



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Betting, Gaming, Lotteries and
Amusements (Amendment) Bill:
Northern Ireland On-Course
Bookmakers Association

9 December 2021

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Members present for all or part of the proceedings:

Ms Kellie Armstrong (Deputy Chairperson)
Mr Stephen Dunne
Mr Mark Durkan
Ms Ciara Ferguson
Mr Paul Frew
Ms Aine Murphy
Miss Aisling Reilly

Witnesses:

Mr Gerry Donnelly	Northern Ireland On-Course Bookmakers Association
Mr Brian Graham	Northern Ireland On-Course Bookmakers Association

The Deputy Chairperson (Ms Armstrong): I welcome Brian Graham and Gerry Donnelly from Northern Ireland On-Course Bookmakers Association (NIOCBA). Thank you very much for coming along today, gentlemen. Gerry, will you begin your briefing?

Mr Gerry Donnelly (Northern Ireland On-Course Bookmakers Association): I am chairman of the Northern Ireland On-Course Bookmakers Association. With me today is the vice-chairman, Brian Graham. Thank you very much for the opportunity to address the Committee.

NIOCBA is the representative body that supports about 60 on-course bookmakers in Northern Ireland. Northern Ireland on-course bookmakers work 22 days a year at the two Northern Ireland tracks: Downpatrick and Down Royal. NIOCBA recognises the ministerial importance of dealing with problem gambling in Northern Ireland. The Bill makes changes to the rather outdated current gambling legislation, which has not been amended as technology and social gambling habits have changed over the years.

There are two main indicators of problem gambling for the Committee to look at: uncontrolled spending on gambling; and spending excessive time on online betting sites, or in casinos, gaming arcades or betting shops. NIOCBA argues that the 22 days per annum that are worked by an on-course bookmaker in no way contribute to problem gambling. At each meeting, there are seven races. In all, a Northern Ireland on-course bookmaker works at about 154 races each year.

Furthermore, NIOCBA argues that, due to the generic nature of current legislation, it is unreasonable that an on-course bookmaker should have the same annual licence cost as a bookmaker's office that can trade from 10.00 am to 10.00 pm on 312 days of the year.

In addition, an individual who takes bets on betting exchanges is unlicensed, pays nothing and can operate from the comfort of their house and armchair. Indeed, anyone with a smartphone is, in reality, walking around with a gaming arcade, a bingo hall and a bookmaker's office in their pocket, with the unaccountable freedom to gamble 24 hours a day, seven days a week. That is the reason why there has been such an explosion in problem gambling in Northern Ireland and elsewhere, and we feel that the Minister should target that, not the 60 Northern Ireland on-course bookmakers who work for only 22 days a year at the Downpatrick and Down Royal racecourses. I should also say that those 60 on-course bookmakers are a mix of retired people, butchers, bakers and candlestick makers.

We made those points in our submission to the Minister as part of the 2019 consultation. We also feel that an on-course bookmaker's licence should be required to be renewed only every three or four years, not annually, as at present. That would sort of level up the on-course bookmaker with the bookmaker's shop.

That was my brief submission. Brian and I are happy to take any questions. Brian, do you have anything to add to what I have said?

Mr Brian Graham (Northern Ireland On-Course Bookmakers Association): Gerry, you have made quite a few points. I would like to stress to the Committee that the big problem that we have, and the big problem that you have, is trying to combat problem gambling. As Gerry said, on-course bookmakers work seven events in a day, with 30 or 35 minutes between each event. That does not create an environment where problem gambling occurs or where gambling is a problem. We want to highlight those points to the Committee.

The Deputy Chairperson (Ms Armstrong): Thank you very much. I will start off the questions and then bring in other members. Your paper states that you feel strongly that an on-course bookmaking licence should, rather than the annual renewal that exists at present, cover four years. How have you come up with four years? When the Department was developing this legislation, what feedback did you get from it on your proposal for four years?

Mr Donnelly: We came up with the idea that four years would level things up. Taking out a brand-new licence is a lot more expensive, probably in the region of £1,500. Our annual renewal is around £400. If that licence could last for four years, given that we work on only 22 days of the year, that would make us a bit more level with bookmakers' offices.

The Deputy Chairperson (Ms Armstrong): Did you have any feedback from departmental officials through their consultation on this Bill?

Mr Donnelly: I spoke to one individual from the Department, whose name I will not mention. I thought that his comment was a casual one, and I hope that what he said reflected the way in which the Department is thinking. I got the impression that it may be looking at three years, which would be acceptable.

The Deputy Chairperson (Ms Armstrong): Thank you so much. I have a couple more questions before I bring other members in. You said that, because you operate for 22 days, and there is a maximum of seven races a day on those days, you do not feel that on-course bookmaking contributes to problem gambling. Given the amount of money that people could lose at a racetrack on one of those days, what are your thoughts on that? I can see where the Minister is coming from, including with you, but what is your experience on the ground?

Mr Donnelly: Not only do those meetings tend to be social occasions rather than hard-betting occasions but, with the advent of betting exchanges, the on-course bookmaker has seen his revenue drop dramatically over the last 10 years. In fact, it is not unusual to see someone at the races using their smartphone to bet outside Northern Ireland with a betting exchange or offshore company. I can honestly tell you that the turnover of an on-course bookmaker has fallen into a hole. In fact, when I say that there are 60 on-course bookmakers, that number is dwindling pretty fast, and it will be interesting to see what happens in the future. It would not surprise me if that figure were to halve in the next five years.

The Deputy Chairperson (Ms Armstrong): OK, thank you.

Mr Frew: Thanks very much for your presentation. I get your argument around the 22 days and having to register every year. Are many on-course bookmakers also ordinary bookies in the street?

Mr Graham: I am a member of the Graham family who run the Sean Graham business. I believe that we are the only bookmaker in Northern Ireland still operating starting price (SP) shops and working on racetracks. We do not have an online business, so we do not have an overlap there. We have only shops and the on-course business.

Mr Frew: I just want to be clear: you are the only business, you think, that has an overlap between on-course bookmaking and the high street?

Mr Graham: Yes. We are the only one. Members of the Eastwood family who work at the racecourse are no longer involved in the SP side of things. The O'Hare family from Newry were SP bookmakers, but all their shops have been bought over by multiples over the years. I believe that Sean Graham is the only high street firm that also still operates at Down Royal and Downpatrick.

Mr Frew: Do you have to register each element of your business separately?

Mr Graham: No, we do not, Paul. I have to apply every year for a betting licence for on-course bookmaking, and the company applies for a licence for the betting shops. So, in theory, there are two distinct licences. In the South of Ireland, we still have to apply for a licence yearly. Horse Racing Ireland has to grant us a permit, and that permit, over the last number of years, has been extended from one year to two. In the case of operating for 22 days a year, and given the administration that applying for a licence involves, it would surely make sense to have that period extended, even to two or three years.

Mr Frew: Yes, to be fair, I get that rationale. I also get your point about the social side of on-course gambling compared with what we perceive as problem gambling. I think that people go out for the day and have a set limit on how much they are prepared to spend, or lose, depending on how you look at it. If they stick to that, they have an enjoyable day, enjoy the races, and it is more of an occasion than a gambling issue.

I have experience of on-course bookmaking. Have you been taking debit cards as opposed to cash?

Mr Graham: The only way in which individual bookmakers can accept a debit card at the races is if they have a debit card machine. A handful of bookmakers at the racecourse use a debit card or credit card machine. We do not accept credit cards any more, and that happened voluntarily over the last number of years.

I have a debit card machine at the races. Contrary to what is experienced by different businesses in many high street outlets, the amount of money — in our case, the percentage of bets — taken through a debit card machine is probably less than 2%, if even that.

Mr Frew: Yes, I understand that. You have a traditional stand at the side of the racecourse. Sometimes, in the infrastructure of the stadiums or underneath the stands, there are betting shops. Is that the case in Northern Ireland, as it is in GB?

Mr Donnelly: No. There are no shops at the racecourses in Northern Ireland.

Mr Frew: It is all in the open air. There is a name for those guys, the ones with the chalkboards. I know that it is all electronic now, but that, basically, is what I am getting at. That is all that we have in Northern Ireland?

Mr Donnelly: Yes, correct.

Mr Frew: Do you see anything on the racetrack side that is regulated excessively at present? Is there anything that you want to see freed up, or are you content with the regulations as they exist and with what is proposed in the Bill?

Mr Graham: The existing regulations do not really have an impact on the on-course bookmaker. We are allowed to work on a Sunday. This year, for example, Boxing Day is on a Sunday, and Gerry and I will be at Down Royal, whereas the shops are not allowed to open on a Sunday.

We have one issue, and Gerry mentioned it earlier. I could be standing at Down Royal, having paid fees to the racecourse and my licence fee, and somebody with a mobile phone could stand in front of me, and, because Bet365 or another online firm is offering a better price, they could place that bet on the internet, and not one penny would come back to fund Irish racing or the public finances of Northern Ireland. We are not here to say that we do not want to pay our way, or that we want anything dramatically changed, but we want online betting and betting exchanges brought into the legislation.

Mr Frew: OK. Thank you very much.

The Deputy Chairperson (Ms Armstrong): You have just answered one of my questions: how we should deal with these unlicensed betting exchange clients. You feel that they need to be brought into and dealt with in the Bill. However, we have questions about how we can do that, especially if they are located outside Northern Ireland.

Mr Donnelly: Brian has figures from 2015-16 that show that about £100 million was matched on the betting exchanges at Downpatrick and Down Royal, and not a penny of that flowed back to Northern Ireland. The figures are frightening. The on-course bookmakers do not lift a fiftieth or 100th of that in any year.

The Deputy Chairperson (Ms Armstrong): I met Down Royal, and it shared its figures with us. The figures are not for public consumption, but they were, I have to say, astronomical. I agree with you on that one.

Mr Graham: I know the figures. I carried out a study that went back to 2015 and 2016 to see how much money was bet on betting exchanges. Betting exchanges operate differently from online bookmakers, in that, if a horse is priced at 2:1, the guy who wants to back the horse puts up £10, and the guy who wants to lay it puts up the £20 if it wins. That combined amount is what is "matched". Those figures are readily available. After any race — Tramore is on today or whatever the racecourse — you can dial in to Betfair or Betdaq, the two main exchanges, and they will tell you how much has been matched on each race.

The figures for Down Royal and Downpatrick are also available to the public. The figures that show how much was bet with online bookmakers — the likes of Bet365, or William Hill, which used to have a presence in Northern Ireland but has sold its shops — are not available, and those are the companies that need to be brought into the tax net.

The Deputy Chairperson (Ms Armstrong): It certainly sounds as though it makes sense. Practically, however, we will need to delve into the Department to see how, legally, we can do that and what jurisdiction there is.

This might seem like a very simple question, but I ask it just for clarification. Clause 14 talks about the industry levy. Bear with me on this one. It states:

"This Article applies to an application"

It then refers to the different licences: a "bookmaker's licence", a "bookmaking office licence", a "bingo club", a "gaming machine certificate" and an "amusement permit". It does not mention on-course licences. Are you included in that bookmaker's licence, or is it a separate licence?

Mr Donnelly: Yes. We see that as the problem. When the legislation was being written in 1985, our predecessors should, perhaps, have changed that. In any review of the legislation and the changes to it, I would like to see on-course bookmaking having a separate line to itself.

The Deputy Chairperson (Ms Armstrong): When you apply for the licence, is it an on-course licence, or is it just a bookmaker's licence?

Mr Graham: It is just a bookmaker's licence. When we get our licence, it does not distinguish between the shop and on-course; we are a licensed bookmaker.

Mr Donnelly: That is the point that we make. On-course should be a separate part of the legislation, with, as I said, renewal lasting for three or four years, at least.

The Deputy Chairperson (Ms Armstrong): The Bill does not deal with the fees or the length of time between renewals. We can, however, certainly ask the Department about that, given that the Bill deals with the industry levy. It talks about:

"the grant or renewal of a bookmaker's licence".

I am keen to establish whether the intention is to include on-course licences or whether that will be treated as separate. We can certainly ask the Department to clarify that. As Paul said, operating for 22 days a year stands out as unusual.

Gentlemen, your presentation has certainly given us some food for thought when it comes to the Department. If we have further questions or need clarification, we will come back to you, if that is OK. That is all for today's session. Thank you very much for your time.

Mr Donnelly: Thank you very much. Certainly, do not hesitate to come back to Brian or me with any further questions.

The Deputy Chairperson (Ms Armstrong): Thank you so much.