'Think21', ensuring the maintenance of a strict 18 and over environment), which have been developed to champion fairness and to, as far as possible, protect vulnerable members of the community. Furthermore, NITGA members commit to providing a substantial contribution to support the work of Dunlewey Addiction Services, as we acknowledge the unique expertise that they have in supporting individuals to address gambling addiction – in short, we take our commitment to social responsibility very seriously.

A serious, and direct consequence of the legislature's failure to introduce up to date legislation has been the growth and prevalence of illegal operators who are able to carry-out illegal activity within the unregulated vacuum that has been created. The impact of this current situation is two-fold – firstly, customers are directly exposed to criminality, in an unregulated environment, that ultimately exploits vulnerable people. Secondly, the sustainability of the business of law abiding bookmakers is increasingly under threat. NITGA, has been working hard to communicate the fact, that the only premises that can accept bets are licensed betting shops, however in reality, without the presence of legislative deterrents/penalties and effective enforcement this illegal practice will only grow.

2.0 Illegal Gambling in Northern Ireland

Illegal gambling has been an issue that NITGA has been outlining for over twenty years, and have consistently made appeals to government officials to provide a more robust legislative solution and improved enforcement. The current legislation categorically fails to provide disciplinary conditions which would serve to dissuade individuals from operating illegally. NITGA has found that such activity often takes place in public houses.

2.1 Common Forms of Illegal Gambling in Licensed Premises

NITGA has identified four of the most common illegal gambling scenarios:

1. A publican lays his own book behind the bar and takes bets from customers, paying out winnings as required.
2. A bookmaker situates an agent in a pub/club to take bets and pays the landlord/owner of the premise an illegal fee for doing so.
3. A publican uses bookmaking slips from a local bookmaker/or other third party, and telephones the bets through for the customer.
4. The newest, and arguably the most damaging threat, takes the form of licensed bookmakers (from Northern Ireland and the Republic of Ireland), installing large 'betting screens' in premises licensed for alcohol

consumption, free of charge. The screens display nothing other than betting odds and contact information for the bookmaker who installed it. It is commonplace, for the bookmaker to offer the publican commission for accepting bets over the bar. We cannot overstate the potential damage of this development on our industry and society. Bookmakers (who are not NITGA members) are exploiting the lax legislative framework, and are quickly creating harmful environments which facilitate the consumption of alcohol alongside gambling – two industries that have traditionally been kept separate in the UK, reflecting the common consensus that the social cost of having betting shops within pubs is extremely high.

Australia provides a key example – where many pubs include betting shops. Therefore, it comes as no surprise that Australia has been recorded as being the world’s biggest gamblers (H2 Gambling Capital, 2014), with each adult losing on average \$1380 per year. If the installation of betting screens continues at its current rate in Northern Ireland, there could be serious consequences for the licensed bookmaking industry.

NITGA contend that legislative restrictions are required immediately to curb the growth of this dangerous practice. Indeed, if bookmakers begin to sell alcohol on their premises, we are certain that action would be taken very quickly.

3.0 Aggravating Factors for Illegal Gambling in Northern Ireland

There are a number of factors that aggravate the problem of illegal gambling in Northern Ireland. Broadly, it is due to an outdated legislative provision and the distinct issues around enforcement of the law.

3.1 Restricted Opening Hours

We contend that a primary reason for the prevalence of illegal gambling, is the restricted opening hours that operate in Northern Ireland (prohibition of Sunday

opening). A 2009 report compiled by PWC estimated that £4.2 million per year goes to the illegal gambling industry – a figure that has undoubtedly increased, in the context of the new forms of illegal gambling that have emerged (as will be discussed below). As NITGA outlined in its 2011 submission to the Department of Social Development, we support a “licensing regime which appropriately enables all forms of gambling required by customer preference and ensures that consumer requirements are fully met by legitimate licensed operators”. Moreover, we believe that this makes good fiscal sense as it would effectively eradicate any incentive for customers to use illegal outlets because of restricted choice.

3.2 Enforcement Challenges

NITGA have a long history of engagement with the Police Service of Northern Ireland in regard to enforcement of the law around illegal gambling. According to a Freedom of Information request, NITGA found that the PSNI had revealed that a total of fifteen individuals were charged or reported for an illegal gambling offence, in the period 2007-2015, and as far as we are aware there has been no resultant prosecutions.

Currently, under the Licensing (Northern Ireland) Order 1996 a court may suspend a liquor licence for a period of between 1 week and 3 months on conviction of an offence under the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985. It may be argued that this current provision provides an adequate deterrent to transgressing publican/landlord. However, as noted above – there is yet to be a successful prosecution case of an individual publican/landlord for this breach. As you may be aware, the test that is applied in deciding whether or not a prosecution may be brought is stringent, and it has proven extremely difficult to meet. The prosecution must first decide whether there is sufficient evidence to give rise to a reasonable prospect of conviction on any charge, and secondly the prosecutor must then decide whether it is in the public interest to bring a prosecution. In regards to the first condition – the provision of sufficient evidence – the only full-proof way of meeting it, is via an undercover operation, which usually

involves the participation of undercover police officers. Achieving a sanction to proceed with such an operation is extremely difficult due to the excessive cost and training requirements involved, and therefore it is seldom granted. In regards to the second prosecution condition, illegal gambling is generally perceived as a 'victimless crime' as there are no resultant, obvious physical harms, therefore it is less likely to be in the public interest to secure a prosecution. NITGA strongly disagree, as we have outlined above, illegal gambling is currently inflicting severe social harms in Northern Ireland, and it is growing rapidly, due to the relative absence of effective deterrents.

The PSNI have emphasised to NITGA, that its current resources are severely stretched, and in the context of operating in a post-conflict environment, it simply does not have the capacity to seriously clamp down on illegal gambling.

3.3 Ineffective Penalties

NITGA strongly believe, that the only deterrent that would restrict the growth of illegal gambling is legislating for the possibility that a publican/landlord/illegal bookmaker may lose his license if found to be aiding and abetting illegal gambling in his/her premises. It is on this basis that we are requesting that the offence be included in Schedule 10A (penalty points for offences). At present, a publican/illegal bookmaker who is found to be accommodating illegal gambling is most likely to receive a caution from the police – this is not proving to be an effective deterrent. Individuals who have been cautioned often quickly resume illegal activity, as the lucrative (tax free) benefits outweigh the consequences.

3.4 Illegal gambling and Other Forms of Criminality

As highlighted recently, in certain areas there is a clear link between illegal gambling and paramilitary groupings using this to raise money for illegal purposes. This came about in the aftermath of a raid in Belfast and Lisburn (in May 2015), and effectively acknowledged the link between illegal gambling and other forms of criminality in Northern Ireland. Following this raid where the police seized £200,000 in cash, along

with illegal machines and two roulette tables, they stated that its efforts are part of a 'clampdown on illegal gambling' – NITGA were pleased to learn about such successful operations (a similar high profile operation took place in March 2016.) However, we maintain the PSNI have adopted a somewhat piecemeal approach, as there has been no evidence of a clamp down on illegal activity carried out in premises which serve alcohol.

4.0 Time to take Action

A policy objective stated in the Explanatory notes reads "this Bill is to build on measures in the current law to address concerns about excessive consumption of alcohol". NITGA contends that this aim appropriately extends to addressing the problem of currently being able to place bets, under the excessive influence of alcohol. It is in this context that NITGA wish to reiterate, that in the absence of modernised gambling legislation and effective enforcement mechanisms, that the Licensing and Registration of Clubs (Amendment) Bill offers a clear opportunity to provide the PSNI with an effective enforcement tool which has the potential to tackle the growing problem of illegal gambling.

Finally, NITGA wish to be considered to provide oral evidence to the Committee, as we believe that this will provide an opportunity to properly discuss the issues that have been outlined above.

We'd like to take this opportunity to thank the members of the Committee, for taking the time to read this written submission.

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